

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 22 2007
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER *J*
SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
FEBRUARY 28, 2007

ISSUE: Monthly Financial Report for the Period Ending February 28, 2007.

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the period ending February 28, 2007.

DISCUSSION: This report provides Fiscal Year (FY) 2007 financial information on revenues and expenditures of the General Fund for the period ended February 28, 2007. This report presents revenues and expenditures for the same period in FY 2006 for comparative purposes (Attachments 1 and 2) and provides charts of selected economic indicators (Attachment 3). Revenue projections have not changed since the projections reported to Council last month and reflected in the proposed FY 2008 operating budget. Revenue projections for FY 2007 and FY 2008 will be updated and reported to Council by early April, and then will be included in future monthly financial reports.

Overall, the City's economy continues to be strong with a low unemployment rate of 2.2 percent and new construction having added \$715.7 million, or 2.18 percent, to the City's tax base over the last year. However, there are some areas where the statistics point to the City's need to focus on economic development. These statistics include a higher office vacancy rate (10.9 percent) than the region (8.9 percent) and a hotel occupancy rate that has decreased over the last year, and a development market which favors residential development more than commercial development. It should be noted that the City at place employment data chart (Attachment 3) has been corrected to reflect the fact that the U.S. Patent and Trademark employees have not been reporting to the Virginia Employment Commission which is the source for local at-place employment statistics in Virginia. The updated data which was provided to Council on March 12, is included as Attachment 4.

	FY 2007 BUDGET REVISED	FY 2007 BUDGET PROJECTIONS	BUDGET VERSUS PROJECTIONS
Real Property ¹	\$ 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 ²	17.9	13.1	(4.8)
Communication Sales and Use Tax ²	-	6.0	6.0
Business License Tax ²	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
Admission Tax	1.2	1.0	(0.2)
Cell Phone Tax ²	2.4	1.4	(1.0)
Other Local Taxes	6.2	5.9	(0.3)
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	<u>1.2</u>
Net Additional Revenues			\$3.4 ³

¹ At the proposed rate of 81.5¢ per thousand.

² Certain telecommunications and cable television taxes have been replaced Statewide by the new 5% communication sales and use tax, (see details under communication sales and use tax).

³ Revenues entirely programmed or designated as part of the FY 2008 budget process. See the FY 2008 Proposed Operating Budget for details.

REVENUES (Attachment 1): As of February 28, 2007, actual General Fund revenues totaled \$272.2 million, an increase of \$7.0 million over the same period last year. This is primarily due to the budgeted increase in real estate tax revenue. Unless otherwise noted, revenues reflect normal trends and present no cause for concern.

Real Property Taxes: Second half 2006 real estate taxes were due November 15. As projected in the FY 2007 budget, second half real estate billings totaled \$136.6 million. With total 2007 assessments growing 4.43 percent over 2006, overall FY 2007 real estate tax revenue collections will remain close to the budgeted level of a 4 percent increase. The slight assessment increase

(based on an 81.5¢ real estate tax rate) in the FY 2008 Proposed Operating Budget would increase expected FY 2007 real estate tax revenues to \$266.2 million, or \$0.6 million above the Approved FY 2007 Budget. Real estate tax revenues to be paid on June 15 will be based on the 2007 assessments as well as the real estate tax rate to be adopted by City Council on May 7.

Personal Property Taxes: Collections-to-date of \$33.1 million are 4.5 percent higher than this time last year. Personal property tax bills were due on October 5, 2006. The FY 2007 Approved Budget includes a \$31.5 million revenue projection for tax revenue collected directly by the City (including \$16.0 million for vehicles and \$15.5 million for businesses) and includes an additional \$23.6 million of intergovernmental revenue that the City collects from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). The State's share of the local personal property tax payment this year was capped at \$23.6 million, as the State has made a change in the way this tax payment is computed and reimbursed. This amount approximates 69 percent of most taxpayers' bills or 1 percent less than last year's 70 percent tax relief level. The total for all budgeted revenues related to personal property tax for FY 2007 is \$55.1 million. The total tax on all vehicles in the August billing, including the portion that the State reimburses the City under the PPTRA, increased by 5.25 percent. The total number of business personal property taxes billed and the total of the assessments of business personal property increased by 3.3 percent when compared to last year. Actual tax revenues of \$33.1 million exceed budget revenues by \$1.6 million. Based on collections-to-date, it appears that business and vehicle personal property tax collections will approximate \$33.7 million, an increase of \$2.2 million above the Approved FY 2007 Budget.

Personal Property Tax (in millions)	FY 2006 Actual-to-Date	FY 2007 Budget	FY 2007 Actual-to-Date
City share	\$ 31.6	\$ 31.5	\$ 33.1
Commonwealth reimbursement	<u>21.4</u>	<u>23.6</u>	<u>23.3</u>
Total	\$ 53.0	\$ 55.1	\$ 56.4

The associated personal property tax relief payment included in intergovernmental revenue is higher than that collected in the previous year at this time because the State now pays the City a pre-determined amount on specific dates instead of the City billing the State as the related taxes are paid. The City received the scheduled payments totaling \$23.1 million for CY 2006 car tax reimbursement with the remaining payment of \$0.5 million due in April.

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. Based on collections-to-date, it appears that sales

tax collections will approximate \$26.3 million, a \$0.2 million increase over the Approved FY 2007 Budget.

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.

