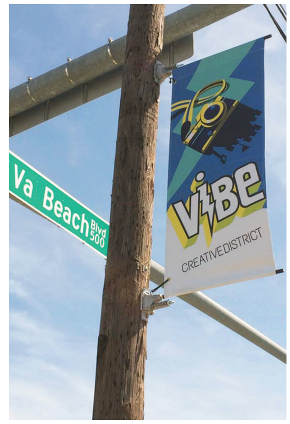
ViBe CREATIVE DISTRICT



ViBe Creative District Incentives Virginia Beach

Recognizing that arts and cultural are imperative for economic growth and neighborhood revitalization, the City of Virginia Beach established its first arts and culture district in the Central Beach area of the Oceanfront in April 2015. A number of newly created incentives are available for creative businesses and property owners interested in locating within the District.

The ViBe Creative District, focusing on local and regional working artists and related retail, has emerged as a vibrant center for the arts and culture in Virginia Beach that stimulates commerce and enhances the quality of life for citizens of Virginia Beach and visitors.

WHAT QUALIFIES AS A CREATIVE BUSINESS?

- Visual Arts & Performing Arts
- Architecture
- Culinary Arts
- Advertising & Graphic Design
- Fashion Design
- Film and other media
- Software
- Music
- Publishing
- Renewable Energy Technology

AVAILABLE CITY INCENTIVES

- **Reimbursement of Business, Professional and Occupational License Taxes**
- **Reimbursement of Fees paid to the Planning and Community Development Department**
- **Partial Real Estate Tax Exemption for Rehabilitated Structures (For Property Owners)**

Only organizations/businesses that received their business license after April 21, 2015 are eligible for incentives above.

For more information, please contact Emily Archer at earcher@vbgov.com or 757.385.2912 or https://culturalaffairs.virginiabeach.gov/vibe-district.

ADDITIONAL INFORMATION ON AVAILABLE INCENTIVES

ViBe Creative District

Business Professional Occupational (BPOL) Tax Rebate
Reimbursement to qualifying new creative businesses of business, professional, occupational license taxes for 10 years (or less if the organization no longer qualifies).

Reimbursement of Fees Paid to the Planning and Community Development Department
Reimbursement of the following fees to qualifying new creative businesses for new construction, alterations and rehabilitation if 100% total cost of construction will house or directly accommodate a qualifying organization.

1) **Building Permit and Inspection Code Fees**
2) **Current Planning and Zoning Fees**
3) **Development Services Center Fees**

The completed application for reimbursement is to be submitted no later than 12 months after the date of the Creative Business Certification letter. Checks will be made payable to the person/entity identified on the Creative Business Certification letter.

Live-Work Units
Live-work units are allowed in the ViBe Creative District. Live-work unit is defined as a structure/space within a building used jointly for commercial and residential purposes. The residential space is secondary or accessory to the primary use as a place of work.

Eligibility & Qualification for Programs

- All fees/taxes payable to the City must be paid in full; provide proof that no taxes/fees are delinquent.
- Establish eligibility annually.
- File an annual business license application.
- Certification from Administrator of requirements met for creative organization.
- All incentives shall be subject to annual appropriation by the City Council.
- If an organization ceases to be a creative organization during a year in which reimbursements/payments/exemptions apply, they shall be prorated for the months.

<u>Only organizations/businesses which received their business license after April 21, 2015 are eligible for incentives above.</u>

PARTIAL REAL ESTATE TAX EXEMPTION FOR REHABILITATED STRUCTURES

ViBe Creative District

The City of Virginia Beach's partial tax exemption for rehabilitated structures is a program for property that has been rehabilitated, repaired, or replaced for use by a qualifying creative organization. The program was adopted to encourage renovation and revitalization of underutilized, aging, and deteriorating structures located in the ViBe Creative District.

