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**SUBSTITUTE SENATE BILL 5300**

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**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** Senate Agriculture, Water, Trade & Economic Development  
(originally sponsored by Senators Zeiger, Wellman, Fain, Billig,  
Walsh, Nelson, and Hasegawa)

READ FIRST TIME 02/10/17.

1 AN ACT Relating to authorizing specified local governments to  
2 designate a portion of their territory as a creative district subject  
3 to certification by the Washington state arts commission; adding new  
4 sections to chapter 43.46 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) A creative district is a designated, geographical, mixed-use  
8 area of a community in which a high concentration of cultural  
9 facilities, creative businesses, or arts-related businesses serve as  
10 a collective anchor of public attraction;

11 (b) In certain cases, multiple vacant properties in close  
12 proximity may exist within a community that would be suitable for  
13 redevelopment as a creative district;

14 (c) Creative districts are a highly adaptable economic  
15 development tool that is able to take a community's unique  
16 conditions, assets, needs, and opportunities into account and thereby  
17 address the needs of large, small, rural, and urban areas;

18 (d) Creative districts may be home to both nonprofit and for-  
19 profit creative industries and organizations;

20 (e) The arts and culture transcend boundaries of race, age,  
21 gender, language, and social status; and

1 (f) Creative districts promote and improve communities in  
2 particular and the state more generally in many ways. Specifically,  
3 such districts:

4 (i) Attract artists and creative entrepreneurs to a community and  
5 thereby infuse the community with energy and innovation and enhance  
6 the economic and civic capital of the community;

7 (ii) Create a hub of economic activity that helps an area become  
8 an appealing place to live, visit, and conduct business, complements  
9 adjacent businesses, creates new economic opportunities and jobs in  
10 both the cultural sector and other local industries, and attracts new  
11 businesses and assists in the recruitment of employees;

12 (iii) Establish marketable tourism assets that highlight the  
13 distinct identity of communities, attract in-state, out-of-state, and  
14 international visitors, and become especially attractive destinations  
15 for cultural, recreational, and business travelers;

16 (iv) Revitalize and beautify neighborhoods, cities, and larger  
17 regions, reverse urban decay, promote the preservation of historic  
18 buildings, and facilitate a healthy mixture of business and  
19 residential activity that contributes to reduced vacancy rates and  
20 enhanced property values;

21 (v) Provide a focal point for celebrating and strengthening a  
22 community's unique cultural identity, providing communities with  
23 opportunities to highlight existing cultural amenities as well as  
24 mechanisms to recruit and establish new artists, creative industries,  
25 and organizations;

26 (vi) Provide artists with a creative area in which they can live  
27 and work, with living spaces that enable them to work in artistic  
28 fields and find affordable housing close to their place of  
29 employment; and

30 (vii) Enhance property values. Successful creative districts  
31 combine improvements to public spaces such as parks, waterfronts, and  
32 pedestrian corridors, alongside property development. The  
33 redevelopment of abandoned properties and historic sites and  
34 recruiting businesses to occupy vacant spaces can also contribute to  
35 reduced vacancy rates and enhanced property values.

36 (2) It is the intent of the legislature that the state provide  
37 leadership, technical support, and the infrastructure to local  
38 communities desirous of creating their own creative districts by,  
39 among other things, certifying districts, offering available  
40 incentives to encourage business development, exploring new

1 incentives that are directly related to creative enterprises,  
2 facilitating local access to state assistance, enhancing the  
3 visibility of creative districts, providing technical assistance and  
4 planning help, ensuring broad and equitable program benefits, and  
5 fostering a supportive climate for the arts and culture, thereby  
6 contributing to the development of healthy communities across the  
7 state and improving the quality of life of the state's residents.

8 NEW SECTION. **Sec. 2.** The definitions in this section apply  
9 throughout this chapter unless the context clearly requires  
10 otherwise.

11 (1) "Commission" means the Washington state arts commission.

12 (2) "Coordinator" means the employee of the Washington state arts  
13 commission who is responsible for performing the specific tasks under  
14 section 5 of this act.

15 (3) "Creative district" means a land area designated by a local  
16 government in accordance with section 3 of this act that contains  
17 either a hub of cultural facilities, creative industries, or arts-  
18 related businesses, or multiple vacant properties in close proximity  
19 that would be suitable for redevelopment as a creative district.

20 (4) "Local government" means a city, county, or town.

21 (5) "State-certified creative district" means a creative district  
22 whose application for certification has been approved by the  
23 commission.

