



## **AN ORDINANCE TO ESTABLISH CHAPTER 76 OF THE CODE OF THE TOWN OF WOODSTOCK, VIRGINIA:**

**BE IT ORDAINED** by the Council of the Town of Woodstock, Virginia, that Chapter 76, Article I, Section 76-1 through Section 76-6, be established as follows:

### Chapter 76 – TOURISM ZONES

#### Article 1. – IN GENERAL

##### Sec. 76-1. - Purpose and intent.

The purpose of this article is to promote the continued development and success of the town and to increase awareness and support for tourism in the town through incentives authorized by Code of Virginia §58.1-3851. The town believes that the establishment of a tourism zone will improve the business and economic conditions of the town which will, in turn, benefit the welfare of the citizens of the town. Furthermore, it is the purpose and intent of this article to serve the public interest and promote the public welfare by:

- (a) Retaining and attracting tourism related businesses that attract visitors to the town;
- (b) Carrying out the goals and objectives of the comprehensive plan to promote economic development; and,
- (c) Promoting a positive business environment through enacting tax and fee incentives.

##### Sec. 76.2. - Definitions

For the purpose of this article, the following words and phrases shall have the following meanings, unless clearly indicated to the contrary:

*Depreciable assets* mean property, including but not limited to vehicles and office equipment, eligible for depreciation treatment in accordance with Internal Revenue Service (IRS) rules.

*Existing business* means a corporation, partnership, limited liability company, limited liability partnership, sole proprietorship, or any other form of business 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.

*Incentives* means financial benefits available to a qualified existing or new tourism business as provided in Section 76.5.

*New business* means a corporation, partnership, limited liability company, limited liability partnership, sole proprietorship, or any other form of business authorized to conduct business in the Commonwealth of Virginia not previously located in and actively engaged in the conduct of trade or business in the town that begins actively conducting business after the adoption of this chapter.

*Qualified existing tourism business* means an existing business, excluding home occupations, that has met the applicable qualifications set forth in Section 76.4 of this chapter and that is engaged in hospitality

food/beverage, new clothing/shoes), performing arts (theaters, arcades, assembly halls, event spaces), food services and drinking places (restaurants, bakeries, caterers), wineries, breweries, distilleries, destination and full-service spas, scenic and sightseeing transportation, recreational goods rental, artisan manufacturing, and arts studios and galleries.

*Qualified new tourism business* means a new business, excluding home occupations, that has met the applicable qualifications set forth in Section 76.4 of this chapter and that is engaged in hospitality (hotels, bed & breakfasts, inns), specialty retail (outdoor/sporting goods, gifts, specialty food/beverage, new clothing/shoes), performing arts (theaters, arcades, assembly halls, event spaces), food services and drinking places (restaurants, bakeries, caterers), wineries, breweries, distilleries, destination and full-service spas, scenic and sightseeing transportation, recreational goods rental, artisan manufacturing, and arts studios and galleries.

### Sec. 76.3. - Administration

- (a) The administrator of the tourism zone shall be the town manager or designee. The administrator shall determine and publish the procedures for obtaining the incentives created by this article and for the administration of this article. The administrator shall be the single point of contact for qualified business owners and organizations to take advantage of the tourism zone incentives described in this article.
- (b) The business will submit a completed application with all required documentation upon meeting the qualifications specified in Section 76.4. The application will list applicant/contact information and provide the required project information described below. The application shall be signed by the applicant and the property owner if operating within a rented or leased space. By signing, every applicable party shall certify that they are authorized to apply for tourism zone incentives and are in compliance with all town ordinances and have no outstanding debts or delinquent taxes due to the town or Shenandoah County.
- (c) A completed application shall include a business plan that includes the following elements:
  - (1) General description of the business's history, including its formation, the products and/or services it has provided, and any other significant activities.
  - (2) Description of the operation and/or financial relationships with any parent or subsidiary, and describe any changes in ownership that may occur as a result of this project.
  - (3) Detailed description of the actions the business will take that will make it eligible to receive incentives.
  - (4) Revenue projections for the next five-year term.
  - (5) Estimate of the amount of zoning, building and other regulatory fees required to complete the actions described in subsection 76.3(c)(2).
  - (6) Estimate of the increased assessed value of real property.
  - (7) Estimate of the increased assessed value of the business, personal property, or machinery and tools.
  - (8) Number of full and part time jobs created.

- (d) The administrator shall determine whether an applicant meets the requirements of this article and is thus eligible to receive incentives as a qualified existing or new tourism business.

#### Sec. 76.4. - Qualifications

To qualify for incentives, an existing or new tourism businesses must:

- (a) Business must make a verified capital investment of no less than \$15,000 in building improvements and/or in depreciable assets over a three-year period. A capital investment does not include the cost to purchase real property.
- (b) Hold a current town business license and be current in all tax and utility bill obligations to the town, and all tax obligations to Shenandoah County. A property owner providing a space for rent or lease must also hold a current town business license, if applicable, and be current in all tax and utility bill obligations to the town, and all tax obligations to Shenandoah County.
- (c) Be in compliance with all town ordinances.

#### Sec. 76.5 - Incentives and enforcement

- (a) A qualified existing or new tourism business, excluding home occupations, shall be eligible to receive incentives per the adopted Tourism Zone Incentive Schedule as adopted by Town Council, which may be amended from time to time.
- (b) A qualified existing or new tourism business may receive incentives only once, unless a change in ownership occurs and at least three years have passed since the last incentive was received.
- (c) Only the specific fees or charges listed in this chapter may be waived for the qualified existing or new tourism business.
- (d) As a condition to receiving an incentive, a qualified existing or new tourism 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.
- (e) The property owner which receives the incentive described in part (1) of the Schedule of Incentives shall repay the water/sewer connection fee reduction received upon failing to meet eligibility criteria and/or qualification criteria in Section 76.4.
- (f) Any incentives authorized by this ordinance shall be subject to appropriations and availability of funds.

#### Sec. 76.6. – Boundaries of Tourism Zone

There is hereby established the “Woodstock Tourism Zone” consisting of all the area designated as such on the map entitled “Town of Woodstock Tourism Zone” dated March 12, 2020 attached hereto and incorporated herein.

#### Secs. 76.7–76.30. – Reserved.

Adopted this 5th day of May, 2020.

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Mayor

ATTEST:

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Clerk