

WS
2-15-07

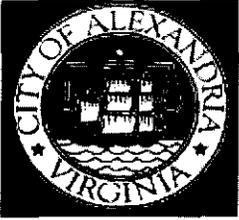
**CITY COUNCIL BUDGET WORK SESSION
THURSDAY, FEBRUARY 15, 2006
7:00 P.M.
SISTER CITIES CONFERENCE ROOM**

AGENDA

- I. Introduction
- II. Budget Memo #1 - Proposed Schedule and Add/Delete Process for the FY 2008 Budget Deliberations
- III. Revenue Issues
 - A. Real Property Assessments - material contained in:
 - Budget Memorandum #2, "CY 2007 Real Property Assessment Report"
 - Budget Memorandum #3, "Five-Year Summary of Real Estate Programs in Alexandria"
 - B. Overview of Operating Budget Revenues - material contained in:
 - Proposed Operating Budget Document (Budget Overview Tab and Revenue Summary Tab)

NOTICE:

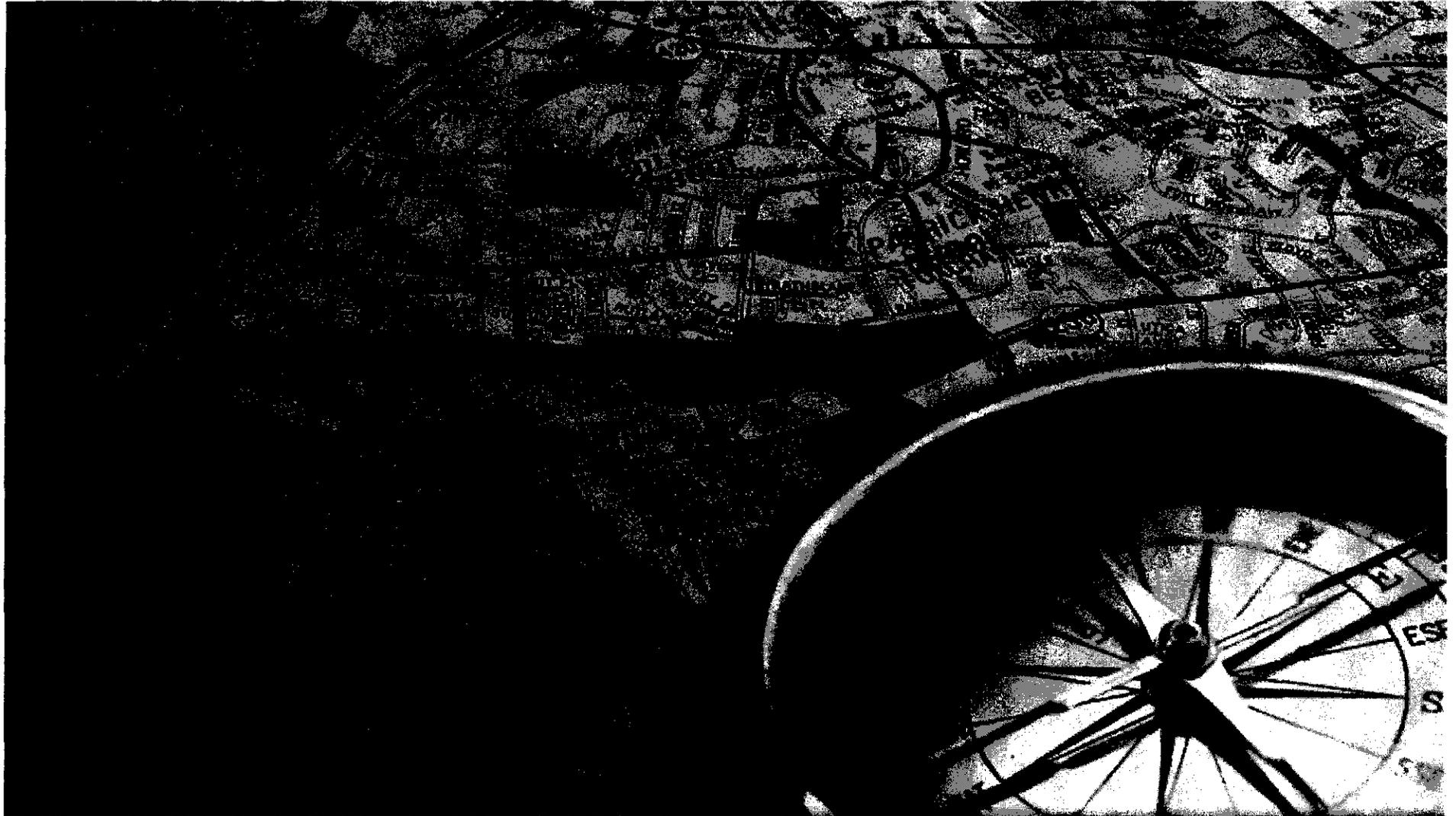
Individuals with disabilities who require assistance or special arrangements to participate in the City Council Work Session or persons requiring translation services to participate in the City Council Work Session may call the City Clerk and Clerk of Council's Office at 703 838-4550 or TTY/TDD at 703 838-5056. We request that you provide a 48-hour notice so that the proper arrangements may be made.



CITY OF *Alexandria* VIRGINIA

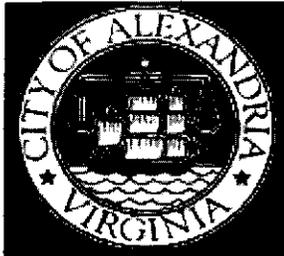
WS
2-15-07

FY 2008 Proposed Operating Budget



Taxes, Fees and Other Revenues

Thursday, February 15, 2007



FY 2008 Budget Work Session

Taxes, Fees and Other Revenues

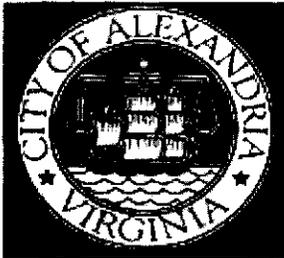
Thursday, February 15, 2007



Revenues Overview

See page 2-7 in the FY 2008 Proposed Budget

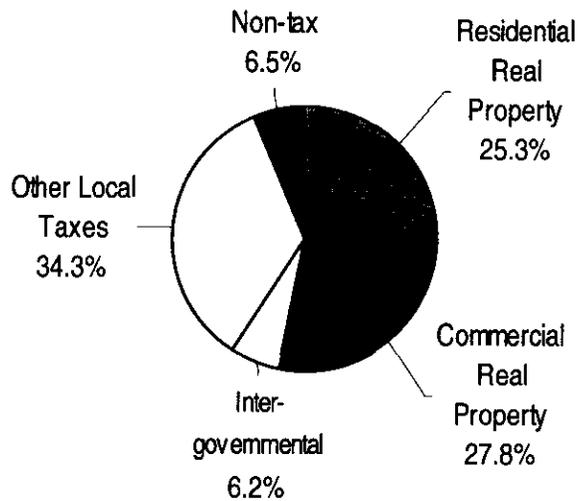
	FY 2007 Amended	FY 2007 Projected	FY 2007 Proposed	Change from 2007
Real property taxes	\$265.6	\$266.2	\$271.2	2.1%
Other taxes	144.7	145.7	152.5	5.4%
Non-tax revenue	29.0	29.4	30.4	4.8%
Federal & state revenue	50.1	51.6	51.5	2.8%
Prior year surplus & other fund transfers	8.2	8.2	3.3	-60%
Total	\$497.7	\$501.1	\$508.9	2.25%



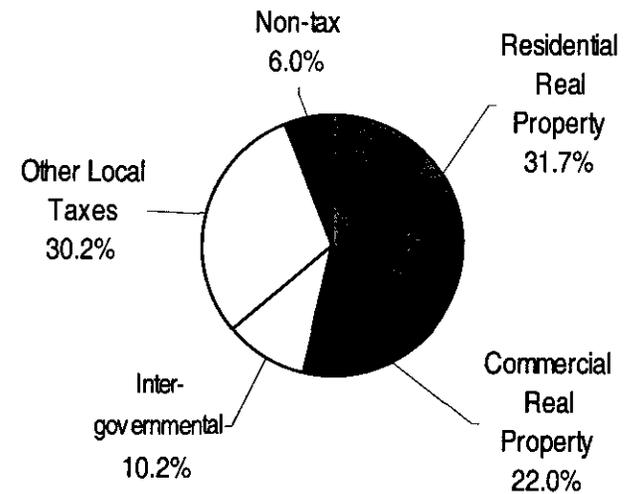
Revenues Overview

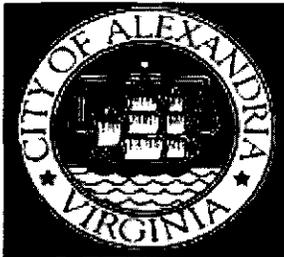
Page 4-20

FY 1991: \$221.7 Million



FY 2008: \$505.6 Million

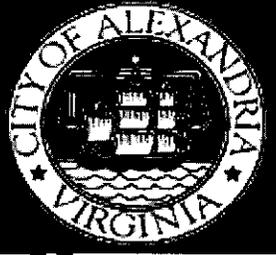




FY 2007 YTD Revenues

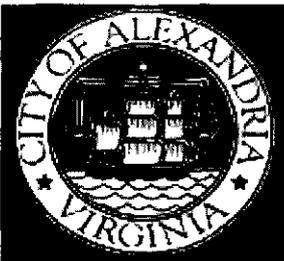
	FY 2007 Budget Revised	FY 2007 Budget Predictions	Budget Versus Projections
Real Property	\$ 265.6	\$ 266.2	\$ 0.6
Personal Property-Local Share	31.5	33.7	2.2
Sales Tax	26.1	26.3	0.2
Consumer Utility Tax	17.9	13.1	-4.8
Communications Use and Sales Tax		6.0	6.0
Business License Tax	31.0	30.2	-0.8
Transient Lodging Tax	8.2	7.8	-0.4
Restaurant Meals Tax	10.7	10.2	-0.5
Recordation Taxes	5.1	5.7	0.6
Other Local Taxes	9.8	8.3	-1.5
Intergovernmental	50.1	51.6	1.5
Fines and Forfeitures	4.1	3.4	-0.7
Licenses and Permits	4.9	5.4	0.5
Charges for City Services	11.0	10.3	-0.7
Use of Money and Property	8.6	9.8	1.2
Net Additional Revenues			\$ 3.4

Taxes, Fees and Other Revenues



CY 2007 Overall Changes

- Real Property assessments increased 4.4% or \$1.45 billion;
- 51% was due to appreciation (\$736.7 million)
- 49% was new construction (\$715.7 million)



CY 2007 Overall Changes (cont'd)

