



MOTION: SOLLEY

**October 26, 2010
Regular Meeting
Ordinance No. 10-31**

SECOND: PAOLUCCI

RE: EXPANDING THE CELEBRATE VIRGINIA SOUTH TOURISM ZONE TO INCLUDE CENTRAL PARK, BY AMENDING CITY CODE CHAPTER 22, "BUSINESSES," ARTICLE V, "TOURISM ZONES," DIVISION 2, "CELEBRATE VIRGINIA SOUTH TOURISM ZONE."

ACTION: APPROVED; Ayes: 7 ; Nays: 0

FIRST READ: October 12, 2010

SECOND READ: October 26, 2010

IT IS HEREBY ORDAINED by the City Council of the City of Fredericksburg, Virginia, that Chapter 22 of the City Code is amended as follows:

SEC. I. Introduction.

Tourism is an important component of the City's economy, and the City's two main retail clusters (Central Park and the Downtown Commercial District) are important tourist draws in their own right. Retail sales to tourists and visitors represent an important source of new retail market demand. According to the JumpStart! Final Report (2006), the concentration of hotel rooms in Central Park and Celebrate Virginia South should result in new tourist and visitor retail expenditures, estimated between \$12.3 million and \$18.4 million.

According to the Travel Industry Association in 2007 the average expenditure on retail during a trip is 11.5 percent of total expenditures. But a demographic profile of the Fredericksburg visitor by the Virginia Tourism Corporation showed that the Fredericksburg visitor has a higher than average propensity to shop while traveling. The study showed that more of the travel dollars of Fredericksburg visitor were spent on retail shopping compared to statewide traveler shopping. In all studied segments, including antiques, art and crafts, mall and major retailer shopping, the Fredericksburg visitor spent 8.2 percent more on shopping than the average Virginia visitor. The City's location on a major interstate artery and the high volume of transient lodgers in hotel properties clustered near the proposed tourism zone has given an impetus to traveler shopping. This brings new monies into the City that turn over several times in the local economy before leaving the area. A proper mix of retailers in Central Park will help the City retain this benefit.

Virginia Code §58.1-3851 authorizes Virginia localities to establish, by ordinance, one or more tourism zones for the purpose of granting tax incentives and providing regulatory flexibility to qualified businesses. Fredericksburg established three such zones -- the Downtown/Princess

Anne Corridor Tourism Zone, the Celebrate Virginia South Tourism Zone, and the Kalahari Resort Tourism Zone -- for this purpose. City Council now wishes to expand the existing Celebrate Virginia South Tourism Zone to encompass Central Park.

SEC. II. City Code Amendment.

City Code Chapter 22, "Businesses," Article V, "Tourism Zones," Division 2, "Celebrate Virginia South Tourism Zone," and City Code §22-510 are amended and reordained as follows:

DIVISION 2. CELEBRATE VIRGINIA SOUTH/CENTRAL PARK TOURISM ZONE

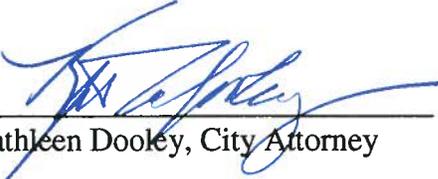
Sec. 22-510. Celebrate Virginia South/Central Park Tourism Zone created.

There is hereby established the "Celebrate Virginia South/Central Park Tourism Zone," consisting of all the area *bounded on the south by U.S. Route 3, the west by the corporate limits of the City, the east by I-95 and the north by the Rappahannock River, except those parcels zoned Residential lying west of Carl D. Silver Parkway and north of River Road, and designated as such on the map entitled "City of Fredericksburg Tourism and Technology Zones, July, 2007," attached hereto and incorporated herein,* except for the area designated as the "Kalahari Resort Tourism Zone." The purpose of this zone is to provide economic incentives and regulatory flexibility for eligible business entities which will attract visitors from the Fredericksburg region and beyond, make a substantial investment, and create new jobs in the development north of Fall Hill Avenue and south of the Rappahannock River known as "Celebrate Virginia South," as well as undeveloped land south of Fall Hill Avenue and west of I-95. This is land ready for intensive new highway based planned commercial development. Like nearby Central Park, ~~†~~*This area will draw visitors from within and beyond the Fredericksburg region. The goal of the Celebrate Virginia South/Central Park Tourism Zone is to create a distinct retail shopping, entertainment, or recreational experience, with opportunities unlike those available at other interstate exits or shopping centers in the region.*

SEC. III. Effective date.

This ordinance shall be effective immediately.

Approved as to form:



Kathleen Dooley, City Attorney

Clerk's Certificate

I, the undersigned, certify that I am Deputy Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 10-31 duly adopted at a meeting of the City Council held October 26, 2010, at which a quorum was present and voted.

Brenda T. Martin

Brenda T. Martin
Deputy Clerk of Council



MOTION: SOLLEY

**July 10, 2007
Regular Meeting
Ordinance No. 07-31**

SECOND: DEVINE

RE: AMENDING CITY CODE CHAPTER 22, "BUSINESSES," BY ADDING A NEW ARTICLE 5, "TOURISM ZONES" WHICH ESTABLISHES TWO TOURISM ZONES WITHIN THE CITY –THE "DOWNTOWN/PRINCESS ANNE CORRIDOR TOURISM ZONE" AND THE "CELEBRATE VIRGINIA SOUTH TOURISM ZONE," AND BY ADDING A NEW ARTICLE 6, "TECHNOLOGY ZONES" WHICH ESTABLISHES A "ROUTE 3 CORRIDOR TECHNOLOGY ZONE"

ACTION: APPROVED; Ayes: 7; Nays: 0

FIRST READ: June 26, 2007

SECOND READ: July 10, 2007

IT IS HEREBY ORDAINED that the City Council of the City of Fredericksburg does hereby amend City Code Chapter 22, "Businesses," as follows:

SEC. I. Introduction.

