

HOUSE BILL REPORT

SHB 1183

As Passed House:
March 7, 2017

Title: An act relating to authorizing specified local governments, including federally recognized Indian tribes, to designate a portion of their territory as a creative district subject to certification by the Washington state arts commission.

Brief Description: Authorizing specified local governments, including municipalities and federally recognized Indian tribes, that typically have limited access to economic development resources, to designate a portion of their territory as a creative district subject to certification by the Washington state arts commission.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives McBride, Chapman, Haler, Ryu, Robinson, McDonald, Stambaugh, Frame, Senn, Riccelli, Dolan and Hudgins).

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 1/25/17, 1/26/17 [DP];

Appropriations: 2/13/17, 2/21/17 [DPS].

Floor Activity:

Passed House: 3/7/17, 85-12.

Brief Summary of Substitute Bill

- Authorizes the Washington State Arts Commission to certify creative districts designated by local governments or federally recognized tribes as areas that promote cultural facilities, creative industries, or arts-related businesses.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 7 members: Representatives Ryu, Chair; Macri, Vice Chair; McCabe, Ranking Minority Member; Barkis, Assistant Ranking Minority Member; Jenkin, Reeves and Sawyer.

Staff: Sean Flynn (786-7124).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Caldier, Cody, Fitzgibbon, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford, Sullivan, Tharinger and Wilcox.

Minority Report: Do not pass. Signed by 10 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Condotta, Nealey, Schmick, Taylor, Vick and Volz.

Staff: Jordan Clarke (786-7123).

Background:

The Washington State Arts Commission (Commission) was established to promote the conservation and development of the state's artistic resources that contribute to the quality of life and general welfare of the state's citizens. The Commission is composed of 19 members appointed by the Governor and four members of the Legislature.

The Commission has broad authority to sponsor and administer activities or programs related to the growth and development of the arts and humanities, and assist any private or public agency or person in such pursuits. The Commission administers the state's public arts collection and the Washington State Poet Laureate program.

Summary of Substitute Bill:

The Commission may certify a creative district that includes an area designated by a city or county or a federally recognized tribe containing a hub of cultural facilities, creative industries, or arts-related businesses. The creative district must be:

- contiguous;
- distinguished by artistic and cultural resources involving economic and cultural development; and
- engaged and contributing to the community arts and culture.

The Commission may require additional eligibility criteria at its discretion. A creative district also may include vacant property suitable for similar development in proximity to the artistic activities.

The city, county, or tribe seeking certification of a creative district must submit an application for review by the Commission. The Commission may approve or reject the application, and include terms and conditions upon approval. The Commission may revoke certification for a city, county, or tribe's failure to comply with the conditions of approval.

The Commission may designate an employee (coordinator) to administer and coordinate the creative district certification program, including reviewing applications, developing policies and standards, and overseeing compliance. The coordinator also identifies public and private resources and incentives to support and enhance development within the districts. The

Commission may offer incentives to a certified creative district to encourage business, facilitate connections to state economic development assistance, and provide technical assistance, among other resources.

The total appropriations for the creative districts certification program may not exceed \$156,000 in the 2017-2019 biennium and may not exceed \$235,000 in the 2019-2021 biennium. This funding amount must include distributing at least \$40,000 in grants to certified creative districts. The Commission may not dedicate additional staff beyond the designated coordinator to administer the creative districts program. The act is null and void if funding for the bill is not provided in the 2017 Operating Budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Community Development, Housing & Tribal Affairs):

(In support) Creative districts offer broad potential for promoting community economic development, attracting tourism, and even providing affordable housing opportunities for artists. This is an optional program to allow local governments to consolidate artistic and cultural programs to help generate economic development. The creative arts industry has increased over the recent past during a period when other industries have declined.

The creative district program established in Colorado has been very successful. The city of Richland has created a creative district, which has been successful in developing the community and attracting tourism.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) Colorado is the example of a state which has a number of creative and thriving districts. This has brought new money into the state and increased visitation numbers. This is a low-risk proposition with a potentially high reward. This provides an option and a tool for communities in the state. There are important areas in the state for the arts and these can revitalize communities.

Thurston County went through a significant recession, and the arts district would bring new dollars into the community. Between 2008 and 2012 there was only one economic sector that showed year-over-year positive job growth, and it was the arts district. It brings in new investors and dollars. The county has a gross domestic product of \$9 billion, and the arts represent \$3.7 billion of that.

(Opposed) None.

Persons Testifying (Community Development, Housing & Tribal Affairs): Representative McBride, prime sponsor; Representative Haler, sponsor; Karen Hanan, Washington State Arts Commission; and Doug Levy, Western States Arts Federation and Humanities Washington.

Persons Testifying (Appropriations): Doug Levy, Western States Art Federation and Humanities Washington; and Michael Cade, Thurston Economic Development Council.

Persons Signed In To Testify But Not Testifying (Community Development, Housing & Tribal Affairs): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.