Economic Development Grant Program

County of Rockingham, Virginia

"Promoting a strong and viable economy"

Adopted July 31, 2001; Amended July 13, 2005; Amended December 13, 2006; Amended January 12, 2011

County of Rockingham, Virginia

Economic Development Grant Program

Table of Contents

County of Rockingham, Virginia

Economic Development Policy

Adopted July 31, 2001 Amended July 13, 2005 Amended December 13, 2006, Amended January 12, 2011

Purpose

The Rockingham County Board of Supervisors ("Board") has determined that the development of its industrial tax base may require the use of incentives to attract certain investment. The Board seeks to encourage the further investment by business and industry currently located, or which may locate, in Rockingham County in an effort to promote a strong, viable economy to provide employment for our citizens. The Board seeks to provide encouragement for business and industry to invest in technological advancements to the manufacturing processes in the construction of new or expanded facilities. The term "technological" is defined as those improvements in machinery & tools included in new construction or additions that increase the productivity of machines and eliminate manual operations.

The Board will consider the creation of one or more Technology Zones ("Zone") to establish the geographic boundaries within which such technological advancements shall be made to qualify for the incentive.

State Code Authority

Section 58.1-3850, Code of Virginia, 1950, as amended, grants to any city, county or town the authority to establish one or more technology zones, within which incentives may be offered for investments in technological advancements. With the authority granted to Rockingham County under Section 15.2-953, Code of Virginia, 1950, as amended, a locality may make gifts, donations and appropriations of money to industrial development authorities for the purposes of promoting economic development.

Industrial Development Authority Involvement

The Industrial Development Authority of Rockingham County, Virginia ("Authority"), was established by the Board on November 11, 1972, with such powers as granted under the Industrial Development and Revenue Bond Act as set forth in Chapter 49 of Title 15.2 of the Code of Virginia, 1950, as amended. Paragraphs 12 and 13 of Section 15.2-4905, Code of Virginia, 1950, as amended, permit the Authority to accept contributions, grants and other financial assistance from a political subdivision of the Commonwealth in order to make grants for the furtherance of economic development.

The Authority shall establish an Economic Development Grant program for qualified businesses located in the Zone. Grants to such businesses are subject to the appropriation of funds to the Authority by the Board and will be effective during the tax year in which the initial total investment is taxable as set forth in Section 7-61 of the Rockingham County Code.

South Fork Technology Zone

Policy Guidelines

1. An annual appropriation, as recommended by the County Administrator and approved by the Board in the annual budget, for the Industrial Development Authority of Rockingham County, Virginia, shall be considered to permit the Authority to make Economic Development Grants to qualified businesses within the Zone.

2. Grants shall be used for investment in technological advancements to machinery & tools in the construction of new or expanded facilities within the Zone. The investments shall meet the criteria established herein.

3. Each individual, firm or corporation within the proposed Zone, applying for an Economic Development Grant shall:

   (i) in the twenty-four (24) months in which the qualifying investment is made, invest a minimum total of fifty million dollars ($50,000,000) in new capital investment in machinery & tools and employ at least twenty-five (25) additional persons full-time, or certify to the County that, as a result of the qualifying investment, at least 25 full-time positions have been retained at the plant site located within the applicable Zone;
   (ii) remit the full payment of all property taxes owed by such applicant and due to Rockingham County, including the taxes due on the new capital investment, and;
   (iii) provide detailed information, as required by the County, to allow verification of the application for the grant, including reconciling this information with the annual personal property assessment filing with the Commissioner of the Revenue for all machinery & tools inventory at the plant. Initial applications may only be made within the investment period, as set forth above in Section 3 (i).

4. Such applicant is eligible to submit for subsequent Economic Development Grants from the Authority for additional new investments in machinery & tools made within the Zone, if such application is made within ten (10) years after such applicant is initially determined eligible for such Economic Development Grant.

