



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of April 19, 2008

DATE: March 28, 2008

SUBJECT: Adopt the Crystal City Business Improvement Service District (“Crystal City BID”) tax rate as part of the overall real estate tax rate.

C. M. RECOMMENDATION:

Adopt a Calendar Year (CY) 2008 tax rate for the Crystal City Business Improvement Service District (“Crystal City BID”) of \$0.043 that is in addition to the current real estate rate, using the attached resolution (Attachment I).

ISSUES: As part of the regular budget process, authorization from the County Board is being requested to set the tax rate for the Crystal City Business Improvement District (CCBID) to fund the FY 2009 budget and work plan of the CCBID. The public hearing for this item was held March 27, 2008.

SUMMARY: The proposed tax rate of \$0.043 per \$100 of assessed value for CY 2008 is a reduction of \$0.002 from CY 2007. A CY 2008 tax rate of \$0.043 would fully fund the FY 2009 proposed budget and work plan submitted by the Crystal City Business Improvement District, Inc.

BACKGROUND: In April 2006, the County Board approved the Crystal City Business Improvement District (“Crystal City BID”) to further promote the development of Crystal City as Arlington’s best downtown area. Modeled after the Rosslyn BID created in 2002, the Crystal City BID was designed to provide marketing (branding / promotion / place-making), community events, transportation, public improvements and public safety. The district, which began operation on July 1, 2006, was created with a five (5) year term, at which time the County Board will be required to reauthorize the District.

The service district levies an ad valorem property tax on real estate located within the district. The District includes only commercial properties, including residential rental properties, commercial office and retail properties. By law, the extra services provided in the District must be directed at properties included within the District. The additional tax levy is established, assessed and collected through the normal County tax billing and collection processes. The

County Manager: _____
County Attorney: _____
Staff: Colleen Donnelly, Management and Finance

County Board, as the governing body, approves the services, appropriation level and management of the District.

DISCUSSION: The business improvement district comprises 138 parcels in the Jefferson Davis Metro corridor. The proposed budget and work program funds enhanced services in the following categories: 1) Marketing, Branding and Promotion; 2) Community Activities and Events; 3) Transportation, Parking, Pedestrian Access and Programs; 4) Public Improvements; and other services as deemed desirable by the Board of Directors and as approved by Arlington County.

For FY 2009, the Crystal City Business Improvement Corporation (RBIC) has proposed a work program and budget for the third year of operation of the BID. The FY 2009 work program has been reviewed and approved by the County Manager and submitted as part of his FY 2009 Proposed Budget. If the work program and budget are accepted by the County Board as part of the FY 2009 budget process, it will require an additional real estate tax levy on properties within the Business Improvement District in the amount of \$0.043 per one hundred dollars of assessed value for CY 2008 which will generate approximately \$2,173,657 for additional services in the BID for FY 2009.

FISCAL IMPACT: There is no fiscal impact to the County for the additional tax rate imposed on the Crystal City Business Improvement District. The County receives 1% of the service district's supplemental tax rate revenue to offset the costs of administering the Crystal City Business Improvement District. These funds are included in the FY 2009 budget.

ATTACHMENT I

RESOLUTION ESTABLISHING A 2008 TAX LEVY RATE FOR THE CRYSTAL CITY BUSINESS IMPROVEMENT DISTRICT (“CRYSTAL CITY BID”)

RESOLVED, that the County Board of Arlington County, acting as the governing body of the Crystal City Business Improvement Service District (“Crystal City BID”), does hereby establish a calendar year 2008 tax levy for the District in the amount of \$0.043 per one hundred dollars of assessed value of all taxable real estate located within the boundaries of the Crystal City Business Improvement Service District (“Crystal City BID”), and;

BE IT FURTHER RESOLVED, that such taxes, when and if appropriated by the County Board, acting as the governing body of the Crystal City Business Improvement Service District (“Crystal City BID”), shall be used solely to fund the Budget and Work Program of the District as adopted by the County Board for the purposes of the District.

Maria Voultides, Clerk
Arlington County Board

ATTACHMENT II

Crystal City Business Improvement District

