

How Culpeper's Incentives Work



Culpeper County Incentives



- Partnership for Economic Development and Jobs Training Program
 - Adopted 2009
- Technology Zone
 - Adopted 2006
- Tourism Zone
 - Adopted 2019

Partnership for
Economic
Development &
Jobs Training
Program
(PEDJT)



Partnership for Economic Development & Jobs Training Program (PEDJT)



- [Enabling ordinance](#) was adopted in 2009
- New or existing manufacturers can qualify
- Only machinery and tools (M&T) investment qualifies
- Business performs first, repayment after
- Can qualify each year qualifying event occurs
- Qualifying event:
 - \$500,000+ new tax assessed investment (\$250,000+ if 25 or fewer employees)
 - 3 years of 100% refunded taxes on the new tax assessed investment
 - \$3+ million new tax assessed investment Years 4 + 5 at 50% refunded
 - 50% of new real or BPP for employee training for 5 years (25% for five additional years)

PEDJT Calendar



- Year 1
 - Businesses perform
- Year 2
 - County assesses the investment
 - Businesses pays the tax
 - Businesses applies for the incentive
- Years 3+
 - County reviews application
 - County pays EDA the incentivized amount
 - EDA pays the Businesses

Yearly the County reviews and pays the EDA through performance period.

Culpeper
Technology Zone
Incentive



Culpeper Technology Zone



- [Enabling ordinance](#) in 2006
- Locality identified:
 - Industry to be incentivized:
 - “non-retail business that derives its gross sales revenue from research, development, manufacturing, advanced technological services or other technology related products, processes and services”
 - [Parcels to include](#)
- Culpeper County has amended the parcels in 2006, 2007, 2011, 2014, 2015, 2019, 2023 (Jan), 2023 (Nov)
- Our ordinance identifies the [Technology Zone Policy](#) as setting the procedures of how the incentives work. The County last amended the Policy in 2023.

Technology Zone Policy



- Qualified businesses must:
 - \$10 million of new assessed property (real property and/or business personal property)
 - 10 new employees at prevailing average wage (\$54,962 Q3 2024)
- Business performs first, repayment after
- County will return 40% of new taxes paid for 5 years
 - If assessed property (ie servers) are removed, the County no longer incentivizes that piece of equipment. The County only incentivizes items that are taxed and paid.

Technology Zone Calendar



- Year 1
 - Businesses perform
- Year 2
 - County assesses the investment
 - Businesses pays the tax
 - Businesses applies for the incentive
- Years 3+
 - County reviews application
 - County pays EDA the incentivized amount
 - EDA pays the Businesses

Yearly the County reviews and pays the EDA through performance period.

Culpeper Tourism Zone



Culpeper Tourism Zone Incentive



- [Enabling ordinance](#) in 2019
- [Boundary](#) is the entire county
- Qualified tourism business:
 - (a) An existing tourism business must provide and demonstrate an additional minimum capital investment of at least one hundred twenty-five thousand dollars (\$125,000.00) and create a minimum of three (3) new jobs over the base year and shall maintain the minimum qualifying investment level and jobs through three (3) years.
 - (b) A new tourism business must provide and demonstrate an additional minimum capital investment of at least two hundred fifty thousand dollars (\$250,000.00) and create a minimum of five (5) new jobs over the base year and shall maintain the minimum qualifying investment level and jobs through three (3) years.
 - (c) Qualified tourism businesses that have completed at least one (1) three-year incentive period and are seeking qualification for additional incentive periods will be treated as an existing tourism business for qualification purposes.

Culpeper Tourism Zone Incentive



- Three-year incentive
- 80% of taxes imposed by the County
 - Includes real property and business personal property (BPP)
 - Incentive is on what is attributable to the creation or expansion of the business
 - Note: Culpeper County does not charge a transient occupancy tax.



Tourism Zone Incentive

- Business applies to County for the approval prior to investment
- Post-investment there are yearly check-ins on:
 - Investment
 - Employee count
- County pays EDA Incentivized Amount
- EDA pays the Businesses

Yearly the County reviews and pays the EDA through performance period.