

MOTION: KELLY

SECOND: DEVINE

RE: EXTENDING THE ARTS AND CULTURAL DISTRICT LICENSE TAX REDUCTION FOR EXISTING BUSINESSES

ACTION: APPROVED: Ayes: 7; Nays: 0

**January 12, 2016
Regular Meeting
Ordinance No. 15-32**

FIRST READ: December 8, 2015 SECOND READ: January 12, 2016

IT IS HEREBY ORDAINED by the Fredericksburg City Council that Chapter 70 of the City Code is amended as follows:

SEC. I. Introduction.

The City Council established the Fredericksburg Arts and Cultural District by the adoption of Ordinance 10-35 on December 14, 2010. The purpose of the district is to attract new arts and cultural venues, support existing arts and cultural venues, and to encourage the expansion of existing venues in the downtown area. The ordinance, codified at City Code Chapter 22, "Businesses," Article VII, "Arts and Cultural District," afforded a reduction in the business and occupational license tax to new, expanded, and existing arts and cultural businesses. In addition, any business located within the district, which is not an arts and cultural business, but which hosts year-round, rotating art exhibits open to the public in the public spaces of the business is afforded a license tax reduction.

Each of the tax reductions was limited to a five-year period. Upon review of the success of the district, the City Council wishes to continue to offer the 100% business license tax reduction for five years for new and expanded businesses, and to remove the five year limitation for the license tax reduction of \$250 per year for existing arts and cultural businesses and art exhibit venues.

SEC. I. City Code Amendment.

1. Sec. 22-701. Definitions.

The definition of an "existing business" is amended as follows. The remaining definitions are not amended.

EXISTING BUSINESS

An arts and cultural business which is physically located within the district as of December 31, 2010, or a "new business" or "expanded business" which is no longer eligible for the license tax afforded to that category of business.

2. Sec. 22-702. License tax reduction.

- A. A new arts and cultural business is afforded a license tax reduction of 100% for five calendar years for the gross receipts attributable to the new district location, so long as it continues to operate at its new location as an arts and cultural business and remains current in its tax and other financial obligations to the City.
- B. An expanded arts and cultural business located within the district is afforded a license tax reduction of 100% of liability attributable to new gross receipts for five years, so long as it continues to operate in its expanded location as an arts and cultural business, and remains current in its tax and other financial obligations to the City.
- C. An existing arts and cultural business located in the district is afforded a license tax reduction in the amount of up to \$250 per year ~~for five years beginning January 1, 2011 through December 31, 2015~~ so long as it continues to operate as an arts and cultural business within the district and remains current in its tax and other financial obligations to the City.
- D. Any business located within the district, which is not an arts and cultural business, but which hosts year-round, rotating art exhibits open to the public in the public spaces of the business is afforded a license tax reduction of up to \$250 per year ~~beginning on January 1, 2011 and through December 31, 2015~~ for each year in which the business qualifies. The display space shall be a minimum of 120 square feet of wall or floor space in order to qualify for incentives in the arts and cultural district.
- E. Any business claiming a license tax reduction as an arts and cultural business shall nonetheless file a complete license tax application with the commissioner of revenue as required by City Code § 70-305.
- F. No business shall be eligible for a license tax reduction if there is an outstanding building or zoning code violation against such business which is not remedied or resolved by the date specified in the notice of violation. No business shall be eligible for a license tax reduction unless it is current in its local tax obligations on December 31, 2010 and continuously thereafter.
- G. A tattoo parlor is not an eligible business. Historical tours, such as walking tours, trolley tours, carriage tours, boat tours and Segway tours are not eligible businesses. Performance by a disc jockey is not an eligible arts performance. A business with a performance agreement for economic incentives shall not be eligible for a tax reduction pursuant to this article.

SEC. III. Effective Date.

This ordinance is effective immediately.

Votes:

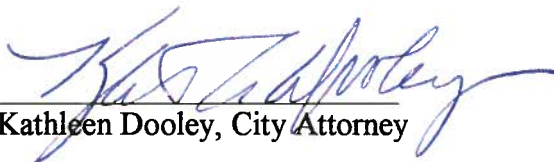
Ayes: Greenlaw, Withers, Devine, Duffy, Ellis, Frye, Kelly

Nays: None

Absent from Vote: None

Absent from Meeting: None

Approved as to form:


Kathleen Dooley, City Attorney

Clerk's Certificate

I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 15-32 duly adopted at a meeting of the City Council meeting held January 12, 2016 at which a quorum was present and voted.



Tonya B. Lacey, CMC
Clerk of Council