

Attachment 4: For Reference – Clean Version of Proposed Ordinance

Sec. 3-2-192 - 5001 Eisenhower Avenue Redevelopment District.

(a) District defined. The 5001 Eisenhower Redevelopment District (the "district") is hereby amended and includes the 2.77+/- acre area that will be subdivided from the current city tax map 068.04-01-20, addressed as 5001 Eisenhower Avenue, to include the office building existing at 5001 Eisenhower Avenue ("Existing Office Building") and adjacent surface parking areas to be used for residential uses, commercial and community space, and open space, which is more particularly shown as "Lot 701; Conversion Parcel" in section 3-2-192(i).

(1) Pursuant to Section 58.1-3219.4 of the Code of Virginia, as amended, the City of Alexandria ("city") is providing for the partial exemption from taxation of improvements to real estate located within the district. The following subsections establish the criteria for determining whether real estate qualifies for the partial exemption authorized by the Code of Virginia, and places restrictions and conditions on the improvements within the district.

(b) Effective date. The start of the partial property tax exemption in the district will be the first January 1 of the second complete year of operations following completion of the conversion of the Existing Office Building as evidenced by issuance of a temporary or final certificate of occupancy for the entire building. The partial property tax exemption in the district shall be in effect for a 25-year period from the start of such partial property tax exemption until December 31 of the twenty-fifth year of such partial property tax exemption.

(c) Tax exemption defined. The partial property tax exemption shall be subject to the following conditions and requirements:

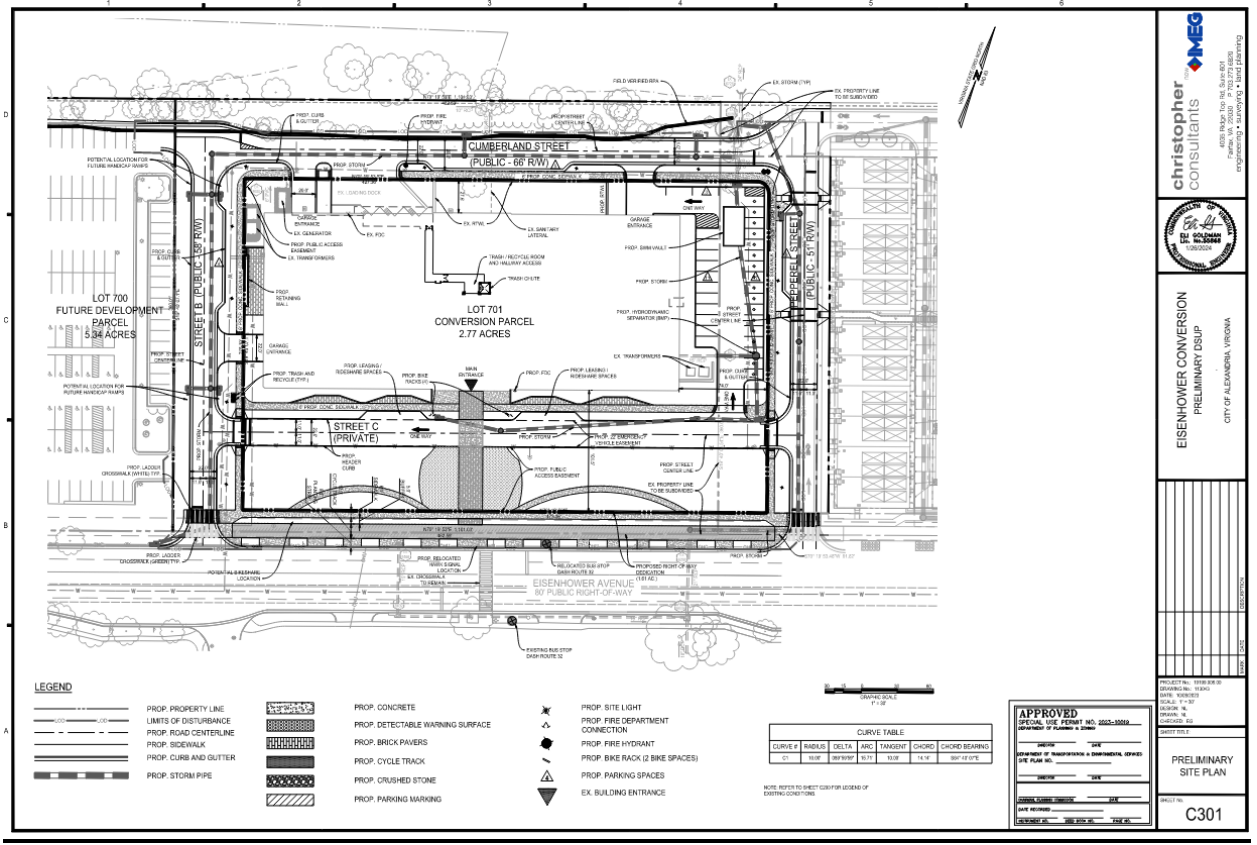
(1) If all requirements in this ordinance and the Performance Agreement described in subsection (e) are met, the city will partially exempt real estate taxes in an amount equal to the increase in assessed value, or percentage thereof, resulting from the construction of improvements to the Existing Office Building, up to an annual maximum of \$1,500,000 in exempted real estate taxes. The cumulative total of exempted real estate taxes over the 25-year period shall not exceed \$31,250,000 unless such number is permitted to be increased pursuant to the Performance Agreement described in subsection (e) herein. In no circumstance shall the cumulative exempted real estate taxes over the 25-year period exceed \$34.375 million.

