

INTRODUCED: May 14, 2012

AN ORDINANCE No. 2012-83

To amend ch. 18 of the City Code by adding therein a new art. XI, consisting of new sections 18-601, 18-602, 18-603, 18-604, 18-621, 18-641 and 18-642, concerning the Arts and Cultural District, for the purpose of establishing an Arts and Cultural District pursuant to Va. Code § 15.2-1129.1.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 29 2012 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 XI, consisting of new sections numbered 18-601, 18-602, 18-603, 18-604, 18-621, 18-641 and 18-642, divided into divisions numbered 1, 2 and 3, as follows:

ARTICLE XI.

ARTS AND CULTURAL DISTRICTS.

DIVISION 1.

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

GENERALLY.

Sec. 18-601. Application.

This article creates an arts and cultural district in the City pursuant to Code of Virginia, § 15.2-1129.1.

Sec. 18-602. Meaning of boundaries of district generally.

Unless expressly provided otherwise, when the boundaries of a district 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 district.

Sec. 18-603. Meaning of "venue."

The term "venue" means those establishments located within the arts and cultural district that provide arts and cultural activities to the public and include, but are not limited to, theaters, art galleries, museums, dance studios, music halls and historic sites.

Sec. 18-604. Meaning of "street frontage."

The term "street frontage" means that portion of a lot abutting a street and situated between lot lines intersecting such street.

DIVISION 2.

ESTABLISHMENT OF DISTRICT.

Sec. 18-621. Arts and Cultural District established.

There is hereby established an Arts and Cultural District. The boundaries of the Arts and Cultural District shall be as follows: beginning at the intersection of West Franklin Street and North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Grace Street, then proceeding west on West Grace Street to its intersection with North

Pine Street, then proceeding north along North Pine Street to its intersection with West Broad Street, then proceeding east upon West Broad Street to its intersection with North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Marshall Street, then proceeding east along West Marshall Street to its intersection with North Madison Street, then proceeding north along North Madison Street to its intersection with Brook Road, then proceeding north along Brook Road to its intersection with West Leigh Street, then proceeding east along West Leigh Street to its intersection with St. Peter Street, then proceeding north along St. Peter Street to its intersection with Chamberlayne Parkway, then proceeding south along Chamberlayne Parkway to its intersection with North Adams Street, then proceeding south along North Adams Street to its intersection with West Clay Street, then proceeding east along West Clay Street to its intersection with East Clay Street at St. James Street, then proceeding east along East Clay Street to its intersection with North 1st Street, then proceeding north along North 1st Street to its intersection with East Jackson Street, then proceeding east along East Jackson Street to its intersection with North 2nd Street, then proceeding south along North 2nd Street to its intersection with East Leigh Street, then proceeding east along East Leigh Street to its intersection with North 13th Street, then proceeding south along North 13th Street to its intersection with East Marshall Street, then proceeding west along East Marshall Street to its intersection with North 12th Street, then proceeding south along North 12th Street to its intersection with Governor Street at East Grace Street, then proceeding south along Governor Street to its intersection with Bank Street, then proceeding west along Bank Street to its intersection with North 9th Street, then proceeding north along North 9th Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with North 5th Street, then proceeding south along North 5th Street to its intersection with South 5th

Street at East Main Street, then proceeding south along South 5th Street to its intersection with East Byrd Street, then proceeding west along East Byrd Street to its intersection with South 4th Street, then proceeding north along South 4th Street to its intersection with North 4th Street at East Main Street, then proceeding north along North 4th Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with North 2nd Street, then proceeding south along North 2nd Street to its intersection with East Main Street, then proceeding west along East Main Street to its intersection with North 1st Street, then proceeding north along North 1st Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with West Franklin Street at North Foushee Street, then proceeding west along West Franklin Street to its intersection with North Belvidere Street, the point of beginning.

DIVISION 3.

INCENTIVES.

Sec. 18-641. District-wide incentives

The following incentives shall be available to venues located within the Arts and Cultural District:

(1) Venues located in the Arts and Culture District 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 Arts and Cultural District.

(3) Owners or operators of venues will be eligible for assistance to support residential development, redevelopment or rehabilitation of space attached to the venue for occupancy by the owner or operator of the venue.

Sec. 18-642. Targeted incentives.

