

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 21, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
MAY 31, 2005

ISSUE: Monthly Financial Report for the period ending May 31, 2005.

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the period ending May 31, 2005.

DISCUSSION: This report provides financial information on revenues and expenditures of the General Fund for the period July 1, 2004, through May 31, 2005. This report presents revenues and expenditures for the same period in Fiscal Year (FY) 2004 for comparative purposes (Attachments 1 and 2) and provides charts of selected economic indicators (Attachment 3).

This report reflects updated FY 2005 revenue projections as approved by Council in conjunction with the adoption of the FY 2006 budget on May 2. To date, revenues through May 2005 total \$307.6 million, which is \$5.4 million, or 1.8 percent, higher than FY 2004 for the same reporting period. While the residential real estate market continues to show unprecedented strength, many housing industry analysts are beginning to predict an end to the rapidly increasing residential home values. While unemployment remains a very low 2.6 percent, the City's office vacancy rate of 11.7 percent (not including sublease space on the market) and the lower than expected growth in sales, restaurant meals and business license taxes appear to indicate some competitive lagging in the City's economy in comparison to neighboring jurisdictions.

As discussed during the FY 2006 budget deliberations, two revenue categories continue to show significant revenue shortfalls. Personal property taxes are estimated to be \$1.2 million less than budgeted and intergovernmental revenues are estimated to be \$2.6 million less than budgeted. Most of these shortfalls are largely attributable to lower personal property assessments for private vehicles. Offsetting these shortfalls are increases in real estate tax, recordation tax and other tax revenues. When combined, the net additional revenues total \$5.6 million. These revenues have been used to help finance the FY 2006 operating budget, CIP and reserves in the proposed City budget. These projections have not changed since the adoption of the FY 2006 budget. The following chart and text describe the sources of the variances:

FY 2005 PROJECTIONS
(Amounts in millions)

	FY 2005 BUDGET	FY 2005 BUDGET PROJECTIONS	BUDGET VERSUS PROJECTIONS
Real Property	\$ 228.5	\$ 231.5	\$ 3.0
Personal Property-local Share	32.5	31.3	(1.2)
Sales Tax	23.1	23.6	0.5
Consumer Utility Tax	17.7	18.1	0.4
Business License Tax	26.6	26.1	(0.5)
Transient Lodging Tax	6.1	7.4	1.3
Restaurant Meals Tax	9.6	9.5	(0.1)
Tobacco	2.6	2.3	(0.3)
Recordation Taxes	2.6	6.9	4.3
Other Local Taxes	3.7	3.8	0.1
Intergovernmental	48.9	46.3	(2.6)
Fines and Forfeitures	4.0	4.0	-
Licenses and Permits	3.3	3.4	0.1
Charges for City Services	10.5	10.3	(0.2)
Use of Money and Property	4.6	5.4	0.8
Net Additional Revenues			\$ 5.6
Less amount allocated for FY 2006 Budget, FY 2006 Capital Projects and Fund Balance Designation			<u>(5.6)</u>
Increase in Funds Available			- 0 -

General Fund expenditures through the end of May total \$344.0 million, or 8.5 percent, higher than expenditures at the same time last year. The approved General Fund budget is 8.8 percent higher than FY 2004.

REVENUES (Attachment 1): As of May 31, 2005, actual General Fund revenues totaled \$307.6 million, an increase of \$5.4 million above the same period last year. This is primarily due

to increased real estate tax revenues derived from 2005 assessment increases. Unless otherwise noted, revenues reflect previously expected trends. Also, all revenue changes discussed in this memorandum have been already reflected in the FY 2006 Approved Budget.

Real Estate Taxes: Based on 2005 assessments, second half real estate taxes were due November 15 and total \$112.5 million, which is more than the \$111.0 million originally budgeted for the November 15 collections. With 2005 assessments increasing 21.2 percent, overall FY 2005 real estate tax revenue collections will also exceed budgeted levels. First half taxes for 2005 were due June 15. This assessment increase, at the FY 2006 budget real estate tax rate of \$0.915, would increase expected FY 2005 real estate tax revenues to \$231.5 million, or \$3.0 million above the FY 2005 Approved Budget.

Personal Property Taxes: Personal property tax bills were due on October 5, 2004. The FY 2005 Approved Budget included a \$32.5 million revenue projection for tax revenue collected directly by the City (including \$16.6 million for vehicles, \$14.7 million for businesses and \$1.2 million for delinquent accounts) and an additional \$23.7 million of intergovernmental revenue the City collects from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). The Commonwealth's share of the local personal property tax payment this year is 70.0 percent of most taxpayers' payments, the same as last year. The total for all budgeted revenues related to personal property tax for FY 2005 is \$56.2 million.

