



TOURISM INCENTIVES PROGRAM 2019

Version 01.04.2018

Many projects are attracted to areas and municipalities that provide incentives. Such incentives allow mutually beneficial circumstances that reward the developer and the locality. Current business owners and new businesses may be eligible for rebate incentives over a period of years which would allow adequate start-up capital and time for initial success, and also ensure longevity. The purpose and intent of this ordinance is to incentivize businesses that support and stimulate investment in Luray's economic development and enhance the local business environment. The following pages provide a general outline of these incentives and the basic eligibility requirements. If you would like more information about how to apply, please contact:

Town of Luray
45 E Main Street
PO BOX 629
Luray, VA 22835
540-743-5511

Planned Program Adoption Date- 2018
Planned Ordinance Adoption Date - 2018
First Eligible Term Application Date – January 2019

PERIOD 1 (5 YEARS)

QUALIFICATIONS:

- Existing and new businesses located in the B1 District, currently holding a business license with the Town of Luray, paying and up-to-date on meals and/or lodging taxes, and retail sales tax.
- Existing and new businesses outside of the B1 District, that pay meals and/or lodging taxes, currently holding a business license with the Town of Luray, paying and up-to-date on meals and/or lodging taxes.

IMPLEMENTATION:

- New businesses may start the application process with issuance of their business license and are required to submit a business plan. However, their period will not start until after their first full year (12 full months running January through December) of gross receipts have been filed with the town. This will set a benchmark against which the period may be compared or assessed.
- Reimbursements are issued annually within 90 days after the end of each previous tax year.
 - a. In order to receive a reimbursement, all taxes must be current and paid in full. If taxes are late more than twice within one year, program eligibility may be suspended for that year.
 - b. Reimbursements are 50% of the difference between the benchmark gross receipts taxes paid and the gross receipts taxes paid for the subject year in the period. If the annual gross receipts fall below the benchmark, the applicant is not eligible for a reimbursement that year.
- During the first year of term 1, businesses are required to send 50% of their owner/management personnel (1 owner, 1 manager, and 1 supervisor) to an SBDC course and 50% of their staff to a customer service or hospitality service training, provided locally. Provide evidence (copies of training certificates) to the Town within 3 months of attendance.

PERIOD 2 (5 YEARS)

QUALIFICATIONS:

- Average of the first five-year period must be at least 10% higher than the established Period 1 benchmark to qualify for Period 2.
- During the second five-year period the business must meet a new higher benchmark than the previous period. 10% of the five-year average added to the previous bench mark, sets the new bench mark for the second period.
- The five-year average of Period 1 gross receipts, plus 10% equals the Period 2 Bench Mark.
- Reimbursements are issued annually within 90 days after the end of each tax year, (April 1 of the following year).
 - c. In order to receive a reimbursement, all taxes must be current and paid in full. If taxes are late more than twice within one year, program eligibility may be suspended for that year.
 - d. Reimbursements are 50% of the difference between the benchmark gross receipts taxes paid and the gross receipts taxes paid for the subject year in the period. If the annual gross receipts fall below the benchmark, the applicant is not eligible for a reimbursement that year.
- During the first year of the second period, businesses are required to send a different 50% of their owner/management personnel (1 owner, 1 manager, and 1 supervisor) to an SBDC Course and 50% of their staff to a customer service or hospitality service training, provided locally.
- Businesses must provide documentation that at least 50% of the reimbursement from Period 1 were used to improve the business. Improvements can be:
 - I. Marketing
 - II. Becoming a Member of Luray Page Chamber of Commerce
 - III. Building/Facade Improvements
 - IV. Increased number of staff
 - V. Increased Service Hours
 - VI. Increased Products of Services
 - VII. Adopt/Update a formal SBDC Business Plan

Evidence of training provided to the Town for Period 1 and 2.

- If applicant did not meet the requirements in Period 1 in order to qualify for Period 2, and they would still like to apply, all of these additional conditions must be met:
 - a. Submit a formal updated business plan in conjunction with SBDC within the first 3 months of the first year in Period 2.
 - b. Submit an annual compliance update of the business plan within the first 3 months of each year of Period 2.
 - c. Attend an SBDC Event, at least one training focused on business rejuvenation. Provided evidence to the Town.

Training Options:

- SBDC
 - <http://www.valleysbdc.org/>
 - a. Business Plan Development
- Local Farm to Table Initiative
 - <http://pagecountygrown.com>
 - <http://www.fieldsofgold.org/>
- Shop Local Initiative
 - <https://downtownluray.com/shop-local/>
- LFCC/LDI/CHAMBER TRAININGS:
 - <https://lfcc.edu/>
 - <https://downtownluray.com>
 - <http://luraypage.com/>
 - a. Lodging/Dining
 - b. Wedding Venues
 - c. Local Event Co-Marketing
 - d. Customer Service
 - e. Hospitality Training
 - f. Business Accounting & Taxes

EXAMPLE:

A qualifying retail business in B1 has a gross receipts benchmark of \$1,000,000. On those gross receipts, they paid \$1,200 in Business License taxes for the year. In the first year of Period One, they have gross receipts of \$1,200,000. For this year, they paid the Town \$1,440 in Business License Tax. Their reimbursement for the first year of Period One would be half of the difference in the two tax amounts, or \$120.

For a qualifying business that pays business license tax, meals tax, and/or lodging tax, they would be eligible for the same annual reimbursement format for any, or all, of these types of taxes paid.