

CITY COUNCIL OF ALEXANDRIA, VIRGINIA**Special Meeting
Monday, May 2, 2005 - - 7:00 p.m.**

Present: Mayor William D. Euille, Vice Mayor Redella S. Pepper, Members of Council Ludwig P. Gaines, K. Rob Krupicka, Andrew H. Macdonald, Paul C. Smedberg and Joyce Woodson.

Absent: None.

Also Present: Mr. Hartmann, City Manager; Mr. Pessoa, City Attorney; Ms. Evans, Assistant City Manager; Mr. Jinks, Assistant City Manager; Ms. Gordon, Public Information Officer; Ms. Boyd, Director, Citizen Assistance; Mr. Neckel, Director, Finance; Mr. Johnson, Director, Office of Management and Budget; Mr. Kincannon, Director, Parks, Recreation and Cultural Activities; Mr. Culpepper, Deputy Director, T&ES; Ms. Fogarty, Director, Planning and Zoning; Ms. Smith-Page, Director, Real Estate Assessments; Ms. Taylor, Budget Analyst, OMB; Ms. Padron, Budget Analyst; Ms. Moore, Budget Analyst; Mr. Coleman, Budget Analyst; Mr. Doku, Budget Analyst; Ms. Murphy, Budget Analyst; Mr. Routt, Budget Analyst; Ms. Webster, OMB; Mr. Fifer, E-Government Manager, Information Technology; Mr. Herway, Acting Director, Information Technology; Fire Chief Mesaris; Police Chief Samarra; Mr. Colevas, ITS; Police Lt. Uzzell; and Mr. Farid, General Services.

Recorded by: Jackie M. Henderson, City Clerk and Clerk of Council

OPENING

1. Calling the Roll.

The meeting was called to order by Mayor Euille, and the City Clerk called the roll; all the members of City Council were present.

REPORTS AND RECOMMENDATIONS OF THE CITY MANAGER FOR DISCUSSION

2. Consideration of the Proposed Annual Operating Budget for FY 2006 (including Schools) and the Proposed Capital Improvements Program for FY 2006-2011 (including the School CIP.)

WHEREUPON, upon motion by Vice Mayor Pepper, seconded by Councilwoman Woodson and carried 6-1, City Council moved to adopt the proposed operating budget of expenditure levels of \$467,829,951 and revenue levels of \$467,829,951, with the following amendments to the City Manager's proposed budget: reflecting revenue reestimates as specified in budget memorandum #49, dated April 16, 2005; and reflecting additions and deletions, fund balance designation changes, and cash capital reductions as proposed in budget memorandum #48, dated April 16, 2005. The first group of amendments are Revenue changes due to changes in set-aside for Affordable Housing Purposes: reduce set-aside of Recordation Tax for affordable housing purposes and increase General Fund Revenue by the same amount for an increase of \$1,110,185.

Additional Expenditure Adjustments are: add funds for the dedication of \$0.01 of the real property tax rate of \$0.915 for affordable housing purposes for an Increase of \$2,760,185; add funds to the Department of Human Services for the Senior Tax Program for an Increase of \$14,000; add funds to the Alexandria Convention and Visitors Association for an increase of \$50,000; add funds to the Alexandria Small Business Development Center for an increase of \$60,000; add funds to the Non-Departmental account for the Marketing Fund for an increase of \$35,000; add funds to the Non-Departmental account for First Night Alexandria for an increase of \$25,000; add funds to Northern Virginia Regional Park Authority for a one-time grant for Carlyle House for an increase of \$10,000; add funds to the Department of Human Services for Campagna Center's Head Start for improving employee compensation for an increase of \$150,000; add funds to the Department of Human Services for a Preschool Review Project for an increase of \$5,000; add funds to the Fire Department for the "Be Ready, Alexandria" Campaign for an Increase of \$20,000; add funds to the Office of Historic Alexandria for additional funding for the Pipes and Drum Band for an increase of \$3,000; and add funds to the Department of Transportation and Environmental Services for Election Sign Recycling for an increase of \$1,500.

The following changes in the Contingent Reserves were made: delete \$373,500 from Contingent Reserves; designate \$50,000 within the Contingent Reserves for the Arts Commission to plan for and implement a study on the establishment of a public arts initiative and related activities.

The motion further includes: approval of a COLA of 2.0 percent for City employees, including the City Manager, City Attorney, City Clerk, and for City Council Aides and the Mayor's Aides; approval of merit step increases for all eligible employees; approval of an increase of employer share of health care benefits; approval of the funding needed to implement the results of the Pay Benchmark Study in accordance with Council's adopted compensation philosophy; approval of an increase in employer share of the Supplemental Retirement System, and the old pension plan for Fire and Police; and approval of adjustments to the salary scale to add a "P" step to the City's salary scale.

The proposed amendments result in no change in the appropriation from Fund Balance in the amount of \$4,330,000. The elements of the motion result in a real property tax rate of \$0.915, with \$0.01 being designated for the cash capital contribution to the capital projects fund for Open Space, and with \$0.01 being designated for affordable housing purposes; and a personal property tax rate of \$4.75. The voting was as

follows:

Pepper	"aye"	Gaines	"aye"
Woodson	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"no"
	Smedberg	"aye"	

WHEREUPON, upon motion by Vice Mayor Pepper, seconded by Councilwoman Woodson and carried 6-1, City Council adopted the proposed FY 2006 to FY 2011 Capital Improvement Program of \$326,776,457 in total, with \$67,811,626 in FY 2006; \$66,866,582 in FY 2007; \$83,469,735 in FY 2008; \$52,255,654 in FY 2009; \$31,117,384 in FY 2010; and \$25,255,476 in FY 2011, with the following changes to the City Manager's proposed Capital Improvement Program: reflecting revenue reestimates as specified in budget memorandum #49, dated April 16, 2005; and reflecting additions and deletions, fund balance designation changes, and cash capital reductions as proposed in budget memorandum #48, dated April 16, 2005. The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Woodson	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"no"
	Smedberg	"aye"	

ORDINANCES AND RESOLUTIONS

3. Second Reading and Final Passage of an Ordinance to Establish the Real Estate and Personal Property Tax Rates For Calendar Year 2005. (#18, 3/22/05 and #13, 4/16/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilman Smedberg, seconded by Councilman Macdonald and carried unanimously, City Council set the City's 2005 real property tax rate at \$0.915 (91 1/2 cents) on each \$100 of assessed value, a reduction of \$0.08 (8 cents) from the 2004 rate. Personal property tax rates remain unchanged from 2004. The sum of \$0.01 (one cent) on each \$100 of assessed value, out of the \$0.915 real property tax rate, continues to be dedicated to the Open Space Trust Fund account. In addition, the sum of \$0.01 (one cent) on each \$1.00 of assessed value, out of the \$0.915 real property tax rate, will be dedicated for affordable housing purposes, beginning July 1, 2005. The voting was as follows:

Smedberg	"aye"	Pepper	"aye"
Macdonald	"aye"	Gaines	"aye"
Euille	"aye"	Krupicka	"aye"
	Woodson	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4396

AMENDMENT IN THE NATURE OF A SUBSTITUTE

AN ORDINANCE to amend and reordain Section 3-2-181 (LEVIED; AMOUNT) of Division 1 (REAL ESTATE), and Section 3-2-221 (LEVIED ON TANGIBLE PERSONAL PROPERTY OTHER THAN MOBILE HOMES, AUTOMOBILES, TRUCKS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTOR VEHICLES WITH SPECIALLY DESIGNED EQUIPMENT FOR USE BY THE HANDICAPPED, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT), Section 3-2-222 (LEVIED ON MACHINERY AND TOOLS USED IN MINING OR MANUFACTURING BUSINESS; AMOUNT), Section 3-2-223 (LEVIED ON MOBILE HOMES; AMOUNT) and Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), all of 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.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-181 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. 3-2-181 Levied; amount.

There shall be levied and collected for the calendar year ~~2004~~ 2005 on all real estate located within the territorial boundaries of the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of ~~\$.995~~ \$.915 on each \$100 of the assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 2. That Section 3-2-221 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. 3-2-221 Levied on tangible personal property other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and boat trailers; amount.

There shall be levied and collected for the calendar year 2004 2005 on all tangible personal property, other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and trailers, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 3. That Section 3-2-222 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. 3-2-222 Levied on machinery and tools used in mining or manufacturing business; amount.