To date, the City has collected \$30.9 million in personal property tax revenue. Tax collections on business personal property amounted to \$14.5 million, a 1 percent increase over last year. However, tax collections on vehicles amounted to \$15.3 million, which is \$0.6 million, or 3.9 percent, less than at this time last year. Tax collections for delinquent personal property taxes were \$1.1 million, \$0.3 million lower than last year. Reimbursements for personal property taxes on vehicles from the Commonwealth amounted to \$21.6 million, which is \$1.1 million, or 4.8 percent, less than collections at this time last year. Based on the personal property tax billing in August and as detailed in the August 20 memorandum to City Council, it appears that the City's total FY 2005 personal property motor vehicle revenues (including the Commonwealth-reimbursed amount) will drop about \$2.8 million when compared with the FY 2005 Approved Budget. A significant reason for this year's decline is an overall reduction in the value of used motor vehicles. Other Northern Virginia jurisdictions also experienced a similar revenue shortfall due to declines in vehicle assessments.

Revenues-to-date represent current year payments and payments received on delinquent accounts. Based on collections-to-date, it appears that business and vehicle personal property tax collections will approximate \$31.3 million, a decrease of \$1.2 million below the FY 2005 Approved Budget with no change from the projection included in the FY 2006 Approved Budget.

Personal Property Tax (in millions)	Actual-to-Date FY 2004	Budget FY 2005	Actual-to-Date FY 2005
City share	\$ 31.7	\$ 32.5	\$ 30.9
Commonwealth reimbursement	<u>22.7</u>	<u>23.7</u>	<u>21.6</u>
Total	\$ 54.4	\$ 56.2	\$ 52.5

Local Sales and Use Taxes: Businesses remit sales taxes 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 May represent revenues collected by merchants in March and a 4.6 percent increase over FY 2004 collections. Based on collections-to-date, staff projects sales tax to be at least \$23.6 million, an increase of \$0.5 million over the FY 2005 Approved Budget.

Consumer Utility Taxes: Consumer utility taxes are collected by the utility companies one month after billing and remitted to the City the following month. Staff anticipates a lower rate of increase in the consumer utility tax revenues from water rates in the next few months as the Virginia-American Water Company processes refunds to customers because of the recently ordered rollback of part of the water rate increase instituted earlier this year. Based on continued monitoring of these collections, it appears that consumer utility taxes will approximate \$18.1 million, an increase of \$0.4 million above the FY 2005 Approved Budget with no change from the projection included in the FY 2006 Approved Budget.

City of Alexandria Consumer Utility Tax Receipts

Utility	FY 2005 Year-to-date Receipts	FY 2004 Year to Date Receipts	Increase/ (Decrease)
Telephone - Tax on Local Services	\$6,269,493	\$6,371,245	\$(101,752)
Electricity	4,612,126	4,490,292	121, 834
Water	1,724,922	1,513,537	211,385
Natural Gas	1,880,819	1,895,173	(14,354)

Business License Taxes: The City's business license tax was due on March 1 for calendar year 2005. Collections-to-date, in the amount of \$25.2 million, are \$1.0 million, or 4.0 percent, higher than collections at the same time last year. An analysis of the tax returns from businesses

that reported their gross receipts on time shows a decrease in taxes paid of 1.0 percent from professional services, which constitutes 21 percent of the tax base. General business services, which makes up 27 percent of the tax base, increased by 1.8 percent. General retail, which is 16 percent of the tax base, remained flat when compared to last year. Financial services, which makes up only 4 percent of the tax base, increased by 46 percent. Overall, the comparison of this year's filed tax returns to that of the previous year shows an increase of 3.1 percent. Similar to last year, a few firms did not file by the March 1 due date. Staff estimates they will collect an additional \$0.9 million over the remainder of the year, including \$0.6 million in quarterly payments. Staff's current estimate for business license tax receipts is \$26.1 million, \$0.5 million less than the FY 2005 Approved Budget. It appears that the historical rate of growth of business license taxes of 5.5 percent will not be met this year. Staff will continue to monitor and make recommendations as warranted.

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 April 2005. Collections total \$5.7 million, or 17.7 percent, higher than last year and reflect an improved tourism and business travel market (which have increased occupancy rates) and a business strategy shift. Hotels are reducing the number of lower rate rooms being rented to federal government employees (tax-exempt) and increasing the number of higher rate rooms being rented to business travelers (not tax-exempt). Staff's current estimate for transient lodging receipts is \$7.4 million, an increase of \$1.3 million over the FY 2005 Approved Budget as projected in the FY 2006 Approved Budget.