Residential Tax Base = $-.82\%$

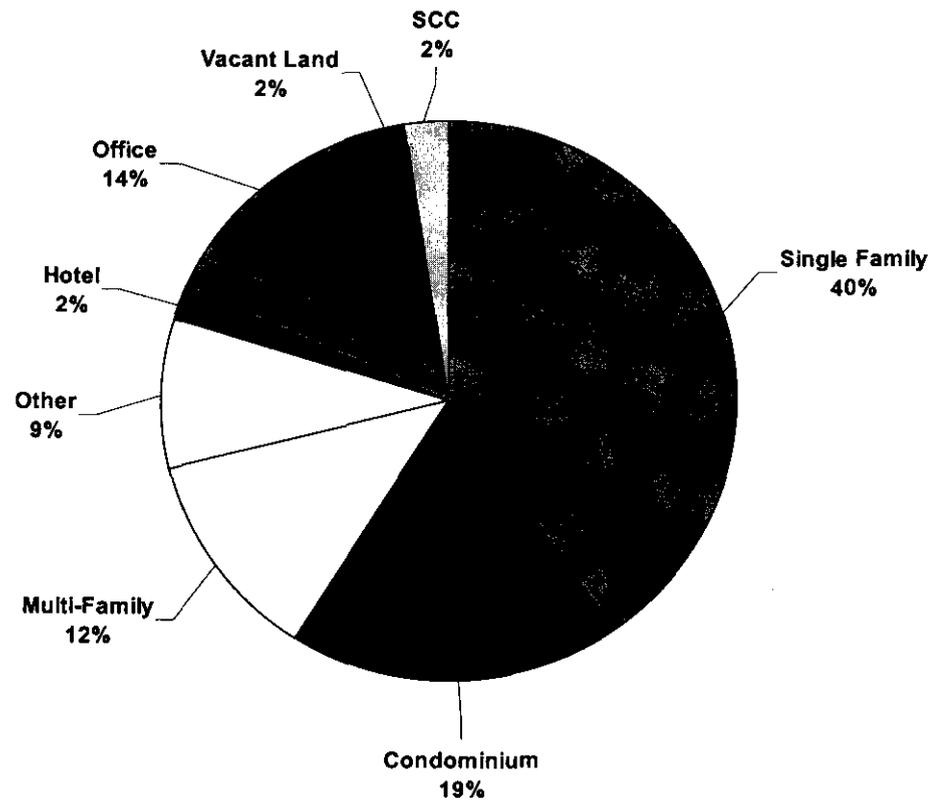
Commercial Tax Base = $+13.3\%$

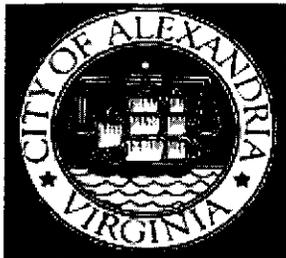
SCC Tax Base = $+9.5\%$

New Growth = $+2.18\%$ or \$715.7 million

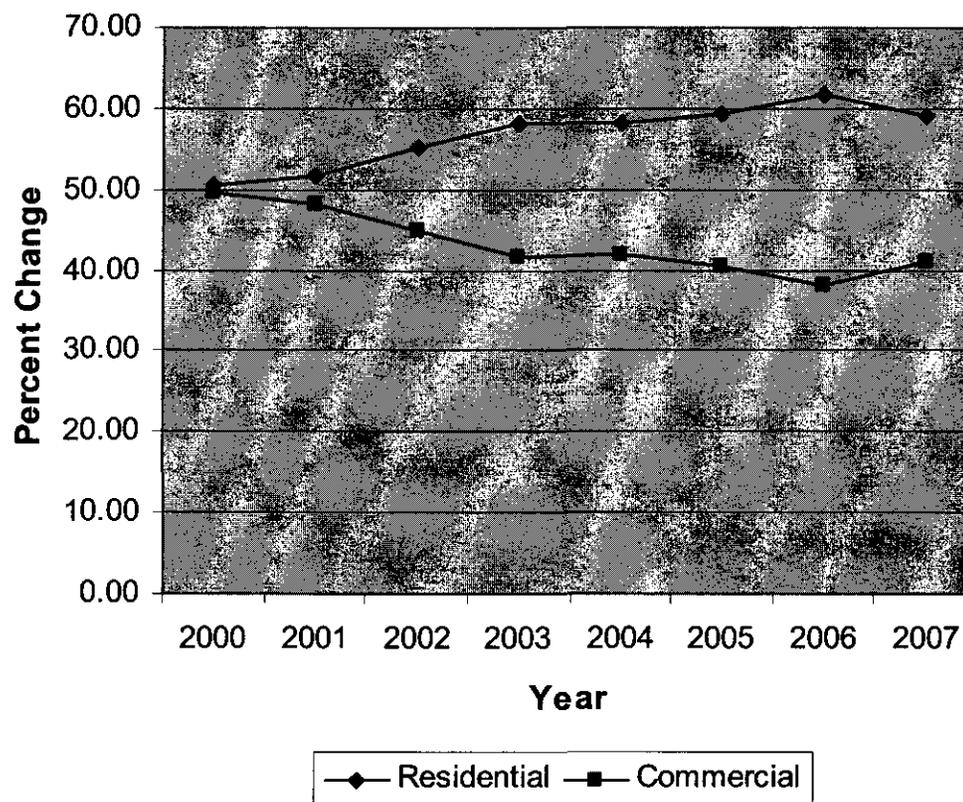


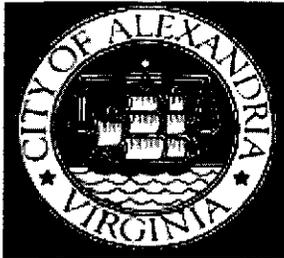
Real Estate Tax Base





Real Estate Tax Distribution CY2000 to CY2007





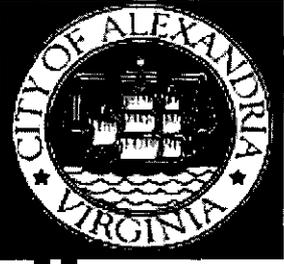
CY 2007 RESIDENTIAL PROPERTY

Residential properties decreased by 2.9%

Avg. SF & Condo = \$509,593 = -2.9%

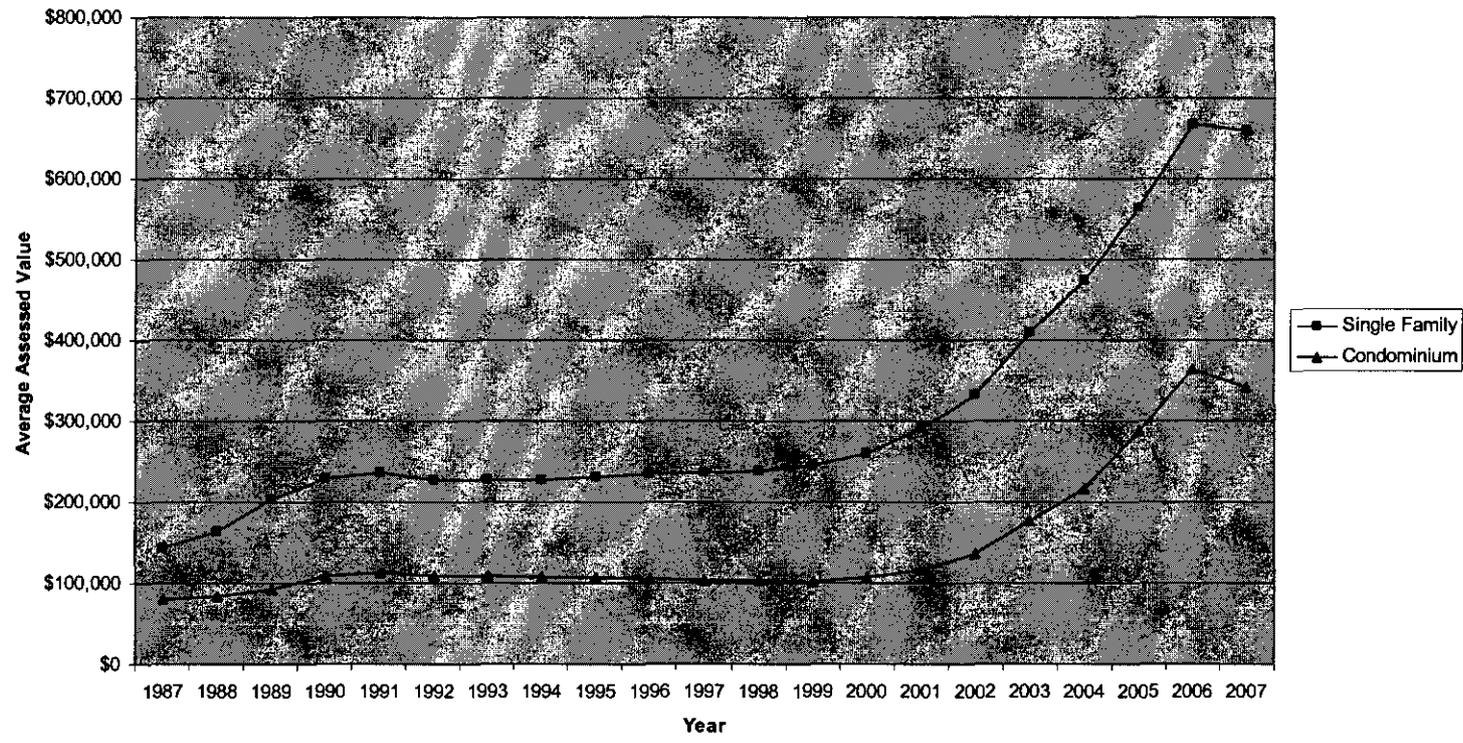
Avg. SFD = \$660,866 = -1.3%

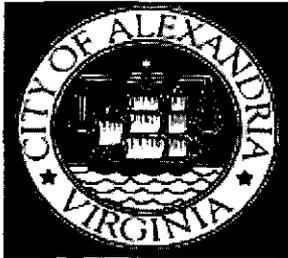
Avg. Condo = \$341,008 = -6.4%



Average Residential Assessed Value

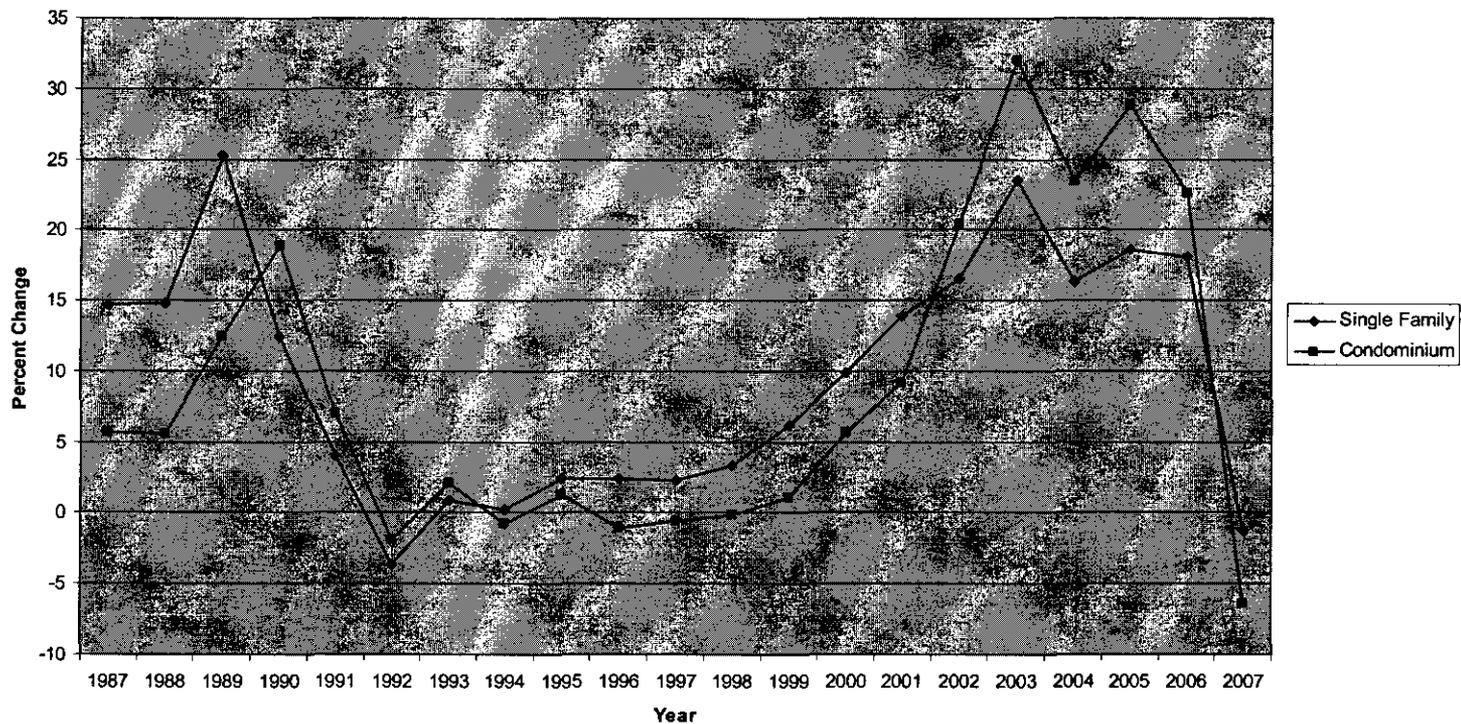
Average Residential Assessed Value





Percentage Change in Residential Assessed Value

Percentage Change in Residential Assessed Value



