

Planning Commission

Regular Session Agenda

October 5, 2010

6:00 P.M.

1. Call to Order; Roll Call
2. Invocation and Pledge of Allegiance
3. Public Comments
4. Consent Agenda
 - a. Approval of Agenda Format
 - b. Approval of Minutes
 - c. Reports
5. Old Business
 - a. Technology/Tourism Zone
 - b. Group Home
 - c. Temporary Family Healthcare Structure
 - d. Modifications to Zoning Ordinance – Chesapeake Bay Preservation
6. New Business
 - a. Update on Historic District Guidelines
7. Announcements
8. Adjourn



DRAFT
PLANNING COMMISSION

Regular Meeting

Town Hall

September 7, 2010

At 6:00 p.m. in the Town Hall, Chairwoman Joan Natali, having established a quorum, called to order the Regular Meeting of the Planning Commission. In addition to Chairwoman Natali, present were Commissioners Bruce Brinkley, Ben Lewis, Dennis McCoy, Roger Munz and Michael Strub as well as Town Planner Tom Bonadeo and Town Clerk Libby Hume. Commissioner Malcolm Hayward arrived at 6:09 p.m. Mr. Chad Saunders of Bayshore Concrete was in attendance for the Connector Road discussions. Mr. Tom Gallagher of Harbor Development Group arrived at 7:25 p.m.

A moment of silence was observed followed by the Pledge of Allegiance.

Joan Natali introduced Bruce Brinkley and welcomed him to the Commission.

PUBLIC COMMENTS

There were no comments from the public nor any written comments submitted prior to the meeting.

CONSENT AGENDA

Hearing no objections, Joan Natali stated that the agenda was approved as presented by unanimous consent.

The Commissioners reviewed the minutes for the July 22, 2010 Joint Meeting with the Town Council, Planning Commission and Harbor Area Review Board and the August 3, 2010 Regular Meeting and Joint Meeting with Northampton County Planning Commission.

Hearing no objections, Joan Natali stated that the minutes for the July 22, 2010 Joint Meeting with the Town Council, Planning Commission and Harbor Area Review Board and the August 3, 2010 Regular Meeting and Joint Meeting with Northampton County Planning Commission were approved as presented by unanimous consent.

REPORTS

Tom Bonadeo reported the following: i) The Central Park Grand Opening was a success and he thanked everyone for coming out to help celebrate the grand opening. He was surprised to see that after the evening was over, there was no trash lying around to be picked up; ii) The Breakwater Project is almost complete. There was a barge there today laying additional rock to complete the project. The next Harbor improvement project has been put out to bid and will include floating boat slips and bath facilities; and iii) The tanks for the Wastewater Treatment Plant are almost finished. New scientific developments have allowed the Town to increase the capacity by 30% to 330K GPD from 250K GPD at no extra cost.

There was some discussion regarding the Town's water and Tom Bonadeo explained that the water softener had been offline for several weeks awaiting a part. The current water

system was outdated and replacement parts are no longer being manufactured. Tom Bonadeo went on to inform the Commissioners that two new wells have been drilled on the Keck property but the Town needed to put the project out to bid in order to connect the wells to the water supply.

OLD BUSINESS

Connector Road

Tom Bonadeo stated that the Town had heard from Mr. Richard Foster of Bay Creek regarding his support of a connector road into Southport's industrial park. Tom Bonadeo introduced Mr. Chad Saunders of Bayshore Concrete to give their input regarding the proposed connector road.

Mr. Saunders stated that he could see an added benefit of building this new road especially for the transporting of 140' concrete beams to Route 13. Currently, the truck has to make numerous turns to get out of the Bayshore lot onto Old Cape Charles Road to Parsons Circle to Stone Road and eventually onto Route 13. Mr. Saunders stated that this would be a short-term benefit until the Bay Creek Parkway could be completed from the Bay Creek entrance to Stone Road which would be the more desirable road since it would eliminate several turns and provide a straighter route to Stone Road. Tom Bonadeo added that the Bay Creek road was a requirement for Bay Creek once certain traffic levels have been met which relate to the number of subdivided lots.

Mr. Saunders left following this discussion.

Tom Bonadeo went on to state that the VDOT Economic Development Access Program Guide outlined two types of projects – Regular Projects and Bonded Projects. Depending on the project, bonding may be required, but if Southport is willing to underwrite the local portion of the project, there would be little risk to the Town. It would be difficult to estimate the cost of the road as no engineering drawings or design details are available. Since the plans, which would be provided by Southport, would need to be in place prior to the project submission, little risk exists for the Town. All the surrounding businesses have given favorable recommendations. The land where the road is suggested to be built is currently in a utility easement so cannot be productive to any of the surrounding businesses. The total value of VDOT's program is \$800K. If the road costs more than \$800K, Southport stated that they will provide the additional funds so there would be little risk to the Town. These projects are only funded for localities which would be responsible for numerous submittals as detailed in Appendix C-2 of the VDOT guide, project management and compliance with the regulations. The Town may have to post a bond but if the costs were covered by Southport, little risk exists to the Town.

Motion made by Malcolm Hayward, seconded by Dennis McCoy, to recommend support of an application for an industrial access road to the Town Council in accordance with the Economic Development Access Program Guide administered by VDOT adding a condition to make sure the Town would not be responsible for paying back any funds received if new businesses do not move into the industrial park within the required timeframe.

Boundary Adjustment Discussion

Tom Bonadeo gave a recap of the boundary adjustment discussions for the new Commissioners explaining that there were two types of expansion for localities: i) A boundary adjustment is a friendly agreement between two localities; and ii) An annexation

is a court-ordered expansion of territory. The 1991 Annexation Agreement for Bay Creek was a court-ordered expansion.

Tom Bonadeo went on to state that the Town has been discussing a possible boundary adjustment with the objective of protecting the area regarding zoning decisions and possible development. What happens along Route 13 affects the Cape Charles downtown area. The Town has been working with Cheriton to meet at Route 13 and share the zoning decisions in the area along Route 13 with plans to protect both towns. A Boundary Adjustment Committee (BAC) was formed with representatives from Cheriton and Cape Charles. The Cape Charles members are Tom Bonadeo and Councilmen Larry Veber and Mike Sullivan. The BAC has not met for several months and a joint meeting of the Cape Charles and Cheriton Planning Commissions has not yet been successfully arranged but is expected to take place at some time. In August, the Cape Charles representatives of the BAC met with District 2 Supervisor Sam Long who appeared to be in favor of a boundary adjustment for both Cheriton and Cape Charles.

On August 3rd, the Cape Charles Planning Commission met with the Northampton County Planning Commission to discuss the County's Town Edge Zone and it was a very positive and productive meeting. The Town Edge Zone consists of the area south of Route 184 (Stone Road) to Route 642 (Old Cape Charles Road). As a result of this joint meeting, the County Planning Commission agreed to send copies of any rezoning applications that may affect the incorporated towns within the County for review by the towns' planning commissions in order for the towns to be able to provide input back to the County Planning Commission prior to their public hearing.

Malcolm Hayward asked whether the Town would continue to pursue the boundary adjustment issue if the plans for the two Planning Commissions to work together come to fruition. Tom Bonadeo responded that the Town Council held a work session on August 26th and agreed to move forward with the boundary adjustment while still having the Planning Commission work with the County on the Town Edge Zone.

Tom Bonadeo continued stating that there was a lot of work involved in applying for a boundary adjustment and that this issue would be on next month's agenda and the County's Zoning Ordinance needed to be reviewed regarding language that would need to be added to the Town's Zoning Ordinance.

Technology / Tourism Zone

The Commissioners reviewed the Technology Zone Matrix prepared by Tom Bonadeo which showed the localities (towns, cities and counties) in the State of Virginia that have established Technology Zones and the types of businesses that qualify and the varying incentives offered. Only 3 localities had a population less than 10K. The majority of incentives were discounts of fees and taxes with a range from 3, 5 and 10 years which is the maximum allowed by State Code. Many localities rebate fees and discounts due to the speculative nature of the new businesses. Many localities also include existing businesses if they were to expand and increase the number in their work force.