Restaurant Meals Taxes: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Collections for sales through April 2005 were \$7.8 million, which represents a 9.6 percent increase over the prior year. Based on collections-to-date, staff projects that restaurant meals taxes will be \$9.5 million, a decrease of \$0.1 million below the FY 2005 Approved Budget with no change from the projection included in the FY 2006 Approved Budget.

Tobacco Taxes: Businesses remit tobacco tax revenue to the Northern Virginia Cigarette Board. This revenue is forwarded to the City approximately 15 days after the end of the month in which the sales occurred. Tobacco taxes are levied at a rate of \$0.50 per pack of 20 cigarettes sold in the City. To date, \$1.9 million has been collected for FY 2005, \$0.1 million less than collections this time last year. Based on collections-to-date, staff projects that tobacco taxes will be \$2.3 million, a decrease of \$0.3 million below the FY 2005 Approved Budget with no change from the projection included in the FY 2006 Approved Budget.

Real Estate Recordation Taxes: Real estate recordation tax revenues are collected by the Clerk of the Court and remitted to the City the following month. Collections in the amount of \$5.8 million represent an increase of \$2.8 million, or 92 percent, over the previous year. The continued increase is primarily attributable to residential refinancings due to historically low interest rates, a continued strong home sales market, condominium conversions and the recently enacted (in September, 2004) recordation tax rate increase. In addition, as housing costs remain high, the City continues to see increased sales of rental units sold as condominiums. Staff

estimates the remaining recordation taxes for the General Fund will approximate \$6.9 million, an increase of \$4.3 million over the FY 2005 Approved Budget because of the replacement of most of the set aside funds for affordable housing with the dedication of one cent of the real property tax for this purpose.

Other Local Taxes: This category includes bank franchise taxes, telecommunications right-of-way taxes, cable TV franchise taxes, daily rental taxes and other miscellaneous taxes. Since the approved budget was presented, the City has been notified that bank franchise taxes will increase by \$0.2 million. Based on collections-to-date and the bank franchise increase, other local taxes are expected to be \$3.8 million, an increase of \$0.1 million over the FY 2005 Approved Budget with no change from the projection included in the FY 2006 Approved Budget.

Revenues 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 \$3.8 million for housing federal prisoners through the period ending May 2005. However, as of May 31, 2005, only \$3.4 million has been received. The federal government generally pays the City for housing federal prisoners between 45 and 60 days after the end of the billing period. In addition, the federal prisoner billable days is substantially less than last year. Staff currently estimates that revenues from the federal government will approximate \$4.4 million, a decrease of \$1.2 million below the FY 2005 Approved Budget.

Revenue from the Commonwealth: The \$16.0 million in revenues received is 3.1 percent higher than collections at this time last year. Based on collections-to-date and updated information from the State Compensation Board, staff projects revenue from the Commonwealth will be \$19.8 million, an increase of \$0.2 million above the FY 2005 Approved Budget. This is offset by a decrease of \$1.6 million resulting from PPTRA collections for personal property taxes as discussed above.

Fines and Forfeitures: Collections through May were 2.2 percent less than collections last year, primarily for parking fines. Based on collections-to-date and projected collections, staff estimates that fines and forfeitures will approximate the FY 2005 Approved Budget.

Licenses and Permits: Collections-to-date are \$3.4 million, which is approximately the same as collections at this time last year. Based on these collection patterns, licenses and permits revenue are expected to be \$3.4 million, an increase of \$0.1 million over the FY 2005 Approved Budget.

Charges for City Services: Year-to-date revenues increased \$0.5 million primarily due to the budgeted increased refuse and sewer fees and increased clerk fees associated with the increased number of real estate transactions as discussed under Real Estate Recordation Taxes above. Based on collections-to-date, Charges for City Services are expected to be \$10.3 million, a decrease of \$0.2 million below the FY 2005 Approved Budget.

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

EXPENDITURES (Attachment 2): As of May 31, 2005, actual General Fund expenditures totaled \$344.0 million, an increase of \$27.1 million, or 8.5 percent, over expenditures for the same period last year. The approved General Fund budget is 8.8 percent higher than FY 2004. Staff continues to closely monitor FY 2005 expenditures. Increases in expenditures are primarily attributable to budgeted transfers for equipment replacement costs, cash capital and planned higher transit subsidy payments to WMATA. Except as noted below, this expenditure pattern reflects the FY 2005 Approved Budget.

Judicial Administration: Expenditures represent all four quarterly payments to regional organizations that provide legal, correctional and animal welfare and control services. Current projections indicate that additional expenditure authority will be needed for the Sheriff for jail operational costs for sworn staff, food, medical, mental health and janitorial services, to the Commonwealth's Attorney's Office for the unbudgeted City share of retirement costs, and to the Animal Shelter for the City's share of utility costs at the Animal Shelter that were not originally budgeted to match their projected expenditures with budget authority. Separately, in the June Transfer Resolution, staff will recommend an appropriation transfer as necessary to do so.

