


City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 17, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: PROPOSED REAL AND PERSONAL PROERTY TAX RATES ORDINANCES
AND PROPOSED EFFECTIVE TAX RATE INCREASE FOR CALENDAR
YEAR 2008 (FISCAL YEAR 2009)

ISSUE: What real property (residential and commercial) and personal property tax rates should be adopted.

RECOMMENDATION: That City Council hold the public hearing on Tuesday, April 22, and consider the ordinance for second reading and final passage on Monday, May 5. The maximized rates authorized by Council reflect:

1. A base real estate tax rate on residential, commercial and industrial property for calendar year 2008 of up to \$0.86 per one hundred dollars of assessed valuation;
2. An add-on real estate tax rate on non-residential commercial and industrial property for calendar year 2008 to be dedicated for transportation purposes of up to \$0.02 per one hundred dollars of valuation; and
3. A personal property tax rate on vehicles and business tangible property for calendar year 2008 of \$4.75 per one hundred dollars of valuation.

DISCUSSION: Under the requirements of The Code of Virginia (The Code), the City Council annually must establish real property and personal property tax rates for each calendar year. The Code also establishes certain advertising and public hearing requirements prior to the adoption of these property tax rates. One of these Code requirements is that the rates that Council chooses to advertise are the highest rates that Council can consider adopting. Council chose the maximum rates it would consider on March 15.

It should be noted, as discussed below, that the State Code requires a separate public hearing (i.e., separate from the budget hearing held on April 14) on the real property tax rate if the rates levied for the year in which the proposed tax rate applies would increase by more than one percent (after the value of new construction has been deducted). This would be the case in CY

2008 because the increased value of commercial properties yielded an overall increase in assessments of 4.0%.¹

The following chart illustrates real estate alternative rates that Council can consider for the base real estate tax rate which applies to residential, commercial, and industrial properties:

Tax Rate Increase Over Current \$0.83 ²	FY 2009 (in millions) Revenues	Average Change in Residential Tax (\$) (%)	
None	\$0.0	-82	-1.9%
1.6 cents	\$5.6	-2	- 0.0%
2 cents (Alt. Budget)	\$7.0	+18	+0.4%
3 cents	\$10.5	+68	+1.6%

The FY 2009 Proposed Operating budget reflected no change to the real property tax rate of \$0.83 per \$100 of assessed value and did not include any add-on commercial property tax rate option. However, the alternative budget, if funded, would require a 2 cent real estate tax rate increase to \$0.85. An additional 1 cent increase beyond this 2 cents which would then increase the rate to \$0.86 cents could be used to fund a large portion of the \$4.45 million revenue shortfall for FY 2009 described in Budget Memo # 79.

The proposed budget and the proposed ordinance assume the continuation of the dedication of one cent of the real estate tax rate for affordable housing and one percent real estate tax revenue for open space.

As part of the transportation funding initiatives which the General Assembly approved (HB3202) during its 2007 session, local governments in Northern Virginia also were each given a commercial real estate tax option to be used for transportation purposes. Under the commercial real estate tax option, localities are now authorized to adopt a differential real estate tax rate on non-residential commercial and industrial property in the City of no more than 25 cents per \$100 of value. (Apartments and all other residential property in the City would be excluded from this new tax.) Non-residential commercial property includes office, retail, hotel, general commercial, industrial and public utility real property. The Ad Hoc Committee that Council established has recommended that Council consider implementing this new tax in the 2 cent to 4 cent range in 2008. The Ad Hoc committee also recommended business license tax relief for small and medium size retailers. Recent loss of NVTA and VDOT funds totaling \$21.5 million in FY 2009

¹ The total value of taxable real property within the City has been assessed at \$35.6 billion including non-locally assessed properties. This reflects a 4.0% increase in total assessments. Of the total increase, approximately 31% (\$431.5 million) is the result of new growth, including \$155.3 million in new residential growth and \$276.2million in new commercial growth. The reassessments of existing properties increased \$931.7 million. Existing commercial real property appreciated \$1.3 billion; the value of existing residential real property decreased by \$395.3 million. Under the existing \$0.83 tax rate, the tax bill for the average residential unit in 2008 would decrease by \$82.

² Council can consider adopting any rate at \$0.86 per \$100 of valuation or lower. Rate gradations may be in tenths-of a cent.

make this decision on this commercial add-on tax more germane in 2008.