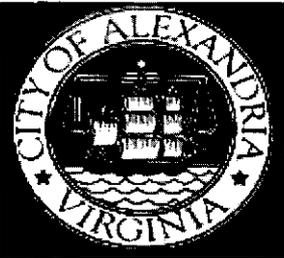


Map Showing 2006 to 2007
Residential Property Appreciation
by Geographic Area
City of Alexandria, Virginia

LEGEND
SF - Single Family Residential
RC - Residential Condominium

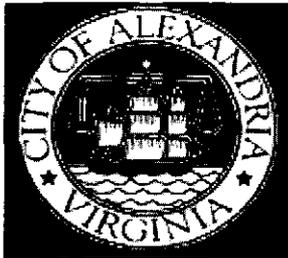
Department of Real Estate Assessments
February 2007
Map prepared by the GIS Section of
the Department of Planning and Zoning

NOTES:
Numbers designate the geographic areas of the City that approximate the small areas developed for the Master Plan revision. The 2007 Notices of Assessment include the study group number. The first two digits of the study group number will designate the geographic area that corresponds with the map.

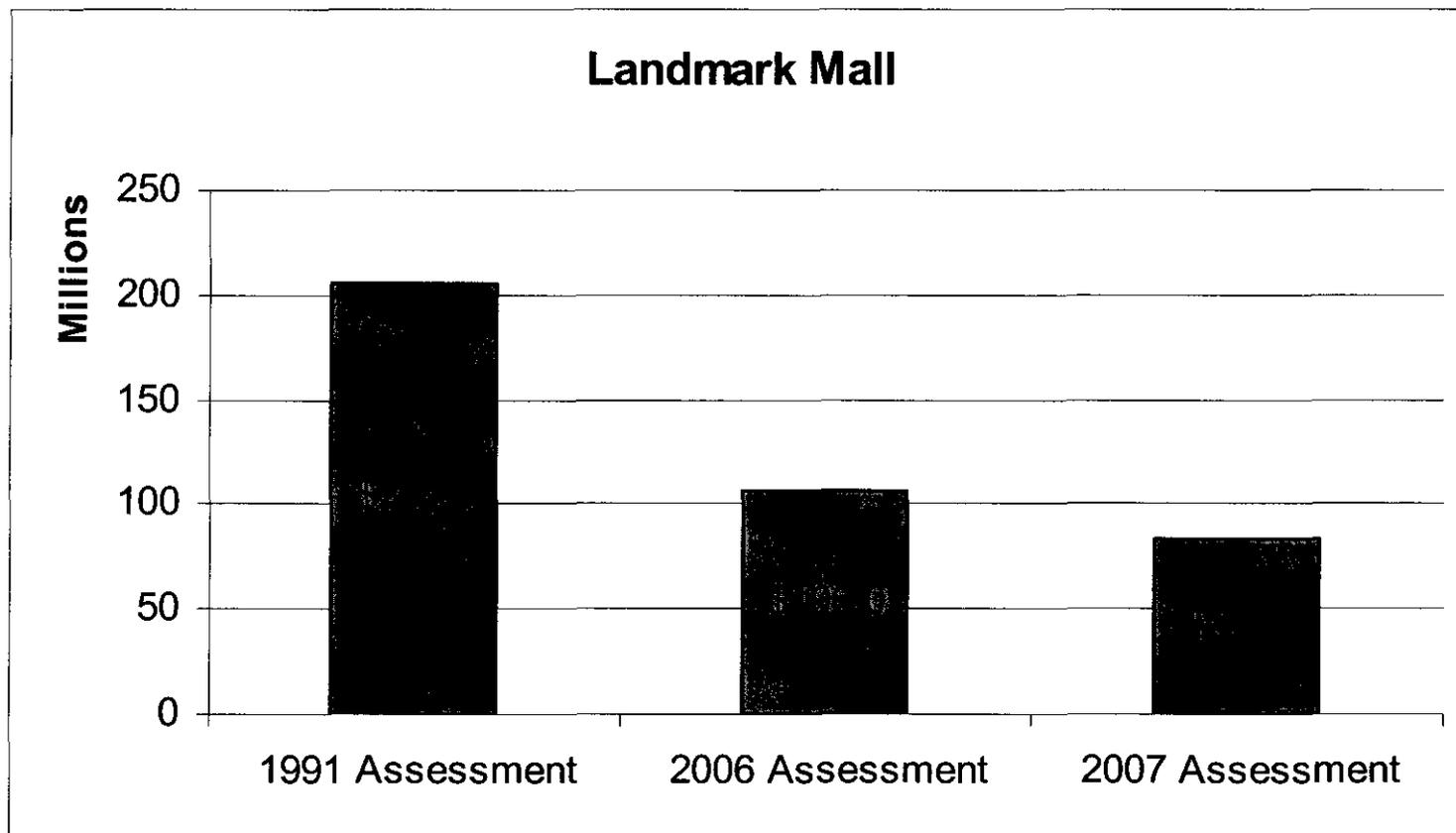


CY 2007 COMMERCIAL PROPERTY

- Commercial tax base increased 13.3%
- Commercial properties increased 10.8% on average (Hotels up 20.8%)
- New construction = \$291.7



