

30
6-14-03

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 12, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ORDINANCE TO AMEND THE MINIMUM ACREAGE THAT MAY BE DEDICATED TO OPEN-SPACE USE FROM FIVE ACRES TO ONE-QUARTER OF AN ACRE - ADDITIONAL INFORMATION

In response to the questions raised by Council members Tuesday night during the first reading of the ordinance to amend the minimum acreage that may apply for open space use assessment, the following response is provided.

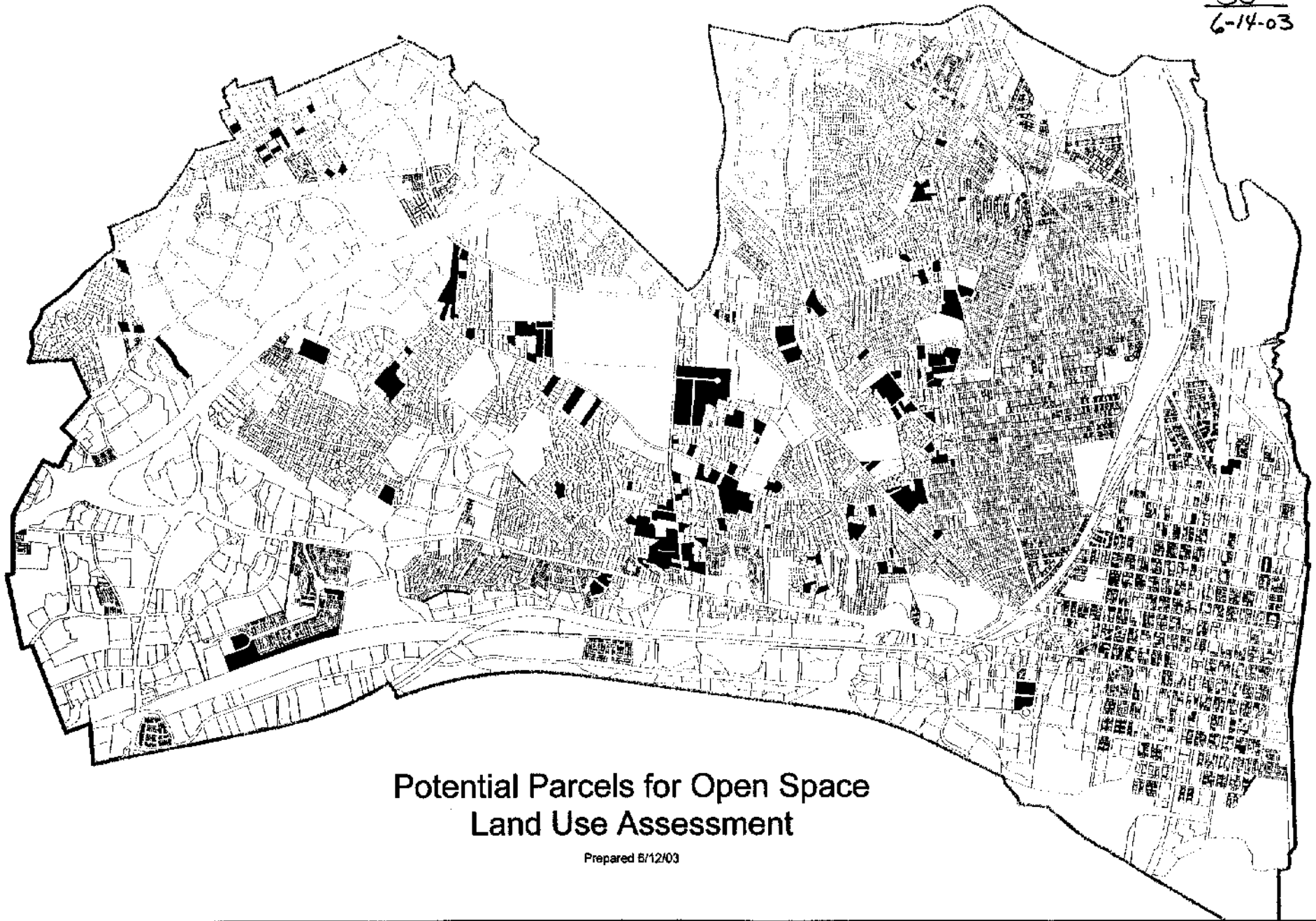
The question Councilwoman Eberwein and others raised was where the properties are likely to be located which are eligible for the proposed open space land use assessment. Since the applicability of the reduced acreage criteria for an open space assessment would not only impact unimproved subdivided lots, but also large lots where there have been improvements (such as a house, garage, commercial structure, etc.), any identification of the potential sites for open space assessment would have to include properties where there are improvements and where there is sufficient, eligible contiguous open space. As a result, to have an accurate list of eligible properties, one would have to have open space measurements within each potential lot. The City does not have that data, as in most cases neither the City nor the property owner has had sufficient reason to date to gather the information.

As a result of this data availability problem, staff determined that using the real estate assessments land use data base categories of "detached residential property of over 30,000 square feet" and "vacant residential land" would give some rough idea of the most likely parcels where the owners might apply for open space land use assessment if the City standard was lowered from five acres to one-quarter of an acre. The results of the Geographic Information System (GIS) database search, which have been mapped and are attached, indicate that there are 216 residential parcels in these two land use categories. It is likely that the number of parcels which are possible candidates for open space land use assessment is somewhat larger as no multi-family, industrial or commercial properties were included in this data sort, as only a few of these properties may have sufficient open space to qualify for open space land use assessment. As indicated in the attached map, most of the identified areas are in the central area of the City where residential lot sizes are the largest, and therefore are most likely to qualify. Also, it should be noted that the Winkler Preserve (not noted on the map) is the only parcel in the City which currently qualifies under the existing five acres or more requirement.

