FAIRFAX COUNTY
BOARD OF SUPERVISORS
May 6, 2025

AGENDA

9:30	**Approved**	Board Decision on the County's and Schools' FY 2025 Third Quarter Review
9:30	**Approved**	Board Markup of the County Executive's FY 2026 Advertised Budget Plan and the FY 2026 Add-On Package
9:30	**Approved**	Board Decision on an Ordinance to Amend the Code of the County of Fairfax, Virginia— Chapter 4 (Taxation and Finance), by Adding a New Article 31 Relating to Food and Beverage Tax
9:30	**Approved**	Board Decision on the Fairfax County Capital Improvement Program (CIP) for Fiscal Years 2026 - 2030 (with Future Fiscal Years to 2035)

Board Agenda Item
May 6, 2025

9:30 a.m.

Board Decision on the County's and Schools' FY 2025 Third Quarter Review

ISSUE:
Board decision on the County's and Schools' *FY 2025 Third Quarter Review* to include Supplemental Appropriation Resolution (SAR) AS 25190 and AS 24279, and Amendment to the Fiscal Planning Resolution (FPR) AS 25901.

RECOMMENDATION:
The County Executive recommends that the Board approve staff recommendations including the County's and Schools' *FY 2025 Third Quarter Review*.

TIMING:
The public hearings on the *FY 2025 Third Quarter Review* were held April 22, 23, and 24, 2025. Action should be taken on the *FY 2025 Third Quarter Review* prior to the mark-up of the FY 2026 Advertised Budget Plan so that a revised FY 2025 General Fund ending balance will be known.

EQUITY IMPACT:
The County is committed to fostering an inclusive and equitable environment where all individuals have the opportunity to thrive. The Department Management and Budget (DMB) recognizes that budget decisions can significantly impact equity; therefore, the department strives to ensure that financial planning and resource allocation promote fairness and justice. The commitment to equity is reflected in budget priorities outlined by the Board of Supervisors and resource allocation aims to meet these initiatives. Budget development is specifically guided by the following equity goals and principles: accessibility, participation, transparency, and impact assessment. In particular, DMB considers how funding decisions impact populations and places, address causes of inequities and disparities, and are informed by the voice of impacted populations. This focus on equity creates a more just and inclusive County not only for residents and visitors but also for the County workforce.

ENCLOSED DOCUMENTS:
The *FY 2025 Third Quarter Review* was sent electronically on March 17, 2025, and is available online at: www.fairfaxcounty.gov/budget/fy-2025-third-quarter-review.

Board Agenda Item
May 6, 2025

STAFF:
Bryan J. Hill, County Executive
Christina Jackson, Deputy County Executive/Chief Financial Officer
Philip Hagen, Director, Department of Management and Budget
Katie Horstman, Deputy Director, Department of Management and Budget
Joe LaHait, Deputy Director, Department of Management and Budget

Board Agenda Item
May 6, 2025

9:30 a.m.

Board Markup of the County Executive's FY 2026 Advertised Budget Plan and the FY 2026 Add-On Package

ISSUE:
Board markup of the County Executive's FY 2026 Advertised Budget Plan and the FY 2026 Add-On Package.

RECOMMENDATION:
The County Executive recommends that the Board approve staff recommendations in the FY 2026 Advertised Budget Plan and the FY 2026 Add-On Package.

TIMING:
The public hearings on the FY 2026 Advertised Budget Plan were held on April 22, April 23, and April 24, 2025, and the markup is scheduled for today, May 6, 2025.

EQUITY IMPACT:
The County is committed to fostering an inclusive and equitable environment where all individuals have the opportunity to thrive. The Department Management and Budget (DMB) recognizes that budget decisions can significantly impact equity; therefore, the department strives to ensure that financial planning and resource allocation promote fairness and justice. The commitment to equity is reflected in budget priorities outlined by the Board of Supervisors and resource allocation aims to meet these initiatives. Budget development is specifically guided by the following equity goals and principles: accessibility, participation, transparency, and impact assessment. In particular, DMB considers how funding decisions impact populations and places, address causes of inequities and disparities, and are informed by the voice of impacted populations. This focus on equity creates a more just and inclusive County not only for residents and visitors but also for the County workforce.