There shall be levied and collected for the calendar year 2004 2005 on all machinery and tools used in a mining or manufacturing business taxable on capital and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.50 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 4. That Section 3-2-223 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. 3-2-223 Levied on mobile homes; amount.

There shall be levied and collected for the calendar year 2004 2005 on all vehicles without motor power, used or designed to be used as mobile homes as defined in section 46.2-100 of the Code of Virginia, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of ~~\$-.995~~ \$.915 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city

debt and for other municipal expenses and purposes.

Section 5. That Section 3-2-224 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. 3-2-224 Levied on automobiles, trucks, trailers, semi-trailers, antique motor vehicles, taxicabs, motorcycles, campers and other recreational vehicles, boats and trailers; amount.

(a) Except as provided in subsections (b), (c) and (d), there shall be levied and collected for the calendar year ~~2004~~ 2005 on all automobiles, trucks, trailers, semi-trailers, antique motor vehicles (as defined in section 46.2-100 of the Code of Virginia, 1950, as amended, which may be used for general transportation purposes as provided in subsection C of section 46.2-730 of the Code of Virginia, 1950, as amended), taxicabs, motorcycles, campers and other recreational vehicles, boats and boat trailers owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs for taxation in the city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(b) There shall be levied on and collected for the calendar year ~~2004~~ 2005 on all automobiles, trucks, trailers and semi-trailers with a gross vehicle weight of 10,000 pounds or more which are used to transport property for hire by a motor carrier engaged in interstate commerce, and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$4.50 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(c) There shall be levied on and collected for the calendar year ~~2004~~ 2005 on all automobiles and trucks which are equipped with specially designed equipment for use by the handicapped and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$3.55 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(d) There shall be levied on and collected for the calendar year ~~2004~~ 2005 on all privately owned pleasure boats and watercraft, which are used for recreational purposes only, and are owned or held by residents or citizens of the city, or are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$.01 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 6. That this ordinance shall become effective January 1, 2005, *nunc pro tunc* .

4. Second Reading and Final Passage of an Ordinance to Increase Real Estate Tax Relief For Senior, Disabled and Limited Income Residents. (#17, 4/12/05 and #24, 4/26/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilman Gaines, seconded by Vice Mayor Pepper and carried unanimously, City Council finally passed the ordinance to increase the real estate tax relief for senior, disabled and limited income residents, by providing a prorated exemption or deferral for residents who become 65 or disabled during a tax year, and to increase the maximum household income limit for eligible households by increasing to \$10,000 the amount of income of each relative in the household which is excluded in calculating household income. In addition, the ordinance increases the City's Affordable Home Ownership Preservation program for owner/occupants with limited incomes, but who are not elderly or disabled, by increasing the maximum grant to be applied against the residents real estate tax bill to \$275, \$475 or \$675, depending on household income, and increasing the maximum assessed value of an eligible residence to \$442,000. The voting was as follows:

Gaines	"aye"	Krupicka	"aye"
Pepper	"aye"	Macdonald	"aye"
Euille	"aye"	Smedberg	"aye"
	Woodson	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4390

AN ORDINANCE to amend and reordain Article L (REAL ESTATE TAX RELIEF), of Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article L, Chapter 2, Title 3 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:

ARTICLE L Real Estate Tax Relief

Sec. 3-2-160 Short title.

This article shall be known as the City of Alexandria Real Estate Tax Relief Ordinance.

DIVISION 1 Real Estate Tax Exemption or Deferral For Elderly or Permanently and Totally Disabled Persons

Sec. 3-2-161 Definitions.

The following words and phrases shall, for the purposes of this division, have the following respective meanings, except where the context clearly indicates a different meaning:

- (1) Applicant. Any natural person who claims an exemption or deferral under section 3-2-165.
- (2) Reserved.
- (3) Deferral. A deferral of the obligation to pay real estate taxes granted pursuant to the provisions of this division.
- (4) Dwelling. The building, or portion of a building, which is owned, at least in part, by an applicant, which is the sole residence of the applicant and which is a part of the real estate for which an exemption from or deferral of taxes is sought pursuant to this division.
- (5) Exemption. An exemption from the obligation to pay real estate taxes granted pursuant to the provisions of this division.
- (6) Net combined financial worth of applicant. The value of all assets of an applicant, of an applicant's spouse and of any other person who is an owner of and resides in the applicant's dwelling, calculated as of December 31 of the calendar year immediately preceding the taxable year; provided, that the value of the applicant's dwelling, of household furnishings in the dwelling and of up to two acres of the land on which the dwelling is situated shall be excluded.
- (7) Permanently and totally disabled persons. An applicant certified as provided by section 3-2-165(d) and found by the city manager to be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such applicant's life.
- (8) Relative. Any person related by blood or marriage to an applicant who uses the applicant's dwelling as his or her principal residence, other than a spouse.
- (9) Taxes owed for the year. The amount of real estate taxes levied on the dwelling of the applicant for the taxable year.

- (10) Taxable year. The current calendar year for which an exemption or deferral is claimed.
- (11) Spouse. The husband or wife of any applicant who resides in the applicant's dwelling.
- (12) Total combined income of applicant. The annual gross income from all sources, calculated as of December 31 of the calendar year immediately preceding the taxable year, of the applicant, of the applicant's spouse, of any relative of the applicant who resides in the dwelling, and of any other person who is an owner of and resides in the applicant's dwelling; provided, that up to ~~\$8,500~~ \$10,000 of the income of any such relative shall be excluded and, provided further, that up to ~~\$7,500~~ \$10,000 of the income of any applicant, and any other owner residing in the dwelling, who is permanently disabled shall be excluded.
- (13) Notwithstanding the provisions of subsection (12), above, if an applicant proves to the director of finance, by clear and convincing evidence, that the applicant's physical or mental health has deteriorated to the point that the only alternative to permanently residing in a hospital, nursing home, convalescent home or other facility for physical or mental care, is to have a relative move in and provide care to the applicant, and if a relative does actually move in and provide such care, then none of the income of the relative and of the relative's spouse shall be counted towards the total income of the applicant; provided, however, that the applicant has not transferred to the relative assets in excess of \$10,000, without adequate consideration, within a three-year period prior to or after the relative moves into the dwelling.

Sec. 3-2-162 Exemption or deferral--provided.

There is hereby provided to any natural person who is or becomes 65 years of age or older during the taxable year or who is or becomes permanently and totally disabled during the taxable year, or is or becomes both, at such person's election, an exemption from or deferral of taxation on the real estate in the city which is owned, in whole or in part, and is occupied by such person as his or her sole dwelling. There is also hereby provided to any person who is less than 65 years of age and is not disabled, at the election of such person and his or her spouse, an exemption from or deferral of taxation on the real estate in the city which such person owns jointly with his or her spouse and which they occupy as their sole dwelling, provided the spouse is or becomes 65 years of age or older during the taxable year or is or becomes permanently and totally disabled during the taxable year. The real estate tax exemption or deferral provided for in this section shall be subject to the restrictions, limitations and conditions prescribed by this division and sections 58.1-3210 through 58.1-3218 of the Code of Virginia (1950), as amended.

Sec. 3-2-163 Same--eligibility, restrictions generally.

Exemptions from or deferral of real estate taxation in any taxable year shall be granted subject to the following restrictions and conditions:

- (1) The total combined income for the calendar year immediately preceding the taxable year of an applicant may not exceed the limits established by section 3-2-166.
- (2) The net combined financial worth of an applicant may not exceed \$240,000.
- (3) As of January 1 of the taxable year, the applicant must occupy the real estate for which the exemption or deferral is sought as his or her sole residence and must be expected to so occupy the real estate throughout the year; provided, that an applicant who is residing in a hospital, nursing home, convalescent home or other facility for physical or mental care shall be deemed to meet this condition so long as the real estate is not being used by or leased to another for consideration.
- (4) An applicant shall file the affidavit or written statement, or annual certification, required by section 3-2-165 no later than April 15 of the taxable year.
- (5) Interest on any taxes deferred under this article division shall accrue at the rate of five percent per annum from the date by which such taxes were required to be paid to the date on which such taxes are paid in full. Any and all deferred taxes shall constitute a single lien upon the applicant's real estate as if no deferral had been granted and the taxes had been assessed but not paid. To the extent it exceeds, in the aggregate, 10 percent of the price for which such real estate is sold or, if not sold, 10 percent of its assessed value, any such lien shall be inferior to all other liens.

