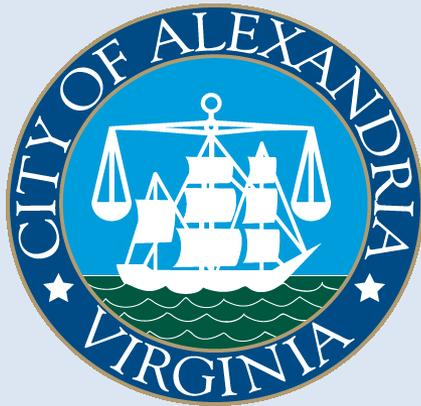


FY 2012 Budget Work Session

Strategic Plan Goals #1 & #3

February 15, 2011



- **Introduction and Agenda**
 - **Goal #1 – Land Use & Economic Development**
 - **Goal #3 - Transportation**
- **Key Budget Decisions**
- **Economic Development & Land Use Issues**
- **Transportation Issues**
- **Supporting and Implementing Economic Development**
 - **Transportation Add-On Tax**
 - **BPOL Tax Relief**

Introduction

- **Strategic Plan Goal #1 – Land Use & Economic Development**
 - *Alexandria has quality development and redevelopment, support for local businesses and a strong, diverse and growing local economy.*

- **Strategic Plan Goal #3 – Transportation**
 - *A multimodal transportation network that supports sustainable land use and provides internal mobility and regional connectivity for Alexandrians.*

