

# **City of Bridgeport**

  

# **Economic Incentive Policy**

Packet contains the following:

- ❖ Tax Credit Ordinance Citing
- ❖ Tax Credit Qualifications Defined
- ❖ Application for Business and Occupation Tax Credit

Monica J. Musgrave  
Finance Director  
(304) 842-8253

Updated, October 24, 2018

**FINANCE DEPARTMENT**  
515 W Main Street • PO Box 1310  
Bridgeport WV 26330-9310  
Phone (304) 842-8230 • Fax (304) 842-6138



## **MEMORANDUM**

RE: City of Bridgeport Tax Incentive Policy

Enclosed you will find City of Bridgeport Economic Incentive Policy packet containing a tax credit application, the Tax Credit Ordinances and definitions of the qualifications of the tax incentives.

Please complete the enclosed application and submit along with documentation to substantiate the qualifying requirements of the incentive for which you are applying.

After completion of the application, please submit to:

Andrea Kerr  
Director of Community Development  
PO Box 1310  
Bridgeport WV 26330-9310  
Email: [akerr@bridgeportwv.com](mailto:akerr@bridgeportwv.com)

Upon receipt of the application and required supporting materials, the City Manager and Finance Director will review the information. If no further documentation is required and the business is determined to be qualified for the tax credit, a letter of approval will be sent to inform the applicant of authorization and date in which the incentive will begin.

## **TAX INCENTIVE ORDINANCE**

### **737.35 ANNEXED BUSINESS INCENTIVES.**

(a) Definition. Business brought within the corporate limits of the City by way of annexation.

(b) Tax Credit. The tax credit under this section consists of a credit of 90% of assessed City B&O tax generated by the annexed business for the first year and 40% for years two and three. A year, for purposes of the tax credit, is defined as the (12) twelve-month period beginning the first day of the quarter the business meets the qualifications for the tax credit.

(c) Qualifying Requirements.

(1) The annexed business must have a minimum appraised value of \$500,000. This appraised value will include equipment, structures and improvements;

(2) The annexed business must have a minimum of five full time jobs;

(3) Determination by the City that the tax credit being offered will increase the likelihood of the business annexing into the corporate City limits; and

(4) The real property and improvements of an annexed business must have a useful life of five or more years; or must have a coinciding lease of not less than five years, or must be depreciable/amortizable tangible personal property which has a useful life of not less than five years.

(d) Tax Credit Computation. Tax credits will be considered on the total gross revenues of the business operation once annexation is complete.

(e) Forfeiture. If the number of full-time jobs which are realized into the city limits resulting from the annexation and attributable to the tax credit falls below five, the tax credit will be forfeited for that quarter.

(Ord. 3-03. Passed 4-28-03.)

### **737.36 BUSINESS SUSTAINABILITY INCENTIVES.**

(a) Definition. Any entity that locates a new business or expands an existing business within the corporate limits of Bridgeport can apply for this incentive.

(b) Tax Credit.

(1) New business. The tax credit under this section consists of a credit of 90% of assessed B&O tax on gross revenues the first year and 40% for years two and three. A year, for purposes of the tax credit, is defined as the twelve-month period beginning the first day of the quarter the business meets the qualifications for the tax credit.

(2) Expanding existing business. The tax credit under this section consists of a credit of 90% of assessed B&O tax on qualifying gross revenues resulting from the expansion the first

year and 40% for years two and three. A year, for purposes of the tax credit, is defined as the twelve-month period beginning at the first day of the quarter the business meets the qualifications for the tax credit.

(c) Qualifying Requirements.

(1) Application must be submitted and approved by the City prior to application for a building permit.

(2) Investment of \$100,000.00 minimum;

(3) Determination by the City that the tax credit being offered will increase the likelihood of the business locating or expanding in the City;

(4) The real property and improvements of the business location or expansion must have a useful life of five or more years; or must have a coinciding lease of not less than five years; or must be depreciable/amortizable tangible personal property which has a useful life of not less than five years and;

(5) Creation of three (3) new jobs.

(6) Business to be located in either a BPO, B1, B2, or II zoning district.

