

Local Economic Development Incentives – From the Local Perspective

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Studying Local Incentives

Virginia Economic Developers Association

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Virginia Economic Developers Association

- The voice in Virginia for shaping economic development public policy
- A primary source of strong and effective education and networking for economic development professionals.
- 630+ Members: Local, Regional, & State Economic Development professionals; related industry professionals; education; workforce agencies, and others interested in economic development

Presentation Overview

- Types of Incentives
- Accountability
- Interaction with State Economic Development Agencies

Local Incentives - Background

- First and foremost, a pro-business, competitive tax structure is essential
- Local governments generate most money from property taxes
- No ability to offer income or sales tax breaks
- Virginia Constitution prohibits local property tax abatements (many competitor states are unrestricted)
- Limited resources for incentives because of public education and public safety commitments

Local Incentives - Programs

- Local governments do control land use and development permitting processes
- Fast track approval processes are very attractive to prospects – time = money
- Some communities waive or reduce various development fees for large projects

Local Incentives - Programs

- Technology zones – allow BPOL, other fee reductions within specified areas
- Local enterprise zones – local governments must offer incentives in state designated zones
- State funding match – Governor's Opportunity Fund requires dollar-for-dollar match to participate

Local Incentives - Accountability

- Performance agreements
- Clawbacks for non-performance
- Public hearings
- Formal incentive program criteria

Interaction with State

- Economic development is about collaboration
- Joint marketing activities
- Joint proposals to prospects
- Interaction on incentive policy

THE END

Thank You For Your Time and Attention

Questions?