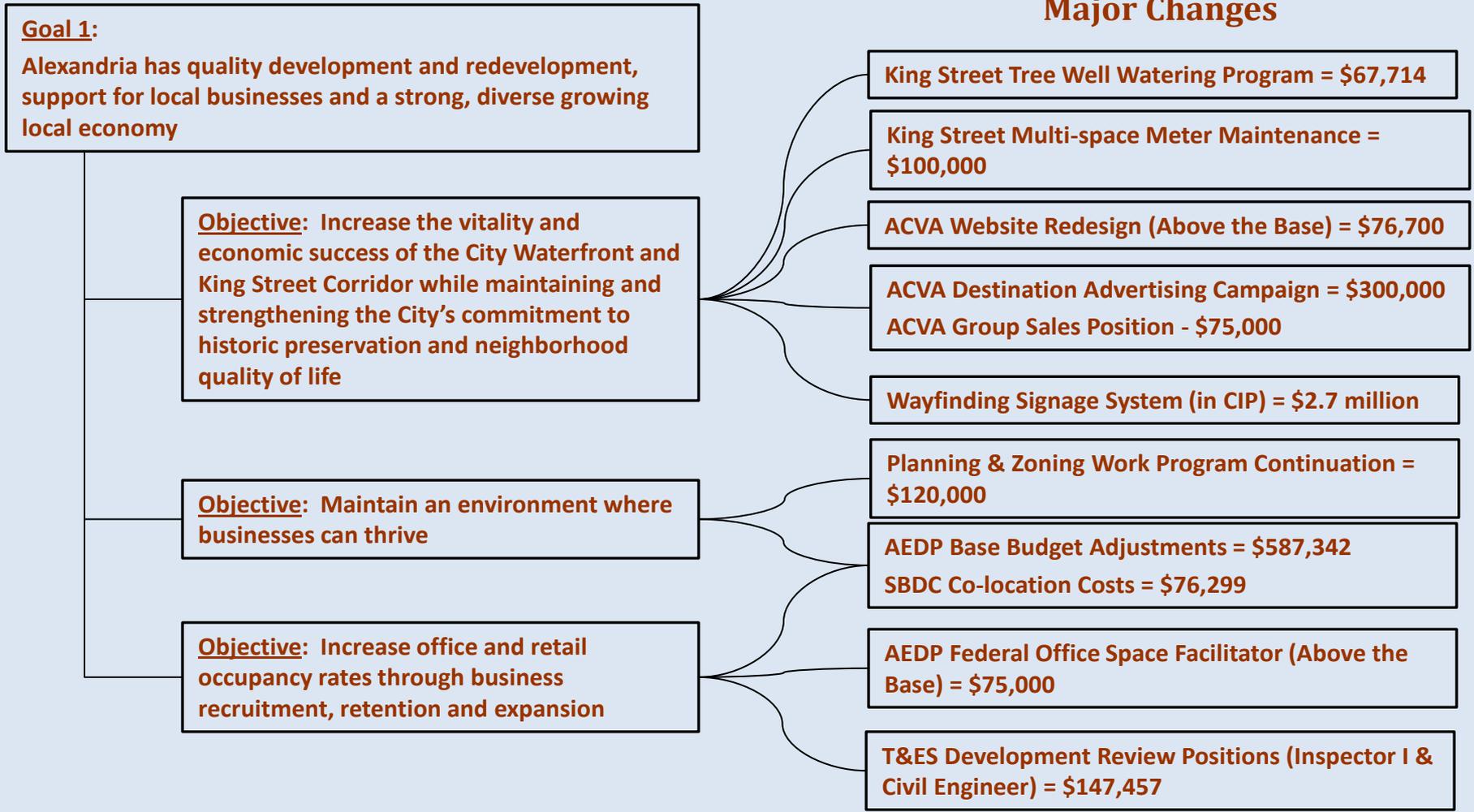


Overall City Expenditures

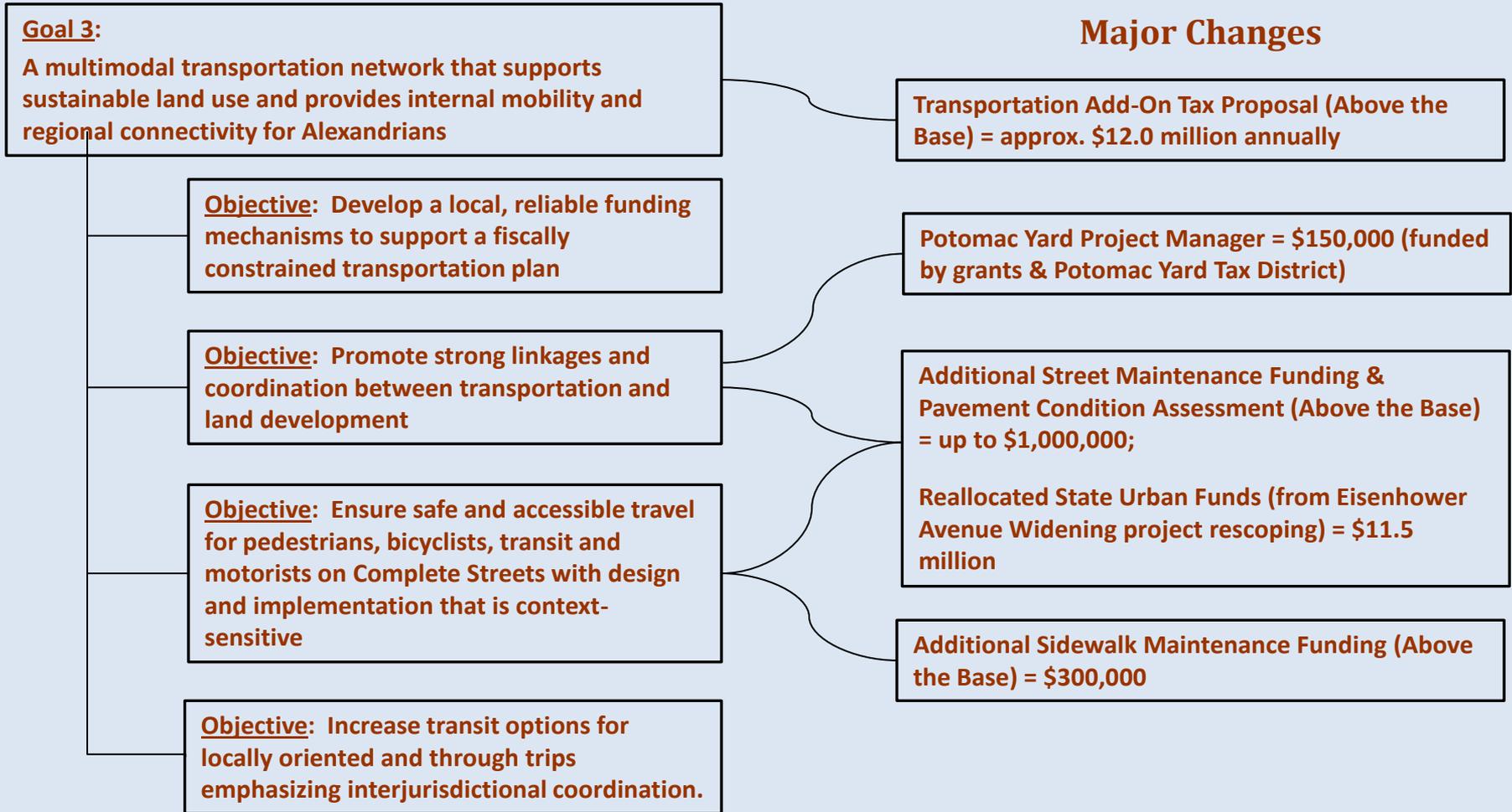
- **Strategic Plan Goal #1 – Land Use & Economic Development**
 - \$15.2 million in total FY 2012 expenditures (2.4% of whole)
 - \$1.5 million CIP
 - \$13.7 million Operating
- **Strategic Plan Goal #3 – Transportation**
 - \$51.4 million in total FY 2012 expenditures (8.2% of whole)
 - \$21.8 million CIP
 - \$29.6 million Operating
 - **Proposed Commercial Add-On Tax Funding of Priority Transportation Projects (Above the Base)**



Linking the Strategic Plan and Budget



Linking the Strategic Plan and Budget



Signs of Economic Recovery

Alexandria is a Rising Market

- New, multi-family residential projects breaking ground and more planned to begin
- Retail closures are being offset by new openings, and future retailers continue to look for space in Alexandria

Alexandria is regaining lost jobs

- All lost retail jobs have been regained

Alexandria continues to be a destination

- 3.3 million annual visitors spend \$616 million and generate at least \$22 million in tax revenues to the City

Alexandria relies on the services of AEDP/SBDC and ACVA

- Remain economically competitive regionally and nationally
- Support future tourism and economic development