Grant Computation

The amount of the annual Economic Development Grant shall be computed by multiplying the Annual Grant Percentage times the tax paid by the qualified zone business for additional, new capital investments in machinery & tools in the Zone for the years after qualification as set forth in the following table:

Tax Year after Qualification	Annual Grant Percentage
1	56%
2	50%
3	43%
4	33%
5	20%

South Fork Technology Zone

Legend

- State Roads
- Private Lanes
- Town Streets
- Technology Zone
- Corporate Boundaries
- Property Lines
- Water Features

2,700 1,350 0 2,700 Feet

February 22, 2011

Department of Community Developement
Geographic Information System Services
20 East Gay Street
Harrisonburg, VA 22802

Bridgewater Aviation Technology Zone

Policy Guidelines

1. An annual appropriation, as recommended by the County Administrator and approved by the Board in the annual budget, for the Industrial Development Authority of Rockingham County, Virginia, shall be considered to permit the Authority to make Economic Development Grants to qualified businesses within the Zone.

2. Grants shall be used for investment in technological advancements to machinery & tools and tangible personal property in the construction of new or expanded facilities within the Zone. The investments shall meet the criteria established herein.

3. Each individual, firm or corporation within the proposed Zone, applying for an Economic Development Grant shall:
   (i) in the five (5) years in which the qualifying investment is made, invest a minimum of two hundred and fifty thousand dollars ($250,000) in machinery, tools, and tangible personal property (other than aircraft) related to aviation, invest a minimum of one hundred and fifty thousand dollars ($150,000) in real property improvements consisting of hangars and support shops for aviation-related technologies, and employ an additional ten (10) full-time employees with an average hourly wage of fifteen dollars ($15);
   (ii) pay a minimum of twenty thousand dollars ($20,000) in personal property tax on aircraft for each of the five (5) years in which the qualifying investment is made;
   (iii) remit the full payment of all property taxes owed by such applicant and due to Rockingham County, including the taxes due on the new capital investment, and;
   (iv) provide detailed information, as required by the County, to allow verification of the application for the grant, including reconciling this information with the annual personal property assessment filing with the Commissioner of the Revenue. Initial applications may only be made within the investment period, as set forth above in Section 3 (i).

4. Such applicant is eligible to submit for subsequent Economic Development Grants from the Authority for additional new investments in machinery & tools made within the Zone, if such application is made within ten (10) years after such applicant is initially determined eligible for such Economic Development Grant.

Grant Computation

The amount of the annual Economic Development Grant shall be computed by multiplying the amount of personal property tax paid for aircraft owned by the applicant or subsidiary thereof and located in Rockingham County by eighty-four and three-tenths percent (84.3%). Criteria set forth in section three (3) above must be met within five (5) years of the date of application. Applicant must substantiate to the County compliance with such requirements at the end of the five (5) year period. Failure to meet such requirements will result in the applicant repaying the grant amount to Rockingham County. If applicant complies with such requirements within five (5) years from the date of application, the initial grant will be renewed for an additional five (5)-year term. If applicant is in compliance with all requirements at the conclusion of the renewal term, applicant shall be entitled to apply for additional economic development grants resulting in substantially similar benefits as granted above.

Bridgewater Aviation Technology Zone

Digital Print Technology Zone

Policy Guidelines

1. An annual appropriation, as recommended by the County Administrator and approved by the Board in the annual budget, for the Industrial Development Authority of Rockingham County, Virginia, shall be considered to permit the Authority to make Economic Development Grants to qualified businesses within the Zone.

2. Grants shall be used for investment in technological advancements to machinery & tools in the construction of new or expanded facilities within the Zone. The investments shall meet the criteria established herein.

3. Each individual, firm or corporation within the proposed Zone, applying for an Economic Development Grant shall:
   (i) in the twenty-four (24) months in which the qualifying investments are made, invest and install digital print technology equipment that is taxable as machinery and tools by the County with a total book value of fifteen million dollars ($15,000,000) or greater. This twenty-four (24) month period shall constitute the initial investment period and the period shall begin on January 1 of the first year and end on December 31 of the second year. Said investments shall expand the operations at the plant located in the zone, and shall not include equipment that merely repairs or replaces existing equipment of similar technology. In addition, the applicant shall certify to the County that it will, during the investment period, employ at least ten (10) additional persons full-time at the plant in the zone related to this investment, or retain at least ten (10) full-time positions at the plant as a result of such investment;
   (ii) remit by the due date full payment of all property taxes owed by such applicant and due to Rockingham County for all property and equipment located in the County, including taxes due as a result of the new capital investment, and;
   (iii) provide detailed information, as required by the County, to allow verification of the application for the grant, including reconciling this information with the annual personal property assessment filing with the Commissioner of the Revenue for all machinery & tools inventory at the plant.

