

## Old Town Partnership Concept Overview

*[NOTE: when funding is available, this concept will be used as the basis to create a formal business plan and organization; BID boundaries and rates would be determined through the next phase of the process]*

### What is a business improvement district?

A Business Improvement District (BID) is a defined geographic area where the majority of property owners agree to a supplementary real property tax to pay for services specific to the area - to enhance the public realm and spaces, to assist in business retention and in attraction of new businesses, and to ensure the economic vitality of the area. BIDs typically operate as a nonprofit organization governed by a board of directors.

BID services may include:

- marketing and promotional programs
- capital improvements
- security
- management, maintenance and beautification of the designated area

Commercial properties contribute to funding the BID while residential and tax-exempt properties such as religious, public utility or government properties do not usually contribute. BIDs are a way that community business owners can take action to improve the local character of a neighborhood.

### Legal authority for its creation:

In Virginia, the state grants local jurisdictions the authority to create a BID or “service district.” Specific BID proposals are then considered and adopted by the local jurisdiction in conformity with its respective Service District law. For Alexandria, the City Council would need to adopt a Service District ordinance in order to authorize a specific BID proposal.

### Why do we need a business improvement district?

We have experienced a large number of retail closures in recent months. Our current vacancy rate for office space is 19%. Tax revenue for retail sales has been on the decline. The length of Old Town’s business district, 18 blocks and 1 mile, is a challenge. The nature of retail is changing rapidly with the dominance of online retailers like Amazon. Online retailers garner more sales volume unless retail districts are focused on providing a unique experience. Old Town Alexandria, as our core restaurant and retail district, as well as our historic district and our waterfront, must offer an authentic and unique experience in order to compete with our neighbors, even those within the city limits (such as the new Oakville Triangle development).

Marketing of our unique experiences has fallen primarily on a few small businesses, such as the members of the Old Town Boutique District, which has placed an enormous financial burden on just a few businesses. In addition, the city’s resources alone have not been sufficient in providing all of the services and activities that a business