

AN ORDINANCE TO AMEND CHAPTER 2 OF THE TOWN CODE BY ESTABLISHING A
TOURISM DISTRICT AND INCENTIVES FOR QUALIFYING BUSINESSES

Sections Added: 2-600, 2-601, 2-602, 6-603, 2-604, 2-605, 2-606, 2-607, 2-608

BE IT ORDAINED by the Council of the Town of Blacksburg:

1. That Chapter 2 of the Town Code is amended and reordained by the addition of
Article 6, as follows:

Chapter 2.

Article VI. Tourism District and Incentives for Qualifying Businesses.

Section 2-600. Purpose and intent.

The town council of the Town of Blacksburg finds that the preservation and redevelopment of its historic downtown requires regulatory flexibility and economic incentives, and determines that an appropriate method is provided by the tourism zones authorized by Virginia Code § 58.1-3851. The town council finds that the establishment of a Downtown Tourism Zone, as permitted by Virginia Code § 58.1-3851, will foster development of new tourism related businesses in the downtown that will serve a public purpose and benefit the public health, safety, welfare and convenience through the enhancement of public revenues and the creation of employment opportunities. Furthermore, the new businesses that will develop in the Downtown Tourism Zone will enhance revitalization efforts in the historic heart of Blacksburg.

Section 2-601. Administration.

This article shall be administered and enforced by the town manager or the manager's designee. The town manager, together with the department of finance and the department of planning and building, will review the criteria and incentives for the Downtown Tourism Zone program annually to assure alignment with the town's strategy for the development of downtown.

Section 2-602. Definitions.

For purposes of this article, the following words and phrases shall have the meanings below, unless otherwise expressly indicated to the contrary:

(a) *Qualified tourism business* means a new business in the Downtown Tourism Zone that derives its gross receipts from the sale of tourism-related goods or services. In the context of

this article, the term “tourism-related goods or services” shall mean the following types of businesses, as defined in the Town Zoning Ordinance:

- (i) Fine Arts Studios;
- (ii) Arts-related Personal Improvement Services, including theater, dance, music, or art instruction;
- (iii) Arts-related Commercial Indoor Entertainment, including live theater, motion picture theater, concert hall or music hall; and
- (iv) Retail Sales, including more specific retail sales such as antique shops and specialty shops.

A qualified tourism business shall provide a minimum capital investment of \$15,000.00 dollars in improvements to real estate located in the Downtown Tourism Zone. Qualification shall be granted and certified in writing by the town manager or the manager’s designee. A “new business” shall not include any business substantially similar in operation and in ownership to a business entity currently or previously doing business in the Downtown Tourism Zone.

(b) *Qualified zone resident* means an owner or tenant of real property located in the Downtown Tourism Zone who expands or rehabilitates such property to locate the operation of a qualified tourism business within the tourism zone. The minimum dollar amount of the proposed improvements shall be \$15,000.00. The term “property” means a parcel, lot or unit for which a site plan or building permit application has been submitted for approval. Qualification of a zone resident shall be granted and certified in writing by the town manager or the manager’s designee. A qualified zone resident shall only be eligible for the fee reimbursements under town ordinances described in § 2-606 of this article.

Section 2-603. Boundaries of Downtown Tourism Zone.

(a) The Downtown Tourism Zone is hereby established. The boundaries of the Downtown Tourism Zone shall be the same as the boundaries of the Downtown Commercial District, as set forth in the town’s official zoning map. The Town Council expressly finds that providing incentives for such businesses is consistent with the purposes of the Downtown Commercial District as set forth in Zoning Ordinance § 3140.

(b) Qualified tourism businesses and zone residents located in the Downtown Tourism Zone shall be entitled to the incentives offered in this article.

Section 2-604. License tax rebate.

(a) All qualified tourism businesses shall be entitled to a rebate of business, professional and occupational license taxes imposed by Chapter 11 of the town code as follows:

- (1) One hundred (100) percent rebate in year one (1);
- (2) Seventy-five (75) percent rebate in year two (2);

(3) Fifty (50) percent rebate in year three (3).

Year one (1) is the first full calendar year in which a business operates as a qualified tourism business. However, if a business operates as a qualified tourism business for a period of less than six (6) months in the calendar year, such qualified tourism business may elect to designate the following calendar year as year one (1) for purposes of obtaining the business tax rebate.

(b) The rebate shall apply for a period of three (3) calendar years or until such time that the business no longer operates as a qualified tourism business, whichever is the first to occur. If a business ceases to be a qualified tourism business or removes its operation from the district or town during a year in which the rebate applies, the business shall not be qualified or receive the rebate for that year.

(c) (i) To qualify for a business license tax rebate under this article, during the first twelve (12) months of operation within the tourism zone, a qualified tourism business must apply to the town manager or the manager's designee, who will determine if the business is a qualified tourism business. The qualified tourism business shall have the burden of demonstrating, to the satisfaction of the town manager, that it meets the definition of a qualified tourism business and that it meets all applicable criteria for a business license tax rebate. The qualified tourism business shall also file an annual business license application with the director of finance and shall provide the director with certification from the town manager that the business is a qualified tourism business. The amount of gross receipts to be earned shall be set out in the license application and shall be subject to verification by the director of finance by audit or inspection of documents. The qualified tourism business shall also provide the director with proof that no local taxes or fees are outstanding at the time of application for the business license tax rebate.

