

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 4, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ORDINANCE TO ASSESS REAL ESTATE TAX ON NEW BUILDINGS THAT ARE SUBSTANTIALLY COMPLETE OR FIT FOR USE AND OCCUPANCY, REGARDLESS OF THE DATE OF COMPLETION

**ISSUE:** Ordinance to assess real estate tax on new buildings that are substantially complete or fit for use and occupancy, regardless of the date of completion.

**RECOMMENDATION:** That City Council pass on first reading and schedule for public hearing, second reading and final passage on June 14, 2003, an ordinance to assess real estate tax on new buildings that are substantially complete or fit for use and occupancy, regardless of the date of completion.

**BACKGROUND:** State law historically has allowed specific localities to make a supplemental assessment on any building that is ready for occupancy, as long as the completion date for the building falls before the first of November. If such a building was completed between November 1 and December 31, the locality had to wait until the following year to revise the assessment on the building to reflect its new value. Under new State law, initiated by the City as part of its 2003 legislative package, the City may now reassess during a calendar year a building completed after November 1.

The Department of Real Estate Assessments has historically issued supplemental assessments on a quarterly basis. With the computer software capability now available to the City today, any property can easily be reassessed at any time during the calendar year, therefore, beginning July 1, 2003, supplemental assessments will be issued on a monthly basis. With the adoption of this ordinance there will be the ability to include all twelve months of each calendar year.

**FISCAL IMPACT:** The fiscal impact will fluctuate from year to year depending on the amount of new construction. There will be additional tax revenues collected. At the time the City's 2003 legislative package was prepared, the annual additional tax revenues were estimated at \$225,000 per year.

**ATTACHMENT:** Proposed Ordinance to Assess Real Estate Tax on New Buildings that are Substantially Complete or Fit for Use and Occupancy, Regardless of the Date of Completion

**STAFF:**

Mark Jinks, Assistant City Manager

Karen Snow, Assistant City Attorney

Cindy Smith-Page, Director, Real Estate Assessments

Introduction and first reading: 6/10/03  
Public hearing: 6/14/03  
Second reading and enactment: 6/14/03

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Section 3-2-187 (ASSESSMENT OF NEW BUILDINGS SUBSTANTIALLY COMPLETED) of Division 1 (REAL ESTATE), ARTICLE M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia 1981, as amended.

Summary

The proposed Ordinance will permit the supplemental real estate tax assessment of new buildings substantially completed after November 1 of the tax year.

Sponsor

Department of Real Estate Assessments

Staff

Cindy Smith-Page, Director, Department of Real Estate Assessments  
Karen S. Snow, Assistant City Attorney

Authority

§ 58.1-3292.1 of the Code of Virginia (1950), as amended by 2003 Acts, Chapter 581.

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 Section 3-2-187 (ASSESSMENT OF NEW BUILDINGS SUBSTANTIALLY COMPLETED) of Division 1 (REAL ESTATE), ARTICLE M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-187 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-187            Assessment of new buildings substantially completed.

All new buildings ~~substantially completed or fit for use and occupancy prior to November 1 of the year of completion~~ shall be assessed when so substantially completed or fit for use and occupancy, regardless of the date of completion or fitness, and the director or real estate assessments shall enter in the books the fair market value of such building. No partial assessment as provided herein shall become effective until information as to the date and amount of such assessment is recorded in the department of real estate assessments and made available for public inspection. The total tax on any such new building for that year shall be the sum of (i) the tax upon the assessment of the completed building, computed according to the ratio which the portion of the year such building is substantially completed or fit for use and occupancy bears to the entire year, and (ii) the tax upon the assessment of such new building as it existed on January 1 of that assessment year, computed according to the ratio which the portion of the year such building was not substantially complete or fit for use and occupancy bears to the entire year. With respect to any assessment made under this section after ~~September~~ November 1 of any year, ~~the no~~ imposed penalty for nonpayment by ~~December 5~~ February 5 of the succeeding year shall be imposed ~~extended to February 5 of the succeeding year~~ until the last to occur of (i) December 5 of such year or (ii) 30 days following the date of the official billing.

Section 2. That this ordinance shall become effective upon the date and at the time of its final passage.