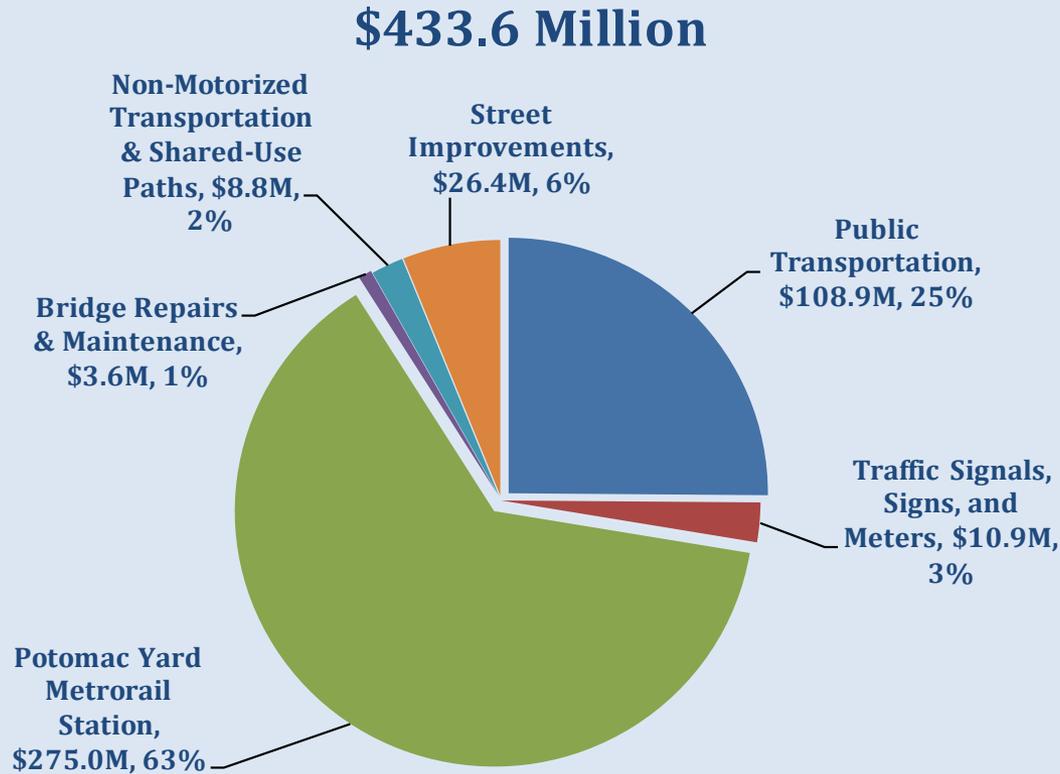


City Planning Work Plan

- **\$120,000 added for the continuation of funding for the City's planning work program**
- **Likely redevelopment & transportation investment areas include:**
 - **Potomac Yards**
 - **Eisenhower East**
 - **Landmark/Van Dorn**
 - **Beauregard/Mark Center**



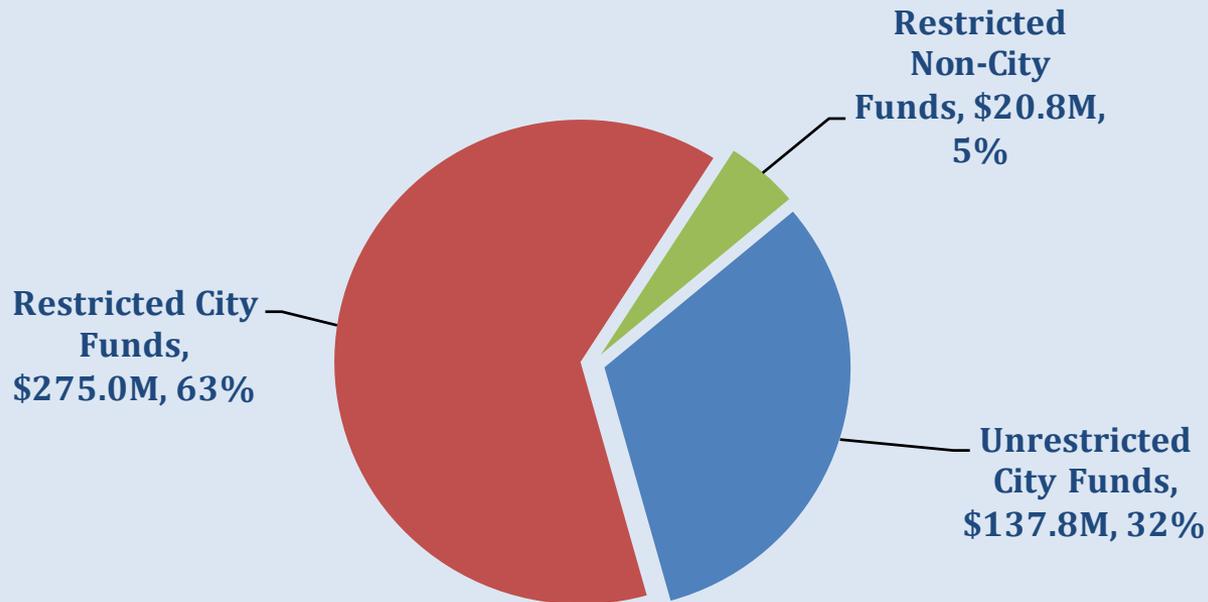
Proposed FY 2012 – 2021 CIP All Transportation Projects



