

## City of Alexandria, Virginia

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## MEMORANDUM

DATE: MARCH 17, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER<sup>S</sup>

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING  
FEBRUARY 28, 2003

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**ISSUE:** Receipt of the City's Monthly Financial Report for the period ending February 28, 2003.

**RECOMMENDATION:** That City Council receive the following Monthly Financial Report for the period ending February 28, 2003.

**DISCUSSION:** This report provides financial information on revenues and expenditures of the General Fund for the period July 1, 2002 through February 28, 2003. This report presents revenues and expenditures for the same period for FY 2002 for comparative purposes (Attachments 1 and 2), and also provides a summary of selected economic indicators (Attachment 3). FY 2003 revenues through February 28, 2003, in the amount of \$209.1 million, represent a six-tenths of one percent as compared to collections last year. General Fund expenditures through the end of February total \$220.3 million, or 7.0 percent higher than expenditures at the same time last year.

This report includes FY 2003 revenue projections from the FY 2004 Proposed Budget presented to City Council on March 11. Economic reports from various organizations which collect and issue economic data, such as the U.S. Department of Labor, George Mason University, the Fairfax County government, and the Office of the Secretary of Finance of the Commonwealth of Virginia, all indicate that the statewide and regional economies continue not to perform as desired largely due to higher unemployment and reduced consumer and business spending. City office occupancy, dwelling unit sales and building permits are all lower than a year ago at this time. In general, these rates have improved since June 30, 2002, but not enough to equal or better the situation the City experienced in FY 2001. This includes the City's unemployment rate, now 2.8%, which has shown improvement from the 3.5% peak in 2002, but has not returned to the January 2001 very low rate of 1.4%. As a result, and as was the case in FY 2002, City staff will need to continue to monitor revenues very carefully in order to keep the City's budget in balance.

As a result, projecting current year revenues is a much more complicated task with more unknowns than usual. Finance and OMB staff have made projections of the revenues by category. Revenue shortfalls in certain key revenue categories could cumulatively total approximately \$3.9 million by the end of FY 2003. However, real property and other tax

revenues are projected to exceed budgeted levels by up to \$8.5 million. In addition, expenditure budget savings arising from budget management actions instituted starting in October will help avoid a budget shortfall in FY 2003. Because of concerns about the economy and the State revenue reductions, I directed in October the non-public safety departments to develop a plan to reserve 3 percent of their FY 2003 operating budgets. I have also requested the public safety departments to plan to reserve 3 percent of their FY 2003 non-personnel budgets. Some of these planned savings will be tempered by snow costs which are not recoverable from State and federal sources.

These additional revenues and reduced expenditures could produce a \$4.6 million surplus to be used to fund the FY 2003 Proposed Operating and Capital Budgets. The following chart and text describe the sources of the \$4.6 million in net positive variances:

**FY 2003 PROJECTIONS**  
**(Amounts in millions)**

	FY 2003 BUDGET	FY 2003 BUDGET PROJECTIONS	BUDGET VERSUS PROJECTIONS
Real Property	\$ 176.6	\$ 183.5	\$ 6.9
Personal Property-local share	31.2	31.2	-
Penalties and Interest	1.1	1.1	-
Sales Tax	21.3	21.3	-
Consumer Utility Tax	17.1	17.1	-
Business License Tax	21.9	21.9	-
Transient Lodging Tax	5.2	5.6	0.4
Restaurant Meals Tax	8.7	8.9	0.2
Tobacco	1.6	2.0	0.4
Recordation Taxes	1.5	2.0	0.5
Other Local Taxes	4.5	3.9	(0.6)
Intergovernmental	45.9	45.7	(0.2)
Fines and Forfeitures	3.9	4.0	0.1
Licenses and Permits	4.0	3.0	(1.0)
Charges for City Services	9.9	9.5	(0.4)
Use of Money and Property	6.6	4.9	<u>(1.7)</u>
Total			\$4.6

**REVENUES (Attachment 1):** As of February 28, 2003, actual General Fund revenues totaled \$209.1 million, a decrease of \$1.3 million, or about six-tenths of one percent, as compared to revenues for the same period last year. This decrease is attributable to a one-time personal property tax payment from the Mirant Corporation of \$7.6 million received prior to the end of February in FY 2002. Except as noted in this report, other revenues reflect normal trends.

