

ARLINGTON COUNTY CODE

Chapter 66

TECHNOLOGY ZONES*

* **Editor's Note:** Ord. No. 07-11, adopted September 8, 2007, amended Ch. 66, in its entirety, to read as herein set out.

Article I. General Provisions

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ARTICLE I.

GENERAL PROVISIONS

§ 66-1. Purpose.

The Arlington County Board finds that certain classes of high technology business activities have special economic significance to the County due to the nature of the technology developed or employed, their interrelationship with other Arlington-based federal and private organizations/businesses, and their potential for high growth in employment and capital investment. The Arlington County Board further finds that the most appropriate method of offering incentives to certain classes of technology businesses is to create Technology Zones in the Rosslyn-Ballston Corridor, the Richmond Highway Corridor, the Columbia Pike Special Revitalization District, and the Shirlington Area, plus properties located within Commercial/Mixed Use (C) Districts and Industrial (M) Districts as authorized in the Code of Virginia, § 58.1-3850, in which zones inducements may be offered to encourage such technology businesses to relocate to or expand in the County. The County has determined that the establishment of these technology zones will improve economic conditions, hasten redevelopment, and benefit the welfare of its citizens.

(Ord. No. 00-01, § 1, 2-1-00; Ord. No. 03-02, 2-25-03; Ord. No. 07-11, 9-8-07; Ord. No. 14-02, 4-12-14, Ord. No. 14-09, 12-13-14; Ord. No. 23-08, 4-22-23;)

§ 66-2. Application and Compliance.

A business that seeks to be designated as a qualified technology business or qualified expansion technology business hereunder shall submit an application to the Arlington County Commissioner of Revenue in the form required. The Commissioner of Revenue shall, in its sole discretion, request such further information as needed and determine whether such business meets the requirements for such reclassification set forth herein.

If a business applies for and qualifies as a technology business during a license year, the tax due for that year shall be prorated with the appropriate qualified technology business rate applied to gross receipts derived after qualification.

If a business ceases to be a qualified technology business during a calendar tax year in which the tax reductions apply, any tax owed by the business at the reduced rate for a qualified technology business shall be prorated for the months the business was a qualified technology business.

Failure of the business to fully comply with (1) any tax imposed by the County, including the timely, accurate and complete filing of returns including all taxable gross receipts and payment of all amounts owed, or (2)

any information request made by the Commissioner of Revenue will result in the revocation of its designation as a qualified technology business for the current tax year and any other tax years in which it fails to comply. Upon such a determination, the Commissioner of the Revenue shall assess additional business license taxes with penalties and interest as authorized in Arlington County Code, Chapter 11.

(Ord. No. 00-01, § 1, 2-1-00; Ord. No. 07-11, 9-8-07; Ord. No. 14-02, 4-12-14; Ord. No. 23-08, 4-22-23;)

§ 66-3. Definitions.

The following words and terms, when used in this chapter, shall have the meanings provided unless the context clearly indicates otherwise:

A. "Qualified technology business" means a business that (1) has a definite place of within a qualified technology zone, (2) the primary source of gross receipts of which is derived from the sale, licensure or distribution of proprietary technology, and (3) has a workforce that is primarily composed of employees engaged in the design or creation of proprietary technology.

B. "Qualified expansion technology business" means an existing business with a definite place of business in a qualified technology zone which has not previously been classified as a "qualified technology business," and can no longer be qualified as a new "qualified technology business" pursuant to paragraph C below, but which (1) meets the qualified technology business activity definition and (2) has increased full time employment by at least twenty five (25%) or more full-time employees within the qualified technology zone in the twelve months prior to application. This increase shall be documented using the number of full-time employees shown on a report to the Virginia Employment Commission within the twelve (12) months prior to qualification as an expansion technology business; provided, however, that once certified as a qualified expansion technology, business gross receipts from the time of the expansion are eligible for the qualified technology business incentive rate.

C. No business shall qualify as a new "qualified technology business" unless (1) that business has established a definite place of business in Arlington County after February 1, 2000, and (2) within twenty-four (24) months after establishing a definite place of business in a qualified technology zone that business has applied for such status. A business may qualify as a "qualified expansion technology business" whenever the expansion criteria outlined for "qualified expansion technology business" are met.

D. "Definite place of business" means an office or a location at which occurs a regular and continuous course of dealing over a period of thirty (30) consecutive days or more. A definite place of business may include a location leased or otherwise obtained from another person.

E. "Qualified technology zone" means one (1) of the following:

1. *Downtown Technology Zones.* Those areas zoned for commercial or industrial use in the Rosslyn-Ballston or Richmond Highway Corridors, as designated on the General Land Use Plan in effect on December 11, 1999, and which is a part of the Comprehensive Plan for Arlington County, Virginia. The precise boundaries of the Rosslyn-Ballston Corridor and Pentagon City - Crystal City Technology Zones are set forth in Appendix A, which is attached to this chapter.
2. *Shirlington Technology Zone.* Those areas zoned for commercial or industrial use in the Shirlington area as set forth in Appendix A.
3. *Columbia Pike Corridor Technology Zone.* Those specific parcels within the "Columbia Pike Special Revitalization District" as set forth in Appendix A.
4. Properties located within Commercial/Mixed Use (C) Districts and Industrial (M) Districts.

