

City of Alexandria, Virginia
FY 2026 Proposed Operating Budget & CIP
Budget Questions & Answers

March 12, 2025

Question:

How much property tax revenue does Alexandria receive from buildings with federal office space? What are the potential impacts of Federal downsizing in this area?

Response:

Based on information from the Alexandria Economic Development Partnership and the Finance Real Estate Division, the federal government has 13 leases of private commercial space in the City of Alexandria. These leases comprise approximately 2.59 million square feet, or about 69% of the net leasable areas for these buildings. Overall, this represents about 11% of approximately 22 million square feet of commercial office space in the City.

The 2024 Real Estate taxes paid on these properties totals \$7.8 million in General Fund revenue. All taxes are paid. There are no delinquencies. Of these properties, the largest two leases are for the U.S. Patent & Trademark Office (PTO) on Dulany Street, and the National Science Foundation (NSF) on Eisenhower Avenue.

The PTO lease has already been experiencing a federal downsizing in advance of the current federal administration, previously shedding approximately 764,000 square feet in office space. The NSF is subject to a 15-year tax exemption on the building value based on a prior economic development ordinance related to the lease and building occupancy (the land value remains fully taxable).

The U.S. government also owns several buildings outright in the City, however these are already tax exempt, such as the Martin Bostetter US Bankruptcy Courthouse at 200 S. Washington St.