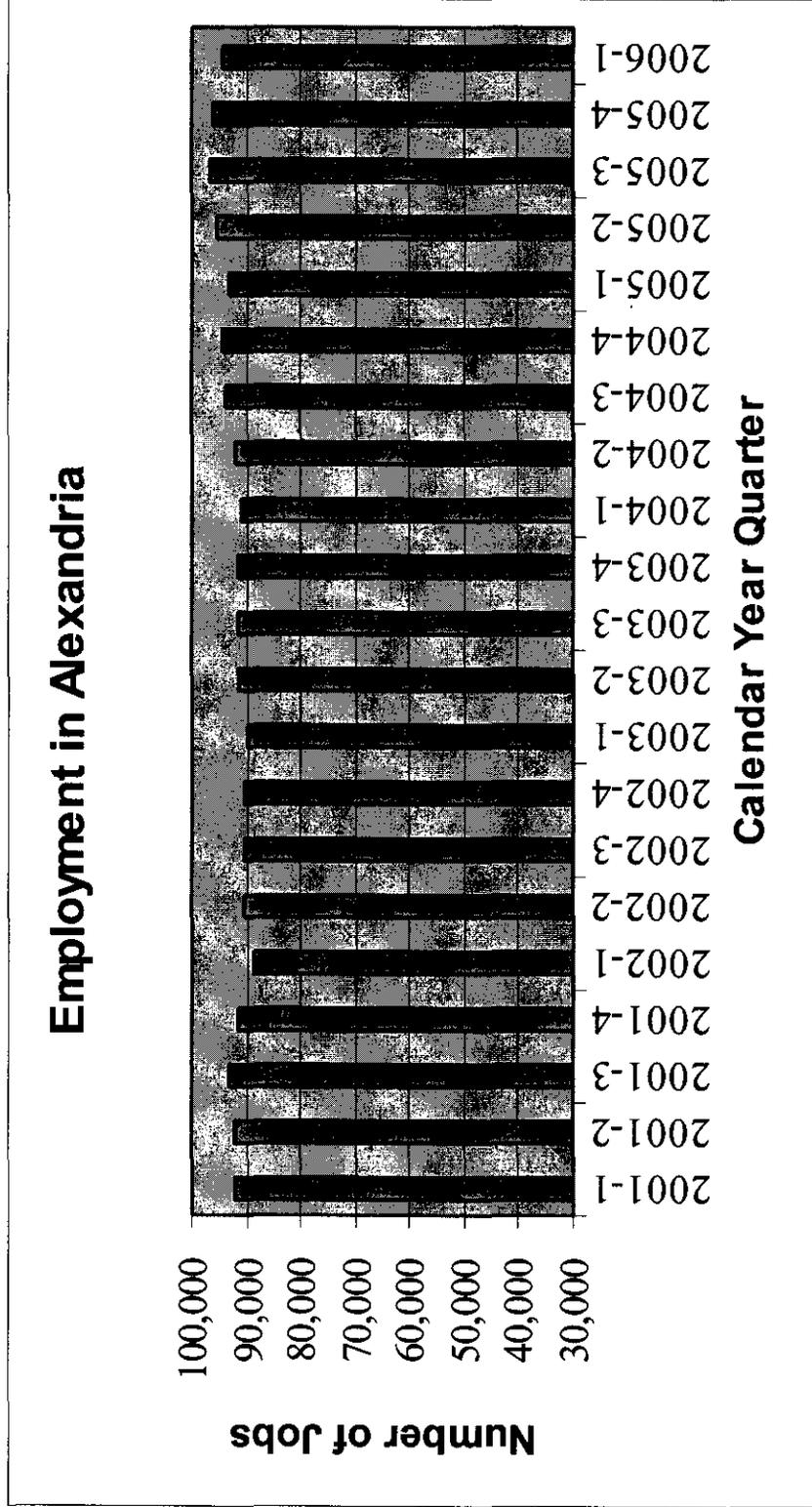
Landmark Mall

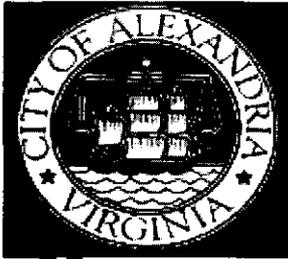


Taxes, Fees and Other Revenues

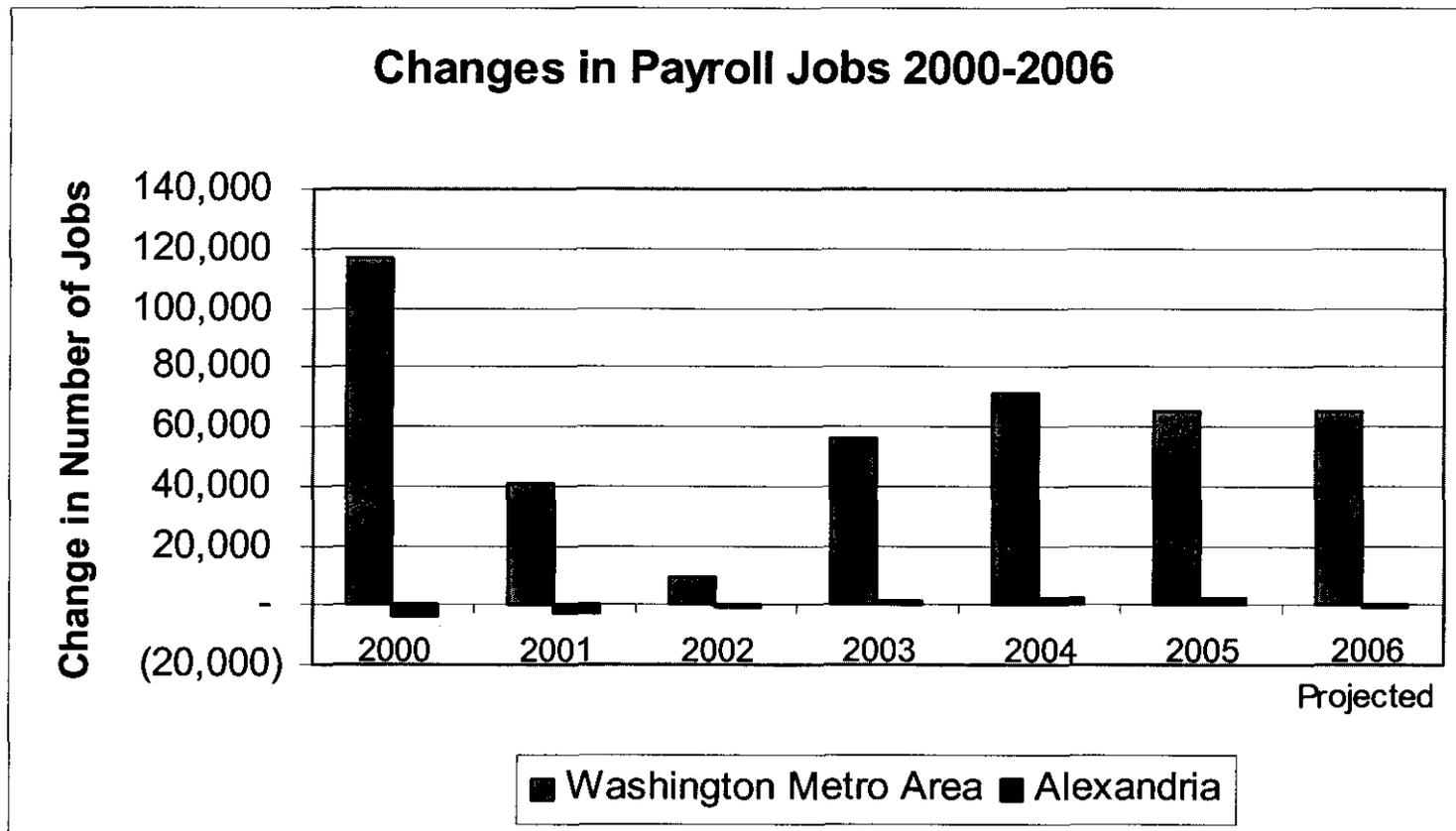


Employment in Alexandria 2001-2006



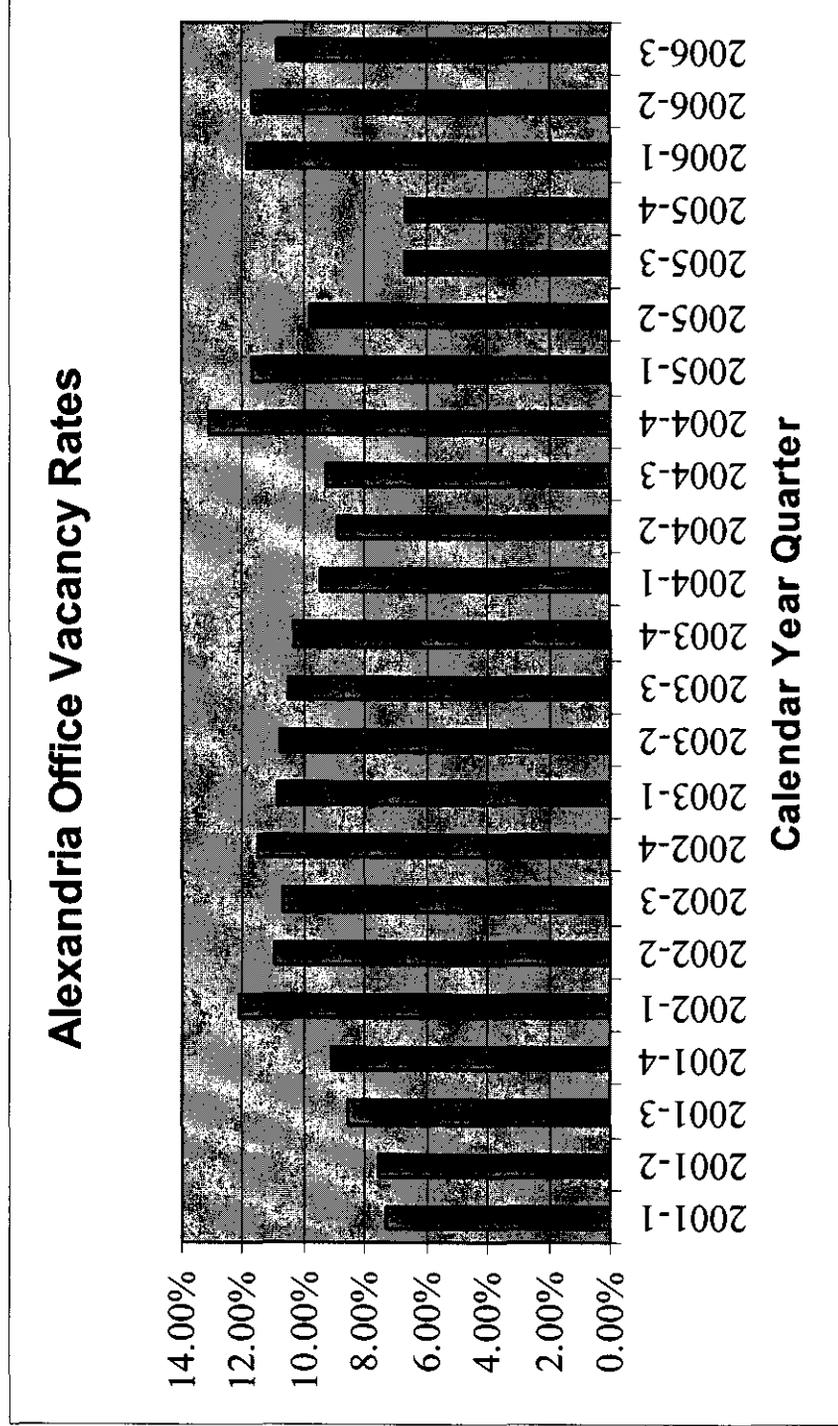


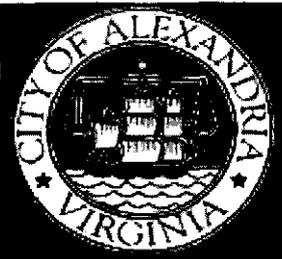
Changes in Payroll Jobs Alexandria vs. Region