(7) City Council shall have the final authority on grant approval after receiving a report and recommendation from city staff and the Bridgeport Development Authority (BDA). City council shall render a decision within 45 days upon receipt of an approved application.

(d) Tax Credit Computation. Tax credits will be considered on total gross revenues of the new business. For expanding business, qualifying revenues will be determined by taking a three-year average revenue base for the three years preceding the expansion (or total business revenue if business has been in operation for less than three years) and applying the credit for all revenues which exceed this average.

(e) Forfeiture. If the number of full-time jobs which are realized and attributable to the tax credit falls below three, the tax credit will be forfeited for that quarter. (Passed 3-28-16.)

**737.38 EXTERIOR IMPROVEMENT INCENTIVES.**

(a) Definition. Any property owner that remodels the exterior facade of an existing structure, constructs an addition to an existing structure, or any ancillary improvements such as decorative features, curbing, sidewalks, and demolition visible from the front facing street right of way may be eligible.

The following improvements do not qualify for this incentive:

- Paving of parking facilities,
- New Construction,
- Portions of exterior improvements not visible from street right of way,
- Interior renovations,
- Underground or above ground utilities,

- Landscaping,
- Advertising Signs.

(b) Grant Award. A grant equal to twenty (20) percent of the total investment with a minimum qualified investment of \$2,000.00 which will equal a \$400.00 reimbursement grant to a maximum grant reimbursement of \$10,000.00 for a qualified investment of \$50,000.00 or above. (Passed 10-10-16.)

(c) Qualifying requirements.

- (1) Application must be submitted, and approval received from the city prior to application for a building permit.
- (2) Successful applicants must invest a minimum of \$2,000.00 and provide verification sufficient to the City indicating the investment;
- (3) The property must be located within a BPO, B1, B2, or I1 zoning district.
- (4) City council shall have the final authority on grant approval after receiving a report and recommendation from city staff and the Bridgeport Development Authority (BDA). City council shall render a decision within 45 days upon receipt of an approved application. (Passed 3-28-16)

**737.40 CITY ECONOMIC DEVELOPMENT GRANT.**

(a) Definition. To the extent that it may lawfully do so, the City in its sole discretion, may choose to extend a general economic development grant for the benefit of a business or developer. This grant is based on availability of City funds, the economic and jobs development impact on the community and the extension of public utilities and other infrastructure, the elimination of dilapidated and obsolete structures, the beautification and expansion of recreational facilities within the community and the extent to which the development coincides with City development initiatives and efforts. The City Council may award the grant after the request has been reviewed and a subsequent recommendation is made by staff and the Bridgeport Development Authority (BDA). All grant proceeds shall be expended only in accordance with plans and specifications approved by the City, within the time prescribed by the City and in accordance with such other terms and conditions as may be approved by City Council; otherwise the grant may be withdrawn or declared due and payable and all grant proceeds distributed by the City shall be immediately repaid to the City as directed by the City Council. The Economic Development Grant is a percentage-based reimbursement grant with the monetary award disbursed after all B&O revenues are collected from the project and verified by the City. The maximum grant award shall be up to 50% of the B&O tax revenue realized from the project not to exceed \$50,000.

(b) Qualifying Requirements.

- (1) Application must be submitted and approved by the City prior to application for a building permit.
- (2) Investment of \$100,000.00 minimum;

(3) Determination by the City that the tax credit being offered will increase the likelihood of the business locating or expanding in the City;

(4) The real property and improvements of the business location or expansion must have a useful life of five or more years; or must have a coinciding lease of not less than five years; or must be depreciable/amortizable tangible personal property which has a useful life of not less than five years and;

(5) Creation of three (3) new jobs.

(6) Business to be located in either a BPO, B1, B2, or I1 zoning district.

(7) City council shall have the final authority on grant approval after receiving a report and recommendation from city staff and the Bridgeport Development Authority (BDA). City council shall render a decision within 45 days upon receipt of an approved application.

(Passed 3-28-16)

### **737.41 GENERAL DEFINITIONS.**

As used herein the following terms shall mean:

(a) "New employee" means a person who is hired and employed in a new business or annexed business who was not previously employed within the corporate limits of the City by such business. A new employee must be employed at least 160 hours per month at a wage not less than the federal minimum wage or must work for at least six months during the taxable year.

