




**City Of Richmond, Virginia  
Office of the City Clerk**

**Request to Withdraw Legislation**

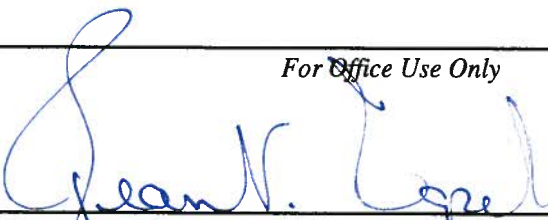
Paper Number: 2014-217

Chief Patron: Vice President Robertson

Introduction Date: October 13, 2014

Chief Patron Signature: 

*For Office Use Only*

Attestation: 

Effective Date: June 23, 2016

INTRODUCED: October 13, 2014

AN ORDINANCE No. 2014-217

To amend ch. 18 of the City Code by adding therein a new art. XII, consisting of new sections 18-626, 18-627, 18-636, 18-646 and 18-647, concerning tourism zones, for the purpose of establishing a Downtown Tourism Zone pursuant to Va. Code § 58.1-3851.

\_\_\_\_\_  
Patron – Vice President Robertson

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: OCT 27 2014 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 18 of the Code of the City of Richmond (2004) be and is hereby amended and reordained by adding therein a new Article XII, consisting of new sections numbered 18-626, 18-627, 18-636, 18-646 and 18-647, divided into divisions numbered 1, 2 and 3, as follows:

**ARTICLE XII.**

**TOURISM ZONES.**

**DIVISION 1.**

**GENERALLY.**

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

**Sec. 18-626. Application.**

This article provides for the creation of tourism zone in the City pursuant to Code of Virginia, § 58.1-3851.

**Sec. 18-627. Meaning of boundaries of zone generally.**

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.

**DIVISION 2.**

**ESTABLISHMENT OF ZONE.**

**Sec. 18-636. Downtown Tourism Zone established.**

There is hereby established the Downtown Tourism Zone. The boundaries of the Downtown Tourism Zone shall be as follows: beginning at the intersection of West Main Street and North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Leigh Street, then proceeding east on West Leigh Street to its intersection with East Leigh Street, then proceeding east on East Leigh Street to its intersection with North Ninth Street, then proceeding south along North Ninth Street to its intersection with East Main Street, then proceeding west along East Main Street to its intersection with West Main Street, then proceeding along West Main Street to its intersection with North Belvidere Street, the point of beginning.

**DIVISION 3.**

**INCENTIVES.**

**Sec. 18-646. Zone-wide incentives.**

The following incentives shall be available to venues located within a tourism zone:

(1) Businesses located in a tourism zone shall be eligible to receive a rebate of certain fees associated with the Citywide Revolving Loan Program administered through the Economic Development Authority of the City of Richmond, pursuant to the terms and conditions of the Program and the provisions of the Cooperation Agreement between the City of Richmond and the Economic Development Authority of the City of Richmond pertaining to the Program.

(2) Subject to annual appropriations for such purpose, the City will support the promotion, marketing and branding of the tourism zone.

(3) Owners or operators of businesses located within a tourism zone will be eligible for assistance to support residential development, redevelopment or rehabilitation of space attached to the business for occupancy by the owner or operator of the business.

**Sec. 18-647. Targeted incentives.**

(a) Certain tax and regulatory incentives shall be available throughout the Downtown Tourism Zone.

(b) The tax and regulatory incentives available within the area described in subsection (a) of this section shall be as follows, for a period of ten years commencing January 1, 2015, and ending December 31, 2025:

(1) Notwithstanding the provisions of section 90-123 of this Code, a rebate of the encroachment application and processing fee required by that section for administrative approval encroachment applications and for Council approval encroachment requests upon approval of the application or request.