The FY 2009 Proposed Operating budget reflects no change per \$100 of assessed value to the current various personal property tax rates:

\$4.75 for tangible personal property,
\$3.55 for vehicles with specially designed equipment for use by the physically disabled,
\$4.50 for machinery and tools used in machinery and manufacturing business, and
\$.01 for privately-owned pleasure boats and watercraft that are used for recreational purposes only.

The attached ordinance assumes that the personal property tax rates for machinery and tools, specially equipped vehicles for the disabled, and boats would not change for 2008.

FISCAL IMPACT: A one cent increase in the overall real estate tax on each \$100 of assessed value is expected to generate an additional \$1.7 million in FY 2008 and \$3.5 million in FY 2009. Each increase of one cent of the commercial real estate rate add-on real estate tax is expected to generate \$0.5 million in FY 2008 and \$1.0 million in FY 2009.

ATTACHMENT: Proposed Ordinance

STAFF:

Mark Jinks, Deputy City Manager
Bruce Johnson, Director, Office of Management and Budget
Laura Triggs, Director, Finance Department

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4-22-08

We urge Alexandria City Council members NOT to increase commercial property taxes.

Increasing commercial property taxes will drive away new and established businesses as they search for friendlier jurisdictions. Alexandria shouldn't be chasing off the good local jobs attached to these businesses.

Alexandria's unique economy, especially the small independent businesses concentrated in Del Ray and Old Town, will be inordinately damaged by another tax increase in these economically challenging times.

Should the City Council increase commercial property taxes, Alexandria consumers will face the prospect of higher prices as businesses pass along the costs. Higher prices will especially hurt low-income and less-mobile residents who have a harder time shopping around for lower-priced goods.

Alexandria can capitalize on the recent commercial property tax increases in some other Northern Virginia localities by simply keeping the current tax rate the same. This will naturally drive business and consumers to Alexandria. The City's leaders can use this opportunity to foster a reputation for Alexandria as the most pro-business jurisdiction in Northern Virginia.

Please, protect our small businesses and consumers by rejecting any increase in the commercial property tax.

Sincerely,

The Undersigned

1 David M. Martin good business is to have appropriate taxation
2 Bud Miller City Council: Please give Alexandria Small
Businesses a chance. Don't raise our taxes
again.
3 Kristina Rasmussen
4 MARCIA MILLER please do not raise taxes, it will hurt us.
5 Duane Parde
6 Keith Capp
7 Douglas Frank
8 Mary Vetter
9 Natasha Altamirano
10 Audrey Mullen
11 Maureen Schantz
12 Calvert S. Whitehurst
13 Sanford D. Horn Be responsible and cut spending.
14 William L. Fey
15 Andrew Moylan Don't raise already-high property tax rates and
harm the small businesses that make Alexandria
unique.
16 Bill Peabody RE is already dying
17 Torger Anderson
18 Dusty Gulleson
19 Dan Gainor Haven't Alexandria taxes gone up enough? Do we
need another trillion-dollar school building
somewhere?
20 Robert L King:MSR Inc Enough is enough
21 Sunita Satyapal
22 TJ Parmele Enough is enough. What IS it with this Board?
They can't seem to curb spending, the schools
are in the toilet, and now they want to
increase taxes on businesses here? Let FFX and
Arlington counties raise their taxes and let
Alexandria benefit from the relocation
23 Bernie Schulz Stop the madness of passing legislation that
continues to make Alexandria unfriendly to

businesses.

24 annabelle fisher

25 Sam Batkins

26 Donald L. Mikovch

27 Paul Frederick Birckner

28 Douglas C. Mills As a resident and business in Alexandria, i am
against any increase in commercial property tax
in Alexandria.

29 Diane G. Murphy

30 Drew Nordgren DON'T DO IT!!

31 Craig Miller I thought we were trying to FOSTER new business

32 Lisa De Pasquale

33 Marci Weis please...enough is enough!!

34 Brendan Steinhauser

35 Lauren Daugherty

36 Robert Crockett Lower taxes comparable to other local
jurisdictions will drive business to
Alexandria, not away!!!

37 Kent Lassman

38 Allison Kasic

39 John Varghese The Westin East Management Company

40 MIke Anderson

41 Diare Miller

42 edward n. brown

43 Sara Salupo

44 laurie wirth

45 Timothy Lee

46 Melissa Moskal

47 Joseph E. Davis May have to vote for a Republican candidate the
next election if you keep raising taxes. Try
curbing spending for a change, like stopping
the Safe Haven program on Patrick. That alone
will save a half million in "taxpayer" money
for people who don't pay taxes, an annual cost
that is guaranteed to exceed a million in just
a few years. Your nice-to-have social programs

are going to be the end of an Old Town Alexandria that took three decades to create. Or perhaps you want Old Town to return to the shadows again? Why don't you increase the parking police staff and focus on all Old Town streets, not just those with meters around King Street. Raising taxes for businesses and residents while ignoring a cash cow is just plain ignorant of fiscal realities and financial potential.