4. Initial application for payment may be submitted after year 1 if three million dollars ($3,000,000) is invested in equipment qualified under this grant and the equipment installed by December 31 of the first year, and a written commitment is submitted by the applicant for a total investment of fifteen million dollars ($15,000,000) to be completed and installed within the twenty-four month investment period, and a statement that the employment benchmark will be met no later than the end of November of the second year of the investment period. The certification by the applicant of meeting the employment requirement shall be in the form as stipulated by the County.

5. Once the applicant has been determined eligible under this grant for its initial investment ($15,000,000 or more), the applicant may submit to the County Administrator for grant payments for investments in additional new qualifying equipment taxable as machinery & tools made and installed within the Zone, if such equipment is installed within five (5) years after the applicant is initially determined eligible by the Authority for such Economic Development Grant.

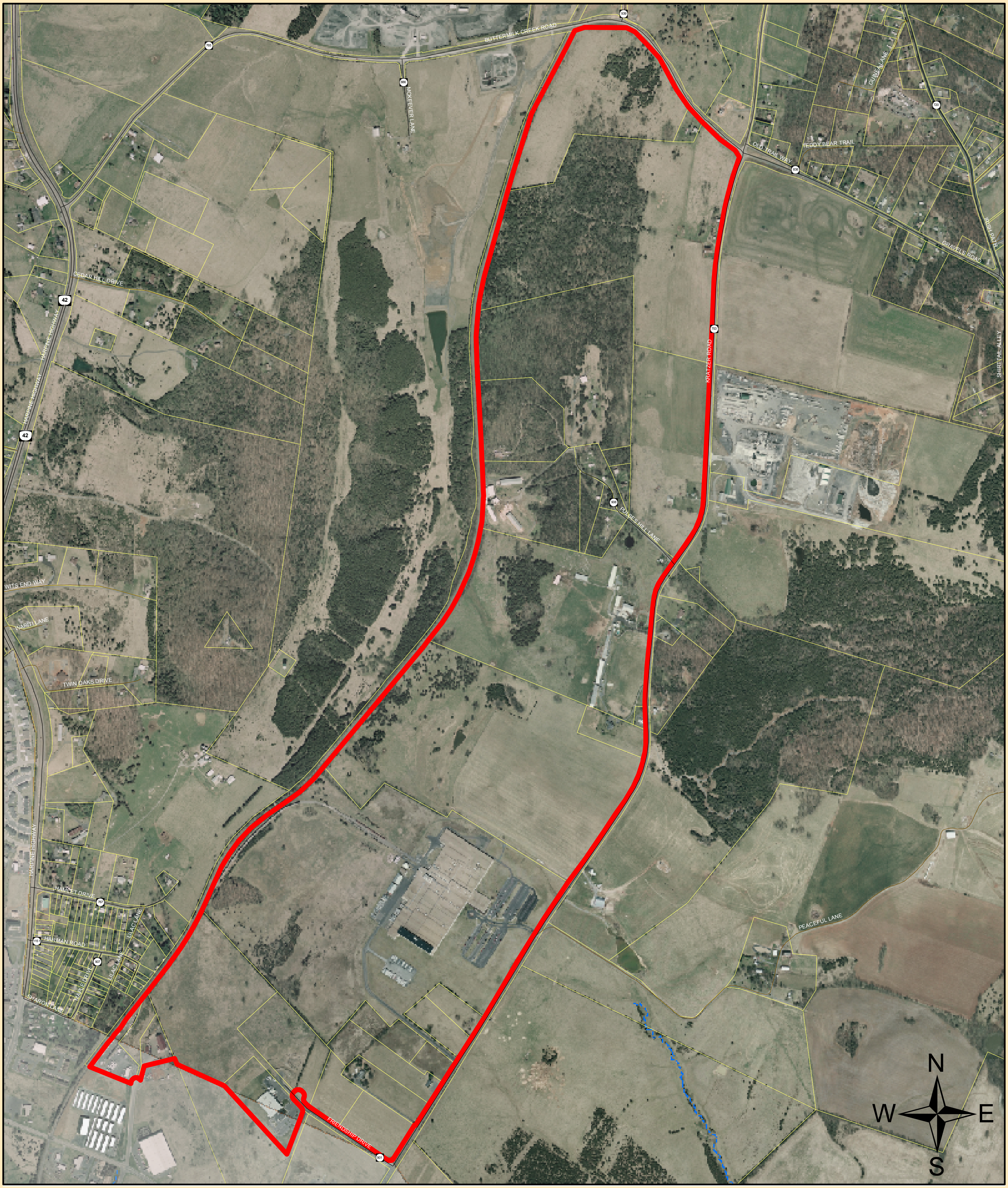
Digital Print Technology Zone (continued)

