

INTRODUCED: May 9, 2016

AN ORDINANCE No. 2016-144

To amend ch. 6 of the City Code by adding therein a new art. XI, consisting of a new div. 1 with §§ 6-581—6-582 and a new div. 2 with §§ 6-591—6-595, for the purpose of establishing five tourism zones pursuant to Va. Code § 58.1-3851.

Patrons – Mayor Jones and Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 23 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 6 of the Code of the City of Richmond (2015) be and is hereby amended and reordained by **adding therein a new** Article XI consisting of new sections numbered 6-581 through 6-582, comprising Division 1, and new sections numbered 6-591 through 6-595, comprising Division 2, as follows:

ARTICLE XI.

TOURISM ZONES.

DIVISION 1.

GENERALLY.

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUNE 27 2016 REJECTED: _____ STRICKEN: _____

Sec. 6-581. Application.

This article creates and provides for tourism zones in the city pursuant to Code of Virginia, § 58.1-3851.

Sec. 6-582. Meaning of zone boundaries generally.

Unless expressly provided otherwise, when the boundaries of a tourism zone are described by reference to particular streets, such boundaries shall be presumed to follow the centerlines of the streets identified, and the properties on the side of such streets outside the boundary area shall be presumed to lie outside of the tourism zone.

DIVISION 2.

ESTABLISHMENT OF ZONES.

Sec. 6-591. Downtown-East End Tourism Zone.

There is hereby established a Downtown-East End Tourism Zone. The boundaries of the Downtown-East End Tourism Zone shall be as follows: beginning at the intersection of North Belvidere Street with Interstate 95 / 64, then proceeding along North Belvidere Street to its intersection with South Belvidere Street at West Main Street, then proceeding along South Belvidere Street to its intersection with the north bank of the James River, then proceeding from the intersection of South Belvidere Street with the north bank of the James River to the intersection of the north bank of the James River with Interstate 95 along such a line as to include within the zone all islands in the James River between South Belvidere Street and Interstate 95, then proceeding along the north bank of the James River to its intersection with Orleans Street, then proceeding along Orleans Street to its intersection with Williamsburg Avenue, then proceeding along Williamsburg Avenue to its intersection with Hatcher Street, then proceeding along Hatcher Street to its intersection with Potomac Street, then proceeding along Potomac Street to its

intersection with Northampton Street, then proceeding along Northampton Street to its intersection with Montebello Circle, then proceeding along Montebello Circle to its intersection with Williamsburg Road, then proceeding along Williamsburg Road to its intersection with Williamsburg Avenue, then proceeding along Williamsburg Avenue to its intersection with Stony Run Road, then proceeding along Stony Run Road to its intersection with Government Road, then proceeding along Government Road to its intersection with North 36th Street, then proceeding along North 36th Street to its intersection with East Marshall Street, then proceeding along East Marshall Street to its intersection with North 31st Street, then proceeding along North 31st Street to its intersection with Q Street, then proceeding along Q Street to its intersection with Venable Street at North 25th Street, then proceeding along Venable Street to its intersection with Mosby Street, then proceeding along Mosby Street to its intersection with the Leigh Street Viaduct, then proceeding along the Leigh Street Viaduct to its intersection with Interstate 95, then proceeding along Interstate 95 and Interstate 95 / 64 to its intersection with North Belvidere Street, the point of beginning.

Sec. 6-592. Fan-Boulevard-Carytown Tourism Zone.

There is hereby established a Fan-Boulevard-Carytown Tourism Zone. The boundaries of the Fan-Boulevard-Carytown Tourism Zone shall be as follows: beginning at the intersection of West Broad Street with North Thompson Street, then proceeding along North Thompson Street to its intersection with South Thompson Street at Ellwood Avenue, then proceeding along South Thompson Street to its intersection with West Cary Street, then proceeding along West Cary Street to its intersection with McCloy Street, then proceeding along McCloy Street to its intersection with Idlewood Avenue, then proceeding along Idlewood Avenue to its intersection with South Robinson Street, then proceeding along South Robinson Street to its intersection with Grayland Avenue, then

proceeding along Grayland Avenue to its intersection with South Stafford Avenue, then proceeding along South Stafford Avenue to its intersection with Parkwood Avenue, then proceeding along Parkwood Avenue to its intersection with South Meadow Street, then proceeding along South Meadow Street to its intersection with West Cary Street, then proceeding along West Cary Street to its intersection with South Belvidere Street, then proceeding along South Belvidere Street to its intersection with North Belvidere Street at West Main Street, then proceeding along North Belvidere Street to its intersection with Interstate 95 / 64, then proceeding along Interstate 95 / 64 to its intersection with West Moore Street, then proceeding along West Moore Street to its intersection with North Lombardy Street, then proceeding along North Lombardy Street to its intersection with West Broad Street, then proceeding along West Broad Street to its intersection with North Thompson Street, the point of beginning.

Sec. 6-593. Manchester Tourism Zone.

There is hereby established a Manchester Tourism Zone. The boundaries of the Manchester Tourism Zone shall be as follows: beginning at the intersection of Maury Street and East Commerce Road, then proceeding along East Commerce Road to its intersection with Hull Street, then proceeding along Hull Street to its intersection with Cowardin Avenue, then proceeding along Cowardin Avenue to its intersection with Norfolk Southern Railway Co. railroad tracks along the James River, then proceeding along such Norfolk Southern Railway Co. railroad tracks to their intersection with West Commerce Road, then proceeding northerly along West Commerce Road until it reaches the south bank of the James River, then proceeding along the south bank of the James River from its intersection with West Commerce Road to its intersection with the southern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0191/011, then proceeding along the southern property line of the property

identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0191/011 to its intersection with the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0191/011, then proceeding along the western property line of the properties identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0191/011 and Tax Parcel No. S007-0191/007 to its intersection with the southern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0191/020, then proceeding along the southern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0191/020 to its intersection with the eastern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S000-0100/025, then proceeding along the eastern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S000-0100/025 to its intersection with the southern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S000-0100/025, then proceeding along the southern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S000-0100/025 to its intersection with Maury Street, then proceeding along Maury Street to its intersection with East Commerce Road, the point of beginning.

Sec. 6-594. Port of Richmond Tourism Zone.