**Real Estate Taxes:** Second half real estate taxes were due November 15. Revenues to date are \$9.1 million, or 11.5 percent higher than collections at this time last year. As projected in the FY 2003 budget, real estate billings for second half CY 2002 totaled \$90 million, or 12 percent higher than billings in the prior year. The difference between the revenue collected and amount billed relates to the timing of the collection of delinquent taxes. First half CY 2003 real estate taxes will be due on June 15 and will be based on the CY 2003 assessments which increased 19.93 percent. This assessment increase, at the proposed lower real estate tax rate of \$1.05, would increase expected FY 2003 real estate tax revenues to \$183.5 million, or \$6.9 million above the FY 2003 budget.

**Personal Property Taxes:** Personal property tax bills were due in October 2002. The FY 2003 Approved Budget includes a \$31.2 million revenue projection for tax revenue collected directly by the City (including \$15.8 million for vehicles and \$15.4 million for businesses). It also includes an additional \$22.0 million of intergovernmental revenue that the City collects from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). This year, the State's share of the local personal property tax payment is 70.0 percent of most taxpayers' payments, which is the same as last year. The total for all budgeted revenues related to the personal property tax for FY 2003 is \$53.2 million.

Through February 28, 2003, the City has collected \$29.6 million in personal property tax revenue and has received reimbursement from the Commonwealth of \$21.4 million for total personal property tax receipts of \$51.3 million. This represents a \$6.4 million decrease when compared to receipts collected at the same time last year. In FY 2002, the City received \$7.6 million for personal property taxes from the Mirant Corporation for business personal property (the PEPCO plant off of Slater's Lane) purchased from a public service corporation. Public service corporations' personal property is taxed at a lower rate than other private companies; therefore, the sale of the public service corporation assets to independent power producer Mirant resulted in a one year, one-time tax revenue payment to the City of \$7.6 million. For FY 2003, State law gave independent power producers such as Mirant the same lower tax treatment as public service corporations. It appears that the total budgeted revenues related to the personal property tax (\$53.2 million) will be achieved. However, it is clear from the billings that the rate of assessment growth in the vehicle portion of the tax base has slowed from prior years.

Personal Property Tax (in millions)	Budget FY 2003	Actual to Date FY 2003	Actual to Date FY 2002
City share	\$ 31.2	\$ 29.9	\$ 37.3
Commonwealth reimbursement	<u>22.0</u>	<u>21.4</u>	<u>20.4</u>
Total	\$ 53.2	\$ 51.3	\$ 57.7

**Local Sales and Use Taxes:** Businesses remit sales tax to the Commonwealth within 30 days of the end of the month in which sales occurred. The Commonwealth wires the City's portion of the sales tax approximately one month later. Sales taxes received by the City in February represent revenues collected by merchants in December. Year-to-date revenues are up 6.37 percent but do not show a clear, consistent trend. For example, December 2002 sales showed a 19 percent increase over December 2001 sales. November 2002 sales showed a 15 percent decrease as compared to November 2001. October 2002 sales were 4 percent less than October 2001 sales. The abnormally wide swing in monthly tax collections can be attributed in part to late November sales not being remitted in November but included with the December sales. It should be noted that sales tax reporting by companies and administration by the Virginia Department of Taxation make single-month comparisons difficult.

**Consumer Utility Taxes:** Consumer utility taxes are collected by the utility companies one month after billing and are remitted to the City the following month. The consumer utility tax revenue in this report represents utility services provided to consumers through December.

**City of Alexandria Consumer Utility Tax Receipts**

Utility	FY 2003 Year to Date Receipts	FY 2002 Year to Date Receipts	Increase/ (Decrease)
Telephone - Tax on Local Services	3,921,719	\$3,901,672	\$20,047
Electricity	3,234,824	3,094,977	139,847
Water	1,164,924	1,168,564	(3,640)
Natural Gas	1,252,416	1,180,532	71,884

**Business License Taxes:** The City's business license tax was due March 3rd for CY 2003, and receipts are currently being tabulated. No clear patterns will be evident until all collections are tallied. Staff's current estimate for business license tax receipts is \$21.9 million, the same as the original budget estimate. Staff will update this projection, as warranted, based on collections in the context of the FY 2004 budget considerations.

