

**Williamsburg Arts District
Incentives and Application Process**

What are the business incentives in the Williamsburg Arts District?

The following chart outlines the incentives, which are granted over a five-year period.

Incentive	Year One	Year Two	Year Three	Year Four	Year Five
BPOL (Business License Fee) Rebate	100%	80%	60%	40%	20%
Sales Tax Benefit*	100%	80%	60%	40%	20%
Zoning and Building Fee Exemption	100%				

*based on the 1% of the sales tax that is paid by the customer, collected by the business and returned to the City from the State

Appendix D provides examples of these incentives for different types of businesses.

Steps to Qualify

1. Review the Arts District qualification criteria to see if your business qualifies. (Appendix A)
2. Select a location for your business in the City’s Arts District. (Appendix B)
3. Complete an Arts District Business Qualification Application. (Appendix C)
 - Include a five-year business plan with financial projections, a copy of the lease for the building in which you locate, and other application requirements.
 - If opening your business after July 1st, decide whether you will use the remainder of that calendar year for your first year of benefits or defer your first year of benefits to the next calendar year.
3. City Staff review application.
4. If approved, your business qualifies for the following benefits:
 - Business Professional Occupational License (BPOL) Rebate. Qualifying Arts District Businesses receive a BPOL rebate for five years. The rebate equals 100 percent of the BPOL fee the first year; 80 percent of the BPOL fee the second year, 60 percent of the BPOL fee the third year; 40 percent of the BPOL fee the fourth year; and 20 percent of the BPOL fee the fifth year. This benefit is rebated to the qualifying business after it pays the BPOL fee to the Commissioner of the Revenue each year.
 - Sales Tax Benefit. Qualifying Arts District Businesses receive the local portion of sales tax that its customers pay for goods for five years. The local portion of sales tax is one percent of the amount of the sale. The sales tax benefit equals 100 percent of the local sales tax paid by customers in the first year; 80 percent of the local sales tax paid by customers in the second year; 60 percent of the local sales tax paid by customers in the third year; 40 percent of the local sales tax paid by customers in the fourth year; 20 percent of the local sales tax paid by customers in the fifth year.
 - Waiver of Permit and Zoning Fees. Qualifying Arts District Businesses are exempt from building and zoning permit fees for five years.
 - Appendix D shows examples of tax incentives with dollar amounts.

Timeframe to Receive Incentives

BPOL Tax Rebate: By March 1st, you pay your BPOL Taxes to the Commissioner of the Revenue for the previous calendar year. Once she and the Finance Department receive, review and reconcile your BPOL payment for the previous calendar year, a BPOL rebate check will be sent to you to reimburse your BPOL payment based on the Arts District incentive schedule. You will receive this check the first week of April. A typical schedule follows:

On March 1, 2013, you pay BPOL tax for the 2012 calendar year. If you are still a qualifying arts business, you will receive your Arts District incentive for BPOL tax during the first week of April 2013.

Sales Tax Benefit: Throughout the calendar year, your customers pay five percent sales tax when they purchase your products. Monthly, you remit this money to the Commonwealth of Virginia. Two months later, the Commonwealth of Virginia sends the local one percent portion of your customers' sales tax payments to the City of Williamsburg. In March, the City receives the monthly payment of the local one percent of the sales tax for the prior December. At this point, the City has received a complete calendar year of the one percent local portion of the sales tax for your business. In March, the City's Finance Department will have the data required to calculate the Local Sales Tax Benefit that is due to Qualifying Arts District Businesses for the preceding calendar year. A typical schedule follows:

In January 2013, you remit your customers' December 2012 five percent sales tax payments to the state. In March 2013, the City has received the last month of its local one percent portion of your customers' sales tax payments for the preceding calendar year. By March 31, 2013, the City will review, reconcile, and calculate your Arts District Sales Tax Benefit for 2012. In the first week of April 2013, you will receive your Arts District Sales Tax Benefit check.

Waiver of Permit and Zoning Fees: Once you receive approval as a Qualified Arts District Business, the Williamsburg Planning Department will not charge you fees for building and zoning permits, based on the Arts District Incentive Schedule.