Program Requirements:

- The owner shall file an application and construction plans with an estimate of the qualifying costs of the rehabilitation project. <u>The application shall be filed prior to the commencement of any rehabilitation work. No structure shall be eligible for such exemption unless all required building permit(s) have been issued.</u>
- Building/structure shall be no less than 20 years of age.
- Buildings/structures shall be in need of substantial rehabilitation/renovation/replacement for commercial/ industrial use.
- At least 50% of the total floor area of the rehabilitated structure shall be occupied by a qualified creative organization.
- Property owner must establish eligibility annually.

Program Benefits: Qualifying property owners shall receive partial exemption of taxes associated with the increase in structural value due to renovation, rehabilitation, or replacement (i.e., final structural value compared to base structural value), provided all program requirements are met.

- The amount of the exemption shall not exceed the amount of the assessment of the structure at any time after its rehabilitation.
- Exemption shall run with the land for 10 years or less if the creative organization is no longer eligible.
- The exemption is the amount equal to the greater of the initial increase in assessed value of the structure above its base valve resulting in the rehabilitation of the structure or an amount equal to 50% of the qualifying costs of the rehabilitation.
- The owner or owners of property qualifying for partial exemption of real estate taxes shall be credited on the tax bill for property in the amount of the difference between the taxes computed upon the base value and the initial rehabilitated assessed value of the property for each year of the partial exemption from real estate taxes. The amount of this credit shall not increase, even if the assessed value later increase.
- Any tax exemption shall become effective on the date of the next deadline for payment of real estate taxes following completion of the rehabilitation, renovation or replacement.
- In the event of a decrease in the property's assessed value after the first year of any rehabilitation exemption, the exemption shall be based on the difference in taxes computed on the base value and the decreased assessed value of the property.

For more information, please contact Emily Archer at earcher@vbgov.com or 757.385.2912

DEFINITION OF QUALIFIED CREATIVE BUSINESS OR ORGANIZATION APPENDIX A

Qualifying organization means:

- An individual, business or other entity that contributes to the spectrum of arts and cultural activities and venues available to the public by regularly presenting live performances of theatre, dance, music, or other imaginative work or producing or exhibiting physical works created by, or under the direction of one or more artists, that are intended for unique production or limited reproduction;
- A museum or historic site, the primary mission of which is education or historic preservation;
- A theater, including an art-house movie theater for art, independent and world films, art gallery, dance studio, music venue, performance space, art school or academy, including a culinary arts school or academy;
- An individual, business or other entity that is principally engaged in one or more of the following fields or activities:
    - Architecture;
    - Marketing and advertising;
    - Culinary arts, including, but not limited to, artisans engaged in bread making, cheese making, charcuterie, confectionary, coffee roasting or similar practices, culinary institutes and restaurants that (i.) locally source no less than ten percent (10%) of the food served at the establishment; (ii.) are not one of a chain of restaurants having more than ten (10) establishments; and (iii.) prepare food by hand or using traditional, non-industrialized methods. For purposes of this section, “locally” shall mean within the Commonwealth of Virginia or no farther than fifty (50) miles from the location of the subject establishment;
    - Design, including industrial, interior, graphic, web and fashion design;
    - Film and media, including radio, video animation and photography;
    - Publishing;
    - Software development;
    - Research and development of technology related to: (i.) energy efficiency and renewable energy; (ii.) water use efficiency; (iii.) the reduction of waste, pollution and environmental degradation; (iv.) sustainable development; or (v.) green building; or
    - Historic preservation.
    - Craft breweries, craft distilleries or wine-tasting rooms;
    - Farmer’s markets at which locally-sourced produce, meat and eggs, seafood, artisan breads and cheeses, hand-harvested honey, and other fresh, small-batch foodstuffs are the predominant items that are offered for sale; or
    - Antique markets at which the display of antiques covers at least fifty percent (50%) of the display floor area. For purposes of this section, antiques shall include only works of art, furniture, decorative objects or similar items having special value by virtue of their age and uniqueness.

MAP OF VIBE CREATIVE DISTRICT
APPENDIX B