(2) A rebate of the fees charged for “Building Permits – Residential” and “Building Permits – Commercial” pursuant to section 14-5 of this Code as follows:

a. For total construction cost of \$1,650,000 or less, the applicant shall be eligible to receive a rebate of the locality's share of the building permit fee;

b. For total construction cost of more than \$1,650,000, the applicant shall be eligible to receive a rebate of the locality's portion of the building permit fee in the amount of \$10,000 or 30% of the building permit application fee, whichever is greater, provided that in no event shall the rebate exceed \$50,000;

c. The applicant shall be eligible to receive the rebate of the building permit application fee upon completion of the construction for which the permit was issued.

d. An applicant shall be eligible to receive no more than \$50,000 in rebates of building permit application fees within a 36-month period.

(3) An expedited review of building permit applications, with completion of review within ten business days, provided the application is complete upon submittal. However, the ten business day period shall be extended by the time an applicant takes to respond to plan review comments or to comply with any instructions from the City necessary to properly act upon the application.

(4) A waiver of those fees charged pursuant to section 114-1160(a) of this Code.

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



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Council Chief of Staff

### Ordinance/Resolution Request

**TO** Allen Jackson, Richmond City Attorney  
Richmond Office of the City Attorney

**THROUGH** Lou Brown Ali *[Signature]*  
Council Chief of Staff

**FROM** William E. Echelberger, Jr, Council Budget Analyst *[Signature]*

**COPY** Ms. Ellen F. Robertson, Vice-president  
Haskell Brown, Deputy City Attorney  
Vincent Jones, Deputy Council Chief of Staff *[Signature]*  
Michael D. Winborne, 6th District Council Liaison *[Signature]*

**RECEIVED**  
SEP 04 2014  
OFFICE OF CITY ATTORNEY

**DATE** September 4, 2014

**PAGE/s** 1 of 3

**TITLE** Downtown Tourism District

This is a request for the drafting of an **Ordinance**  **Resolution**

**REQUESTING COUNCILMEMBER/PATRON**

Ms. Ellen F. Robertson, Vice-president

**SUGGESTED STANDING COMMITTEE**

Finance and Economic Development

**ORDINANCE/RESOLUTION SUMMARY**

The Patron requests an ordinance to establish a tourism zone in the area surrounding the Richmond Convention Center in downtown Richmond, as provided for in § 58.1-3851 of the Code of Virginia, Creation of local tourism zones.

The boundaries of the Tourism District shall be: beginning at the intersection of West Main Street and North Belvidere Street, then north along North Belvidere Street to its intersection with West Leigh Street, then proceeding east along West Leigh Street to East Leigh Street and its intersection with North Ninth Street, then proceeding south along North Ninth Street to its intersection with East Main Street, then proceeding west along East Main Street to West Main Street and its intersection with North Belvidere Street, the point of beginning.

Incentives offered in the Tourism Zone shall be the same as the district wide and targeted incentives provided for the Arts and Cultural District created pursuant to Ordinance no. 2012-83.

**BACKGROUND**

**Summary:** The proposed ordinance would create a tourism zone in the area surrounding the Richmond Convention Center in downtown Richmond, as allowed under § 58.1-3851 of the Code of Virginia.

The proposed boundaries of the Tourism zone are provisional, and subject to review and revision.

Similar to Arts and Cultural Districts that are permitted under § 15.2-1129.1 of the Code of Virginia, tourism zones are designed to ease the tax and regulatory costs of doing business in the zone. This is intended to encourage business development.

Projects within a local tourist zone are eligible for funding from the Commonwealth of Virginia Tourism Development Financing Program, which is administered by the Virginia Tourism Corporation. This program provides gap financing to compensate for a shortfall in project funding not to exceed 20% of a qualified project's total cost.

Local tourism zones created under § 58.1-3851 of the Code of Virginia may:

1. Grant tax incentives for up to 20 years and may include, but not be limited to a reduction of:
  - a. permit fees,
  - b. user fees, and
  - c. 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.