ENCLOSED DOCUMENTS:
Memorandum to the Board of Supervisors from Bryan J. Hill, County Executive, with attachments transmitting the FY 2026 Add-On Package, is available online at: https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2026/fy2026-addon-package.pdf.

The FY 2026 Advertised Budget Plan is available online at:
https://www.fairfaxcounty.gov/budget/fy-2026-advertised-budget-plan.

STAFF:
Bryan J. Hill, County Executive
Christina Jackson, Deputy County Executive/Chief Financial Officer
Philip Hagen, Director, Department of Management and Budget
Katie Horstman, Deputy Director, Department of Management and Budget
Joe LaHait, Deputy Director, Department of Management and Budget

Board Agenda Item
May 6, 2025

9:30 a.m.

Board Decision on an Ordinance to Amend the Code of the County of Fairfax, Virginia—Chapter 4 (Taxation and Finance), by Adding a New Article 31 Relating to Food and Beverage Tax

ISSUE:
Board decision to consider an ordinance to amend Chapter 4 of the Fairfax County Code, that would add a new article authorizing taxation on food and beverages effective January 1, 2026.

RECOMMENDATION:
The County Executive recommends that the Board adopt the ordinance to amend *Chapter 4, by adding Article 31 – Food and Beverage Tax to the Fairfax County Code*, with an effective date of January 1, 2026.

TIMING:
The public hearing was held on April 22, 2025, at 3:00 p.m. and a final decision on the adoption of the Article 31 – Food and Beverage Tax is scheduled for May 6, 2025.

BACKGROUND:
Virginia Code § 58.1-3833 authorizes counties to impose a food and beverage tax at a tax rate not to exceed six percent on food and beverages sold for human consumption, by a restaurant, as such term is defined in *Virginia Code § 35.1-1*. At its meeting on March 18, 2025, the Board authorized staff to advertise a public hearing to be held on April 22, 2025, to consider adoption of an ordinance to amend Chapter 4 of the Fairfax County Code by adding a new Article 31, Food and Beverage Tax, with a maximum tax rate at implementation of four percent and the option to provide a seller's commission of up to three percent of the amount of tax collected, as set forth in the draft ordinance.

For comparative purposes, the following chart shows the food and beverage tax rates for surrounding jurisdictions:

Jurisdiction	Food & Beverage Tax Rate
City of Alexandria	5.00%
Arlington County	4.00%
Prince William County	4.00%

City of Fairfax	4.00%
City of Falls Church	4.00%
Loudoun County[1]	--
Town of Herndon	3.75%
Town of Vienna	3%

[1] Loudoun County does not have a Food & Beverage Tax; but a meals tax of between 3.5% and 5% is charged only within certain town limits

The proposed amendment introduces a tax on food and beverages sold as meals by restaurants and caterers as defined in the proposed Article. The rate will be a designated percentage of the amount paid for the food and beverage of no more than 4% and set annually by the Fairfax County Board of Supervisors through a resolution. The proposed ordinance would be effective January 1, 2026, and will set an initial tax rate of no more than 4%. The food and beverage tax return must be filed and payment remitted on or before the twentieth (20th) day of the month covering the amount of tax collected during the preceding month.

In addition, for the purpose of defraying some of the costs incurred by the seller in collecting the tax imposed under the proposed Article, a dealer discount could be included in the ordinance, which would allow every seller who collects and remits the tax in a timely manner a discount of the amount of the tax due. The draft ordinance includes a dealer discount of 3% for the first two years after implementation of the food and beverage tax. Subsequently, beginning on January 1, 2028, and beyond, the draft ordinance reduces the discount allowed to 1% of the tax levied if filed, remitted, and paid on time.