Proposed FY 2012 – 2021 CIP

All Transportation Projects –Source of Funds

\$433.6 Million

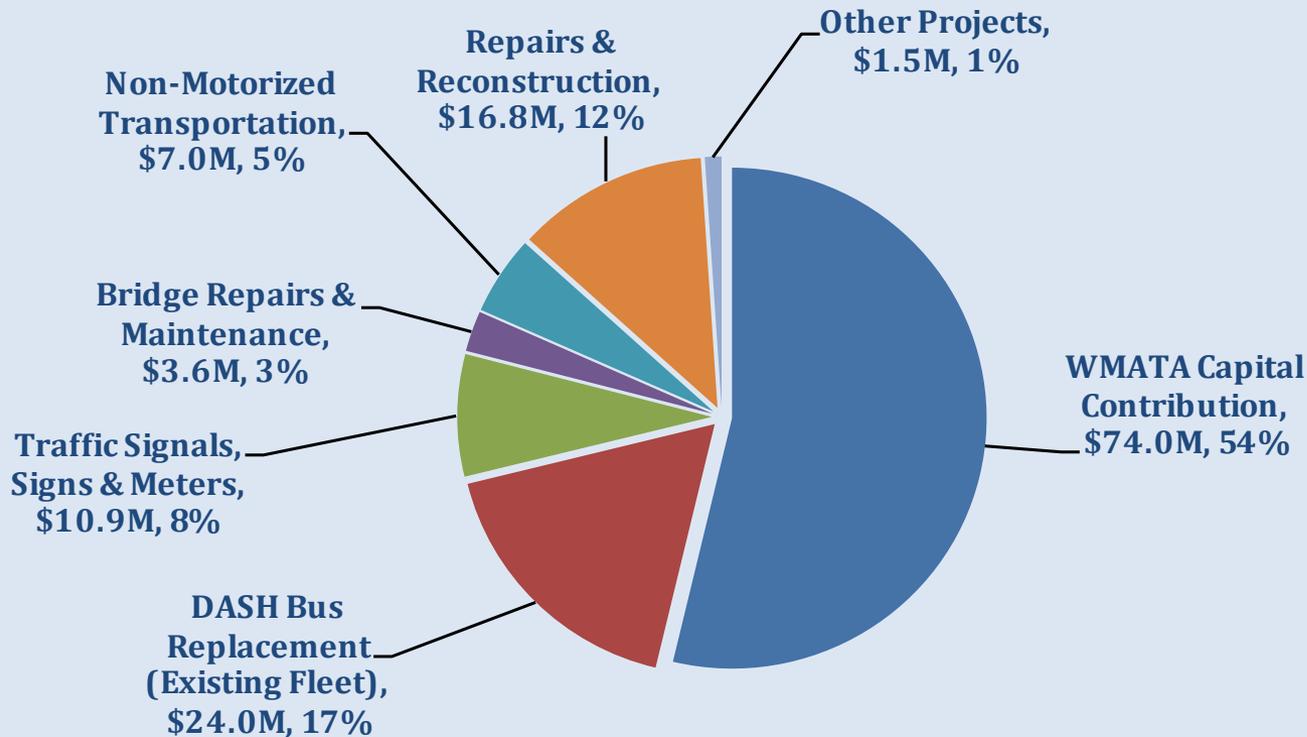


- Restricted City Funds are designated for Potomac Yard Metrorail Station; Restricted Non-City funds include State Urban Funds, CMAQ funds, and VDOT Revenue Sharing.



Proposed FY 2012 - 2021 CIP Unrestricted City Funds for Transportation

\$137.8 Million



- 71% (\$98.0 million) of all Unrestricted City Funds are designated for the WMATA capital contribution of existing facilities and replacement of buses in the existing DASH fleet.



Eisenhower Avenue Widening Urban Funds Reallocation

- **\$11.5 million in State Urban Funds was reprogrammed to other City transportation projects.**
- **The FY 2012 Proposed CIP reprograms these funds as follows:**
 - **\$3.1 million - DASH Bus Replacement Program**
 - **\$2.1 million - King & Beauregard Intersection Improvements**
 - **\$450k - Eisenhower Ave. Metro Platform Extension**
 - **\$2.1 million - Eisenhower Ave. Metro Station Area Enhancements**
 - **\$1.75 million - Holmes Run Greenway / Eisenhower East Shared Use Paths**
 - **\$2.0 million - BRAC 133 Contingent for Transportation**

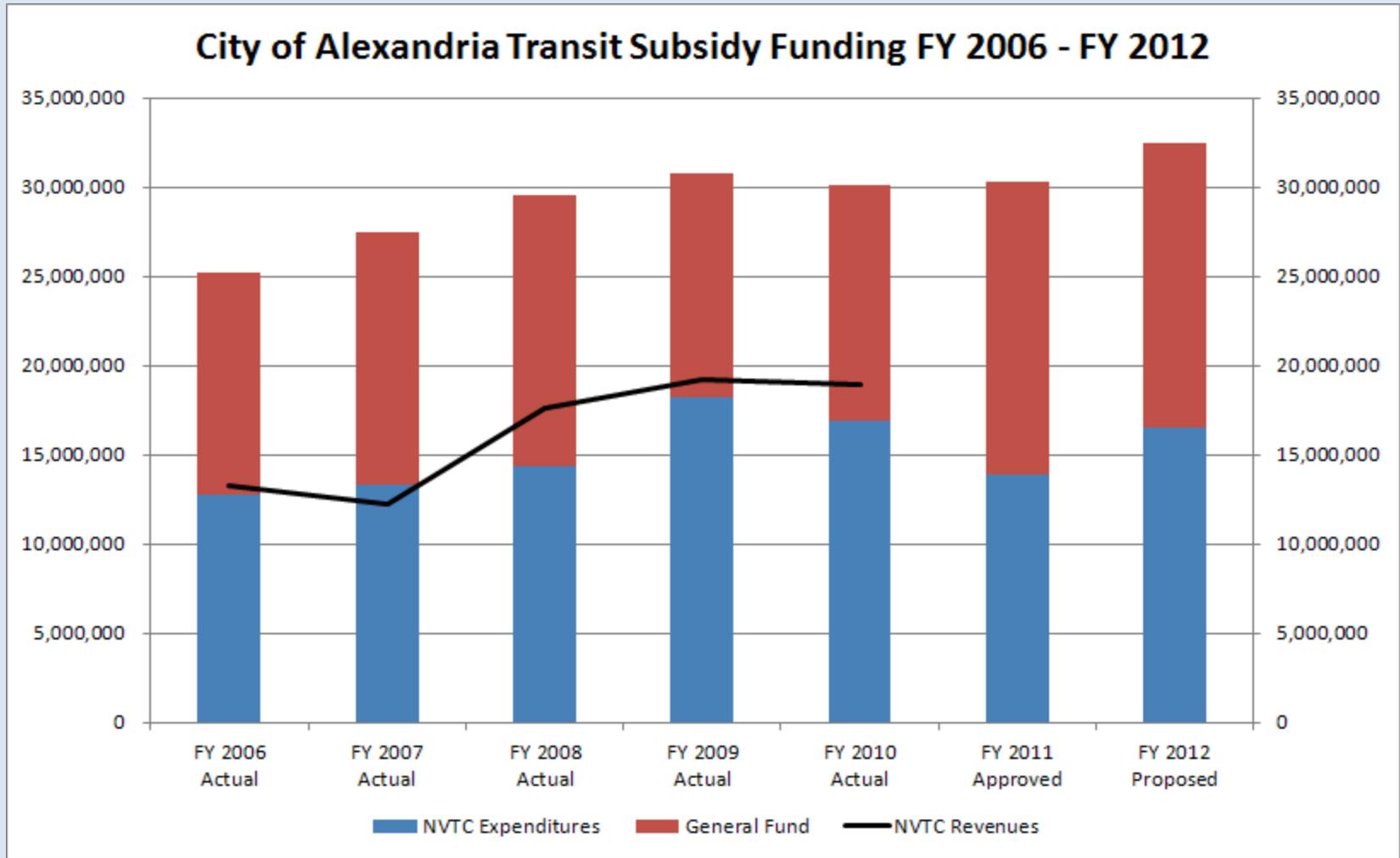


Transit Subsidies

- **WMATA operating subsidy projected to increase by \$1.9 million (9.4%) in FY 2012**
- **DASH proposed operating subsidy to increase by \$400k (4.7%) in FY 2012**
- **Cost increases to be covered by NVTC (state aid) revenue increases and federal reimbursements**