**Transient Lodging Taxes:** Transient lodging taxes are remitted to the City within one month after collections. Therefore, the revenue reflected in this report represents collections by hotels

through January 2003. Collections total \$3.0 million, an increase of \$0.2 million or 7.9 percent over January 2002. However, since Reagan National Airport was closed or restricted at less than full capacity for a period of time in FY 2002 beginning on September 11, 2001, this large percentage increase through November 2002 was expected and was budgeted. The \$3.0 million collected to date remains less than the \$3.3 million collected for the same period in FY 2001 (two years ago). Full service and mid-range hotels experienced a slight increase in revenue compared to last year, but budget and extended stay hotels, on average, are still somewhat lower than last year. Based on collections to date, staff projects that transient lodging taxes will be \$5.6 million, an increase of \$0.4 million above the Approved FY 2003 Budget.

**Restaurant Meals Tax:** Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Collections for sales in January 2003, were 4.7 percent more than collections in January 2002. Based on collections to date, staff projects that restaurant meals taxes will be \$8.9 million, an increase of \$0.2 million above the Approved FY 2003 Budget.

**Tobacco Taxes:** Tobacco taxes are levied at a rate of \$0.50 per pack of 20 cigarettes sold in the City. This rate was increased as of January 2003. Based on the increased rate, staff projects that tobacco taxes will be approximately \$2.0 million, an increase of \$0.4 million over the Approved FY 2003 Budget.

**Real Estate Recordation Taxes:** Real estate recordation tax revenues are collected by the Clerk of the Circuit Court and remitted to the City the following month. Collections in the amount of \$2.0 million, increased \$0.4 million, or 23.7 percent over collections at this time last year. The increase is primarily attributable to residential refinancings due to continued historically low mortgage interest rates. The FY 2004 Proposed Budget projects that these taxes would be at least \$2.0 million. Staff will revise this estimate based on collections in the context of the FY 2004 budget considerations.

**Other Local Taxes:** This category includes taxes such as bank franchise, telecommunications right-of-way, cable TV franchise, daily rental and other miscellaneous taxes. The decrease in revenue to date results from a decrease in the number of reported lines for telecommunications taxes and E-911 taxes by Verizon. The telephone company attributes the decrease in revenue to wireless replacement, economic factors and a shift in billing between different jurisdictions (last year they may have sent the City money belonging to other jurisdictions). Based on collections to date, staff projects that other local taxes will be \$3.9 million, a decrease of \$0.6 million below the Approved FY 2003 Budget.

**Revenue from the Federal Government:** The City's General Fund revenues from the federal government are primarily for federal prisoner per diem. The City has billed \$3.4 million for housing federal prisoners through the period ending February 28, 2003. As of February 28, 2003, \$2.7 million has been received. The federal government generally pays the City for housing federal prisoners 45 to 60 days after the end of the billing period. Based on collections to date, staff projects that revenue from the federal government will exceed \$4.5 million, with a portion of the excess allocated to Public Safety Center security staffing.

**Revenue from the Commonwealth:** The \$10.2 million in revenues received to date is \$0.7 million lower than that received for the same period in FY 2002. This is due to State revenue

reductions. FY 2003 State revenue reductions, estimated prior to General Assembly amendments for the City, total \$1.1 million. Expected revenue losses include substantial reductions in per diem jail reimbursement, as well as in ABC/wine tax distributions. Based on these changes, staff projects that General Fund revenue from the Commonwealth will be \$19.1 million, a decrease of \$0.4 million below the Approved FY 2003 Budget. The City's Special Revenue Fund where grants are accounted for will also experience losses.

**Fines and Forfeitures:** Increased revenues primarily represent collections for parking tickets and red light fees. These collections were lower in FY 2002 as a result of the events following September 11. Based on these collections, staff projects revenues of \$4 million, \$0.1 million higher than the Approved FY 2003 Budget.

**Licenses and Permits:** Revenues decreased \$0.7 million, or 27.4 percent below collections at this time last year. This decrease is attributable to fewer new residential and commercial building permits issued in FY 2003 than in FY 2002. Based on collections to date, staff projects that revenues from licenses and permits will be \$3 million, \$1 million less than the Approved FY 2003 Budget.