KERRY J. DONLEY  
Mayor

Introduction:            6/10/03  
First Reading:           6/10/03  
Publication:  
Public Hearing:  
Second Reading:  
Final Passage:

N.B.            Redlining is not part of the ordinance but denotes material that is new or amended. Strike-outs or dashes are not part of the ordinance but denote material that is being deleted.

24-32  
6-10-03

- CITY SEAL -

Public Hearing will be held by the City Council of the City of Alexandria, Virginia, in the Council Chamber, City Hall, City of Alexandria, Virginia, on Saturday, June 14, 2003, at 9:30 a.m., or as soon thereafter as may be heard on the hereinafter described ordinances.

TITLE OF ORDINANCE

AN ORDINANCE making provision for the support of the government of the City of Alexandria, Virginia, and for the payment of municipal expenditures by providing supplemental appropriations of amounts required to defray certain expenditures and liabilities of the city for fiscal year 2003, which began on the first day of July 2002 and ends on the thirtieth day of June 2003.

The proposed ordinance appropriates supplemental funds for the operation of city government in fiscal year 2003.

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TITLE OF ORDINANCE

AN ORDINANCE making provision for the support of the government of the City of Alexandria, Virginia, for the payment of interest and principal on the city debt and other municipal expenditures and expenses, and for other purposes, for fiscal year 2004, beginning on the first day of July 2003 and ending on the thirtieth day of June 2004.

The proposed ordinance appropriates funds for the operation of the city government in fiscal year 2004.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain Section 3-2-205 (DUTIES OF REAL ESTATE ASSESSOR; RIGHTS OF AGGRIEVED PARTIES) of Division 2 (TAXATION OF REAL ESTATE DEVOTED TO OPEN-SPACE USE), ARTICLE M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

The proposed ordinance reduces the minimum size requirement for open-space use taxation to one-quarter of an acre.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain Section 3-2-187 (ASSESSMENT OF NEW BUILDINGS SUBSTANTIALLY COMPLETED) of Division 1 (REAL ESTATE), ARTICLE M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia 1981, as amended.

The proposed Ordinance will permit the supplemental real estate tax assessment of new buildings substantially completed after November 1 of the tax year.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain Article A (TAXICABS AND FOR-HIRE VEHICLES) of Chapter 12 (TAXICABS AND OTHER VEHICLES FOR HIRE), Title 9 (LICENSING AND REGULATION) of The Code of the City of Alexandria, Virginia, 1981, as amended, by adding thereto a new Division 7 (CONDITIONS OF CERTIFICATES AND PERMITS).

The proposed ordinance adopts dispute resolution procedures for the taxicab industry to provide a fair and equitable means for taxicab company owners, managers and drivers to work out disputes that arise between companies and drivers. The Taxicab Task Force, the Traffic and Parking Board and City staff have recommended the adoption of such procedures.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain subsection (n) (SECOND PRESBYTERIAN CHURCH ELECTION DISTRICT) of Section 2-2-10 (ESTABLISHMENT OF ELECTION DISTRICTS AND VOTING PLACES), and to amend and reordain "The Official Map of the City of Alexandria, Virginia, Designating Election Districts and Voting Places," adopted by Section 2-2-13 (MAP OF ELECTION DISTRICTS AND VOTING PLACES), all of Chapter 2 (ELECTIONS), Title 2 (GENERAL GOVERNMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended. The proposed ordinance changes the voting place within the Second Presbyterian Church Election District from the Second Presbyterian Church, located at 1400 Janney's Lane, to the Douglas MacArthur School, located at 1101 Janney's Lane. No change is made to the existing boundaries of the election district. However, in accordance with the practice of naming the election districts after the associated voting place, the name of the district is changed to the Douglas MacArthur School Election District. With the sale of

the Second Presbyterian Church property, that site will no longer be available for use as a voting place.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain Ordinance No. 2165, as amended, to grant a one-year extension of franchise rights to Verizon Virginia, Inc., formerly known as Bell Atlantic-Virginia, Incorporated, formerly known as the Chesapeake and Potomac Telephone Company of Virginia.