There was some discussion regarding the possible incentives that the Town could establish and it was noted that small businesses could view the BPOL tax as a "penalty" for doing well.

Mike Strub questioned that even though the agenda item was titled "Technology/Tourism Zone," it seemed that all the discussion was regarding the Technology Zone. Tom Bonadeo explained that he could not locate a list of localities that have established Tourism Zones and that the requirements listed in the Code of Virginia for the 2 zones are very similar so it was decided to combine discussion regarding the 2 zones. Tom Bonadeo added that the main difference was that incentives in the Tourism Zone could span 20 years vs. 10 years for the Technology Zone. Tom Bonadeo added that the Technology Zone was the first objective since the Town Council requested the Commission to look into the possibility of establishing such a zone in Town.

There was some discussion regarding whether certain areas should be designated or whether the entire town should be established as a Technology and/or Tourism Zone. The general consensus was to include the entire town in the zone(s).

The Commissioners listed the following business types to include in the Tourism Zone: bed & breakfasts, restaurants, service businesses (kayak rentals, etc.), short-term rentals, Bay Creek Railway, boat rentals, hotels/motels, and golf cart rentals.

For the next meeting, Tom Bonadeo will draft language for a Technology Zone ordinance for review by the Commissioners. Information will be gathered regarding the Tourism Zone as well.

Harbor Area Review Board Replacement

Tom Bonadeo explained that the Harbor Area Review Board (HARB) was comprised of a Town Council representative, 2 Planning Commissioners, a representative from the Historic District Review Board and 2 citizens. Joan Natali was one of the representatives from the Planning Commission but another representative needed to be named to replace Eileen Cobb who resigned from the Commission and HARB.

The HARB meets as needed on the third Thursday of the month at 6:00 p.m. Landmark Development has been working on a detailed application which will be reviewed by the HARB once it has been submitted. The responsibility of the HARB was to review the Harbor Area Design Guidelines, similar to the Historic District Review Board's review of the Historic District Guidelines, and report back to the Planning Commission.

Joan Natali asked for volunteers to serve. Bruce Brinkley, Malcolm Hayward and Dennis McCoy expressed their interest in serving. After some discussion regarding drawing names to choose the representative, Bruce Brinkley and Malcolm Hayward withdrew their names from consideration. Dennis McCoy was named the new Planning Commission representative to the HARB.

NEW BUSINESS

Conditional Rezoning - Randolph Avenue and Strawberry Street

Tom Bonadeo explained that the Mack building at the corner of Strawberry Street and Randolph Avenue was recently sold and the new owner planned to convert the one-story section of the building which faced Randolph Avenue into residential apartments. The applicant did not have a complete application and chose to delay submission until October. Tom Bonadeo asked the Commissioners to review the ordinance on conditional zoning and to visit the site prior to the next meeting.

ANNOUNCEMENTS

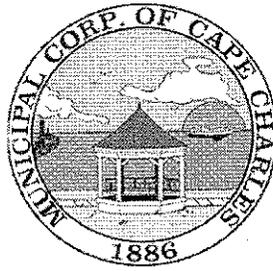
Northampton County has finalized the transfer of ownership of the 23 acres designated as the Cape Charles Coastal Habitat Natural Area Preserve to the Department of Conservation and Recreation (DCR). The DCR has repaired the ramp and will be building a new 12'x12' viewing platform. The DCR is asking for volunteers to help maintain the area.

Hearing no objections, Joan Natali adjourned the Regular Meeting of the Planning Commission by unanimous consent.

Chairwoman Joan Natali

Town Clerk

DRAFT



Memo

To: Planning Commissioners
From: Libby Hume
CC:
Date: 10/1/2010
Re: Revised Minutes for 8/3 Joint Meeting with County Planning Commission

County Commissioner Robert Meyers called Joan Natali and asked that language be added to the minutes. The requested language was added to page 3, middle paragraph which starts "Robert Meyers stated that..." The added language was added to the end of this paragraph and I have it italicized.

Thanks!

Libby



PLANNING COMMISSION
Regular Meeting & Joint Meeting
with Northampton County Planning Commission

Town Hall
August 3, 2010

At 6:00 p.m. in the Town Hall, Chairwoman Joan Natali, having established a quorum, called to order the Regular Meeting of the Planning Commission. In addition to Chairwoman Natali, present were Commissioners Malcolm Hayward, Ben Lewis, Dennis McCoy and Michael Strub as well as Town Planner Tom Bonadeo and Town Clerk Libby Hume. Commissioner Roger Munz was not in attendance. Also in attendance was former Commissioner Bruce Evans. There were no other members of the public in attendance.

A moment of silence was observed followed by the Pledge of Allegiance.

PUBLIC COMMENTS

There were no comments from the public nor any written comments submitted prior to the meeting.

CONSENT AGENDA

Hearing no objections, Joan Natali stated that the agenda was approved by unanimous consent.

The Commissioners reviewed the minutes for the July 6, 2010 Regular Meeting. Malcolm Hayward and Ben Lewis stated that they would abstain from the vote since they were not in attendance at the July 6th meeting.

Hearing no objections, Joan Natali stated that the minutes for the July 6, 2010 Regular Meeting was approved by unanimous consent.

Joan Natali stated that the purpose of this meeting was to provide background information to the Commissioners regarding past discussions on the Town Edge Zone and the County's Comprehensive Plan. The meeting would then be recessed so the Commissioners can travel to the former Northampton Middle School and reconvened at 7:00 PM with the County Planning Commission.

OLD BUSINESS

No old business was discussed.

NEW BUSINESS

Town Edge Zoning and the County Comprehensive Plan

Town Planner Tom Bonadeo gave a quick history of the issue regarding the Town Edge and distributed excerpts from the 1991 Annexation Agreement between the Town of Cape Charles and Northampton County regarding the Bay Creek property, formerly Brown & Root. Tom Bonadeo read items #8 and #14. Item #8 addressed the corridor between the Town of Cape Charles and Route 13 and the area adjacent to Route 13 and Route 184 (Stone Road) stating that both the County and the Town would receive comments regarding matters relative to both jurisdictions and give due consideration to the comments and other input made by the other. Item #14 addressed the creation of a special zoning district along Stone Road into the Town and along Route 13 within one mile of each

direction of the intersection of Route 13 and Stone Road. Tom Bonadeo added that it was interesting that these issues, which were of concern twenty years ago, were still under discussion.

Tom Bonadeo went on to review the letter from the County Planning Commission inviting the Cape Charles Planning Commission to discuss the Town Edge Zone, which covers the area from Bay Creek to Route 13 and the south side of Stone Road. Tom Bonadeo added that initially, Cape Charles wanted to include the north side of Stone Road as part of the Town Edge, which is mostly farm land, in order to have the ability to provide input to the County in the event the land was ever developed. The joint meeting later this evening would give the Commissioners the opportunity to discuss the Town's intent regarding this area.

Tom Bonadeo informed the Commissioners that the Cape Charles representatives on the Cape Charles-Cheriton Boundary Adjustment Committee would be meeting with District 2 Supervisor Sam Long next week to discuss the County's stand regarding boundary adjustments.

Motion made by Dennis McCoy, seconded by Mike Strub and unanimously approved to recess the Regular Meeting of the Planning Commission until 7:00 p.m. at the former Northampton Middle School.

At 7:00 p.m. in Conference Room #2 at the former Northampton Middle School, Chairman David Fauber, having established a quorum, called to order the Northampton County Planning Commission meeting. County Commissioners in attendance were Marshall Cox, Roberta Kellam, Robert Meyers and Mike Ward. Sandra Benson, Director of Planning & Zoning, Peter Stith, Long Range Planner, and Kay Downing, Assistant Zoning Administrator, were also in attendance.

Joan Natali reconvened the recessed meeting of the Cape Charles Planning Commission.

Chairman David Fauber welcomed the Cape Charles Planning Commission and asked everyone around the table to introduce themselves.