Sec. 3-2-164 Same--administration by city manager.

The exemption from or deferral of payment of real estate taxes for elderly or permanently and totally disabled persons shall be administered by the city manager according to the provisions of this division. The city manager is hereby authorized and empowered to prescribe, adopt, promulgate and enforce such rules and regulations in conformance with the provisions of this division, including the requirement of answers under oath, as may be reasonably necessary to determine eligibility for exemption or deferral. The city manager may require the production of certified tax returns and appraisal reports to establish total combined income or net combined financial worth.

Sec. 3-2-165 Same--procedure for claim.

- (a) For taxable year 2003, and every third taxable year thereafter, and not later

than April 15 of the taxable year, any applicant claiming an exemption or deferral of real estate taxes under this division shall file with the city manager, in such manner as the manager shall prescribe and on forms to be supplied by the city, an affidavit or written statement providing the following:

- (1) the name and age of the applicant;
- (2) a statement whether the applicant is permanently and totally disabled;
- (3) the address of the real estate for which the exemption or deferral is claimed;
- (4) the names of the applicant's spouse and of the relatives of the applicant and any other owners of the real estate who reside in the applicant's dwelling;
- (5) the total combined income of the applicant as defined in section 3-2-161(12);
- (6) the net combined financial worth of the applicant as defined in section 3-2-161(6);
- (7) the applicant's election of an exemption or deferral;
- (8) the name and addresses of all owners of the real estate other than the owners who reside therein; and
- (9) such additional information as the city manager reasonably determines to be necessary to determine eligibility for exemption or deferral of real estate taxes pursuant to this division.

(b) If, after audit and investigation, the city manager determines that the applicant is eligible for an exemption or deferral, the manager shall so certify to the director, who shall deduct the amount of the exemption from the applicant's real estate tax liability or defer such tax liability as herein provided.

(c) Any provision of this division to the contrary notwithstanding, the director may declare eligible to apply for an exemption or deferral any person filing the affidavit or written statement required by subsection (a), or the written certification required by subsection (f), after April 15 but before November 15 of the taxable year, provided good cause is shown for the failure to file the affidavit, statement or certification on or before April 15 of the taxable year.

(d) Any applicant under 65 years of age claiming an exemption or deferral on the basis of a permanent and total disability shall attach to the affidavit or written statement required by subsection (a), or the written certification required by subsection (f), a certification by the Social Security Administration or, if the person is not eligible for social security, an affidavit by two medical doctors licensed to practice medicine in the commonwealth to the effect that the person is unable to engage in any substantial

gainful activity by reason of a medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of the person's life.

(e) Any applicant initially claiming an exemption or deferral of real estate taxes under this division, in a taxable year other than 2003, shall file for such taxable year the affidavit or written statement required by subsection (a). Thereafter, such applicant shall file an affidavit or written statement, or a written certification, as required by subsection (a) or (f).

(f) For each taxable year as to which an affidavit or written statement is not required by subsection (a), the applicant shall file with the city manager, not later than April 15, a written certification, on forms to be supplied by the city, in which the applicant states that the information contained in the applicant's last filed affidavit or written statement has not changed in a manner which affects either the applicant's eligibility for an exemption or deferral under this division or the amount of the exemption or deferral. In the event that the information in the last filed affidavit or statement has changed in such a manner, the applicant shall file a new affidavit or written statement pursuant to subsection (a).

Sec. 3-2-166 Same--calculation of amount; limitation.

(a) The exemption from or deferral of real estate taxes granted under this division for any taxable year shall be limited and calculated as follows:

(1) When the total combined income of the applicant does not exceed \$40,000, the applicant shall be exempt from the taxes owed for the year;

(2) When the total combined income of the applicant exceeds \$40,000 but does not exceed \$50,000, the applicant shall be exempt from 50 percent of the taxes owed for the year, and may defer all or part of the amount of such taxes in excess of the amount exempted; and

(3) When the total combined income of the applicant exceeds \$50,000 but does not exceed \$62,000, the applicant shall be exempt from 25 percent of the taxes owed for the year, and may defer all or part of the amount of such taxes in excess of the amount exempted

(b) Notwithstanding the provisions of subsection (a) above, if the real estate identified in the affidavit or written statement filed under section 3-2-165 is not owned solely by the applicant and his or her spouse, the amount of the tax exemption or deferral shall be the amount of the taxes on the real estate for the taxable year times the percentage ownership interest in the real estate held by the applicant, or by the applicant and his or her spouse.

(c) Notwithstanding the provisions of subsection (a) above, if an applicant becomes

eligible for exemption or deferral of real estate taxes owed during the course of the taxable year, the amount of the exemption or deferral computed under subsection (a) shall be reduced by one-twelfth of such amount for each full calendar month of the taxable year during which month such applicant is not eligible for exemption or deferral.

Sec. 3-2-167 Change in status.

(a) Changes in income, financial worth, ownership of property or other factors occurring during the taxable year for which an affidavit or written statement, or a written certification, is filed and causing any of the restrictions, limitations or conditions provided in this division to be exceeded or violated shall nullify any exemption or deferral for the remainder of the then current taxable year and the taxable year immediately following, with the applicant receiving a prorated exemption or deferral for the portion of the taxable year during which the applicant qualified for such exemption or deferral.

(b) The transfer of ownership of the property from a qualifying spouse to a spouse who is less than 65 years of age and not permanently and totally disabled, when such transfer results solely from the death of the qualifying spouse, shall result in a prorated exemption or deferral for the then current taxable year. Such prorated exemption or deferral shall be determined by multiplying the amount of the exemption or deferral granted the qualifying spouse by a fraction in which the number of complete months of the year such property was properly eligible for such exemption or deferral is the numerator and the number 12 is the denominator.

Sec. 3-2-168 Penalty for violation of division.

Any person wilfully making a false statement in claiming an exemption or deferral of real estate taxes under this division shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than \$25 nor more than \$500 for each offense.

§§ 3-2-169, 3-2-170 reserved.

DIVISION 2 Affordable Homeownership Preservation Program

Sec. 3-2-171 Definitions.

The following words and phrases shall, for the purposes of this division, have the following respective meanings, except where the context clearly indicates a different meaning:

(1) Applicant. Any natural person who applies for a grant under section 3-2-173.

(2) Dwelling. The building, or portion of a building, which is owned, at least in part, by an applicant, which is the sole residence of the applicant and which is a part of the real estate for which a grant is sought pursuant to this division.

(3) Grant. A grant in aid of payment of taxes owed for the year as provided under section 3-2-175.

(4) Net combined financial worth of applicant. The value of all assets of the applicant, of the applicant's spouse, of any relative of the applicant who resides in the dwelling, and of any other person who is an owner of and resides in the applicant's dwelling, calculated as of December 31 of the calendar year immediately preceding the taxable year; provided, that the value of the applicant's dwelling, of household furnishings in the dwelling, of up to one acre of the land on which the dwelling is situated, of qualified retirement plans of any person whose assets are included hereunder, and of motor vehicles for the personal use of any such person, shall be excluded.

(5) Spouse. The husband or wife of any applicant who resides in the applicant's dwelling.

(6) Taxes owed for the year. The amount of real estate taxes levied on the dwelling of the applicant for the taxable year.

(7) Taxable year. The current calendar tax year for which a grant is applied.

(8) Household income of applicant. The adjusted gross income, as shown on the federal income tax return as of December 31 of the calendar year immediately preceding the taxable year, of the applicant, of the applicant's spouse, of any relative of the applicant who resides in the dwelling, and of any other person who is an owner of and resides in the applicant's dwelling. The city manager shall promulgate regulations for the determination of the income of such persons for whom no federal income tax return is required to be filed.

Sec. 3-2-172 Grant--provided.

There is hereby provided to any natural person, at such person's election, a grant for affordable homeownership preservation in aid of payment of the taxes owed for the taxable year on real property in the city which is owned, in whole or in part, and is occupied by such person as his or her sole dwelling. The grant provided for in this section shall be subject to the restrictions, limitations and conditions prescribed by this division.

Sec. 3-2-173 Same--eligibility, restrictions generally.