(c) (ii) If more than one-half (1/2) of the gross receipts of a qualified tourism business are derived from a licensable activity that qualifies the business, the business license tax assessed on all gross receipts of such licensable activity shall be subject to the graduated rebates described above. If one-half (1/2) or less of the gross receipts of a particular licensable activity of a qualified tourism business is derived from qualifying operations, the graduated rebates shall be applied only to the amount of tax attributable to the gross receipts earned from the qualifying business activity. The determinations required by this sub-section shall be performed by the finance director.

(d) Failure of a qualified tourism business to pay in full by the due date any taxes imposed by the town shall result in the denial or revocation of the tax rebate for the remainder of the current calendar year.

(e) All business license tax rebates are subject to adjustment by the director of finance based on actual gross receipts earned from qualifying tourism business activities. Any additional business license tax assessed due to such adjustments, or due to revocation of the tax rebate, shall be subject to collection and delinquency provisions set out in Chapter 11 of the Town Code.

Section 2-605. Fee reimbursements under town ordinances.

The fee reimbursements provided below shall apply to qualified tourism businesses and, where applicable, qualified zone residents, for new construction, alterations and rehabilitation, provided (i) that at least one hundred (100) percent of the total cost of the construction is expended on facilities which will house or directly accommodate a qualified tourism business; and (ii) that the application for fee reimbursements is submitted to the town manager within eighteen (18) months from the date a certificate of occupancy is issued. Fees reimbursed pursuant to this article shall be paid out by the town manager, in conjunction with the finance director.

(a) *Fees imposed under the building code.* Applications for reimbursement of all fees imposed under Chapter 6 of the town code entitled "Building Regulations" shall be made to the town manager along with a certification from the town manager that the applicant is a qualified tourism business or a qualified zone resident and evidence that the proposed construction will meet the criteria set out above for fee reimbursement. All building code fees must be paid by the qualified tourism business or qualified zone resident prior to receiving reimbursement from the town manager. The maximum reimbursement for any qualified tourism business shall be \$2,000.00. Building code fees remitted to the Commonwealth of Virginia or other state agencies are not reimbursable.

(b) *Fees imposed under subdivision regulations and site plan ordinance.* Application for reimbursement of fees imposed for subdivision and site plan review under the town's subdivision regulations (Appendix B) and the town's site plan requirements shall be made to the town manager. Such application shall include certification from the town manager that the applicant is a qualified tourism business or a qualified zone resident and evidence that the proposed land use and/or construction activities will meet the criteria set out above for fee reimbursement. All subdivision and/or site plan review fees must be paid by the qualified tourism business or qualified zone resident prior to receiving reimbursement from the town manager.

(c) *Water and sewer connection fees.* Application for reimbursement of water and sewer connection fees imposed under Chapters 18 and 24 of the town code shall be made to the town manager. Applications shall include certification from the town manager that the applicant is a qualified tourism business or a qualified zone resident and evidence that the utility connections and related construction will meet the criteria set out above for fee reimbursement. All water and sewer connection fees must be paid by the qualified tourism business or qualified zone resident prior to receiving reimbursement from the town manager.

Section 2-606. Non-waiver.

Unless expressly stated herein, this article shall not be construed to waive the requirement of any ordinance, regulation or policy of the town, including, but not limited to, those ordinances, regulations and policies which require permits and approvals for land use and construction. Additionally, unless stated otherwise herein, nothing in this article shall be construed as waiving the right of the town to enforce its ordinances, regulations or policies to

collect any taxes, fees, fines, penalties, or interest imposed by law on a qualified tourism business or qualified zone resident or upon real or personal property owned or leased by a qualified tourism business or qualified zone resident. The town reserves the right to remove qualified tourism business or qualified zone resident status for any business that is not compliant with any town ordinance, regulation, policy or other legal requirement.

Section 2-607. Education and promotion.

The town manager or the manager's designee shall develop programs to educate the public and potential businesses of the benefits of the Downtown Tourism Zone.

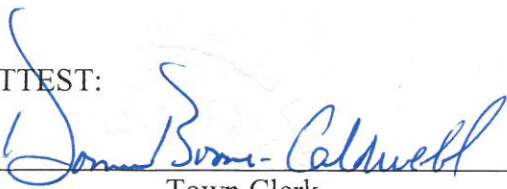
Section 2-608. Restrictions.

(a) No qualified tourism business or qualified zone resident may apply for or receive a tax or fee rebate or reimbursement under this article on the basis of a building permit issued for construction commenced prior to the establishment of the Downtown Tourism Zone.

(b) The incentives established in this ordinance shall be provided pursuant to and shall be subject to the appropriation of sufficient funds by the town council. The amount of any rebate provided to any business pursuant to this article shall be a public record. The town manager shall develop policies to address the limitations of funding.

2. That this ordinance shall be effective upon its adoption.

ATTEST:



Town Clerk

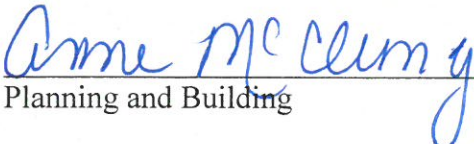


Mayor

1st Reading: October 13, 2009

2nd Reading & Adoption: November 10, 2009

APPROVED AS TO CONTENT:



Planning and Building

APPROVED AS TO LEGAL SUFFICIENCY:



Town Attorney