



# **TOWN COUNCIL**

## **Public Hearing**

March 8, 2012  
St. Charles Parish Hall  
6:00 PM

1. Call to Order at 6:00 PM
  - A. Roll Call
  - B. Establish quorum
  
2. Public Hearing Comments:
  - A. Proposed Addition to the Cape Charles Town Code:
    - i. Chapter 23 – Technology Zone
  
3. Adjournment

## Chapter 23. -Technology Zone

### Sec. 23-1. Purpose

The Town Council finds that the creation of a local technology zone, with incentives for growth, as authorized by Section 58.1-3850 of the *Code of Virginia*, 1950, as amended, will foster the Town's development, maintenance and expansion of commercial, tourist and industrial businesses engaged in the development and implementation of technology, all of which would benefit the citizens of the Town.

### Sec. 23-2. Administration

This Chapter shall be administered by the Town Manager or his or her designee (the "Administrator"). The Administrator shall be responsible for determining if a business qualifies as a Qualified Technology Manufacturing Business or a Qualified Non-Manufacturing Applied Technology Business, and shall determine and publish the procedures for obtaining the benefits created by this Chapter.

### Sec. 23-3. Boundary Area

The entire area of the Town of Cape Charles is designated a Technology Zone pursuant to Section 58.1-3850 of the *Code of Virginia*, 1950, as amended.

### Sec. 23-4. Definitions

*Economic Stimulus Grants* means the incentive grants payable to a Qualified Technology Manufacturing Business or a Qualified Non-Manufacturing Applied Technology Business as provided in Section 23-6 of this Chapter.

*Existing Business* means a corporation, partnership, limited liability company or sole proprietorship authorized to conduct business in the Commonwealth of Virginia, located in and actively engaged in the conduct of trade or business in the Town prior to the adoption of this Chapter.

*Full time job* means a job that is to be performed by a worker for an average of at least 35 hours per week for a minimum of one year, with reasonable allowances for holidays and vacations.

*New Business* means a corporation, partnership, limited liability company or sole proprietorship authorized to conduct business in the Commonwealth of Virginia not previously located in the Town that begins actively conducting business after the adoption of this Chapter.

*Qualified Business* means either a Qualified Non-manufacturing Applied Technology Business or a Qualified Technology Manufacturing Business.

*Qualified Non-manufacturing Applied Technology Business* means a New or Existing Business that has met the applicable qualifications set forth in Section 23-5 of this Chapter and that is engaged in the research, application, upgrading, repair or installation of computer hardware or software or other high-technology equipment in any business or research sector including but not limited to transportation, food production, and marine technology or any other similar activity deemed appropriate for a technology zone as defined in another jurisdiction of the Commonwealth, and found as such by the Administrator.

*Qualified Technology Manufacturing Business* means a New or Existing Business that has met the applicable qualifications set forth in Section 23-5 of this Chapter and that is engaged in technology-driven production of advanced materials or products for high-technology sectors or fields, including, but not limited to, robotics, computer hardware and software, sensors, marine technology, aerospace, or any other similar activity which is deemed appropriate for a technology zone as defined in another jurisdiction of the Commonwealth, and as found as such by the Administrator.

Sec. 23-5. Qualifications

1. Manufacturing. To be eligible for Economic Stimulus Grants, a Qualified Technology Manufacturing Business must:
  - a. Create and maintain a minimum of 5 new full time jobs which are each compensated at one and one half times the wage rate of the currently-defined federal minimum wage.
  - b. Make a new verified capital investment of no less than \$250,000.00 in a building, building improvements, and/or in machinery and tools. A capital investment does not include the cost to acquire real property.
2. Non-manufacturing. To be eligible for Economic Stimulus Grants, a Qualified Non-manufacturing Applied Technology Business must:
  - a. Create and maintain a minimum of 3 new full time jobs which are each compensated at one and one half times the wage rate of the currently-defined federal minimum wage.
  - b. Make a new verified capital investment of no less than \$100,000.00 in a building, building improvements, and/or in machinery and tools. A capital investment does not include the cost to acquire real property.
3. Mere use of computers or technology in the course of an otherwise low-technology or traditional business shall not qualify a business as a Qualified Business.