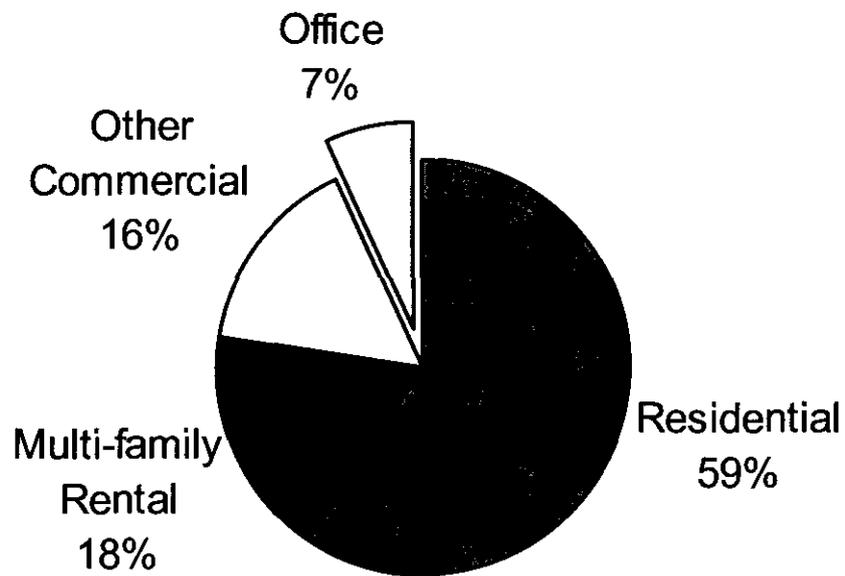
Office Vacancy Rates 2000 - 2006



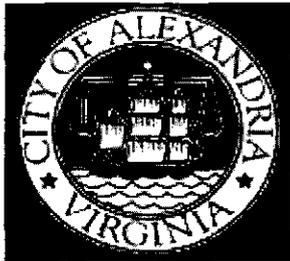


2007 Breakdown of New Growth to Tax Base

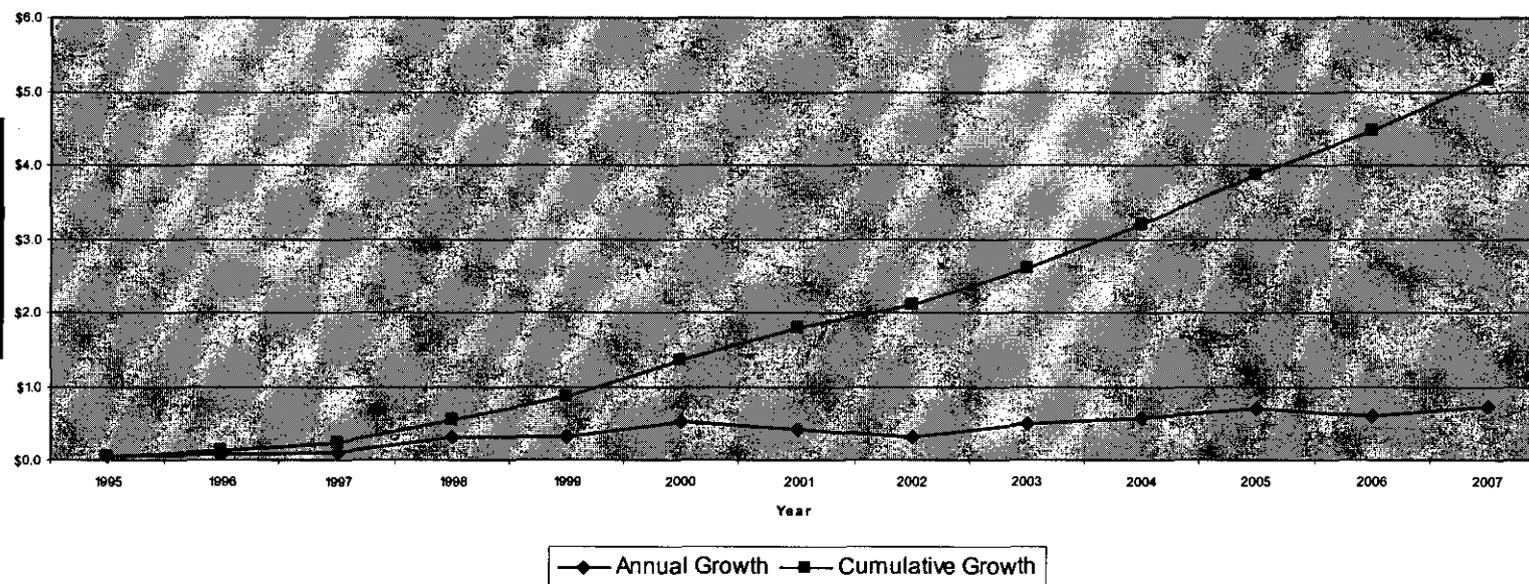
2007 Breakdown of New Growth



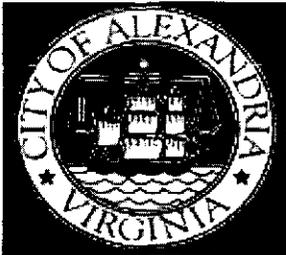
Taxes, Fees and Other Revenues



Dollar Change due to New Growth

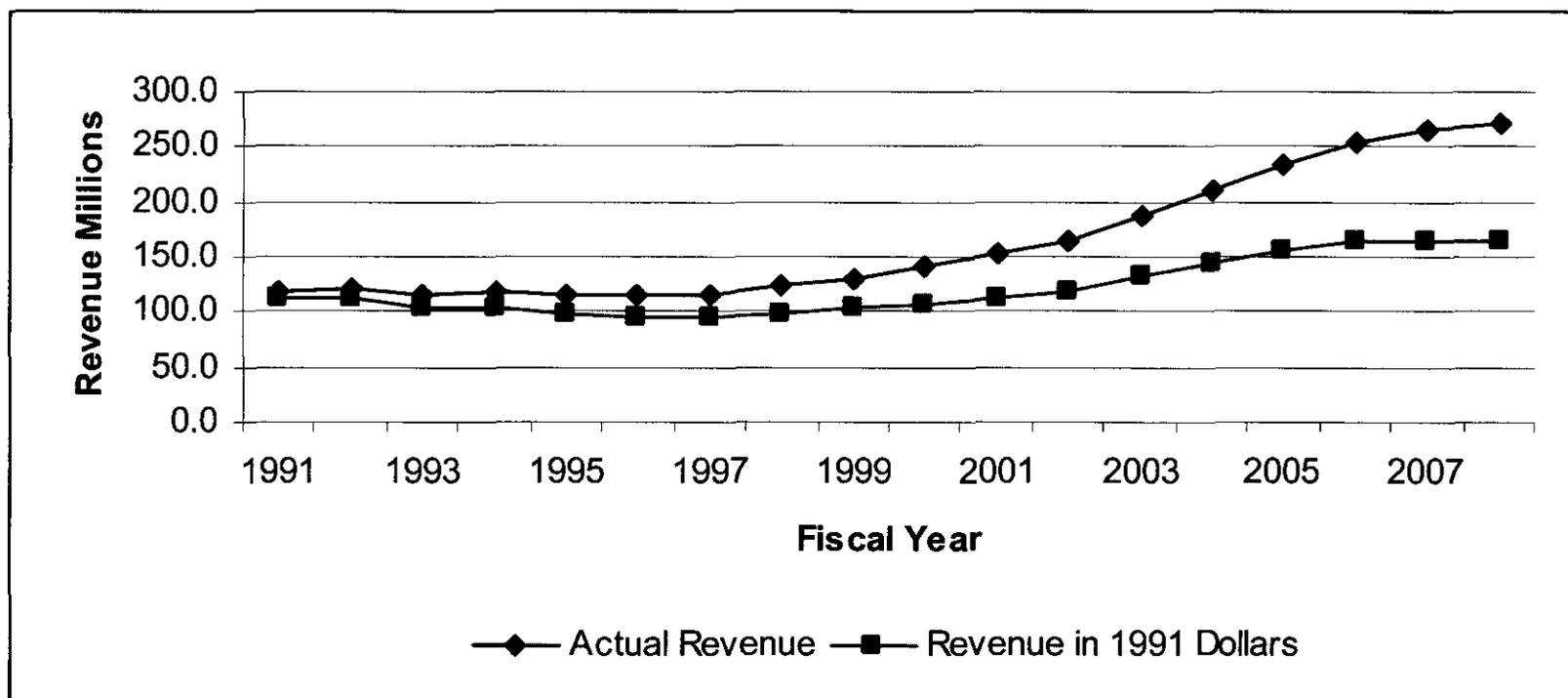


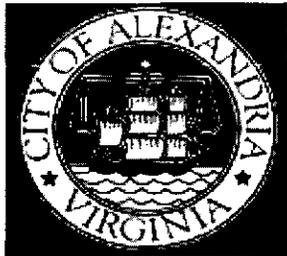
Taxes, Fees and Other Revenues



Real Property Tax Revenue FY 1991 – FY 2008 Proposed

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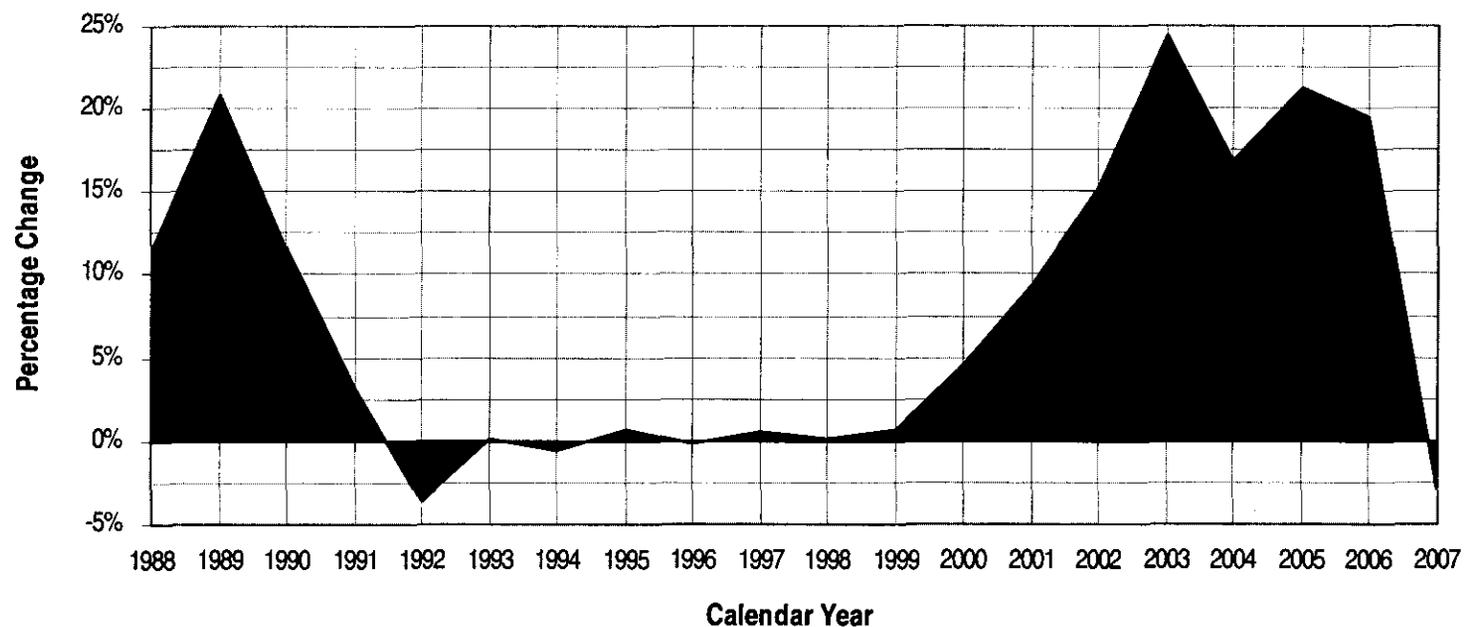