Transit Subsidies



DASH Bus Replacement Program

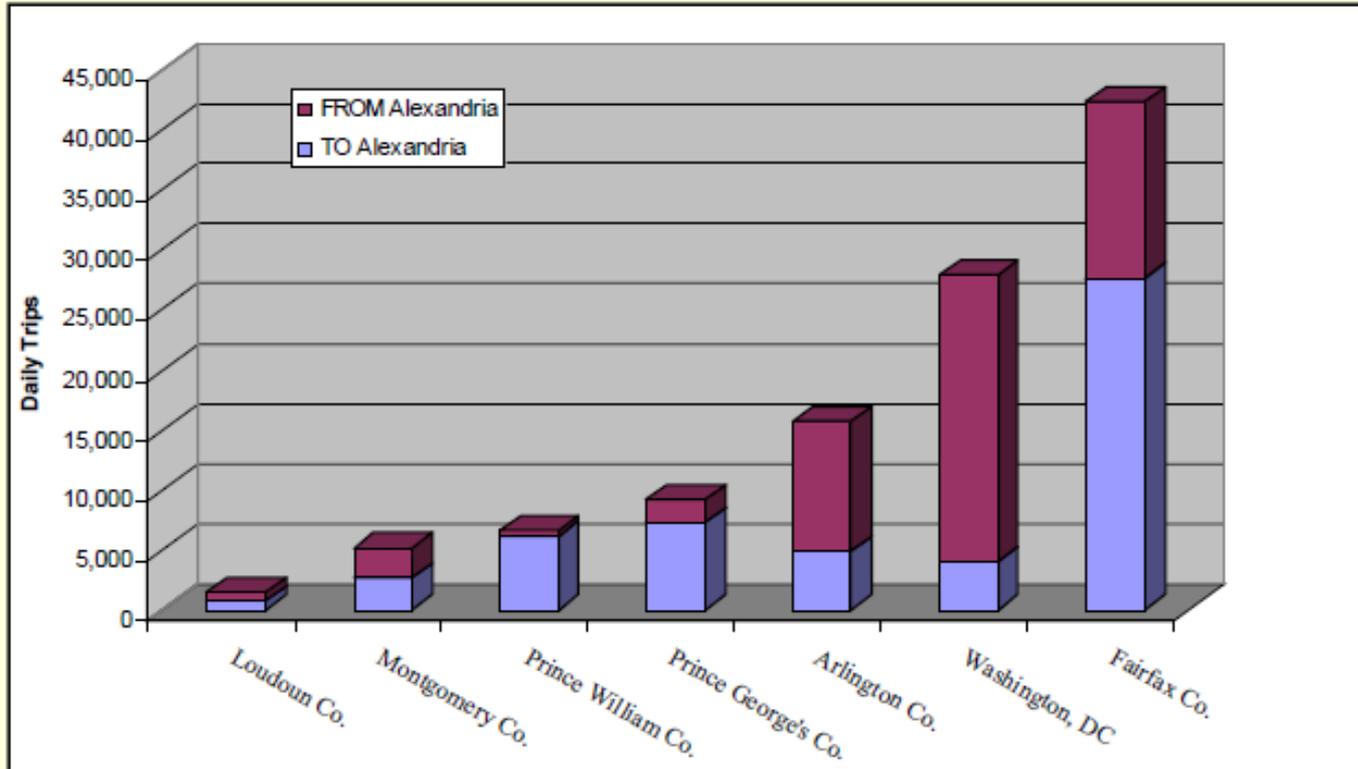
DASH Bus Replacement in the Proposed FY 2012 – 2021 CIP can meet the annual replacement requirements by purchasing a combination of new and refurbished buses noted below.

Type of Bus	Estimated Cost per Bus
New Hybrid Bus	\$650,000
New Clean Diesel Bus	\$450,000
Refurbished DASH Bus at the end of its Useful Life	\$155,000
Circulator Bus (smaller bus)*	\$90,000 - \$450,000

* Price highly dependent on bus size and engine type (i.e. diesel vs. hybrid)



