

SENATE BILL REPORT

SHB 1183

As of March 21, 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: Passed House: 3/07/17, 85-12.

Committee Activity: Agriculture, Water, Trade & Economic Development: 3/21/17.

Brief Summary of 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.

SENATE COMMITTEE ON AGRICULTURE, WATER, TRADE & ECONOMIC DEVELOPMENT

Staff: Greg Vogel (786-7413)

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 4 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

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agency or person in such pursuits. The Commission administers the state's public arts collection and the Washington State Poet Laureate program.

Summary of Bill: A local government may designate a creative district that includes an area containing a hub of cultural activities, creative industries, or arts-related businesses. The creative district must be:

- geographically contiguous;
- distinguished by artistic and cultural resources involving economic and cultural development;
- the site of a concentration of artistic or cultural activity; 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 in proximity to the artistic activities that is suitable for similar development.

The Commission may create a process for review of applications submitted by local governments or federally recognized Indian tribes for certification of creative districts. Applications are subject to approval or rejection by the Commission and may include terms and conditions upon approval. If a local government or federally recognized Indian tribe fails to comply with the conditions of approval, the Commission may revoke the certification.

The Commission may appoint a coordinator to: administer the creative district certification program, review applications, develop policies and standards, and oversee compliance. The Commission may offer incentives to a certified creative district to encourage business, facilitate connections to state economic development assistance, enhance the visibility of state-certified creative districts, and provide technical assistance and planning aid.

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.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a bipartisan bill. The large metropolitan areas of the state have large arts districts that provide not only great cultural interest but also economic development. Data from 2014 showed that creative districts contributed over 150,000 jobs. This bill takes the same concept and embraces those towns

and cities outside of the I-5 corridor. The bill does a lot of good things for these smaller towns and cities, including certification and grant provision, and has received support from them. It should be made clear that this bill is not a taxing bill and does not create taxing districts. Rather, the bill is an economic development tool.

OTHER: The first order of business following enactment of the bill would be to hire an economic development-oriented coordinator. The goal is to create a program with lots of input from local communities, making it a Washington-focused program. Data from the creative districts program from Colorado has shown that the districts have drawn tourism and jobs to the participating areas. The annual job growth rate across the state of Colorado is 2 percent, while the growth rate in creative districts is averaging 5 percent.

Persons Testifying: PRO: Representative Joan McBride, Prime Sponsor; David Foster, Western State Arts Fed/Humanities Washington.

OTHER: Karen Hanan, Director, WA State Arts Commission.

Persons Signed In To Testify But Not Testifying: No one.