Residential Appreciation Tax Year 1988-2007

Page 4-22

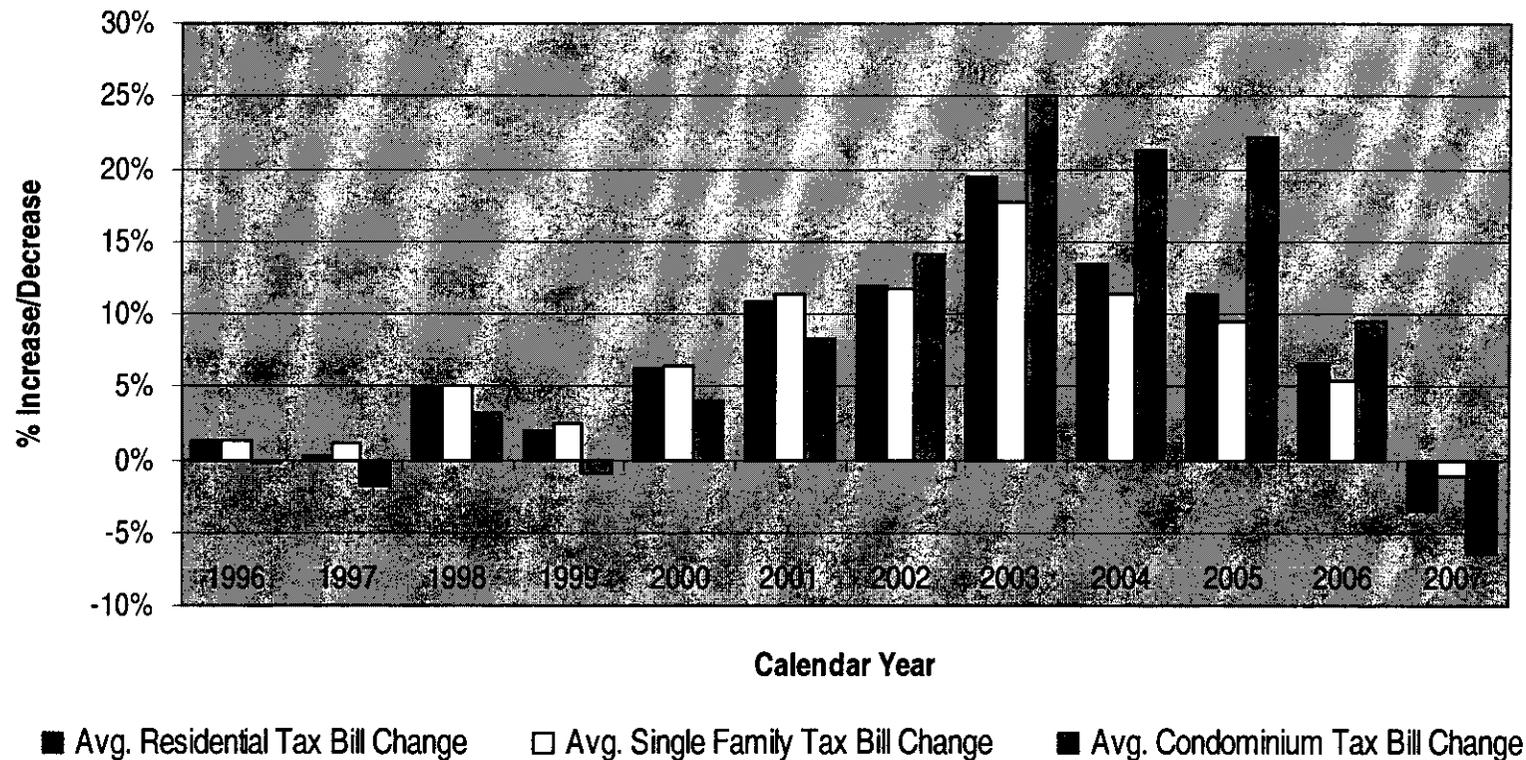
Residential Appreciation % Change
1988 to 2007

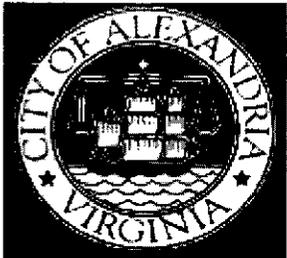




Residential Taxes

Residential Property Tax Bill Changes CY 1996 to 2007

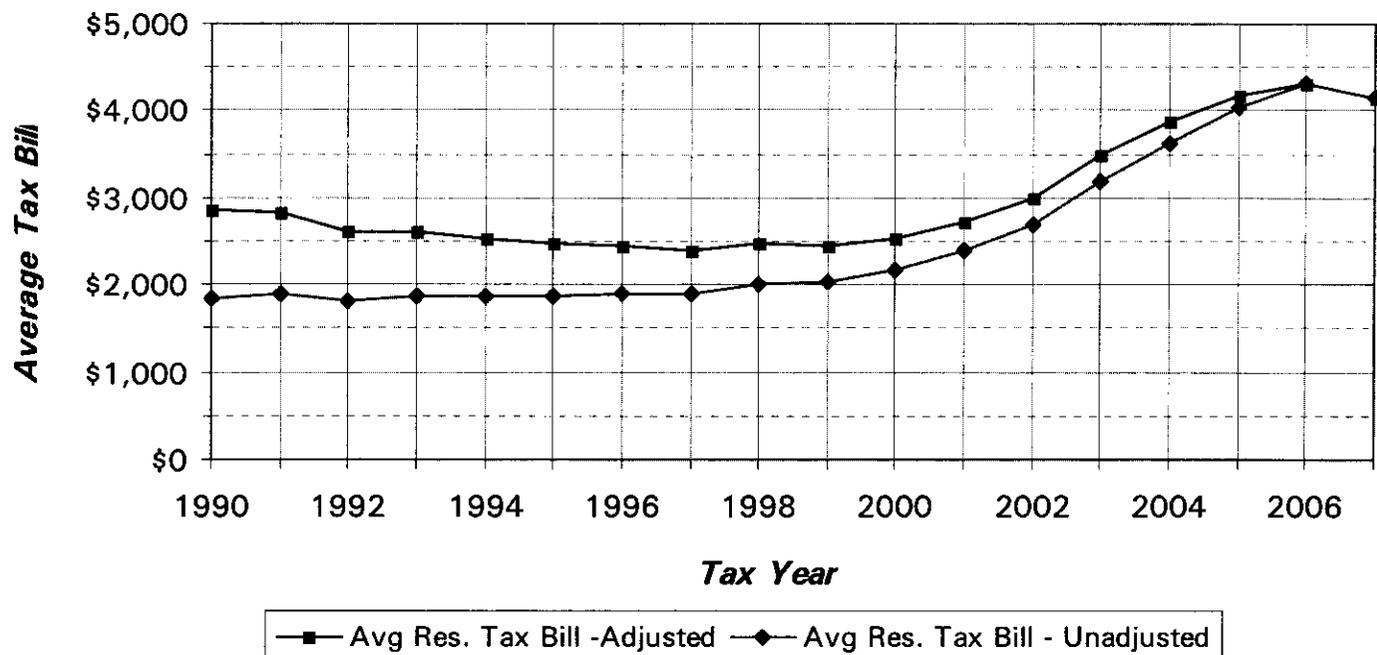




Real Property Taxes Average Residential Tax Bills 1990-2007

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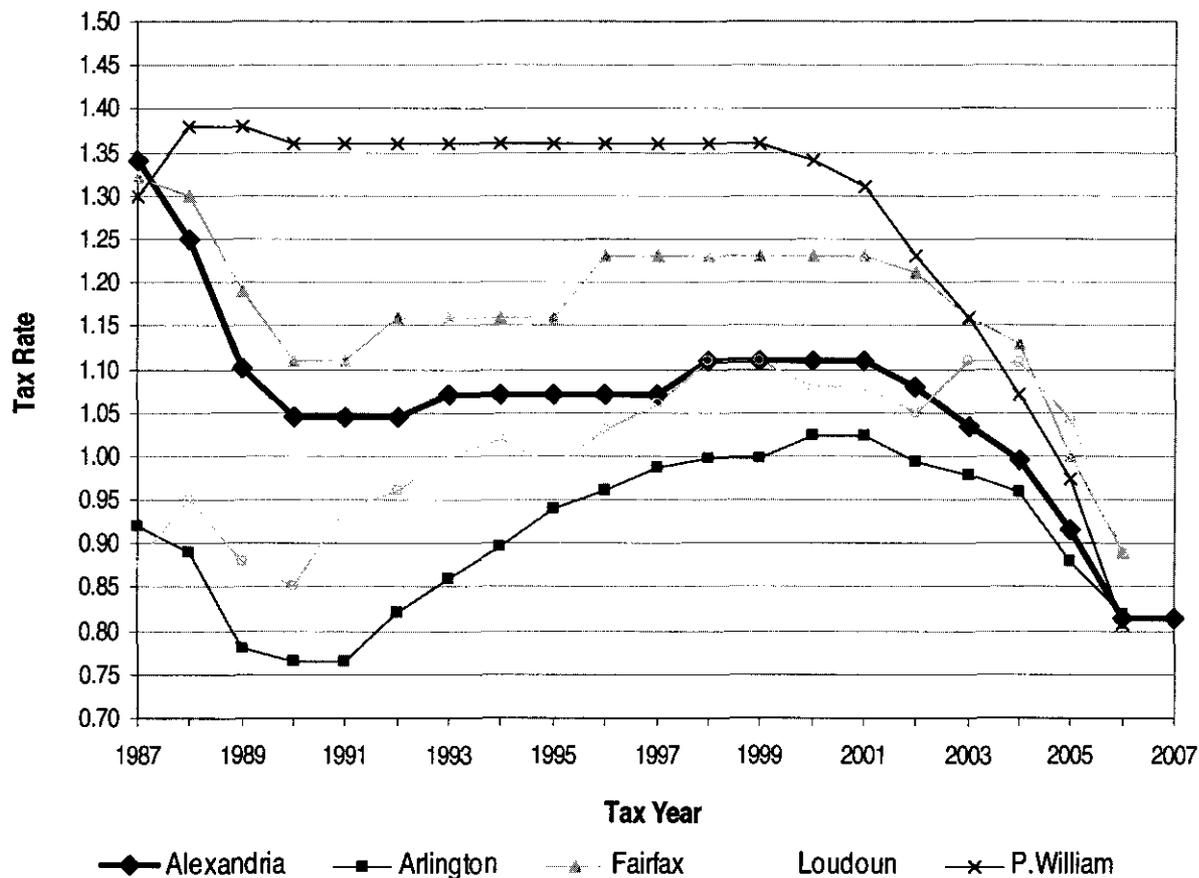
Residential Tax Bill Comparison
1990-2007, Adjusted to 2006 dollars