F. "Employee" means a person who is on the qualified technology business' payroll within the technology zone and is required to report to work in the technology zone; provided, however, that as to a business that uses the services of a professional employer organization ("PEO"), "employee" shall include persons on the payroll of the PEO assigned to report to work in the technology zone under the direction of the qualified technology

business at the qualified technology business' definite place of business.

G. "Proprietary technology" means innovative technology, including but not limited to hardware, software and biomedical devices or processes, designed or created by a business in Arlington County. The technology product must be created by the qualified technology business and not merely be resold with minimal modification upon purchase or licensure from the creator. It may be sold or licensed to customers, released as an open source or similar offering or made freely available to customers and monetized through advertising or other means.

(Ord. No. 00-01, 2-1-00; Ord. No. 03-02, 2-25-03; Ord. No. 06-01, 1-21-06; Ord. No. 07-11, 9-8-07; Ord. No. 14-02, 4-12-14, Ord. No. 14-09, 12-13-14; Ord. No. 23-08, 4-22-23;)

§ 66-4. Business License Tax Incentive Rate.

A qualified new or expansion technology business as defined by this chapter shall be subject to the business license tax at the applicable incentive rate provided in Arlington County Code § 11-86.

(Ord. No. 00-01, 2-1-00; Ord. No. 07-11, 9-8-07; Ord. No. 14-02, 4-12-14; Ord. No. 23-08, 4-22-23;)

APPENDIX A

DEFINITION OF TECHNOLOGY ZONES

DOWNTOWN TECHNOLOGY ZONES:

ROSSLYN-BALLSTON CORRIDOR TECHNOLOGY ZONE -- The geographic area as delineated by the following:

Beginning at Route 50 and Arlington Ridge Road, west on Route 50 to North Mead Street, south along North Mead Street to 12th Street North, west on 12th Street North to Route 50, west on Route 50 to 10th Street, west on 10th Street to Washington Boulevard, south on Washington Boulevard to 7th Street North, west on 7th Street North to North Hudson Street, south on North Hudson Street to 6th Street North, west on 6th Street North to North Ivy Street, south on North Ivy Street to 5th Street North, west on 5th Street North, to Glebe Road, southeast on Glebe Road to 4th Street North, southwest on 4th Street North to George Mason Drive, northwest on George Mason Drive to I-66, northeast on I-66 to Washington Boulevard, east on Washington Boulevard to Kirkwood Road, north on Kirkwood Road to 13th Street North, east on 13th Street North to North Jackson Street, north on North Jackson Street to Key Boulevard, east on Key Boulevard to Custis Road, southeast on Custis Road to Barton Street, north on Barton Street to Key Boulevard, east on Key Boulevard to North Adams Street, north on North Adams Street to 18th Street North, east on 18th Street North to North Veitch Street, north on North Veitch Street to Lee Highway, east on Lee Highway to North Oak Street, north along North Oak Street, and continuing in that line to the George Washington Memorial Parkway, west on the George Washington Memorial Parkway to Arlington Ridge Road, then south along Arlington Ridge Road to Route 50.

JEFFERSON DAVIS CORRIDOR -- The geographic area delineated by the following:

Beginning at South Joyce Street and Shirley Highway, east on Shirley Highway then northward to its intersection with the George Washington Memorial Parkway, east on the George Washington Memorial Parkway to the R F&P railroad track right-of-way, south along the R F&P railroad right-of-way to the Four Mile Run waterway, west along Four Mile Run to South Eads Street, north on South Eads Street to 23rd Street South, west on 23rd Street South to South Fern Street, north on South Fern Street to 18th Street South at its intersection with South Hayes Street, northwest on South Hayes Street to its intersection with 15th Street South, west on 15th Street South to South Joyce Street, north on South Joyce Street to Shirley Highway.

OTHER TECHNOLOGY ZONES

SHIRLINGTON TECHNOLOGY ZONE:

The geographic area delineated by the following:

Beginning at Walter Reed Drive at Four Mile Run Drive, east on Four Mile Run Drive to South Shirlington Road, north on South Shirlington Road to 24th Street South, east on 24th Street South to South Glebe Road, southeast on South Glebe Road to I-395, south on I-395 to the Arlington County boundary with the City of Alexandria, thence west along said boundary to South Shirlington Road, south on Shirlington Road to Shirlington Circle, south on Shirlington Circle to the edge of the C-O-1.5 zoning, thence west along said zoning line to the southern edge of the Arlington County Trades Center property, north along said property line to 29th Street South, north on 29th Street South to Arlington Mill Drive, west on Arlington Mill Drive to South Walter Reed Drive, and thence north on Walter Reed Drive to Four Mile Run Drive.

COLUMBIA PIKE CORRIDOR TECHNOLOGY ZONE:

Being all parcels with commercial, mixed use or public use zoning within the boundaries of the "Columbia Pike Special Revitalization District"; as such district is more specifically defined on the County's General Land Use Plan, and said Plan's Note #8, as such may be amended; and as the sub-components of such District are further more precisely defined in the Regulating Plans of the Form-Based Code for Columbia Pike, for each of "Town Center", "Village Center", "Neighborhood Center" and "Western Gateway" areas.

PROPERTIES LOCATED WITHIN COMMERCIAL/MIXED USE (C) DISTRICTS AND INDUSTRIAL (M) DISTRICTS AS CLASSIFIED IN THE ARLINGTON COUNTY ZONING ORDINANCE.

(Ord. No. 03-02, 2-25-03; Ord. No. 06-01, 1-21-06; Ord. No. 07-11, 9-8-07; Ord. No. 14-09, 12-13-14)