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By Committee on Community Development, Housing & Tribal Affairs

NOT CONSIDERED 01/05/2018

1 Strike everything after the enacting clause and insert the 2 following:

3 "NEW SECTION. Sec. 1. (1) The legislature finds that:

- (a) A creative district is a designated, geographical, mixed-use area of a community in which a high concentration of cultural facilities, creative businesses, or arts-related businesses serve as a collective anchor of public attraction;
- 8 (b) In certain cases, multiple vacant properties in close 9 proximity may exist within a community that would be suitable for 10 redevelopment as a creative district;
- 11 (c) Creative districts are a highly adaptable economic 12 development tool that is able to take a community's unique 13 conditions, assets, needs, and opportunities into account and thereby 14 address the needs of large, small, rural, and urban areas;
- 15 (d) Creative districts may be home to both nonprofit and for-16 profit creative industries and organizations;
- 17 (e) The arts and culture transcend boundaries of race, age, 18 gender, language, and social status; and
- 19 (f) Creative districts promote and improve communities in 20 particular and the state more generally in many ways. Specifically, 21 such districts:
 - (i) Attract artists and creative entrepreneurs to a community and thereby infuse the community with energy and innovation and enhance the economic and civic capital of the community;
 - (ii) Create a hub of economic activity that helps an area become an appealing place to live, visit, and conduct business, complements adjacent businesses, creates new economic opportunities and jobs in both the cultural sector and other local industries, and attracts new businesses and assists in the recruitment of employees;
- 30 (iii) Establish marketable tourism assets that highlight the 31 distinct identity of communities, attract in-state, out-of-state, and

international visitors, and become especially attractive destinations for cultural, recreational, and business travelers;

- (iv) Revitalize and beautify neighborhoods, cities, and larger regions, reverse urban decay, promote the preservation of historic buildings, and facilitate a healthy mixture of business and residential activity that contributes to reduced vacancy rates and enhanced property values;
- (v) Provide a focal point for celebrating and strengthening a community's unique cultural identity, providing communities with opportunities to highlight existing cultural amenities as well as mechanisms to recruit and establish new artists, creative industries, and organizations;
- (vi) Provide artists with a creative area in which they can live and work, with living spaces that enable them to work in artistic fields and find affordable housing close to their place of employment; and
 - (vii) Enhance property values. Successful creative districts combine improvements to public spaces such as parks, waterfronts, and pedestrian corridors, alongside property development. The redevelopment of abandoned properties and historic sites and recruiting businesses to occupy vacant spaces can also contribute to reduced vacancy rates and enhanced property values.
 - (2) It is the intent of the legislature that the state provide leadership, technical support, and the infrastructure to local communities desirous of creating their own creative districts by, among other things, certifying districts, offering available incentives to encourage business development, exploring new incentives that are directly related to creative enterprises, facilitating local access to state assistance, enhancing the visibility of creative districts, providing technical assistance and planning help, ensuring broad and equitable program benefits, and fostering a supportive climate for the arts and culture, thereby contributing to the development of healthy communities across the state and improving the quality of life of the state's residents.
- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Commission" means the Washington state arts commission.

- 1 (2) "Coordinator" means the employee of the Washington state arts 2 commission who is responsible for performing the specific tasks under 3 section 5 of this act.
 - (3) "Creative district" means a land area designated by a local government in accordance with section 3 of this act that contains either a hub of cultural facilities, creative industries, or artsrelated businesses, or multiple vacant properties in close proximity that would be suitable for redevelopment as a creative district.
 - (4) "Local government" means a city, county, or town.
- 10 (5) "State-certified creative district" means a creative district
 11 whose application for certification has been approved by the
 12 commission.
- NEW SECTION. Sec. 3. (1) A local government may designate a creative district within its territorial boundaries subject to certification as a state-certified creative district by the commission. Two or more local governments may jointly apply for certification of a creative district that extends across a common boundary.
- 19 (2) In order to receive certification as a state-certified 20 creative district, a creative district must:
 - (a) Be a geographically contiguous area;

