



MOTION: KELLY

March 12, 2019
Regular Meeting
Ordinance No. 19-07

SECOND: WITHERS

RE: Designating the City as a Technology Zone and Repealing Parameters Under Which Tax Incentives Which May be Offered, and Conforming with the Authorizing Legislation in the Code of Virginia

ACTION: APPROVED: Ayes: 7; Nays: 0

IT IS HEREBY ORDAINED by the Fredericksburg City Council that Chapter 22 of the City Code is amended as follows:

SEC. I. City Code Amendment.

1. **Sec. 22-600. Technology zones ~~created~~ established.**

The Fredericksburg Technology Zone shall encompass all of the land within the corporate limits, including new territory which comes within the city limits by annexation, boundary adjustment, or otherwise.

~~The following technology zones are hereby established in accordance with Code of Virginia 1950, Title 58.1, ch. 38, as amended:~~

~~A. Route 3 Corridor Technology Zone: all of those properties adjoining U.S. Route 3 from Interstate 95 to Woodlyn Drive and all those properties adjoining Gateway Boulevard;~~

~~B. Route 1 Corridor Technology Zone: all those properties adjoining U.S. Route 1 on either side from the Rappahannock River to U.S. Route 3;~~

~~C. Downtown/Princess Anne Street Technology Zone: all that area designated as the Downtown/Princess Anne Street Corridor Tourism Zone in City Code § 22-501;~~

~~D. Uptown at Central Park Technology Zone: all that area in Central Park consisting of Tax Map Parcels 291-7-1320, 1340, 1380, 1400, 1410, 1420, and 1440;~~

~~E. The Central Park Silver Street Technology Zone: all that area in Central Park consisting of Tax Map Parcels 291-4-1211, 1221 and 291-2-1171.~~

2. **Sec. 22-601. Eligibility and incentives.**

A. The following businesses are eligible for the tax incentives and regulatory flexibility provided herein:

(1) An existing technology business that expands to create at least five new jobs or makes a new capital investment of at least \$125,000 in its property. An "existing business" is a business that was

actively engaged in the conduct of trade or business within the City prior to submission of an application for technology zone incentives.

(2) A new technology business that creates at least 10 new jobs or makes a capital investment of at least \$250,000 in its property. A "new business" is one that has not been actively engaged in the conduct of trade or business within the City prior to the submission of an application for technology zone incentives.

B. A "technology business" includes, but is not limited to, research, development, manufacture, or associated training of: applied, economic and social, physical, electronic and computer sciences; biotechnology, chemicals, computer hardware, computer security, computer software, data warehousing, electronics and circuits, energy, environmental, homeland security, information systems, internet service, internet software and data applications, manufacturing equipment, advanced materials, medical, finance related companies, multi-media production, pharmaceuticals, photonics, subassemblies and components, test and measurement, telecommunications or transportation. In no case shall the use of computers or telecommunications services by a business in its administrative operations, by itself, qualify as a technology business.

C. An eligible technology business may be awarded *tax incentives for up to ten years. The tax incentives may include, but not be limited to, (i) reduction of permit fees; (ii) reduction of user fees; (iii) and reduction of the business license tax. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and the United States. in exchange for performance through an agreement approved by the City Council in accordance with the following parameters:*

~~(1) Reduction of the annual business license tax, as follows:~~

~~(a) Years one to three: up to 100%.~~

~~(b) Years four and five: up to 50%.~~

~~(2) Performance grants through the Economic Development Authority based on tax revenue generation as follows:~~

~~(a) Business machinery and tools tax:~~

~~[1] Years one to three: up to 100%.~~

~~[2] Years four and five: up to 50%.~~

~~(b) Other business personal property taxes:~~

~~[1] Years one to two: up to 30%.~~

~~[2] Years three and four: up to 50%.~~

~~[3] Year five: up to 70%.~~

~~(3) Reduction or waiver of permit fees and/or water and sewer availability fees;~~

~~(4) The time periods for incentives established herein may be extended for up to six months to provide for the start-up of a business or expansion in mid-year.~~

D. The City Council may also provide for regulatory flexibility within the technology zones, which may include, but not be limited to: (i) special zoning, (ii) permit process reform, (iii) exemption from ordinances, and (iv) any other incentives adopted by the ordinance, which shall be binding upon the City for a period of up to 10 years.

SEC. II. Effective Date.

This amendment shall be effective immediately.

Votes:

Ayes: Greenlaw, Withers, Devine, Duffy, Frye, Graham, Kelly

Nays: None

Absent from Vote: None

Absent from Meeting: None

Approved as to form:



Kathleen Dooley, City Attorney

Clerk's Certificate

I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 19-07 duly adopted at a meeting of the City Council meeting held March 12, 2019 at which a quorum was present and voted.



Tonya B. Lacey, CMC
Clerk of Council