

# OLD TOWN SERVICE DISTRICT

**FUNCTION:** Old Town Service District  
**DEPARTMENT:**  
**DIVISION OR ACTIVITY:**

**BUDGET COMMENTS:**

The Old Town Service District was established in 2000 to create a special tax assessment against properties located in Old Town Fairfax. In fiscal years 2021 and 2022, the special district tax rate was reduced to zero cents per \$100 of assessed value of real property and improvements. For FY 2023, the adopted tax rate for the Old Town Service District is \$.04 per \$100 of assessed value.

Taxes collected pursuant to this ordinance are levied for and used to provide additional government services not being offered uniformly throughout the entire City including, but not limited to, economic and business development and promotional activities intended to foster business retention; business recruitment and developer recruitment; physical improvements to public facilities which are unique to the downtown area; and planning for the acquisition and development of public spaces needed for the downtown area. Past facility improvements in the Old Town Service District include, but are not limited to, the construction of a new library, the undergrounding of overhead utility lines and road improvements throughout the Old Town Service District.

Annual debt service (principal debt of approximately \$23 million) relating to the financing of the library, which opened in January 2008, is offset by reallocating payments due for library operating costs (due to the County of Fairfax) from the County of Fairfax to the financing institution. The library is owned and operated by the County of Fairfax; however, because of the library's location in the heart of the City of Fairfax, the City is a major beneficiary.

Financing of the Old Town Service District's undergrounding of overhead utility lines and road improvements (totaling approximately \$16 million) is supported in part by revenue generated from the Old Town District special assessment and increased revenues realized and anticipated from the ongoing redevelopment of the downtown area.

The FY 2023 adopted budget reflects an increase of \$1,415,000 from the FY 2022 adopted budget. Notable adjustments include:

- **Capital Projects, an increase of \$1,350,000**
  - \$1,350,000 project to replace gas lamps with LED lighting in the Old Town Service District
- **Old Town Improvements and Expenses, an increase of \$65,000**
  - For parking and other improvements in the Old Town Service District

**FY 2023 Adopted Budget - City of Fairfax, Virginia**

**City of Fairfax, Virginia  
FY 2023 Old Town Service District  
Budget Summary**

	<b>FY 2021 <u>Actual</u></b>	<b>FY 2022 <u>Budget</u></b>	<b>FY 2022 <u>Estimate</u></b>	<b>FY 2023 <u>Adopted</u></b>	<b>Variance to <u>Budget \$</u></b>	<b>Variance to <u>Budget %</u></b>
<b>Fund Balance - Beginning</b>	\$ 225,308	\$ -	\$ 312,565	\$ 334,688		
<b>Revenues</b>						
Old Town Sidewalk Widening	32,124	-	-	-	-	0.00%
Transfer from General Fund	195,871	-	87,123	181,347	181,347	0.00%
Financing	-	-	-	1,350,000	1,350,000	0.00%
<b>Total Revenues</b>	<b>\$ 227,995</b>	<b>\$ -</b>	<b>\$ 87,123</b>	<b>\$ 1,531,347</b>	<b>\$ 1,531,347</b>	<b>0.00%</b>
<b>Expenses</b>						
Capital Projects	\$ 140,738	\$ -	\$ -	\$ 1,350,000	\$ 1,350,000	0.00%
Old Town Improvements and Expenses	-	-	65,000	65,000	65,000	0.00%
<b>Total Expenses</b>	<b>\$ 140,738</b>	<b>\$ -</b>	<b>\$ 65,000</b>	<b>\$ 1,415,000</b>	<b>\$ 1,415,000</b>	<b>0.00%</b>
<b>Adjustments for Accrual Activity</b>	\$ -	\$ -	\$ -	\$ -		
<b>Available Fund Balance - Ending</b>	<b>\$ 312,565</b>	<b>\$ -</b>	<b>\$ 334,688</b>	<b>\$ 451,035</b>		

**PAGE INTENTIONALLY LEFT BLANK**