



Leesburg Arts and Cultural District 2011 Update

A Framework for an Arts, Entertainment &
Dining Destination

+ Background

- 2006 Town ordinance introduced the Commission on Public Art
- 2007 Town Council directed the EDC to explore tools to maintain first floor retail uses (*First Floor Retail Task Force formed*)
- 2007 Forum with downtown stakeholders generated a shared vision of arts, entertainment, dining destination for downtown
- First Floor Retail Task Force identified “Tourism Zone” Legislation as best framework to provide incentives and promote first floor retail uses
- Formed “Tourism Zone” Task Force to explore tools to promote first floor retail use while fostering an environment to promote the positioning of Downtown as a **destination for arts, entertainment, and dining**

+ Background

- In a legislative review by the Leesburg Commission on Public Art (COPA), we identified new legislation passed in 2009 by Commonwealth which opened up “Creation of arts and cultural districts” in any municipality in VA
- In 2010 members of Town Economic Dev Department, Commission on Public Art, and Loudoun Arts Council attended an educational program in Richmond promoting this District
- EDC Task force partnered with COPA to explore possibilities of developing a Cultural and Arts District as the tool to promote first floor retail uses while fostering an environment to promote the positioning of Downtown as a destination for arts and entertainment

+ Background

- August 9, 2010 – ACD Task Force presented to Council
- August 10, 2010 – Council passed resolution 2010-116
 - “investigate a more detailed economic impact of the establishment of an Arts & Cultural District, description of the approval process for granting incentives in the Town of Leesburg and to submit a draft ordinance to Council to effectuate an Arts and Cultural District within the Town by the December 2010 Council Meeting”.
- September – December 2010
 - Task Force, ED Staff, Financial Staff, Town Manager, Town Attorney worked to assemble deliverables from resolution
- January 2011
 - Creation of Arts and Cultural District “package”
 - Presentations to EDC and COPA



VA Enabling Legislation

§ 15.2-1129.1. Creation of arts and cultural district.

- A. Any locality may by ordinance establish within its boundaries an arts and cultural district for the purpose of increasing awareness and support for the arts and culture in the locality. Each locality may provide incentives for the support and creation of arts and cultural venues in the district. Each locality may also grant tax incentives and provide certain regulatory flexibility in an arts and cultural district.

- B. The tax incentives may be provided for up to 10 years and may include, but not be limited to: (i) reduction of permit fees; (ii) reduction of user fees; and (iii) reduction of any type of gross receipts tax. The extent and duration of such incentive proposals shall conform to the requirements of the Constitutions of Virginia and of the United States.

- C. Each locality may also provide for regulatory flexibility in such zone which may include, but not be limited to: (i) special zoning for the district; (ii) permit process reform; (iii) exemption from ordinances; and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.



Joint Task Force Members

- **Ara Bagdasarian**, *Chair, Economic Development Commission*
- **Pamela Butler**, *Chair, Commission on Public Art*
- **Sandra Kane**, *Economic Development Commission*
- **Lee McKinster**, *Arts Administrator, Loudoun Arts Council; COPA member*
- **Debi Parry**, *Economic Development Staff*

+ Why an Arts & Cultural District?

- Historically, Leesburg has been the cultural center of Loudoun County (a solid base to build from)
- Destination Arts, Entertainment, and Dining is a vision in the Council-adopted EDC Map
- District will help **position, promote** and **expand** Downtown Leesburg as the cultural and arts center of Loudoun.
- District will Serve as an economic development vehicle to foster revitalization of Downtown Leesburg
- District is a much more relevant tool to promote to vision for downtown than Tourism Zone



+ Leesburg Arts & Cultural
District Framework



Since last presentations

- Clarified definitions for Qualifying Arts Organization
- Updated district map
- Updated incentives
- Supporting documentation added

+ Who is eligible?

A business for profit or not-for-profit organization physically located within the District which, by the determination of the Administrator, positively contributes to the spectrum of arts and cultural activities and venues available to the public by presenting live performances of theatre, dance, music, or other imaginative work and/or producing or exhibiting physical works created by, or under the direction of one or more artists, which are intended for unique production or limited reproduction.

Theaters, art galleries, dance studios, music venues, performance spaces, art schools and academies, including culinary arts schools and academies, are examples of Qualified Arts Organizations.