**Charges for Services:** Revenue for charges for services increased 3.2 percent as a result of Council action to increase the fees paid by the development community in order to better recover costs. Based on collections to date, staff projects that charges for services will be \$9.5 million, \$0.4 million less than the Approved FY 2003 Budget.

**Revenue from Use of Money and Property:** Year-to-date interest revenues decreased \$1.3 million compared to last fiscal year, largely due to declining market interest rates on City short-term investments. This large decrease in market interest rates is reflected in the federal fund rate reduction from 1.81 percent in January 2002 to 1.36 percent in January 2003. As a result, it is expected that interest revenues will fall significantly short of budget expectations in FY 2003. Based on collections to date, staff projects that revenues from use of money and property will be \$4.9 million, \$1.7 million less than the Approved FY 2003 Budget.

**Other Revenue:** Other revenues include gifts and donations, damage recoveries and recovered costs.

**EXPENDITURES (Attachment 2):** As of February 28, 2003, actual General Fund expenditures totaled \$220.3 million, an increase of \$ 14.3 million, or 7.0 percent over expenditures for the same period last year. The Approved General Fund Budget is 6.6 percent higher than FY 2002. Unless noted below, the increase in expenditures over that budgeted is attributable to budgeted expenditures for annual equipment replacement charges made at the beginning of the fiscal year and a budgeted increase in cash capital. Except as noted below, this expenditure pattern reflects the Approved FY 2003 Budget.

**Judicial Administration:** Expenditures represent the third quarter payments to regional organizations that provide legal, correctional and animal welfare and control services. In addition, the Sheriff's Department continues to incur substantial overtime costs related to perimeter security at the Public Safety Center. The City is working to obtain federal funding for some or all of these costs.

**Other Planning Activities:** General Fund expenditures in this category reflect third quarter contribution payments to community agencies, and both semi-annual payments to the Alexandria Convention and Visitors Association.

**City Attorney:** Expenditures to date reflect outside legal fees which are budgeted in a non-department account and charged to the City Attorney's office. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution to match these expenditures with budget authority.

**Human Services:** Expenditures reflect increased costs associated with providing child and youth services, particularly for the Comprehensive Services Act (CSA) program. This additional cost is planned to be covered by the Department of Human Services' reserves.

**Schools:** The School Administration has reported \$82.1 million in expenses through February 28, 2003. The City's General Fund share of total School Administration budgeted expenditures is approximately 77.8 percent of the total expenditures. This percentage was applied to total school disbursements to estimate school expenditures to date in the amount of \$63.9 million (i.e., 77.8 percent of \$82.1 million). The School Superintendent has also instituted a savings plan aimed at conserving current year budget dollars to the degree feasible.

**Other Educational Activities:** General Fund expenditures in this category reflect the third quarter contribution payment to the Northern Virginia Community College.

**Non-Departmental:** General Fund expenditures in this category reflect the City's contributions to the closed public safety pension plan, senior citizens' rent relief, payment for liability insurance premiums, and the City's share of debt service on the Northern Virginia Transportation District bonds.

**Cash Matches (MH/MR/SA, Human Services, Library and Miscellaneous Grants):** To comply with grant awards, the City's share of funding is transferred from the General Fund to the Special Revenue Fund at the end of the fiscal year.

**ATTACHMENTS:**

Attachment 1 - Comparative Statement of Revenues

Attachment 2 - Comparative Statement of Expenditures & Transfers by Function

Attachment 3 - Selected Economic Indicators

**STAFF:**

Mark Jinks, Assistant City Manager for Fiscal and Financial Affairs

D. A. Neckel, Director of Finance

Laura Triggs, Deputy Director of Finance/Comptroller

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING FEBRUARY 28, 2003 AND FEBRUARY 28, 2002**