48 Gwendolyn Jo M. Carlberg

49 Center for Individual Freedom

50 Scott C. Humphrey I find this to be a discriminating Tax. Will not be a good message for attracting new business. I think as a business that supports all kinds of city endeavors I will reduce all charitable contributions in an amount equal to the amount of the discriminatory tax. Of course I will explain that City Council is responsible for my reduced contributions.

51 Lynne Weigle-Snow

52 Mark A. Potter

53 Troy Englert New business in old town this could jeopardize the business.

54 Debra Monahan

55 Pat Dunn

56 Eric Hilleman

57 ISABEL MOSQUERA

58 Rodrigo Restrepo Please dont make taxes higher

59 Alonso Castano Keep taxes down!

60 Henrik Rasmussen

61 Sandra Levy I am a resident and business owner, and an increase would hurt my business. You can raise taxes, but we cannot raise prices and remain competitive. Our employees, who work on commission, would surely suffer.

62 Katia Miniovich

63 Iris Henley

64 Dina Clevenson

65 Sheri Bergen

66 Linda Lloyd

67 Nearman Financial Consulting Inc.

68 Steve Nearman 30\% is really excessive and not in anybody's
best interests here

69 Lynne Reid TOO HIGH FOR SMALL BUSINESSES NOW!

70 Angela Cannon With the new Harbor about to open across the
river Alexandria needs to do ALL IT CAN to
sustain the viability of its small businesses.

71 Sharon Shoch

72 Jody Manor

73 Pamela Prevar

74 Pete Sepp I hope elected officials will stop trying to
play these kinds of shell games. "Taxing
businesses" means taxing people!

75 Troy Clayton As I have seen over the years, if property
values go up, the city takes the increased
taxes, and spends more. If the property values
go down, or remain flat, the city puts up the
tax rate and spends more. It is time for a
responsible budget, without undue burden on
business.

76 Gail McCurry

77 Dan Hazelwood

78 Mary Longacre The city can raise additional revenues from its
commercial base by making this a MORE business
friendly environment, supporting existing
businesses by helping them increase revenues,
which will increase BPOL tax collections -
everybody wins. If you raise the property tax
rate, rents will go up, and more small
businesses will be forced to close - everybody
loses!

79 Eileen Cross

80 Lamar Brown This increase will hurt small business owners
such as myself.

81 Kyle Roberts I agreee with this petition. The city has
enough funds to function. I will have to move
my business to avoid these taxes.

82 L. Lauritzen

83 Richard Geiger I would have to move my private business office
outside of Alexandria if the proposal is

adopted.

84 Paul Winn

85 Alise Frye

86 LEO SALOM

87 John Wirth

88 John W. Britten III

89 Beth Aberg We are heading into a downturn now is NOT the time to be raising any costs on businesses.

90 Steve Aberg Do not increase business costs as we head into an economic downturn.

91 Andre Prue A raise this high is likely to put my business out on the street.

92 Richard Gallagher Reside at 208 S. Henry Street, Alexandria

93 Dr Julia Wray

94 sheila mc gurk

95 Joe Miller

96 Lesley Golenor

97 Chris Sigg

98 Marianne Stonefield

99 Catherine Kyriacou Bradford Don't increase taxes...Parking is very difficult in Alexandria....Very few shoppers in town...Christmas business is very slow

100 Stephen Harvey

101 Ronald Battocchi Alexandria businesses offer good value, but price increases will likely make them less competitive.

102 Kent Scholla As a business owner that is considering expansion to downtown DC, Bethesda, Chicago and even New York City, Alexandria has some of the highest costs my team has encountered (even when compared to New York City). Please reconsider this strategy. As the economy stutters and City Hall raises taxes, subsequent price increases from merchants will cause consumers to re-think spending their discretionary income in Alexandria, not to mention

making it harder to attract solid businesses to our neighborhood.