24 NEW SECTION. **Sec. 3.** (1) A local government may designate a  
25 creative district within its territorial boundaries subject to  
26 certification as a state-certified creative district by the  
27 commission. Two or more local governments may jointly apply for  
28 certification of a creative district that extends across a common  
29 boundary.

30 (2) In order to receive certification as a state-certified  
31 creative district, a creative district must:

32 (a) Be a geographically contiguous area;

33 (b) Be distinguished by physical, artistic, or cultural resources  
34 that play a vital role in the quality and life of a community,  
35 including its economic and cultural development;

36 (c) Be the site of a concentration of artistic or cultural  
37 activity, a major arts or cultural institution or facility, arts and

1 entertainment businesses, an area with arts and cultural activities,  
2 or artistic or cultural production;

3 (d) Be engaged in the promotional, preservation, and educational  
4 aspects of the arts and culture of the community and contribute to  
5 the public through interpretive, educational, or recreational uses;  
6 and

7 (e) Satisfy any additional criteria required by the commission  
8 that in its discretion will further the purposes of sections 2  
9 through 5 of this act. Any additional eligibility criteria must be  
10 posted by the commission on its public web site.

11 (3) The commission may grant certification to a creative district  
12 that does not qualify for certification under subsection (2) of this  
13 section if the land area proposed for certification contains multiple  
14 vacant properties in close proximity that would be suitable, as  
15 determined by the commission, for redevelopment as a creative  
16 district.

17 NEW SECTION. **Sec. 4.** (1) The commission may create a process  
18 for review of applications submitted by local governments or  
19 federally recognized Indian tribes for certification of state-  
20 certified creative districts. The application must be submitted on a  
21 standard form developed and approved by the commission.

22 (2) After reviewing an application for certification, the  
23 commission must approve or reject the application or return it to the  
24 applicant with a request for changes or additional information. The  
25 commission may request that an applicant provide relevant information  
26 supporting an application. Rejected applicants may reapply at any  
27 time in coordination with program guidelines.

28 (3) Certification must be based upon the criteria specified in  
29 section 3 of this act.

30 (4) If the commission approves an application for certification,  
31 it must notify the applicant in writing and must specify the terms  
32 and conditions of the commission's approval, including the terms and  
33 conditions set forth in the application and as modified by written  
34 agreement between the applicant and the commission.

35 (5) Upon approval by the commission of an application for  
36 certification, a creative district becomes a state-certified creative  
37 district with all of the attendant benefits under sections 2 through  
38 5 of this act.

1 (6) The commission may revoke a certification previously granted  
2 for failure by a local government to comply with the requirements of  
3 this section or an agreement executed pursuant to this section.

4 (7) In addition to any powers explicitly granted to the  
5 commission under sections 2 through 5 of this act, the commission is  
6 granted such additional powers as are necessary to carry out the  
7 purposes of sections 2 through 5 of this act. Where authorized by  
8 law, such powers may include offering incentives to state-certified  
9 creative districts to encourage business development, exploring new  
10 incentives that are directly related to creative enterprises,  
11 facilitating local access to state economic development assistance,  
12 enhancing the visibility of state-certified creative districts,  
13 providing state-certified creative districts with technical  
14 assistance and planning aid, ensuring broad and equitable program  
15 benefits, and fostering a supportive climate for the arts and culture  
16 within the state.

17 (8) The creation of a district under this section may not be used  
18 to prohibit any particular business or the development of residential  
19 real property within the boundaries of the district or to impose a  
20 burden on the operation or use of any particular business or parcel  
21 of residential real property located within the boundaries of the  
22 district.

23 NEW SECTION. **Sec. 5.** The commission may appoint a coordinator.  
24 The coordinator must:

25 (1) Review applications for certification and make a  
26 recommendation to the commission for action;

27 (2) Administer and promote the application process for the  
28 certification of creative districts;

29 (3) With the approval of the commission, develop standards and  
30 policies for the certification of state-certified creative districts.  
31 Any approved standards and policies must be posted on the  
32 commission's public web site;

33 (4) Require periodic written reports from any state-certified  
34 creative district for the purpose of reviewing the activities of the  
35 district, including the compliance of the district with the policies  
36 and standards developed under this section and with the conditions of  
37 an approved application for certification;

38 (5) Identify available public and private resources, including  
39 any applicable economic development incentives and other tools, that

1 support and enhance the development and maintenance of creative  
2 districts and, with the assistance of the commission, ensure that  
3 such programs and services are accessible to creative districts; and  
4 (6) With the approval of the commission, develop such additional  
5 procedures as may be necessary to administer this section. Any  
6 approved procedures must be posted on the commission's public web  
7 site.

8 NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act are each  
9 added to chapter 43.46 RCW.

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