Grant Computation

The amount of the annual Economic Development Grant for the Digital Print Technology Zone shall be computed by multiplying the Annual Grant Percentage times the tax paid by the qualified zone business for additional, new capital investments in machinery & tools in the Zone for the years after qualification as set forth in the following table:

Tax Year after Investment and Qualification	Annual Grant Percentage
1	11%
2	25%
3	42.9%
4	66.7%
5	60%
6	50%
7	33%

Digital Print Technology Zone



Legend

- State Roads
- Private Lanes
- Town Streets
- Corporate Boundaries
- Technology Zone
- Property Lines
- Water Features

1,300 650 0 1,300 Feet

February 22, 2011

Department of Community Developement
Geographic Information System Services
20 East Gay Street
Harrisonburg, VA 22802

County of Rockingham, Virginia

Application for Economic Development Grant

A company or identifiable subdivision of a company, or an individual, firm or corporation within a Technology Zone, applying for an Economic Development Grant shall:

1. Meet the requirements as outlined in the policy guidelines of the specific technology zone;
2. Remit the full payment of all property taxes owed by such applicant and due to Rockingham County, including the taxes due on the new investment, and;
3. Cooperate in the verification of the above by Rockingham County. Initial applications may only be made within the investment period, as set forth in the specific technology zone.
4. At year end, provide detailed information, as required by the County, to allow verification of the application for the grant, including reconciling this information with the annual personal property assessment filing with the Commissioner of the Revenue for all machinery & tools inventory at the plant.

To apply for Technology Zone designation, complete this form and return it to the Joseph S. Paxton, County Administrator, Rockingham County Administration Center, 20 East Gay Street, Harrisonburg, VA 22802, (540) 564-3027 or email at jpaxton@rockinghamcountyva.gov.

Technology Zone ______________________________________

Name of Company *(applicant)*____

Street Address ______________________________ Phone (____)_____________

Mailing Address ______________________________ Fax ( ) ______________________________

Name/Title of Authorized Representative ____

E-mail address _____________________________ Web Site URL _______________________

Federal Identification No. __________________ SIC Code______

Estimated Value of New Investment $________________________

Timeframe for New Construction/Investment: Date - From_________ to__________

Current Number of Employees ________ Number of New Employees_______

I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, ALL INFORMATION PRESENTED ABOVE IS CORRECT.

I will make available for review by the County Administrator and/or the Commissioner of the Revenue all of the records relevant to information required by this form.

____ ____/_____/____

Signature of Authorized Representative Date

County of Rockingham, Virginia

Application for Economic Development Grant

Part I - Please provide a brief overview of planned expansion.

Part II - Please provide a brief description and schedule of the proposed improvements.

County of Rockingham, Virginia

Application for Economic Development Grant

For Office Use

Annual Certification

Technology Zone____

Name of Company *(applicant)*____

Street Address ______________________________ Phone (____)_______________

Based on my understanding of the information supplied in this application and any additional information I may have reviewed, the applicant company.

- ☐ is hereby certified for Year 1 as a qualified Technology Zone business as defined by the Rockingham County Code.
- ☐ would not qualify for inclusion in the technology zone as defined by the County Code.

____ _____/_____/_____ County Administrator Date

I hereby certify that the applicant company has no outstanding property taxes due to the County.

____ ______/_____/_____
Commissioner of the Tax Year Date

Effective Date of Tax Abatement: January 1 April 1 July 1 October 1

(First quarter after date of application if already located in the County or first quarter after company is located in the County. For example, if approved April 30, July 1 would be the first eligible quarter for the program.)