The proposed amendments to Chapter 4, Article 31 also align the County Code with *Virginia Code § 58.1-3833* and confirm the following transactions will not be subject to the food and beverage tax:

- Food and beverages sold through vending machines;
- Food and beverages sold by boardinghouses that do not accommodate transients;
- Food and beverages sold by cafeterias operated by industrial plants for employees only;
- Food and beverages sold by restaurants to their employees as part of their compensation when no charge is made to the employee;
- Food and beverages sold by volunteer fire departments and volunteer emergency medical services agencies (i.e. rescue squads); nonprofit churches or other religious bodies; or educational, charitable, fraternal, or benevolent organizations the first three times per calendar year and, beginning with the

fourth time, on the first $100,000 of gross receipts per calendar year from sales of food and beverages (excluding gross receipts from the first three times), as a fundraising activity, the gross proceeds of which are to be used by such church, religious body or organization exclusively for nonprofit educational, charitable, benevolent, or religious purposes;

- Food and beverages sold by churches that serve meals for their members as a regular part of their religious observances;
- Food and beverages sold by public or private elementary or secondary schools or institutions of higher learning to their students or employees;
- Food and beverages sold by hospitals, medical clinics, convalescent homes, nursing homes, or other extended care facilities to patients or residents thereof;
- Food and beverages sold by day care centers;
- Food and beverages sold by homes for the aged or infirm individuals, individuals with disabilities, battered women, narcotic addicts, or alcoholics;
- Food and beverages sold by age-restricted apartment complexes or residences with restaurants, not open to the public, where meals are served and fees are charged for such food and beverages and are included in rental fees;
- Food and beverages sold by sellers at local farmers markets and roadside stands when such sellers' annual income from such sales does not exceed $2,500. For the exemption described, the sellers' annual income shall include income from sales at all local farmers markets and roadside stands, not just those sales occurring in the locality imposing the tax.
- Food and beverages when used or consumed and paid for by the Commonwealth of Virginia, any political subdivision of the Commonwealth of Virginia, or the United States;
- Food and beverages provided by a public or private nonprofit charitable organization or establishment to elderly, infirm, or needy individuals or individuals with blindness or other disabilities in their homes, or at central locations;
- Food and beverages provided by private establishments that contract with the appropriate agency of the Commonwealth of Virginia to offer food, food products, or beverages for immediate consumption at concession prices to elderly, or needy individuals or individuals with blindness or other disabilities in their homes or at central locations;
- Alcoholic beverages sold in factory sealed containers and purchased for off-premises consumption; and
- Food purchased for human consumption as “food” is defined in the *Food Stamp Act of 1977, 7 U.S.C. § 2012*, as amended, and federal regulations adopted pursuant to the Act, will not be subject to tax under this Article except for the following items: sandwiches, salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables, and non-factory sealed beverages.

EQUITY IMPACT:
The implementation of a food and beverage tax would enable the County to better align its tax base with surrounding jurisdictions and would generate a significant portion of revenue from non-County residents. As a result, it is not anticipated that the tax would detrimentally impact equity in the County.

A food and beverage tax would provide an opportunity to diversify the tax base and moderate the impact of the increasing share of the tax burden on homeowners. It is estimated that approximately 34 percent of expenditures on meals are generated by commuters and out-of-County visitors. Additionally, while taxes on unprepared food items are generally considered to be regressive since lower-income households tend to spend larger fractions of their incomes on necessities such as food and clothing, restaurant meals are not considered necessities and, based on the Bureau of Labor Statistics Consumer Expenditure Survey, higher-income households tend to spend a larger share of their food budget on eating out. It is typical for unprepared foods to be taxed at a lower tax rate than other items – as is the case in Virginia.

The proposed ordinance authorizes every seller who collects and remits the tax in a timely manner a discount of the amount of the tax due. The dealer discount would compensate sellers for the technology and record keeping costs of collecting the food and beverage tax.

The Department of Tax Administration plans to translate educational material about the tax, if approved, into multiple languages, and offer technical assistance for each of the County's business owners.