+ Application

CERTIFICATION FORM - QUALIFIED ARTS ORGANIZATION

*AS IT RELATES TO TOWN OF LEESBURG'S ARTS AND CULTURAL DISTRICT
ARTICLE X, SECTION X OF THE LEESBURG TOWN CODE*

APPLICANT: _____

BUSINESS NAME: _____

ADDRESS: _____

CONTACT: _____

DESCRIPTION OF BUSINESS: _____

DEPARTMENT OF FINANCE:

1. Does the applicant currently have a Town of Leesburg business license? _____

2. If different from the applicant name above, in whose name is the business license issued? _____

Please certify that the applicant has no outstanding taxes due to the Town of Leesburg.

Director of Finance

Date

ADMINISTRATOR:

I hereby certify that _____ meets the definition of a QUALIFIED ARTS ORGANIZATION as stipulated in the Leesburg Town Code and is therefore eligible for incentives detailed in Article X, Section X of the Leesburg Town Code.

Administrator, Arts & Cultural District

Date

+ Recommended Incentives

- Business, professional, and occupational license (BPOL) tax and fee rebate for 5 years for qualified business
- Real Estate Tax Rebate for rehabilitation, renovation, or replacement of residential or commercial structures owned or leased by a qualified arts organization:
 - Freeze of property assessment for five years for buildings redeveloped (at least 50% use) for arts purposes. Prevailing tax rates apply.
- Rebate schedule
 - 100% - Year 1
 - 80% - Year 2
 - 60% - Year 3
 - 40%- Year 4
 - 20%- Year 5
- Zoning Permit Exemption



Direct Economic Impact

Total Fiscal Impact of Arts & Cultural District

<i>Type of Incentive</i>	<i>Year 1 (-100%)</i>	<i>Year 2 (-80%)</i>	<i>Year 3 (-60%)</i>	<i>Year 4 (-40%)</i>	<i>Year 5 (-20%)</i>	<i>Total Tax Rebate</i>
BPOL/Sales Tax Existing Businesses	1,590	1,272	954	636	318	4,770
BPOL/Sales Tax Projected Businesses	1521	1,217	912	608	304	4,562
Real Estate sales Tax	1115	910	682	455	227	3,389
Zoning Permit Fee (3 redeveloped buildings)	150					150
Totals	4,376	3,399	2,548	1,699	849	12,871

<i>Administration of Program for Five Businesses</i>	Avg Fin Dept Hrly Rt		50.43			
5 hours initial setup (research and interviews)	1,261					1,261
0.5 hours subsequent years for compliance/enforcement		126	126	126	126	504
	1,261	126	126	126	126	1,765
Total Impact by Year	5,637	3,525	2,674	1,825	975	3,530

NOTE: This impact model only addresses the projected costs and does not project or take into consideration any increases in revenue resulting from Arts and Cultural District

+ A Solid Base to Start With

- Loudoun Arts Council
- Loudoun Symphony Orchestra
- Loudoun Ballet
- Acoustics on the Green
- Cooley Gallery
- Photoworks
- Medlin Art Gallery
- Gleedsville Art
- PDMP Art Gallery
- Haute Papier
- Loudoun Museum
- Dodona Manor
- Joylyn Hannah's Photography

+ Early Adopters

CITIES

- Blacksburg, VA
- Harrisonburg, VA
- Charlottesville, VA
- Falls Church, VA
- Petersburg, VA
- Staunton, VA
- Manassas, VA
- Lynchburg, VA
- Winchester, VA



TOWNS

- Blacksburg, VA
- Luray, VA
- Smithfield, VA
- Chincoteague, VA
- Culpepper, VA

+ In Conclusion...

- Arts & Cultural District is the best tool to **realize** the “Destination for Arts, Entertainment, and Dining” **vision** adopted by Town Council and widely shared by downtown stakeholder groups
- Will help position and promote the Downtown as a **unique destination** offering in an increasingly competitive market
- Will provide a framework for arts, entertainment, and dining establishments to expand, synergize, and prosper
- Capitalize on community culture & arts market demand (as identified in recent performing arts center and downtown market study)

+ Next Steps

- Council to approve moving Arts and Cultural District to Public Hearing
- Public Hearing
- Vote to approve Arts and Cultural District ordinance