A grant under this division in any taxable year shall be subject to the following restrictions and conditions:

(1) The household income of the applicant shall not exceed ~~\$61,000~~ \$62,000.

- (2) The assessed value of the real estate owned by the applicant shall not exceed ~~\$362,000~~ \$442,000.
- (3) The net combined financial worth of an applicant shall not exceed \$50,000.
- (4) The applicant and/or the applicant's spouse shall own at least 50 percent interest in the real estate.
- (5) As of January 1 of the taxable year, the applicant must occupy the real estate for which the grant is sought as his or her sole residence and must be expected to so occupy the real estate throughout the year; provided, that an applicant who is residing in a hospital, nursing home, convalescent home or other facility for physical or mental care shall be deemed to meet this condition so long as the real estate is not being used by or leased to another for consideration.
- (6) An applicant shall file the affidavit or written statement required by section 3-2-175 no later than September 1 of the taxable year.
- (7) An applicant for a grant provided under this division shall not participate in the real estate tax exemption or deferral program for the elderly or permanently and totally disabled provided under division 1 of this article, and no grant shall be applied to real estate taxes on property subject to such exemption or deferral program.
- (8) An applicant for a grant provided under this division shall not be delinquent on any portion of the real estate taxes to which the grant is to be applied.

Sec. 3-2-174 Same--administration by city manager.

The grant program provided under this division shall be administered by the city manager according to the provisions of this division. The city manager is hereby authorized and empowered to prescribe, adopt, promulgate and enforce such rules and regulations in conformance with the provisions of this division, including the requirement of answers under oath, as may be reasonably necessary to determine eligibility for a grant. The city manager may require the production of tax returns to establish household income and the status of any person claimed as a dependent.

Sec. 3-2-175 Same--procedure for application.

- (a) Commencing with taxable year 2004, and not later than September 1 of the taxable year, any applicant for a grant under this division shall file with the city manager, in such manner as the manager shall prescribe and on forms to be supplied by the city, an affidavit or written statement providing the following:
 - (1) The name of the applicant;
 - (2) The address of the real estate for which the grant is to be applied against the tax

liability;

- (3) The names of all persons who reside in the applicant's dwelling;
- (4) The household income of the applicant as defined in section 3-2-171(9);
- (5) The net combined financial worth of the applicant as defined in section 3-2-171(5);
- (6) Such additional information as the city manager reasonably determines to be necessary to determine eligibility for a grant pursuant to this division.

(b) If, after audit and investigation, the city manager determines that the applicant is eligible for a grant, the manager shall so certify to the director, who shall implement the grant as a prepayment on the applicant's real estate tax bill due on November 15 of the taxable year.

(c) Any provision of this division to the contrary notwithstanding, the director may declare eligible to apply for a grant any person filing the affidavit or written statement required by subsection (a), after September 1 but before November 15 of the taxable year, provided good cause is shown for the failure to file the affidavit or statement on or before September 1 of the taxable year.

Sec. 3-2-176 Same--amount; limitation.

(a) The amount of each grant under this division shall be ~~\$250~~ \$675, for an applicant with household income which does not exceed \$40,000.

(b) The amount of each grant under this division shall be \$475, for an applicant with household income of more than \$40,000, but which does not exceed \$50,000.

(c) The amount of each grant under this division shall be \$275, for an applicant with household income of more than \$50,000, but which does not exceed \$62,000.

(d) Only one grant under this division shall be made per household.

Sec. 3-2-177 Change in status.

Changes in household income, ownership of property, or other factors occurring after the application deadline but before the end of the taxable year for which an affidavit has been filed shall not affect a grant which has been certified pursuant to section 3-2-175(b).

Sec. 3-2-178 Penalty for violation of division.

Any person willfully making a false statement in applying for a grant under this

division shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than \$25 nor more than \$500 for each offense.

Sec. 3-2-179 Sunset date.

No grant pursuant to section 3-2-172 shall be permitted in any taxable year which commences after December 31, 2004 2005.

§ 3-2-180 reserved.

Section 2. That this ordinance shall become effective January 1, 2005, *nunc pro tunc* .

5. Second Reading and Final Passage of an Ordinance to Establish a Monthly Tax, Not To Exceed \$3.00, on Each Cellular Telephone Number. (#18, 4/12/05 and #25, 4/26/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilman Gaines, seconded by Councilman Smedberg and carried unanimously, City Council finally passed the ordinance to impose a monthly tax on cellular telephone service in the City, at the rate of 10 percent of the monthly gross charge for each cellular telephone number, not to exceed \$3.00 for each such number. The voting was as follows:

Gaines	"aye"	Pepper	"aye"
Smedberg	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"aye"
	Woodson	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4391

AN ORDINANCE to amend and reordain Article F (TAX ON PERSONS PURCHASING TELEPHONE AND WATER SERVICES), of Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, by adding thereto a new SECTION 3-2-71 (CELLULAR TELEPHONE TAX).

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Article L, Chapter 2, Title 3 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by adding thereto a new Section 3-2-71 to read as follows:

[The following is all new language.]

Sec. 3-2-71 Cellular telephone tax.

(a) Terms used in this section shall have the meanings set forth in Section 58.1-3812 of the Code of Virginia, 1950, as from time to time amended. Said definitions shall be applicable unless the context of this section clearly indicates to the contrary.

(b) There is hereby levied and imposed on all taxable purchases by a consumer of mobile local telecommunication service a tax equal to 10 percent of the monthly gross charge made to the consumer for each mobile local telecommunication service telephone number; provided, however, that the tax shall not exceed \$3.00 per month for each such telephone number. This tax shall be applicable to all persons, corporations and other entities whose service address is in the City of Alexandria.

(c) A service provider of mobile local telecommunication services shall collect the tax from the consumer by adding the tax to the monthly gross charge for such services. The tax shall, when collected, be stated as a distinct item separate and apart from the monthly gross charge. Until the consumer pays the tax to the service provider, the tax shall constitute a debt of the consumer to the City. If any consumer refuses to pay the tax, the service provider shall notify the director of finance. After the consumer pays the tax to the service provider, the taxes collected shall be deemed to be held in trust by the service provider until remitted to the director of finance.

(d) The director of finance shall be responsible for collecting the tax imposed in this section. The director shall have the authority to adopt appropriate regulations and procedures to facilitate and expedite the collection of said taxes. All such regulations and procedures shall be consistent with state law and other provisions of this code.

(e) Each service provider shall report and remit to the director of finance the amount of tax billed during each calendar month to consumers with a service address in the City of Alexandria. All such remittances shall be reported and paid over to the director not later than the fifteenth day of the second calendar month following the month in which they are collected, or the first business day thereafter.

(f) Any consumer is entitled to a refund from the city equal to the amount of the tax the consumer paid to a jurisdiction outside of the Commonwealth, for mobile local telecommunication service taxed by the city, if such tax was legally imposed in such other jurisdiction. The amount of any such credit or refund shall not exceed the tax paid to the City of Alexandria.

(g) Any consumer who fails to pay the tax imposed in this article when due to the service provider and any service provider who fails to remit said taxes to the director of finance in accordance with this section shall be liable for interest and penalties. The interest and penalties for a consumer or service provider shall be computed in the same manner as interest and penalties are computed for failure to pay or remit utility taxes imposed by this article.

Section 2. That this ordinance shall become effective September 1, 2005.

6. Second Reading and Final Passage of an Ordinance to Increase the Cigarette Tax to 70 Cents Per Pack. (#19, 4/12/05 and #26, 4/26/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilman Smedberg, seconded by Councilwoman Woodson and carried unanimously, City Council finally passed the ordinance to increase the City's tax on the sale of cigarettes from \$0.50 to \$0.70 per pack. The voting was as follows:

Smedberg	"aye"	Pepper	"aye"
Woodson	"aye"	Gaines	"aye"
Euille	"aye"	Krupicka	"aye"
	Macdonald	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4392

AN ORDINANCE to amend and reordain Section 3-2-102 (LEVY AND RATE), of Article I (TAX ON SALE OF CIGARETTES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-102 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. 3-2-102 Levy and rate.