State law authorizes the City to adopt tourism- or technology-based zones, in which economic incentives and regulatory flexibility are offered to targeted businesses. The purpose of the incentives is to attract business investment and job creation in the tourism or technology zone. The economic incentives may take the form of (i) the reduction in permit fees; (ii) reduction in user fees; and (iii) reduction of any type of gross receipts tax. In addition, within the designated zone, the governing body may provide regulatory flexibility such as (i) special zoning; (ii) permit process reform; (iii) exemption from ordinances; and (iv) any other incentive adopted by ordinance.

The JumpStart! Final Report includes the recommendation that the City consider innovative financing strategies to fund development incentive programs. The Final Report encourages the City to attract development and new businesses through economic incentives and other strategies that create a more business-friendly environment. The purpose of this ordinance is to respond to that recommendation.

SEC. II. City Code Amendment.

1. City Code Chapter 28, "Businesses," is amended by the addition of a new Article V, "Tourism Zones," and a new Article VI, "Technology Zones," as follows:

ARTICLE V. TOURISM ZONES

Division 1. Downtown/Princess Anne Street Corridor Tourism Zone

§28-501. Downtown/Princess Anne Street Corridor Tourism Zone Created.

There is hereby established the “Downtown/Princess Anne Street Corridor Tourism Zone,” consisting of all the area designated as such on the map entitled “City of Fredericksburg Tourism and Technology Zones, July, 2007,” attached hereto and incorporated herein. The purpose of this zone is to provide economic incentives and regulatory flexibility for eligible business entities which will attract visitors from the Fredericksburg region, make a substantial investment, and create new jobs in the City’s Downtown and Princess Anne Street Corridor. The new and expanded businesses that participate in this Tourism Zone will enhance the revitalization efforts in the historic heart of the City.

§28-502. Eligibility Requirements.

(a) Economic incentives and regulatory flexibility may be made available to any new or expanded business which seeks to attract customers from the Fredericksburg region. The business must advance the City’s strategic goals identified in the JumpStart! Final Report (July 2006) and the City’s Comprehensive Plan. The business must commit to a performance agreement based upon investment, historic preservation, jobs, sales revenues, or other significant criteria. The business must make an investment of at least \$500,000 within the Downtown/Princess Anne Street Corridor Tourism Zone, or create and sustain at least twenty-five full time jobs in order to be eligible for economic incentives or regulatory flexibility.

(b) Economic incentives may be provided for up to ten years, through the performance agreement. In the case of multi-year incentives, the business shall establish its qualification for the incentives on an annual basis.

§28-503. Administration.

The City Manager is authorized to administer the Downtown/Princess Anne Street Corridor Tourism Zone, through the Director of Economic Development and Tourism. The Director of Economic Development and Tourism shall develop criteria and guidelines for the level of investment required for any particular range of tax incentive or regulatory flexibility. The City Manager is authorized to negotiate performance agreements with potential new or expanded businesses. The City Council shall have final approval authority for performance agreements.

§§28-504 – 509 [Reserved]

Division 2. Celebrate Virginia South Tourism Zone

§28-510. Celebrate Virginia South Tourism Zone Created.

There is hereby established the “Celebrate Virginia South Tourism Zone,” consisting of all the area designated as such on the map entitled “City of Fredericksburg Tourism and Technology Zones, July, 2007,” attached hereto and incorporated herein. The purpose of this zone is to provide economic incentives and regulatory flexibility for eligible business entities which will attract visitors from the Fredericksburg region and beyond, make a substantial investment, and create new jobs in the development north of Fall Hill Avenue and south of the Rappahannock River known as “Celebrate Virginia South,” as well as undeveloped land south of Fall Hill Avenue and west of I-95. This is land ready for intensive new highway-based planned commercial development. Like nearby Central Park, this area will draw visitors from within and beyond the Fredericksburg region. The goal of the Celebrate Virginia South Tourism Zone is to create a distinct retail shopping, entertainment, or recreational experience, with opportunities unlike those available at other Interstate exits or shopping centers in the region.

§28-511. Eligibility.

(a) Economic incentives and regulatory flexibility may be made available to any new, expanded, or existing business which seeks to attract customers from the Fredericksburg region and beyond. The business must commit to a performance agreement based upon investment, jobs, sales revenues, or other significant criteria. The business must make an investment of at least \$500,000 within the Celebrate Virginia South Tourism Zone, or create and sustain at least twenty-five full time jobs in order to be eligible for economic incentives or regulatory flexibility.

(b) Economic incentives may be provided for up to ten years, through the performance agreement. In the case of multi-year incentives, the business shall establish its qualification for the incentives on an annual basis.

§28-512. Administration.

The City Manager is authorized to administer the Celebrate Virginia South Tourism Zone, through the Director of Economic Development and Tourism. The Director of Economic Development and Tourism shall develop criteria and guidelines for the level of investment required for any particular range of tax incentive or regulatory flexibility. The City Manager is authorized to negotiate performance agreements with potential new or expanded businesses. The City Council shall have final approval authority for performance agreements.