Utility	FY 2006 Year-to-Date Receipts	FY 2007 Year-to-Date Receipts	Increase/ (Decrease)
Telephone - Tax on Local Services	\$3,857,498	\$3,484,324	\$(373,174)
Electricity	3,335,465	3,327,492	(7,973)
Water	1,169,860	1,183,506	13,646
Natural Gas	1,245,309	1,221,464	(23,845)

Based on FY 2007 collections-to-date, telephone tax revenues for landline phones will continue to decrease. As of January 1, 2007, a portion of the City's consumer utility tax has been replaced by a 5 percent communication sales and use tax being implemented Statewide. The City will receive a proportionate share of the total Statewide communication sales and use tax revenues based upon actual FY 2006 revenues. Based on these lower collections and reclassifying a portion of the tax, it appears that consumer utility taxes will approximate \$13.1 million, a decrease of \$4.8 million below the Approved FY 2007 Budget.

Communication Sales and Use Tax: Beginning January 1, 2007, a sales and use tax on communication services, in the amount of 5 percent of the sales price of each communications service, replaced the following taxes and fees:

- local consumer utility tax on telephone service (landline and wireless)
- State and local E-911 taxes and fees
- portion of gross receipts tax in excess of 0.5 percent
- cable television system franchise fee
- video programming excise tax
- local consumer utility tax on cable services (by local general charters)

Staff estimates the City will collect \$6.0 million from this tax in FY 2007. The first payment for this new tax is scheduled to be received later in March.

Business License Taxes: The City's business license tax was due March 1. Collections-to-date, in the amount of \$9.4 million, represent the difference in the timing of when businesses mail their tax payments. No clear pattern of current year collections will be evident until all collections due March 1 are tabulated. Based on preliminary collections-to-date of delinquent taxes and staff's

current estimate, FY 2007 actual payments will total \$30.2 million, a decrease of \$0.8 million below the Approved FY 2007 Budget. Staff will continue to monitor and make recommendations as warranted in the context of the budget work sessions. A small portion of the business license tax (less than \$0.3 million) will be replaced by the 5 percent communications sales and use tax.

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-to-date of \$3.4 million represent a decrease of \$0.6 million from prior year collections and reflect a slowing real estate market. Based on collections-to-date, it appears that actual collections will approximate \$5.7 million, an increase of \$0.6 million over the Approved FY 2007 Budget.

Cell Phone Tax: New in FY 2006, the effective date for the cell phone tax was September 1, 2005. Collections-to-date of \$1.4 million reflect cell phone tax revenue remitted to the City through February. As is the case with the consumer utility tax, the City's cell phone tax will also be included in the new 5 percent Statewide communications sales and use tax.

Transient Lodging Taxes: Transient lodging taxes are remitted to the City within 30 days after collection. Therefore, the revenue reflected in this report represents collections by hotels through January 2007. Collections total \$4.0 million, which is a decrease of \$0.1 million below collections in the previous year. Based on collections-to-date, it appears that transient lodging tax collections will approximate \$7.8 million, a \$0.4 million decrease below the Approved FY 2007 Budget. This decrease is a direct reflection of a decline in hotel occupancy in the City caused in part by an increase in the federal per diem which now covers the cost of many hotels in downtown Washington, as well as a decrease in usage of the Washington Convention Center.

Restaurant Meals Tax: Restaurant meals taxes are remitted to the City within 30 days after collection. Therefore, the revenue reflected in this report represents collections by restaurants through January 2007. Collections total \$5.8 million, an increase of \$0.2 million over collections in the previous year. Based on collections-to-date, it appears that restaurant meals tax collections will approximate \$10.2 million, a \$0.5 million decrease below the Approved FY 2007 Budget.

Intergovernmental Revenues: The City's General Fund revenues from the federal government are primarily for federal prisoner per diem. The City has billed \$3.0 million for housing federal prisoners through the period ending February 28, 2007. The federal government generally pays the City for housing federal prisoners between 45 and 60 days after the end of the billing period. Based on collections-to-date, it appears that actual collections from the Federal Government will approximate \$5.9 million, an increase of \$0.5 million over the Approved FY 2007 Budget.

Fines and Forfeitures: The decrease is primarily attributable to a decrease in parking fine revenue. The number of parking tickets issued decreased 14.5 percent below the number issued at this time last year. It appears that the decrease is attributable to the number of parking enforcement officer vacancies. The Police Department will be addressing the vacancy situation. Based on collections-to-date it appears that actual collections will approximate \$3.4 million, a decrease of \$0.7 million below the Approved FY 2007 Budget.

Licenses and Permits: Year-to-date revenues include increased construction related permits, primarily for multi-family dwellings. Collections-to-date are \$3.6 million, or \$0.4 million higher than collections at this time last year, primarily for building permits. Some of these revenues will need to be move to revenues for development-related activities. Based on these collection patterns and before the recoding, Licenses and Permits revenue are expected to be \$5.4 million, an increase of \$0.5 million over the Approved FY 2007 Budget.

Charges for Services: The decrease is primarily attributable to the fact that sewer charges are recorded in a separate fund for FY 2007. Due to lower than budgeted collections for ambulance charges (\$0.2 million) and parking meter receipts (\$0.4 million), staff projects that actual collections will approximate \$10.3 million, a decrease of \$0.7 million below the Approved FY 2007 Budget.

Revenue from Use of Money & Property: Increased revenues represent increased interest earnings on short-term City investments. Interest rates are almost one percentage point higher than the rate earned at this time last year, thereby significantly increasing City earnings. Based on collections-to-date, it appears that actual collections will approximate \$9.8 million, an increase of \$1.2 million over the Approved FY 2007 Budget.

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

Transfer from Sewer Fund: This transfer represents the portion of the City's general obligation debt that is attributable to sewer projects and is being paid from the related sewer fees as approved in the Approved FY 2007 Budget. These funds will be transferred when the associated debt service is paid.