FISCAL IMPACT:
The food and beverage tax is projected to generate the respective revenue amounts in the table below for FY 2026 after expenses to administer the tax. This revenue was not included as part of the FY 2026 Advertised Budget Plan.

Food and Beverage Tax FY 2026 Fiscal Impact Summary [1]			
Percent	**Estimated Revenue [2]**	**County Cost to Implement [3]**	**Total Revenue to County**
1%	$16,975,000	$2,800,000	$14,175,000
2%	$33,950,000	$2,800,000	$31,150,000
3%	$50,925,000	$2,800,000	$48,125,000
4%	$67,900,000	$2,800,000	$65,100,000

[1] Assumes January 1, 2026 implementation
[2] Estimated Revenue net of a 3% dealer discount
[3] Includes 19 positions in the Dept. of Tax Administration
& 2 positions in the Dept. of Information Technology

ENCLOSED DOCUMENTS:
Attachment 1 – Proposed Ordinance, Clean

STAFF:
Christina Jackson, Deputy County Executive/Chief Financial Officer
Jaydeep "Jay" Doshi, Director, Department of Tax Administration (DTA)
Philip A. Hagen, Director, Department of Management and Budget
Young Tarry, Director, Personal Property and Business License Division, DTA
Gregory A. Bruch, Director, Revenue Collection Division, DTA
Justin Nejad, Assistant Director, Personal Property and Business License Division, DTA
Kimberly Sebunia, Assistant Director, Revenue Collection Division, DTA

ASSIGNED COUNSEL:
Daniel Robinson, Senior Assistant County Attorney

AN ORDINANCE AMENDING CHAPTER 4 OF THE FAIRFAX COUNTY CODE, RELATING TO A FOOD AND BEVERAGE TAX

Draft of March 18, 2025

AN ORDINANCE to amend the Fairfax County Code by amending Chapter 4 by adding a new Article 31 relating to a Food and Beverage Tax.

Be it ordained by the Board of Supervisors of Fairfax County:

1. **That Article 31 of Chapter 4 of the Fairfax County Code is adopted as follows:**

CHAPTER 4 – Taxation and Finance.

Article 31. – Food and Beverage Tax.

Section 4-31-1 – Title.

This ordinance shall hereafter be known, cited and referred to as the Fairfax County "Food and Beverage Tax".

Section 4-31-2 - Definitions.

The following words and phrases, when used in this Article, have, for the purposes of this Article, the following respective meanings except where the context clearly indicates a different meaning:

(a) *Beverage* means alcoholic beverages as defined in Va. Code § 4.1-100 and nonalcoholic beverages served as part of a meal.

(b) *Caterer* means a person who furnishes food on the premises of another for compensation.

(c) *County* means the County of Fairfax, Virginia.

(d) *Director* means Director of the Department of Tax Administration or any duly authorized deputies or agents of the Director.

(e) *Food* means any and all edible refreshments or nourishment, liquid or otherwise, purchased in or from a restaurant or from a caterer, whether or not prepared in such restaurant or by such caterer, and whether or not consumed on the premises

of such restaurant or caterer, and without regard to the manner, time, or place of service.

(f) *Grocery items* mean any food and foodstuffs, green groceries, including whole fruits and vegetables, beverages and household goods usually prepackaged or measured into quantities for household use from containers made for retail grocery or baking sales and usually not suitable for immediate consumption by the purchaser. Grocery items, sometimes called staples, include, by way of illustration and not limitation, sugar, flour, spices, dry pasta, loaves of bread, ground coffee, coffee beans, loose or bagged tea, cooking oils, and canned, bottled and jarred goods.

(g) *Meal* means all food and beverages, including alcoholic beverages, offered or held out for sale for the purpose of consumption by a single person or a group, whether or not eaten in the place where it is bought or prepared including prepared food ready for human consumption at delicatessen counters of grocery and convenience stores in the County. "Meal" does not include grocery items, or snack foods alone or beverages alone.