2. Provide for regulatory flexibility in such zone that may include, but not be limited to:
  - a. special zoning for the district,
  - b. permit process reform,
  - c. exemption from ordinances, excluding ordinances or provisions of ordinances adopted pursuant to the requirements of the Chesapeake Bay Preservation Act (§ 62.1-44.15:67 et seq.), the Erosion and Sediment Control Law (§ 62.1-44.15:51 et seq.), or the Virginia Stormwater Management Act (§ 62.1-44.15:24 et seq.), and
  - d. any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.

The establishment of a tourism zone does not preclude the area from also being designated as an enterprise zone.

In 2012 Richmond City Council adopted Ordinance No. 2012-83, which created an arts and cultural district. Incentives offered in the Arts and Cultural District were applicable on a district wide and targeted basis, including:

District-wide incentives:

1. Rebate of certain fees associated with the Citywide Revolving Loan Program administered through the Economic Development Authority of the City of Richmond,
2. City support for promotion, marketing and branding of the Arts and Cultural District, subject to annual appropriations.
3. Assistance to support residential development, redevelopment or rehabilitation of space attached to venues for occupancy by the owner or operator of the venue.

Targeted incentives, for a period of five years commencing July 1, 2012 and ending June 30, 2017:

1. Rebate of the encroachment application and processing fees,
2. Rebate of the fees charged for "Building Permits -Residential" and "Building Permits - Commercial" as follows:
  - a. For total construction cost of \$1,650,000 or less, the applicant is eligible to receive a rebate of the locality's share of the building permit fee;
  - b. For total construction cost of more than \$1,650,000, the applicant is eligible to receive a rebate of the locality's portion of the building permit fee in the amount of \$10,000 or 30% of the building permit application fee, whichever is greater, provided

that the rebate may not exceed \$50,000;

- c. Rebates of the building permit application fee will be received upon completion of the construction for which the permit was issued.
- d. No more than \$50,000 in rebates of building permit application fees within a 36-month period.

3. Expedited review of building permit applications.

4. Waiver of fees charged pursuant to section 114-1160(a) of the City Code.

The proposed Tourism District will result in variable costs for the City for support of promotion, marketing and branding, and assistance for development and redevelopment. Additionally, there will be foregone revenue associated with the proposed waivers and rebates. The exact costs to the City will depend on the level of activity in the Tourism Zone. These costs are expected to be wholly or partly offset by the increased tax revenue resulting from new and rehabilitated commercial and residential property; and from additional spending in local restaurants, eateries, and other businesses locating in the Zone.

In supporting documentation attached to Ordinance no. 2012-83 the administration stated that:

“... costs are expected to be greatly offset by the estimated increased tax revenue ...”

**Fiscal Impact:** The exact costs to the City will depend on the level of activity in the Tourism Zone. As with the existing Arts and Cultural District, these costs are expected to be offset by increased revenue.

#### FISCAL IMPACT STATEMENT

Fiscal Impact Yes  No

Budget Amendment Required Yes  No

Estimated Cost or Revenue Impact

#### Fiscal Summary

The fiscal impact cannot be determined at this point. The proposed Tourism District will result in variable costs for the City for support of promotion, marketing and branding, and assistance for development and redevelopment. Additionally, there will be foregone revenue associated with the proposed waivers and rebates. The exact costs to the City will depend on the level of activity in the Tourism Zone. These costs are expected to be wholly or partly offset by the increased tax revenue resulting from new and rehabilitated commercial and residential property; and from additional spending in local restaurants, eateries, and other businesses locating in the Zone.

Attachment/s Yes  No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /sts



§ 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 (§ [62.1-44.15:67](#) et seq.), the Erosion and Sediment Control Law (§ [62.1-44.15:51](#) et seq.), or the Virginia Stormwater Management Act (§ [62.1-44.15:24](#) 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](#); 2013, cc. [756](#), [793](#).)

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