EXPENDITURES (Attachment 2): As of February 28, 2007, actual General Fund expenditures totaled \$282.3 million, an increase of \$7.8 million, or 2.8 percent, above expenditures for the same period last year. The Approved General Fund Budget is 4.9 percent higher than FY 2006. Except as noted below, increases in expenditures over those budgeted are attributable to budgeted expenditures for annual equipment replacement charges made at the beginning of the fiscal year and this expenditure pattern reflects the Approved FY 2007 Budget.

Personnel: Expenditures-to-date include budgeted tuition assistance payments to City employees.

Economic Development Activities: General Fund expenditures in this category reflect the first three quarterly contribution payments to community agencies, and both semi-annual payments to the Alexandria Convention and Visitors Association.

City Attorney: Expenditures-to-date reflect higher than anticipated outside legal fees. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution as necessary to match these expenditures with budget authority.

Transit Subsidies: Expenditures-to-date reflect the first three quarterly payments to the Washington Metropolitan Area Transit Authority (WMATA) for FY 2007.

Human Services: Human Services is facing a potential shortfall due to the loss of federal revenue in child-care programs and in the Department's revenue maximization efforts, as well as the increasing expenditures associated with the Comprehensive Services Act for At-Risk Youth and Families (CSA). During the FY 2007 budget process, Council designated \$1 million of fund balance for possible appropriation to address the potential revenue shortfall. These funds were appropriated to the Non-Departmental account in November and are available to offset most, if not all, of this shortfall. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution if necessary to match additional expenditures with budget authority. Human Services is seeking grants and working on expenditure reductions to address the remaining shortfall.

Schools: The School Administration has reported \$112.0 million in expenses through February 28, 2007. The City's General Fund share of total School budgeted operating expenditures is approximately 76 percent of the total expenditures. This percentage was applied to total School disbursements to estimate School expenditures-to-date in the amount of \$85.2 million (i.e., 76 percent of \$112.0 million).

Other Education Activities: Expenditures-to-date reflect the first three quarterly contribution payments to the Northern Virginia Community College.

Non-Departmental: General Fund expenditures in this category reflect the City's contributions to the closed public safety defined benefit pension plan, senior citizens' rent relief, and payment for the City's liability insurance.

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

Transfer to Housing: All housing programs are now reported in a separate Special Fund. These expenditures represent the cost of operations transferred to the fund. The budget also includes cash match funds for housing grants that will be transferred 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
- Attachment 4 - Corrected At-place Employment Data

STAFF:

Mark Jinks, Deputy City Manager

Laura Triggs, Acting Director of Finance

Ray Welch, Acting Comptroller, Department of Finance

Bruce Johnson, Director, OMB

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING FEBRUARY 28, 2007 AND FEBRUARY 28, 2006

	FY2007 APPROVED BUDGET	FY2007 REVENUES THRU 02/28/07	% OF BUDGET	FY2006 REVENUES THRU 02/28/06
General Property Taxes				
Real Property Taxes.....	\$ 265,646,462	\$ 130,727,386	49.2%	\$ 125,308,162
Personal Property Taxes.....	31,500,000	33,059,259	105.0%	31,635,844
Penalties and Interest.....	1,500,000	1,101,377	73.4%	1,111,072
Total General Property Taxes	\$ 298,646,462	\$ 164,888,022		\$ 158,055,078
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 26,100,000	12,900,169	49.4%	\$ 12,507,214
Consumer Utility Taxes.....	17,900,000	9,216,786	51.5%	9,608,132
Business License Taxes.....	31,000,000	9,403,945	30.3%	9,201,194
Transient Lodging Taxes.....	8,200,000	3,955,792	48.2%	4,103,556
Restaurant Meals Tax.....	10,700,000	5,770,265	53.9%	5,545,004
Tobacco Taxes.....	2,800,000	1,606,699	57.4%	1,720,967
Motor Vehicle License Tax.....	2,400,000	2,161,508	90.1%	2,197,822
Real Estate Recordation.....	5,125,640	3,402,916	66.4%	4,028,153
Admissions Tax.....	1,200,000	630,217	52.5%	693,832
Cell Phone Tax.....	2,400,000	1,423,453	59.3%	1,141,465
Other Local Taxes.....	3,829,000	1,322,165	34.5%	1,224,411
Total Other Local Taxes	\$ 111,654,640	\$ 51,793,915	46.4%	\$ 51,971,750
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 5,328,909	\$ 2,398,178	45.0%	\$ 2,143,202
Personal Property Tax Relief from the Commonwealth.....	23,600,000	23,311,781	98.8%	21,381,679
Revenue from the Commonwealth.....	21,185,396	12,299,171	58.1%	11,822,085
Total Intergovernmental Revenues	\$ 50,114,305	\$ 38,009,130	75.8%	\$ 35,346,966
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 4,072,300	\$ 2,127,014	52.2%	\$ 2,283,789
Licenses and Permits.....	4,909,800	3,634,003	74.0%	3,200,752
Charges for City Services.....	10,988,543	4,936,132	44.9%	8,065,045
Revenue from Use of Money & Property.....	8,644,000	6,402,379	74.1%	5,543,617
Other Revenue.....	427,000	380,764		678,386
Transfer from Sewer Fund.....	1,063,895	-	0.0%	-
Total Other Governmental Revenues	\$ 30,105,538	\$ 17,480,292	58.1%	\$ 19,771,589
TOTAL REVENUE	\$ 490,520,945	\$ 272,171,359	55.5%	\$ 265,145,383
Appropriated Fund Balance				
General Fund.....	3,154,819	-	0.0%	-
Reappropriation of FY 2006 Encumbrances And Other Supplemental Appropriations.....	9,494,833	-	0.0%	-
TOTAL	\$ 503,170,597	\$ 272,171,359	54.1%	\$ 265,145,383