There is hereby established a Port of Richmond Tourism Zone. The boundaries of the Port of Richmond Tourism Zone shall be as follows: beginning at the intersection of the James River and the corporate boundary of the city, then proceeding north along the James River to its intersection with the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1042/011, then proceeding along the northern property line of the properties identified in the 2016 records of the City Assessor as Tax Parcel No. S007-

1042/011 and Tax Parcel No. S007-1042/015 to its intersection with Interstate 95, then proceeding along Interstate 95 to its intersection with the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0292/004, then proceeding along the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0292/004 to its intersection with the property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0940/056, then proceeding in a northerly direction along the property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-0940/056 to its intersection with Goodes Street, then proceeding along Goodes Street to its intersection with East Commerce Road, then proceeding along East Commerce Road to its intersection with Ingram Avenue, then proceeding along Ingram Avenue to its intersection with East 17th Street, then proceeding along East 17th Street to its intersection with Bruce Street, then proceeding along Bruce Street to its intersection with Elmdale Avenue, then proceeding along Elmdale Avenue to its intersection with the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1088/001, then proceeding along the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1088/001 to its intersection with the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1088/001, then proceeding along the western property lines of the properties identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1088/001, Tax Parcel No. S007-1237/003, Tax Parcel No. S007-1237/004, and Tax Parcel No. S007-1237/006 to the intersection of the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1237/006 with an unimproved east-west alley north of Carter Creek Road, then proceeding along such unimproved east-west alley north of Carter Creek Road to its intersection

with the northwestern tip of the property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1237/001, then proceeding along the western property line of the properties identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1237/001, Tax Parcel No. S007-1337/007, Tax Parcel No. S007-1337/008, and Tax Parcel No. S007-1337/003, then proceeding along the southern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1337/003 to its intersection with the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1337/004, then proceeding along the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S007-1337/004 to its intersection with Royall Avenue, then proceeding along Royall Avenue to its intersection with East Commerce Road, then proceeding along East Commerce Road to its intersection with Bellemeade Road, then proceeding along Bellemeade Road to its intersection with the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0276/024, then proceeding along the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0276/024 to the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0276/010, then proceeding along the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0276/010 to its intersection with the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0276/022, then proceeding along the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0276/022 to its intersection with Bellemeade Road, then proceeding along Bellemeade Road to its intersection with Lynhaven Avenue, then along Lynhaven Avenue to its intersection with an unimproved east-west alley

between Yorktown Avenue and Concord Avenue, then proceeding easterly along such unimproved east-west alley between Yorktown Avenue and Concord Avenue to its intersection with the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0601/045, then proceeding along the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0601/045 to its intersection with Ruffin Road, then proceeding along Ruffin Road to its intersection with the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0785/070, then proceeding along the western property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-0785/070 to its intersection with an unimproved north-south alley between Mike Road and East Commerce Road, then proceeding along such unimproved north-south alley between Mike Road and East Commerce Road to its intersection with the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-1038/001, then proceeding along the northern property line of the property identified in the 2016 records of the City Assessor as Tax Parcel No. S008-1038/001 to its intersection with a CSX Transportation, Inc. railroad track, then proceeding south along such CSX Transportation, Inc. railroad track to its intersection with the corporate boundary of the city, and then proceeding easterly along the corporate boundary of the city to its intersection with the James River, the point of beginning.

Sec. 6-595. Scott's Addition Tourism Zone.

There is hereby established a Scott's Addition Tourism Zone. The boundaries of the Scott's Addition Tourism Zone shall be as follows: beginning at the intersection of North Boulevard and Hermitage Road, then proceeding along Hermitage Road to its intersection with West Leigh Street, then proceeding along West Leigh Street to its intersection with North

Lombardy Street, then proceeding along North Lombardy Street to its intersection with West Broad Street, then proceeding along West Broad Street to its intersection with the Richmond, Fredericksburg and Potomac Railway Co. railroad tracks at the center of Interstate 195, then proceeding north along such railroad tracks until they veer in an easterly direction and intersect with Richmond, Fredericksburg and Potomac Railway Co. railroad tracks heading in a southeasterly direction, then proceeding along such railroad tracks to their intersection with North Boulevard, then proceeding along North Boulevard to its intersection with Hermitage Road, the point of beginning.

§ 2. This ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

RECEIVED
4-5022
APR 12 2016

CHIEF ADMINISTRATIVE OFFICE
CITY OF RICHMOND

O&R REQUEST

DATE: April 12, 2016

EDITION: 1

TO: The Honorable Members of City Council

RECEIVED

THROUGH: Dwight C. Jones, Mayor

APR 25 2016

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

[Handwritten signature]

OFFICE OF CITY ATTORNEY

THROUGH: Lenora Reid, Deputy Chief Administrative Officer for Finance and Administration

[Handwritten signature]

FROM: Peter L. Downey, Deputy Chief Administrative Officer for Economic and Community Development and Planning

[Handwritten signature]

RE: Creation of City of Richmond Tourism Zones

RESOLUTION No. _____

PURPOSE: To establish five tourism zones that can increase the City's tax base, create job opportunities for citizens, and benefit tourism related businesses throughout the City.

REASON: To enhance the City's ability to attract and retain tourism related businesses and continue to leverage Richmond's position as a major tourism destination.

RECOMMENDATION: Administration recommends adoption of this ordinance.

BACKGROUND: In 2007, the General Assembly enacted legislation, Section 58.1-3851 of the Code of Virginia, that allows localities to establish by ordinance one or more tourism zones. Within the zone(s), a locality may grant tax incentives and provide regulatory flexibility. In 2011, the General Assembly enacted additional legislation that established a state administered gap financing program for tourism related business within an established tourism zone.

Tourism-related businesses in Richmond have grown in recent years. The Department of Economic Development requests authorization for the creation of five tourism zones to include: Downtown/East End, Fan/Boulevard/Carytown, Manchester, Port of Richmond, and Scott's Addition.

Multiple zones throughout the city encourage continued growth in this industry segment. The focus of this effort is to include zones both north and south of the James River. According to the Virginia Tourism Corporation, in 2014, the tourism industry employed more than 6,500 patrons while tourists and visitors spent over \$636 million in the City of Richmond (both an increase of 3.2% and the most recent data). By establishing tourism zones, the City of Richmond will encourage the creation of new tourism related business opportunities that will increase the City's tax base and provide job opportunities for the citizens of Richmond. If appropriate, sub-zones can be created within larger ones and have specific sub-zone incentives. These incentives can address the business needs within the sub-zone including fast-track permitting and certain tax relief, such as BPOL reduction for new business and expansion opportunities.

The boundaries of the zones follow. Unless expressly provided otherwise, when the boundaries of a zone are described by reference to particular streets, such boundaries shall be presumed to follow the centerlines of the streets identified, and the properties on the side of such streets outside the boundary area shall be presumed to lie outside of the zone.