David Fauber explained that the County Commissioners were meeting with the incorporated Towns in the County to discuss the Town Edge Zone as defined in the County Comprehensive Plan. David Fauber went on to state that the Town of Cape Charles seemed to be more concerned with the portion of land along Route 184 into Town.

Tom Bonadeo explained that the Cape Charles Planning Commission had updated the Comprehensive Plan in 2009 and concentrated on Routes 184 and 642 (Old Cape Charles Road) and added that this meeting was a historic meeting with both the Town and County Planning Commissions meeting to discuss this issue.

David Fauber and several other County Commissioners stated that they had not seen the updated Cape Charles Comprehensive Plan. Joan Natali informed the attendees that the Comprehensive Plan was available on the Town's website and contained a section regarding the Town Edge Zone.

Planning & Zoning Director Sandra Benson explained that the County's Comprehensive Plan was adopted in July 2006. A Steering Committee was formed who met with representatives from all the towns to discuss the Town Edge. The Steering Committee considered all the comments that were received and the Town Edge was designated as the County's primary growth area, but development in these areas would not begin until services could be offered. Sandra Benson continued by stating that the County had the impression that Cape Charles already had ideas of what they wanted to see in this area and the goal now was to determine how the County and Cape Charles could move forward and work together in the planning process.

Tom Bonadeo stated that Cape Charles would like to include the north side of Route 184 as part of the Town Edge Zone, even though the majority of the area was currently agricultural. This land could be sold in the future and rezoned. Water surrounds the majority of the Town and this land was the only "edge" shared with the County and was also the entrance to the historic district. Tom Bonadeo went on to state that the Town was also concerned with Cheriton's Town Edge and would like to see additional engagement with Cheriton regarding the Route 13 corridor. Tom Bonadeo distributed an excerpt from the 1991 Annexation Agreement and read items #8 and #14, which covered this area and added that when the Food Lion was built on Route 13, the Town of Cape Charles lost four retail businesses. Tom Bonadeo went on to state that it would be relatively easy to add Town Edge language to the Town's Zoning Ordinance and it would be appropriate to have language referring to the Town Edge Zone in both the Town and County Zoning Ordinances.

David Fauber clarified that once the Town Edge Zone has been established and the Towns' input received, the land still belongs to the County.

Joan Natali added that even though the County would own the land, the Town would like to have input on any development in this area.

Sandra Benson stated that the Annexation Agreement was not discussed by the Steering Committee or Planning Commission when developing the 2006 Comprehensive Plan.

Robert Meyers stated that after reading the language in the Annexation Agreement, it would seem that the Food Lion complex should not have been permitted. There was further discussion regarding this issue and the determination of a type of mechanism that could be put in place to engage Cape Charles in the County process to prohibit more business being taken from within the Town. Both the County and the Town needed to work together to ensure a procedure was put in place. *Robert Meyers added that Town residents were encouraged to attend the County Planning commission public hearing to voice their support or concerns, as appropriate, on any issue(s) which could impact the Town, its residents or its businesses. (Last sentence added per Mr. Meyers' request after reviewing these minutes.)*

The discussion moved to the land on the north side of Route 184 and that the Steering Committee felt that this land should be zoned agricultural. Mike Ward asked why Cape Charles agreed to this if they wanted it included in the Town Edge and whether a follow-up meeting was scheduled after the Steering Committee made their determination regarding this area to discuss the issues with Cape Charles. Sandra Benson responded that a follow-up meeting was not held at the time.

Joan Natali added that the Town was not given an opportunity to provide input and that the Town wanted this area included in the Town Edge to protect the view shed coming into Town.

Sandra Benson stated that during this current process, the County needed to review the zoning and certain areas would probably be rezoned. Roberta Kellam suggested that it may be possible to have a Town Edge Zone and a Town Edge-Agricultural Zone.

Tom Bonadeo stated that the first objective of the Town is protection of the corridor and work could be done on the corridor overlay without affecting the zoning.

Mike Ward asked if Cape Charles considered the approval of the hotel on Route 13 inconsistent with #14 of the Annexation Agreement. Tom Bonadeo responded affirmatively due to the fact that the Town was not informed or given an opportunity to be involved in the decision and future business

permitted in this surrounding area could affect the Town. The Town was not given an opportunity to participate in the discussions except to go to the public hearing. The Town was not notified of the request regarding the hotel since it was not an adjacent land owner.

Robert Meyers stated that the County could remedy this situation in the future by notifying towns of any application regarding the Town Edge area.

Tom Bonadeo added that the Town hoped that it would be able to discuss a rezoning application before it was taken to a public forum. There was some discussion regarding notifications to the towns at the time an application was received. David Fauber stated that if the towns had to meet first and be given the opportunity to provide their input, the entire process would be delayed.

Tom Bonadeo stated that Cape Charles was interested in participating in the process as early as possible. Marshall Cox suggested that the Town could attend the public hearing to express their concerns and the County could table the issue to the next meeting if needed.

Sandra Benson stated that in moving forward, the notification issue could easily be addressed. This was a work in progress and it would be appropriate to talk about the planning process for an area in the Town Edge Zone.

Tom Bonadeo stated that both the County and Town Planning Commissions hold their meetings on the same night. If the Town could be notified at the same time that notification was sent to County Commissioners, the Cape Charles Planning Commission could review the information at their meeting and provide input to the County prior to the public hearing.

Robert Meyers agreed that the Town forwards their agenda and information to the County regularly and suggested that the County could do the same and provide the information to the towns on a regular basis. David Fauber agreed that this process could be adopted for all towns in the County. Robert Meyers suggested that a formal notification procedure to the towns be put in place to ensure it continues in the future and does not stop with the turnover in the Planning Commission and County staff. There was some discussion as to what needed to be done to put this procedure in place.

Sandra Benson stated that the Board of Supervisors could be asked and it could be emphasized in the Comprehensive Plan stressing cooperation between the County and the towns.

Bruce Evans agreed and stated that this could be reviewed by the Town Council as well and added that he felt that this meeting was indeed a historic meeting.

David Fauber stated that the County Planning Commission would review the corridor overlay and asked Sandra Benson and Tom Bonadeo to review dates for future joint meetings. David Fauber added that he felt that this was a positive meeting and the future could be bright if the County and towns could work together.

Motion made by Malcolm Hayward, seconded by Dennis McCoy and unanimously approved to adjourn the Regular Meeting of the Cape Charles Planning Commission.

Chairwoman Joan Natali

Town Clerk

Planning Commission Staff Report

From: Tom Bonadeo
Date: October 5, 2010
Item: 4C – Reports

Attachments:

Item Specifics

1. The Northampton County website is www.co.northampton.va.us and contains the updated information from county meetings.
2. The Harbor Improvement project is out to bid, more slips and new bath facilities at the old gravel dock
3. The Trail Project has reached Substantial Completion. The punch list of items has been created and the contractor is working on a response.
4. The WWTP is moving along well. The force main connector pipe to Bay Creek has been installed along Old Cape Charles Road. The Reuse line did not get installed at this time but space was allocated in the ditch. Work has begun on the new outfall line towards the Harbor.
5. The bids came in for the pump station upgrades and the prices are high. Value engineering should bring the prices within budget.
6. Beach Grass will be planted this fall by local high school students as an ecological project. The public works staff will also be installing winter snow fence.
7. The Boundary Adjustment Committee met with Council and it was decided to move ahead with the Boundary Adjustment process. A meeting was held with Cheriton on 9-29-2010 and they plan to move ahead also.

Planning Commission Staff Report

From: Tom Bonadeo
Date: October 5, 2010
Item: 5A – Technology/Tourism Zones
Attachment: Lynchburg's Executive Summary of Tech Zones

Please bring your Tech Zone Work Book & matrix

Item Specifics

The Town Council has asked that the Planning Commission to study and report on the possibility of establishing a Technology Zone to attract certain types of businesses. Even with many studies and potential projects and real projects like the STIP, Cape Charles has not had any significant new employers.

