



MOTION: SOLLEY

**October 26, 2010
Regular Meeting
Ordinance No. 10-32**

SECOND: PAOLUCCI

RE: CREATING A NEW "EAGLE VILLAGE" TOURISM ZONE, BY AMENDING CITY CODE CHAPTER 22, "BUSINESSES," ARTICLE V, "TOURISM ZONES," ADDING A NEW DIVISION 4, "EAGLE VILLAGE 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.

The JumpStart! June 2006 Action Plan proposed the Jefferson Davis Highway corridor for conversion from large, strip mall shopping centers into mixed use, pedestrian friendly activity centers, and identified such redevelopment projects as long term development opportunities for the City. The redevelopment of the Park N' Shop shopping center was envisioned as an employment center with large format office space and ground floor retail. According to the JumpStart! 2006 Action Plan, "the site's adjacency to two of the City's largest employers, the University of Mary Washington and Mary Washington Hospital, will make it an ideal location for hospital- and university-related companies." JumpStart! recommended business license tax reductions, along with other incentives to achieve this long term development opportunity.

The Comprehensive Plan (2007) continued the planning for this area for economic development and physical redevelopment, adopting goals for corridors including commercial development, visual character, mixed use, and development that would complement other business centers.

City Council adopted Ordinance 09-12 on March 10, 2009, rezoning the former Park N' Shop shopping center for Planned Development Mixed Use, and the University of Mary Washington Foundation developed a portion of the site with a mix of residential, retail, and office uses. The new mixed use development is called "Eagle Village." Eagle Village is physically linked to the University of Mary Washington via a pedestrian bridge crossing U.S. Route 1, providing this corridor a distinct visual character and the City a signature architectural feature.

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 add a new tourism zone, the "Eagle Village Tourism Zone," in order to attract new businesses to this redeveloped, mixed-use project *and nearby commercial properties* on the U.S. Route 1 corridor.

SEC. II. City Code Amendment.

City Code Chapter 22, "Businesses," Article V, "Tourism Zones," is amended by the addition of a new Division 4, "Eagle Village Tourism Zone," as follows:

DIVISION 4. EAGLE VILLAGE TOURISM ZONE

Sec. 22-540. Eagle Village Tourism Zone created.

There is hereby established the "Eagle Village Tourism Zone" consisting of approximately 23 acres of land located on the *east and west* side of U.S. Route 1, generally across from the University of Mary Washington campus, consisting of Fredericksburg Tax Map parcels 186-48-L1, 186-48-1209, 186-50-1221, 249-3-PB, 249-3-1201 and 240-3-1257; 186-50-1209, 1210, 1214, 2002, 2006, 2010, 2014 and 2018; 187-49-1309, 1313, 1323, L9B, 1317 and 1325; 187-49-2000, 2004, 2018, L16A, L16B, L16C and L16D; 187-54-1300; 187-54-1301, 1305, 1311, 1313 and 1315; 188-53-1221, 1223, 1224, 1229, 1240 and 1901; 190-74-1311, 1316 and 1321; 228-73-1401 and 1810; 229-55-1900 and P1. The purpose of this zone is to provide economic incentives and regulatory flexibility for eligible business entities which will advance the long term development goals of the JumpStart! 2006 Final Report and Action Plan, and the Comprehensive Plan (2007) Corridors goals and policies.

Sec. 22-541. Eligibility requirements.

- (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 a capital investment of at least \$500,000.00 within the Eagle Village 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.

Sec. 22-542. Administration.

The city manager is authorized to administer the Eagle Village 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.

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. 10-32 duly adopted at a meeting of the City Council held October 24, 2010 at which a quorum was present and voted.



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.