(a) Certain tax and regulatory incentives shall be available in the following portions of the Arts and Cultural District:

(1) That portion of the Arts and Cultural District beginning at the intersection of West Grace Street and North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Marshall Street, then proceeding east along West Marshall Street to its intersection with North 1st Street, then proceeding east along East Marshall Street to its intersection with North 3rd Street, then proceeding south along North 3rd Street to its intersection with East Broad Street, then proceeding east along East Broad Street to its intersection with North 7th Street, then proceeding south along North 7th Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with North 6th Street, then proceeding north along North 6th Street to its intersection with East Grace Street, then proceeding west along East Grace Street to its intersection with West Grace Street at North Foushee Street, then proceeding west along West Grace Street to its intersection with North Belvidere Street, the point of beginning.

(2) That portion of the Arts and Cultural District consisting of those parcels of land having street frontage on North 2nd Street between East Leigh Street and East Marshall Street.

(3) That portion of the Arts and Cultural District consisting of those parcels of land having street frontage on the north side of East Broad Street between North 3rd Street and North 4th Street.

(4) That portion of the Arts and Cultural District consisting of those parcels of land having street frontage East and West Grace Street, beginning at the intersection of East Grace Street with North 6th Street, then proceeding west along East Grace Street to its intersection with West Grace Street at North Foushee Street, then proceeding west along West Grace Street to its intersection with North Belvidere Street.

(b) The tax and regulatory incentives available within the portions of the arts and cultural district described in this section shall be as follows, for a period of five years commencing July 1, 2012, and ending June 30, 2017:

(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.

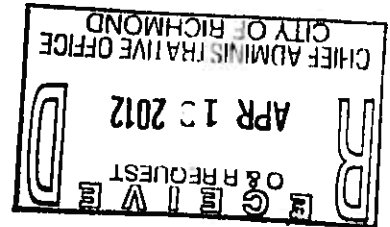
(3) An expedited review of building permit applications, with completion of review within ten business days, provided the application is complete upon submittal. However, the ten business day period shall be extended by the time an applicant takes to respond to plan review comments or to comply with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



CITY OF RICHMOND
INTRACITY CORRESPONDENCE



O&R REQUEST

DATE: April 9, 2012

Edition: 4

TO: The Honorable Members of City Council

THROUGH: Dwight C. Jones, Mayor (Patron: Mayor)

THROUGH: Byron C. Marshall, Chief Administrative Officer

THROUGH: Sharon Judkins, Deputy Chief Administrative Officer for Finance and Administration

THROUGH: Wayne Lassiter, Acting Director of Finance

THROUGH: Rayford Harris, Director Budget and Strategic Planning

THROUGH: Peter H. Chapman, Deputy Chief Administrative Officer for Economic Development and Planning

FROM: Peter. L. Downey, Director of Economic and Community Development

SUBJECT: The ordinance provides for the creation of the Arts and Culture District within a defined geographical area that is anchored by the East Broad Street corridor and encompasses portions of Jackson Ward as well as key blocks and assets south of Broad.

ORD. OR RES. No. _____

PURPOSE: To create and designate the boundaries of the Arts and Culture District within a defined geographical area surrounding the East Broad Street corridor, and to establish financial and regulatory incentives that will complement ArtBusiness Richmond, a comprehensive program that seeks to enhance the vibrancy of the district by, at minimum, stimulating additional private investment; enhancing access to capital and technical assistance for creative enterprises and other small businesses; and growing the number of "rooftops" so as to expand the resident base—a key factor in any successful corridor revitalization strategy.

In brief, the establishment of an Arts and Culture District that is accompanied by a comprehensive and aggressive economic development and small business support strategy, can help fulfill the City Administration's vision that downtown Richmond will become a thriving center of commercial, cultural, civic and entertainment activity; a place where people are encouraged to live and excited to visit, and a robust generator of new revenues and realized economic opportunity for the City.

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REASON: In order to become a thriving district, the City must address, head-on, the persistent challenges confronting the targeted area. Most notably, there is: a high vacancy rate and a significant number of blighted properties; an aesthetically inconsistent and physically degraded array of storefronts; and an inadequate number of businesses equipped to provide the various goods and services to effectively meet the myriad demands of local—and non-local—consumers and attract maximum foot traffic.