(a) In addition to all other taxes of every kind now or hereinafter imposed by law, there is hereby levied and imposed by the city, upon every person who sells or uses cigarettes within the city, an excise tax equivalent to ~~\$0.50~~ \$0.70 for each package containing 20 cigarettes and ~~25~~ 35 mills for each cigarette contained in packages of fewer or more than 20 cigarettes, sold or used within the city. The tax shall be paid and collected in the manner and at the time hereinafter prescribed; provided, that the tax payable for each cigarette or cigarette package sold or used within the city shall be paid but once. The tax hereby levied shall not apply to free distribution of sample cigarettes in packages containing five or fewer cigarettes.

Section 2. That this ordinance shall become effective July 1, 2005.

7. Second Reading and Final Passage of an Ordinance to Increase the Monthly Sanitary Sewer Maintenance Fee to \$1.00 Per Thousand Gallons on Water Used. (#20, 4/12/05 and #14, 4/16/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilman Krupicka, seconded by Vice Mayor Pepper and carried unanimously, City Council finally passed the ordinance to increase the sewer line maintenance charge assessed with the water bill for each premises from \$0.60 (60 cents) per thousand gallons of water supplied to \$1.00 per thousand gallons. The voting was as follows:

Krupicka	"aye"	Gaines	"aye"
Pepper	"aye"	Macdonald	"aye"
Euille	"aye"	Smedberg	"aye"
	Woodson	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4393

AN ORDINANCE to amend and reordain Section 5-6-26 (SEWER LINE MAINTENANCE CHARGE IMPOSED; PROVISIONS FOR COLLECTION; LIENS AND CESSATION OF WATER SERVICE FOR DELINQUENT CHARGES) of Article B (SEWAGE DISPOSAL AND DRAINS), Chapter 6 (WATER AND SEWER), Title 5 (TRANSPORTATION AND ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 5-6-26 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. 5-6-26 Sewer line maintenance charge imposed; provisions for collection; liens and cessation of water service for delinquent charges.

(a) There is hereby imposed, upon all parcels of real estate from which sewerage is discharged into lines maintained by the city, a sewer line maintenance charge of \$1.20 per quarter or ~~\$0.60~~ \$1.00 for every 1,000 gallons of water supplied per quarter to such parcel by the Virginia-American Water Company, whichever is the greater sum; provided, that if the charge for water supplied to any parcel is billed on a monthly basis, the sewer line maintenance charge imposed on the parcel shall be \$0.40 per month or ~~\$0.60~~ \$1.00 for every 1,000 gallons of water supplied per month to such parcel, whichever is greater; and provided, further, that for any parcel of real estate having more than one meter for the measurement of water consumption attributable to that parcel, one or more of which meters measures only water which will not be discharged into the sanitary sewer lines of the city, that parcel shall be charged as provided herein on the total water consumption attributable to that parcel after subtracting the amount of water not discharged into the sanitary sewer lines of the city.

(b) For the purpose of this article, bills shall be considered monthly bills if submitted

12 times per year for periods of approximately one month each and quarterly bills if submitted four times per year for periods of approximately three months each.

(c) The sewer line maintenance charge shall in every case be collected by the Virginia-American Water Company from the owner, lessee or tenant of each parcel, or some or all of them, and remitted by the water company to the city in such manner and on such terms as shall be agreed upon by the water company and the city council, consistent with the provisions of this section. In the event any such charges are unpaid 30 days after the date they are billed by the water company as hereinabove provided, interest shall at that time begin to accrue thereon at the rate of one percent per month, and the owner, lessee or tenant, as the case may be, of the parcel of real estate on which the charge was imposed shall, until such charges shall be paid with interest to the date of payment, cease to dispose of sewage or industrial waste originating from or on such real estate by discharge thereof directly or indirectly into the sewer line maintained by the city, and is such owner, lessee or tenant shall not cease disposal within two months thereafter, the water company shall cease supplying water thereto unless the Director of the Alexandria Health Department shall certify that the shutting off of the water will endanger the health of the occupants of the premises or the health of others. Such charges and interest thereon shall constitute a lien against the property, ranking on a parity with liens for unpaid taxes.

Section 2. That this ordinance shall become effective on July 1, 2005.

8. Second Reading and Final Passage of an Ordinance to Increase the Fees Charged for New Connections to the Sanitary Sewer System. (#21, 4/12/05 and #15, 4/16/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilman Macdonald, seconded by Vice Mayor Pepper and carried unanimously, City Council finally passed the ordinance to increase the sewer connection fees in the city, from \$4,456 to \$6,684, for each single family and townhouse dwelling, and for each unit in a duplex or semi-detached dwelling. For multi-family dwellings, the rate increases from \$2,228 to \$3,342 per unit. For commercial structures the rate increases from \$4,446 to \$6,684 for buildings with a 30 gallon per minute water supply, with proportionate increases for large capacity water supplies. The voting was as follows:

Macdonald	"aye"	Gaines	"aye"
Pepper	"aye"	Krupicka	"aye"
Euille	"aye"	Smedberg	"aye"
	Woodson	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4394

AN ORDINANCE to amend and reordain Section 5-6-25.1 (SEWER CONNECTION

PERMITS AND SERVICE FEES; CONSTRUCTION COSTS; CONSTRUCTING SEWERS BY OWNERS RATHER THAN CITY; ADDITIONAL CONNECTIONS), of Division 1 (GENERAL PROVISION), Article B (SEWAGE DISPOSAL AND DRAINS), Chapter 6 (WATER AND SEWER), Title 5 (TRANSPORTATION AND ENVIRONMENTAL SERVICES) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 5-6-25.1 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended to read as follows:

Sec. 5-6-25.1 Sewer connection permits and service fees; construction costs; constructing sewers by owners rather than city; additional connections.

(a) Any person who is required, or who desires, to provide a connection for sewer service from his property, through any sewer constructed by or belonging to the city or any sewer serving the area annexed to the city in 1952, but belonging to a county, by direct connection at a city sewer main, trunk or lateral, shall, before starting to make such connection, apply to the director for a permit to make the connection, and the director shall issue a permit for the sewer connection when and after the person shall have paid to the department of finance the sum hereinafter provided.

(1) For each single family dwelling, townhouse dwelling, or townhouse type dwelling irrespective of classification for other purposes, or for each dwelling unit in a two-family dwelling, the amount of ~~\$4,200~~ \$6,684.

(2) For each multifamily dwelling, an amount equal to the product of the number of dwelling units in the multifamily dwelling, multiplied by ~~fifty percent (50%), multiplied by \$4,200~~ \$3,342.

(3) For each nonresidential property, an amount determined in accordance with the following fee schedule based on the size of each water meter which serves such nonresidential property:

Meter Size (inches)	Max. Capacity (GPM)	3/4" Meter Equiv.	Fee
3/4 or smaller	30	1.00	\$4,200 <u>\$6,684</u>
1	50	1.67	\$7,000 <u>\$11,200</u>
1½	100	3.33	\$14,000 <u>\$22,300</u>
2	160	5.33	\$22,400 <u>\$35,600</u>
3	320	10.76	\$45,200 <u>\$71,900</u>

4	500	16.67	\$70,000 <u>\$111,400</u>
6	1000	33.33	\$140,000 <u>\$222,800</u>
8	1600	53.33	\$224,000 <u>\$356,500</u>
10	2300	76.67	\$322,000 <u>\$512,500</u>

(4) For each mixed use property, where such property includes both residential and nonresidential uses, an amount equal to the sum of the fee determined for the residential portion of such property, in accordance with this section, plus the fee determined for the nonresidential portion of such property, in accordance with this section; provided, however, if the residential portion and nonresidential portion of such property are served by a single water meter, the fee shall be an amount determined by the director in his reasonable discretion.

(5) On July 1 of each of fiscal years ~~2004~~ 2007 and ~~2005~~ 2008, the foregoing fees shall increase by three percent (3%) over the fee for the preceding fiscal year. The fees applicable to each fiscal year after FY 2008 are subject to annual review by city council.

(b) Extension of service; credits.

(1) A person required or desiring to provide extension of sewer service to his property shall construct or have constructed such extension at his own expense. The person shall execute a satisfactory agreement with the city, as prescribed by the city manager, agreeing to construct such sewer or sewers in accordance with plans and specifications approved by the director and the person shall in addition furnish such guarantee of performance and maintenance to the city as the city manager may require. Such sewers shall become the property of the city upon completion and acceptance of the work.

