

# *City of Alexandria, Virginia*

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## **MEMORANDUM**

DATE: MAY 5, 2010

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: ABI LERNER, DEPUTY DIRECTOR, T&ES

SUBJECT: MAY 5, 2010 MEETING – COMMERCIAL REAL ESTATE TAX

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This memorandum provides a brief update on the proposed commercial real estate tax discussed at the April 2010 Transportation Commission Meeting. The intent of this memorandum is to propose a plan to identify transportation projects to be funded by a future commercial real estate tax.

The FY 2011-2020 proposed Capital Improvement Program (CIP) proposed a 3-cent add-on to the commercial real estate tax rate for transportation projects.

The add-on tax is limited to the following uses:

- New road construction and associated planning, design, or right-of-way acquisition, including new additions to, expansions, or extensions of existing roads that add new capacity, service or access;
- New public transit construction and associated planning, design, or right-of-way acquisition, including new additions to, expansions, or extensions of existing public transit projects that add new capacity, service or access;
- Other capital costs related to the new transportation projects that add new capacity, service, or access;
- The operating costs directly related to these projects; or
- The issuance costs and debt service on bonds that may be issued to support the capital costs in these permitted uses.

At its last meeting the Transportation Commission discussed a program to propose transportation projects to be funded by the proposed tax and involve stakeholder groups in the creation of the proposed list of transportation projects to be considered by Council as part of a future budget.

Using the Transportation LRP as the starting point for the universe of transportation projects to be considered, the plan would include the following elements:

- I. Create a sub-committee of the Transportation Commission to:
  - Develop criteria for project selection
  - Add projects to the LRP for consideration
- II. Bring draft transportation project list to the Transportation Commission for discussion
- III. Meet with stakeholder groups and public outreach for input and discussion on draft transportation project list
- IV. Bring transportation project list to the Transportation Commission for recommendation to City Council
- V. Bring transportation project list to City Council for consideration during the FY2012 budget process

Meetings with stakeholder groups and public outreach would occur over the summer and fall of 2010 in time to provide guidance to City Manager and City Council in the early stages of the FY2012 budget process.