C: Dir., Development

City of NORFOLK

To the Honorable Council
City of Norfolk, Virginia

May 20, 2014

From: Steven Anderson, Director of Development

Subject: Norfolk Hotel/Conference Center Tourism Zone

Reviewed: Ronald H. Williams, Jr, Assistant City Manager

Ward/Superward: 2/6

Approved: Marcus D. Jones, City Manager

Item Number: **R-3**

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description**

An ordinance to amend and reordain Chapter 46 of the Code of the City of Norfolk, Virginia, 1979, so as to provide for the establishment of Tourism Zones and to establish the "100Main" Tourism Zone pursuant to § 58.1-3851 of the code of Virginia, 1950, as amended.

This ordinance will formally create a tourism zone for the Norfolk Hotel/Conference Center called the "100Main" Tourism Zone for the purposes of allowing the Hotel portion of the project to qualify for the Commonwealth of Virginia's Tourism Development Financing Program. The tourism Development Financing program will allow the project to capture a portion of the state sales tax to be used for gap financing of the project. One of the steps required to allow a project to qualify for the State program is that the City Council formally create a local tourism zone in which the project is located.

IV. **Analysis**

- By prior ordinance of City Council (Ordinance Number 45,051), the City Council authorized the City Manager to take such steps as necessary to create a tourism zone pursuant to § 58.1-3851 of the Code of Virginia, 1950, as amended.
- This ordinance establishes the tourism zone in the City Code that City Council authorized the City Manager to create.

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V. Financial Impact

There are no local incentives provided with the establishment of the tourism zone.

VI. Environmental

N/A

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City of Norfolk's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter has been coordinated with the Department of Development, City Attorney's Office and the City Manager's office.

4/24/2014mr

Form and Correctness Approved: RAP

By _____
Office of the City Attorney

Contents Approved:

By _____
DEPT.

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 46 OF THE CODE OF THE CITY OF NORFOLK, VIRGINIA, 1979, SO AS TO PROVIDE FOR THE ESTABLISHMENT OF TOURISM ZONES AND TO ESTABLISH THE 100MAIN TOURISM ZONE PURSUANT TO § 58.1-3851 OF THE CODE OF VIRGINIA, 1950, AS AMENDED.

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WHEREAS, § 58.1-3851 of the Code of Virginia, 1950, as amended, authorizes localities to establish one or more tourism zones; and

WHEREAS, by Ordinance Number 45,044, the City Council adopted plaNorfolk2030 as the comprehensive plan for the City of Norfolk; and

WHEREAS, pursuant to the terms of plaNorfolk2030, the City Council has determined that it would be advantageous to expand economic activity that capitalizes on Norfolk's locational advantages and economic assets by promoting downtown as the business, financial, and cultural center of the region and supporting efforts to promote Norfolk as a tourist and convention destination; and

WHEREAS, in furtherance of the goals set forth in plaNorfolk2030, by Ordinance Number 45,051, the City Council

authorized the City Manager to take such steps as necessary to create a tourism zone pursuant to § 58.1-3851 of the Code of Virginia, 1950, as amended; now, therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That in furtherance of the above-stated desire and intent of the City Council to establish a tourism zone pursuant to the terms of § 58.1-3851 of the Code of Virginia, 1950, as amended, the Code of the City of Norfolk, 1979, is hereby amended and reordained by adding thereto a new Chapter 46 to read as follows:

Chapter 46 TOURISM ZONES

ARTICLE I.
In General.

Sec. 46-1. Purpose and Intent.

In order to foster the development of tourism related businesses, which will increase capital investment and create jobs, the council finds that the establishment of tourism zones pursuant to § 58.1-3851 of the Code of Virginia, 1950, as amended, is necessary.

Sec. 46-2. Administration.

This article shall be administered and enforced by the city manager or his designee. Any application required by this chapter shall be on forms approved by the city manager or his designee.

Sec. 46-3. Burden.

Any business applying for the benefits afforded by this chapter shall have the burden of proving qualification.

Sec. 46-4. Boundaries of tourism zones.

Tourism zones shall be established by the council by ordinance upon findings that the establishment thereof and any incentives provided therein will foster

the development of tourism related businesses within the area under consideration. As tourism zones are established by council, the boundaries thereof shall be identified in the ordinance by map, and when deemed necessary by the city manager or city attorney, by metes and bounds description, which shall be incorporated into and made a part of this chapter.

Sec. 46-5. Incentives.

(a) Any ordinance establishing a tourism zone may provide for (i) tax incentives, regulatory flexibility, and other incentives authorized by § 58.1-3851 of the Code of Virginia, 1950, as amended, and (ii) the requirements for qualification for any such incentives or regulatory flexibility by a tourism business. All such incentives and any regulatory flexibility provided for in this chapter shall be subject to the limitations set forth in § 58.1-3851 of the Code of Virginia, 1950, as amended.

