

ORDINANCE #O-2017-03

First Reading	<u>November 14, 2016</u>
Second Reading	<u>November 28, 2016</u>
Enacted	<u>November 28, 2016</u>
Effective	<u>November 28, 2016</u>

AN ORDINANCE TO AMEND AND REENACT THE CODE OF ORDINANCES, CITY OF MANASSAS, VIRGINIA (2002), AS AMENDED, BY ADDING IN CHAPTER 110, A NEW ARTICLE XII, RELATING TO TOURISM ZONES

WHEREAS, the Code of Virginia gives the City the power to create Tourism Zones within which the City can provide additional incentives to qualified businesses, and

WHEREAS, the City desires to create Tourism Zones in order to promote tourism within the City through tax incentives, regulatory flexibility, and gap financing, as provided by Virginia Code §§ 58.1-3851, 58.1-3851.1, and 58.1-3851.2;

NOW, THEREFORE,

BE IT ORDAINED by the Council of the City of Manassas, Virginia, meeting in regular session this 28th day of November, 2016:

1. That the Code of Ordinances, City of Manassas, Virginia (2002), is hereby amended and reenacted by adding in Chapter 110, a new Article XII, numbered 110-370 through 110-389 as follows:

ARTICLE XII. TOURISM ZONES.

Sec. 110-370. Purpose.

- (a) The City of Manassas finds that becoming a flourishing regional tourism destination requires incentives and determines that an appropriate method of offering incentives is through a Tourism Zone, as authorized by the Code of Virginia §§ 58.1-3851, 58.1-3851.1, and 58.1-3851.2. ~~The establishment of one or more Tourism Zone enables the City of Manassas to grant tax incentives and provide regulatory flexibility to qualified businesses.~~ The City of Manassas ~~believes that intends to~~ strengthening and expanding tourism-related businesses and attractions ~~will so as to~~ create jobs, increase investment, promote local heritage, attract out-of-town visitors, and strengthen the City's unique sense of place.
- (b) This creation of a Tourism Zone does not affect any other existing requirements for businesses, including zoning regulations.

Sec. 110-371. Administration.

- (a) The administrator of the Tourism Zone shall be the City Manager, or designee. The administrator shall determine and publish the procedures for obtaining the benefits created by this article and for the administration of this article.
- (b) The administrator shall be the single point-of-contact for qualified business owners to take advantage of the Tourism Zone incentive described in this article, ~~and shall provide recommendations as necessary to streamline the processes for a business to qualify and obtain the incentive.~~

Sec. 110-372. Definitions.

For the purpose of this article the following words and phrases shall have the meanings given below, unless clearly indicated to the contrary:

~~Existing tourism business means a business that already been established within City limits~~

Performance agreement means the City's standard agreement form, to which is attached a business' proposed plan of development and/or business plan.

Qualified tourism business means a new or existing business whose primary purpose is to establish a destination that attracts tourists and increases travel-related revenue.

~~Targeted tourism business means a type of business that includes including~~ lodging, dining, retail, meeting or conference centers, sports facilities, outdoor recreation areas and event venues.

Tourism Zone means a specific geographical area or areas created to foster the development and expansion of tourism businesses in the City of Manassas.

Sec. 110-373. Boundaries.

- (a) The "Downtown Manassas Tourism Zone" shall be ~~shall be~~ the area defined in the City of Manassas Comprehensive Plan as the Downtown or Old Town Sector Plan.
- (b) The "Gateway Tourism Zone" shall be the area defined in the City of Manassas Comprehensive Plan as Manassas Landing.

Sec. 110-374. Incentives.