(2) If, pursuant to a written requirement of the director, the person constructs such extension in a manner that exceeds the requirements to provide service to the property of such person, a credit shall be available to be applied to the fees otherwise due under this section, in an amount equal to the difference between the cost of such extension, constructed in accordance with the written requirement of the director, and the cost of such extension, constructed as originally proposed by the person, such amount to be determined by the director. The amount of the credit shall be estimated by the director prior to commencement of construction, and an interim fee shall be paid by the person in an amount equal to the fees otherwise due under this section minus the estimated credit; provided, the minimum interim fee shall be for each single family dwelling, townhouse dwelling or dwelling unit in a two-family dwelling residential unit, \$100, for each dwelling unit in a multifamily dwelling, \$100, and for each floor of a nonresidential property, \$100 or eight cents (\$0.08) per square foot of floor space, whichever is greater.

(3) Upon satisfactory completion of the work, the actual amount of the credit shall be determined by the director based on certified bills submitted to and approved by him. The final fee to the person shall be an amount equal to the fees otherwise due under this section minus the amount of the actual credit; provided, the minimum final fee shall be for each single family dwelling, townhouse dwelling or dwelling unit in a two-family dwelling residential unit, \$100, for each dwelling unit in a multifamily dwelling, \$100, and for each floor of a nonresidential property, \$100 or eight cents (\$0.08) per square foot of floor space, whichever is greater. Any difference between the interim fee and the final fee shall immediately be paid to or refunded by the department of finance.

(4) If the amount of the credit estimated under subsection (b)(2) above exceeds the amount of the fees otherwise due under this section without regard to the minimum fee calculated under subsection (b)(2) of this section, prior to the commencement of construction, the city shall agree to pay the person an amount equal to such excess or shall withdraw the written requirement of the director for construction of such extension in a manner that exceeds the requirements to provide service to the property of such person.

(c) Exclusions and exemptions.

(1) Notwithstanding anything to the contrary contained in this section, no fee shall be charged to connect a sewer system or sewage disposal system which serves exclusively a fire sprinkler system, installed pursuant to section 906.0 of the Virginia Uniform Statewide Building Code, as amended, a fire standpipe system, installed pursuant to section 915.0 of the Virginia Uniform Statewide Building Code, as amended, or a yard hydrant, installed pursuant to section 917.0 of the Virginia Uniform Statewide Building Code, as amended.

(2) Notwithstanding anything to the contrary contained in this section, no fee shall be charged to connect a sewer system or sewage disposal system which serves property owned by the Alexandria City Public Schools, the Alexandria Redevelopment and Housing Authority, or an entity in which the Alexandria Redevelopment and Housing Authority holds an ownership interest and the purpose of such entity is to develop property using federal low income tax housing credits.

(3) The fees established and imposed by this section shall not apply to a connection where (i) such connection is within the limits of a coordinated development district approved by city council, (ii) the main or trunk line to which such connection will be made extends from such coordinated development district directly to the publicly owned treatment works of the Alexandria Sanitation Authority, without connection at the time of its construction to any city sewer, unless such a connection is made pursuant to a written requirement of the director and exceeds the requirements to provide service to the coordinated development district, (iii) such main or trunk line was constructed totally at private expense, and (iv) the application for such connection is submitted within fifteen (15) years of the date of issuance of the first building permit subsequent to April

1, 2002, within such coordinated development district. Upon satisfaction of the foregoing criteria, a permit for the sewer connection shall be issued upon payment of a fee for each single family dwelling, townhouse dwelling or dwelling unit in a two-family dwelling residential unit, of \$100, for each dwelling unit in a multifamily dwelling, of \$100, and for each floor of a nonresidential property, of \$100 or eight cents (\$0.08) per square foot of floor space, whichever is greater; provided, however, in the event construction of the improvements to be served by such permitted connection has not substantially commenced within sixteen (16) years of the date of issuance of the first building permit subsequent to April 1, 2002, within such coordinated development district, the permit for the sewer connection issued shall expire and thereafter the fees established and imposed generally by this section shall apply.

(d) If the city manager finds that construction of an extension by a person would constitute a hardship on such person, by reason of his inability to secure a satisfactory contract, or otherwise, the city manager may direct that the construction be done by or for the city; provided, however, that the cost to the city shall not exceed the fees paid by such person less for each single family dwelling, townhouse dwelling or dwelling unit in a two-family dwelling residential unit, \$100, for each dwelling unit in a multifamily dwelling, \$100, and for each floor of a nonresidential property, \$100 or eight cents (\$0.08) per square foot of floor space, whichever is greater. Costs in excess of such fees shall be paid by the person prior to making any connection to such sewer.

(e) The total sum to be paid to the department of finance for sewer service at the city sewer main, trunk or lateral for any property in the city, the sewage of which will be transported from such property through sewers constructed previously by private parties into sewers constructed or belonging to the city, except for such sewers as may have been constructed by private parties under the control or supervision of the city or other public authority, shall be as provided generally in this section for each such property so connected.

(f) Any person desiring additional sewer service connection to any property shall make application to the director for permission to construct such connection and shall pay to the department of finance the sum as provided generally in this section for each additional connection prior to the issuance of the permit for the sewer connection.

(g) Nothing in this chapter shall be construed to prevent the city sanitation authority from making a service charge for collecting and treating sewage.

Section 2. That this ordinance shall become effective on the date and at the time of final passage, and shall apply to all applications for permits for sewer connections which may be filed after [effective date]; provided, however, that with respect to any property for which the first final site plan was filed with the city on or before April 1, 2005, the applicable fee shall be determined in accordance with Section 5-6-25.1 prior to amendment; and provided, further, that the amended language on page one, lines 26 and 27, of this ordinance is declaratory of existing law.

9. Second Reading and Final Passage of an Ordinance to Establish a Tax on Admission Charges for Certain Events, Not to Exceed 50 Cents Per Ticket. (#17.1, 4/16/05 and #27, 4/26/05) **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilwoman Woodson, seconded by Councilman Smedberg and carried 4-3, City Council finally passed an ordinance to establish an admission tax of 10 percent, but not to exceed \$0.50 (50 cents) to be levied on the charges paid for admission to certain events in the City, except where exemptions have been proposed. The ordinance reads as follows:

Woodson	"aye"	Pepper	"aye"
Smedberg	"aye"	Gaines	"no"
Euille	"aye"	Krupicka	"no"
	Macdonald	"no"	

The ordinance reads as follows:

ORDINANCE NO. 4395

AN ORDINANCE to amend Chapter 2 (TAXATION) of Title 3 (FINANCE, TAXATION AND PROCUREMENT), of The Code of the City of Alexandria, 1981, as amended, by adding thereto a add a new Article W (ADMISSION TAX).

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Chapter 2 of Title 3 of The Code of the City of Alexandria, 1981, as amended, be, and the same hereby is, amended by adding thereto a new Article V, to read as follows:

[The following is all new language]

Article W

ADMISSION TAX

Sec. 3-2-382 Definitions.

The following words and phrases, when used in this article, shall have the following respective meanings, except where the context clearly indicates a different meaning:

(1) Admission charge. A charge made, directly or indirectly, to a person or group of persons for admission to any event, including a charge made for season tickets, and a cover or other charge made for the use of seats or tables, and excluding any separately stated federal or state tax thereon, or any separately stated service charge made by an agent or party other than the owner or operator for the sale or issuance of a ticket or receipt which entitles the bearer to admission to an event.

(2) Charitable purposes. Any charitable, benevolent, humane, philanthropic, patriotic, eleemosynary, educational, religious, cultural or similar purpose intended to better the condition of society or any considerable portion thereof, including, without limitation, support for the activities, other than unrelated business income activities, of an organization recognized as exempt from federal income taxation under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.

(3) Event. Any amusement, entertainment, performance, exhibition or similar production, open to the general public, including without limitation: circuses, carnivals, motion pictures, fairs, shows and exhibitions of all kinds; dances; tours; sporting events; theatrical, dramatic, operatic and musical and similar performances; lectures, talks, symposia, library readings and performances similar thereto; and such attractions as merry-go-rounds, ferris wheels, roller coasters and the like.

(4) Open to the general public. Available for attendance by any person upon payment of an admission charge, without, in addition to such payment, (i) meeting any duly established requirements or selection criteria for membership in or belonging to a *bona fide* society, club, congregation, organization, party or similar group, or (ii) making or promising to make a donation, subscription or other similarly valuable contribution to the owner or operator, or to the designee thereof, which exceeds a commercially reasonable relationship to the economic value of the event to the person admitted.