	FY2003 APPROVED BUDGET	FY2003 REVENUES THRU 02/28/03	% OF BUDGET	FY2002 REVENUES THRU 02/28/02
<b>General Property Taxes</b>				
Real Property Taxes.....	\$ 176,572,000	\$ 88,435,166	50.1%	\$ 79,337,431
Personal Property Taxes.....	31,184,000	29,922,432	96.0%	37,322,388
Penalties and Interest.....	1,100,000	1,047,745	95.2%	1,025,974
<b>Total General Property Taxes</b>	<b>\$ 208,856,000</b>	<b>\$ 119,405,343</b>		<b>\$ 117,685,793</b>
<b>Other Local Taxes</b>				
Local Sales and Use Taxes.....	\$ 21,300,000	\$ 11,098,566	52.1%	\$ 10,433,679
Consumer Utility Taxes.....	17,100,000	9,573,883	56.0%	9,345,745
Business License Taxes.....	21,900,000	5,927,159	27.1%	8,789,628
Transient Lodging Taxes.....	5,250,000	2,958,552	56.4%	2,741,841
Restaurant Meals Tax.....	8,700,000	4,830,368	55.5%	4,613,855
Tobacco Taxes.....	1,600,000	995,889	62.2%	947,964
Motor Vehicle License Tax.....	2,300,000	2,182,503	94.9%	2,150,363
Real Estate Recordation.....	1,500,000	1,986,964	132.5%	1,605,954
Other Local Taxes.....	4,468,000	1,685,975	37.7%	1,824,219
<b>Total Other Local Taxes</b>	<b>\$ 84,118,000</b>	<b>\$ 41,239,859</b>	49.0%	<b>\$ 42,453,248</b>
<b>Intergovernmental Revenues</b>				
Revenue from the Federal Government.....	\$ 4,380,000	\$ 2,657,404	60.7%	\$ 3,008,826
Personal Property Tax Relief from the Commonwealth.....	22,040,000	21,353,830	96.9%	20,434,836
Revenue from the Commonwealth.....	19,485,800	10,243,014	52.6%	10,895,361
<b>Total Intergovernmental Revenues</b>	<b>\$ 45,905,800</b>	<b>\$ 34,254,248</b>	74.6%	<b>\$ 34,339,023</b>
<b>Other Governmental Revenues</b>				
Fines and Forfeitures.....	\$ 3,882,000	\$ 2,632,287	67.8%	\$ 2,394,748
Licenses and Permits.....	4,000,000	1,935,483	48.4%	2,665,673
Charges for City Services.....	9,863,800	5,221,178	52.9%	5,057,549
Revenue from Use of Money & Property.....	6,550,500	4,002,005	61.1%	5,348,414
Other Revenue.....	929,480	388,814	41.8%	456,468
<b>Total Other Governmental Revenues</b>	<b>\$ 25,225,780</b>	<b>\$ 14,179,767</b>	56.2%	<b>\$ 15,922,852</b>
<b>TOTAL REVENUE</b>	<b>\$ 364,105,580</b>	<b>\$ 209,079,217</b>	57.4%	<b>\$ 210,400,916</b>
<b>Appropriated Fund Balance</b>				
General Fund.....	9,816,624	-	0.0%	-
Reappropriation of FY 2002 Encumbrances And Other Supplemental Appropriations.....	4,532,090	-	0.0%	-
<b>TOTAL</b>	<b>\$ 378,454,294</b>	<b>\$ 209,079,217</b>	55.2%	<b>\$ 210,400,916</b>

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING FEBRUARY 28, 2003 AND FEBRUARY 28, 2002**