- **Downtown-East End Tourism Zone.** The boundaries of the Downtown Tourism Zone shall be as follows: beginning at the intersection of Belvidere Street and the I-95-64 corridor with the northern-most boundary being I-95 N/S. Proceeding south along Belvidere to the north bank of the James River; proceeding east/southeast along the bank of the James River to the boundary of the city at Rockett's Landing to intersect with Orleans Street. Continue north on Orleans Street then east onto Hatcher Street, then north onto Potomac Street, then northwest to Williamsburg Road. Continue northwest on Williamsburg Road toward northbound Stony Run Road, then west onto Government Road. Follow Government Road to East Marshall Street, then north onto North 31st Street. Continuing north on North 31st Street to the intersection of North 31st and Q Street, then continue west on Q Street, where it becomes Venable Street. Follow Venable Street to O Street along the I-64/I-95 corridor as the northern boundary.
- **Fan/Boulevard/Carytown Zone** – The boundaries of the *Fan/Carytown Zone* shall be as follows: beginning with a northern boundary at the intersection of Monument Avenue and Thompson Street, proceeding south on Thompson Street, then continuing east on West Cary Street. Continue south onto McCloy Street, then east on Maplewood Avenue and continuing south onto Blanton Avenue which becomes Pump House Road. Continue on Pump House Road and return northbound onto Hampton Street to encompass all of Byrd Park. Continuing north on Hampton Street, then east onto Powhatan Street, and proceeding north on Meadow Street. Continuing north on Meadow Street then east on Cary Street. Continuing on Cary Street (eastbound) then north on Belvidere Avenue to end at the intersection of Franklin Street at Belvidere Street.
- **Manchester Zone** – The boundaries of the *Manchester Zone* shall be as follows: beginning at the intersection of Maury and Street and Commerce Road, the zone continues west on Commerce Road then south onto Hull Street. Continue on Hull Street

then follow west/northwest onto the southern boundary of Cowardin Avenue continues west then northwest to 9th Street. The northern-most boundary is the James River and parallels Brander Street where Maury becomes Brander near Ancarrow's Landing.

- **Port of Richmond Zone** - The boundaries of the *Port of Richmond Zone* shall be as follows: beginning with a northern boundary of Interstate 95 following east along Deepwater Terminal. The zone continues south to encompass areas along Commerce Road, Bells Road Walmsley Boulevard, Trenton Avenue, and Kalimat Lane. Continuing west along Commerce Road to the intersection of Commerce and Bruce Street, then following southwest to Ingram Avenue and continuing north along Ingram then east along Commerce Road to the intersection of Goode Street.
- **Scott's Addition Zone** - There is hereby established the *Scott's Addition Zone*. Bounded by the intersection of North Boulevard and Hermitage Road on the northwest. Following Hermitage Road south to an eastern boundary of North Lombardy Street then continue south on Lombardy to the south boundary of West Broad Street. Continue west on W. Broad Street to the intersection of I-195 and follow northbound to intersection

Tourism Zones can also provide state financing opportunities to businesses that need access to gap financing to bring their project to fruition while promoting the City of Richmond as a viable, tourism-friendly business community.

FISCAL IMPACT / COST: Costs related to publicizing the new tourism zone.

FISCAL IMPLICATIONS: The fiscal impact cannot be determined at this point. The proposed Tourism Zones will result in costs for the City for support of promotion, marketing and branding. Additionally, there may be foregone revenue associated with potential future incentives. These costs are expected to be wholly or partly offset by the increased tax revenue resulting from additional tourism related spending in restaurants and other businesses located in the zones.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: Increased revenue is expected to be generated by the attraction of new tourism related business activity. In 2014, tourism was one of Virginia's Top 5 industries, generating revenues of more than \$22.4 billion in the Commonwealth, a 4.1 percent increase over 2013. In the same year, the City of Richmond – the region's namesake – and surrounding counties welcomed 7 million visitors who spent \$2.09 billion. Of that, \$636,634,794 was spent in the City of Richmond specifically, and 6,707 people were employed in the region's tourism industry. Research demonstrates that, upon visiting Richmond, 93% of visitors plan to return and 44% of visitors return within the year. The tourism industry provided more than \$1.5 billion in state and local revenue, an increase of 5.6 percent compared to 2013. The increase is largely attributed to Virginia's authentic, local travel experiences and surging culinary and outdoor recreation scenes.

DESIRED EFFECTIVE DATE: Enactment upon adoption.

REQUESTED INTRODUCTION DATE: May 9, 2016

CITY COUNCIL PUBLIC HEARING DATE: May 23, 2016

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Economic and Community Development, Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: None

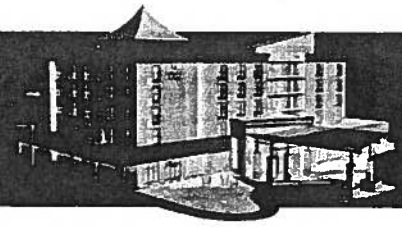
REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Tourism Zone maps and Tourism Development Financing Program description.

STAFF: Peter L. Downey, Deputy Chief Administrative Officer for Economic Development and Planning, 646-7646; Anedra Bourne, Tourism Coordinator, ECD, 646-1795.



TOURISM DEVELOPMENT FINANCING PROGRAM



2015

TDFP | Tourism Development Financing Program

Found online at » <http://www.vatc.org/TDFinancingProgram>

- ≡ A two-tiered gap financing program for qualified tourism development projects in Virginia
- ≡ A partnership between a developer, a locality's EDA/IDA and the Commonwealth of Virginia

Tier 1 = 70/30 projects ... < \$100 million

- Compensates for a shortfall in project funding, **not to exceed 30%** of a qualified project's total cost
- Once the project is completed and generating income, the locality works with the VA Dept. of Tax to perform a quarterly review of state sales and uses taxes collected on the development project
- **1% of the identified, quarterly, sales and use tax** on the revenue of the project is the amount each partner will contribute towards debt service on the project, until debt service is fully paid
- The developer owns all debt exclusively, while the locality and state only contribute to debt service

Tier 2 = 80/20 projects ... \$100 million +

- Compensates for a shortfall in project funding, **not to exceed 20%** of a qualified project's total cost
- For larger-scale, **\$100+ million projects of regional significances; excluding major retail**
- Once the project is completed and generating income, the locality works with the VA Dept. of Tax to perform a quarterly review of state sales and uses taxes collected on the development project
- **1.5% of the identified, quarterly, sales and use tax** is the amount each partner will contribute towards debt service on the project

Section 58.1-3851.1 of the Virginia Code details the original 80%/20% ratio

Link to TDFP legislation » <http://leg1.state.va.us/cgi-bin/legp504.exe?000+cod+58.1-3851.1>

For more information, contact:

Wirt Confroy

Director of Partnerships & Outreach

Virginia Tourism Corporation

901 East Byrd Street

Richmond, VA 23219

804 545 5552 | wconfroy@virginia.org

VATC.org – business | Virginia.org – travel

Gap Financing | 3 Partners ... 1 Quarterly Payment:

- TDFP creates a partnership where the state, locality and developer each contribute an amount toward quarterly payment of debt service
- If a project generates \$1,000,000 in revenue during its first quarter of operation, \$10,000 (1% of \$1,000,000) is the amount that each partner will contribute for the payment
- The state will contribute \$10,000, the locality will contribute \$10,000, and the developer will contribute \$10,000
- Collectively, contributions from all partners equal \$30,000 for this quarter
- This same process is repeated each quarter until the debt service requirement has been satisfied/fully paid
- Tier 2 follows the same process except 1.5% of quarterly revenue is the amount that each partner contributes

Once the project has received certification:

- Once the project is open for business and generating revenue, the Tax Commissioner's office will work with the Locality to identify the amount of revenue generated from the project quarterly
- The appropriate percentage of that revenue is identified and remits the State's portion to the Locality
- This is done quarterly, based on this approximate schedule:
 - Quarterly Sales and Use Tax #1 » Identified in **February**... Payment made in **March**
 - Quarterly Sales and Use Tax #2 » Identified in **May**..... Payment made in **June**
 - Quarterly Sales and Use Tax #3 » Identified in **August**..... Payment made in **September**
 - Quarterly Sales and Use Tax #4 » Identified in **November** Payment made in **December**
- The Locality then delivers both the State's and Locality's contributions to the Developer, who then pays the Lender according to the their agreement

LOCALITY	DEVELOPER*	STATE
EDA/IDA Official Applicant & Main Project Contact Attorney	Project Contact & <u>Sole Owner</u> of the Debt Attorney	VTC VRA Comptroller Tax Commissioner
LOCALITY	DEVELOPER	STATE

Independently contributes < the same amount

Independently contributes < the same amount

- Quarterly -

< Tier=1% -or- Tier 2=1.5% of quarterly revenue for the above %s is returned to the locality for payment for debt service until it is complete

Because quarterly revenue of the project may change, the amount of sales & use tax revenue may be different each quarter, thus changing the partner contributions

- ≡ Once the project is open for business and generating revenue, the Tax Commissioner’s office will work with the Locality to identify the amount of revenue generated from the project quarterly
- ≡ The appropriate percentage of that revenue is identified and remits the State’s portion to the Locality
- ≡ This is done quarterly, based on this approximate schedule:
 - Quarterly Sales and Use Tax #1 » Identified in **February**..... Payment made in **March**
 - Quarterly Sales and Use Tax #2 » Identified in **May**..... Payment made in **June**
 - Quarterly Sales and Use Tax #3 » Identified in **August**..... Payment made in **September**
 - Quarterly Sales and Use Tax #4 » Identified in **November**.... Payment made in **December**
- ≡ The Locality then delivers both the State’s and Locality’s contributions to the Developer, who then pays the Lender according to the their agreement

Sources + Uses of Funds

When submitting the final Performance Agreement, the following sources and uses of funds will need to be identified and reviewed with VRA (Virginia Resources Authority)

Sources and Uses of Funds

Sources of Funds:	
Equity Source 1	\$ XXX
Equity Source 2	XXX
Debt Financing Source 3	XXX
Debt Financing Source 4	XXX
Gap Financing Source 5	XXX
Total Source of Funds:	\$ XXX
Use of Funds:	
Use of Funds 1	\$ XXX
Use of Funds 2	XXX
Use of Funds 3	XXX
Use of Funds 4	XXX
Use of Funds 5	XXX
Total Use of Funds (Total Project Cost):	\$ XXX

Sources of Funds:	
Equity Source 1	\$ XXX
Equity Source 2	XXX
Debt Financing Source 3	XXX
Debt Financing Source 4	XXX
Total Debt and Equity Sources of Funds:	\$ XXX
Total Use of Funds (Total Project Cost):	
\$ XXX	
Debt and Equity Sources / Project Cost	
XX%	

*Debt (excluding Gap Financing) and Equity Sources

Tourism Zone Considerations

Factors when considering the opportunity and impact of tourism zones

- ≡ Pre-existing enterprise or business development zones
- ≡ The level and nature of adjoining developments
- ≡ Any relevant local planning policy, legislation, state planning policies and development control regulations
- ≡ Preparation, advertising, adoption and implementation tourism zones, in relation to local community and business development plans
- ≡ Any tourism development zone fundamentals including the use of land, including the extent of preservation, further development, land use

Factors and Changes to Consider with Establishing a Tourism Zone

- ≡ Density or proximity of any residential developments within a tourism zone
- ≡ Tourist center and locality-wide services and operations
- ≡ Any new types or quantities of merchandise or goods to be stored, processed, produced or sold
- ≡ Personal safety and security in streets and around buildings or new business development
- ≡ Strategic importance for the tourist industry is for local residence and out-of-town tourists
- ≡ Balance with local transportation without restricting access and use of tourist attractions
- ≡ Tourists visit places for a variety of purposes which do not include work or a permanent home
- ≡ Effectiveness of travel, retail and hospitality signage
- ≡ Control the service of alcohol so as not to adversely impact on residents or the community
- ≡ Storm water drainage details including design levels and erosion control at outlets
- ≡ Access to non-emergency and emergency health care needs of visitors
- ≡ Diverse lodging development and needs, in relations to residential nearby

Establishing a Tourism Zone

Localities interested in pursuing the Commonwealth of Virginia Tourism Development Financing Program will need to have a defined tourism zone(s) within which the proposed project is contained. Virginia cities, counties, or towns can currently establish such tourism zones as allowed for in the Code of Virginia. Interested localities are encouraged to begin development of the required tourism zones.

2006 Virginia Code § 58.1-3851 - Creation of local tourism zones.

§ 58.1-3851. Creation of local tourism zones

- A. Any city, county, or town may establish, by ordinance, one or more tourism zones. Each locality may grant tax incentives and provide certain regulatory flexibility in a tourism zone.
- B. The tax incentives may be provided for up to 20 years and may include, but not be limited to (i) reduction of permit fees, (ii) reduction of user fees, and (iii) reduction of any type of gross receipts tax. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States.
- C. The governing body may also provide for regulatory flexibility in such zone that may include, but not be limited to (i) special zoning for the district, (ii) permit process reform, (iii) exemption from ordinances, excluding ordinances or provisions of ordinances adopted pursuant to the requirements of the Chesapeake Bay Preservation Act (§ [10.1-2100](#) et seq.), the Erosion and Sediment Control Law (§ [10.1-560](#) et seq.), or the Virginia Stormwater Management Act (§ [10.1-603.1](#) et seq.), and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.
- D. The establishment of a tourism zone shall not preclude the area from also being designated as an enterprise zone. (2006, c. [642](#); 2008, c. [462](#).)