Other Planning Activities: General Fund expenditures in this category reflect all four quarterly contribution payments to community agencies and both semiannual payments to the Alexandria Convention and Visitors Association.

Registrar: Expenditures-to-date reflect costs of the presidential election related mailings, salaries and overtime and voter machine maintenance. Current projections indicate that additional expenditure authority will be needed for the costs of presidential primary and general elections to match projected expenditures with budget authority. Separately, in the June Transfer Resolution, staff will recommend an appropriation transfer as necessary to do so.

General Services: Expenditures to date represent costs associated with rent payments for other departments and charged to General Services above original estimates. Current projections also indicate that additional expenditure authority will be needed for fuel, postage and document reproduction costs to match projected expenditures with budget authority. Separately, in the June Transfer Resolution, staff will recommend an appropriation transfer as necessary to do so.

Fire: The Fire Department has authority to overhire a number of positions in FY 2005 in order to train and fill Fire and EMS slots coming open because of retirements and resignations. Current projections indicate that additional expenditure authority will be needed to match these projected expenditures with budget authority. General Fund balance has been designated for this purpose in the FY 2005 budget approved by Council, and the Supplemental Reappropriation Ordinance contains a \$0.4 million appropriation of this designation.

Transit Subsidies: Expenditures-to-date reflect all the City's quarterly payments to the Washington Metropolitan Area Transit Authority (WMATA) for FY 2005. In the first quarter of FY 2005, State transit aid revenues and balances available to the City were lower than in FY 2004 thereby causing increased City subsidy payments in FY 2005.

**CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING MAY 31, 2005 AND MAY 31, 2004**

	FY2005 APPROVED BUDGET	FY2005 REVENUES THRU 05/31/05	% OF BUDGET	FY2004 REVENUES THRU 05/31/04
General Property Taxes				
Real Property Taxes.....	\$ 228,514,157	\$ 131,005,727	57.3%	\$ 130,659,015
Personal Property Taxes.....	32,491,000	30,890,742	95.1%	31,698,798
Penalties and Interest.....	1,500,000	1,275,579	85.0%	1,368,438
Total General Property Taxes	\$ 262,505,157	\$ 163,172,048		\$ 163,726,251
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 23,100,000	17,464,662	75.6%	\$ 16,700,660
Consumer Utility Taxes.....	17,700,000	14,487,360	81.8%	14,270,247
Business License Taxes.....	26,600,000	25,200,812	94.7%	24,222,968
Transient Lodging Taxes.....	6,100,000	5,714,080	93.7%	4,853,242
Restaurant Meals Tax.....	9,625,000	7,799,757	81.0%	7,116,105
Tobacco Taxes.....	2,600,000	1,907,189	73.4%	2,039,628
Motor Vehicle License Tax.....	2,350,000	2,403,578	102.3%	2,371,606
Real Estate Recordation.....	2,600,000	5,813,413	223.6%	3,024,179
Other Local Taxes.....	3,667,500	2,577,796	70.3%	2,187,253
Total Other Local Taxes	\$ 94,342,500	\$ 83,368,647	88.4%	\$ 76,785,888
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 5,600,000	\$ 3,948,032	70.5%	\$ 4,298,350
Personal Property Tax Relief from the Commonwealth.....	23,700,000	21,567,385	91.0%	22,658,359
Revenue from the Commonwealth.....	19,603,400	15,969,273	81.5%	15,491,737
Total Intergovernmental Revenues	\$ 48,903,400	\$ 41,484,690	84.8%	\$ 42,448,446
Other Governmental Revenues				
Fines and Forfeitures.....	\$ 3,952,000	\$ 3,611,944	91.4%	\$ 3,693,567
Licenses and Permits.....	3,261,000	3,368,318	103.3%	2,989,946
Charges for City Services.....	10,507,700	8,198,274	78.0%	7,672,284
Revenue from Use of Money & Property.....	4,615,500	4,235,313	91.8%	4,432,530
Other Revenue.....	429,619	202,792	47.2%	455,795
Total Other Governmental Revenues	\$ 22,765,819	\$ 19,616,641	86.2%	\$ 19,244,122
TOTAL REVENUE	\$ 428,516,876	\$ 307,642,026	71.8%	\$ 302,204,707
Appropriated Fund Balance				
General Fund.....	4,334,000	-	0.0%	-
Reappropriation of FY 2004 Encumbrances And Other Supplemental Appropriations.....	3,516,087	-	0.0%	-
TOTAL	\$ 436,366,963	\$ 307,642,026	70.5%	\$ 302,204,707