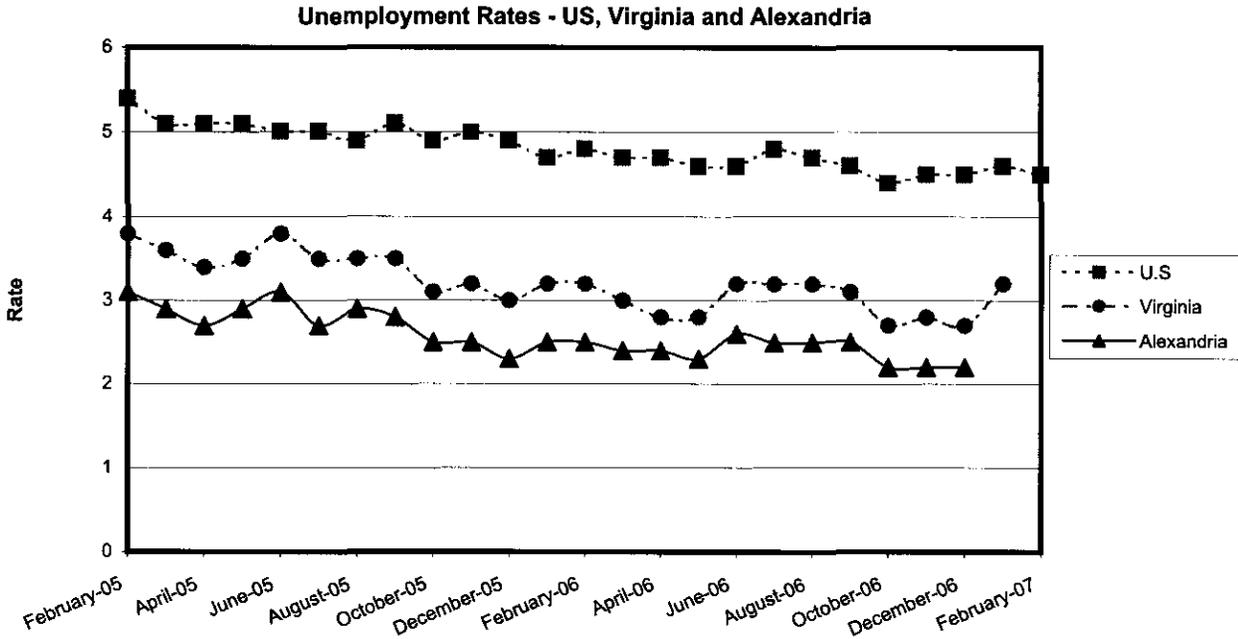
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING FEBRUARY 28, 2007 AND FEBRUARY 28, 2006

FUNCTION	FY2007	FY2007	% OF	FY2006
	APPROVED BUDGET	EXPENDITURES THRU 02/28/07		BUDGET
Legislative & Executive.....	\$ 6,327,498	\$ 3,833,707	60.6%	\$ 3,202,761
Judicial Administration.....	\$ 35,637,354	\$ 23,161,385	65.0%	\$ 21,266,654
Staff Agencies				
Information Technology Services.....	\$ 8,283,530	\$ 4,820,804	58.2%	\$ 4,405,576
Management & Budget.....	1,173,351	721,370	61.5%	605,706
Finance.....	10,091,525	6,051,375	60.0%	4,858,448
Real Estate Assessment.....	1,521,042	873,077	57.4%	746,150
Personnel.....	3,156,379	2,102,637	66.6%	1,902,253
Planning & Zoning.....	5,620,332	2,946,093	52.4%	2,544,365
Economic Development Activities.....	2,798,072	2,560,895	91.5%	2,503,987
City Attorney.....	3,185,009	2,559,973	80.4%	1,502,462
Registrar.....	1,088,476	703,617	64.6%	622,757
General Services.....	12,638,040	7,928,747	62.7%	7,198,995
Total Staff Agencies	\$ 49,555,756	\$ 31,268,588	63.1%	\$ 26,890,699
Operating Agencies				
Transportation & Environmental Services.....	\$ 25,803,876	\$ 16,706,208	64.7%	\$ 15,283,997
Fire.....	35,749,973	23,971,956	67.1%	21,915,049
Police.....	49,425,375	32,495,567	65.7%	29,800,876
Transit Subsidies.....	6,825,042	4,865,979	71.3%	5,222,779
Mental Health/Mental Retardation/ Substance Abuse.....	520,755	398,439	76.5%	437,499
Health.....	7,920,603	4,360,609	55.1%	4,159,368
Human Services.....	11,705,975	8,322,099	71.1%	7,006,725
Historic Resources.....	2,758,869	1,674,951	60.7%	1,636,879
Recreation.....	20,308,880	13,129,244	64.6%	12,117,549
Total Operating Agencies	\$ 161,019,348	\$ 105,925,052	65.8%	\$ 97,580,721
Education				
Schools.....	\$ 149,873,621	\$ 85,156,772	56.8%	\$ 76,887,357
Other Educational Activities.....	12,548	9,411	75.0%	9,743
Total Education	\$ 149,886,169	\$ 85,166,183	56.8%	\$ 76,897,100
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 31,094,403	\$ 13,203,001	42.5%	\$ 12,752,181
Non-Departmental.....	11,809,221	4,506,299	38.2%	6,231,987
Cash Capital.....	4,854,808	4,854,808	100.0%	18,859,735
Contingent Reserves.....	330,757	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 48,089,189	\$ 22,564,108	46.9%	\$ 37,843,903
TOTAL EXPENDITURES	\$ 450,515,314	\$ 271,919,023	60.4%	\$ 263,681,838
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library and Transfers to the Special Revenue Fund)...	33,887,830	-	0.0%	1,530,000
Transfer to Housing.....	4,385,398	831,885	19.0%	800,321
Transfer to Library.....	7,045,031	4,699,036	66.7%	4,294,432
Transfer to DASH.....	7,337,024	4,893,795	66.7%	4,230,114
TOTAL EXPENDITURES & TRANSFERS	\$ 503,170,597	\$ 282,343,739	56.1%	\$ 274,536,705