(b) "New job" means a full-time job which did not exist in the business of the taxpayer within the corporate limits of the City prior to qualified investment being made, provided this job is directly attributable to the qualified investment and is filled by a new employee as defined herein. Further, the full-time job must be attributable to the project either as an employee of the entity receiving the grant or an associated entity created wholly as the result of the project.

(c) "Infrastructure improvements" include water, sewer, storm sewer, roads, bridges, streetlights and all other utilities.

(d) "Investment" shall mean expenditures made for income-producing assets including but not limited to property acquisition, infrastructure, equipment, contracted labor, materials or executed lease agreement. (Passed 3-28-16)

### **737.42 INCENTIVE QUALIFICATIONS.**

(a) Businesses are only eligible for one B&O tax incentive at a time. In addition, any business/owner receiving a tax incentive is not eligible for any other incentive for a period of two years from date of award.

(b) Businesses which apply for and receive tax increment financing are not eligible for B&O tax incentives or for any other type of grant or loan as defined in Section [737.33](#) through [737.42](#) for projects involving the construction or erection of building, infrastructure (utilities, roads, etc.) the same as or similar to those constructed or erected with tax increment financing.

(c) Businesses which apply for and receive City B&O tax incentives are not eligible for tax increment financing or any other type of City grant or loan program as defined in Section [737.33](#) through [737.42](#).

(d) All incentive programs shall be deemed to be discretionary and determination of qualifications and eligibility for any incentive program shall be made by City Council, which determination shall be deemed final and not subject to appeal. (Passed 3-28-16)

(e) All incentives noted in Section [737.36](#), [737.38](#), and [737.40](#) are designed for any potential project up to a maximum of \$25,000,000 investment as noted in Section [737.41](#) General Definitions (d). For a major economic development project exceeding an investment of \$25,000,000, it shall be determined by council what incentives may be granted on a case by case basis. Said incentives may be unique to the project or may exceed the parameters of the established incentives. (Passed 10-24-16.)

**Bridgeport Development Authority  
Economic Development Incentive / Grant Program**

**General Information/Grant Recipient** (checks made payable to)

<b>Name</b>	<b>Phone</b>
<b>Address</b>	<b>Fax</b>
<b>City/State/Zip</b>	<b>Email</b>
<b>Type of Business (check all that apply)</b>	
<input type="checkbox"/> Construction	<input type="checkbox"/> Retail/Wholesale
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Residential
<input type="checkbox"/> Transportation	<input type="checkbox"/> Technology
<input type="checkbox"/> Professional Services	<input type="checkbox"/> Other (please specify)
<hr/>	
<b>Legal Organization Structure</b>	
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Corporation
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> S Corporation
<b>Project Description/Impact to Bridgeport</b> (attach additional pages if necessary)	



**Estimated Investment  
Amount**

**\$**

\_\_\_\_\_

**Incentive/Grant Requested**

\_\_\_\_\_

\_\_\_\_\_

**Ordinance Section**

**Signatures**

**Community Development Director**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**City Manager**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Finance Director**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Bridgeport Dev Authority President**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**City of Bridgeport, Mayor**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Date City Council Approved** \_\_\_\_\_

**Amount Approved** \_\_\_\_\_

**Amount Cap Y/N** \_\_\_\_\_

**Contingencies: Y/N** \_\_\_\_\_

**FAQ**

- If the project fails in a TIP District, please refer to section 737.42 of our ordinances.
- A non-profit organization could receive a grant, as that is based on B&O received from construction. They could not get the other incentives as they would not be paying B&O taxes.
- Anyone can apply for the incentives/grants (developers, contractors etc.) as it is project based.

- Up to 100% could be spent on general/public use areas (i.e. roads, water, sewer, etc.) per definition of infrastructure improvements listed in section 737.41 (c).

**Upon completion of application, submit to Andrea Kerr Community Development Director PO Box 1310 Bridgeport WV 26330 or email [akerr@bridgeportwv.com](mailto:akerr@bridgeportwv.com)**