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING MAY 31, 2005 AND MAY 31, 2004

FUNCTION	FY2005	FY2005	% OF	FY2004
	APPROVED BUDGET	EXPENDITURES THRU 05/31/05		BUDGET
Legislative & Executive.....	\$ 5,164,135	\$ 4,676,291	90.6%	\$ 4,352,721
Judicial Administration.....	\$ 29,552,673	\$ 27,787,456	94.0%	\$ 26,154,473
Staff Agencies				
Information Technology Services.....	\$ 6,838,734	\$ 5,709,652	83.5%	\$ 5,756,376
Management & Budget.....	1,000,816	821,698	82.1%	675,613
Finance.....	8,135,638	6,912,162	85.0%	6,466,558
Real Estate Assessment.....	1,032,569	918,565	89.0%	836,802
Personnel.....	2,652,542	2,299,283	86.7%	2,165,977
Planning & Zoning.....	3,860,035	3,349,678	86.8%	2,650,596
Other Planning Activities.....	2,609,082	2,592,125	99.4%	2,242,362
City Attorney.....	1,506,405	1,357,175	90.1%	1,730,347
Registrar.....	960,789	954,442	99.3%	764,628
General Services.....	10,392,752	9,599,199	92.4%	8,952,469
Total Staff Agencies	\$ 38,989,362	\$ 34,513,979	88.5%	\$ 32,241,728
Operating Agencies				
Transportation & Environmental Services.....	\$ 22,827,974	\$ 20,736,434	90.8%	\$ 20,182,480
Fire.....	30,148,305	28,164,543	93.4%	25,636,371
Police.....	42,154,136	38,668,437	91.7%	35,299,669
Transit Subsidies.....	4,767,561	4,567,988	95.8%	3,736,118
Housing.....	985,257	813,476	82.6%	773,590
Mental Health/Mental Retardation/ Substance Abuse.....	603,086	588,086	97.5%	536,296
Health.....	7,234,880	6,636,572	91.7%	5,335,741
Human Services.....	10,286,839	8,800,171	85.5%	7,864,191
Historic Resources.....	2,365,959	2,165,755	91.5%	1,994,656
Recreation.....	17,232,858	15,401,668	89.4%	13,901,466
Total Operating Agencies	\$ 138,606,855	\$ 126,543,130	91.3%	\$ 115,260,578
Education				
Schools.....	\$ 130,109,722	\$ 101,560,253	78.1%	\$ 95,622,622
Other Educational Activities.....	13,299	13,299	100.0%	13,058
Total Education	\$ 130,123,021	\$ 101,573,552	78.1%	\$ 95,635,680
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 22,620,329	\$ 8,293,663	36.7%	\$ 9,448,848
Non-Departmental.....	10,958,360	8,536,223	77.9%	7,182,900
Cash Capital.....	21,382,000	21,382,000	100.0%	16,955,000
Contingent Reserves.....	727,700	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 55,688,389	\$ 38,211,886	68.6%	\$ 33,586,748
TOTAL EXPENDITURES	\$ 398,124,435	\$ 333,306,294	83.7%	\$ 307,231,928
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library)				
Transfers to the Special Revenue Fund.....	26,526,624	-	0.0%	-
Transfer to Library.....	5,969,144	5,473,705	91.7%	5,008,925
Transfer to DASH.....	5,746,760	5,269,779	91.7%	4,740,890
TOTAL EXPENDITURES & TRANSFERS	\$ 436,366,963	\$ 344,049,778	78.8%	\$ 316,981,743

