

Business incentives set for downtown art district

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Norfolk City Council is deciding what incentives to offer businesses in the new Downtown Arts and Design District.

Thanks to legislation passed by the General Assembly in 2009, the city can offer tax relief and waive building permit fees for a period of 10 years. But city staff said confusion exists about whether the 10-year timeline starts when the district is created or when the incentives are adopted.



Norfolk Assistant City Manager Darrell Hill presented council members with options at Tuesday's council workshop. The recommendations expand what's now offered in the Enterprise Zones, since much of the arts and design district is in one of the 14 designated areas. In the zones, qualifying businesses are offered business license tax and local utility tax reliefs for five years, starting at 50 percent, and a one-time 50 percent reduction on building permit fees.

Recommended incentives for the arts and design district include free building, electrical mechanical and plumbing permits; BPOL tax and business personal property tax relief of 100 percent in the first two years and 50 percent in the third year; free site plan applications that typically cost \$505; marketing budget and branding support; relaxed sign requirements to allow murals; and eligibility to apply for the Commercial Facade Improvement Grant Program.

The proposed incentives would not be offered to banks, real estate offices, medical offices, law offices and general offices. C

Chain restaurants and franchise retail shops aren't eligible either, but city staff suggested allowing City Manager Marcus Jones to waive the exclusion. Incentives would only be available to new businesses moving into the district or to existing businesses that plan to introduce a new, inventive activity, product or service, or businesses relocating to a larger, more suitable space.

During the presentation, Councilman Paul Riddick asked when the city will focus on other areas of Norfolk.

"You're always jump-starting things on the other side of Monticello," he said to Jones. "We're dying over here."

Riddick called the west side of Monticello Avenue white Norfolk and the east, black Norfolk.

"It's time to come to our side," he said.

The incentives for the arts district were spurred by legislation, Jones said, but his staff can recommend offering similar incentives to other areas in the city.

City council plans to discuss the incentives at its council retreat this week. Regardless, Mayor Paul Fraim said, the district needs a governing body, an entity to move programs forward and assist businesses.

AltDaily Co-editor Jesse Scaccia, who, with publisher Hannah Serrano, was behind the initial idea for the district, said discussion about forming a nonprofit to help move revitalization forward is set for Wednesday at Alchemy NFK, the new arts studio at 806 Granby St.

"The goals of the arts district nonprofit would be to facilitate communications between residents, stakeholders and the city, to brand and promote the district and to do fundraising," Scaccia said. "We know these are tough economic times, so the private sector is going to have to step up."

He said it will be an exploratory meeting. An organization may not come out of it.

"We're getting everyone in the same room and getting the conversation started on a grassroots level," he said.

At last week's meeting, Ray Gindroz, co-founder of Urban Design Associates, presented the revitalization strategy for the district. Ideas include installing sculptures that utilize rain water to mitigate storm water issues; creating perpendicular parking spaces in the middle of Monticello Avenue; and transforming Magazine Street, an alley between Brambleton Avenue and Olney Road, into a small-scale market street with pop-up retailers.

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