(b) The entitlement to any tax incentive authorized by this Chapter 46 shall be conditioned upon the applicant paying any tax imposed by the city, including, but not limited to, business license taxes, and business personal property, meals, transient occupancy, room, and admissions taxes by the date upon which the tax is due. In the event a business is thirty (30) or more days delinquent on any local tax, such business forfeits any entitlement to any incentive authorized by this chapter.

Sec. 46-6. Reserved.

Sec. 46-7. Reserved.

ARTICLE II.
100Main Tourism Zone

Sec. 46-8. Intent.

It is the intent of the council in establishing the 100Main Tourism Zone (a) to foster the development of tourism related businesses, which will increase capital

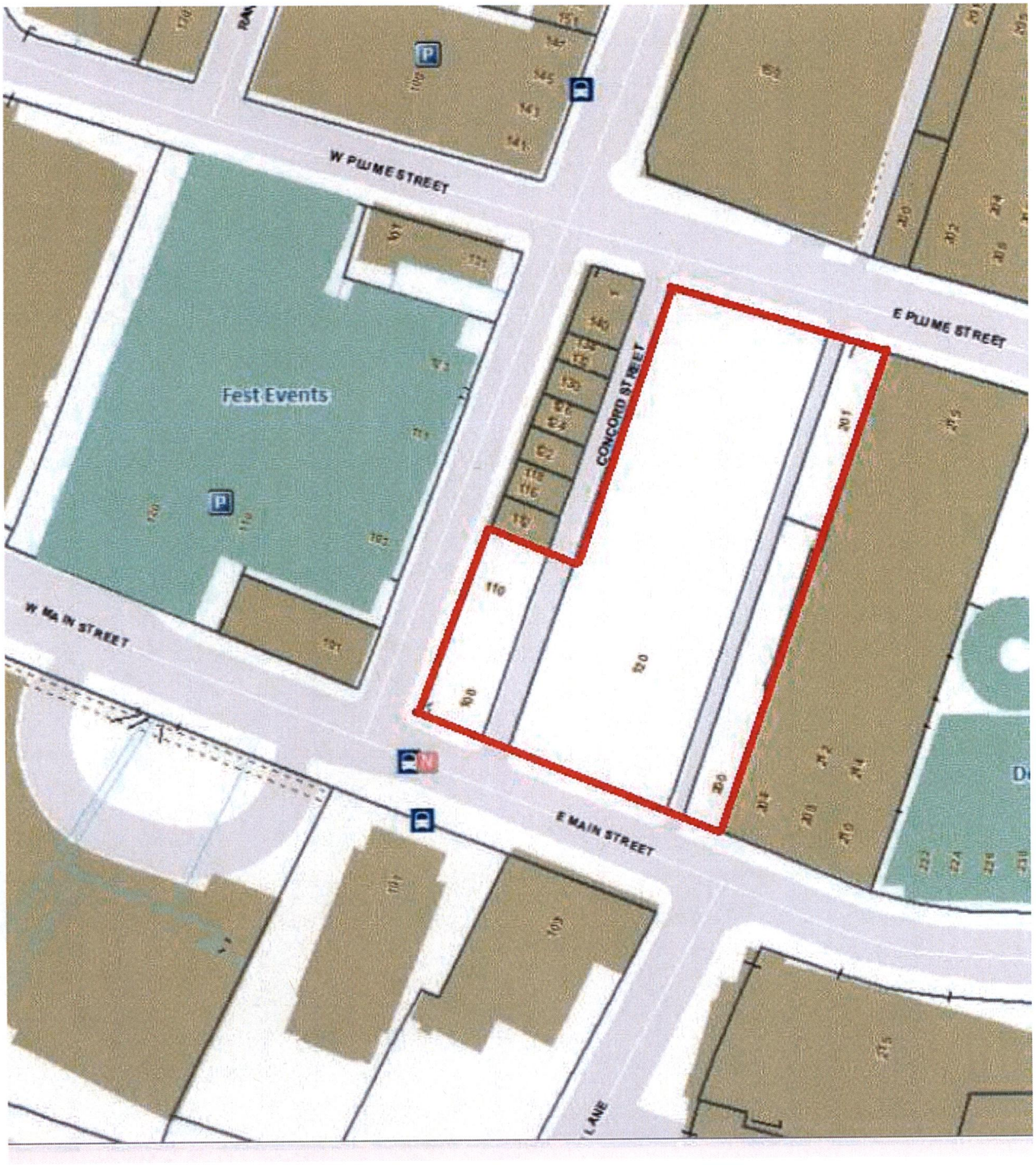
investment and create jobs, and (b) to expand economic activity that capitalizes on Norfolk's locational advantages and economic assets by promoting downtown as the business, financial, and cultural center of the region and supporting efforts to promote Norfolk as a tourist and convention destination.

Sec. 46-9. Establishment of the 100Main Tourism Zone.

The 100Main Tourism Zone is hereby established. The 100Main Tourism Zone shall consist of the area shown on the map attached to this Ordinance.

Sec. 46-10. Reserved.

Sec. 46-11. Reserved.

Section 2:- That this ordinance shall be in effect on and after May 20, 2014.

100Main Tourism Zone Boundary