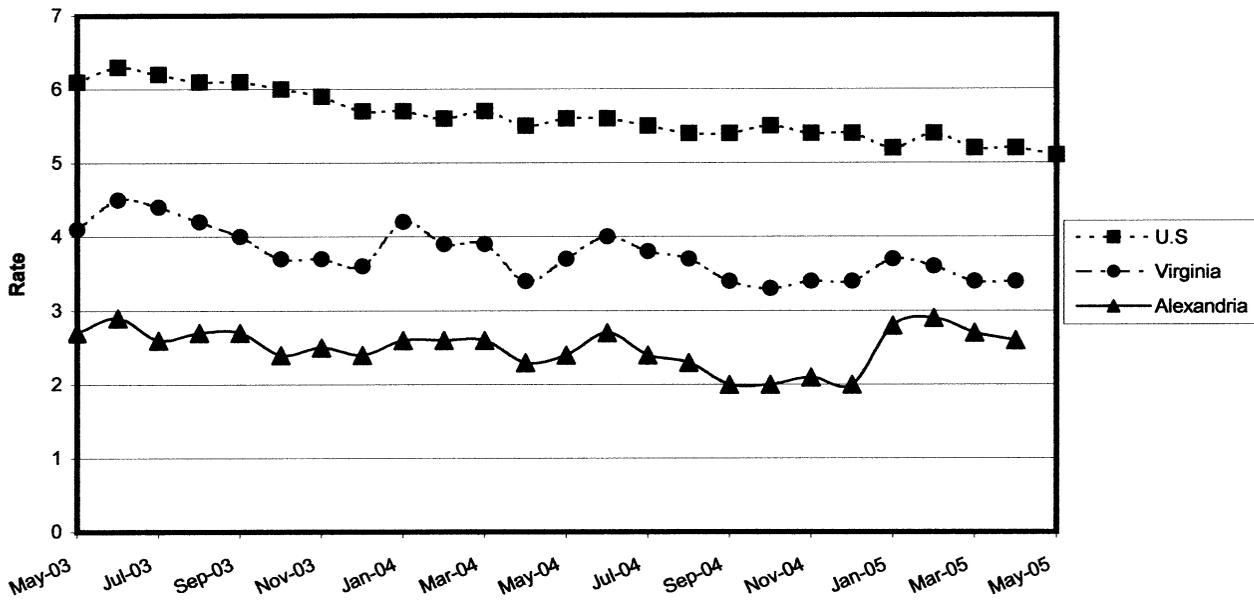
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**CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Percent Change</u>
<u>Consumer Price Index (CPI-U)</u> for the Washington-Baltimore, DC-MD-VA-WV Area (As of May 31, 2005) (Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)	123.6	118.9	+4.0%
<u>Unemployment Rates</u>			
Alexandria	2.6%	2.3%	+13%
Virginia (As of April 30, 2005) (Source: United States Department of Labor, Bureau of Labor Statistics)	3.4%	3.4%	-
United States (As of April 30, 2005) (Source: United States Department of Labor, Bureau of Labor Statistics)	5.1%	5.6%	-9%
<u>Interest Rates</u> (As of April 30, 2005)			
Prime Rate	6.00%	4.00%	+50%
Federal Fund Rate (Source: SunTrust Economic Monitor)	3.01%	1.02%	+195%
<u>New Business Licenses</u> (During February) (Source: Finance Department, Business Tax Branch)	96	82	+17%
<u>Office Vacancy Rates</u> (As of March 31, 2005)			
Alexandria	11.7%	9.5%	+23%
Northern Virginia	13.3%	15.2%	-13%
Washington DC Metro Area (Source: Grubb & Ellis)	11.9%	12.2%	-2%
<u>New Commercial Construction</u> (As of March 31, 2005)			
Number of New Building Permits	8	10	-20%
Value of New Building Permits (Source: Fire Department Code Enforcement Bureau)	\$ 130.0 million	\$ 77.8 million	+67%
<u>Residential Real Estate Indicators</u> (for the three months ended March 31, 2005)			
Residential Dwelling Units Sold	1,122	1,049	+7%
Average Residential Sales Price (Source: Department of Real Estate Assessments)	\$452,161	\$369,526	+22%

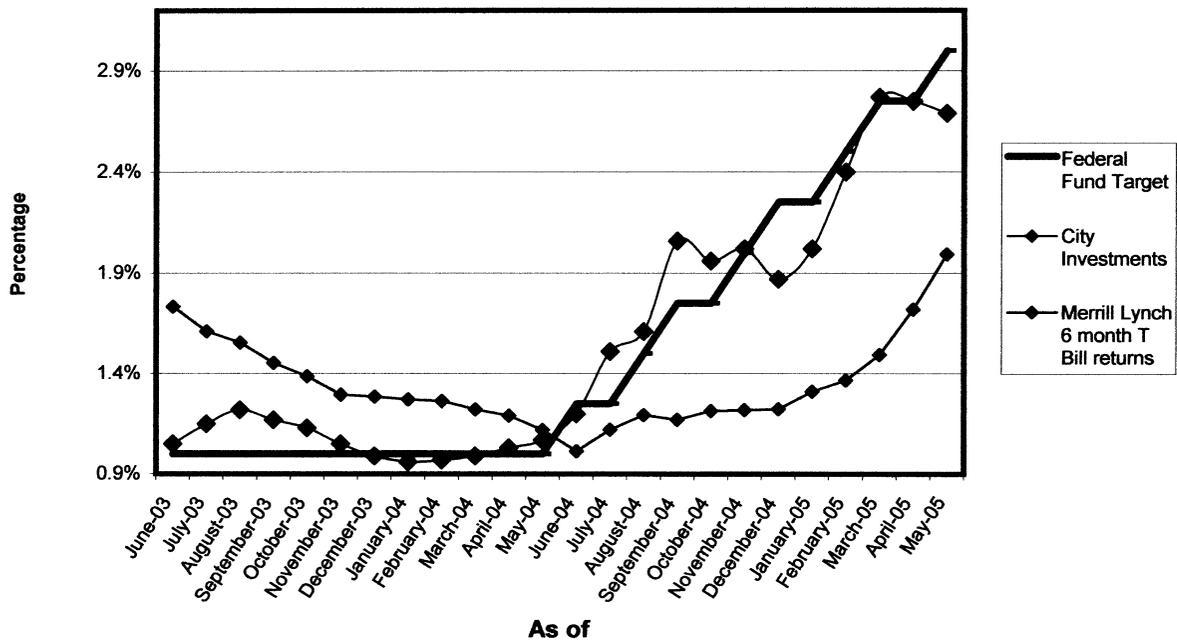
**City of Alexandria
Selected Economic Indicators
November 2004**

