

City of Alexandria, Virginia

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MEMORANDUM

DATE: APRIL 20, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: BUDGET MEMO # 85 COMMERCIAL PARKING TAX

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This memo is in response to Councilman Krupicka's request for information on a possible commercial parking tax. Last year, the City Attorney issued an opinion (copy attached) concluding that the Council has the authority, by ordinance, to levy a tax on parking where an hourly, daily, monthly or other fee is charged for the use of a parking space. Administration of the tax would not be difficult. To staff's knowledge this tax is not in place anywhere else in Virginia, therefore, its effect on local businesses and parking garage operators as well as its fiscal impact is not currently known. The commercial parking tax would be a possible item for the Budget and Fiscal Affairs Advisory Committee (BFAAC) to study during FY 2006.

In response to your question of dedication of this tax for transit purposes while there is logic to dedicating this tax for transit (Metro, DASH, etc.), staff would prefer that this tax if implemented not be formally dedicated to transit. However, it could help increase City funding of transit without being formally dedicated.