(h) *Person* means any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, firm, or any other legal or commercial entity and any successor, representative, agent, agency or instrumentality thereof.

(i) *Purchaser* means any person who purchases a meal in exchange for money or other legal consideration.

(j) *Restaurant* means any of the following:

1. Any place where food is prepared for service to the public on or off the premises, or any place where food is served, including lunchrooms, short order places, cafeterias, coffee shops, cafes, taverns, delicatessens, dining accommodations of public or private clubs, kitchen facilities of hospitals and nursing homes, dining accommodations of public and private schools and institutions of higher education, and kitchen areas of local correctional facilities subject to standards adopted under Va. Code § 53.1-68.
2. Any place or operation that prepares or stores food for distribution to persons of the same business operation or of a related business operation for service to the public, including operations preparing or storing food for catering services, pushcart operations, hotdog stands, and other mobile points of service.

3. Mobile points of service to which food is distributed by a place or operation described in subdivision b unless the point of service and of consumption is in a private residence.

4. Any place or operation that prepares or stores food for distribution to child or adult day care centers or schools, regardless of whether the receiving day care center or school holds a restaurant license.

"Restaurant" does not include any place manufacturing packaged or canned foods that are distributed to grocery stores or other similar retailers for sale to the public.

(k) *Seller* means any person who sells food in or from a restaurant or as a caterer.

(l) *Snack food* means pre-packaged doughnuts, chewing gum, candy, popcorn, peanuts, cookies and unopened cans of soda, bags of chips, or similar items sold separately, and not as part of a meal.

Section 4-31-3 – Amount and levy of tax.

Except as set forth in Section 4-31-15 below, there is hereby levied by the County a tax on food and beverages sold as meals by restaurants and caterers. The rate of the tax shall be a designated percent of the amount paid for such food and beverages, which rate will be set annually by the Fairfax County Board of Supervisors through a resolution. In the computation of this tax, any fraction of one-half cent ($0.005) or more shall be treated as one cent ($0.01).

Section 4-31-4 - Situs.

The tax imposed by this Article shall be levied on food and beverages sold as meals by a restaurant or caterer within Fairfax County. Meals delivered by third party delivery services will be taxed based on the location of the restaurant preparing the meal regardless of whether deliveries are inside or outside the County.

Section 4-31-5 - Collection of trust tax by the seller.

(a) Every seller, or the agent thereof, must collect the amount of such tax from the purchaser of such food and beverage at the time the payment is made, whether payment is to be made in cash or on credit by means of a credit card or otherwise. The amount of tax owed by the purchaser shall be added to the cost of the food by the seller who must remit the taxes collected to the county as provided in this Article. Taxes collected by the seller shall be held in trust by the seller until remitted to the County.

(b) The taxes required to be collected under subsection (a) shall be deemed to be held in escrow by the owner or operator required to collect such tax, jointly and severally, until remitted to the County as provided in this Article.

Section 4-31-6 - Authority of Director.

The Director has the power and the duty of enforcing this Article including the authority to adopt reasonable procedures and regulations for the administration of the tax levied by this Article, including enforcing the payment, collection and remittance of the tax.

Section 4-31-7 - Reports and remittances generally.

(a) Every seller collecting the tax imposed by this Article must prepare a report for each calendar month, upon such forms and setting forth such information as the Director may prescribe and require, showing the amount of food and beverage charges collected and the tax required to be collected, and must sign and deliver such report to the Director with a remittance of such tax.

(b) Such reports and remittances must be submitted to the Director monthly on or before the twentieth (20th) day of the calendar month covering the amount of tax collected during the preceding month.

[*OPTIONAL*] Section 4-31-8 – Commission to seller for collection of tax.