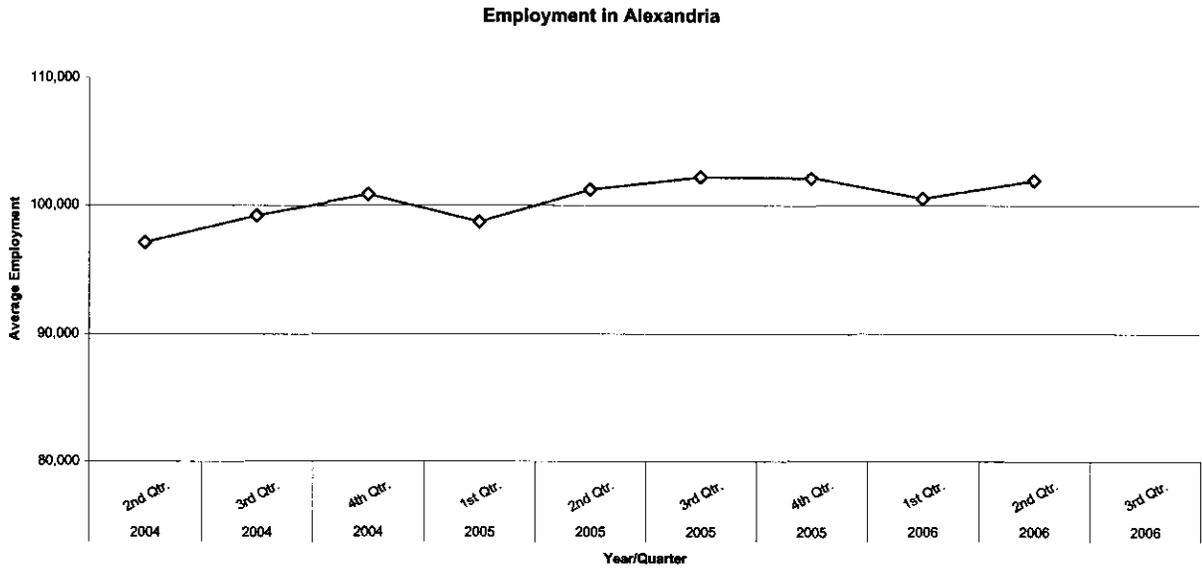
**CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS**

	<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 January 31, 2007)	129.95	126.3	+2.9%
(Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)			
<u>Unemployment Rates</u>			
Alexandria	2.2%	2.3%	-4%
Virginia	3.2%	3.2%	0%
(As of January 31, 2007)			
(Source: United States Department of Labor, Bureau of Labor Statistics, as adjusted)			
<u>United States</u>	4.5%	4.8%	-6%
(As of February 28, 2007)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
<u>Interest Rates</u>			
(As of February 28, 2007)			
Prime Rate	8.25%	7.50%	+10%
Federal Fund Rate	5.23%	4.49%	+16%
(Source: SunTrust Economic Monitor)			
<u>New Business Licenses</u>			
(During February)			
(Source: Finance Department, Business Tax Branch)	61	76	-20%
<u>Office Vacancy Rates</u>			
(As of September 30, 2006)			
Alexandria	10.9%	6.7%	+63%
Northern Virginia	12.7%	12.3%	+3%
Washington DC Metro Area	8.9%	10.5%	-15%
(Source: Grubb & Ellis)			
<u>New Commercial Construction</u>			
(As of January 31, 2007)			
Number of New Building Permits	5	7	-29
Value of New Building Permits	\$57.6	\$15.2	+278
(Source: Fire Department Code Enforcement Bureau)			
<u>Residential Real Estate Indicators</u>			
(for the twelve months ended December 31, 2006)			
Residential Dwelling Units Sold	2,547	3,377	-25%
Average Residential Sales Price	\$497,000	\$483,381	+3%
(Source: Department of Real Estate Assessments)			

**City of Alexandria
Selected Economic Indicators**



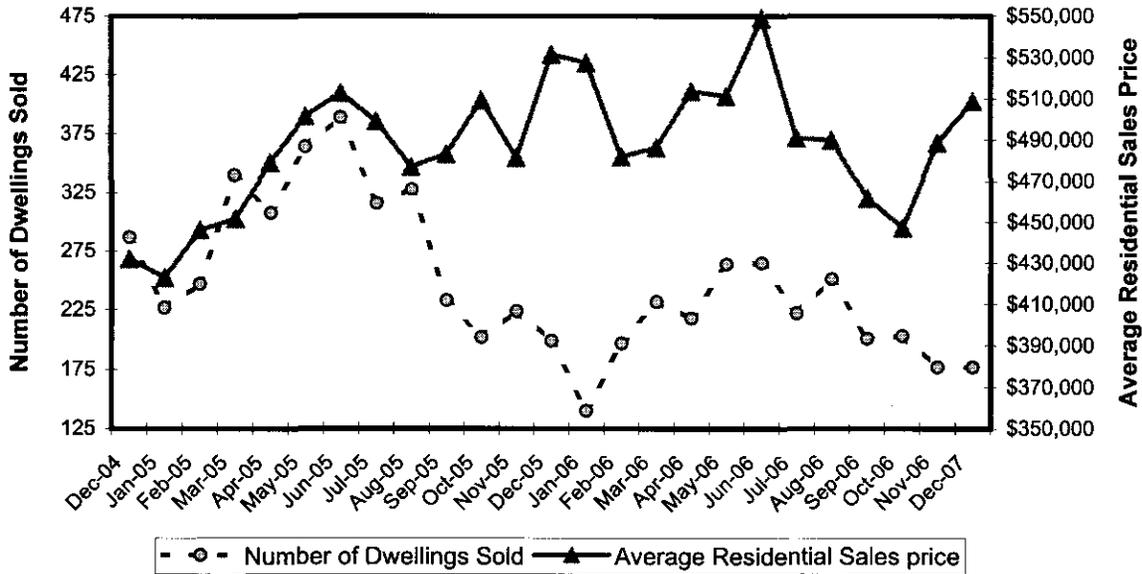
Source: United States Department of Labor, Bureau of Labor Statistics (as revised by BLS)