Sec. 23-6. Economic Stimulus Grants and Enforcement

1. A Qualified Technology Manufacturing Business shall be eligible to receive the following Economic Stimulus Grants:
  - a. A grant equal to 25% of the new or increased machinery and tools tax paid to the Town with a verified capital investment of \$250,000.00 that shall increase proportionately up to 100% with a capital investment of \$1,000,000.00 or more.
  - b. A grant of up to 100% of the amount of the net increase in Real Estate Tax paid to the Town.
  - c. A grant of up to 100% of the amount of BPOL Tax paid to the Town.

- d. For a Qualified Technology Manufacturing Business that maintains at least 25 full time jobs, a grant of up to 50% of the Facility and Connection fees paid to the Town.
    - e. A grant of up to 100% of the Building Permit fee paid to the Town.
  2. A Qualified Non-manufacturing Applied Technology Business shall be eligible to receive the following Economic Stimulus Grants:
    - a. A grant equal to 25% of the new or increased machinery and tools tax paid to the Town with a verified capital investment of \$100,000.00 that shall increase proportionately up to 100% with a capital investment of \$1,000,000.00 or more.
    - b. A grant of up to 100% of the amount of the net increase in real estate tax paid to the Town.
    - c. A grant of up to 100% of the amount of BPOL tax paid to the Town.
    - d. For a Qualified Non-manufacturing Applied Technology Business that maintains at least 15 full time jobs, a grant of up to 50% of the Facility and Connection fees paid to the Town.
    - e. A grant of up to 100% of the Building Permit fee paid to the Town.
3. The types and amounts of the Economic Stimulus Grants shall be based on the factors that the Town deems relevant, including without limitation the type of business conducted by the Qualified Business and amount of verified capital investment and the number of full time jobs created by the Qualified Business. The types and amounts of Economic Stimulus Grants awarded to a Qualified Business shall be initially determined by the Administrator, subject to approval by the Town Council.
4. No taxes, fees, or other charges shall be deemed waived by this Chapter. All such taxes, fees, and charges shall be paid by the Qualified Business in full as and when due. Economic Stimulus Grants described in subparts (a), (b), and (c) of subsections (1) and (2) above that are awarded to a Qualified Business shall be paid annually, in arrears, for each year that the Qualified Business meets all eligibility criteria up to a maximum of 5 years. If a Qualified Business fails to meet all eligibility criteria in any given year, the Economic Stimulus Grants for that year and all future years shall be forfeited. Economic Stimulus Grants described in subparts (d) and (e) of subsections (1) and (2) above that are awarded to a Qualified Business shall be paid upon verification by the Administrator of the completion of construction of the improvements to which the applicable Facility and Connection fees and/or Building Permit fees relate.
5. As a condition to receiving an Economic Stimulus Grant, a Qualified Business agrees to provide such information and allow such inspections as the Town deems reasonably necessary

to verify the eligibility criteria and to ensure the Qualified Business's ongoing compliance therewith.

6. Notwithstanding anything to the contrary in this Chapter:
  - a. An otherwise Qualified Business shall lose its eligibility for Economic Stimulus Grants, and shall repay any previously awarded Economic Stimulus Grants, upon any of the following:
    - i. A violation by such business or, to the extent related to the operation of the business, by any of its principals or officers, of any statute, regulation, or order of the United States or the Commonwealth of Virginia or any department or agency thereof; or
    - ii. A violation of any Town ordinance that continues beyond the applicable cure period or, if none, a period of 10 days.
  - b. All Economic Stimulus Grants are subject to the appropriation requirements of the Commonwealth of Virginia and the Town.
7. The Town will issue a Qualified Approval Letter which will specify the amount of the verified capital investment, the number of full time jobs created, the amount of the Economic Stimulus Grant(s), the eligibility criteria for receiving the Economic Stimulus Grant(s), the procedures for verifying compliance therewith, and such other terms as may be appropriate.

#### Sec. 23-7 Non-Waiver

Unless expressly stated herein, this Chapter shall not be construed to waive the requirement of any ordinances, regulations, and policies that require permits and approvals for land use, construction, and business operation. Additionally, unless stated otherwise herein, nothing in this chapter shall be construed as waiving the right of the Town to enforce its ordinances, regulations, or policies or to collect taxes, fees, fines, penalties, or interest imposed by law or by ordinance.