

FREDERICKSBURG MAIN STREET

PROPOSED BUSINESS IMPROVEMENT DISTRICT SUMMARY

The Main Street Exploratory Committee of the Fredericksburg Economic Development Authority is proposing the creation of a downtown service district (known as a business improvement district or "BID") to provide 60 percent of the funding for Fredericksburg Main Street. The following is a summary of the proposed BID:

1. **7 Cents:** A seven-cent real estate tax surcharge per \$100 of assessed value on all property except single-family and tax-exempt parcels located in the proposed 37-block Main Street district. This is in addition to the current city-wide real estate tax rate of 72 cents.
2. **Three-Year Phase In:** The BID surcharge would be 3 cents in year one, 5 cents in year two and 7 cents in years three - five.
3. **37 Blocks:** The proposed 37-block Main Street BID area includes Sophia Street/Caroline Street/Princess Anne Street between Lafayette Boulevard and Lewis Street and William Street from Washington Avenue to the river.
4. **5-Year Sunset:** The BID would have to be renewed by City Council after the initial 5-year term.
5. **Public Hearing:** A public hearing is required before adoption by City Council following three weeks public notice in the paper.
6. **270 Parcels:** The BID with the proposed borders would be applicable to approximately to 270 parcels of property, including commercial and mixed-use buildings with apartments. These properties have a current assessed value of approximately \$198.5 million. The 7-cent surcharge would result in approximately \$135,000 of Main Street revenues annually.
7. **Pass-Through:** The surcharge collected by the city is passed through directly to the Fredericksburg Main Street organization.
8. **Main Street Uses Only:** The spending of the BID revenues would be at the sole control of the Fredericksburg Main Street Board of Directors which is focused entirely on achieving the priorities of downtown.
9. **Allowed by State Law:** The BID is allowed by Virginia Code §15.2-2400, known as the Service District Act, for purposes of promotion of business and retail development services, economic development services, beautification and sponsorship and promotion of recreational and cultural activities.
10. **Other Examples:** Downtown BID's have become common in Virginia since the mid-1990's, both in Main Street communities and larger towns and cities. Some examples of other BID's and their respective real estate tax surcharges are:
 - Downtown Hampton Development Partnership 20 cents
 - Staunton Downtown Development Association 15 cents
 - Winchester Old Town Development Board 13 cents
 - Downtown Roanoke, Inc. 10 cents