

Subject: Business Improvement Districts (BIDs)
Related Department: AED

FY 2027 Proposed Budget
Budget Work Session Follow-up

4/8/2026

The following information is provided in response to a request made by Ms. Coffey and Ms. Cunningham at the work session on March 26, 2026, regarding the following question:

What is the approach to ratify the Business Improvement District (BID) agreements (tax rates, boundaries)? Please address the 2019 one-time change to the tax rate for the Ballston BID.

The three Business Improvement Districts (BIDs) in Arlington submit their proposed workplans and budgets to the County every December as outlined in the service agreements. It is this annual process whereby proposed changes to the tax rate would be formally submitted for consideration to the County for inclusion in the County Manager's proposed budget. Proposed changes to the BID tax rate would then be considered and acted upon by the County Board through the budget adoption process.

Historically, changes to the BID tax rates and the associated workplans have come as recommendations from the individual BID boards following a period of deliberations with and expressed support from property owners and key stakeholders well in advance of the County's proposed budget considerations and development for an upcoming fiscal year.

Similarly, changes to the BID boundaries and included properties (additions or subtractions) also require County Board action. While these changes are not required to occur as part of the budget process, it is desirable to do so given the associated workplan and budget impacts and required advertisements. This too has historically been initiated by the individual BID Boards with expressed majority support from property owners and other key stakeholders and then adopted by the County Board. As outlined on the following page (Table A), this process typically takes 18-24 months to complete depending on when the process starts during a calendar year, the due diligence required with extensive data collection (e.g., parcels) and evaluation by staff, and the engagement process which includes signed petitions impacting property owners.

The 2019 one-time temporary change to the tax rate in the Ballston BID was due to the decrease in assessed values in CY 2018. The Ballston Business Improvement District Corporation (BBID Corp.), the private corporation under contract with the County Board

Subject: Business Improvement Districts (BIDs)

to assist in implementing the Ballston BID goals, recommended a one-time tax rate increase to cover the CY 2018 revenue decrease to address one-time budget needs.

Table A – Typical BID Boundary Adjustment Process

Timeline	Activities
Due Diligence Period (6-12 months)	Working group or committee is established by a BID to explore potential boundary adjustments, determine level of interest/support and gather feedback from property owners and key stakeholders, and conduct data collection/analysis in consultation with the County
Spring / Summer (no later than June)	Submission of request for boundary expansion, signed petitions, proposed workplan and other documentation to consider an expansion
Late Summer (no later than end of August)	Staff verification of signed petitions and evaluation of proposed expansion
Early Fall	County Board briefings on proposed expansion
Fall (October / November)	RTA of revised boundaries and service agreement
Late Fall / Early Winter (Nov / Dec)	CB Adoption of revised boundaries and service agreement
January 15	Assessment notices published formally and sent to property owners
February	CM proposed budget released with BID revised boundaries, proposed workplan and advertisement of “not to exceed” tax rate
March	Public hearings on proposed tax rate
April	CB adoption of BID workplan and tax rate
June 15	First real estate tax payment by property owners
July	First transmission of revenue associated with BID expansion to BID