

**City of Alexandria, Virginia**  
**FY 2027 Proposed Operating Budget & CIP**  
**Budget Questions & Answers**

**March 24, 2026**

**Question:**

What would be the cost and benefits of creating Business Improvement Districts in key commercial and retail corridors in the City?

**Response:**

The estimated cost of creating a Business Improvement District (BID) is dependent on the size of the BID boundaries along with the number of properties in the area to be subject to a BID along with the level of outreach needed to gain meaningful input on the potential BID. Given these factors, we estimate it would cost approximately between \$100,000- \$150,000 to develop the BID for action by the property owners of a typical BID. As a BID is a special assessment the property owners agree to apply to themselves in exchange for enhanced services and amenities typically designed to grow their businesses and revenue growth to support the costs of the BID membership. A successful BID generates more income for the businesses in the area and maintains the area at a higher level of services than in other areas of a city not subject to the additional assessment.