

# OldTownAlexandriaPatch

## GOVERNMENT

### City Mulls Plan to Impose Tax on Commercial Real Estate to Pay for Transportation Projects

Alexandria is considering adding a tax onto the current commercial real estate tax rate to help pay for key transportation projects that the city says it doesn't have enough funds to pay for.

By **Sharon McLoone** November 29, 2010

The City of Alexandria is beginning to look at ways to pay for key transportation projects and is inviting residents to have a say in its decision-making process as it considers raising commercial real estate taxes.

The city is considering adding a tax onto the current commercial real estate tax rate, similar to actions already taken by Arlington and Fairfax counties.

The city council could approve a tax increase of 12.5 cents per \$100 of assessed value on commercial real estate.

"Funds to pay for priority transportation projects...are extremely limited because of declining federal and state transportation revenue available to finance these projects," according to the city's web site.

Some of these [priority projects](http://alexandriava.gov/uploadedFiles/tes/info/2010-2014PriorityTransProject.pdf) (pdf) include construction of a station entrance at the Eisenhower Avenue metrorail station, construction of high-capacity transit facilities in dedicated lanes along the Duke St. corridor between western Alexandria and Old Town and a trolley service that would run between Old Town and Del Ray.

The Virginia General Assembly in 2007 passed legislation authorizing local governments to mandate a commercial add-on tax to be used only to pay for transportation projects. This tax can be added onto the real estate tax rate for commercial properties only, and local governments can establish the rate during the budget process.

That Virginia legislation also gave the go-ahead for local governments in Northern Virginia to impose a vehicle decal fee and an impact fee. The city imposed an \$8 decal fee beginning in fiscal 2008 but has not imposed the impact fee.

During the fiscal 2011 budget process, the city council requested that staff identify transportation priorities and their related costs. Over the past year, staff has worked with the city's Transportation Commission to prioritize "needed transportation projects and services, and identify local, reliable funding mechanisms," according to a statement by the city.

Over the next two months, the city's Department of Transportation and Environmental Services is conducting a series of community meetings to solicit feedback on the list of priority transportation projects.

The public is encouraged to visit [alexandriava.gov/TransportationAddOnTax](http://alexandriava.gov/TransportationAddOnTax) (<http://www.alexandriava.gov/goto.aspx?u=http%3A//alexandriava.gov/TransportationAddOnTax&i=26&s=content&h=alexandriava.gov/TransportationAddOnTax>) to learn more about the process, and to leave comments online. The city is hosting community meetings on the subject on:

- Wednesday, December 8, 7 p.m. – 9 p.m. Beatley Library Community Room at 5005 Duke St.
- Thursday, January 13, 7 p.m. – 9 p.m. Mount Vernon Recreation Center Community Room at 2701 Commonwealth Ave.

**Do you think the city should impose an additional tax on commercial real estate for pay for transportation projects? Tell us in the comments.**



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