Thus, recognizing that arts and culture can be catalysts for economic development and neighborhood revitalization, the City seeks to leverage off of Broad Street’s emerging distinction as an eclectic, arts-oriented destination, to establish a district that will harness the area’s qualities for their maximum impact and benefit. The City seeks to designate a targeted area within and around the East Broad Street corridor as the Arts and Culture District, and also provide some regulatory and financial incentives. These incentives will serve to complement and reinforce *ArtBusiness* Richmond—the City’s core program for addressing the needs of the district—which concentrates heavily on strategic property rehab, façade improvement, and micro-finance and technical assistance to creative enterprises and other businesses.

The measures contained within the ordinance are divided into two categories: 1) Venue-based incentives targeting certain types of businesses and development, and 2) other financial and regulatory incentives targeted to businesses and properties in certain sub-areas of the larger district. A more detailed description is provided below.

Targeted Venue-based Incentives:

- **Fee Rebates for Citywide Revolving Loan Fund for Qualified Arts and Culture Entities**

Qualified arts and culture related entities located within the boundaries of the Arts and Culture District will be eligible to receive a rebate from the stated fees for loan applications, commitment and other associated closing costs.

- **Annual Allocation of Resources for Promotion, Marketing and Branding of the Arts and Culture District**

The City will make available, through a qualified intermediary, financial resources to support the promotion, marketing and branding of the Arts and Culture District.

- **Incentive for Creative Enterprises Commercial/Residential Development**

The City will make available via its annual allocations of federal and other dollars, monies to incentivize the construction, renovation and/or redevelopment, leasing or sales of artist live/work properties located within the boundaries of the Arts and Culture District.

Financial and Regulatory Incentives:

In addition to the venue-based financial incentives, the ordinance contains other financial and regulatory incentives that will apply to entities located within a smaller, specified area of the boundaries of the proposed arts and culture district, known as the Selected Regulatory or “Pioneer” Incentive Zone. Limits on fee rebates will apply to individual entities associated with a specific parcel. The latter group of incentives is more narrowly targeted to ensure that they are applied to those blocks manifesting unique revitalization opportunities.

- **Encroachment permit fee rebate**

To increase the amount of commercial activity in the district, entities located within the boundaries of the Selected Regulatory or “Pioneer” Incentive Zone shall be eligible to receive a full rebate of the stated permit fee (authorized by City Code section 90-123)

for a permanently affixed structure located in the public right of way for the purpose of outdoor dining. (Temporary outdoor dining furnishings which can be brought in and set out daily will not be eligible for this rebate as these are not considered encroachments and are thus subject to a different review process and fee structure.) This incentive does not affect the assessor's fee levied for use of the public right of way.

- **Rebate of all or a portion of building permit application fees**
Individual business entities shall be eligible to receive fee rebates on building permit fees according to the schedule listed below. Individual business entities are limited to \$50,000 of fee rebates within a 36 month period, starting from the date of the last fee rebated. Building Permit Fees will be rebated on construction projects as follows:
 - For a total construction cost of \$1,650,000 or less, the total building permit fee will be rebated
 - For construction cost of more than \$1,650,000 the rebated amount will be \$10,000 or 30% of the permit fee, whichever is greater, up to \$50,000.
- **Expedited review process for building permit applicants**
An expedited permit review is a commitment to have a permit submittal reviewed within a specific time. If city plan review staff receives all necessary documentation, the review will be completed within ten city business days. (Reviews are often delayed due to the applicant not providing the city with a complete permit application, including necessary attachments.) Expedited review does not include the time an applicant needs to properly respond to plan review comments or address any problems with their proposed plan.
- **Fee rebate on re-zoning applications (not Special Use Permits)**

The ordinance further provides that these incentives remain in place for a period of five years, with the option to renew them for another five-year period.

Additionally, to achieve maximum synergy with popular activities (e.g., First Friday ArtWalk), the City has already begun to target key ArtBusiness services and programs such as property rehab/acquisition lending and façade improvement to stakeholders in the western stretches of the proposed Arts and Culture District, between 2nd and Belvidere.

RECOMMENDATION: The City Administration, in accordance with the State Code of Virginia which allows any locality by ordinance to establish within its boundaries an Arts and Culture District for the purpose of increasing awareness and support for the arts and culture in the locality, recommends approval.