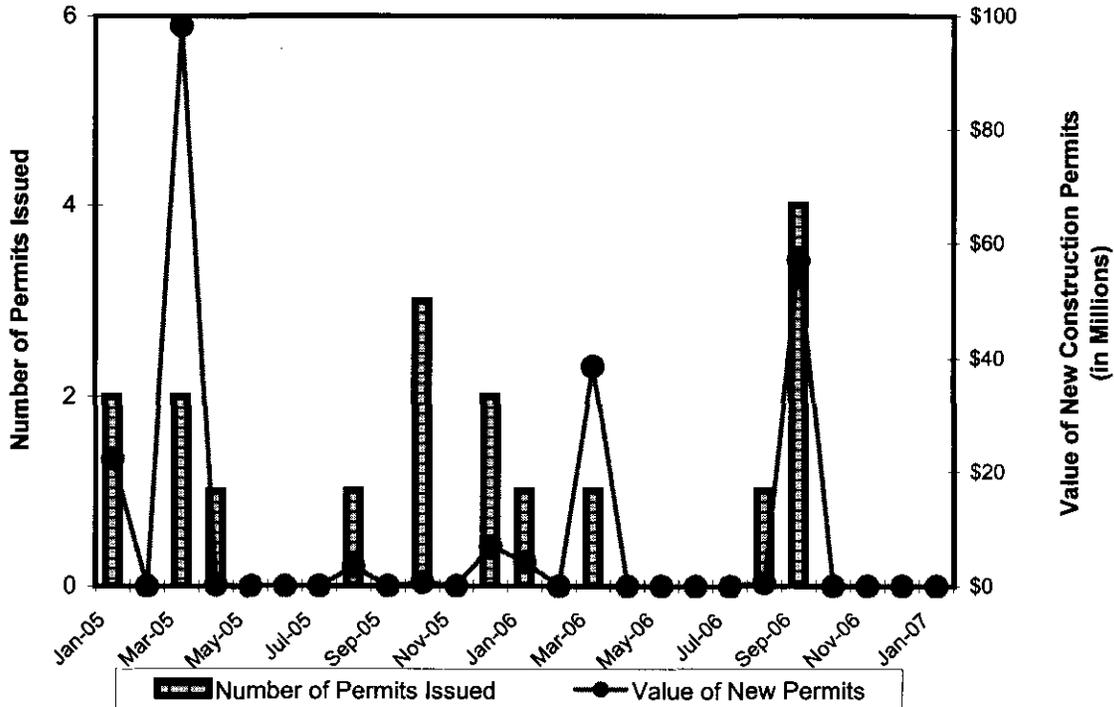
Source: Virginia Employment Commission, as adjusted for PTO

**City of Alexandria
Selected Economic Indicators**

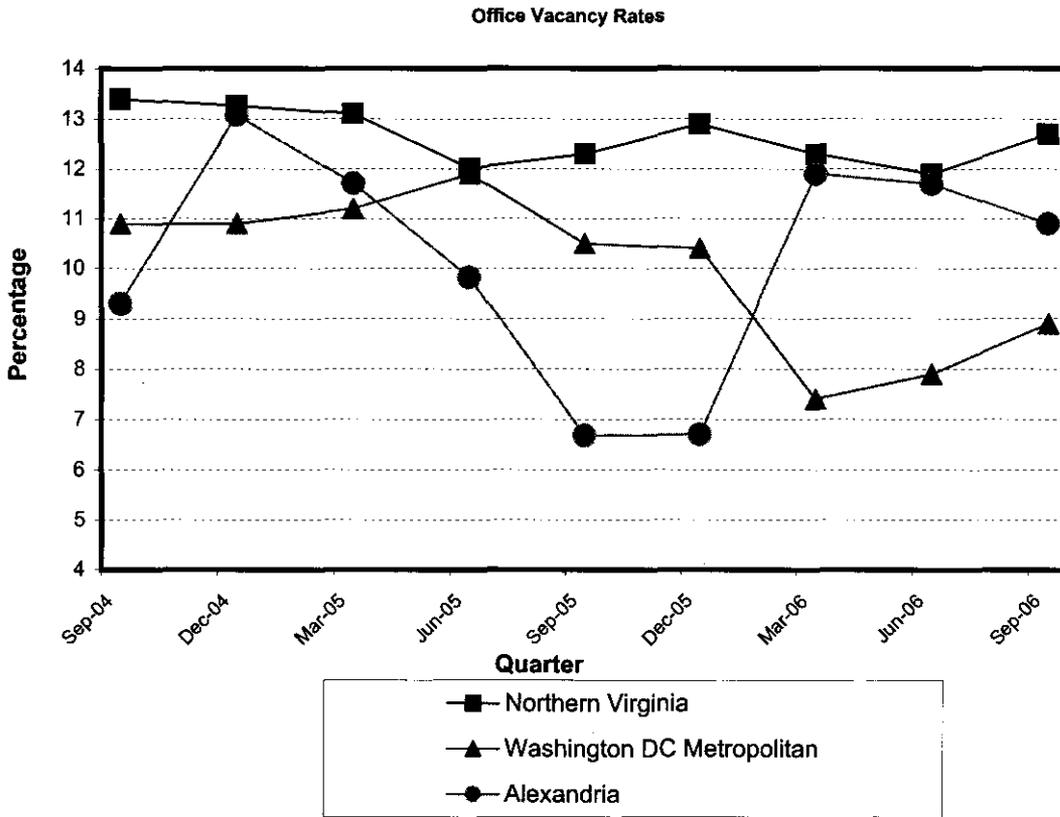
Selected Residential Real Estate Indicators