Please bring the Technology Zone Workbook and matrix for the discussion.

Discussion

The concept of a Technology/Tourist Zone with incentives to attract business has proven effective for many large localities. It could be effective for Cape Charles given the right company. There are several factors to consider:

1. Zone Definition for qualifying company
2. Criteria for incentives
3. Actual incentives
4. Cost – Benefit for Cape Charles and Northampton County
5. Geography for new businesses

The Town of Cape Charles is attractive to several types of “technology” businesses. We have:

1. The Betus Group, a computer technology company, has located here because of the general overall environment.
2. Individual computer programmers working from homes in the area because of the general overall environment.
3. We have had serious inquiries by outside “technology” companies attracted to the Bay Creek environment as a great “live – work – play” environment for establishing a new location for their company. Outside factors played an important role in these businesses not locating in Cape Charles.

The broader definition of technology as “Applied Technology” could be more beneficial to attracting businesses to Cape Charles. A great feature of Cape Charles is our connection to the Chesapeake Bay and Atlantic Ocean. Our definition should include the application of technology in the marine industry as well as the development of the actual technology itself.

The Office of Economic Development (Virginia) drafted 2006 Technology Zone Guidelines and offers a definition of technology businesses. This definition states that a “Technology Business” derives its gross income from the design, development or other creation, for lease, sale or license, of technology based products, processes or related services. We should emphasize the “related service” aspect of the definition to include such things as the “installation” of technology and the “maintenance” of technology in the maritime industry. This can also extend to the training

of marine technology personnel creating an ideal foundation for apprenticeship programs and an incentive based program to do so.

The incentives are generally divided into two categories, tax relief and fee relief. The larger the investment the larger the incentives provided. The incentives are also based on capital investment and jobs created above the average wage scale. Since most new businesses are fragile it is recognized by many existing technology zones that a new business pays the fees and taxes initially and then rebates are offered when it is determined that the business has met the criteria of the zone.

If a new qualifying business is going to invest \$1,000,000 in a building and create 100 jobs they could pay the fees required and after the creation of 100 new jobs have the fees rebated. Likewise, the business could predict new first year business at \$1,000,000 pay the BPOL tax accordingly and have the tax rebated if the required goal is met.

There are potential scenarios for a business to qualify for the incentives.

1. A new business, buying land, building a new building, investing in new equipment and creating new jobs.
2. A new business, leasing land and building a building or structure and creating new jobs
3. A new business, leasing land and building but investing in equipment and creating new jobs.
4. An existing business, expanding by any of the above means and creating additional jobs above some mark.

This sets the stage for different levels of incentives based on company performance. Businesses in Cape Charles would pay several fees. Using the first scenario above the following costs would be incurred by a new business:

1. Town real estate taxes
 - a. No payment until after construction and not included in budget until it's "real".
2. Water and Sewer Facility fee
 - a. Reserve fund for future construction
3. Water and Sewer Connection fees.
 - a. Part of the general fund used to offset costs.
4. Building permit and associated fees.
 - a. Part of the general fund used to offset costs.
5. Business, Professional and Occupational License (BPOL) Tax
 - a. Not included in a current budget until after first year.

This means that some of the costs and fees are not in an existing budget due to the fact that the towns budgets are made up of know revenues. Facility fees are not used a s part of the current operating budget but are put into a reserve or savings account to build future capacity to replace the current capacity used up by a new building. An example of real estate tax for a new business would be:

1. Build a building assessed at \$1,000,000.
2. Cape Charles real estate tax would be about \$1820 annually or \$9100 over 5 years.
3. For a repair and maintenance company with \$1,000,000 in gross receipts the BPOL would be \$3600 annually

Those jobs that are at or below the county-wide average have very little benefit to the Town. An example is that the majorities of Bayshore employees live in the county and spend the majority of their pay in the county. Those technology jobs that have come to Cape Charles for the general way of life, live in Town and have incomes higher than the county average. Their pay stays generally in Town.

1. Giving up BPOL income for higher than the county average paying jobs would result is more pay dollars staying in town and helps the existing businesses.
2. Rebating BPOL and Town real estate taxes does not reduce the available funds as they are not yet accounted for in the budget.

3. Rebating Facility Fees does reduce the capital available for future water and sewer facilities and that burden would be shared by all tax payers.
4. Rebating some fees should be considered as not all new businesses meet expectations

The opportunity for technology and applied technology businesses is greatest in the commercial zones and most Technology Zones are targeted at specific locations. Commercial and Industrial zones will have the most impact for new or additional jobs. The zones involved could be:

1. Harbor
2. C-1,2,3,
3. GBI and Industrial

Recommendation

Review the documents and discuss recommendations:

1. Town's definition should include the standard technology development definition and an applied technology definition specifically related to the maritime industry, one of our greatest strengths.
2. The incentives could be pay and rebate based on the amount of investment and job creation for jobs at twice the county average.
3. Rebate and/or forgive some fees and Town taxes.
4. Consider all property in commercial zones as the "zone".

**Office of Economic Development Staff Report for
Lynchburg Economic Development Authority
on
Technology Zone**

EXECUTIVE SUMMARY

- Technology Zones in the Commonwealth of Virginia
 - Established by ordinance
 - Allows locality to create special incentives
 - Twenty-two (22) Virginia localities participate
 - Program designs and incentives vary widely

- Lynchburg's Technology Zones
 - Established March 26, 2002
 - Downtown Lynchburg Technology Zone Incentives
 - *Ten* year reimbursement of business license taxes
 - Five year capital investment grants
 - Code permit and enforcement waivers
 - Lynchpin Technology Zone Incentives
 - *Five* year reimbursement of business license taxes
 - Five year capital investment grants
 - Code permit and enforcement waivers

- Three reasons for review of City's Technology Zone language
 - Downtown Enterprise Zone #2 has amended boundaries hence the existing Downtown Technology Zone no longer overlays it
 - Average pay for technology jobs is greater than average wage for all jobs
 - Technology job growth is predicted through 2016

- Technology Zone changes to consider
 - Definition of Qualified Businesses
 - Qualifying Criteria
 - Incentives
 - Boundaries of Geographic Area

- Proposed Technology Zone language
Please see page 18.

**Office of Economic Development Staff Report for
Lynchburg Economic Development Authority
on
Technology Zone**

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Background

Commonwealth of Virginia

Virginia's cities, counties and towns have the ability to establish, by ordinance, one or more technology zones to attract growth in targeted industries. Establishment of a technology zone allows localities to create special incentives for qualified businesses locating or expanding operations in the zone. Each locality designs and administers its own program. The establishment of a technology zone shall not preclude the area from also being designated as an enterprise zone.¹

At present, ten counties, ten cities, and two towns have established Technology Zones². A review of these localities' zones shows a myriad of practices. Qualified businesses range from 'computer and telecommunications-related businesses'³ to businesses 'related to the pharmaceutical/biotechnological industry'⁴ to businesses which include 'customer service (via telephone or computer).'⁵

Qualifying criteria are also diverse. Winchester requires two new jobs paying at least two times the minimum wage, plus benefits at 10% of wages while Rockingham County requires a new capital investment of \$50 million in machinery and tools and at least 40 additional persons full-time in the 24 months in which the qualifying investment is made.

The number and land mass size of each zone also widely varies. Culpeper County has four zones while Front Royal has two zones. Franklin stipulates one lot in an industrial park while Halifax County stipulates a technology park. Bedford County's zone encompasses 200 acres in the New London Business & Technology Park. Charlottesville, Falls Church, Henry County, and the town of Marion are all inclusive, citing corporate limits and city boundaries.

As can be expected from such a wide range of practices, incentives vary widely as well.

The City of Lynchburg

On March 26, 2002, Lynchburg City Council adopted a resolution creating two technology zones and authorizing certain incentives for businesses locating within the zones.

¹ Virginia Code section 58.1-3850.