Unemployment Rates - US, Virginia and Alexandria



Source: United States Department of Labor, Bureau of Labor Statistics (revised by BLS March 2005)

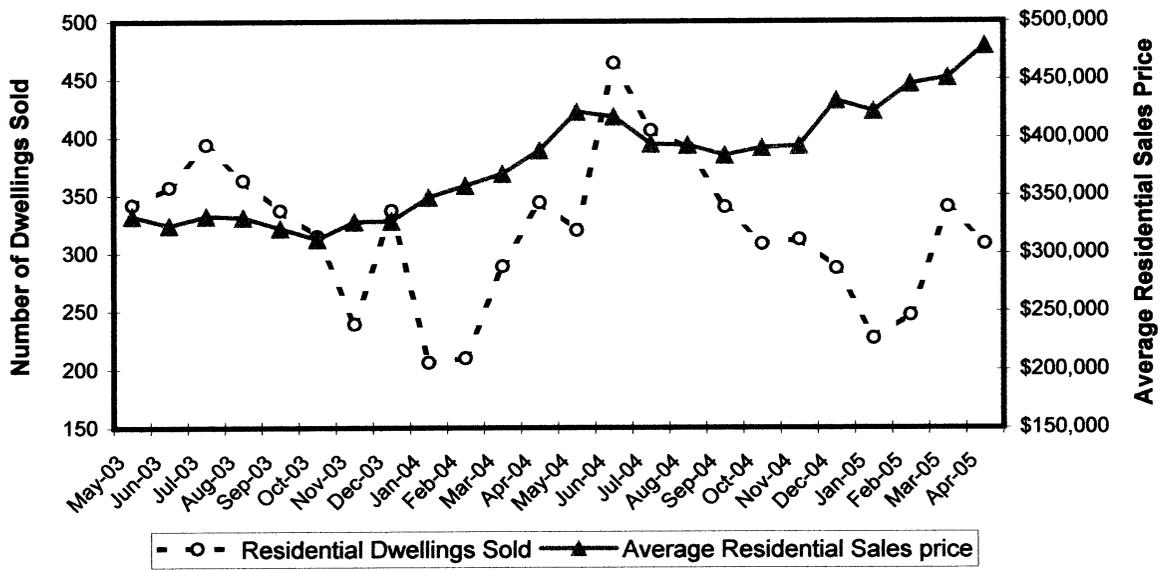
Selected Interest Rates



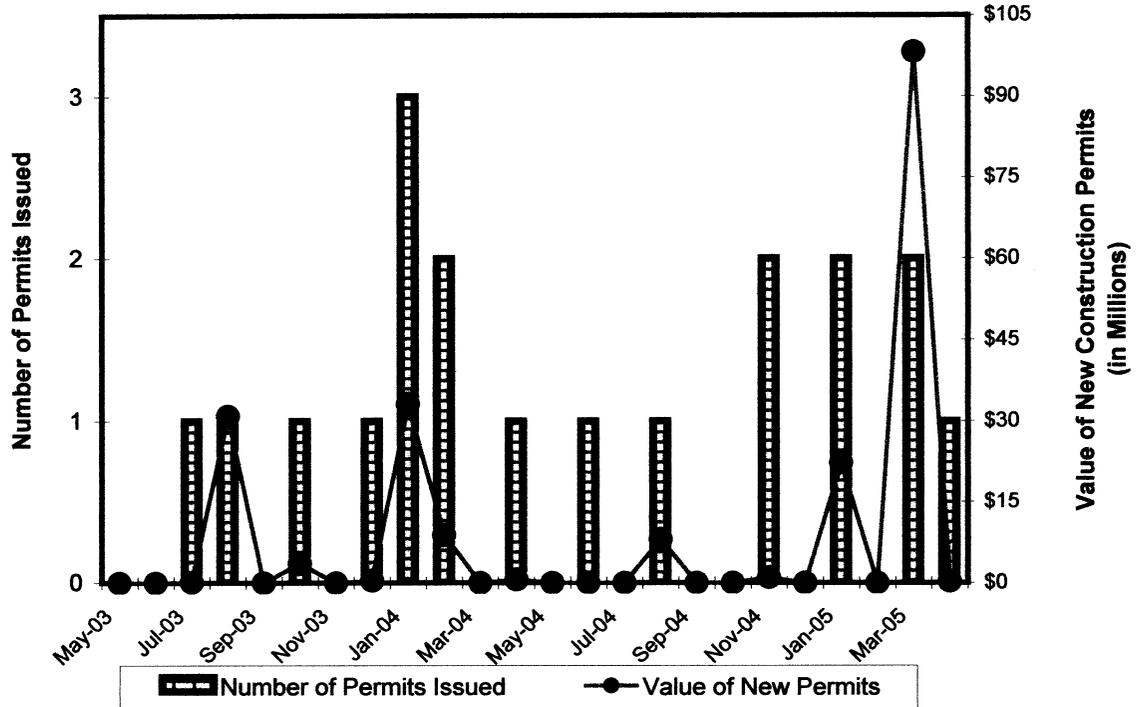
Source: Suntrust Economic Monitor

**City of Alexandria
Selected Economic Indicators
November 2004**

Selected Residential Real Estate Indicators

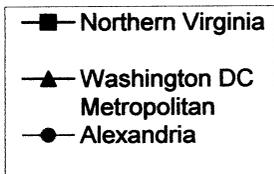