Tourism Development Zone --- Downtown



ne is a designated geographic area of the city identified for increased growth in Targeted businesses, identified using the NACIS code, may be eligible for special incentives based on business criteria. To see if you qualify, refer to the detailed map and program description at www.WaynesboroBusiness.com, then, review each of the seven business criteria below and calculate points earned based on your new or expanding business. Possible incentives are listed on the back of this sheet.

Business Criteria			A	B	C	
1	Capital Improvement - new construction or improve existing facility	New	Level	\$250,000	\$500,000	\$750,000
			Points	5	10	15
		Rehab	Level	\$25,000	\$50,000	\$75,000
			Points	5	10	15
2	Job Creation FTE -- new construction or improve existing facility	New	Level	2	3	4
			Points	5	10	15
		Rehab	Level	1	2	3
			Points	5	10	15
3	Wage Level % Federal Min Wage	Level	175%	150%	175%	
		Points	0	0	5	
4	Employee Benefits	Level	None	None	Partial	
		Points	0	0	5	
5	Industry - Match to Strategic Plan	Yes / no	Y=5 N=0	Y=5 N=0	Y=5 N=0	
6	SWAM	Yes / no	Y=5 N=0	Y=5 N=0	Y=5 N=0	
7	Building	Own	Y=5 N=0	Y=5 N=0	Y=5 N=0	

Tourism Development Zone --- Downtown

Possible Incentives		Points Total from other side		
		15	20-40	45+
1	Reimbursement of Real Estate Tax	0	3	5
2	Reimbursement of M & P or BPP Tax	yr 1- 10% yr 2- 5%	yr 1- 30% yr 2- 15% yr 3- 5%	yr 1- 50% yr 2- 25% yr 3- 10%
3	Reimbursement of Building Permits	25%	50%	75%
4	BPOL fee	Yes	Yes	Yes
5	Sign fee	Yes	Yes	Yes
6	WDDI membership	Yes	Yes	Yes
7	Chamber membership	Yes	Yes	Yes
8	Training scholarships	\$ 300	\$ 300	\$ 300
9	Marketing assistance	\$ 1,000	\$ 1,000	\$ 1,000
10	Facade / Landscape program	Yes	Yes	Yes
11	Job creation grant- rehab building	Yes	Yes	Yes
12	EDA RLF reduction in interest rate	25%	50%	75%
13	Refund application fee	25%	50%	75%

ESTABLISHMENT OF A TOURISM ZONE



Description of Districts

1. The Tourism Zone ordinance shall be available and applied to the Pocahontas General Business Zoning Districts B-1. This ordinance is not available for any concerns located in Residential Zones or any other areas not approved by the Pocahontas Town Council.

DISTRICT PROVISIONS

Business License and Application Requirements

1. Business Owners must apply for a Business License. Applications for Business License are approved by the Pocahontas Town Council.

General Standards

The following provisions shall apply to all Business Licenses:

- A. New construction and substantial improvements shall be according to the VA USBC as adopted by Pocahontas Town Code.
- B. New construction and substantial improvements shall be constructed with materials and utility equipment resistant to flood damage if business is located within the Town Flood Zone.
- C. The base year for which the Business License tax is based upon the calendar year – January – December. The Business License tax for the base year is due by March 1st of the following year or unless otherwise indicated by the Pocahontas Town Treasurer. Business Owners who fail to pay the Business License Tax by the Due Date will forfeit any and all incentives within this ordinance.
- D. The incentives listed in this ordinance are for the Specific Standards listed below:

Specific Standards

The Town of Pocahontas completed a Marketing Analysis to determine business opportunities within the Pocahontas Business District in 2010. The following business represents available opportunity in the Town's tourism market. Any business concern specific to the opportunities listed below will qualify for the incentives of this ordinance.

1. Lodging or Bed & Breakfast.
2. Restaurants: \$600,000 leakage within a 15 minute drive.
3. Health Related: \$380,000 local leakage. \$1.9 million within 15 minute drive.
4. Grocery: \$525,000 local leakage. \$8 million within 15 minute drive.
5. General Retail Merchandising: \$744,000 local leakage. \$9.9 million within 15 minute drive.
6. Outdoor Sporting Goods Merchandising: \$80,000 local leakage. \$608,000 within 15 minute drive.
7. Used/Antique Merchandising: \$1 million regional leakage
8. Gift Shop: \$1.2 million within 30 minute drive.

Business concerns that are not affiliated with the above opportunities will not qualify for the incentives listed in the Tourism Zone Ordinance.

Incentives

The following Tourism Zone incentives are offered for a term not to exceed three years.

1. Business License Tax Paid by March 1st = 100% Grant Reimbursement by June 30th.
2. Real Estate Tax Paid by December 5th = 100% Grant Reimbursement by June 30th.
(Business Owners who rent will not qualify)
3. \$20.00 application fee waived.

No incentive will be available for delinquent accounts.

47 manner, for the same time period, and under the same conditions as the remittances paid in accordance
48 with subsection B, mutatis mutandis.

49 D. Prior to any entitlement to tax revenues for an authorized tourism project pursuant to subsections
50 B and C, the owner of such project shall have a minimum of 80 to 70 percent of funding for the project in
51 place through debt or equity, enter into a performance agreement with the economic development
52 authority or political subdivision, and enter into an agreement to pay an access fee. The access fee shall
53 be equivalent to the state sales tax revenue generated by and returned to the project pursuant to
54 subdivision B 1 and shall be collected by the locality and remitted to the economic development
55 authority on a quarterly basis. The access fee and the sales tax entitlement shall be used solely to make
56 payments of principal and interest on the qualified gap funding.

57 E. In the event that the total amount of sales tax entitlement and the access fee exceeds any annual
58 debt service on the qualified gap financing, such excess shall be paid to the principal of the loan until
59 the qualified gap financing is paid in full.

60 F. A tourism project that is entitled to and receives revenues pursuant to this section shall not be
61 eligible to receive revenues pursuant to § 58.1-608.3 or 58.1-3851.2.

62 **§ 58.1-3851.2. Entitlement to tax revenues from tourism project of regional significance.**

63 A. For purposes of this section, unless the context requires a different meaning:

64 "Economic development authority" means a local industrial development authority or a local or
65 regional political subdivision, the public purpose of which is to assist in economic development.

66 "Gap financing" means debt financing to compensate for a shortfall in project funding between the
67 expected development costs of an authorized tourism project of regional significance and the debt and
68 equity capital provided by the developer of the project.