103 Adrien Cotton

104 Eleanor Krause

105 Ginger Mickelson

As a member of PWBA and a Del Ray business owner, please think twice about raising commercial taxes. It hurts the landlords who've invested in Alexandria and when passed on to us, hurts business. If my rent is increased up to 30%, it will affect prices to consumers and commissions to my contractors. I may even have to move my business elsewhere.

106 Thomas P. Silis

107 Robert Tillman

When you think of that mom & pop store on the corner that has been there since you were a child, when you think of the community that thrives around & because of these shops, when you think of the centuries of Old Town built on the shoulders of independant retailers struggling to provide a service for their community and etch out a living for themselves in the process.... when you think of them, understand that taxes like this will be sure to thank them for all of their hard work by putting them out of business. Bravo!

108 Jonathan Rick

109 Heather Grutzius

110 Manorama Andrea Rakhmanov

I work for a small business called Alexandria Myotherapy Inc. We are a low-profit business and an increase to our rent could adversely affect our business.

111 Craig Shirley

112 Paul S. Stevens

113 Meredith Ellsworth

Additional business costs just get passed on to consumers--

114 Gary Schleuger

115 Brent M. Eastwood

116 Lisa Miller

117 Stephen E. Dreikorn

118 Collin Lee Commercial taxes are simply passed on to the consumer in the form of higher prices. Please don't raise Alexandria's prices, slow spending, and chase our business and jobs to other localities.

119 Janette L. Scott NO NEW TAXES,drive business away and you drive away prosperity for all!

120 Jennifer Smith

121 Scott McCandless

122 Shaun McGee

123 maria penaloza

124 Roger Waud

125 Anthony Costanzo

126 roger kaplan

127 P. Ann Kaupp We have some small unique and quality shops that offer special service and merchandize. If they should have to leave because of tax increases then Alexandria will have less to offer both residents and citizens.

128 Peggy Marchbanks

129 Rebecca Holian

130 Gregory Ogden Raising taxes runs counter to competing with National Harbor. High taxes will drive more businesses away, rather than encouraging them. Many in the past 20 years have left because of high taxes and other costs. We increasingly are an Old Town of restaurants and "tee shirts". Bad news. No class at all. Keep taxes low.

131 Allison Wise

132 Roger Fons Call me as I can try to get more signitures

133 Jesse W. Biggers

134 Todd Healy every one in city hall should lose their jobs!!!!

135 Creighton Byrnes

136 Cindy McCartney I own Diva Boutique on 116 S. Pitt St. and feel very strongly about the fact that we as a City need unique, small businesses to preserve the flavor of Alexandria. If small businesses are

continually asked to be the ones ante-ing up, we are going to end up with a city of Walgreens, Gap Outlets and 9 west outlets. Not even mall-worthy stores. Please reconsider the idea of raising these taxes--look how many small businesses have gone out of business this year--the trend will sadly continue if we are hit with this along with all of the other City fees.

137 michael Anderson

138 Jennifer Donohue

139 Meshelle Armstrong

140 Michael P Kirby

141 Jeremy Gersh

142 Jay Thomas President Kwik Kopy Printing and Mailing

143 Carrie Ruggles

144 Angela Lorinchak I agree - enough is enough!

145 Steve Cann Resident and business owner. Another tax hike. Alexandria is not a city that wants small business.

146 Cecilia Guay

147 Amanda Lasker Gossypia

148 matthew sellers

149 Rachel Hughey

150 DAVID A CHENAULT

151 Sarah Davis

152 Timothy Davis

153 Laura Shelton

154 Karen S. Stone

155 Jim Makinen

156 Erica Jones

157 Anthony Felli

158 Lynne Weigle-Snow Increased commercial property tax is killing small businesses!

159 Scott Marchand
160 Mark Allen Prediction: City Council will proclaim success by holding the tax rate to its current level while adopting the "add-on" commercial tax rate of at least \$.15 per hundred. There is no rationale for increasing real property taxes on commercial property only. After all, they don't require the infrastructure that residential development does, such as schools, parks, etc. In fact, commercial developments actually generate revenue. Perhaps we should take a hard look at cutting some spending, such as the budget for "refugee assistance" we have now.

161 Rebecca Marchand Small businesses already pay enough tax!

162 P. Elizabeth Pirsch I own two townhouses in Alexandria City, one in Del Ray and one in Oldtown. I can't replace my air conditioner on my roof in Oldtown without a city permit. I pay high real estate taxes. I donate my time to charitable organizations, including the Alexandria Police Foundation. The only request I made of the City was to investigate a robbery that I had in my office by prior employees and the Police did nothing regardless of the fact that the employees admitted that they had files of mine.

