

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 2026, the adopted tax rate for the Old Town Service District is \$.08 per \$100 of assessed value to assist with the maintenance and economic structure of Old Town Fairfax.

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.

No capital projects are budgeted for this fund in FY 2026.

FY 2026 Adopted Budget - City of Fairfax, Virginia**City of Fairfax, Virginia
FY 2026 Old Town Service District
Budget Summary**

	<u>FY 2024 Actual</u>	<u>FY 2025 Budget</u>	<u>FY 2025 Estimate</u>	<u>FY 2026 Adopted</u>	<u>Variance to Budget \$</u>	<u>Variance to Budget %</u>
Fund Balance - Beginning	\$ 248,303	\$ 742,123	\$ 435,022	\$ 603,780		
Revenues						
Transfer from General Fund (8¢ OTSD Tax)	295,462	383,758	383,758	393,304	9,546	2.49%
Total Revenues	\$ 295,462	\$ 383,758	\$ 383,758	\$ 393,304	\$ 9,546	2.49%
Expenses						
Capital Projects	\$ 2,563	\$ -	\$ -	\$ -	-	0.00%
Old Town Improvements and Expenses	106,180	65,000	65,000	65,000	-	0.00%
Economic Development Initiatives	-	-	150,000	150,000	150,000	0.00%
Total Expenses	\$ 108,743	\$ 65,000	\$ 215,000	\$ 215,000	\$ 150,000	230.77%
Available Fund Balance - Ending	\$ 435,022	\$ 1,060,881	\$ 603,780	\$ 782,084		