BACKGROUND:

The City's arts and culture organizations are among the agents of change that have been helping to ensure that Richmond takes positive steps toward fulfilling its potential to become a Tier One city. Consistent with this, in 2009 a group of arts industry leaders and professionals convened by CultureWorks initiated a process that laid out the elements of an arts district. The cultural district concept and regulatory and financial incentives discussed herein attempt to build upon this group's critical work by establishing boundaries that will encompass a significant number of creative enterprises, cultural and entertainment venues and historic and culturally significant buildings, and incentives which will help those creative enterprises currently located in the area to expand and grow and also attract complimentary business and private reinvestment capital to the district.

Designating the area an Arts and Culture District furthers efforts to create a vibrant downtown and maximize business opportunities for success in the area by : 1) encouraging the clustering, expansion and development of arts and culture enterprises in the central city; 2) establishing a framework in which to expand small business development services (e.g., micro-finance and technical assistance) and façade improvement; and 3) helping to reinforce and strengthen the area's emerging brand identity as a vibrant arts and entertainment district—a distinction that results from initiatives launched and investment made by important local stakeholders (e.g., First Fridays, Center Stage).

Other activities (e.g., including but not limited to stepped up property maintenance inspections and beautification) may also be carried out under the banner of improving the district but are not governed by this ordinance. Services will be a coordinated effort among the Department of Economic & Community Development, the Office of Minority Business Development, the Department of Planning & Development Review as well as some of the City's civic partners such as Venture Richmond, the Downtown Neighborhood Association, Metropolitan Business League and GRTC (e.g., for circulator service for the District).

The area comprising the proposed Arts and Culture District consists of a varied array of creative enterprises, cultural and entertainment venues and attractions as well as businesses and other amenities that are essential to a thriving arts and culture oriented district. In this respect the proposed ordinance draws heavily from the efforts of cities such as Miami, Houston, and Pawtucket, Rhode Island, just to name a few. These communities have established broad boundaries for their respective arts and culture districts in order to ensure a comprehensive and diverse set of offerings for visitors and residents; and thus, maximum impact.

Many elements of this proposed ordinance have also been substantially shaped by input from area business owners, arts organization leaders and other stakeholders who participated in many meetings held over the course of the past year. City Administration representatives participated in stakeholder forums and discussions in partnership with one or more of the following groups/individuals: CultureWorks, the Downtown Neighborhood Association, the Historic Jackson Ward Civic Association, Curated Culture and members of City Council. Between February 2 and November 22, 2011 City Administration representatives participated in at least eleven such meetings. The dates of these meetings are highlighted below:

- February 2
- February 18
- March 7
- April 12
- April 19
- April 28
- May 17
- July 7
- August 1
- November 22

The creation of an arts and culture district will not affect the current zoning or restrict, alter or expand the property rights or land use rights of property owners within the designated area.

Geographically, the proposed Arts and Culture District is centered on the Broad Street commercial corridor east of Belvidere Street. It is largely bounded by 13th Street to the east, Leigh Street to the north, Belvidere Street to the west and Franklin Street to the south, not withstanding a few exceptions. The attached map shows the Arts and Culture District as a polygon created by drawing a continuous line along the following path.

The boundaries of the Arts and Culture District shall be as follows: beginning at the intersection of West Franklin Street and North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Grace Street, then proceeding west on West Grace Street to its intersection with North Pine Street, then proceeding north along North Pine

