

Economic Development Incentive Policies Town of Bedford, Virginia EDA

In order to carry out the purposes of promoting industry and developing trade within the Town of Bedford, the Town Economic Development Authority (EDA) developed the following policies for incentives that help meet these purposes. Recognizing that all businesses and jobs have value in the Town, these incentives will apply to those that pay higher wages. Equipment purchase or infrastructure incentives will be related to job creation or increased output as may be evidenced through increased contract-based work. These incentives are supplemental to the real property investment grants that apply in the Downtown area and Enterprise Zone, as well as those that may be granted separately by the Bedford County EDA.

Applicability

These incentives are available town-wide and apply to equipment purchases or infrastructure improvement tied to the addition of jobs and increased tax revenue. Incentives may apply to new or established businesses already operating in the town. The amount of incentive will be calculated on a case-by-case basis with consideration for the following criteria:

- \$50,000 minimum equipment investment
- Minimum 3 new jobs – wages at least 175% over the minimum Federal Minimum Wage with benefits
- There will be no minimum amount of investment for extension of infrastructure or site preparation (water, sewer, electric, fiber, road improvements).
- The incentive generally must generate a positive return on investment in the form of new tax revenue over a period of three years.

Target Sectors

These incentives shall apply to businesses in the advanced industrial or manufacturing sectors. “Advanced manufacturing” for these incentives is defined as: non-traditional production involving relatively clean processes or emerging technology. Innovation and use of new technology is a key factor in assessing whether the production process is “advanced”.

Other trade-related sectors may be considered to receive incentives if they provide a niche service or product, or a service or product not generally found in the surrounding geographic area. All requests are considered on an individual, case-by-case basis.

Accountability and Performance Agreement

All incentives shall have a performance agreement between the business and EDA. This is to formalize expected outcomes and obligations for the business and for the EDA as the public investor. The length and content of the agreement will be negotiated between the business and EDA and signed by authorized representatives.

Annual performance measures are required to show that the business has met the obligations set for that year. This written report provided by the business allows review for potential issues that may arise in remaining years of the agreement.

The agreement may include provisions for payback of the incentive in the event the business closes or leaves Town limits or sells equipment purchased with an incentive during the term of the agreement or for a period thereafter defined in the agreement.

Disbursement to Business

Incentives shall generally be on a reimbursement basis over the terms of the agreement for the purchase of equipment. Infrastructure improvement incentives may be provided up front in an amount and time as defined in the agreement.

Non-equipment Incentives

Investment by the Town in infrastructure shall be subject to the same payback clauses if the business closes during the term of the performance agreement. Site infrastructure may involve agreements with the Bedford Regional Water Authority, Bedford Town Electric Department, Virginia Department of Transportation, among others.

Funding

The Incentive Policy is subject to change by the Authority at any time, is subject to EDA approval, modification and is subject to the availability of funds. These funds are provided from EDA reserve funds, funds designated from the capital improvement program fund (CIP), from appropriations of the Town Council, or through grants.

Other Incentives

The Town offers other incentives that include the following at this time, as amended:

1. Machinery and Tools Tax rate – \$0.000001 in the Town
2. Expedited review of site plans, building plan review and permit issuance, and zoning applications
3. Assistance with applying for State grants through the Enterprise Zone, the Virginia Jobs Investment Program, and Federal job grant through Workforce Development Board
4. Real property incentive grants in the Enterprise Zone and Downtown area
5. Waiver of certain permit fees for the first year in the Enterprise Zone and downtown area