This proposed ordinance change was initiated by staff as a followup to (1) the City Council legislative package initiative in 2002 which specifically requested the legislative authority to change the five acre minimum for open space assessment to one-quarter of an acre, and (2) the City Council Spring 2003 adopted *Master Plan for Open Space* which set "protecting privately-owned open space" as one of its specific goals. However, this change does have a fiscal impact and the nature of how its structure works makes it an imperfect tool. It would seem that the issue before Council is whether or not this particular tool to protect and preserve open space is worth a possible \$140,000 per year annual cost. If Council is unsure of whether or not to proceed at this time, this proposal could be referred to the Park and Recreation Commission and/or BFAAC to obtain their input.

Attachment: Potential Parcels for Open Space Assessment

Staff: Cindy Smith-Page, Director, Real Estate Assessments
Mark Jinks, Assistant City Manager



Potential Parcels for Open Space Land Use Assessment

Prepared 5/12/03

City of Alexandria, Virginia

MEMORANDUM

30
6-14-0326
6-10-03

DATE: JUNE 5, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ORDINANCE TO AMEND THE MINIMUM ACREAGE THAT MAY BE DEDICATED TO OPEN-SPACE USE FROM FIVE ACRES TO ONE-QUARTER OF AN ACRE

ISSUE: Ordinance to amend the minimum acreage that may be dedicated to open-space use from five acres to one-quarter of an acre.

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 amend the minimum acreage that may be dedicated to open-space use from five acres to one-quarter of an acre.

BACKGROUND: Currently property owners in the City of Alexandria currently must have a minimum of five acres to apply and qualify for an open-space assessment. This is the minimum acreage requirement prior to an amendment to the state law to the new quarter-acre minimum. This amendment was a City Council initiative. An open space assessment is one that reduces the assessed value from a zoning-based market basis to a basis that reflects the land's status as unimproved open space. This method is used widely across the United States, typically most often in rural jurisdictions like Loudoun County where the preservation of agricultural or woodlands is a desired public policy objective. It is recognized as a useful tool in preserving open space.

Since Alexandria is an urban, largely developed jurisdiction, typical lot and remaining open space areas in the City are significantly smaller than five acres. There has only been one open-space assessment in the City to date (the Winkler Nature Preserve), and this ordinance would allow property owners of smaller lots having at a minimum one-quarter of an acre (10,890 square feet) of open space to have the ability to apply for an open-space assessment. Open space in general is defined as open space which is not associated with any buildings or major physical structures (like swimming pools, parking lots, etc) on the property where the open space assessment is being requested. A vacant parcel where density has been transferred to an adjacent parcel would not qualify for an open space assessment. Landscaping improvements such as shrubs, gardens, walls, trees and fences, paths would not likely disqualify a parcel from open space assessment.

Open space assessments are not perpetual and legally binding like permanent open space easements. As a result state law requires that in the event that the open space use changes to an active use (such as construction of a dwelling), that the open space assessment is terminated and that the property owner is required to remit back to the locality the difference in taxes between a zoning, market based assessment and the open space assessment for the prior five years.

FISCAL IMPACT: The fiscal impact is difficult to measure because it is unknown how many property owners may apply and/or qualify for the open-space assessment. However, the total fiscal impact to the City is likely to be less than \$140,000 per year. To put the fiscal impact in perspective, a buildable, vacant area for a single family house may have an assessed value of \$300,000. A land use assessment may lower that by 90% to \$30,000. As a result the real estate tax bill would drop about \$2,800 per year. If 50 parcels qualify for land use assessment then the cost of this open space initiative would be about \$140,000 per year over time. It is likely that it will take a number of years to reach the 50 parcel open space assessment level.

The fiscal impact of this would be not only be the cost of the tax dollars lost in the assessed value, but also increased administrative costs to monitor the program and determine the fair market value and the use-value for each parcel that qualifies for the open space exemption.

ATTACHMENT: Proposed Ordinance to Amend the Minimum Acreage that May Be Dedicated to Open-Space Use From Five Acres To One-Quarter of an Acre

STAFF:

Mark Jinks, Assistant City Manager

Karen Snow, Assistant City Attorney

Cindy Smith-Page, Director, Real Estate Assessments

30
6-14-03

26
6-10-03

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 3-2-205 (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.

Summary

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

Sponsor

Department of Real Estate Assessments

Staff

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

Authority

§ 58.1-3233(2) of the Code of Virginia (1950), as amended.

Estimated Costs of Implementation

None

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

None

30
6-14-03

86
6-10-03

ORDINANCE NO. _____

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 CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-205 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. 3-2-205 Duties of real estate assessor; rights of aggrieved parties.

Upon the receipt of an application, and prior to assessment of any parcel of real estate under the provisions of this division, the real estate assessor shall determine that the real estate devoted to open-space use consists of a minimum of ~~five acres~~ one-quarter of an acre and that such real estate meets the criteria set forth in section 3-2-201 and the standards prescribed thereunder to qualify for open-space use; he may request an opinion from the state director of the department of conservation and economic development, state commission of outdoor recreation or state commissioner of agriculture and commerce. Upon the refusal of the commissioner of agriculture and commerce, the director of the department of conservation and economic development or the director of the commission of outdoor recreation to issue an opinion, or in the event of an unfavorable opinion which does not comport with standards set forth in the statement filed pursuant to this section, the party aggrieved may seek relief from the Circuit Court of the City of Alexandria, and in the event that the court finds in his favor, it may issue an order which shall serve in lieu of an opinion for the purposes of this section.

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: 6/12/03
Public Hearing: 6/14/03
Second Reading: 6/14/03
Final Passage: 6/14/03

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.