intersection with North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Marshall Street, then proceeding east along West Marshall Street to its intersection with North Madison Street, then proceeding north along North Madison Street to its intersection with Brook Road, the proceeding north along Brook Road to its intersection with West Leigh Street, the proceeding east along West Leigh Street to its intersection with St. Peter Street, then proceeding north upon St. Peter Street to its intersection with Chamberlayne Parkway, then proceeding south along Chamberlayne Parkway to its intersection with North Adams Street, the proceeding south along North Adams street to its intersection with West Clay Street, then proceeding east along West Clay Street to its intersection with East Clay Street at St. James Street, then proceeding east along East Clay Street to its intersection with North 1st Street, then proceeding north along North 1st Street to its intersection with East Jackson Street, then proceeding east along East Jackson Street to its intersection with North 2nd Street, then proceeding south along North 2nd Street to its intersection with East Leigh Street, then proceeding east along East Leigh Street to its intersection with North 11th Street, then proceeding south along North 13th Street to its intersection with East Marshall Street, then proceeding west along East Marshall Street to its intersection with North 12th Street, then proceeding south along North 12th Street to its intersection with Governor Street at East Grace Street, then proceeding south along Governor Street to its intersection with Bank Street, then proceeding west along Bank Street to its intersection with North 9th Street, then proceeding north along North 9th Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with North 5th Street, then proceeding south along North 5th Street to its intersection with South 5th Street at East Main Street, then proceeding south along South 5th Street to Byrd Street, then proceeding west along East Byrd Street to its intersection with South 4th Street, then proceeding north along South 4th Street to its intersection with North 4th Street at East Main Street, the proceeding north along North 4th Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with North 2nd Street, then proceeding south along North 2nd Street to its intersection with East Main Street, then proceeding west along East Main Street to its intersection with North 1st Street, then proceeding north along North 1st Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with West Franklin Street at North Foushee Street, then proceeding west along West Franklin Street to its intersection with North Belvidere Street.

The boundaries of the areas where the more narrowly targeted financial and regulatory incentives shall apply, also known as the Selected Regulatory or "Pioneer" Incentive Zone, are as follows: beginning at the intersection of West Grace Street and North Belvidere Street, then proceeding north along North Belvidere Street to its intersection with West Marshall Street, then proceeding east along West Marshall Street to its intersection with North 1st Street, then proceeding east along East Marshall Street to its intersection with North 3rd Street, then proceeding south along North 3rd Street to its intersection with East Broad Street, then proceeding east along East Broad Street to its intersection with North 7th Street, then proceeding south along North 7th Street to its intersection with East Franklin Street, then proceeding west along East Franklin Street to its intersection with North 6th Street, then proceeding north along North 6th Street to its intersection with East Grace Street, then proceeding west along East Grace Street to its intersection with West Grace Street at North Foushee Street, then proceeding west along West Grace Street to its intersection with North Belvidere Street.

Additionally all parcels on North 2nd Street between East Leigh Street and East Marshall Street, which have street frontage and/or principal street frontage, (*street frontage* and *principal street frontage* are defined in section 114-1220 of the City of Richmond's Zoning Code,) on North 2nd Street and all parcels on the north side of East Broad Street between North 3rd Street and North 4th Street shall be included in the Selected Regulatory Incentive Zone. All parcels with street

frontage and/or principal street frontage on the south side of East and West Grace Street, starting at North 6th Street at its intersection with East Grace Street, then proceeding west along East Grace Street to its intersection with West Grace Street at North Foushee Street, then proceeding west along West Grace Street to its intersection with North Belvidere Street, shall also be included in the Selected Regulatory Incentive Zone.

FISCAL IMPACT: The proposed incentives carry costs for the City, however, these costs are expected to be greatly offset by the estimated increased tax revenue resulting from new and rehabilitated commercial and residential property; and from additional spending in local restaurants, eateries, galleries, performance venues and other businesses locating in the District as a result of an increased number of persons residing in and visiting the District.

COST TO CITY: Foregone revenue associated with the waivers and rebates discussed herein, and grant support for marketing services and creative commercial/residential property (exact amount of expenditures will reflect the level of activity in the District).

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: April 23, 2012

CITY COUNCIL PUBLIC HEARING DATE: May 28th, 2012

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing and Transportation

CONSIDERATION BY OTHER GOVERNMENTAL AGENCIES: None

AFFECTED AGENCIES: Office of Chief Administrative Officer, Department of Public Works, Department of Planning and Development Review, Department of Economic and Community Development, Office of Minority Business Development, Law Department (for review of draft ordinance)