FUNCTION	FY2003	FY2003	% OF	FY2002
	APPROVED BUDGET	EXPENDITURES THRU 02/28/03		BUDGET
Legislative & Executive.....	\$ 4,737,409	\$ 2,866,207	60.5%	\$ 2,740,449
Judicial Administration.....	\$ 26,587,007	\$ 18,618,548	70.0%	\$ 16,642,783
<b>Staff Agencies</b>				
Information Technology Services.....	\$ 6,463,714	\$ 3,495,676	54.1%	\$ 3,794,007
Management & Budget.....	913,849	460,743	50.4%	421,388
Finance.....	7,513,026	4,527,167	60.3%	4,211,302
Real Estate Assessment.....	980,950	542,904	55.3%	516,689
Personnel.....	2,285,897	1,407,129	61.6%	1,334,350
Planning & Zoning.....	3,466,384	2,051,959	59.2%	1,620,166
Other Planning Activities.....	2,194,945	1,938,545	88.3%	1,851,119
City Attorney.....	1,402,831	1,195,724	85.2%	1,057,509
Registrar.....	904,969	524,598	58.0%	530,825
General Services.....	9,060,617	6,043,654	66.7%	6,065,943
Total Staff Agencies	\$ 35,187,182	\$ 22,188,099	63.1%	\$ 21,403,298
<b>Operating Agencies</b>				
Transportation & Environmental Services.....	\$ 22,268,685	\$ 13,723,177	61.6%	\$ 12,886,746
Fire.....	26,772,124	18,438,263	68.9%	17,355,265
Police.....	37,962,793	25,359,750	66.8%	23,829,332
Transit Subsidies.....	3,688,778	1,767,777	47.9%	1,203,742
Housing.....	1,187,283	583,032	49.1%	511,220
<b>Mental Health/Mental Retardation/</b>				
Substance Abuse.....	601,688	447,992	74.5%	416,739
Health.....	7,169,160	3,594,174	50.1%	3,358,166
Human Services.....	7,088,476	4,988,573	70.4%	4,656,234
Historic Resources.....	2,247,776	1,412,354	62.8%	1,309,354
Recreation.....	15,054,261	10,029,846	66.6%	9,607,651
Total Operating Agencies	\$ 124,041,024	\$ 80,344,938	64.8%	\$ 75,134,449
<b>Education</b>				
Schools.....	\$ 115,329,680	\$ 63,865,366	55.4%	\$ 60,192,484
Other Educational Activities.....	13,246	9,935	75.0%	9,692
Total Education	\$ 115,342,926	\$ 63,875,301	55.4%	\$ 60,202,176
<b>Capital, Debt Service and Miscellaneous</b>				
Debt Service.....	\$ 17,739,094	\$ 11,162,348	62.9%	\$ 11,525,300
Non-Departmental.....	7,593,250	3,815,204	50.2%	3,177,676
Cash Capital.....	14,200,000	14,200,000	100.0%	12,420,000
Contingent Reserves.....	900,000	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 40,432,344	\$ 29,177,552	72.2%	\$ 27,122,976
TOTAL EXPENDITURES	\$ 346,327,892	\$ 217,070,645	62.7%	\$ 203,246,131
<b>Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library)</b>				
Transfers to the Special Revenue Fund.....	27,292,202	-	0.0%	-
Transfer to DASH.....	4,834,200	3,224,411	66.7%	2,723,248
TOTAL EXPENDITURES & TRANSFERS	\$ 378,454,294	\$ 220,295,056	58.2%	\$ 205,969,379

**CITY OF ALEXANDRIA  
SELECTED ECONOMIC INDICATORS**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Percent Change</u>
<b><u>Consumer Price Index (CPI-U)</u></b> <b>for the Washington-Baltimore,</b> <b>DC-MD-VA-WV Area</b> (As of January 31, 2003) (Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)	114.6	110.9	+3.3%
<b><u>Unemployment Rates</u></b> <b>Alexandria</b> <b>Virginia</b> (As of December 31, 2002) (Source: United States Department of Labor, Bureau of Labor Statistics)	2.8%	3.9%	-28%
	3.6%	4.2%	-14%
<b>United States</b> (As of February 28, 2003) (Source: United States Department of Labor, Bureau of Labor Statistics)	5.8%	5.5%	+5%
<b><u>Interest Rates</u></b> (As of February 28, 2003)			
<b>Prime Rate</b>	4.25%	4.75%	-11%
<b>Federal Fund Rate</b> (Source: SunTrust Economic Monitor).	1.28%	1.76%	-27%
<b><u>New Business Licenses</u></b> (During February) (Source: Finance Department, Business Tax Branch)	50	100	-50%
<b><u>Office Vacancy Rates</u></b> (As of September 30, 2002)			
<b>Alexandria</b>	10.7%	8.6%	+24%
<b>Northern Virginia</b>	16.9%	11.0%	+54%
<b>Washington DC Metro Area</b> (Source: Grubb & Ellis)	12.8%	8.6%	+49%
<b><u>New Commercial Construction</u></b> (As of January 31, 2003)			
<b>Number of New Building Permits</b>	9	11	-18%
<b>Value of New Building Permits</b> (Source: Fire Department Code Enforcement Bureau)	\$79.8 million	\$33.1 million	+141%
<b><u>Residential Real Estate Indicators</u></b> (for the twelve months ended September 30, 2002)			
<b>Residential Dwelling Units Sold</b>	2,890	3,092	-7%
<b>Average Residential Sales Price</b> (Source: Department of Real Estate Assessments)	\$278,532	\$246,914	+13%