

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 11, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JIM HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #111: POTOMAC YARD SPECIAL TAX DISTRICT

This is in response to Councilman Krupicka's inquiry into the status of creating a special tax district in Potomac Yard to help fund transit. A multi-departmental team of City staff is in the initial steps of the process of developing a recommendation for City Council to consider for approval in the fall of this year. This process will include discussions with property owners before any recommendation comes forward to Council. The recommendation will address whether to create a special tax district for an added real estate tax on properties in the Potomac Yard area. Issues to be considered by the team will be the parcels to be included, timing, tax rate, amount of revenues to be generated, and use of the funds. The approved CDD for Potomac Yard contemplated the creation of a special tax district for transit purposes, and that special tax would need to fund transit that is a direct benefit to Potomac Yard residents and property owners.