Policy Briefing Summary
City Council

Regarding:	**Ordinance Amending and Re-Ordaining Chapter 14 (Licenses), Section 14-24 (Tax Incentives for Technology Businesses) to Extend Eligibility Period for Five (5) Years to December 31, 2031 (2nd reading)**
Staff Contact(s):	Chris Engel, Director of Economic Development, Todd Divers, Commissioner of the Revenue, Matt Johnson, Assistant Director of Economic Development
Presenter:	**Chris Engel, Director of Economic Development**
Date of Proposed Action:	November 16, 2026

Issue
The Charlottesville Technology Zone Program ("Program") allows qualifying businesses a reduction in their Business Professional and Occupational License ("BPOL") tax. The reduction is based on the amount of annual gross receipts and is set to a sliding scale. The Program's purpose is to help advance early-stage technology businesses through their initial years and scale their growth, while creating local job opportunities.

Background / Rule
The City of Charlottesville, Virginia ("City"), was the first city in Virginia to offer the incentive and has done so since first enabled in 2001. City Council previously reauthorized the Program's Ordinance in 2006, 2011, 2016, and 2021. The current Ordinance expires December 31, 2026, unless reauthorized.

Analysis
From 2022 through 2026, a total of 154 applications have received benefits from the Program. This Agenda item aligns with City Council's vision for Economic Prosperity by promoting small business growth and diversification in the City.

Financial Impact
This Program impacts the City's General Fund. Over the past five (5) years, the credits issued under this Program have resulted in an average annual reduction of $109,124 in BPOL revenue. BPOL revenue for FY 2021 through FY 2025 ranged from $7.6 - $10.7 million annually.

Recommendation
City Staff recommends City Council adopt the attached, amended Ordinance reauthorizing the Program for another five (5) years as presented.

Recommended Motion (if Applicable)
"I Move to adopt the attached, amended Ordinance reauthorizing the Charlottesville Technology Zone Program for another five (5) years."

Attachments
1. techzonecitycodeamendmentsordinance
2. Tech Zone Credits and Employment Charts