Fairfax City police had an arrest warrant issued for a client of mine in similiar circumstances. I think my area is quaint but what am I paying for? If Alexandria raises its taxes, I am definately moving.

163 R.C. Fields Jr. The City needs to tighten their belt. We are already taxed for every pencil we own.

164 Deborah Malkin business license taxes on gross income is vicious and counterproductive towards business owners and the local economy.

165 Andrew Hepburn

166 Michael H Huhn

167 Frank H. Fannon IV If you are going to increase the commercial tax you should have the residential tax increase along with it and not discriminate against the businesses. With the state of the economy in 2008 we need ways to spend less money as opposed to increasing taxes axes. Many o f the local business are running on tight margins and a tax increase could send some business under and cause jobs to be lost.

168 Peter Mikoniatis

169 John F. McGinley Jr. Fiscal responsibility means don't spend money

you don't have; not tax someone because you doubt that they will vote against you since they "only" work in Alexandria.

170 john crowder

171 george crowder

172 Joseph M. Egerton Property taxes are passed on to the tenants of owners' buildings. Small business in Alexandria operate at 50\% of the square footage take of our neighboring regions. Any additional tax could cause more unique businesses to close, thus lessening the charm that attracts visitors to the city.

173 Stephen Baer

174 Judith Baer Don't raise the taxes! Our business is already considering whether or not it makes sense to be headquartered in Alexandria for this very reason. Find other ways to raise revenue other than taxing quality small local businesses.

175 Ben Ward

176 Raphael Botbol

177 John Henry Loomis Does anyone really expect the Council, which always cries poverty, to practice restraint? Isn't a recession a great time to raise the cost of business? Be prepared to open your wallets as the Council doesn't know the meaning of restraint - except when it comes to depriving its citizens of economic prosperity. In a few years the city will wonder what happened to the small retailers.

178 Wilhelmina T. Loomis

179 Debra Sabourin Alexandria cannot keep businesses as it is. Find ways to attract business, don't drive it away. Alexandria is justly known as an overpriced, bureaucratic nightmare.

180 Michael Gaw

181 Christopher Kachouroff Don't make City Gov't more efficient--CUT ITS SIZE!!!

182 Leslie Zupan

183 Charlotte Landis

184 Helen Morris

185 Julie Crenshaw Van Fleet They could have had a V8!

186 Steve Niswander This will force businesses out of Alexandria,

and keep new business from moving to the City.

187 Brian Midkiff

188 Elizabeth A. Terrell What do the businesses in Old Town, DelRay, Skyline, and Seminary Valley need? I don't think a special tax hike (or a trolley for that matter) is the right answer to that question.

189 Kenneth J. Wolfe

190 David E Halla

191 Anita Winsor

192 Jeffrey S. Arvai for Transportation Federal Credit Union

193 Deatrice Jarrett

194 Ken Boland There is no justification for higher commercial property taxes than residential taxes.

195 Grant Cole Now is not the time increase taxes but find ways to show fiscal restraint during these uncertain times. The budget needs to be cut. Taxes don't need to rise every time Alexandria finds itself with less money than normal.

196 Heath Wells Small government through small taxes

197 Darren Silvis

198 Sydney Olson If the city is serious about attracting tourists from the Gaylord Hotel and Convention Center, then it makes absolutely no sense to impose an additional commercial tax that will drive many of our unique small businesses OUT of business. How attractive are streets full of empty stores?

199 Brenda Wigger

200 Lee Dunn

201 Francis M Johnson

202 Nadine Drury Boland As an Alexandria resident, consumer, commercial property owner, residential property owner, and employee of an Alexandria small business, I urge you not to increase commercial property tax.

