

IX. E) Tourism Zone Draft Program Outline

This is the first draft of a program that we have been working on cooperatively with LDI, and Page County Economic Development.

The concept of the program is to provide incentives for businesses that support our tourism industry. While other programs, such as Wytheville, offered a variety of categories, definitions, and facilitations, this proved to be very complex for both the end-users and the government implementing the program.

We are proposing a simpler program with clearly defined limits and qualification thresholds.

There are several noteworthy aspects of this program that I should highlight:

- 1.) Any business in B1 zoning is eligible to participate in up to two 5-year cycles
- 2.) Any business outside of the B1 zoning that pays Meals and/or Lodging tax is eligible for one 5-year cycle
- 3.) This is a tax reimbursement program that rewards increased gross sales performance, training, and both business and staff development
- 4.) Participants receive 50% of their increased gross receipt taxes back after payment
- 5.) The Town keeps the other 50%
- 6.) Participants are required to enroll themselves, and certain staff, in free business development, customer service, and hospitality courses offered locally
- 7.) Participants in B1 must show at least a 50% business reinvestment of the reimbursed monies in their first cycle in order to be eligible for a second cycle
- 8.) The Town is not “losing” anything since the reimbursement is based solely on their gross receipts tax increase over their benchmark year. Thus, these were funds the Town wasn’t getting in the first place, but reimbursement will allow these businesses to reinvest these monies in their business ventures and provides for staff development.
- 9.) The key philosophies to remember are that increases in gross receipts, for whatever reason, are good for our community. Likewise, business owners and staff who participate in business development courses, customer service training, and hospitality training are extremely beneficial to our tourist industry. Finally, businesses that reinvest at least half of their reimbursed taxes back into their operations in any fashion will be a positive impact on future performance.
- 10.) Finally, incentivizing businesses in our B1 district may help to encourage other businesses to locate in B1 rather than operate in other zoning districts.

Please review the draft program and provide comments, concerns and suggestions. Our goal is to keep the program simple, direct, and easy to implement. We also want to avoid special circumstances, loopholes for qualification, and complex calculations and requirements since these tend to dilute the effectiveness of the program, and make it more difficult for our staff to implement.