



Proposed Temporary Meals Tax Increase - Frequently Asked Questions

Why a pool and fitness center?

- For decades (since the 1970s), two common themes have emerged as community wishes through public engagement activities - pool and fitness center.
- Until the Town purchased the 3-acre property located at 301 Center St., S from Faith Baptist Church in 2020, there was no suitable location in Town to build such a facility.
- A 2014 task force of citizens and user groups, plus open houses and a town-wide survey showed some 97 percent of those who participated requested a swimming pool, new gym and fitness center.
- A 2023 Annex Long Term Use Study determined the Annex site is suitable for such a facility and again, pool and fitness emerged as the two most common themes in community feedback.
- A 2024 Parks Master Plan statistically valid survey of Town residents confirmed that pool and fitness continue to be the most frequently requested amenities.

Why fund the construction with a temporary meals tax increase?

- With the proposed temporary meals tax increase, the facility can be constructed by 2030.
- Without the proposed temporary meals tax increase, the earliest the facility could be constructed is 2040, and it's not guaranteed. Priorities could change over time.

What does the temporary meals tax increase pay for?

- The additional 1% would be used to pay back extra funds borrowed for design and construction of the new facility.

How can we be sure this is really a temporary meals tax increase?

- The Town Council must pass an ordinance to increase the meals tax rate, and the new ordinance would include the date that the temporary 1% increase would end by law.

Won't the increase hurt business?

- The Town temporarily increased the meals tax by 1% from 2002 to 2008, and overall business revenues increased during that time.
- Based on that experience, the expectation is that another temporary 1% increase in the meals tax would have a similar result.
- Currently, Vienna has the lowest meals tax in the region at 3%, and raising it by 1% keeps the Town's meals tax rate among the lowest in the region. (Insert rates)
- The tax doesn't cost businesses anything. It is a pass-through tax paid by the consumer, which equates to an additional 6 cents on a \$6 latte or an additional \$1 on a \$100 meal.

2024 Meals Tax Comparison

JURISDICTION	MEALS TAX
Vienna	3%
Herndon	3.75%
Falls Church	4%
Fairfax City	4%
Manassas	4%
Manassas Park	4%
Purcellville	5%
Alexandria City	5%
Warrenton	6%
Washington, DC	10%

If Fairfax County imposes a meals tax, that will drive costs even higher, won't it?

- No. The County's proposed meals tax would have no impact on restaurants in the Town of Vienna as the Town has its own governing body/ordinances. Only the Town meals tax would be levied here.

What about operational costs? How will they be covered once the facility is open?

- Operating costs become part of the general fund, which is funded mainly from real estate taxes, sales and business license taxes, and other transfers and fees.
- The Town intends to set up and grow a reserve for the expected operating deficit for the next four years, so that the opening will not make a large change.
- Additional Membership Fees – Town residents would pay a lower fee than out-of-town residents.
- Daily drop-in fees – for those who use the facility only occasionally.
- Class registration fees

Will there be a membership cap for the facility?

- No. Annual memberships and daily drop-in rates would be available to anyone who wants to purchase them. In-town residents would pay a lower rate than people who live outside of Town.

Will the pool be rented out to swim teams.

- No. The proposed pool is a recreational pool, not a competition pool. The preliminary concept includes a limited number of 25-yard lap lanes for public swim use.

Isn't there some other way the Town could pay for the facility and open in 2030?

- Another way to generate revenue and build quickly is to increase real estate taxes, which the Council has held steady or reduced each year for the past 13 years, and real estate taxes apply only to Town of Vienna homeowners or property owners.
- The meals tax is paid only by those who dine in Town establishments or purchase prepared, ready-to-eat meals in grocery stores. This includes 40,000 people who support Vienna businesses and live outside the town limits.
- Meals taxes and real estate taxes are the only two ways the Town can generate tax revenue. Sales taxes are levied by the Commonwealth of Virginia.

Why not use the Annex space for athletic fields instead?

- The Annex Feasibility Study determined that there is not enough room on the Annex site to accommodate athletic fields and the required parking spaces needed to support them.