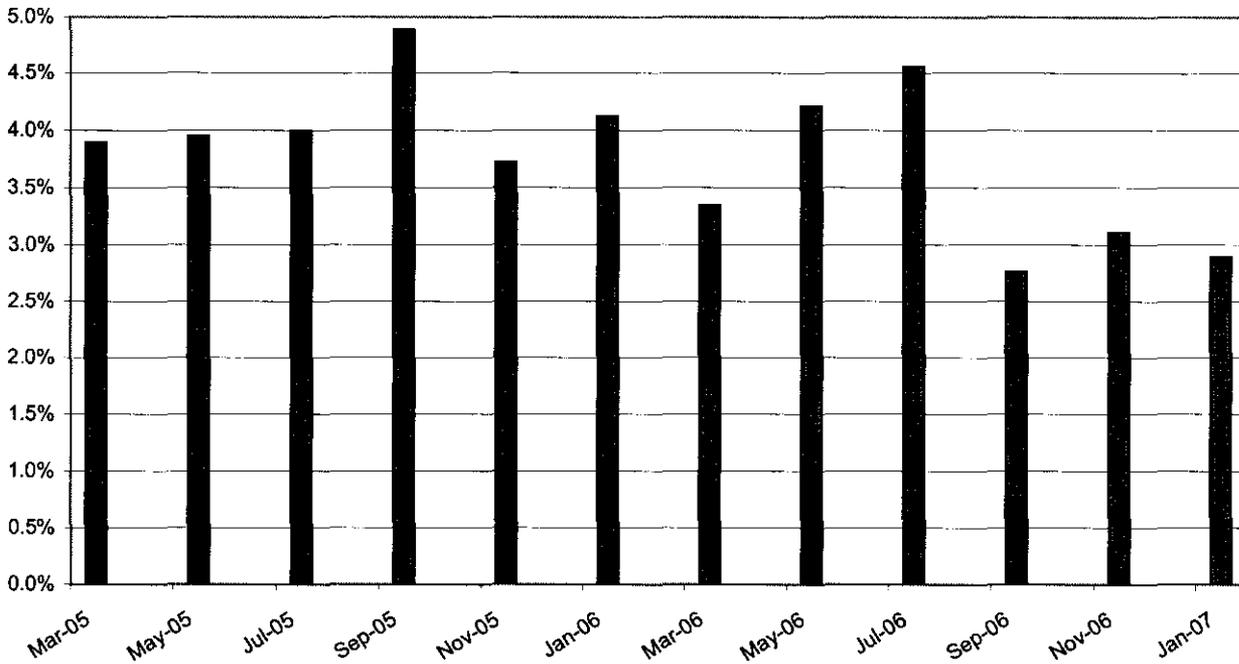
**Alexandria New Commercial Construction
Number of Permits and
Value of New Construction Permits**