69 "Tourism project of regional significance" means a tourism project that meets the requirements set
70 forth in subdivision B 1 and that additionally represents a new capital investment of at least \$100
71 million in a new tourism facility or in a substantial and significant renovation or expansion of an
72 existing tourism facility by a private entity in the Commonwealth and, as determined by the Virginia
73 Tourism Authority, that supports increased hotel occupancy, new job creation, an increase in the
74 number of out-of-state visitors to the Commonwealth, and other factors of significant fiscal and
75 economic impact. Any property, real, personal, or mixed, that is necessary or complementary, such as
76 arenas, sporting facilities, hotels, and other tourism venues, developed in connection with any such
77 tourism project of regional significance, including facilities for food preparation and serving, parking
78 facilities, and administrative offices, is encompassed within this definition, as is theme-related retail
79 activity by vendors or the private entity owner of the project that occurs on site and directly supports
80 the tourism mission of the project. A tourism project of regional significance does not include, for
81 purposes of this section, general retail outlets, ancillary retail structures not directly related to the
82 tourism purpose of the project or other retail establishments commonly referred to as shopping centers
83 or malls or residential condominiums, townhomes, or other residential units.

84 B. 1. If a locality has established a tourism zone pursuant to § 58.1-3851, has adopted an ordinance
85 establishing a tourism plan as determined by guidelines set forth by the Virginia Tourism Authority, and
86 has adopted an ordinance authorizing a tourism project of regional significance to meet a deficiency
87 identified in the adopted tourism plan approved by the Virginia Tourism Authority, and if the tourism
88 project of regional significance has been certified by the State Comptroller as qualifying for the
89 entitlement to tax revenues authorized by this section, the authorized tourism project of regional
90 significance shall be entitled to an amount equal to the revenues generated by a 1.5 percent state sales
91 and use tax on transactions taking place on the premises of the authorized tourism project of regional
92 significance. The entitlement shall be contingent on the locality's enacting an ordinance designating
93 certain local revenues to the project pursuant to subsection C and shall be subject to the conditions set
94 forth in subsection D. The purpose of such entitlement shall be to assist the developer with obtaining

Tourism Zones in Virginia

Virginia localities and counties with Tourism Zones + Links to zone maps and details

City of Fredericksburg

<http://www.fredericksburgva.com/DoingBusiness/BusinessResources/TourismZoneIncentive>

CONTACT

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khedelt@fredericksburgva.gov

City of Newport News

<http://www.newport-news.org/media/releases/279/Media%20Release%20-%202012-03-16%20-%20Newport%20News%20Creates%20Four.pdf>

CONTACT

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Town of Pocahontas

<http://pocahontasva.org/Tourism%20Zone%20Ord%2018-76%20%20011711.pdf>

CONTACT

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Johnathan.Gibson@Pocahontas.org

City of Waynesboro

<http://www.waynesborobusiness.com/Site-Selection-Services/Incentives-and-Financing/Tourism-Development-Zone.aspx>

CONTACT

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Economic Development and Tourism
City of Waynesboro
540 942 6779
HitchinGE@ci.waynesboro.va.us

City of Virginia Beach

<http://www.vbgov.com/government/departments/planning/zoning/Pages/default.aspx>

CONTACT

Zoning Administration
757 385 8074
zoning@vbgov.com

Town of Hillsville

<http://static1.squarespace.com/static/54aa0b5de4b0f4be6758dd6e/t/54aa2b24e4b0ac4256eca004/1420438308580/Hillsville2013tourismplan-Final.pdf>

CONTACT

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Spotsylvania County

<http://www.spotsylvaniaeda.com/content/158/190/default.aspx>

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City of Bristol

http://library.municode.com/HTML/10480/level4/PTIICO_CH50LAUS_ARTIIZO_DIV7_OVDI.html#PTIICO_CH50LAUS_ARTIIZO_DIV7OVDI_S50-132TOZOOV

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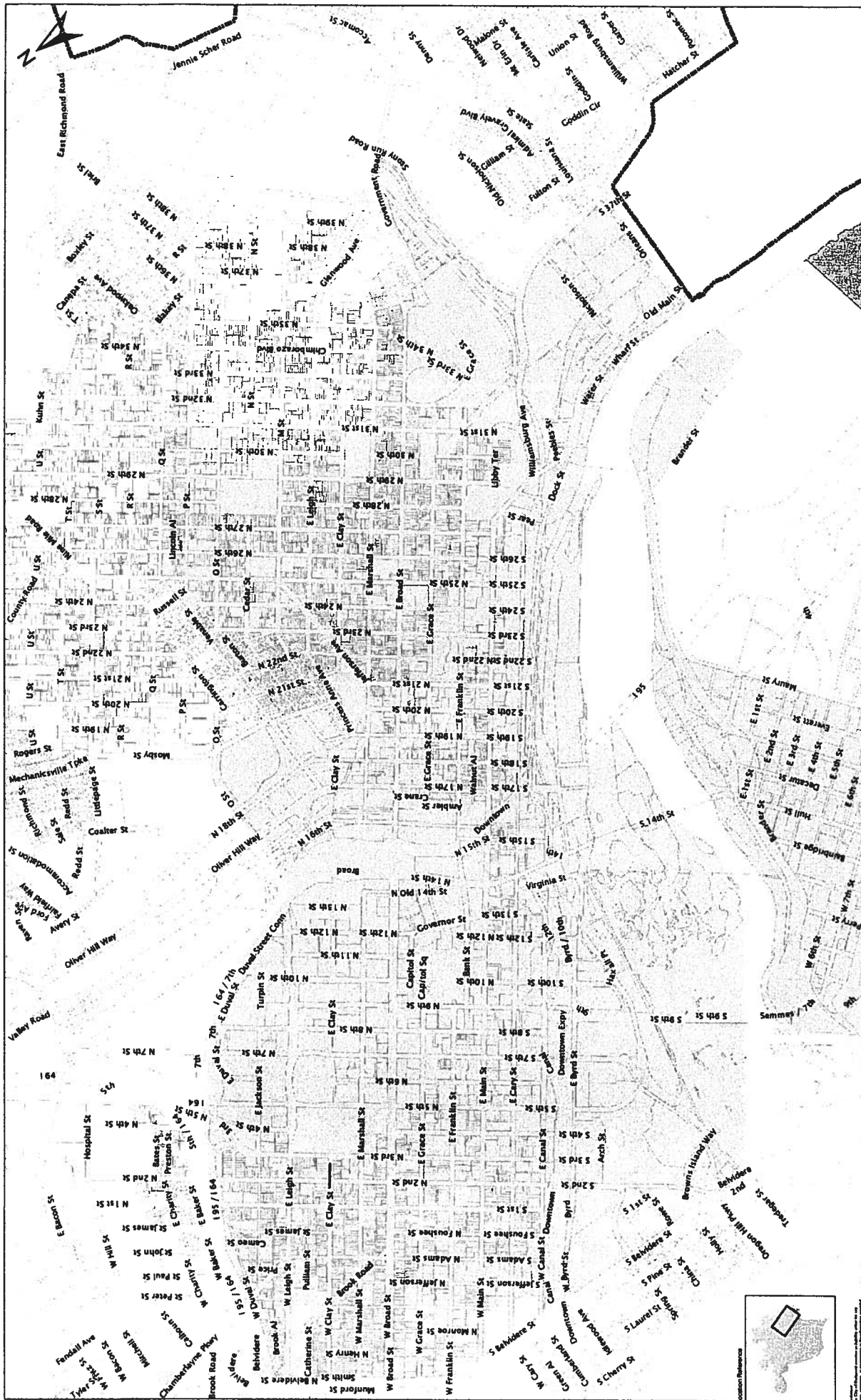
James City County

