

FINANCING

COMMONWEALTH OF VIRGINIA

Economic Development Revolving Loan Fund

- Loans up to \$1,000,000 (up to 40% of the total project cost)
- Negotiable, typically at or below market rate
- Length of loan negotiated for each project, not to exceed the useful life of the assets being financed

Industrial Development Bonds (IDBs), or private activity bonds, are issued locally in Virginia through Industrial Development Authorities (IDAs) for amounts up to \$20,000,000

LAKE COUNTRY DEVELOPMENT CORPORATION

Revolving Loan Fund

- Loans are made available to leverage other public and private funds for the purpose of economic and industrial *job-creating* endeavors
- Loans of up to \$400,000
- 3% below Prime Rate for up to 10 years (4% floor)

LOCAL INCENTIVES

Virginia Enterprise Zone Program is a state and local partnership in which both parties seek to improve economic conditions within a targeted area of distress. The concept of the enterprise zone is to create within these areas, an improved climate for private sector investment, development, and expansion. This is accomplished by reducing the cost of doing business through regulatory flexibility and through tax and other financial incentives. Local zone incentives vary by community. The following pages provide detailed information on Lake Country's enterprise zones.



Low Tax Rates: Real estate taxes in Mecklenburg County are among the lowest in the Commonwealth of Virginia.

ENTERPRISE ZONE INCENTIVES

All incentives are subject to credit and appropriations caps.

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Real Property Investment Grant is available to entities and individuals making real property improvements. There are no NAICS code restrictions on applicants. Mixed-use projects that are at least 30% business also qualify.

QUALIFICATIONS FOR GRANT		
Project Type	Rehab or Expansion	New Construction
Threshold	≥ \$100,000 of improvements	≥ \$500,000 of improvements
GRANT AMOUNT		
Investment	< \$5,000,000	≥ \$5,000,000
Grant Amount	20% of Qualified Real Property Investment	20% of Qualified Real Property Investment
Grant Limit	\$100,000 Five (5) year period	\$200,000 Five (5) year period

Job Creation Grants are available to Qualified Business Firms located within an Enterprise Zone. Some NAICS codes are restricted from applying. These grants are not available to retail, local service, or food/beverage service businesses. Grant awards begin with the fifth job created (the first four permanent, full-time jobs do not count toward the grant award). Created jobs that pay less than 175% of the Federal Minimum Wage are not eligible for the grant.

GRANT AMOUNT			
Created Jobs Pay	200% Federal Minimum Wage w/ Health Benefits	175% - 199% Fed. Min. Wage w/ Health Benefits	< 175% Federal Min. Wage
Grant Amount (per created job, per year)	\$800	\$500	Not Eligible
Time Limit	5 Years	5 Years	Not Eligible
Grant Maximum (eligible jobs per year)	350	350	Not Eligible
Job Creation Threshold	Created jobs 5 to 354	Created jobs 5 to 354	Not Eligible

ENTERPRISE ZONE INCENTIVES

MECKLENBURG COUNTY

Local Assistance/Coordination with Local Banking: Lake Country Development Corporation will introduce new industries to the various local banks, schedule initial appointments, and coordinate any other activities needed to ensure a smooth transition. The prospective industry will be provided with assistance and coordination with financial institutions. This service is limited to prospects for Enterprise Zones and industrial parks.

Industry Stimulus Grant: a four-year stimulus grant based on the Machinery & Tools Tax. To qualify for this grant, a business must create a minimum of 50 full-time jobs. Recipients of the grant may also receive Job Grants, but are ineligible to receive the Technology Stimulus Grant.

GRANT AMOUNT				
Year	1	2	3	4
Grant amount (% of Machinery & Tools Tax)	100%	75%	50%	25%

Technology Stimulus Grant: a four-year stimulus grant based on the Personal Property Tax. To qualify for this grant, a business must create a minimum of 15 full-time jobs. Recipients of the grant may also receive Job Grants, but are ineligible to receive the Industry Stimulus Grant.

GRANT AMOUNT				
Year	1	2	3	4
Grant amount (% of Machinery & Tools Tax)	50%	50%	50%	50%

Job Grant: a one-time grant based on the number of jobs created (must satisfy certain requirements). The grant is \$400 per new job, with the amount not to exceed \$20,000. Only industries creating 15 or more jobs within the first 30 months are eligible for the grant.

Waiver of Building Permit Fees: businesses locating in an Enterprise Zone will have their Mecklenburg County Building Permit Fee waived. A business must create a minimum of 10 full time jobs to be eligible for the fee waiver.

Industrial Real Estate Discount: businesses locating in an Enterprise Zone may purchase IDA land at a 50% discount off the listed price. This discount is limited to businesses with a private investment of \$10,000,000 or more and the creation of 100 full-time jobs. Land may be further discounted at the discretion of the Mecklenburg County IDA.

Town Enterprise Zone Incentives: Towns with EZ's in their corporate limits offer the above incentives, as well as some others. See the town sections, below.

NON-ENTERPRISE ZONE AREAS INCENTIVE PROGRAM

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The Non-Enterprise Zone Areas Incentive Program makes incentives available in areas of the Commonwealth of Virginia that are not included in a designated Virginia Enterprise Zone.

Major Business Facility Job Tax Credits are available to companies engaged in any business in the Commonwealth, except for retail trade business. A company may claim a Virginia tax credit if the taxpayer creates at least 50 new full-time jobs in connection with the establishment or expansion of a major business facility, in an economically-distressed area.

The credit is equal to \$1,000 per qualified full-time employee (in excess of the 50-job threshold) who was employed during the credit year. The credit year is defined as the first taxable year following the taxable year in which the major business facility was established or expanded. The credit is claimed in one-third increments over three taxable years beginning with the credit year. Unused credits may be carried forward for 10 years.

MECKLENBURG COUNTY

The Non-Enterprise Zone Areas Incentive Program makes incentives available in areas of Mecklenburg County that are not included in a designated Virginia Enterprise Zone.

Technology or Industry Inducements are annual cash awards available for up to four years based on taxes paid by the company. There is no investment minimum. The award given will be based on whether the company is a Technology firm or an Industrial business, based on NAICS code.

	TECHNOLOGY INDUCEMENT	INDUSTRY INDUCEMENT
Jobs Created	Minimum of 5 jobs created	Minimum of 5 jobs created
NAICS Codes Applicable	517 - 518 Information	31 - 33 Manufacturing 493 Warehousing
Based On	50% of Personal Property Tax	100% of Machinery & Tools Tax

Employment Inducement is a one-time payment to new or expanding industry located in the County, of \$400 per new job created. There is no investment minimum.

	Employment INDUCEMENT
Jobs Created	Minimum of 5 jobs created
NAICS Codes Applicable	31 - 33 Manufacturing 493 Warehousing 517 - 518 Information
Total Limit	\$20,000