For the purpose of defraying some of the costs incurred by the seller in collecting the tax imposed by this Article, every seller who collects and remits the tax levied under this Article in a timely manner shall be allowed ([three percent (3%)] ***or*** [two percent (2%)] ***or*** [1 percent (1%)] of the amount of the tax due and accounted for in the form of a deduction on his return for the first two years after implementation of the food and beverage tax. Subsequently, beginning on January 1, 2028 and beyond, the discount allowed will be one percent (1%) of the tax levied if filed, remitted and paid in a timely manner.

Section 4-31-9 – Penalty and interest for failure to remit taxes when due.

Any seller who fails or refuses to remit taxes to the Director as set forth in this Article will be liable for a penalty equal to ten percent of the amount of the taxes required to be remitted. Additionally, interest will be charged on the unpaid balance at the applicable interest rate specified in County Code § 4-20-3. Such interest shall accrue from the first day following the date on which the tax was due and will continue to accrue until the date on which such payment is made in full.

Section 4-31-10 - Penalty for late remittance or false return.

If any seller fails or refuses to collect the taxes or to make the report and remittance required by this Article, the Director shall determine and assess against the seller the taxes that are due plus the penalties and interest computed upon the basis of the best information available to him and shall notify the seller by mail of the total amount of such taxes, interest, and penalties charged. The seller shall pay the total amount of taxes, interest, and penalties or the Director shall proceed to collect the taxes by other lawful means.

Section 4-31-11 - Preservation of records.

Except as may be provided by the Director, it shall be the duty of every person required to collect and remit the taxes levied under this Article to keep and preserve, for a period of at least the current year and the three prior years, all records as are necessary to enable the Director to determine the amount of taxes such seller was responsible for collecting and remitting to the County. The Director shall have all rights to summon, inspect, and copy such records as permitted by Title 58.1 of the Code of Virginia in order to administer or enforce the terms of this Article.

Section 4-31-12 - Duty of seller going out of business.

Whenever any seller required to collect and remit the taxes imposed under this Article disposes of or otherwise ceases to operate its business, all taxes payable to the County under this Article shall become immediately due and payable, and such seller must immediately make a report and remit the taxes due.

Section 4-31-13 – Criminal penalties for violation of Article.

(a) Any person willfully violating, failing, or refusing to comply with any provision of this Article shall be guilty of a Class 1 misdemeanor except that any person failing to file shall be guilty of a Class 3 misdemeanor if the amount of tax lawfully assessed in connection with a return is one thousand dollars ($1,000.00) or less. Conviction of such violation shall not relieve any person from the payment, collection or remittance of the taxes provided for in this Article. Any agreement by any person to pay the taxes provided for in this Article by a series of installment payments shall not relieve any person of criminal liability for violation of this Article until the full amount of taxes agreed to be paid by such person is received by the Director. Each failure, refusal, neglect or violation, and each day's continuance thereof, shall constitute a separate offense.

(b) Except as provided in subsection (a) above, any corporate, partnership or limited liability company officer, as defined in Code of Virginia § 58.1-3906, or any other

person required to pay, collect, or truthfully account for and pay over the tax imposed under this Article, who willfully fails to collect or truthfully account for or pay over such tax, or who willfully evades or attempts to evade or defeat such tax or payment thereof, shall, in addition to any other penalties imposed by law, be guilty of a Class 1 misdemeanor.

Sec. 4-31-14 - Tips, gratuities and service charges.

(a) Where a purchaser provides a gratuity for an employee or employees of a seller, and the gratuity is wholly in the discretion of the purchaser, the gratuity is not subject to the tax imposed by this Article, whether paid in cash to the employee or added to the bill and charged to the purchaser's account, provided, in the latter case, the full amount of the gratuity is turned over to the employee by the seller.

(b) A mandatory gratuity or service charge that is added to the price of the meal by the seller, and required to be paid by the purchaser, is not a part of the selling price of the meal and is exempt from the tax imposed by this Article, but only to the extent that such mandatory charge does not exceed 20% of the sale price.

Section 4-31-15 – Exemptions from tax.