² Counties of Arlington, Bedford, Culpeper, Frederick, Halifax, Henry, Roanoke, Rockingham, Russell and Smyth; cities of Buena Vista, Charlottesville, Falls Church, Franklin, Front Royal, Hampton, Harrisonburg, Lynchburg, Roanoke and Winchester; and the towns of Front Royal in Warren County, Kilmarnock in Lancaster County, and Marion in Smyth County. Virginia Economic Development Partnership, January 2007.

³ Winchester, March 2002.

⁴ Frederick County, May 2006.

⁵ Harrisonburg, May 2006.

Current boundaries for the zones are:

Zone I, known as the Downtown Technology Zone, includes the Central Business District, Lower Basin, the Fifth Street Corridor, surrounding neighborhoods, as well as the land zoned industrial between Carroll and Campbell Avenue.

Zone II, known as Lynchpin Technology Zone, includes the area located between Wiggington Road and Lakeside Drive on the City's western boundary.

Eligible technology businesses that locate in either of the technology zones may be eligible, on a case by case basis, for certain incentives:

Reduction and/or waiver of certain City fees (which may include fees for building permits, mechanical and gas permits, plumbing permits, electrical permits, sign permits, conditional use permits, and zoning ordinance fees).

A ten year reimbursement of business license taxes for eligible businesses in the Downtown Technology Zone.

A five year reimbursement of business license taxes for eligible businesses in the Lynchpin Technology Zone.

Five year capital investment grants.

Section 36-126.19 of the City Code was amended and reenacted to include the following:

- (c) Any business required to obtain a license pursuant to this article, and which is designated as a technology business and which business locates in the city's downtown technology zone on or after July 1, 2002, shall be entitled to a ten-year reimbursement of business license taxes as follows: during the first five (5) calendar years, a one hundred percent (100%) reimbursement; for the sixth (6th) calendar year a seventy percent (70%) reimbursement; for the seventh (7th) calendar year a sixty percent (60%) reimbursement; for the eighth (8th) calendar year a forty percent (40%) reimbursement; and, for the ninth (9th) and tenth (10th) calendar years a twenty percent (20%) reimbursement.
- (d) Any business required to obtain a license pursuant to this article, and which is designated as a technology business and which business locates in the city's Lynchpin technology zone on or after July 1, 2002, shall be entitled to a five-year reimbursement of business license taxes as follows: during the first (1st) calendar year, an eighty percent (80%) reimbursement; for the second (2nd) calendar year a sixty percent (60%) reimbursement; for the third (3rd) calendar year a forty percent (40%) reimbursement; and, for the fourth (4th) and fifth (5th) years a twenty percent (20%) reimbursement.

Section 36-151 [machinery and tools tax] of the City Code was amended and reenacted to include the following:

Provided, however, that on and after July 1, 2002, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, and for each fiscal year thereafter, any business which is designated as a "technology business" and which business locates in either of the city technology zones on or after July 1, 2002, shall receive the following tax reimbursements: For the first three (3) tax years for which the business is assessed this tax, there shall be a one hundred per cent (100%) tax reimbursement; and, for the next two (2) two years for which the business is assessed this tax a fifty percent (50%) tax reimbursement.

Subsequently, the Office of Economic Development drafted 2006 Technology Zone Guidelines. These guidelines define a technology business as a business which derives its gross receipts from the design, development or other creation, for lease, sale or license of technology based products, processes or related services.

The Guidelines further define technology based products, processes or related services as engaging in the activity of automation, biotechnology, biomedical research, chemicals, design, electronics, computer hardware, computer software, defense, homeland security, energy, environmental, manufacturing equipment, advanced materials, medical applications, pharmaceuticals, photonics, electronic based subassemblies and components, testing and measurements, telecommunications, systems integration, multimedia, e-commerce, and internet services. The definition of technology business can also be extended to training in the above concentration areas.

Opportunity

With Lynchburg City Council recently amending the boundaries of Enterprise Zone #2 (Downtown), the existing Technology Zone no longer overlaps Enterprise Zone #2 as originally designed. Hence this is an opportune time to revisit Technology Zone boundaries or areas.

Research also suggests two other compelling reasons to review the existing Technology Zone. The first of those reasons is employment and wage data. Using the average salary for all jobs with the term 'technology' anywhere in the job listing, Simply Hired® shows the average salary for technology jobs is \$66,000⁶.

VCU research on high-technology industry in the Commonwealth⁷ reveals the following.

⁶ <http://www.simplyhired.com/a/salary/search/q-technology>

⁷ An Economic Analysis of the Charlottesville Area's High-Technology Industry presentation to the Charlottesville Business Innovation Council on November 20, 2007 based on data from Virginia Employment Commission Census of Employment and Wages, and Office of Research & Graduate Studies, University of Virginia.

High-Technology Industry

Metro Area (MSA)	Jobs		Firms		Average Wages	
	#	Rank	#	Rank	Salary*	Rank
Blacksburg	6,914	6	292		51,600	8
Charlottesville	11,691	5	636	4	65,400	3
Danville	1,171		107		45,100	
Harrisonburg	3,100		153		60,700	4
Bristol	3,246		123		45,200	
Lynchburg	6,823	7	403	6	48,400	9
Richmond	68,310	2	3,121	3	76,500	2
Roanoke	12,819	4	606	5	54,700	7
Hampton Roads	64,967	3	3,199	2	59,600	5
Northern VA	283,627	1	13,857	1	97,500	1
Winchester	2,488		165		58,800	6

2006 dollar values

While not comparing apples to apples, it is nevertheless interesting to note that Lynchburg's median household income is approximately \$33,000⁸. The above research confirms what we intuitively know, technology jobs are good jobs.

The second reason to look at existing Technology Zone language is predicted job growth in the technology area. The U.S. Bureau of Labor Statistics (BLS) forecasts employment in computer systems design and related services will add almost 500,000 new jobs by 2016⁹. BLS also predicts that production occupations will decline, losing 528,000 jobs by 2016¹⁰. While this data is nationwide, one might expect that Lynchburg will similarly trend the market.

Using data generated by Daniel Hecker of BLS, VCU researchers delineated the industries forecasted to grow technology oriented employment at least 5 times the average for all industries.¹¹ The VCU industry list takes into account companies that meet at least one of three criteria:

- Produce goods and services that are, in themselves, high technology
- Produce goods and services used in the production of other items considered to be high-technology
- Primarily use high technology methods when producing their goods or services

The industry list includes:

- Pharmaceutical and medicine manufacturing
- Computer and peripheral equipment manufacturing

⁸ U.S. Census Bureau, People QuickFacts, 2004.

⁹ U.S. Bureau of Labor Statistics, Occupational Outlook Handbook, 2008-09 Edition, p. 3.

¹⁰ U.S. Bureau of Labor Statistics, Occupational Outlook Handbook, 2008-09 Edition, p. 6.

¹¹ See Footnote 7.

- Communications equipment manufacturing
- Navigational, measuring, electromedical, and control instruments manufacturing
- Aerospace product and parts manufacturing
- Software publishers
- Internet publishing and broadcasting
- Internet service providers/web search portals
- Data processing and hosting services
- Architectural and engineering services
- Computer systems design services
- Scientific research and development services

Based on the above, it is determined that revisions to Lynchburg's existing Technology Zone will better create and support an environment to attract and grow technology businesses thus adding to the City's tax base and benefiting the welfare of its citizens.

Qualified Businesses

Alternatives

1. Lynchburg [existing language]

A business which derives its gross receipts from the design, development or other creation, for lease, sale or license of technology based products, processes or related services.

Technology based products, processes or related services are defined as engaging in the activity of automation, biotechnology, biomedical research, chemicals, design, electronics, computer hardware, computer software, defense, homeland security, energy, environmental, manufacturing equipment, advanced materials, medical applications, pharmaceuticals, photonics, electronic based subassemblies and components, testing and measurements, telecommunications, systems integration, multimedia, e-commerce, and internet services. The definition of technology business can also be extended to training in the above concentration areas.

