

CHAPTER 5. - ARTS AND CULTURAL DISTRICT

ARTICLE A. - GENERAL PROVISIONS

Sec. 9-5-1. - Purpose.

The City of Harrisonburg finds that the continued development and success of its arts and cultural venues requires incentives, and determines that the most appropriate method of offering incentives for the area described below is to create an arts and cultural district in that area, as authorized by section 15.2-1129.1 of the Code of Virginia. The city believes that the establishment of an arts and cultural district will improve the economic conditions of this geographic area located in the central portion of the city which could, in turn, benefit the welfare of the citizens of Harrisonburg.

Sec. 9-5-2. - Administration.

The administrator of the Harrisonburg Arts and Cultural District shall be the city manager or his designee. The administrator shall determine the procedures for obtaining the benefits created by this chapter and for the administration of this chapter.

Sec. 9-5-3. - Definitions.

For the purposes of this chapter, and unless otherwise indicated to the contrary, the following term(s) shall have the following meaning(s):

Creative economy business shall mean a business whose primary economic activities are the generation or utilization of innovation, knowledge and information involving individual creativity, skill and talent which activities have a potential for wealth and job creation through the generation of ideas, products and/or services. Standard categories may include, but are not limited to: advertising, architecture, art and antiques, designing computer games or software, culinary arts, crafts, design, designer fashion, film and video, music performing arts, publishing, TV and radio.

Expanded business shall mean a qualified arts organization that is currently located in the City of Harrisonburg and does one (1) of the following: (i) Makes a capital investment in the qualified arts organization of at least ten thousand dollars (\$10,000.00). Capital investments are amounts spent to acquire or upgrade productive fixed assets (such as buildings, machinery and equipment, vehicles) to increase the capacity or efficiency of a firm for more than one (1) accounting period. Capital investments do not include funds spent for working capital or day-to-day operation of the business; or (ii) creates at least one (1) new full-time job at the qualified arts organization.

Incentives for an expanded business will apply only to the increased amount of business, professional and occupational license taxes ("BPOL") and increased admission taxes that the expanded business pays after it qualifies as an expanded business.

When applying for any benefit afforded under this chapter, the applicant shall have the burden of proving qualification as a qualified arts organization. The application for a new business or an expanded business must be filed within six (6) months from its startup or its expansion.

New business shall mean a qualified arts organization that is not currently located within the City of Harrisonburg.

Qualified arts organization shall mean a new business or expanded business, as defined below or not-for-profit organization that carries on at least one (1) of the following business activities in the arts district and has been classified by the administrator as a qualified organization for the purposes of this chapter:

- (1) A business for profit or not-for-profit organization that presents live performances of theatre, dance, music or other imaginative work and/or produces or exhibits physical works created by, or under the direction of one (1) or more artists, which are intended for unique production or

limited reproduction. Museums or historic sites, the primary mission of which is education, history, or historic preservation, shall also qualify as arts and culture organizations.

(2) A creative economy business.

In no case shall an office use such as a bank, real estate office, medical office, attorney's office or any other general office use qualify as a qualified arts organization for the purposes of this chapter. Additionally, in no case shall a restaurant or retail shop that is a franchise or chain with three (3) or more physical locations qualify as a qualified arts organization for the purposes of this chapter.

Sec. 9-5-4. - Boundaries.

The arts and cultural district shall be located in the central portion of the city, defined by the following borders. Beginning at the intersection of Washington and Main Streets, the boundary line follows Washington Street northwest to the railroad tracks, then follows the tracks southwest to Rock Street; west along Rock Street to High Street; south along High Street to Grace Street; east along Grace Street to the railroad tracks; follows the railroad tracks southeast through the James Madison University campus to Cantrell Avenue; west along Cantrell Avenue to Mason Street; north along Mason Street to Newman Avenue; east along Newman Avenue to Ott Street; north along Ott Street to Market Street; west along Market Street to Broad Street; north along Broad Street to Elizabeth Street; west along Elizabeth Street to Community Street; north along Community Street to Johnson Street; east along Johnson Street to Harris Street; north along Harris Street to Washington Street; northwest along Washington Street to the intersection with Main Street. All parcels located within the boundaries described above are included in the Harrisonburg Arts and Cultural District.

Secs. 9-5-5—9-5-9. - Reserved.

ARTICLE B. - TAX EXEMPTIONS

Sec. 9-5-10. - Taxes eligible for exemption.

- (a) Business, professional and occupational license ("BPOL") taxes and fees. Qualified arts organizations shall be exempted from the payment of the BPOL taxes and fees imposed by chapter 1 of title 12 of the Harrisonburg City Code for the first three (3) full years following the actual occupation and/or certification of the qualified arts organization with the arts and cultural district.
- (b) Admission taxes. Qualified arts organizations shall be exempt from the fees for admission taxes imposed by chapter 2 of title 4 of the Harrisonburg City Code for the first five (5) full years following the actual occupation and/or certification of the qualified arts organization within the arts and cultural district.

Upon certification by the administrator and proof that no taxes are outstanding at the time of the application, the qualified arts organization shall be entitled to the exemptions created by this section. Failure of the qualified arts organization to pay taxes when due or to comply with the requirements of this chapter shall result in the loss of the qualification under this chapter and the loss of the above tax exemptions.

Secs. 9-5-11—9-5-19. - Reserved.