Commuting To and From Alexandria

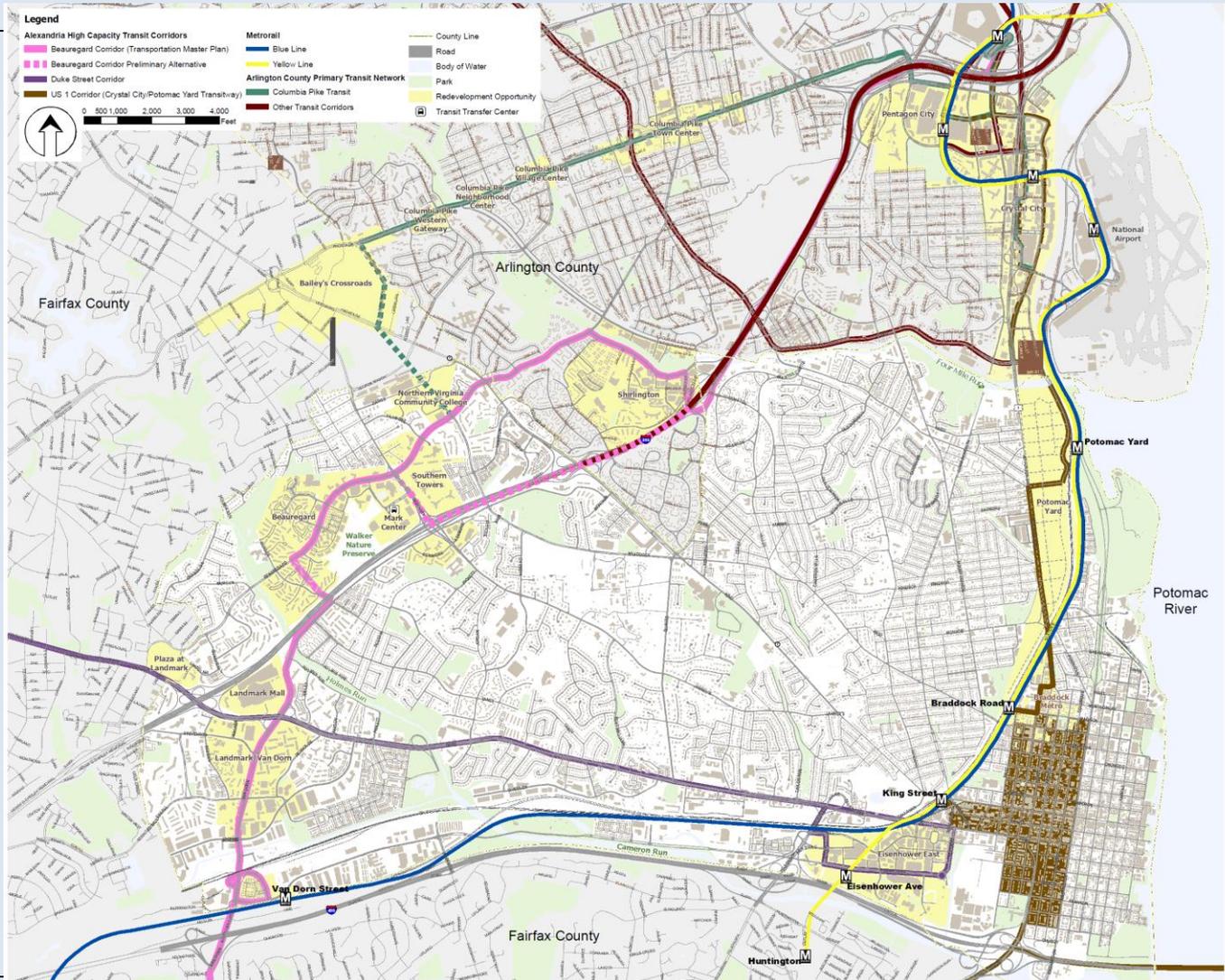


Of the 81,367 daily commute trips that **end** in Alexandria, 61,894 (76%) **originate** in another jurisdiction

Of the 77,190 daily commute trips that **originate** in Alexandria, 57,717 (75%) **end** in another jurisdiction



Redevelopment Areas



Commercial Real Estate Tax

- **New Local Tax Authority enacted by General Assembly in 2007**
- **Allows Northern Virginia and Hampton Roads localities to levy an add-on real estate tax of up to 12.5 cents per \$100 of value on non-residential commercial and industrial real estate**



Commercial Real Estate Tax Uses

- **New road construction and associated planning**
- **New public transit projects and infrastructure and associated planning**
- **Other capital costs associated with transportation projects**
- **Operating costs directly related to these projects**
- **The debt service on bonds to support the capital cost of these projects**



Commercial Real Estate Tax in Neighboring Jurisdictions

- **Arlington County: 12.5 cents per \$100 of assessed value**
- **Fairfax County: 11.0 cents per \$100 of assessed value**



Economic Development Benefits of Transportation Investments

- **Increased connectivity, capacity and frequency creates:**
 - More jobs
 - Increased sales volume
 - Time savings for businesses and their workers
 - Higher values for existing properties
 - Improved competitiveness
- **Smart Growth enabled by transportation capacity**
- **Accelerated development build out which adds to the tax base**
- **City better protected from impact of inter-jurisdictional traffic**
- **Improves quality of life**



Project Considerations

- **LRP prioritization, focusing on projects supporting economic development**
- **Support economic development**
- **Geographic distribution**
- **Projects in all transportation modes**
- **Large and small projects**



Outreach

- **Transportation Commission Public Hearing**
- **Meetings with Planning Commission and Environmental Quality Commission**
- **Meetings with Stakeholder Groups**
- **Community Meetings (3)**
- **Civic Association Meetings (20+)**



Proposed Budget Project List

Transportation Tax Projects	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
High Capacity Transit Corridors											
Transit Corridor "C" Construction (Beauegard)	\$1,000,000	\$1,500,000	\$5,000,000	\$5,000,000							\$12,500,000
Transit Corridor "A" Widening (Route 1)	\$600,000										\$600,000
Transit Corridor "A" Streetcar Conversion (Route 1)			\$2,250,000	\$2,250,000	\$6,850,000	\$6,850,000					\$18,200,000
Streetcar Maintenance Facility						\$4,000,000					\$4,000,000
Transit Corridor "B" Construction (Duke St.)					\$700,000	\$1,800,000	\$10,000,000	\$10,000,000			\$22,500,000
Subtotal	\$1,600,000	\$1,500,000	\$7,250,000	\$7,250,000	\$7,550,000	\$12,650,000	\$10,000,000	\$10,000,000	\$0	\$0	\$57,800,000
Peak Period Bus Service											
DASH Fleet Expansion	\$5,850,000			\$2,600,000							\$8,450,000
Expanded Trolley/Circulator/Transit Service			\$100,000		\$3,500,000						\$3,600,000
Subtotal	\$5,850,000	\$0	\$100,000	\$2,600,000	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$12,050,000
Transit Station Improvements											
Eisenhower Ave Station Platform Ext.	\$7,320,000	\$13,630,000	\$1,200,000								\$22,150,000
King Street Station Improvements	\$1,200,000				\$1,000,000						\$2,200,000
Bradlee Transit Center	\$1,000,000										\$1,000,000
Landmark Transit Station					\$600,000	\$2,700,000	\$2,700,000				\$6,000,000
Subtotal	\$9,520,000	\$13,630,000	\$1,200,000	\$0	\$1,600,000	\$2,700,000	\$2,700,000	\$0	\$0	\$0	\$31,350,000
Non-Motorized Transportation Initiatives											
Holmes Run Greenway/Eisen. East	\$250,000	\$3,300,000									\$3,550,000
Old Cameron Run Trail		\$500,000	\$3,000,000								\$3,500,000
Backlick Run Multi-Use Paths			\$200,000	\$3,000,000							\$3,200,000
Van Dorn Metro Multimodal Bridge										\$1,000,000	\$1,000,000
Transportation Technologies	\$200,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$4,700,000
Subtotal	\$450,000	\$4,300,000	\$3,700,000	\$3,500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$1,500,000	\$15,950,000
Street Enhancements & Extensions											
Mt Vernon Ave/Russell Rd Intersection						\$100,000	\$900,000				\$1,000,000
Duke Street Complete Streets								\$210,000	\$2,100,000		\$2,310,000
High Street Construction									\$1,000,000		\$1,000,000
King/Quaker/Braddock Intersection	\$600,000	\$5,400,000	TBD								\$6,000,000
Subtotal	\$600,000	\$5,400,000	\$0	\$0	\$0	\$100,000	\$900,000	\$0	\$210,000	\$3,100,000	\$10,310,000
TOTAL CIP EXPENDITURES	\$18,020,000	\$24,830,000	\$12,250,000	\$13,350,000	\$13,150,000	\$15,950,000	\$14,100,000	\$10,500,000	\$710,000	\$4,600,000	\$127,460,000