<http://www.yesjamescitycountyva.com/wp-content/uploads/2012/07/Final-Approved-Ordinance-192A-5.pdf>

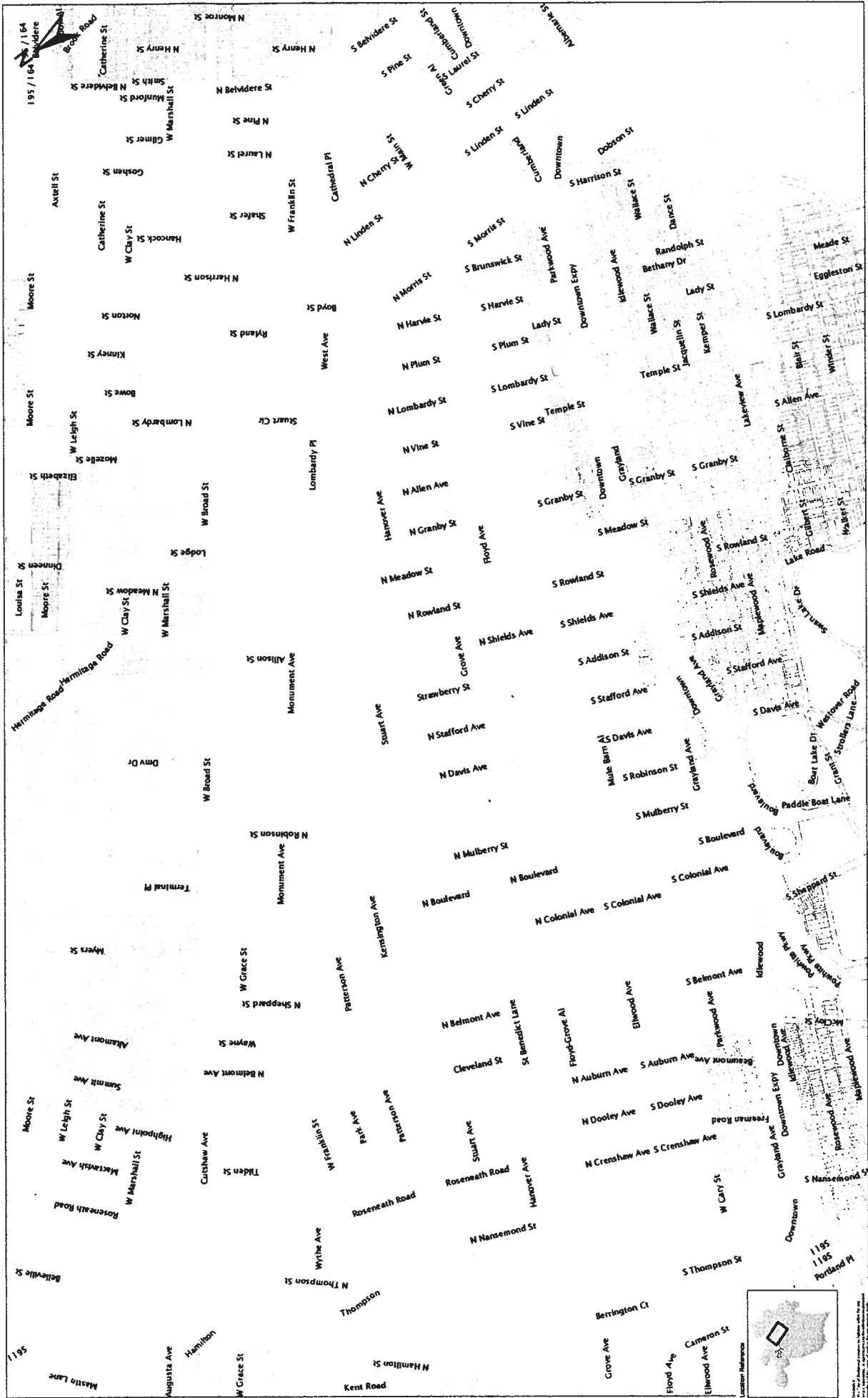
http://www.jamescitycountyva.gov/pdf/bospdfs/bospdfs2012/012412bos/J1_res.pdf

CONTACT

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James City County
Office of Economic Development
757 253 6607 - office
russell.seymour@jamescitycountyva.gov