(2) The exempt amount of real estate taxes on the improvements to the Existing Office Building shall be reduced in annual steps over the 25-year period, as follows:

- (i) Years 1-5: 90% exemption
- (ii) Years 6-10: 80% exemption
- (iii) Years 11-15: 70% exemption
- (iv) Years 16-20: 60% exemption
- (v) Years 21-25: 50% exemption

- 1 (3) The annual assessed value of the land component and building component
2 existing as of January 1, 2025 in the district, reflecting any increases or
3 decreases in assessed value of said land and existing building component
4 from the date of adoption of this ordinance, shall remain fully taxable.
- 5 (d) Annual assessment. The real estate assessments for all land and buildings within the district
6 shall be determined by the director of real estate assessments, and shall be established at
7 fair full market value using the same principles, procedures, and timing of real estate
8 assessments as that established for other similar taxable real estate in the city. The owner
9 of land and improvements within the district shall have the same rights provided to other
10 owners of taxable real estate in the city.
- 11 (e) Performance criteria required. The tax exemption detailed in this article shall be dependent
12 on the following:
- 13 (1) The city manager is authorized and directed to execute, after approval by
14 the city attorney, and on behalf of the city, a performance agreement
15 ("Performance Agreement"), which shall incorporate substantially the same
16 content as that which is attached as Exhibit A and shall be kept on file in
17 the city manager's office. The city manager may perform other such related
18 acts as may be necessary and appropriate pursuant to the Performance
19 Agreement, including those not specifically recited herein or therein, in
20 consultation with the city attorney.
- 21 (2) Before any tax exemption is awarded, the owner of the Existing Office
22 Building must comply with all applicable terms and conditions of the
23 Performance Agreement. If the required conversion of the Existing Office
24 Building is not achieved in a manner consistent with the Performance
25 Agreement, then no tax exemption shall apply, and the city shall then fully
26 tax all land, office building and other improvements in the district.
- 27 (f) Within 60 days of initially achieving the applicable requirements in this ordinance and
28 Performance Agreement, including issuance of a temporary or final certificate of
29 occupancy for the entire building, the owner of the Existing Office Building ("owner")
30 shall certify to the director of housing for the city that such standards have been met with
31 such documentation as may reasonably be required by the director of housing. Upon receipt
32 and review of the owner's certification, the director of housing shall determine if the
33 applicable performance standards have been met, after consultation with the city manager
34 and city attorney, and the director of housing shall then forward such determination to the
35 director of finance for processing of the tax exemption. The director of finance shall notify
36 the owner in writing of the city's determination of performance standard satisfaction.
- 37 (1) After the initial certification, each year by January 15, the owner shall
38 certify to the director of housing that the performance standards required by
39 the ordinance and Performance Agreement were met during the preceding
40 calendar year. The director of housing may require reasonable
41 documentation from the owner to review the owner's annual certification.
42 By March 1 of each year, the director of housing shall review the owner's
43 certification and forward a determination to the director of finance. The
44 director of finance may extend the review period for the director of housing.

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- 2 (g) Covenant running with the land. The partial exemption of real property in the district shall
- 3 be considered a covenant that shall run with the land in the district for a period of 25 years
- 4 from the date of commencement of the partial exemption as defined in Sec. 3-2-192(b).
- 5 Such partial exemption shall not be reduced by the City Council except as provided in this
- 6 ordinance and the Performance Agreement. Provided that all ordinance and Performance
- 7 Agreement requirements remain satisfied, the partial real estate exemption shall not be
- 8 revoked during the 25-year period and shall control the real estate taxes with respect to this
- 9 property irrespective of any change in the applicable city code.
- 10 (h) Nothing in this section or any covenant recorded in the applicable land records shall be
- 11 construed as limiting the city's power to increase or decrease the city's real property tax
- 12 rate, or to levy other taxes, fees or charges in the district.
- 13 (i) Boundaries of district.
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