203 Mari STULL

204 DOUGLAS K. WOOD

205 Tom Hinely

206 Todd Belinky
207 Susan Hinely
208 Caren T. Camp
209 Steven M. McLain Alexandria City Council, wake up!!
210 brenda doherty
211 George Sanchez
212 JH Sanchez
213 Patty Brady
214 Nancy Hunt You are driving out the middle class in
Alexandria and polarizing the population that
is left. Don't raise taxes -- again!
215 George Demetriades
216 Douglas Waldron Budget cuts are not easy, but we are all making
them, the city must as well.
217 Philip D. McCombie Own 2 businesses and 3 properties in City

21
4-22-08



Richard Hershman
<rhershma@att.net>

04/22/2008 06:21 PM

Please respond to
Richard Hershman
<rhershma@att.net>

To <alexvamayor@aol.com>, <timothylovain@aol.com>,
<councilmangaines@aol.com>, <council@krupicka.com>,
<delpepper@aol.com>, <paulcsmedberg@aol.com>

cc

bcc

Subject COA Contact Us: Real Estate Tax



Time: [Tue Apr 22, 2008 18:21:47] IP Address: [63.151.205.75]

Issue Type: Mayor, Vice Mayor, and Council Members
First Name: Richard
Last Name: Hershman
Street Address: 207 E. Bellefonte Ave.
City: Alexandria
State: VA
Zip: 22301
Phone: 703-851-4455
Email Address: rhershma@att.net
Subject: Real Estate Tax

Dear Honorable Mayor and Council Members,

I am e-mailing you to

urge you to not raise our real estate taxes through the proposed increase without first demonstrating that Alexandria is serious about cutting spending. Escalating property values have dramatically increased city revenue in the last seven years and this year's dip should not force the city into raising taxes.

The tax assessment office is already unfairly inflating property assessments above the fair market value. I purchased my house in October of 2006 and the City assessment office has assessed my property \$38,000 above what I paid. I would be lucky if I was able to sell my house at my purchase price back in December of 2007. I now have to go before the Board through a complicated process that is clearly designed to discourage citizens to challenge the assessment, since staff reviewed the

Comments:

property and told me that their hands are tied in reviewing beyond what their brand new software program tells them. This becomes a judgement call is it worth a few hundred dollars to jump through so many hoops, that the assesment office knows few citizens will bother to do.

Further, as I

drive through my neighborhood, I see several Alexandria City government vehicles parked in driveways of homes. Why is the city providing vehicles for non-emergency staff to drive around in? It makes sense if it is a police or EMS vehicle, but I see standard vehicles in driveways. This is just one small example of why the city should be working to tighten its budget before further raising taxes on already stretched homeowners grappling with gas and food prices.

Cordially,

Richard Hershman

21, 22, & 23

4-22-08



Kristina Rasmussen
<kristina.m.rasmussen@gmail.com>

04/22/2008 05:05 PM

Please respond to
Kristina Rasmussen
<kristina.m.rasmussen@gmail.com>

To <alexvamayor@aol.com>, <timothylovain@aol.com>, <councilmangaines@aol.com>, <council@krupicka.com>, <delpepper@aol.com>, <paulcsmedberg@aol.com>

cc

bcc

Subject COA Contact Us: Taxes

Time: [Tue Apr 22, 2008 17:05:06] IP Address: [70.90.81.61]

Issue Type: Mayor, Vice Mayor, and Council Members

First Name: Kristina

Last Name: Rasmussen

Street Address: 240 S Reynolds Street #411

City: Alexandria

State: VA

Zip: 22304

Phone: 703218145

Email Address: kristina.m.rasmussen@gmail.com

Subject: Taxes

Good evening. I'm scheduled to speak at the tax rate public hearing tonight. Unfortunately, my husband was involved in a bad accident this weekend (two broken arms!) and I need to care for him.

I urge you to

Comments:

avoid a tax rate increase on personal or commercial property. Remember, every dollar that goes to higher taxes is a dollar that Alexandria families won't be able to put toward covering mortgage payments, gas bills, grocery costs, and health care expenses.

Thank you for your consideration.

21, 22, + 23
4-22-08



George Demetriades
<gdemet@hotmail.com>

04/22/2008 09:31 AM

Please respond to
George Demetriades
<gdemet@hotmail.com>

To <alexvamayor@aol.com>, <timothylovain@aol.com>, <councilmangaines@aol.com>, <council@krupicka.com>, <delpepper@aol.com>, <paulcsmedberg@aol.com>
cc
bcc
Subject COA Contact Us: Taxes



Time: [Tue Apr 22, 2008 09:31:12] **IP Address:** [209.155.3.202]

Issue Type: Mayor, Vice Mayor, and Council Members
First Name: George
Last Name: Demetriades
Street Address: 943 Powhatan Street
City: Alexandria
State: VA
Zip: 22314
Phone: 571-216-6216
Email Address: gdemet@hotmail.com
Subject: Taxes

Lady and Gentlemen:

I write to inform you that I am vehemently opposed to new tax increases in the City of Alexandria--neither commercial or real estate tax increases are acceptable.