**City of Alexandria
Selected Economic Indicators**

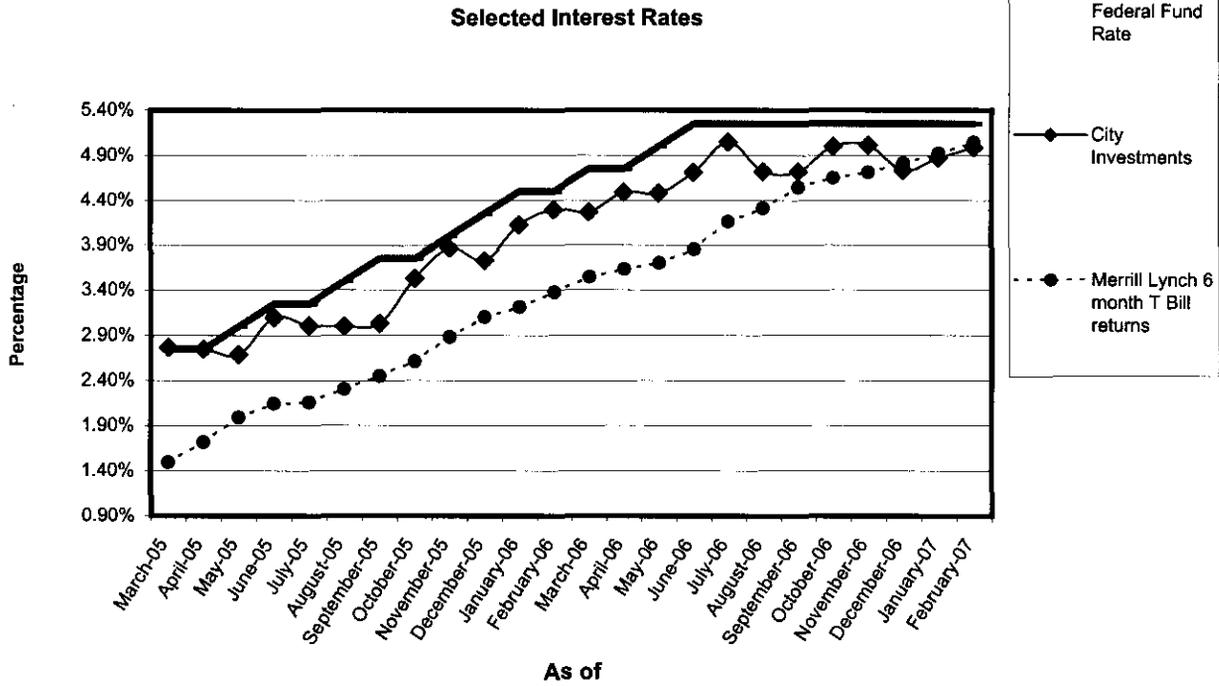


**Twelve Month Annualized Percentage Change In Consumer Price Index
Washington/Baltimore**

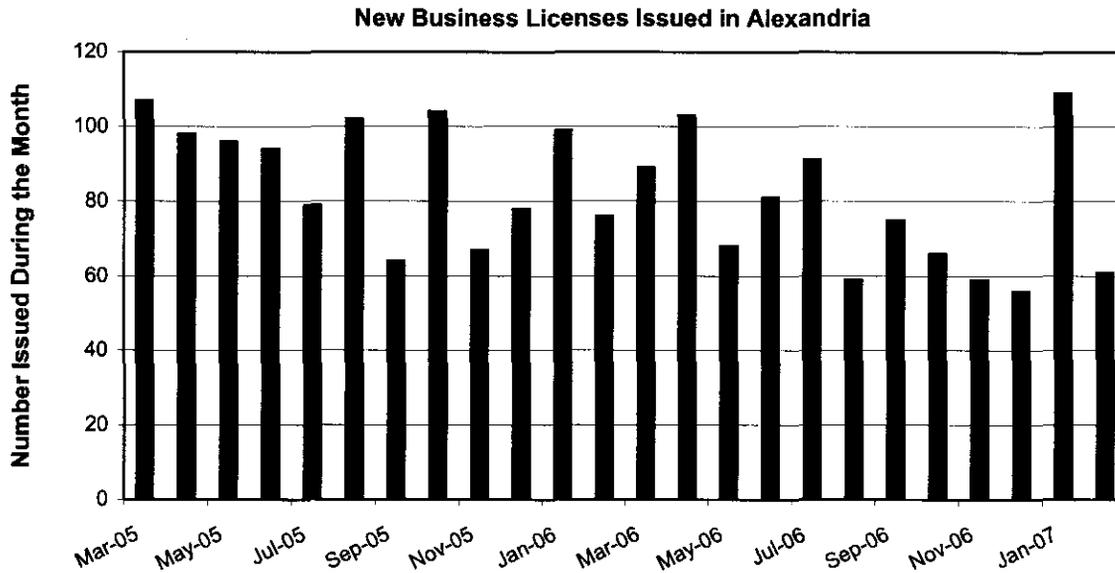


Source: United States Department of Labor, Bureau of Labor Statistics

**City of Alexandria
Selected Economic Indicators**



Source: Suntrust Economic Monitor



City of Alexandria - At-Place Employment
(As reported by the Virginia Employment Commission)

	1999	2000	2001	2002	2003	2004	2005	Chg
	4th QTR	00-05						
Construction	2,796	2,954	3,485	3,501	3,799	4,056	4,214	1,260
Manufacturing	2,153	2,053	1,814	1,518	1,498	1,539	1,360	-693
Transp, Comm, Utilities	3,935	4,194	3,875	4,246	2,355	4,512	4,433	239
Trade	17,864	18,248	17,445	11,376	11,376	11,788	11,369	-6,879
Fin, Insur, RE	5,586	6,013	5,972	6,637	6,937	6,616	6,828	815
Services	41,809	44,094	41,222	45,703	49,337	49,644	51,906	7,812
Government	15,328	16,057	16,816	16,611	16,393	15,902	15,729	-328
Local	7,055	7,369	7,555	7,765	7,725	7,920	7,778	409
State	1,044	1,092	1,078	1,073	1,051	1,067	1,052	-40
Federal	7,229	7,596	8,183	7,773	7,617	6,915	6,899	-697
Agriculture	623	582	465	n/a	0	0	0	-582
VEC Reported Total	90,093	94,195	91,183	90,087	91,701	94,057	95,839	1,644
Patent and Trademark Office					2,800	6,800	8,000	
Adjusted Total	90,093	94,195	91,183	90,087	94,501	100,857	103,839	9,644

City of Alexandria - At-Place Employment
(PTO Included)

	1999	2000	2001	2002	2003	2004	2005	Chg
	4th QTR	00-05						
Construction	2,796	2,954	3,485	3,501	3,799	4,056	4,214	1,260
Manufacturing	2,153	2,053	1,814	1,518	1,498	1,539	1,360	-693
Transp, Comm, Utilities	3,935	4,194	3,875	4,246	2,355	4,512	4,433	239
Trade	17,864	18,248	17,445	11,376	11,376	11,788	11,369	-6,879
Fin, Insur, RE	5,586	6,013	5,972	6,637	6,937	6,616	6,828	815
Services	41,809	44,094	41,222	45,703	49,337	49,644	51,906	7,812
Government	15,328	16,057	16,816	16,611	16,393	15,902	15,729	-328
Local	7,055	7,369	7,555	7,765	7,725	7,920	7,778	409
State	1,044	1,092	1,078	1,073	1,051	1,067	1,052	-40
Federal	7,229	7,596	8,183	7,773	10,417	13,715	14,899	7,303
Agriculture	623	582	465	n/a	0	0	0	-582
Adjusted Total¹	90,093	94,195	91,183	90,087	94,501	100,857	103,839	9,644

¹ PTO estimated employment added to data reported by the Virginia Employment Commission