(5) Owner or operator. A person who owns, operates, conducts, promotes, produces or provides an event.

(6) Sporting event. Any athletic activity engaged in by one or more individuals, including, without limitation, baseball, basketball, football, wrestling, boxing, swimming, tennis, golf, soccer or hockey.

Sec. 3-2-383 Amount and levy of tax.

Except as provided in section 3-2-384, there is hereby levied an admission tax in the amount of ten percent of any admission charge, not to exceed \$0.50 per person admitted.

Sec. 3-2-384 Exclusions from tax.

There shall be no admission tax on any admission charge:

(1) For any event, the gross receipts of which go wholly to one or more charitable purposes;

(2) For any event, the purpose of which is solely to raise money for one or more charitable purposes, and the net receipts of which are utilized by or transferred to one or more entities that are exempt from sales and use tax pursuant to Section

58.1-609.11 of the Code of Virginia, 1950, as amended;

(3) For any public or private elementary, secondary or college school-sponsored event, whether or not on school property or at a school facility, including events sponsored by school-recognized student organizations;

(4) For entry into museums, botanical and similar gardens, and zoos;

(5) For participation as an entrant in a sporting event.

Sec. 3-2-385 Situs.

The tax imposed by this article shall be levied on admission charges for events which occur within the City of Alexandria, irrespective of the location at which admission to such events may be sold, contracted for or paid.

Sec. 3-2-386 Collection of tax.

(a) Every owner or operator, or the agent thereof, receiving a payment of an admission charge on which an admission tax is levied shall collect the amount of such tax from the person making the payment at the time the payment is made.

(b) The taxes required to be collected under subsection (a) shall be deemed to be held in trust by the owner, operator and agent required to collect the same, jointly and severally, until remitted to the city as provided in this article.

Sec. 3-2-387 Reports and remittances generally.

Every owner or operator collecting admission taxes shall prepare a report for each calendar month, upon such forms and setting forth such information as the director may prescribe, showing the number of persons admitted, the amount of admission charges collected, the amount of the taxes due on such charges under this article, and the amount of taxes being remitted along with the report, and shall sign and deliver the report, and remit the taxes, to the director. The report and the remittance of taxes shall be made to the director on or before the last day of the calendar month next following the month being reported.

Sec. 3-2-388 Reports, remittances and deposits by temporary or transitory events.

(a) Whenever an admission charge is made to attend an event of a temporary or transitory nature, the director may require the report and remittance of taxes to be made within seven days following the event, or within seven days following the conclusion of a series of events, or at such other reasonable time as the director shall determine.

(b) Before any temporary or transient event shall be held in the city, and before

any business license under title 9 of this code, if required, shall be issued therefor, the owner or operator of the event shall deposit with the director a sum of money, to be determined by the director, sufficient to cover the admission taxes that the director estimates will be required to be collected by such owner or operator, which the director shall hold as security for the collection of taxes and payment thereof to the city. Within seven days of the conclusion of the temporary or transient event, or such other time as set by the director under subsection (a), the owner or operator shall deliver to the director the report and the amount of taxes required by section 3-2-387. Upon such delivery, the director shall refund the deposit made under this section. Should an owner or operator fail timely to deliver such report and taxes, the director may assess the owner or operator the amount of taxes provided by section 3-2-390, in which case the director shall retain the deposit made under this subsection as a credit toward the amount of assessed taxes.

Sec. 3-2-389 Penalty and interest for failure to remit taxes when due.

Any owner or operator who fails or refuses to remit admission taxes to the city, within the time and in the amount required by this article, shall be liable for a penalty equal to ten percent of the amount of the taxes required to be remitted. The owner or operator shall also be liable for interest on the amount of the taxes which remain unpaid, at the rate of ten percent per annum, starting on the date the taxes were initially to be remitted to the city.

Sec. 3-2-390 Procedure upon failure to collect, report or remit taxes.

(a) If any owner or operator shall fail or refuse to collect admission taxes or to make, within the prescribed time, the report and remittance required by this article, the director shall proceed in such manner as he may deem best to obtain facts and information on which to base an estimate of the taxes due. As soon as the director has obtained such facts and information, he shall determine and assess against the owner or operator the taxes that are due, along with any interest and penalties provided for by this article, and shall notify the owner or operator by mail of the total amount of such taxes, interest and penalties. The total amount of taxes, interest and penalties shall be paid within ten days from the date of such notice.

(b) It shall be the duty of the director to ascertain the name of every owner or operator in the city who fails, refuses or neglects to collect admission taxes, or to timely make the report and remittances, required by this article.

Sec. 3-2-391 Preservation of records.

Except as may be provided by the director by regulation, every owner or operator required to collect and remit admission taxes shall keep and preserve, for a period of two years, such records as are necessary to enable the director to determine the amount of taxes such owner or operator was responsible for collecting and remitting to the city. The director shall have the right to inspect such records at all reasonable times

and to make copies of all or any parts thereof.

Sec. 3-2-392 Duty of owner or operator going out of business.

Whenever any owner or operator required to collect and remit admission taxes shall dispose of his business or otherwise cease to operate, any taxes payable to the city under this article shall become immediately due and payable, and such owner or operator shall immediately make a report and pay the taxes due.

Sec. 3-2-393 Authority of director.

The director shall have the power and the duty of enforcing this article, including the authority to adopt reasonable procedures and regulations for the administration of the admissions tax, and shall cause all taxes remitted to the city under this article to be paid into the general treasury of the city.

Sec. 3-2-394 Penalty for violation of article.

Any person violating or failing to comply with any provision of this article shall be guilty of a class 3 misdemeanor and each such violation or failure shall constitute a separate offense. No conviction for violating or failing to comply with a provision of this article shall relieve the convicted person from the payment, collection and remittance of the taxes, interest and penalties as provided in this article.

Section 2. That the several provisions of this ordinance shall be severable in accordance with the following rules: (i) if any court of competent jurisdiction shall adjudge any provision of this ordinance invalid, such judgement shall not affect any other provisions of this ordinance, and (ii) if any court of competent jurisdiction shall adjudge this ordinance or any provision of this ordinance invalid as applied to a particular person, entity, or state of facts, such judgement shall not affect the application of this ordinance or any provision of this ordinance to any other person, entity, or state of facts.

Section 3. That this ordinance shall become effective on July 1, 2005, and shall apply to all events which occur in the City of Alexandria on and after that date.

10. Consideration of a Resolution to Increase the Residential Refuse Fee to \$229.00 Per Household Per Year. **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Vice Mayor Pepper, seconded by Councilwoman Woodson and carried unanimously, City Council adopted the resolution to increase the residential refuse fee, to \$229 per household from \$205 per household, to continue the City's policy of 100 percent cost recovery of the full cost of residential refuse collection and disposal. The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Woodson	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"aye"
	Smedberg	"aye"	

The resolution reads as follows:

RESOLUTION NO. 2148

WHEREAS, under Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City; and

WHEREAS, under City Code Section 5-1-34(a), City Council is required from time to time, to set by resolution the annual fee that is to be paid by the owners of "required user property," as defined in Section 5-1-2 (12b) of the City Code, for the City's collection and disposal of solid waste, ashes and yard debris from their properties during the fiscal year; and

WHEREAS, in Resolution No. 2104, adopted May 3, 2004, City Council set the annual fee for such collection and disposal services at \$205.00; and

WHEREAS, City Council has now determined that it is necessary and desirable to increase the annual fee for such collection and disposal services to \$229.00;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA

1. That, beginning in fiscal year 2006, the annual charge for the collection and disposal of solid waste, ashes and yard debris from required user properties shall be \$229.00 per household, with each single-family, two-family and row dwelling in the City, and each separate dwelling unit in a building or structure in the City that contains four or fewer dwelling units, constituting a "household."
2. That the annual fee established in Section 1 above shall apply to collection and disposal services provided by the City during fiscal year 2006 and, unless and until revised by the City Council, to such services provided during subsequent fiscal years.
3. That Resolution No. 2104 is hereby repealed.
4. That this resolution shall be effective on the date and at the time of adoption.
11. Consideration of a Resolution Relating to the Planned Dedication of the Sum of \$0.01 (One Cent) on Each \$100 of Assessed Value, Out of the \$0.915 (91.5 Cents) Real Property Tax Rate For Affordable Housing. **(ROLL-CALL VOTE)**