This City and you as a Council, have shown absolutely NO fiscal discipline during your tenure. Your actions just don't match your campaign promises.

You spend and tax and tax and spend and its all been done on the backs of the taxpayer. It's popular these days to talk about the "haves and the have-nots," in the City of Alexandria it's the "will works and the won't works." And those of us who work hard are subsidizing those in the City who just won't work. Oddly enough, none of the "won't works" do not live near you guys; they all live in the projects in Old Town.

Maybe we should spend some of the taxpayers money to move them to Del Ray!

Yes, for all of this taxing we get below average schools where violence abounds--sure, the buildings are pretty and everyone feels good about themselves but give me a call when the "wow factor" applies to student achievement.

We get rude employees at City Hall; who take ridiculous amounts of time to do anything (unless it comes to cashing a parking ticket payment).

We get inconsistent Board of Architectural

Review rulings (the Trophy Room has to go but the art deco abortion known as Hotel Monaco--which belongs in Miami but not on King Street and a Walmart and everything that makes us look like "Generica" gets built?)

Barack Obama is right; people in middle America are bitter.

We're bitter because of the waste. And the fraud (none of you guys are keeping your campaign promises on taxes). And the abuse.

It's simply

pathetic that you guys can't get it right with more than a half billion dollar budget. It's obvious what you're going to do--you're gonna raise taxes, because we certainly need more million dollar trolleys going up and down King Street (a million dollars for a trolley--come on!), a few more city employees at City Hall (who are rude when you try to get something done), more regulation and of course each of you need another full time aide.

As individuals, you are probably pretty good people; as a body you've been corrupted by power and group think--unable and unwilling to look at solutions to problems that involve common sense or creativity; or just old fashion solutions like cutting services we don't need and can't afford. It's third-grade piggybank math guys--when an economy has a downturn, everyone, even the government should cut back.

Comments:

It would be

pretty easy to write a case study entitled "when governments get rich" based on the City of Alexandria.

A half billion dollars...

come on people--how much more do you need???

George Demetriades

21, 22, 4 23
4-22-08



Bud Miller
<ersalexandria@msn.com>

04/23/2008 09:55 AM

Please respond to
Bud Miller
<ersalexandria@msn.com>

To <alexvamayor@aol.com>, <timothylovain@aol.com>, <councilmangaines@aol.com>, <council@krupicka.com>, <delpepper@aol.com>, <paulcsmedberg@aol.com>

cc

bcc

Subject COA Contact Us: Text of last evening's presentation



Time: [Wed Apr 23, 2008 09:55:18] IP Address: [63.242.160.144]

Issue Type: Mayor, Vice Mayor, and Council Members

First Name: Bud

Last Name: Miller

Street Address: 115-D South Saint Asaph Street

City: Alexandria

State: VA

Zip: 22314

Phone: (703) 684-5312

Email Address: ersalexandria@msn.com

Subject: Text of last evening's presentation

Dear Mr. Mayor & City Council:

As promised, I have attached the full

text of my presentation from last night. Thank you for your patience with this slow speaker.

In addition to the thoughts in the attached text, I

would urge caution regarding the use of the tax code as a weapon against a legal activity as proposed regarding the high interest loan companies for the following reasons:

- 1. Probable Litigation Costs
- 2. Possible action

on the State level may achieve your goals

- 3. Likelihood of the increased

Comments: costs being passed onto the consumer

- 4. In the unlikely event you drive

these organizations out of business; you will simply create or enhance a market for illegal financial activities.

To be honest, the only

difference I see between these organizations and our local banks is the amount of interest charged.

You have our best wishes for these

challenging times. Please keep the taxpayers in mind as you consider these issues.

Bud Miller

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Facing the New Economic Realities

I would like to thank the City Council for its considerable time and effort on this current budget process. You have made much progress and I think it would be very inconsiderate not to acknowledge that. You've taken a hard look at the numbers and have made several significant changes to work towards financial restraint. It is challenging to manage a City during prosperous times; it will take extraordinary leadership in the difficult times ahead as we face the looming economic realities of a growing recession, generalized inflation, and a deflating real estate market. Unfortunately, our problems are just beginning.

We have high hopes for you. After years of runaway budgets, you have taken the first steps towards fiscal responsibility. We believe you have what it takes to continue down this the road. We urge you to keep the promises you made during your campaigns, and to balance our budget without resorting to new tax increases or opening the Pandora's box of a new, separate and unequal, Commercial Property Tax.