Appendix A – Definition of Qualified Arts Business

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

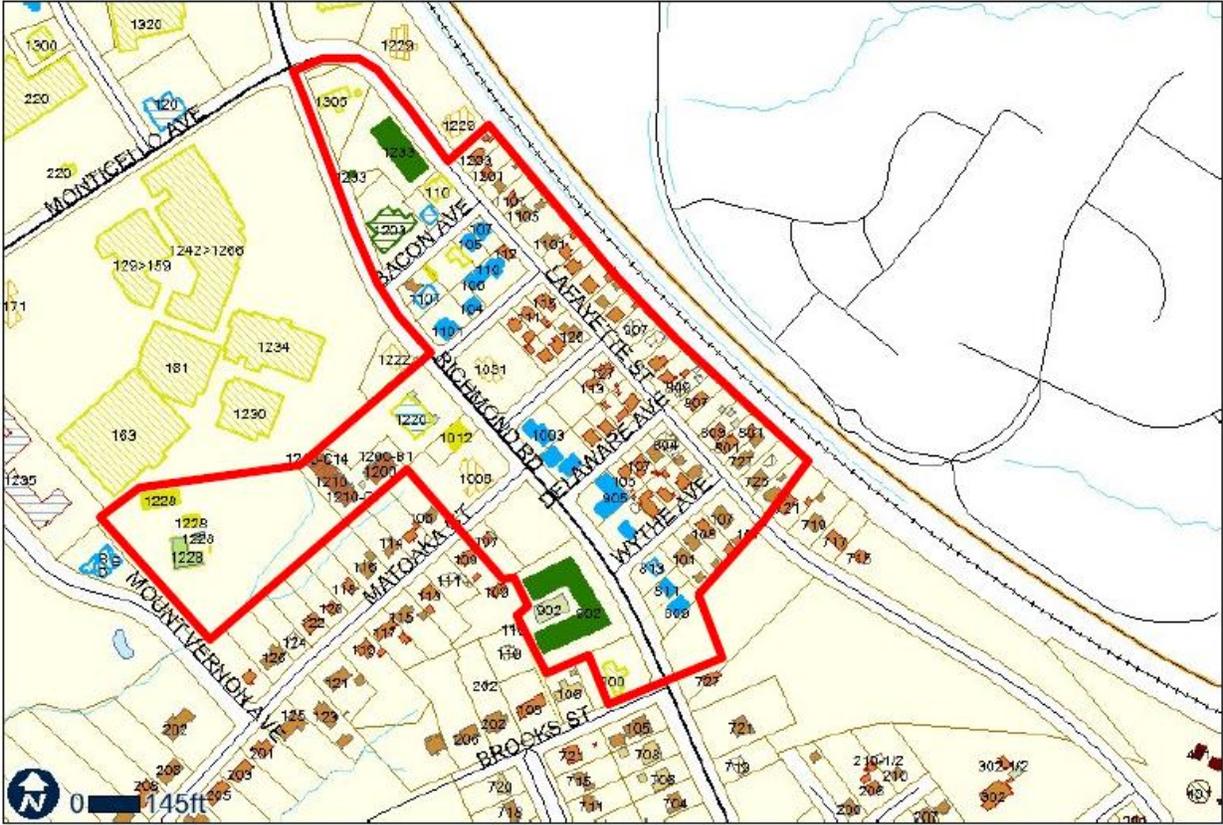
- A business for profit or not-for-profit organization that presents live performances of theatre, dance, music, or other imaginative work and/or produces or exhibits physical works created by, or under the direction of one or more artists, which are intended for unique production or limited reproduction. Museums or historic sites, the primary mission of which is education, history, or historic preservation, also qualify as arts and culture organizations.
- A creative economy business, which is 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.

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 Business for the purposes of this chapter.

Additionally, in no case shall a restaurant or retail shop that is a franchise or chain with three or more physical locations qualify as a Qualified Arts Business for the purposes of this chapter.

Appendix B – Map of the Williamsburg Arts District

An interactive map is available at www.WilliamsburgArtsDistrict.com.



Williamsburg Arts District

Appendix C – Williamsburg Arts District Application

Williamsburg Arts District Incentives Application

New Businesses

1. Name of Business:
2. Owner Name:
3. Owner Type:
 - a. LLC
 - b. Sole Proprietor
 - c. Corporation
 - d. Other: _____
4. Has the business operated under any other names? Yes No
 - a. If "yes," list all names under which the business has operated or is operating:
5. Contact Person and Registered Agent:
6. Address:
7. Email:
8. Phone:
9. Business Web Site:
10. Location within Williamsburg Arts District, including street address:
11. Provide a detailed description of the business and business activities to be conducted at the site located within the Williamsburg Arts District.
12. Explain why this business should qualify as a Qualified Arts Business as defined by City Arts District Ordinance #11-01? (Appendix A includes the definition of a Qualified Arts Business)

13. This business is:

- a. Start up
- b. Relocation
 - i. If so, from where, including street address and jurisdiction?
- c. New additional location
 - i. If so, where are other locations, including street address and jurisdiction?
 - ii. How long have other locations been operating?
- d. Other: _____

14. If an existing business, please describe current and past business activities, including past locations of the business.