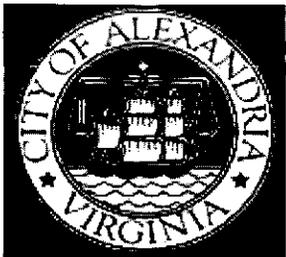


Real Estate Tax Rates Regional Tax Rates 1987-2007

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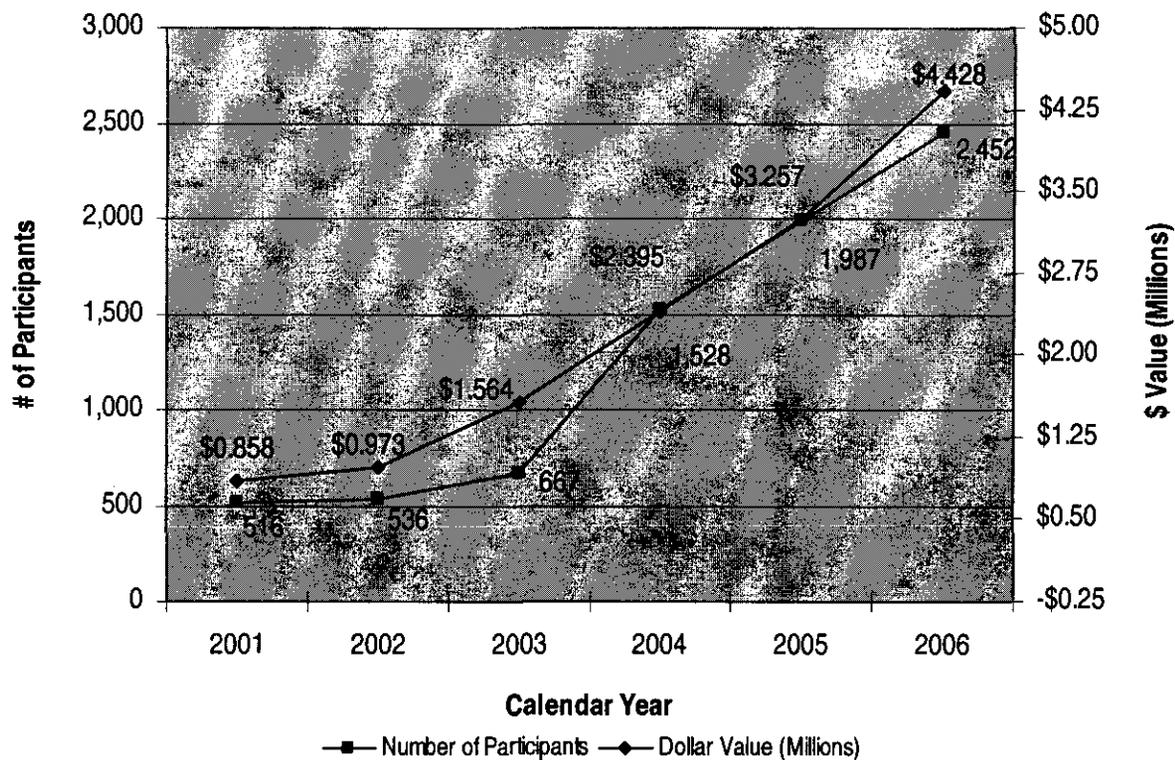


Taxes, Fees and Other Revenues

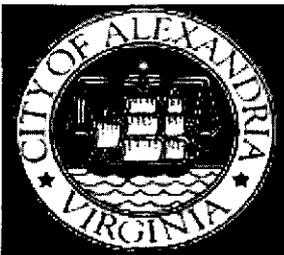


Targeted Residential Real Estate Tax Relief

Number of Participants and \$ Value History (Elderly & Disabled and Low/Moderate Income)

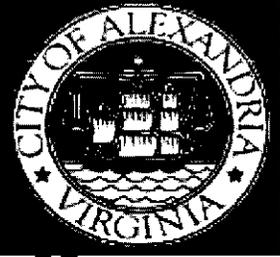


Taxes, Fees and Other Revenues



Elderly & Disabled Tax Relief CY 2006

Exemption Amount as % of tax bill	Income Limits (\$ in thousands)	Applications Approved	Average RE reduction Per Applicant	Total Relief
100%	\$0 to \$40	814	\$3,583	\$2,916,965
50%	\$40 to \$55	184	\$1,708	\$314,293
25%	\$55-72	87	\$986	\$85,747
		1,085		\$3,317,005



Affordable Home Ownership Program (AHOP) CY 2006

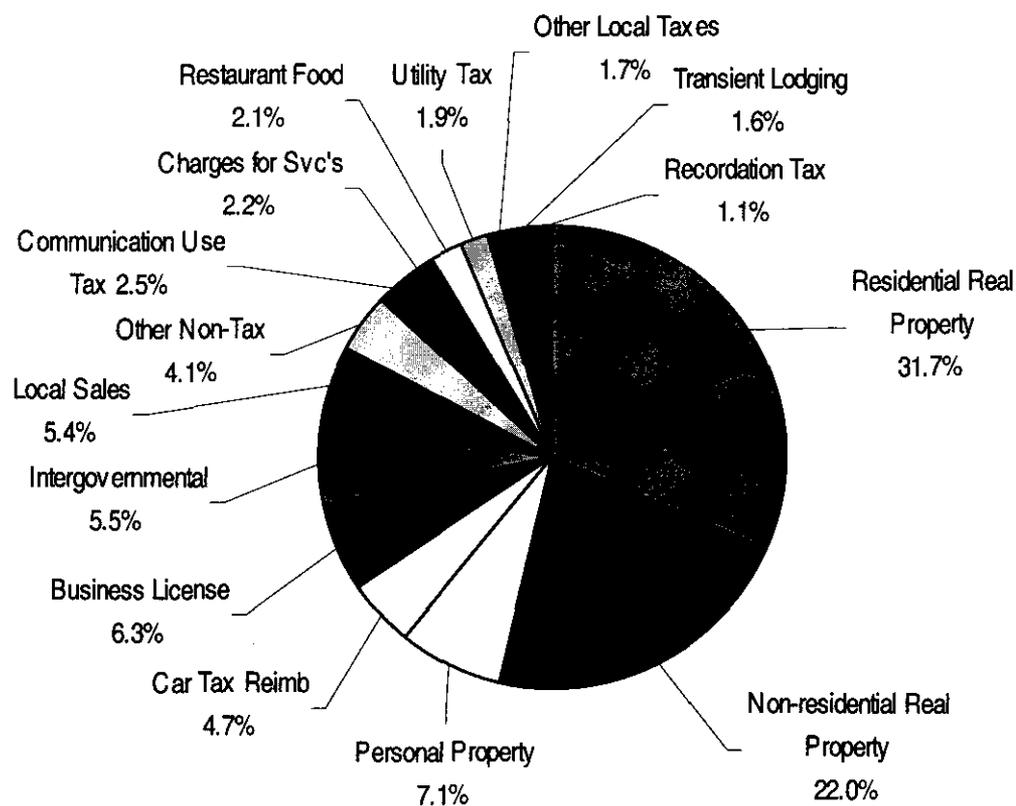
Income Limits (\$ in thousands)	Grant Amounts	# of Est. Participants	Est. Cost of Grants
\$55-\$100	\$200-\$275	430	\$147,775
\$40-\$55	\$875	496	\$434,000
Under \$40	\$1,200	441	\$529,200
Total		1367	\$1,110,975

Maximum home value = \$527,000

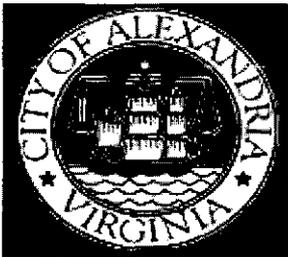


Other Tax Outlook

General Fund Revenue Distribution (\$505.6)

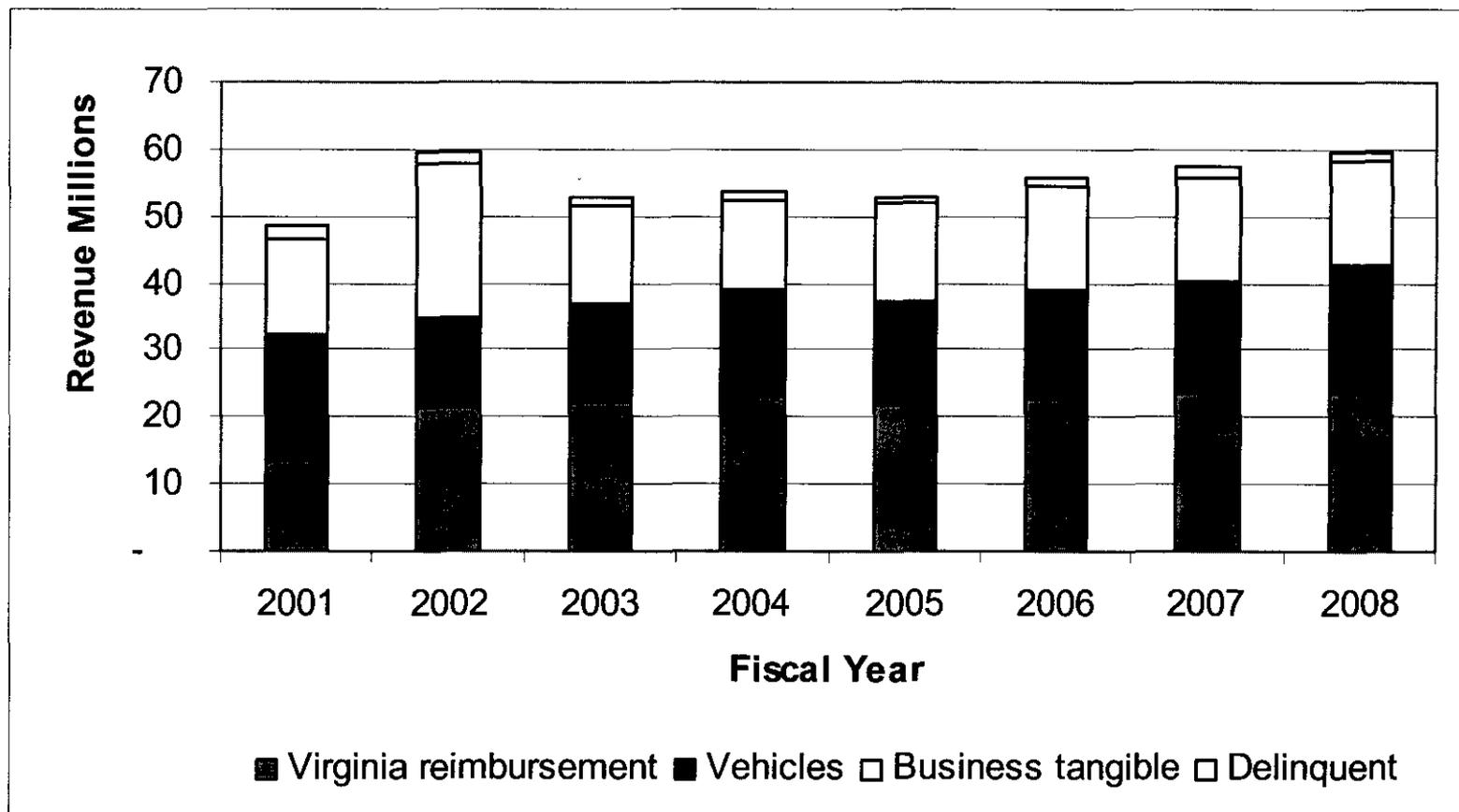


Taxes, Fees and Other Revenues



Personal Property Tax Revenue By Source, FY01 – FY08 Proposed

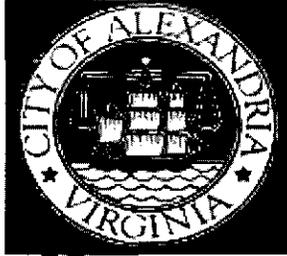
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Personal Property Tax Relief Changes