2. Arlington [straightforward]

Is engaged in the design, or research and development of computer hardware or software for:

- a. Aerospace or aviation applications; or,
- b. Interactive or simulated real-time use; or,
- c. Instruction in the use or development of customized computer technology; or,
- d. Gathering data from the internet or computerized data bases, or integrating such data; or,
- e. Emergency communications, emergency service delivery and tracking
- f. Security training, security data collection, storage and/or analysis
- g. Building energy management and control systems.

Or, provides

- a. Production of multi-media products; or,
 - b. Computerized data mapping systems; or,
 - c. On-line financial services including buying, selling, handling, managing, investing and/or advice regarding money, credit, securities, or other investments over the internet
3. Bedford [Only other Region 2000 entity with a Technology Zone.]
Engaged in the activities of research, development, or manufacture of commodities used in biotechnology, computer hardware or software, electronics, telecommunications, systems integration, testing and measurements, e-commerce, factory automation, internet services, subassemblies and components, medical and pharmaceutical products, photonics, advanced materials, architecture and engineering, defense, energy, and transportation
4. Buena Vista [Mirrors Lynchburg.]
Design, development, manufacture or other creation, for lease, sale or license of technology based products, processes or related services. Technology based products, processes or related services are defined as engaging in the activity of automation, biotechnology, biomedical research, electronics, computer hardware, computer software, defense, energy, environmental, manufacturing equipment, advanced materials, medical applications, pharmaceuticals, photonics, electronic based subassemblies and components, testing and measurements, telecommunications, systems integration, multimedia, e-commerce, internet services, transportation, architecture and engineering or similar activities.
5. Charlottesville [Zone applies to all of Charlottesville.]
 - a. Design, development or other creation, for lease, sale or license, of computer software or hardware, computer network protocols, information systems, Internet software, Internet database applications
 - b. Provision of Internet services (i.e., services, including an Internet Web-hosting service, enabling users to access content, information, electronic mail and the Internet as part of a package of services sold to customers), and business-to-business exchanges
 - c. Design, development or other creation, for lease, sale or license, of biotechnology, or pharmaceutical or medial technologies or products, including, without limitation: drug development, clinical trials services, data management and reporting and regulatory services
 - d. Design, development or other creation or provision, for lease, sale or license, of immunology and analytical biochemistry services, including, without limitation: mass spectrometry and HPLC, or liquid chromatography, equipment, services and supplies
 - e. Design, development or other creation, for lease, sale or license, of telecommunications equipment or technology, such as digital switching systems, Internet protocol telephony gateway, network telephone solutions

- f. Design, development or other creation of electronics, for lease, sale or license, including, without limitation: flexible and printed circuits, custom integrated circuits, electronic assemblies, medical electronics displays
- g. Receipt, as the principal or prime contractor, of identifiable federal appropriations for research and development services, as such services are defined in §31.205-18(a) of the Federal Acquisition Regulations, in the areas of: (i) computer and electronic systems, (ii) computer software, (iii) applied sciences, (iv) economic and social sciences, and (v) electronic and physical sciences.

6. Falls Church [Zone applies to entire City.]

A qualified Technology Zone business is a company or identifiable subdivision of a company that has 50 percent or more of its gross receipts derived from the research, development, manufacture or distribution of products which use or embody technology and from rendering services in the field of technology (includes, but is not limited to, engineering, biotechnology, computer software and hardware, and systems integration). Example: The design development or other creation of computer software for lease, sale or license. This exclusion shall apply only to those receipts attributed to computer software design, development or creation activities performed at a definite place of business within the City.

7. Henry County [Zone applies to entire County.]

Qualified businesses which locate, expand, or modernize within the zone boundaries.

8. Town of Marion [Zone applies to entire Town.]

Qualified Manufacturing Technology Business

Technology-drive production, including the manufacture of advance materials, automation and robotics, biotechnology, computer hardware and software, the manufacture or assembly of high-tech defense products, electronic subassemblies and components, the manufacture of energy and environmental products, medical instruments, pharmaceuticals, testing and measurement devices, the manufacture or assembly of telecommunication devices, energy saving or environmental transportation products, and products which result in systems integration.

Qualified Non-manufacturing Technology Business

Business engaged in computer related activities, telecommunications, electrical equipment manufacturing, or the rendering of advanced technology products or services. The use of computer or telecommunications by a business in its internal operations shall not qualify a business, as it is the product or service that is important.

Proposed Language for Lynchburg Technology Zone(s) [based on Washington, D.C.]

A qualified technology business is an individual or for-profit entity licensed to do business in the City of Lynchburg, VA; and, derives 50% or more of gross revenues from technology which meets at least one of the following criteria:

- a. Internet-related services and sales, including website design, maintenance, hosting, or operation; internet-related training, consulting, advertising, or promotion services; the development, rental, lease, or sale of internet-related applications, connectivity, or digital content; or products and services that may be considered e-commerce;
- b. Information and communication technologies, equipment and systems that involve advanced computer software and hardware, data processing, visualization technologies, or human interface technologies, whether deployed on the Internet or other electronic or digital media. Such technologies shall include operating and applications software; Internet-related services, including design, strategic planning, deployment, and management services and artificial intelligence; computer modeling and simulation; high-level software languages; neural networks; processor architecture; animation and full-motion video; graphics hardware and software; speech and optical character recognition; high-volume information storage and retrieval; data compression; and multiplexing, digital signal processing, and spectrum technologies;
- c. Advanced materials and processing technologies that involve the development, modification, or improvement of one or more materials or methods to produce devices and structures with improved performance characteristics or special functional attributes, or to activate, speed up, or otherwise alter chemical, biochemical, or medical processes. Such materials and technologies shall include metal alloys; metal matrix and ceramic composites; advanced polymers; thin films; membranes; superconductors; electronic and photonic materials; bioactive materials; bioprocessing; genetic engineering; catalysts; waste emissions reduction; pharmaceuticals; and waste processing technologies;
- d. Engineering, production, biotechnology and defense technologies that involve knowledge-based control systems and architectures; advanced fabrication and design processes, equipment, and tools; or propulsion, navigation, guidance, nautical, aeronautical and astronautical ground and airborne systems, instruments, and equipment. Such technologies shall include: computer-aided design and engineering; computer integrated manufacturing; robotics and automated equipment; integrated circuit fabrication and test equipment; sensors; biosensors; signal and image processing; medical and scientific instruments; precision machining and forming; biological and genetic research equipment; environmental analysis, remediation, control, and prevention equipment; defense command and control equipment; avionics and controls; guided missile and space vehicle propulsion units; military aircraft; space vehicles; and surveillance, tracking, and defense warning systems; or
- e. Electronic and photonic devices and components for use in producing electronic, optoelectronic, mechanical equipment and products of electronic distribution with interactive media content. Such technologies shall include microprocessors; logic chips; memory chips; lasers; printed circuit board

technology; electroluminescent, liquid crystal, plasma, and vacuum fluorescent displays; optical fibers; magnetic and optical information storage; optical instruments, lenses, and filters; simplex and duplex data bases; and solar cells.

An electronic equipment facility that is primarily occupied, or intended to be occupied, by electronic and computer equipment that provides electronic data switching, transmission, or telecommunication functions between computers, both inside and outside the facility shall not qualify as a technology business.

The use of computers, telecommunications services, or a web page or internet site shall not, in itself, be sufficient to qualify as a qualified technology business.

No business shall be a qualified technology business unless 1) that business has first established a Definite Place of Business in the City of Lynchburg after March 26, 2002, and 2) within eighteen (18) months after establishing a definite place of business in a technology zone, that business has met the requirements of this ordinance and applied for such status.

The term 'definite place of business' means an office or a location at which occurs a regular and continuous course of dealing over a period of thirty (30) consecutive days or more. A definite place of business for a person engaged in business may include a location leased or otherwise obtained from another person and real property leased to another.