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- (b) Be distinguished by physical, artistic, or cultural resources that play a vital role in the quality and life of a community, including its economic and cultural development;
 - (c) Be the site of a concentration of artistic or cultural activity, a major arts or cultural institution or facility, arts and entertainment businesses, an area with arts and cultural activities, or artistic or cultural production;
- (d) Be engaged in the promotional, preservation, and educational aspects of the arts and culture of the community and contribute to the public through interpretive, educational, or recreational uses; and
 - (e) Satisfy any additional criteria required by the commission that in its discretion will further the purposes of sections 2 through 5 of this act. Any additional eligibility criteria must be posted by the commission on its public web site.
- 37 (3) The commission may grant certification to a creative district
 38 that does not qualify for certification under subsection (2) of this
 39 section if the land area proposed for certification contains multiple
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 3 H-2478.1/17

- 1 vacant properties in close proximity that would be suitable, as
- 2 determined by the commission, for redevelopment as a creative
- 3 district.

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- NEW SECTION. Sec. 4. (1) The commission may create a process for review of applications submitted by local governments or federally recognized Indian tribes for certification of state-certified creative districts. The application must be submitted on a standard form developed and approved by the commission.
 - (2) After reviewing an application for certification, the commission must approve or reject the application or return it to the applicant with a request for changes or additional information. The commission may request that an applicant provide relevant information supporting an application. Rejected applicants may reapply at any time in coordination with program guidelines.
- 15 (3) Certification must be based upon the criteria specified in section 3 of this act.
 - (4) If the commission approves an application for certification, it must notify the applicant in writing and must specify the terms and conditions of the commission's approval, including the terms and conditions set forth in the application and as modified by written agreement between the applicant and the commission.
 - (5) Upon approval by the commission of an application for certification, a creative district becomes a state-certified creative district with all of the attendant benefits under sections 2 through 5 of this act.
 - (6) The commission may revoke a certification previously granted for failure by a local government to comply with the requirements of this section or an agreement executed pursuant to this section.
- In addition to any powers explicitly granted to the 29 30 commission under sections 2 through 5 of this act, the commission is 31 granted such additional powers as are necessary to carry out the purposes of sections 2 through 5 of this act. Where authorized by 32 law, such powers may include offering incentives to state-certified 33 creative districts to encourage business development, exploring new 34 35 incentives that are directly related to creative enterprises, facilitating local access to state economic development assistance, 36 enhancing the visibility of state-certified creative districts, 37 38 providing state-certified creative districts with technical assistance and planning aid, ensuring broad and equitable program 39

benefits, and fostering a supportive climate for the arts and culture
within the state.

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- (8) The creation of a district under this section may not be used to prohibit any particular business or the development of residential real property within the boundaries of the district or to impose a burden on the operation or use of any particular business or parcel of residential real property located within the boundaries of the district.
- 9 (9) Total appropriations for this program may not exceed one 10 hundred fifty-six thousand dollars in the 2017-2019 biennium and two 11 hundred thirty-five thousand dollars in the 2019-2021 biennium.
- NEW SECTION. Sec. 5. The commission may not dedicate additional staff to the administration of the program beyond the coordinator.

 14 The coordinator must:
- 15 (1) Review applications for certification and make a 16 recommendation to the commission for action;
 - (2) Administer and promote the application process for the certification of creative districts;
- 19 (3) With the approval of the commission, develop standards and 20 policies for the certification of state-certified creative districts. 21 Any approved standards and policies must be posted on the 22 commission's public web site;
 - (4) Require periodic written reports from any state-certified creative district for the purpose of reviewing the activities of the district, including the compliance of the district with the policies and standards developed under this section and with the conditions of an approved application for certification;
 - (5) Identify available public and private resources, including any applicable economic development incentives and other tools, that support and enhance the development and maintenance of creative districts and, with the assistance of the commission, ensure that such programs and services are accessible to creative districts; and
- 33 (6) With the approval of the commission, develop such additional 34 procedures as may be necessary to administer this section. Any 35 approved procedures must be posted on the commission's public web 36 site.
- 37 <u>NEW SECTION.</u> **Sec. 6.** Sections 2 through 5 of this act are each added to chapter 43.46 RCW.

- NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2017, in the omnibus appropriations act, this act is null and void."
- 5 Correct the title.

EFFECT: Requires that appropriations may not exceed \$156,000 in the 2017-2019 biennium, and \$235,000 in the 2019-2021 biennium. Provides that the Arts Commission may not dedicate staffing to the program beyond the coordinator position. Includes a null and void clause if funding is not provided in the 2017-2019 budget.

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