DOWNTOWN - EAST END

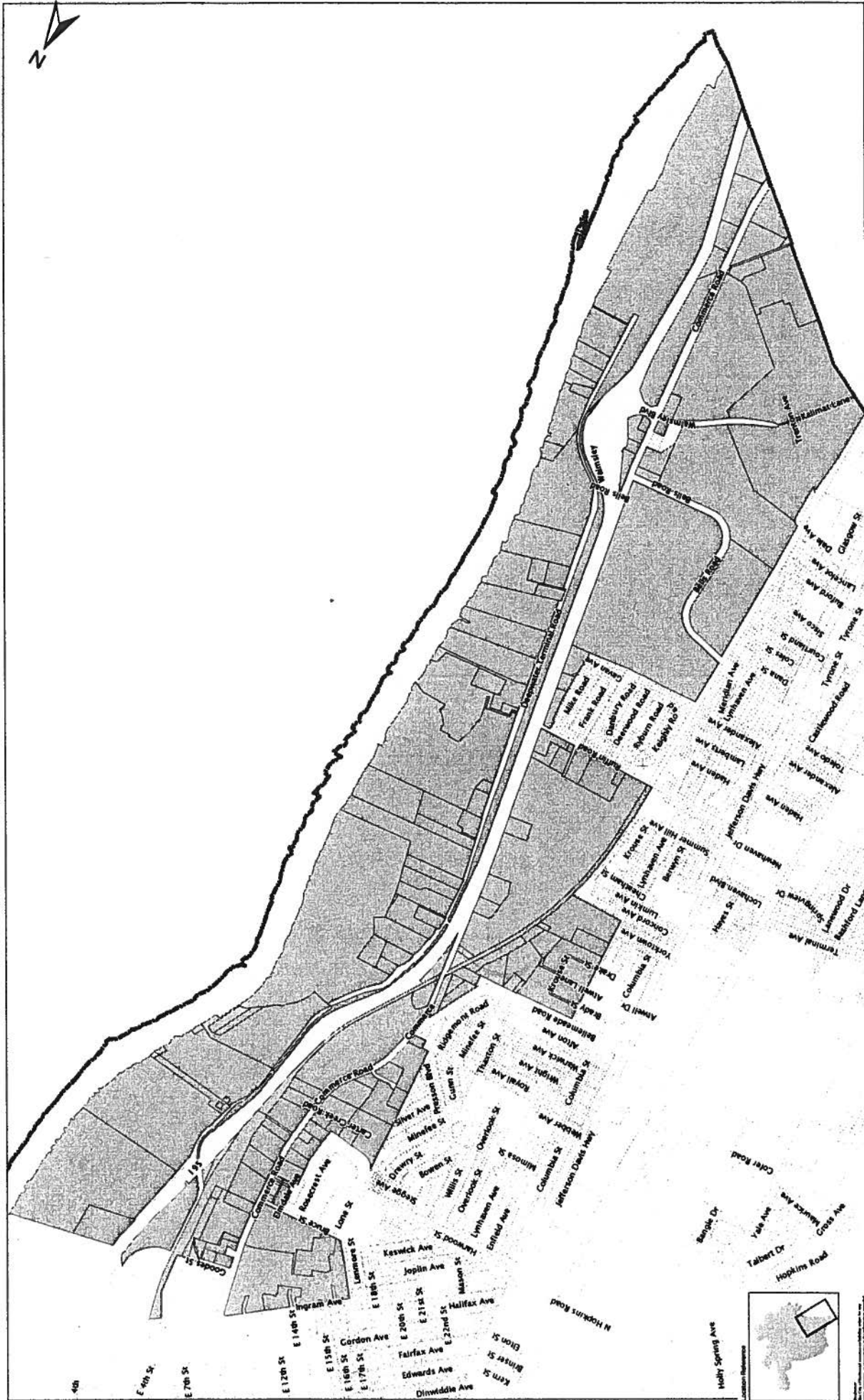


FAN BOULEVARD - CARYTOWN



0 0.05 0.1 0.2 0.3 0.4 Miles

MANCHESTER

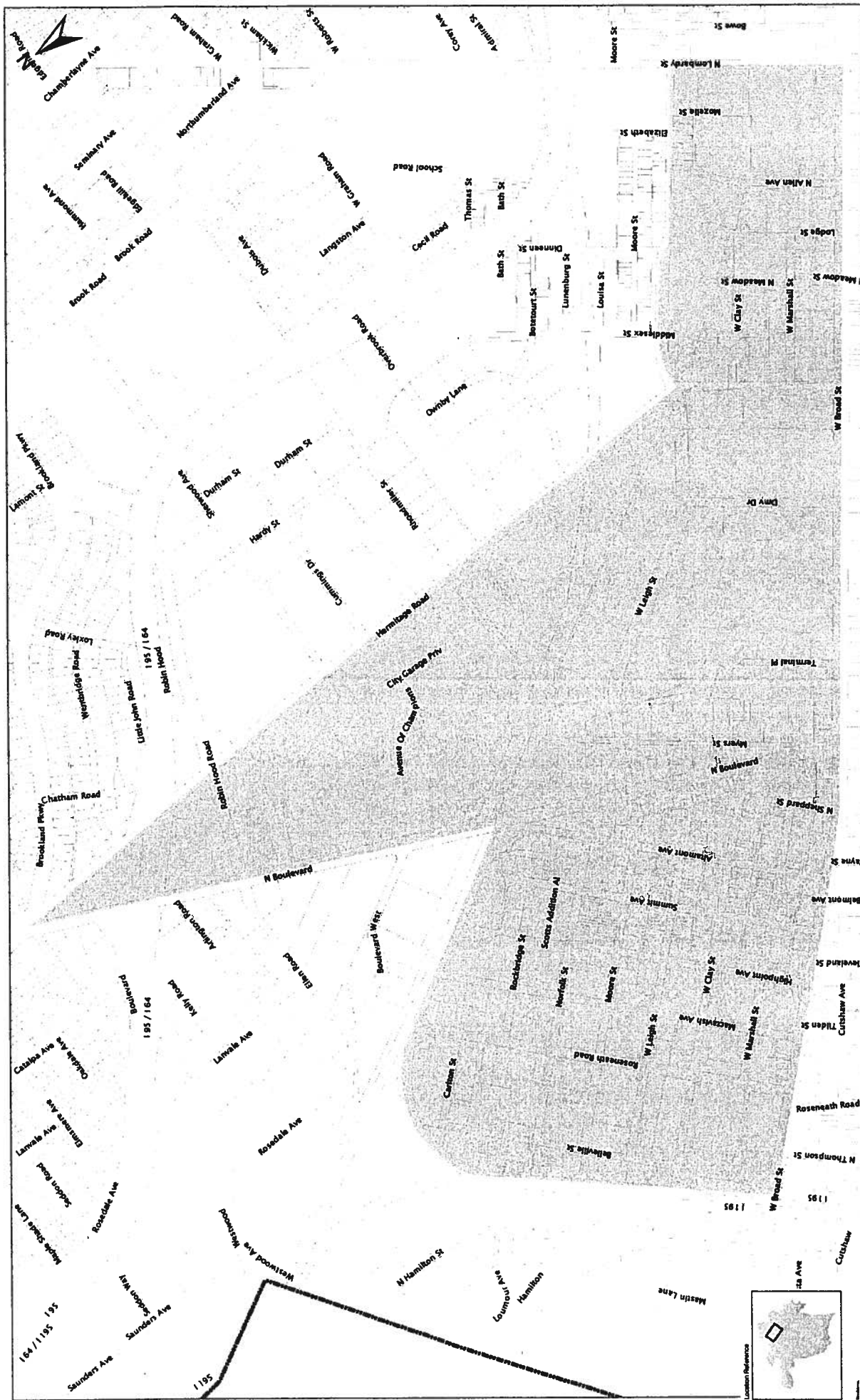


0 0.15 0.3 0.6 0.9 1.2 Miles

PORT OF RICHMOND



Location: Richmond, Virginia



SCOTT'S ADDITION



Scott's Addition is a residential area located in the city of [City Name]. The map shows the street layout and the shaded area representing the addition. The scale bar indicates distances in miles.