Qualifying Criteria

Alternatives

1. Lynchburg [existing language]
 - a. Downtown Technology Zone
 - i. Minimum capital investment of \$10,000
 - ii. New technology business: create a minimum of 2 new full-time jobs, with wages equal to twice the federal minimum wage rate and providing health benefits, within one year of the firm's application
 - iii. Expanding technology business: increase the number of full-time employees by 10% over a base year or the increase must constitute at least 2 net new full-time employees, whichever is greater. Wages paid to the minimum threshold number of full-time employees needed to qualify must be equal to twice the federal minimum wage rate, and provide health benefits.
 - b. Lynchpin Technology Zone
 - i. Minimum capital investment of \$250,000
 - ii. New technology business: create a minimum of 15 new full-time jobs, with wages equal to twice the federal minimum wage rate and providing health benefits, within 1 year of the firm's application

- iii. Expanding technology business: increase the number of full-time employees by 10% over a base year or the increase must constitute at least 2 net new full-time employees, whichever is greater. Wages paid to the minimum threshold number of full-time employees needed to qualify must be equal to twice the federal minimum wage rate, and provide health benefits.

2. Arlington

- a. Downtown Technology Zones (Rosslyn-Ballston Corridor Technology Zone and Jefferson Davis Corridor)
 - i. At least 250 employees on site after February 1, 2000 and before November 15, 2005; or,
 - ii. 200 employees on site after November 15, 2005 and before October 1, 2007; or
 - iii. 100 employees on site after July 7, 2007
 - iv. Employee is defined as a person who is on the qualified technology business' payroll within the technology zone and is required to report to work in the technology zone.
- b. Shirlington Technology Zone: No size threshold shall apply.
- c. Columbia Pike Corridor Technology Zone: No size threshold shall apply.

3. Bedford

- a. Tier 1: \$500,000 capital investment and 25 jobs
- b. Tier 2: \$50,000 capital investment and 5 jobs
- c. Tier 3: \$25,000 capital investment and 3 jobs

4. Buena Vista

- a. Downtown Zone
 - i. Increase the average number of full-time employees by at least three net new, full-time employees over the base year.
 - ii. Wages must be equal to twice the federal minimum qualifying wage rate.
 - iii. Demonstrate a new net capital investment of at least \$15,000. The added capital investment shall be established by the value of personal property, machinery & tools, and/or real estate owned for the operation of the qualified technology business.
- b. Industrial Zone
 - i. Increase the average number of full-employees by 10% over the base year.
 - ii. Wages must be equal to twice the federal minimum qualifying wage rate.
 - iii. Demonstrate a new net capital investment of at least \$150,000.

5. Charlottesville

None

6. Falls Church

50 percent or more of its gross receipts derived from the research, development, manufacture, or distribution of products which use or embody technology and from rendering services in the field of technology (includes, but is not limited to, engineering, biotechnology, computer software and hardware, and systems integration). *Example: The design development or other creation of computer software for lease, sale or license. This exclusion shall apply only to those receipts attributed to computer software design, development or creation activities performed at a definite place of business within the City.*

7. Henry County

- a. Investment of at least \$250,000
- b. Creation of a minimum of 10 new jobs paying at least 1-1/2 times the minimum wage in the zone

8. Town of Marion

- a. Qualified Manufacturing Technology Business
 - i. Create and maintain 25 new full-time positions for a one year period
 - ii. New employees must have weekly or monthly wage rate at least twice the federal minimum wage.
 - iii. Make a new capital investment in real estate or improvements, or of machinery and tools, of \$1,000,000
- b. Qualified Non-Manufacturing Technology Business
 - i. Create a minimum of 3 full-time positions for at least one year
 - ii. New employees must have weekly or monthly wage rate at least twice the federal minimum wage.
 - iii. Make a new capital investment in real estate or improvements, or of machinery and tools, of at least \$25,000

Proposed Language for Lynchburg Technology Zone(s)

1. New Technology Business, as of February 1, 2009
 - a. Minimum capital investment of \$10,000
 - b. Within one year of the business' application, hire 2 new full time employees
 - i. Employee is defined as a person who is on the qualified technology business' payroll within the technology zone and is required to report to work in the technology zone
 - ii. Employee wages must be equal to or greater than three times the federal minimum wage rate¹²
 - iii. Employee must be provided health benefits
2. Expanding Technology Business, as of February 1, 2009

¹² U.S. Department of Labor Wage and Hour Division. Minimum wage is currently \$6.55, annualized at \$13,624 x a multiplier of three = \$40,872. Effective July 24, 2009, minimum wage becomes \$7.25 or \$15,080 annually x a multiplier of three = \$45,240.

- a. Minimum capital investment of \$250,000
- b. Within one year of the business' application, hire 15 new full time employees
 - i. Employee is defined as a person who is on the qualified technology business' payroll within the technology zone and is required to report to work in the technology zone
 - ii. Employee wages must be equal to or greater than three times the federal minimum wage rate
 - iii. Employee must be provided health benefits

Geographic Area

Alternatives

- 1. Lynchburg [existing language]
 - a. Zone I, known as the Downtown Technology Zone, includes the Central Business District, Lower Basin, the Fifth Street Corridor, surrounding neighborhoods, as well as the land zoned industrial between Carroll and Campbell Avenue
 - b. Zone II, known as Lynchpin Technology Zone, includes the area located between Wiggington Road and Lakeside Drive on the City's western boundary

- 2. Arlington
 - a. Downtown Technology Zones ... precise boundaries set forth in Appendix
 - b. Shirlington Technology Zone ... precise boundaries set forth in Appendix
 - c. Columbia Pike Corridor Technology Zone ... precise boundaries set forth in Appendix

- 3. Bedford
 - 200 acres in the New London Business & Technology Park

- 4. Buena Vista
 - a. Downtown Technology Zone ... boundary area defined on attached
 - b. Industrial Districts Technology Zone ... all lands now or in the future zoned Industrial (I) as depicted on the official zoning map

- 5. Charlottesville
 - Within the corporate limits of Charlottesville

- 6. Falls Church
 - Within the boundaries of the City

- 7. Henry County
 - Within the county boundary

8. Town of Marion
Entire area of the town

Proposed Language for Lynchburg Technology Zone(s)

Within the boundaries of the City.

Incentives

Alternatives

1. Lynchburg [existing language]
 - a. Downtown Technology Zone
Reimbursement of business license taxes as follows:
 - i. First 5 calendar years, 100% reimbursement
 - ii. 6th calendar year, 70% reimbursement
 - iii. 7th calendar year, 60% reimbursement
 - iv. 8th calendar year, 40% reimbursement
 - v. 9th and 10th years, 20% reimbursement
 - b. Lynchpin Technology Zone
Reimbursement of business license taxes as follows:
 - i. 1st calendar year, 80% reimbursement
 - ii. 2nd calendar year, 60% reimbursement
 - iii. 3rd calendar year, 40% reimbursement
 - iv. 4th and 5th calendar years, 20% reimbursement
 - c. Downtown Technology Zone and Lynchpin Technology Zone
 - i. Reimbursement of machinery and tools tax
 1. First 3 tax years, 100% tax reimbursement
 2. Next 2 tax years, 50% tax reimbursement
 - ii. The following fees may be waived by the Director of Economic Development after consultation with the Lynchburg Industrial Development Authority¹³
 1. Subdivision Plats
 - a. Minor Plat: \$75
 - b. Major Plat: \$150 + \$30/lot
 2. Commercial Plan Review
 - a. Minor Review: \$150
 - b. Major Review: \$300 + \$50/acre
 3. Industrial Plan Review
 - a. Minor Review: \$100
 - b. Major Review: \$200 + \$35/acre
 4. Re-review fees: \$75
 5. Rezoning fee, \$400 + \$75/acre (Maximum fee of \$7,900)

¹³ City of Lynchburg TRC Review Fees (Effective January 22, 2008)

- iii. The following code enforcement fees may be waived by the Director of Economic Development after consultation with the Lynchburg Industrial Development Authority.¹⁴
 - 1. Building, repair, renovation, electrical, mechanical, gas, plumbing, elevator
 - 2. Plan review
 - 3. Permit cancellation fee
 - 4. Demolition permit
 - 5. Moving fee
 - 6. Asbestos removal permit
 - 7. Land disturbing
 - 8. Signs
 - 9. Board of building code appeals
- iv. \$500 grant to underwrite the cost of an application consultant for Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR)
- v. Based on funds availability, a \$5,000 grant to pursue research and development projects
- vi. Based on availability, use of office space at a rate below market cost and including wireless connectivity, electricity and janitorial services

2. Arlington

Reduction in gross receipts tax rate applicable for up to 10 years from start-up

- a. Have 250 employees or occupy at least 50,000 SF if new after February 1, 2000, but before November 15, 2006
 - i. Gross receipts tax rates reduced from \$0.35 or \$0.36 to \$0.18 per \$100
- b. Have 200 or more employees if new after November 15, 2006
 - i. 200 and 499 employees will pay \$0.18 per \$100
 - ii. 500 and 999 employees will pay \$0.14 per \$100
 - iii. More than 1,000 employees will pay \$0.10 per \$100

3. Bedford

Incentive package shall apply for a maximum of six years or until such time that the business no longer operates as a qualified technology business.

