

Introduction and first reading: January 11, 2022
Public hearing: January 22, 2022
Second reading and enactment: January 22, 2022

INFORMATION ON PROPOSED ORDINANCE

Title

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.

Summary

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

Sponsor

None

Staff

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

Authority

§ 58.1-3851, Code of Virginia (1950), as amended

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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.

4
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.

9
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.

12
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.

32
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).

36
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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2 Section 2. That Section 3-2-193 as amended pursuant to Section 1 of this ordinance,
3 be, and the same hereby is, reordained as part of the City of Alexandria City Code.
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5 Section 3. That this ordinance shall become effective upon the date and at the time of
6 its final passage.
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8 JUSTIN WILSON
9 Mayor
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