- (a) ~~Any ordinance establishing a Tourism Zone may provide incentives authorized by Code of Virginia, §§ 58.1-3851, 58.1-3851.1, and 58.1-3851.2. Qualified tourism businesses may receive any tax incentives allowed by law for a period of five (5) calendar years or until such time that the business no longer operates or qualifies as a qualified tourism business, whichever is the first to occur.~~
- (b) ~~The tax incentives may be provided for up to 20 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. The administrator of the Tourism Zone may grant permitted incentives to a qualified tourism business.~~
- (c) ~~The governing body may also provide for regulatory flexibility in such zone that may include, but not be limited to (i) special zoning for the district, (ii) permit process reform, (iii) Δ~~

performance agreement may provide for the qualified tourism business to be exemption for a period of up to 10 years from any City ordinances, excluding except ordinances or provisions of ordinances adopted pursuant to the requirements of the Chesapeake Bay Preservation Act (§ 62.1-44.15:67 et seq.), the Erosion and Sediment Control Law (§ 62.1-44.15:51 et seq.), or the Virginia Stormwater Management Act (§ 62.1-44.15:24 et seq.), and (iv) any other incentive adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years. Any exemption from a subdivision or zoning ordinance requirement shall be accomplished through an ordinance amendment.

(d) At such time as the City has by ordinance established a tourism plan and a tourism project to meet a deficiency identified in the adopted tourism plan approved by the Virginia Tourism Authority, and if the tourism project has been certified by the State Comptroller as qualifying for the entitlement to tax revenues authorized by Virginia Code §§ 58.1-3851.1 or 58.1-3851.2, the City may make gap financing available as provided by Virginia law.

Sec. 110-375. Eligibility Requirements.

- (a) A business seeking the benefit of Tourism Zone incentives must be a targeted-qualified tourism business and either located or to be located within the boundaries outlined in § 110-373.
- (b) The entitlement to any incentive authorized by this ~~chapter~~article ~~shall be is~~ conditioned upon the applicant paying any tax imposed by the City, including but not limited to business license taxes, business personal property, meals, transient occupancy, and admissions taxes by the date upon which the tax is due. In the event a business is 30 or more days delinquent on any local tax, such business forfeits any entitlement to any incentive authorized by this ~~article~~chapter.

Sec. 110-376. Procedure for tax exemption.

The administrator shall develop, subject to approval by the City Manager, an application form to implement the terms of this article. No incentive application shall be approved until the ~~Commissioner of Revenue-Treasurer~~ makes a determination that no other unpaid taxes are outstanding. Once an incentive application has been approved and the business certified by the administrator as a qualified tourism business, the business and the City ~~shall may~~ execute a performance agreement and the business shall thereafter be entitled to the exemptions created by this article.

Sec. 110-377. Compliance.

- (a) Failure of the qualified tourism business to pay in full by the due date any taxes imposed by the City shall result in the loss of the exemption for the remainder of the current year upon a finding by the administrator that such delinquency is significant. The administrator shall withdraw qualified ~~tourism technology~~ business status for any business that is not compliant with any ordinance, regulation, or other legal requirement pertaining to that business upon a finding by the administrator that such noncompliance is significant.
- ~~(b) Failure of the business to remain a qualified tourism business to meet the minimum criteria established in § 110-375 regarding minimum investment and/or minimum number of jobs shall result in the loss of the exemption for the remainder of the current year. In that event,~~

the qualified tourism business shall repay, within 30 days, to the City of Manassas the full amount of revenue that would have been generated through the full tax rate as specified in the performance agreement.

(b) If a business ceases to be a qualified tourism business during a year in which rebates or exemptions apply, the tax exemption shall apply only to those months the business was a qualified business.

(c) If this section conflicts with any gap financing agreement with the City, then the gap financing agreement controls to the extent of the conflict.

~~Sees. 110-378 – 110-389. Reserved.~~

2. This ordinance shall take effect upon second reading.

BY ORDER OF THE COUNCIL

Harry J. Parrish, II, Mayor
On Behalf of the City Council of
Manassas, Virginia

ATTEST:

Andrea Madden, City Clerk

November 28, 2016
Regular City Council Meeting
Ordinance #O-2017-03

MOTION: BASS

SECOND: AVENI
Meeting

RE: ORDINANCE #O-2017-03

Date: _____
Regular
Ord. No. _____

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ACTION: ADOPTED

Votes:

Ayes: Aveni, Bass, Elston, Lovejoy, Wolfe

Nays: None

Absent from Vote: Way

Absent from Meeting: Way

CERTIFIED COPY

Andrea Madden, City Clerk

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