The following transactions are not subject to the tax under this Article:

(a) Food and beverages sold through vending machines;

(b) Food and beverages sold by boardinghouses that do not accommodate transients;

(c) Food and beverages sold by cafeterias operated by industrial plants for employees only;

(d) Food and beverages sold by restaurants to their employees as part of their compensation when no charge is made to the employee;

(e) Food and beverages sold by volunteer fire departments and volunteer emergency medical services agencies (i.e. rescue squads); nonprofit churches or other religious bodies; or educational, charitable, fraternal, or benevolent organizations the first three times per calendar year and, beginning with the fourth time, on the first $100,000 of gross receipts per calendar year from sales of food and beverages (excluding gross receipts from the first three times), as a fundraising activity, the gross proceeds of which are to be used by such church, religious body or organization exclusively for nonprofit educational, charitable, benevolent, or religious purposes;

(f) Food and beverages sold by churches that serve meals for their members as a regular part of their religious observances;

(g) Food and beverages sold by public or private elementary or secondary schools or institutions of higher learning to their students or employees;

(h) Food and beverages sold by hospitals, medical clinics, convalescent homes, nursing homes, or other extended care facilities to patients or residents thereof;

(i) Food and beverages sold by day care centers;

(j) Food and beverages sold by homes for the aged or infirm individuals, individuals with disabilities, battered women, narcotic addicts, or alcoholics;

(k) Food and beverages sold by age-restricted apartment complexes or residences with restaurants, not open to the public, where meals are served and fees are charged for such food and beverages and are included in rental fees;

(l) Food and beverages sold by sellers at local farmers markets and roadside stands when such sellers' annual income from such sales does not exceed $2,500. For the exemption described, the sellers' annual income shall include income from sales at all local farmers markets and roadside stands, not just those sales occurring in the locality imposing the tax.

(m) Food and beverages when used or consumed and paid for by the Commonwealth of Virginia, any political subdivision of the Commonwealth of Virginia, or the United States;

(n) Food and beverages provided by a public or private nonprofit charitable organization or establishment to elderly, infirm, or needy individuals or individuals with blindness or other disabilities in their homes, or at central locations;

(o) Food and beverages provided by private establishments that contract with the appropriate agency of the Commonwealth of Virginia to offer food, food products, or beverages for immediate consumption at concession prices to elderly, or needy individuals or individuals with blindness or other disabilities in their homes or at central locations;

(p) Alcoholic beverages sold in factory sealed containers and purchased for off-premises consumption; and

Food purchased for human consumption as "food" is defined in the Food Stamp Act of 1977, 7 U.S.C. § 2012, as amended, and federal regulations adopted pursuant to the Act, will not be subject to tax under this Article except for the following items: sandwiches,

salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables, and non-factory sealed beverages.

2. **That for the time period from January 1, 2026 until June 30, 2026 the tax rate imposed by this ordinance will be ([4] *or* [3] *or* [2] *or* [1]) percent of the amount paid for food and beverages sold as meals by restaurants and caterers, subject to the provisions of this Article 31 of Chapter 4 of the Fairfax County Code.**

3. **That the provisions of this ordinance shall take effect on January 1, 2026.**

GIVEN under my hand this ____ day of _____, 2025.

Jill G. Cooper
Clerk for the Board of Supervisors

Board Agenda Item
May 6, 2025

9:30 a.m.

Board Decision on the Fairfax County Capital Improvement Program (CIP) for Fiscal Years 2026 - 2030 (with Future Fiscal Years to 2035)

ISSUE:
Board decision on the Fairfax County Capital Improvement Program (CIP) for Fiscal Years 2026 - 2030 (With Future Fiscal Years to 2035).

RECOMMENDATION:
The County Executive recommends that the Board of Supervisors approve the FY 2026 – FY 2030 Advertised Capital Improvement Program (With Future Fiscal Years to 2035), as presented on February 18, 2025, and discussed at the March 25, 2025 budget committee meeting. The following motions are recommended:

- Support the Planning Commission motions as approved on April 2, 2025.