Commercial Property Tax

I am providing you with an updated copy of our petition with well over 200 signatures against any new add on tax for commercial properties. This position is also supported by the Alexandria Chamber of Commerce. The comments on the petition quite literally speak for themselves. This is your electorate trying to communicate with you. They beg for financial restraint and basic tax relief. Small businesses owners cry "UNCLE!" at the beginning of this recession as they are faced with a measure that will damage the whole community. If you impose new taxes on us, you WILL force some businesses to close their doors. Please note that this is a nonpartisan petition and individuals from all parts of the political spectrum have signed it, including some individuals who have previously advocated for higher taxes on businesses.

Residential Property Tax

There is simply no need to increase our property taxes. There is ample room to cut without causing a negative impact on most Alexandrians. After all, the City's budget has increased by over \$120 million over the last five years—well ahead of both the inflation rate and any increases in population.

We have a few suggestions for gentle budget cuts:

1. Have the school board live within the goals set by City Council. Declining enrollment should mean stable, if not declining, financial needs. According to a national study cited in Forbes magazine just last year, our City's school system has the worst financial performance in the country. Alexandria is DEAD LAST in terms of bang for our bucks.

I understand that at least one council member has disputed the quality of the study. Let's assume for a minute that the study was off by a factor of 10, which would still make our school system one of the worst in the country. Now assume it was off by a factor by 100! That is still unacceptable. Surely, Alexandria, with one of the most educated populations in the country can do better. Regardless of what you think about the recent leadership transition within our school system, The City should seize upon the opportunity of new leadership to re-consider how

spending decisions are made in this huge part of the city budget. We must end the practice of doing LESS with MORE and transform it to doing much MORE with LESS with better accountability and by tapping into the wisdom of our school officials and combining it with wise management and oversight of the school budget.

2. City Attorney's office. There is little question of the necessity of a high quality City Attorney's Office or reasonable alternative in today's litigious society. However, the Alexandria's City Attorney's office has an established record of losing high profile cases, including some that can be reasonably be argued were attempts to achieve political objectives through litigation. While one can debate the merits of specific cases, we'd recommend a simple, cost effective, reform: Don't engage in litigation until an objective, qualified, nonpartisan, volunteer panel of retired lawyers and judges can review the case and determine the probability of success and financial recovery. Have the panel also review any attempts to settle pending cases.
3. Review Debt Service Costs. Simply put, lower Fed Rates may have opened some opportunities to reduce the interest rates the City is paying. Frankly, this is a no brainer, if it hasn't been done already, it creates more questions on management and accountability.
4. Conduct a thorough audit of the Alexandria Redevelopment and Housing Authority (ARHA). As you know, William Dearman, the Authority's former executive director, entered into a pretrial diversion agreement with the U.S. Attorney's Office after admitting to violating HUD regulations and the Virginia Public Procurement Act. Dearman circumvented procurement regulations and awarded more than \$190,000 in roofing contracts without competition and then falsely certified ARHA annual contributions contracts. Corruption is absolutely unacceptable. Seek it out, learn from it, and extinguish it. See if similar patterns or opportunities exist in other City procurement procedures.

Transportation Items

1. Save \$300,000 by not hiring two new bureaucrats and a consultant.
2. Re-evaluate the costs associated with spending \$2.5 million for Potomac Yard Metro Station Feasibility Planning. Surly, this cost can be reduced. Even a gold plated \$2 million study would save half a million.
3. Save \$560,000 by not funding Holmes Run Pedestrian and Bicycle Trail and Tunnel improvements. It's a Nice to Have, but won't have a significant impact on transportation. Put the project off until economic times are better. At a minimum, don't classify it as a vital transportation issue.

These are just a few suggestions for the time allotted for public presentation. Surely there are many more cost reduction opportunities within the City Budget.

Finally, unlike the 80 some people who attended the so-called "Begging Session" of City Council last week, we are not here to ask for anything----- except to be allowed to keep what we have worked so hard to earn.

You should understand, Taxes hurt, they hurt the economy, business, and, most importantly, the tens of thousands of hard working people in our city who are struggling right now. If you raise our taxes yet again, you will be taking more bread off the tables of everyone- from those who are struggling to those who are the engine of the local economy.

If you raise our taxes during the onset of a recession, it will be more than cruel, it will be heartless.

Comments by Bud Miller
President
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