WHEREUPON, upon motion by Councilwoman Woodson, seconded by Councilman Gaines and carried unanimously, City Council adopted the resolution relating to the planned dedication of the sum of \$0.01 (one cent) on each \$100 of assessed value, out of the \$0.915 real property tax rate for affordable housing. The voting was as follows:

Woodson	"aye"	Pepper	"aye"
Gaines	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"aye"
	Smedberg	"aye"	

The resolution reads as follows:

RESOLUTION NO. 2149

WHEREAS, the Alexandria City Council, in its adopted Strategic Plan, has established as a priority the goal of having a caring community that is diverse and affordable; and

WHEREAS, this goal includes the objective of increasing the number and availability of affordable housing units with an emphasis on low- and moderate-income workers, seniors, individuals with disabilities and others; and

WHEREAS, this goal also includes the objective of enabling elderly residents on limited incomes to continue to reside in the City; and

WHEREAS, the City in 2003 endorsed and facilitated the creation of a new nonprofit housing development corporation, and the resulting Alexandria Housing Development Corporation is now actively pursuing affordable housing development and preservation opportunities; and

WHEREAS, there is a housing crisis in Alexandria and there are currently ten apartment properties with over 2,300 units that have been registered with the state as condominiums or for which the owners have filed, or have stated an intent to file, condominium registration applications; and

WHEREAS, this surge in condominium conversion activity threatens the continued availability of affordable, private market rental apartments in Alexandria and also serves to increase the cost of acquiring rental properties for the purpose of preserving them as affordable rental units; and

WHEREAS, at the current funding level of \$1 million per year from local and federal sources, the City's Housing Opportunities Fund is able to support only a very limited number of projects per year; and

WHEREAS, with federal financial assistance for affordable housing on the

decline, and with limited resources from the Commonwealth of Virginia, it leaves the responsibility for addressing affordable housing at the doorstep of the City government; and

WHEREAS, a key step to help ensure the continued availability of funds for affordable housing development/preservation and other affordable housing purposes is the creation of a dedicated source of revenue which can provide a stable foundation upon which the City's affordable housing goals can better be met; and

NOW, THEREFORE, BE IT RESOLVED that the Alexandria City Council hereby approves a FY 2006 budget which includes the dedication of one cent on the real property tax rate for affordable housing purposes beginning July 1, 2005.

12. Consideration of a Resolution Regarding the FY 2007 Budget Process.
(ROLL-CALL VOTE)

WHEREUPON, upon motion by Councilman Krupicka, seconded by Vice Mayor Pepper and carried unanimously, City Council adopted the resolution to establish a fiscal expenditures guideline and a framework and schedule for consideration of the FY 2007 operating budget and the FY 2007 to FY 2012 Capital Improvement Program. The voting was as follows:

Krupicka	"aye"	Gaines	"aye"
Pepper	"aye"	Macdonald	"aye"
Euille	"aye"	Smedberg	"aye"
	Woodson	"aye"	

The resolution reads as follows:

RESOLUTION NO. 2150

WHEREAS, the City of Alexandria's Fiscal Year 2006 General Fund Budget, as approved by City Council on May 2, 2005, provided a reduction in the real estate tax rate by 8 cents from \$0.995 to \$0.915; and

WHEREAS, this tax rate reduction was the largest single real estate tax rate reduction in 17 years and maintains Alexandria's real estate tax rate as among the lowest in Northern Virginia; and

WHEREAS, in spite of this tax rate reduction, average real estate property taxes for the average residential property in Alexandria would increase 11.5 percent in 2005 due to rising real property assessments; and

WHEREAS, residential real estate taxes have borne an increasing share of the burden of paying for City and School services; and

WHEREAS, the City Council is committed to managing the growth of City General Fund operating and capital expenditures in order to help address the issue of increasing residential real estate taxes; and

WHEREAS, the City Council also is committed to continuing to perform fully its obligations, to continue to provide quality services and facilities for the residents and businesses of Alexandria, to maintain competitive compensation for City and School employees, to see continuous improvement in City government effectiveness and efficiency, and to achieve the vision and strategic goals and objectives outlined in the City Council's adopted Strategic Plan; and

WHEREAS, Council's deliberations on the budget each and every year reflect a balancing of the needs of the community with the community's ability to afford meeting those needs; and

WHEREAS, more time during the budget process is necessary for the City Council and the community to deliberate on the various issues raised given the budget's complexity and importance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA

1. That the City Manager shall begin immediately to plan and prepare the FY 2007 Operating Budget and FY 2007 - 2012 Capital Improvement Program and that such preparations shall include, but not be limited to, requests for City departments to identify efficiencies, low priority programs not crucial to achieving City Council strategic objectives, potential discretionary supplemental increases for FY 2007 crucial to achieving City Council's strategic objectives, and potential City-wide process changes that would be beneficial to City operations and to the public.
2. That the City Manager shall present to City Council in time for the fall Council Retreat a preliminary forecast and outlook for (a) revenues (including the outlook for real estate assessments), (b) expenditures necessary to maintain appropriate services and policies (including in the City Manager's forecast of cash capital and debt service costs related to the approved FY 2006 – 2011 Capital Improvement Program), (c) the outlook for additional requests for City operating needs in FY 2007 and capital needs in FY 2007 through FY 2012, (d) the outlook for Federal and State grants, and (e) the outlook for the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.
3. That the Alexandria City School System shall separately present to City Council, but in a format coordinated with the City Manager, its preliminary forecast and outlook for (a) expenditures necessary to maintain appropriate services and policies, (b) the outlook for additional requests for Schools operating in FY 2007 and capital needs through FY 2007 through FY 2012, (c) the outlook for Federal and State grants, and (d) the outlook for the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

4. That as part of its fall Retreat, City Council will consider this information and any other relevant information available to it at that time from the efforts described above, including citizen input to be provided by a public hearing on the FY 2007 budget to be conducted prior to City Council's fall Retreat.

5. That City Council shall, as a result of information available to it at the Retreat, direct that the City Manager prepare a budget resolution to be adopted by City Council to guide the preparation of the FY 2007 Operating Budget and FY 2007 to FY 2012 Capital Improvement Program and that such a resolution would contain (a) a target for City General Fund expenditure growth (including cash capital and debt service), (b) a target for a budget transfer to the Alexandria City Public Schools for operating expenses and capital expenditure needs in FY 2007 to FY 2012, and (c) a calculation of the estimated difference between FY 2007 preliminary forecast revenues and the expenditure targets to be established by City Council.

6. That City Council plans to adopt such a budget resolution during the month of November 2006.

7. That the Board of the Alexandria City School Schools is requested to approve a FY 2007 Operating Budget and FY 2007 to FY 2012 Capital Improvement Program by no later than January 31, 2006. Such budget shall seek not to exceed the Council approved budget targets for the Operating Budget transfer and Capital Improvement Program given to the Alexandria City Public Schools, and clearly identify what operating programs and activities and capital projects would be funded if additional funding were provided above that target.

8. That the City Manager shall submit a proposed FY 2007 Operating Budget and FY 2007 to FY 2012 Capital Improvement Program to the City Council no later than February 14, 2006, that does not exceed the target for General Fund expenditure growth established by City Council, and clearly identifies what operating programs and activities and capital projects would be recommended if additional funding were provided, and/or what tax rate changes could be enacted with whatever additional revenues might be available above the revenues needed to meet the expenditure target and still provide a structurally sound budget.

9. That City Council shall consider these recommendations and endeavor to enact a FY 2007 Operating Budget and FY 2007 to FY 2012 Capital Improvement Program that balances the needs of the community with the community's ability to afford meeting those needs.

* * * * *

THERE BEING NO FURTHER BUSINESS TO BE CONSIDERED, upon motion by Vice Mayor Pepper, seconded by Councilwoman Woodson and carried unanimously, City Council adjourned the special meeting of May 2, 2005, at 8:12 p.m.

The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Woodson	"aye"	Krupicka	"aye"
Euille	"aye"	Macdonald	"aye"
	Smedberg	"aye"	

* * * * *

APPROVED BY:

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC, City Clerk