- New State law
- State aid fixed
- Amount \$23.6 million
- CY 2006 reimbursement rate of 69% will likely drop
- % reimbursement calculated prior to billing

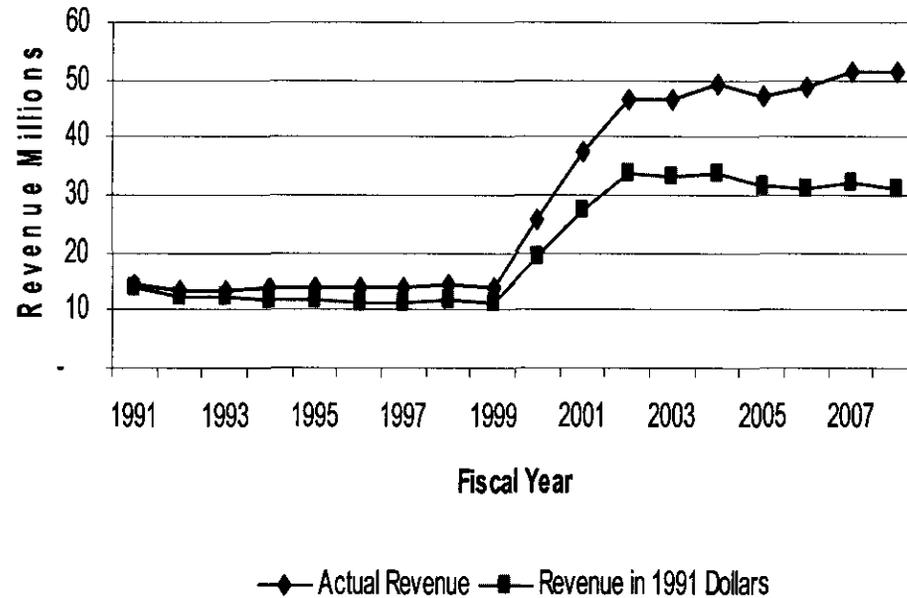


Intergovernmental Revenues FY 1991 – FY 2008 Proposed

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Intergovernmental Revenues include:

- Car Tax reimbursement
- HB599 (Law enforcement aid)
- Compensation Board reimbursements
- State Aid for Road Maintenance
- Federal Prisoner Per Diem
- State Prisoner Per Diem





Other Fees/Fines Changes

Increase of \$1,281,476

Recreation Parks & Cultural

- Rec. Park & Facility Rental Fees and Associated Staff Fees \$ 25,685
- Youth Sports Reg. Fees \$ 11,000
- Athletic Field Rentals \$ 1,000
- Various Chinquapin Fees \$ 25,591
- Rec. Nonresident Fee TBD
- Pool Fees TBD
- Mobile Stage Fees TBD

Planning & Zoning

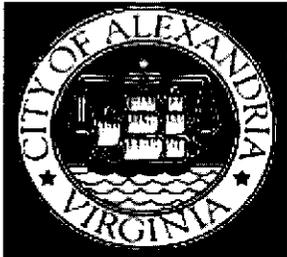
- Development Fees \$65,200

Police

- Various Police Fees \$ 3,000
- DWI Offender Fee \$ 50,000

T&ES

- Pavement Restoration Fee- Utility Cuts \$250,000
- Excavation Permit Fee \$261,000
- Residential Refuse Collection \$589,000
- Commercial Refuse Collection TBD
- Other Right-of-Way Work Fees TBD
- Public/Private Hydrant Maint TBD
- Stormwater Utility Maint Fees FY 2009



Special Revenues

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	FY 2006 Actual	FY 2007 Amended	FY 2008 Proposed	% Change FY 07 - FY 08
General Fund	\$475,524,000	\$497,686,000	\$508,898,000	2.3%
Non-general fund				
State	\$39,677,000	\$46,019,000	\$45,239,000	-1.7%
Federal	\$37,637,000	\$33,470,000	\$33,710,000	0.7%
Charges, Donations and Other Sources	\$41,167,000	\$25,217,000	\$23,921,000	-5.1%
Total Non-General Fund Revenue	\$118,482,000	\$104,706,000	\$102,870,000	-1.8%
Schools Fund Balance	\$8,345,000	\$4,305,000	\$1,781,000	-58.6%
Equipment Replacement Fund	\$5,541,000	\$5,167,000	\$5,385,000	4.2%
Total All Funds	\$607,891,000	\$611,864,000	\$618,934,000	1.2%

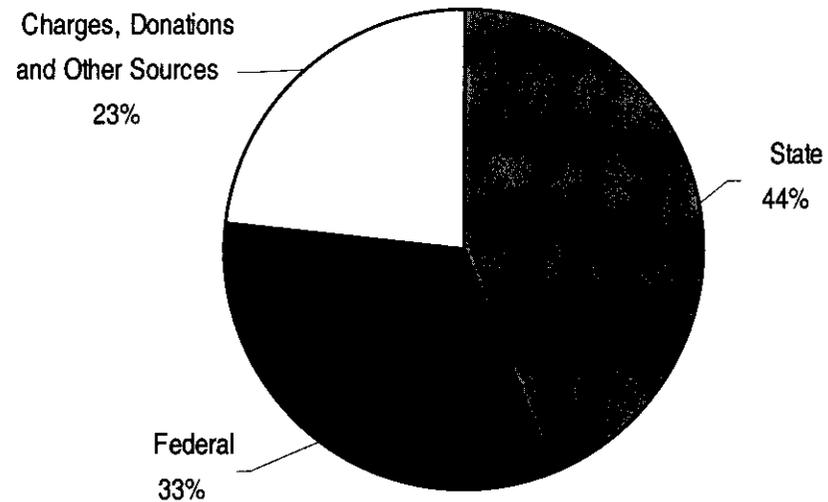
FY 2006 actual Charges, Donations and Other Sources reflects \$15,852,450 in general bond proceeds for Affordable Housing paid from Housing paid from the one cent in dedicated real estate tax revenues.



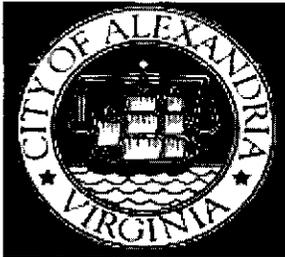
Special Revenues

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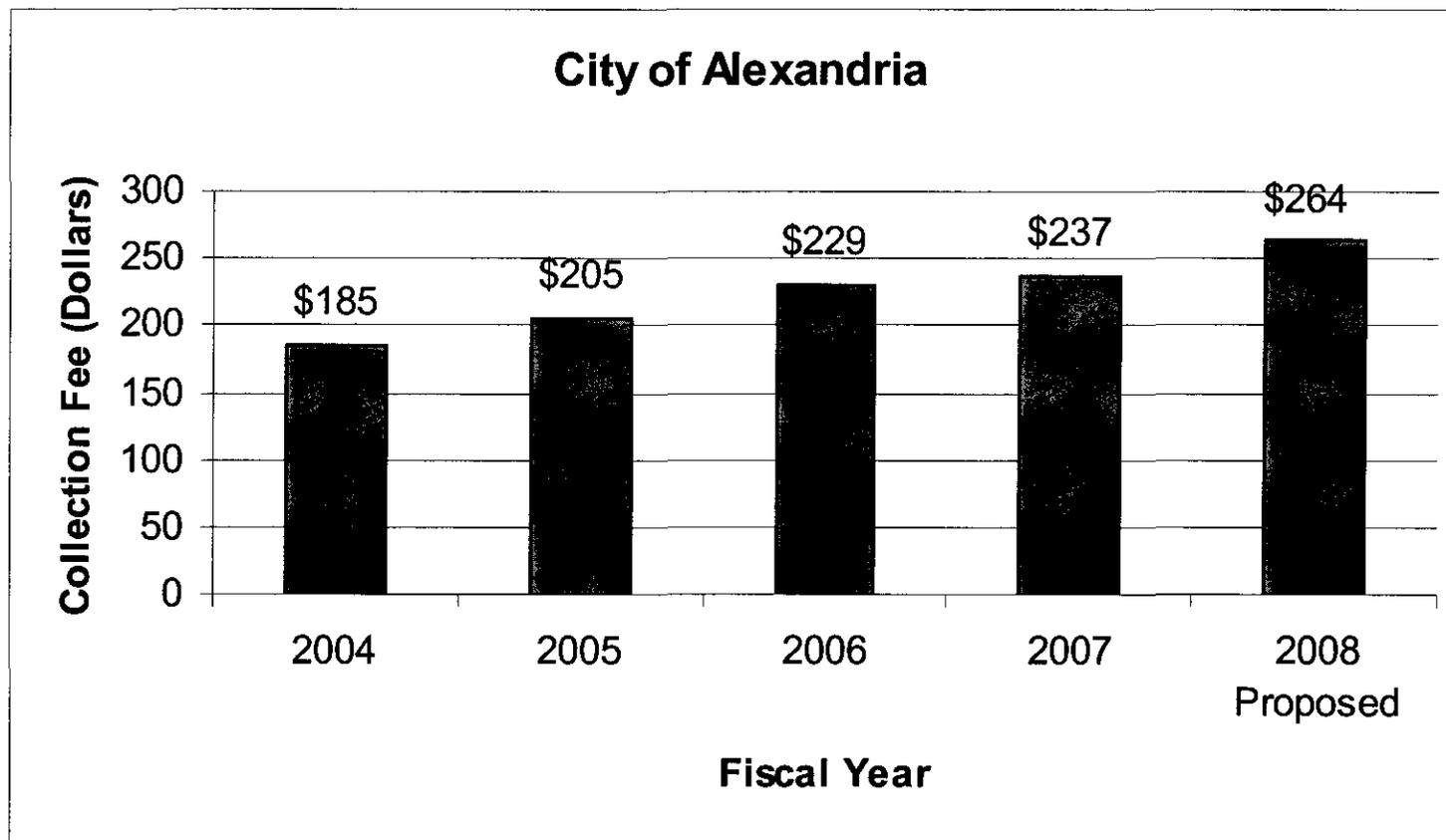
FY 2008 Estimated Special Revenue Funds

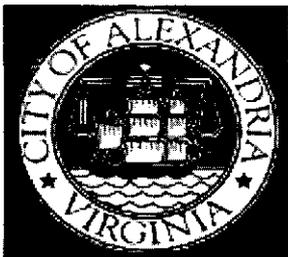


Taxes, Fees and Other Revenues



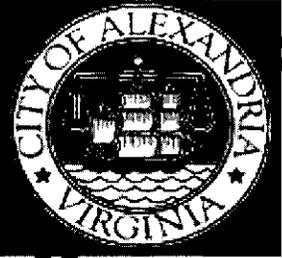
Residential Refuse Collection Fee Five Year History





Revenue Alternatives

- Business License Tax (BPOL)
- Meals Tax
- Hotel Tax
- Admissions Tax
- Cigarette Tax
- Residential Utility



Revenue Alternatives (cont'd)

- Real Estate Tax
- Personal Property Tax