

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 7, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO # 11: COMMERCIAL ADD-ON TAX FOR
TRANSPORTATION -- RESOLUTIONS

Attached you will find resolutions from both the Transportation Commission and the Planning Commission endorsing the add-on tax for transportation.

Attachments

Resolution to Alexandria City Council to Support Add On Tax

The Alexandria Transportation Commission hereby finds and declares as follows:

WHEREAS on April 7, 2010, the Alexandria Transportation Commission (the Commission) has adopted a long-range plan of transportation projects designed to meet the City of Alexandria's (City) Strategic Goal for a multimodal transportation network that supports sustainable land use and provides internal mobility and regional connectivity for Alexandrians; and

WHEREAS the Commission has identified a subset of High Priority Projects from among projects included in the Long Range Plan that are intended to improve regional connectivity, support economic development, improve quality of life, and address urgent transportation demands within the City; and

WHEREAS the Commission recognizes that the City's existing capital revenue sources are not sufficient to implement these High Priority Projects within the next twenty years; and

WHEREAS the Commission recognizes that the City is considering adoption of an Add-On Tax on Commercial Property and Small Business Tax Relief (Add-On Tax) as an additional source of revenue in the City's fiscal year 2012 budget, to be dedicated to implementing these High Priority Transportation projects; and

WHEREAS the Commission recognizes that a mix of state, Federal and local funds, in addition to an Add-On Tax, may be required to fully implement the High Priority Projects.

NOW, THEREFORE, BE IT RESOLVED BY THE ALEXANDRIA TRANSPORTATION COMMISSION

1. That the Commission endorses the use of an Add-On Tax for funding these High Priority Projects, and supports the adoption of this revenue source in the City's Fiscal Year 2012 Budget.
2. That the Commission respectfully urges City Council to develop a long-range funding strategy that will identify the full range of funding sources available for capital and operating needs, and the projected timing for implementing the list of High Priority Projects, to help guide future funding decisions by City Council.
3. That the Commission respectfully offers to assist with this endeavor by developing a fully prioritized list of High Priority Transportation projects, which will be reviewed and revised through the annual capital planning process.

Adopted March 2, 2011


Kevin Posey, Transportation Commission Chair

PLANNING COMMISSION RESOLUTION

RESOLUTION ON THE PROPOSAL TO ADOPT AN ADD-ON TAX

WHEREAS, Northern Virginia jurisdictions have been authorized since 2007 to levy an add-on tax of up to 12.5 cents per \$100 on commercial and industrial real estate to fund transportation projects; and

WHEREAS, Arlington County has adopted a tax rate of 12.5 cents and Fairfax County has adopted a tax rate of 11 cents under that authority and both have benefitted noticeably from doing so; and

WHEREAS, if the Alexandria rate were set at 12.5 cents, approximately \$10.4 million per year would be collected and, if leveraged through bonds, could amount to a total of approximately \$100 million of usable funds; and

WHEREAS, a transportation tax provides a reliable funding mechanism for capital transportation projects; and

WHEREAS, building transportation projects funded by the tax would foster regional connectivity and aid economic development; and

WHEREAS, transportation is an integral part of planning and land use and thus many decisions of the Planning Commission are transportation related; and

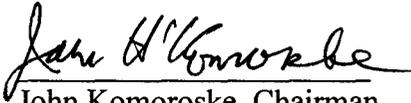
WHEREAS, the City needs to take a more affirmative role in funding transportation in light of declining state support and the uncertainty of additional federal funds; and

WHEREAS, the transportation tax would support the City's past and future planning efforts by helping to build the projects identified in the City's Master Plan, and so be an important tool to implement those projects.

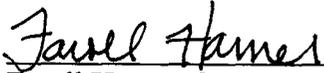
NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Alexandria that:

The Planning Commission supports the adoption of an add-on tax to help fund transportation projects consistent with the Transportation Chapter of the City's Master Plan.

ADOPTED: March 1st, 2011.


John Komoroske, Chairman
Planning Commission

ATTEST:


Faroll Hamer, Secretary