The proposed ordinance extends the franchise ordinance enacted in 1977, which permits equipment and facilities of Verizon Virginia, Inc. to be located within the public rights-of-way in the City of Alexandria, to April 30, 2004.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain the 1992 Master Plan (1998 ed.) of the City of Alexandria, Virginia, by adopting and incorporating therein the amendments heretofore approved by city council to such master plan as Master Plan Amendment Nos. 2003-0005, 2003-0006 and 2003-0007 and no other amendments, and to repeal all provisions of the said master plan as may be inconsistent with such amendments. The proposed ordinance accomplishes the final adoption of Master Plan Amendment Nos. 2003-0005, 2003-0006 and 2003-0007, to adopt amendments to the Potomac West Small Area Plan Chapter of the 1992 Master Plan (1998 ed.) of the City of Alexandria, Virginia, and to add the Alexandria Open Space Plan and the Strategic Master Plan for Recreation, Parks and Cultural Activities as chapters of the said Master Plan.

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TITLE OF ORDINANCE

AN ORDINANCE to amend and reordain the "Official Zoning Map, Alexandria, Virginia," adopted by Section 1-300 (OFFICIAL ZONING MAP AND DISTRICT BOUNDARIES); to add a new Section 4-1400 (NEIGHBORHOOD RETAIL ZONE (ARLANDRIA)) to Article IV (COMMERCIAL, OFFICE AND INDUSTRIAL ZONES), and to amend and reordain Paragraphs (6) (CDD No. 6 ARLANDRIA CENTER/BERKEY PHOTO) and (7) (CDD No. 7 ROUTE 1 PROPERTIES) of, and to add a new Paragraph (12) (CDD No. 12 SAFEWAY/DATATEL) to, Subsection (A) (CDD DISTRICTS), of Section 5-602 (COORDINATED DEVELOPMENT DISTRICTS CREATED, CONSISTENCY WITH MASTER PLAN, REQUIRED APPROVALS), all of the City of Alexandria Zoning Ordinance, in accordance with the said zoning map and text

amendments heretofore approved by city council as Rezoning No. 2003-0003 and Text Amendment No. 2003-0003.

The proposed ordinance accomplishes the final adoption of Rezoning No. 2003-0003 and Text Amendment No. 2003-0003, to implement the zoning changes required by the recently approved amendments to the Arlandria portion of the Potomac West Small Area Plan Chapter of the City's Master Plan.

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THE PUBLIC IS ADVISED THAT AMENDMENTS OR ADDITIONS MAY BE MADE TO PROPOSED ORDINANCES WITHOUT FURTHER PUBLICATION. IT IS RECOMMENDED THAT PERSONS INTERESTED IN ANY OF THESE ORDINANCES OBTAIN A FREE FULL-TEXT COPY FROM THE CITY CLERK AT CITY HALL. JACKIE HENDERSON, CMC, CITY CLERK

To be published in the:

Northern Virginia Journal on Thursday, June 12, 2003  
Alexandria Gazette Packet on Thursday, June 12, 2003

ORDINANCE NO. 4306

AN ORDINANCE to amend and reordain Section 3-2-187 (ASSESSMENT OF NEW BUILDINGS SUBSTANTIALLY COMPLETED) of Division 1 (REAL ESTATE), ARTICLE M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia 1981, as amended.

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All new buildings shall be assessed when substantially completed or fit for use and occupancy, regardless of the date of completion or fitness, and the director or real estate assessments shall enter in the books the fair market value of such building. No partial assessment as provided herein shall become effective until information as to the date and amount of such assessment is recorded in the department of real estate assessments and made available for public inspection. The total tax on any such new building for that year shall be the sum of (i) the tax upon the assessment of the completed building, computed according to the ratio which the portion of the year such building is substantially completed or fit for use and occupancy bears to the entire year, and (ii) the tax upon the assessment of such new building as it existed on January 1 of that assessment year, computed according to the ratio which the portion of the year such building was not substantially complete or fit for use and occupancy bears to the entire year. With respect to any assessment made under this section after November 1 of any year, no penalty for nonpayment shall be imposed until the last to occur of (i) December 5 of such year or (ii) 30 days following the date of the official billing.

Section 2. That this ordinance shall become effective upon the date and at the time of its final passage.

KERRY J. DONLEY  
Mayor

Final Passage:            June 14, 2003