Proposed Budget Project List

Transportation Tax Operating Costs	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
Transit Corridor "C" Operations					\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$9,600,000
Transit Corridor "A" Operations							\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$10,000,000
Transit Corridor "B" Operations									\$1,600,000	\$1,600,000	\$3,200,000
DASH Bus Expanded Service		\$1,332,000	\$1,332,000	\$1,332,000	\$1,768,000	\$1,933,000	\$1,933,000	\$1,933,000	\$1,933,000	\$1,933,000	\$15,429,000
Expanded Trolley/Circulator Service						\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
<i>Transitway Implementation Staff</i>	\$150,461	\$147,900	\$150,858	\$153,875	\$156,953	\$160,092	\$163,294	\$166,559	TBD	TBD	\$1,249,992
Transportation Tax Debt Service	\$0	\$0	\$985,959	\$1,283,175	\$1,469,921	\$1,793,371	\$2,324,051	\$2,849,677	\$3,100,106	\$3,086,050	\$16,892,310
TOTAL OPERATING EXPENDITURES	\$150,461	\$1,479,900	\$2,468,817	\$2,769,050	\$4,994,874	\$6,486,462	\$9,520,345	\$10,049,237	\$11,733,106	\$11,719,050	\$61,371,301
GRAND TOTAL EXPENDITURES	\$18,170,461	\$26,309,900	\$14,718,817	\$16,119,050	\$18,144,874	\$22,436,462	\$23,620,345	\$20,549,237	\$12,443,106	\$16,319,050	\$188,831,301



Transportation Commission Recommendation

Alexandria Transportation Commission
301 King Street
Alexandria, VA 22314

Mr. James K. Hartmann, City Manager
City Hall
301 King Street
Alexandria, VA 22314

January 11, 2011

Re: Priority Transportation Projects

Dear Mr. Hartmann:

At its January 5, 2011 meeting, the Transportation Commission (Commission) approved a motion to recommend that the City Manager include the attached list of Priority Transportation Projects in the FY 2012 budget to be funded by a potential commercial real estate tax. The recommended projects are shown in Attachment 1.

The recommended project list was developed by the Commission and incorporates public comments received during a public hearing on November 3, 2010 and an extensive public outreach process in late 2010 (Attachment 2).

We appreciate your consideration of the Commission's request to provide input toward the Commercial Real Estate tax and Priority Transportation projects.