- Make all necessary adjustments to reflect actions taken during the Board's decision on the *FY 2025 Third Quarter Review* and the FY 2026 Adopted Budget Plan that impact the CIP.

TIMING:
The Advertised Capital Improvement Program was discussed at the Board's Budget Committee meeting on March 25, 2025, and final adoption of the CIP is scheduled for May 6, 2025.

BACKGROUND:
The Board of Supervisors considered the FY 2026 – FY 2030 Advertised Capital Improvement Program (With Future Fiscal Years to 2035) at a budget committee meeting on March 25, 2025. The Planning Commission held several CIP work sessions and conducted its markup of the CIP on April 2, 2025. The Planning Commissioners proposed several CIP motions, all of which were approved unanimously. A summary of the Planning Commission action on the CIP is included as Attachment I.

Therefore, the following actions are recommended to the Board of Supervisors:

- Approve the FY 2026 – FY 2030 Advertised Capital Improvement Program (With Future Fiscal Years to 2035);

- Direct staff in the Department of Transportation to continue to prioritize setting aside a portion of the funding allocated for the bicycle and pedestrian access program as part of the next year end process to augment and enhance safety measures at prioritized intersections, sidewalks, and bikeways near Metro stations and in other activity centers; and

- Direct staff to review and update the existing maintenance backlogs, review the categorical funding allocation of the sinking fund, and consider future funding strategies and other available resources to begin to address the current maintenance backlogs. Additional strategies may be necessary to ensure the progress that the County has been making is not lost and to mitigate the potential risks associated with economic uncertainty.

FISCAL IMPACT:
As shown on page 25 of the FY 2026 – FY 2030 Advertised Capital Improvement Program (With Future Fiscal Years to 2035), the total CIP cost including all program elements, is $15.11 billion (including $1.62 billion for Non-County Managed Programs, such as NOVA Parks and Fairfax Water). This includes $2.81 billion authorized or expended through FY 2025, $8.30 billion scheduled over the FY 2026 – FY 2030 period, and $4.00 billion projected in the FY 2031 – FY 2035 period. These estimates may be adjusted slightly to accommodate actions taken during the Board's decision on the *FY 2025 Third Quarter Review* and the FY 2026 Adopted Budget Plan that impact the CIP.

ENCLOSED DOCUMENTS:
Attachment I – Planning Commission Summary

STAFF:
Bryan J. Hill, County Executive
Christina Jackson, Deputy County Executive/Chief Financial Officer
Phil Hagen, Director, Department of Management and Budget
Joe LaHait, Department of Management and Budget
Martha Reed, Department of Management and Budget

County of Fairfax, Virginia
Planning Commission Meeting
April 2, 2025
Planning Commission Action

MARK-UP ON THE FAIRFAX COUNTY CAPITAL IMPROVEMENT PROGRAM (CIP) – FISCAL YEARS 2026 – 2030 ADVERTISED (With Future Fiscal Years To 2035)
(Countywide)

PLANNING COMMISSION RECOMMENDATIONS:
On April 2, 2025, the Planning Commission voted 11-0-1 (Commissioner Thomas abstained from the vote) to recommend to the Board of Supervisors the following actions:

- Approval of the advertised Fairfax County Capital Improvement Program for Fiscal Years 2026 through 2030, with future Fiscal Years to 2035;

- That the Board of Supervisors direct staff in the Department of Transportation to continue to prioritize setting aside a portion of the funding allocated for the bicycle and pedestrian access program as part of the next year end process to augment and enhance safety measures at prioritized intersections, sidewalks and bikeways near Metro stations and in other activity centers; and

- That the Board of Supervisors direct staff to review and update the existing maintenance backlogs, review the categorical funding allocations of the sinking fund, and consider future funding strategies and other available resources to begin to address the current maintenance backlogs. Additional strategies may be necessary to ensure the progress that the County has been making is not lost and to mitigate the potential risks associated with economic uncertainty.

ATTACHED DOCUMENTS:
None

MJ