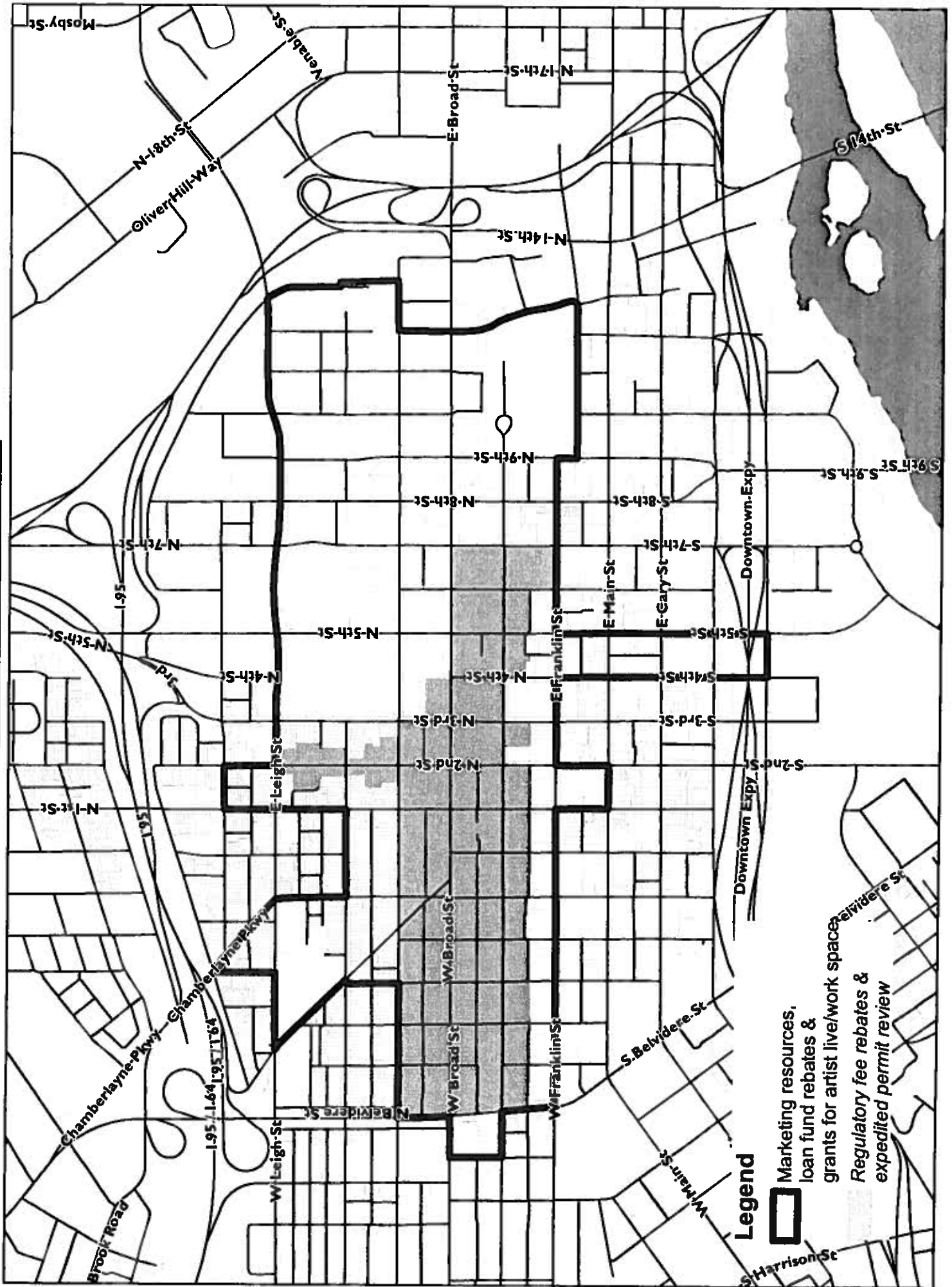
RELATIONSHIP TO EXISTING ORDINANCES: None.

REQUIRED CHANGES TO WORK PROGRAMS: The Director of Public Works and Director of Planning and Development Review will instruct their respective staffs to rebate fees for encroachments in the public right-of-way for qualifying entities located within the boundaries of the Arts and Culture District.



ATTACHMENTS: A map of the Arts and Culture District which shows boundaries and the area where the additional, more narrowly targeted financial and regulatory incentives shall apply.

STAFF: Peter. L. Downey, Director of Economic and Community Development, 646-7646
Nicholas Feucht, Special Assistant to the DCAO for Economic Development and Planning, 646-7438

Richmond Arts & Culture District



Legend

-  Marketing resources, loan fund rebates & grants for artist live/work space
-  Regulatory fee rebates & expedited permit review