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| 1 | Introduction and first reading: | January 11, 2022 |
| 2 | Public hearing: | January 22, 2022 |
| 3 | Second reading and enactment: | January 22, 2022 |

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5 INFORMATION ON PROPOSED ORDINANCE

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7 Title

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9 AN ORDINANCE to amend and reordain Division 1 (REAL ESTATE), Article M (LEVY AND
10 COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION) of Title 3 (FINANCE,
11 TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as
12 amended, to add a new section 3-2-193 to establish a tourism zone.
13

14 Summary

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16 Virginia Code § 58.1-3851 was enacted in 2006 and amended in 2008 to provide localities
17 with authority to establish local Tourism Zones. Within the zone, localities can offer
18 qualified business certain state and local tax credits and deductions and certain regulatory
19 flexibility. This ordinance establishes and outlines the local Tourism Zone program.
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21 Sponsor

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23 None
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25 Staff

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27 Stephanie Landrum, President & CEO, Alexandria Economic Development Partnership
28 Christina Mindrup, Vice President, Real Estate, Alexandria Economic Development
29 Partnership
30 Joanna Anderson, City Attorney
31 Christina Zechman Brown, Deputy City Attorney
32 David Lanier, Assistant City Attorney
33 Emily Baker, Deputy City Manager
34 Julian Gonsalves, Assistant City Manager for Public-Private Partnerships
35 Karl Moritz, Director of Planning and Zoning
36 Ann Horowitz, Principal Planner, Planning & Zoning
37

38 Authority

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40 § 58.1-3851, Code of Virginia (1950), as amended
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42 Estimated Costs of Implementation

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44 None
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46 Attachments in Addition to Proposed Ordinance and its Attachments (if any)

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48 None

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ORDINANCE NO. _____

AN ORDINANCE to amend and reordain Division 1 (REAL ESTATE), Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended, to add a new section 3-2-193 to establish a tourism zone.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Division 1, Article M, Chapter 2 of Title 3 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by the addition of a new Section 3-2-193 to read as follows:

Sec. 3-2-193– Tourism Zones

(a) Purpose.

(1) The City of Alexandria finds that becoming a flourishing regional tourism destination requires incentives and determines that an appropriate method of offering incentives is through a Tourism Zone, as authorized by the Code of Virginia §§ 58.1-3851, 58.1-3851.1, and 58.1-3851.2. The City of Alexandria intends to strengthen and expand tourism-related businesses and attractions so as to create jobs, increase investment, promote local heritage, attract out-of-town visitors, and strengthen the city's unique sense of place.

(2) This creation of a Tourism Zone does not affect any other existing requirements for businesses, including zoning regulations.

(b) Administration.

(1) The administrator of the Tourism Zone shall be the city manager, or designee. The administrator shall determine and publish the procedures for obtaining the benefits created by this section and for the administration of this section.

(2) The administrator shall be the single point-of-contact for qualified business owners to take advantage of the Tourism Zone incentive described in this section.

(c) Definitions.

For the purpose of this section the following words and phrases shall have the meanings given below, unless clearly indicated to the contrary:

(1) Gap financing means debt financing to compensate for a shortfall in project funding between the expected development costs of an authorized tourism project and the debt and equity capital provided by the developer of the project.

1 (2) Performance agreement means the agreement entered into by the owner of a qualified tourism
2 business, the economic development authority, and the city, to which is attached a business'
3 proposed plan of development and/or business plan.
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5 (3) Qualified tourism business means a new or existing business whose primary purpose is to
6 establish a destination that attracts tourists and increases travel-related revenue, including
7 lodging, dining, retail, meeting or conference centers, sports facilities, outdoor recreation areas
8 and event venues.
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10 (4) Tourism Zone means a specific geographical area or areas created to foster the development
11 and expansion of tourism businesses in the City of Alexandria.
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13 (d) Boundaries.

14 (1) Tourism Zones shall be established by the council by ordinance upon findings that the
15 incentives provided therein will enhance the establishment and growth of tourism related
16 business within the area under consideration. As Tourism Zones are established by council they
17 shall be further identified in the ordinance by address and Tax Map Number, and when deemed
18 necessary by the city manager or city attorney, by metes and bounds description, which shall be
19 incorporated into and made a part of this section.
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21 (2) The following Tourism Zone is hereby established by this ordinance:
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23 (i) 699 Prince Street Tourism Zone, addressed as 699 Prince Street and 114 South Washington
24 Street, Map-Block-Lot Number 074.02-09-28.
25

26 (e) Incentives.

27 (1) At such time as the city has by ordinance established a tourism plan and a tourism project to
28 meet a deficiency identified in the adopted tourism plan approved by the Virginia Tourism
29 Authority, and if the tourism project has been certified by the State Comptroller as qualifying for
30 the entitlement to tax revenues authorized by Virginia Code §§ 58.1-3851.1 or 58.1-3851.2, as
31 amended, tax revenues generated by the project may be used for gap financing for the project.
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33 (f) Eligibility requirements.

34 (1) A business seeking the benefit of Tourism Zone incentives must be a qualified tourism
35 business and either located or to be located within the boundaries outlined in section 3-2-193(d).
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37 (2) The entitlement to any incentive authorized by this section is conditioned upon the applicant
38 paying any tax imposed by the city, including but not limited to business license taxes, business
39 personal property, meals, transient occupancy, sales, and admissions taxes by the date upon
40 which the tax is due. In the event a business is 30 or more days delinquent on any local tax, such
41 business forfeits any entitlement to any incentive authorized by this section.
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