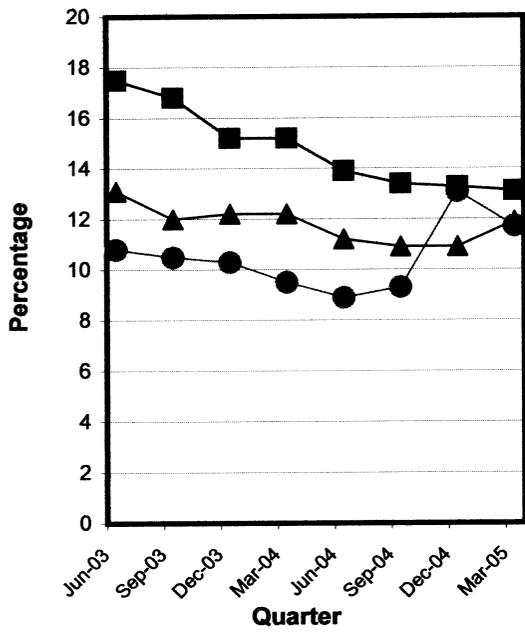


**Alexandria New Commercial Construction
Number of Permits and
Value of New Construction Permits**

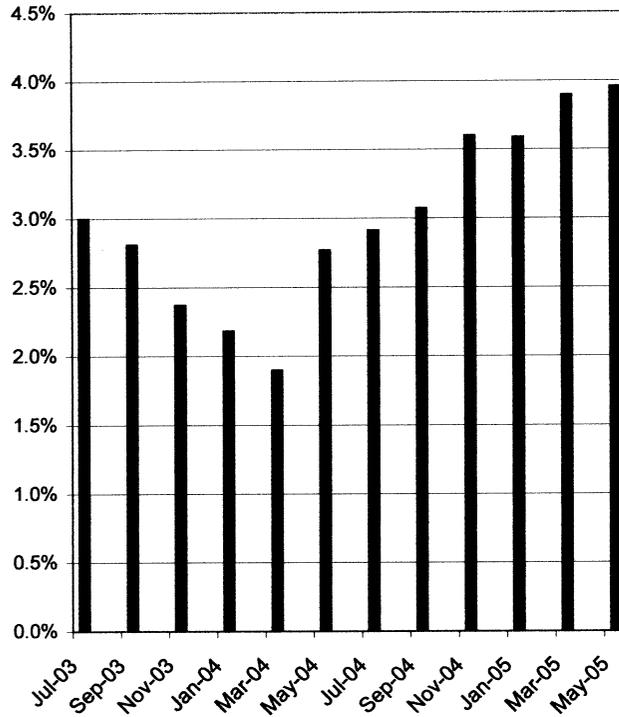


**City of Alexandria
Selected Economic Indicators
November 2004**

Office Vacancy Rates



Twelve Month Annualized Percentage Change in Consumer Price Index Washington/Baltimore



Source: United States Department of Labor, Bureau of Labor Statistics

New Business Licenses Issued in Alexandria