Sincerely,

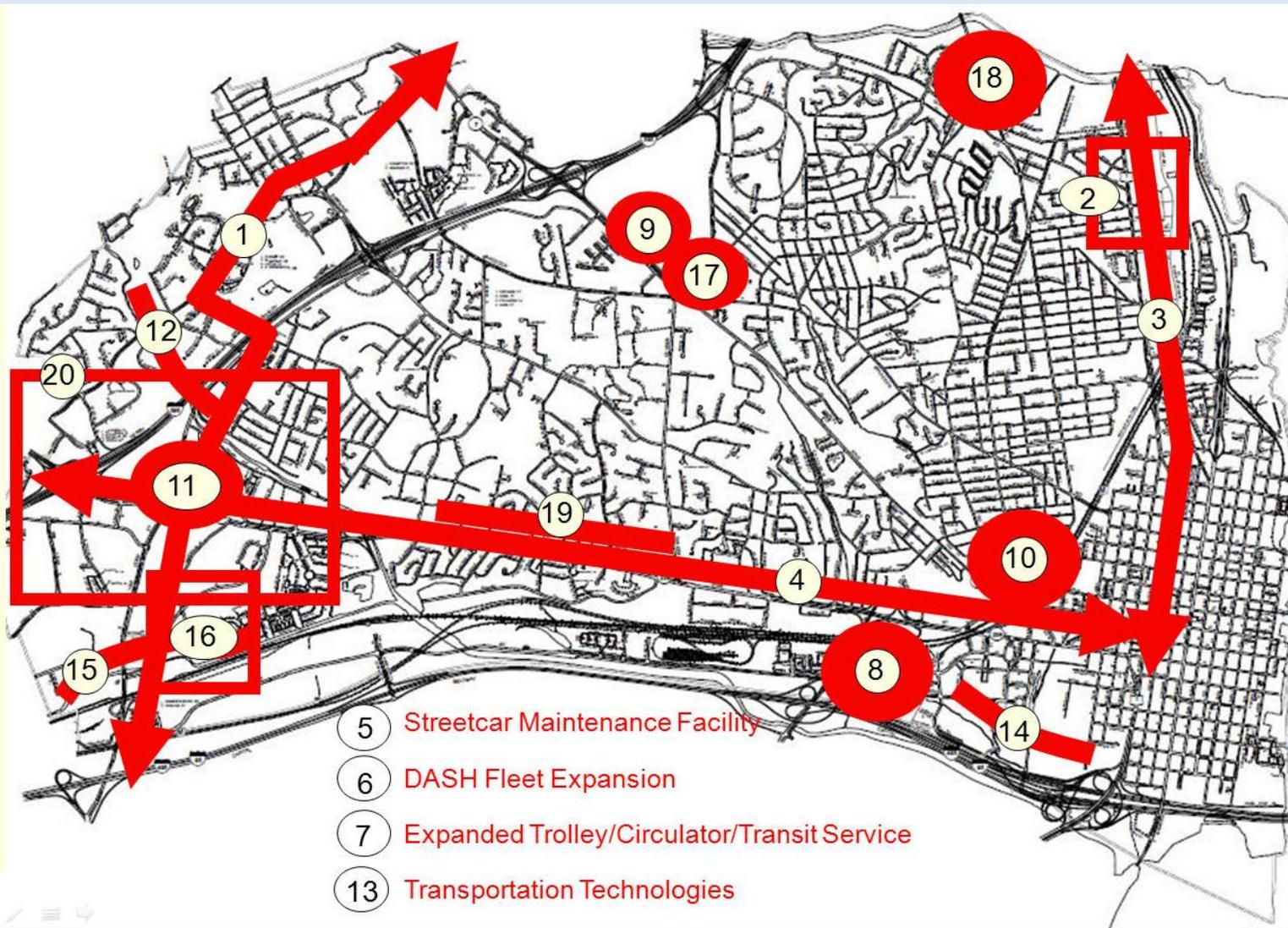

Kevin Posey
Chair, Alexandria Transportation Commission

cc: Alexandria City Council
Alexandria Transportation Commission

Attachments: 1. Priority Transportation Projects List
2. Commercial Real Estate Tax Outreach Efforts



Proposed Projects - Geographical Distribution



What Changed?

- **From original Transportation Commission list to revised list:**
 - King/Quaker/Braddock project added
- **From original Transportation Commission list to proposed list in the budget:**
 - Holland Lane extension removed
 - Project not likely to be built prior to redevelopment
 - Transportation Technology project added
 - Sub-projects broken out with descriptions



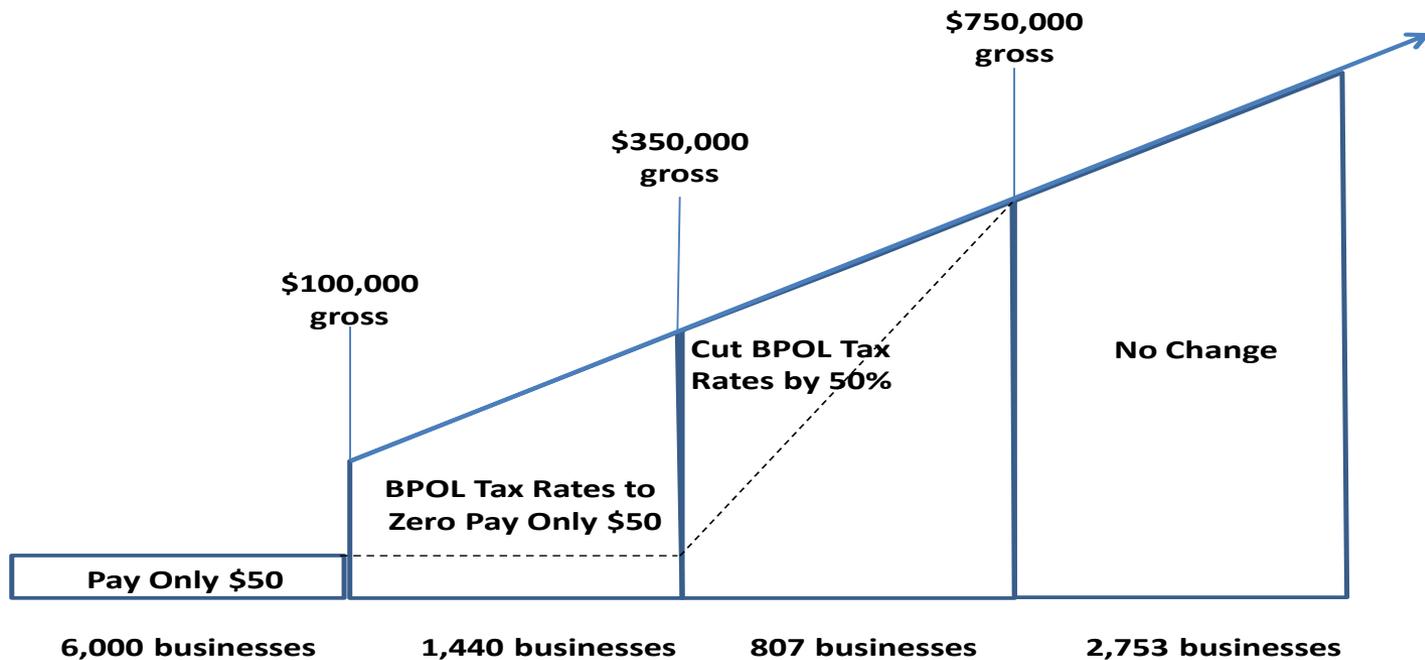
Business License (BPOL) Tax Partial Offset to Add-On Tax

- **\$2 million total benefits package proposed as partial offset**
- **Approximately 2,250 small businesses (45% of total) would have business license taxes eliminated or halved**
- **Tax relief totaling \$1,625,000 annually**
- **Improves business climate for small business**
- **\$375,000 for destination marketing and meetings attraction should generate \$40 million in tourism spending in hotels, retail stores and restaurants**



Business License (BPOL) Tax Partial Offset to Add-On Tax

City of Alexandria Proposed Business License (BPOL) Tax Relief for Small Businesses



Examples of Net Tax Impact

BPOL Reductions & Commercial Add-On Tax

Business Type (# Impacted)	Businesses with \$350,000 Gross Receipts	Businesses with \$700,000 Gross Receipts
Retail (346)	\$212 savings	\$176 cost
Restaurants (164)	\$212 savings	\$176 cost
Professionals (374) (e.g. accountants, lawyers, etc.)	\$1,542 savings	\$1,155 savings
Business, Financial Personal Services (913) (e.g. governmental contractors, etc.)	\$737 savings	\$349 savings

2/8/2011 assumptions: Gross Receipts = \$350 sq.ft.; Real Estate = \$350 sq.ft.; actual savings or costs will vary based on individual business characteristics.