- a. A discount, based on level of employment and investment generated by the business, of up to 100% of the following
 - i. Purchase price of land within the technology zone, where applicable
 - ii. Water connection fees
 - iii. Sanitary sewer connection fees
- b. A discount of up to 100% based upon and in accordance with the scope of the project on fees associated with new construction, including but not limited to

¹⁴ Lynchburg City Code, Sec. 11-212 and 11-211.

- i. Building permit
 - ii. Plan review
 - iii. Land disturbance fees
 - c. Site preparation and/or infrastructure improvement grant, based upon the nature and scope of the project
 - d. A one-time local job training grant for up to \$500 per employee, for a qualified technology business which is ineligible for the Virginia Workforce Services training grant program; the grant is provided only for new, full-time permanent positions created within the technology zone.
 - e. Reduction in taxes
 - i. Machinery and Tools Tax
 - 1. 60% - 70% for the first two years
 - 2. 40% - 50% for the next two years
 - 3. 20% - 30% for the final year (or two years, if applicable)
 - ii. Business Furniture & Fixtures Personal Property Tax
 - 1. 60% - 70% for the first two years
 - 2. 40% - 50% for the next two years
 - 3. 20% - 30% for the final year (or two years, if applicable)
 - f. All business firms shall be eligible for building permit fees rebate and public service authority fee rebate, which locat within the boundaries of the technology zone.
4. Buena Vista
 - a. 50% rebate on building and zoning permits for 5 years
 - b. 50% rebate on business personal property, machinery and tools, utility, and business and professional taxes for 5 years
 - c. 50% rebate on water and sewer connections for 5 years
5. Charlottesville

Tax reduction shall be received for no more than 3 tax years

 - a. Gross receipts in a year are \$50,000 or less, the business license fee is reduced 100%
 - b. Gross receipts in a year are more than \$50,000, the business license tax is reduced 50%
6. Falls Church

Waived business, professional and occupational license taxes and fees for three years
7. Henry County
 - a. Real estate grants
 - i. 100% for the first tax year
 - ii. 50% per year for years two through five
 - b. Machinery and tools grants
 - i. 100% for the first tax year
 - ii. 50% per year for years two through five

- c. Furniture, fixtures and equipment grants
 - i. 100% for the first tax year
 - ii. 50% for years two through five (excluding computer equipment)
 - iii. 50% per year of the calculated taxes using the assessed value of computer equipment
- d. Waiver of water and sewer availability and connection fees
- e. Waiver of building permit fees
- f. Partial exemption of substantially rehabilitated real estate, pursuant to § 58.1-3221, Code of Virginia
 - i. 100% for the first tax year
 - ii. 50% for years two through five

8. Town of Marion

- a. Qualified manufacturing technology businesses
Grant may be offered for five years based on
 - i. 100% of the amount of new and increased machinery and tools taxes paid; and,
 - ii. 100% of the net increase in real estate taxes paid
- b. Qualified non-manufacturing technology businesses
 - i. New businesses
 - 1. Grant may be offered for five years based on
 - a. 100% of the business, professional, and occupational license taxes paid; and,
 - b. 100% of the real estate taxes paid
 - 2. Schedule for incentives:
 - a. Year one, 100%
 - b. Year two, 80%
 - c. Year three, 60%
 - d. Year four, 40%
 - e. Year five, 20%
 - ii. Existing businesses
 - 1. Grant may be offered for five years based on
 - a. 100% of the new machinery and tool taxes paid; and,
 - b. 100% of the net increase in real estate taxes paid
 - 2. Schedule for incentives:
 - a. Year one, 100%
 - b. Year two, 80%
 - c. Year three, 60%
 - d. Year four, 40%
 - e. Year five, 20%

Planning Commission Staff Report

From: Tom Bonadeo
Date: October 5, 2010
Item: 5B – Code of Virginia Section 15.2 -2291 Group Home Changes
Attachments:

Item Specifics

During the last General Assembly session many new bills were adopted. This is one of those bills even though it is the second year of the Biennium. Section 15.2 Group Homes is another section of the Virginia Code that was modified during the 2010 session. Prior to this session this code section only applied to the Counties of Arlington and York along with the Cities of Lynchburg and Suffolk.

The modification added paragraph A thereby expanding the rule to all Virginia Zoning Ordinances.

Discussion

This modification is slightly different than the modification for health care structures. This code section is saying that a group home of eight or less and with one or more resident advisors is equal to residency by a single family. No conditions more restrictive can be placed on the home than is placed on the single family.

The Cape Charles Zoning Ordinance considers the Group Home as a Home Occupation. In Section 4.0-C of our ordinance we also have a list of uses specifically excluded from the Home Occupation and Group Home is on the list. The result is that the Cape Charles Zoning Ordinance currently does not allow group homes in any residential district.

The ordinance should be changed to allow for group homes in the R-1 as defined by the Code of Virginia..

Recommendation

Recommend setting a public hearing for the next Planning Commission meeting to add the new group home definition per Code section 15.2-2291. .

Planning Commission Staff Report

From: Tom Bonadeo
Date: October 5, 2010
Item: 5C – HB 1307 – Temporary Family Health Care Structures
Attachments:

Item Specifics

During the last General Assembly session many new bills were adopted even though it is the second year of the Biennium. House Bill 1307 is a bill that doesn't require an appropriation of money. There has been some discussion on the Internet blogs that this appears to be one of those bills that "snuck by."

The bill requires that all zoning ordinances make allowances for Temporary Family Health Care Structures. When reading the bill watch for the words "shall" and "may."

Discussion

To meet the requirement it would be possible to add the requirement in Section 4 of our zoning ordinance. More specifically Section 4.2.E - 8 that would read as follows.

4.2.E

8. Temporary Family Health Care Structures are only allowed per the Code of Virginia Section 15.2-229211.

We would also add the definitions for "Caregiver," "Temporary family health care structure" and "Mentally or physically impaired person" to our definitions in Section 2 of our zoning ordinance.

We should also discuss the implications of the bill by paragraph so that we all are of the same understanding of the issues and how it relates to our ordinance.

Many of the issues will be administrative, such as fees, building code requirements and setbacks. This does appear to have been written for a specific location but could lead the way to other types of accessory apartments.

Recommendation

Review and set a public hearing for the next Planning Commission meeting.

Planning Commission Staff Report

From: Tom Bonadeo

Date: October 5, 2010

Item: 5D – Update Zoning Ordinance – Site Plans

Attachments: **Bring your zoning ordinance books**

Item Specifics

During a review of our ordinances it was noted by DCR that our site plan ordinance did not directly specify that some items be required on the actual site plan.

Discussion

The Site Plan ordinance should have the required elements according to the Plan and Plat Requirement Checklist. Some items were missing and a text change is required to bring the ordinance into compliance.

The text changes will add that the buffer and RPA note must appear on the site plan.

Recommendation

Review and set a public hearing for the next Planning Commission meeting.