



April 17, 2017

The Honorable Allison Silberberg
Mayor, City of Alexandria
301 King Street
Alexandria, VA 22314

Re: Letter of Support for the Approval of an Ordinance Creating the Old Town Business Improvement District (BID)

Dear Mayor Silberberg:

On behalf of the Alexandria Chamber of Commerce, we are writing to express our support for the approval of an ordinance creating an Old Town Business Improvement District (BID) that empowers businesses in said district to invest in and improve the business climate and to determine whether implementation is in their collective best interest.

As seen in many jurisdictions throughout our region, business improvement districts provide models of service and financial support and assist with promotion, appearance, programming, parking, safety, and, attraction of new businesses to the BID's service district.

Additionally, through multiple meetings and request for comments via email, we have engaged with a significant sample of our members, representing a diverse group of businesses located in the proposed service district. Most Chamber members engaged in these ways expressed a supportive view, noting an Old Town BID would positively impact their businesses.

With our support comes the following points of caution:

The Chamber agrees with the two-step process proposed by the BID Exploratory Committee, where the ordinance creating the BID would be adopted this year, but any taxes, and the tax rate itself, would not be set or go into effect until next year. This is an important means of ensuring that dialogue continues with the business community to ensure concerns, such as those included here, are addressed prior to actual implementation.

As noted in our 2017 Legislative Agenda, "the City should ensure that any special tax districts created to support the BID are reasonably tailored to the areas that will be serviced by or benefit from such taxes. Also, the City should make clear that any BID special tax district should tax only benefitting commercial businesses and not surrounding residential properties." We would also note that the tax to fund a BID is different than other taxes of a similar nature proposed in the past. The current proposal limits to the special tax district only to those businesses/commercial properties that would benefit from the services and amenities provided by the BID.

In addition, as our 2017 Legislative Agenda states, "a BID should be implemented to supplement, and not replace, services currently provided to businesses by the City." Given the

current budget climate, we are particularly concerned that city government might use the existence of a BID to reduce other city-provided services to Old Town, thereby freeing up much-needed general funds for projects and services in other parts of the city. City Council, City staff, and the BID governing body must draw up a binding agreement guaranteeing no cutback in general revenue spending in the BID area (compared to two years ago, before BID discussions began which may have influenced city budgeting decisions already) or, if there is a reduction, that it will be no greater proportionally than cutbacks in any other part of the city.


The Chamber also believes it is vital that the election process and the governing board of a BID should be broadly representative. The proposed Old Town BID includes commercial properties that cover a wide geographic range as well as great variety in types of businesses whose interests and needs aren't always precisely aligned. Without offering detailed recommendations, the Chamber believes it is incumbent upon the City and the BID Exploratory Committee to ensure these divergent interests are adequately represented in the BID's eventual governing body.

The Chamber cautions the Council that it should be cognizant of the expected total tax burden on the businesses/commercial properties impacted by the BID's proposed special tax district when considering other increases to the overall tax burden (in the form of taxes and/or fees) in the City's operating budget.

In closing, if implemented with the above concerns addressed, we believe an Old Town BID would increase Old Town Alexandria's competitiveness as a destination for business and enhance the City's overall economic development.

Thank you for giving us the opportunity to comment on such a significant issue for our business community.

Sincerely,



Dak Hardwick
2017 Chamber Board Chairman
Alexandria Chamber of Commerce



Joseph Haggerty
President & CEO
Alexandria Chamber of Commerce

CC
Members of the Alexandria City Council
Mark Jinks, City Manager
Emily Baker, Deputy City Manager
Karl Moritz, Director, Department of Planning & Zoning
Yon Lambert, Director, Department of Transportation & Environmental Services