

City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 16, 2013
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: RASHAD M. YOUNG, CITY MANAGER 
SUBJECT: BUSINESS TAX REFORM TASK FORCE

Councilmen Tim Lovain, Paul Smedberg and Justin Wilson distributed a memo in June 2013 requesting the formation of a business tax reform study group that would be tasked with promoting economic growth in Alexandria. The group's goal was to provide recommendations on:

- Changes to the Business License Tax (BPOL), Business Personal Property Tax, or any other revenue stream that would promote business growth in the City and align with our strategic economic development objectives.
- Revenue or other incentives that the City can deploy to attract businesses and encourage beneficial development aligning with the City's Strategic Plan, as well as appropriate criteria for evaluating those incentives.
- Changes to the administration of any revenue stream that can assist small businesses.

Some of the group's more specific areas of focus would include:

- Finding ways to ease the burden on residential taxpayers by growing commercial activity.
- Establishing criteria to evaluate any changes in the future to determine whether or not they brought about the desired goal.
- Studying total economic costs (taxes and lease costs) of key competing suburbs (Tysons Corner, Rosslyn, DC downtown).

This new group was to be constituted by the City Manager, co-staffed by the City of Alexandria and the Alexandria Economic Development Partnership (AEDP), and comprised of a small, but diverse group of stakeholders representing small businesses, citizens and other organizations with economic interests in Alexandria.

The members of this new Business Tax Reform Task Force will be:

- Jill Erber
Owner, Cheesetique
- Bruce Johnson, Chair
Former Alexandria City Manager
- Gregory H. Leisch
Board of Directors, AEDP
- Laurie MacNamara
Member, Budget & Fiscal Advisory Affairs Committee (BFAAC)
- H. Skip Maginniss
Vice Chair, Government Relations, Alexandria Chamber of Commerce
- James L. McNeil
Former Business Owner, Noted Philanthropist
- John J. Renner II
Chairman of the Board, Alexandria Chamber of Commerce
Chair, BFAAC
Board of Directors, AEDP

The Business Tax Reform Task Force will be staffed by:

- Bernard Caton
Legislative Director, City of Alexandria
- Martina Alexander
Tax Services and Enforcement Supervisor, City of Alexandria
- Stephanie Landrum
Senior Vice President, AEDP

The group's first meeting will be in September 2013, with recommendations provided to Council by calendar year's end that can be incorporated into the FY 2015 budget development process.

As was noted in the June 25 memo, similar groups have been very successful in the past (Small Business Task Force – 2007, Economic Sustainability Work Group – 2007, Ad Hoc Commercial Real Estate Tax Option Study Committee – 2008), so I am confident that this latest group will build on that record of success and provide sound recommendations for consideration.

cc: Mark B. Jinks, Deputy City Manager
Laura Triggs, Chief Financial Officer
Bernard Caton, Legislative Director
Val P. Hawkins, President & CEO, AEDP
John T. Long III, President & CEO, Alexandria Chamber of Commerce