15. Proposed start date of business or date proposed to open in the Williamsburg Arts District:

16. If opening the business after July 1, do you wish to elect to designate the following calendar year as the first year for incentives? Yes No

17. This business

- a. Owns property in the Arts District.
- b. Leases property in the Arts District. If so, attach a copy of the lease.
- c. Other: _____

18. Attach a five-year business plan, including revenue and expense projections, for the business.

19. Based on your business plan projections, what is your anticipated Gross Receipt revenue for each of your first five calendar years in the Arts District?

Year	Anticipated Gross Receipt Revenue

20. List all principals of the business with addresses.

21. If business is other than a sole proprietor, please attach documentation showing that signatory below is authorized to sign the application and any subsequent agreement on behalf of business.

I hereby certify that all the information provided in and attached to this application is true and correct.

Date

Owner or Principal

Title

Confidential proprietary records provided by a business as part of this application, including financial information and business plan, shall be maintained as confidential by the City of Williamsburg and are not subject to disclosure under the Virginia Freedom of Information Act, Code of Virginia §2.2-3705.6(a)(3).

Questions? Contact Economic Development Director Michele Mixner DeWitt, 757-220-6120 (office) or 757-293-8812 (mobile)

Return application to:

Williamsburg Economic Development Office
ATTN Arts District
401 Lafayette Street
Williamsburg, VA 23185

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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 Business for the purposes of this chapter.

Additionally, in no case shall a restaurant or retail shop that is a franchise or chain with three or more physical locations qualify as a Qualified Arts Business for the purposes of this chapter.

Appendix D - Arts District Ordinance Incentive Scenarios

A painter who lives, works, and sells his paintings in the district, leasing residential and commercial space, and grossing \$50,000 per year in sales

Incentive	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BPOL*	\$100.00	\$80.00	\$60.00	\$40.00	\$20.00	\$300.00
Sales Tax**	\$500.00	\$400.00	\$300.00	\$200.00	\$100.00	\$1,500.00
Zoning/Building Permit***	\$ 110.00					\$110.00
						Total \$1,910.00

*BPOL fee of \$0.20/\$100 of gross sales

**Local Sales Tax portion of 1% of sales

***Zoning fees for signs

An architect working in the district, selling his design services, and grossing \$150,000 per year

Incentive	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BPOL*	\$870.00	\$696.00	\$522.00	\$348.00	\$174.00	\$2,610.00
Sales Tax**						\$0.00
Zoning/Building Permit***	\$ 110.00					\$110.00
						Total \$2,720.00

*BPOL fee of \$0.58/\$100 of gross sales

**No sales tax on services

***Zoning fees for signs

A furniture maker living, working and selling in a building that he owns and grossing \$250,000 per year in furniture sales.

Incentive	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BPOL*	\$500.00	\$400.00	\$300.00	\$200.00	\$100.00	\$1,500.00
Sales Tax**	\$2,500.00	\$2,000.00	\$1,500.00	\$1,000.00	\$500.00	\$7,500.00
Zoning/Building Permit***	\$ 110.00					\$110.00
						Total \$9,110.00

*BPOL fee of \$0.20/\$100 of gross sales

**Local Sales Tax portion of 1% of sales

***Zoning fees for signs

An LLC partnership of two people purchase property in the district and construct a 900 sf commercial building for their custom bakery. They gross \$175,000 per year in sales of custom desserts and pastries that are made on site.

Incentive	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BPOL*	\$350.00	\$280.00	\$210.00	\$140.00	\$70.00	\$1,050.00
Sales Tax**	\$1,750.00	\$1,400.00	\$1,050.00	\$700.00	\$350.00	\$5,250.00
Zoning/Building Permit***	\$ 503.00					\$503.00
						Total \$6,803.00

*BPOL fee of \$0.20/\$100 of gross sales

**Local Sales Tax portion of 1% of sales

***Zoning fees for signs, Building fees for 900 sf bakery