

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 14, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
APRIL 30, 2007

ISSUE: Monthly Financial Report for the Period Ending April 30, 2007.

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the Period Ending April 30, 2007.

DISCUSSION: This report provides fiscal year (FY) 2007 financial information on revenues and expenditures of the General Fund for the period ended April 30, 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).

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. Also, the recently released federal data now shows that the per capita income in Alexandria for 2005 (the latest data available) now totals \$61,147 per year which is 10th in the nation and the highest in the Washington, D.C. metropolitan area. However, there are some areas where the statistics point to the City's need to focus more on economic sustainability. These statistics include an office vacancy rate of 11.4 percent, a hotel occupancy rate that has decreased over the last year, and a development market, which favors residential development more than commercial development.

This report includes the budgeted final revenue projections for FY 2007 as reflected included in Council's FY 2008 Approved Budget decisions, with all identified net additional revenues programmed as part of the FY 2008 Operating Budget and the FY 2008 Capital Improvement Plan. In addition, this report includes the following data:

- 1) A \$2.5 million increase in real property tax revenues in FY 2007 as a result of the approved real estate rate change from 81.5¢ per hundred to 83.0¢ per hundred;

- 2) A projected \$0.9 million increase in personal property taxes; and
- 3) A projected decrease of \$0.9 million in communications sales and use tax for a total increase in projected revenue of \$2.5 million, which is unchanged in total from the FY 2008 Approved Budget.

<u>REVENUE CATEGORY</u>	<u>FY 2007 BUDGET REVISED</u>	<u>FY 2007 BUDGET PROJECTIONS</u>	<u>BUDGET VERSUS PROJECTIONS</u>
Real Property ¹	\$ 265.6	\$ 268.7	\$ 3.1 ¹
Personal Property-local share	31.5	34.6	3.1
Sales Tax	26.1	26.3	0.2
Consumer Utility Tax ²	17.9	13.1	(4.8)
Communication Sales and Use Tax ²	-	5.1	5.1
Business License Tax ²	31.0	30.2	(0.8)
Transient Lodging Tax	8.2	7.7	(0.5)
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	5.7	(0.5)
Intergovernmental	50.1	52.0	1.9
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	9.7	<u>1.1</u>
Net Additional Revenue			\$5.9 ³

¹ At the adopted rate of 83.0¢ per hundred. Change in projection is attributable to the change in tax rate.

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 Approved Operating Budget actions in Council meeting minutes for details.

REVENUES (Attachment 1): As of April 30, 2007, actual General Fund revenues totaled \$315.5 million, an increase of \$9.0 million over the same period last year. This is primarily due to the budgeted increase in real estate tax revenue. 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 2006 real estate billings totaled \$136.6 million. With 2007 assessments increasing 4.43 percent, overall FY 2007 real estate tax revenue collections, when the planned first half 2007 taxes are billed, will exceed budgeted levels. This assessment increase, at the FY 2008 Adopted Budget 83¢ real estate tax rate, would increase expected FY 2007 real estate tax revenues to \$268.7 million, or \$3.1 million above the Approved FY 2007 Budget, which is \$2.5 million higher than the previous projection (based on 81.5 cents real estate tax rate).

Personal Property Taxes: Collections-to-date of \$34.1 million are 5.2 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 \$34.1 million exceed budget revenues by \$2.6 million. Based on collections-to-date, it appears that, after paying refunds to taxpayers moving out of the City, business and vehicle personal property tax collections will probably exceed \$34.6 million, an increase of \$3.1 million above the Approved FY 2007 Budget, and \$0.9 million above the previous projection.

Personal Property Tax (in millions)	FY 2006 Actual-to-Date	FY 2007 Budget	FY 2007 Actual-to-Date
City share	\$ 32.4	\$ 31.5	\$ 34.1
Commonwealth reimbursement	<u>22.3</u>	<u>23.6</u>	<u>23.3</u>
Total	\$ 54.7	\$ 55.1	\$ 57.4

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 \$23.3 million for CY 2006 car tax reimbursement. The remaining payment of \$0.3 million is due in May.

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 April represent revenues collected by merchants in February. 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 and no change from the previous projection.

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	\$5,276,282	\$3,484,324	\$(1,791,958)
Electricity	4,224,403	4,283,187	58,784
Water	1,476,617	1,454,230	(22,387)
Natural Gas	1,679,692	1,689,404	9,712

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 and no change from the previous projection.

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, and
- local consumer utility tax on cable services (by local general charters).

Initial Communication Sales and Use Tax revenues from the recently implemented 5 percent tax are coming in significantly lower than the State's prior projections. While the City will eventually collect revenue based on the prior projections, it appears evident that this may not happen before the end of FY 2007. This current shortfall circumstance affects all cities and counties in the State. Based on collections-to-date, it appears that actual collections will approximate \$5.1 million, a decrease of \$0.9 million below the previous projection.

Business License Taxes: The City's Business License Tax was due March 1. Collections-to-date, in the amount of \$28.2 million, are \$2.2 million higher than last year. 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 and no change from the previous projection. 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.

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 March 2007. Collections total \$4.9 million, which is a decrease of \$0.3 million below collections in the previous year. Based on collections-to-date, it appears that Transient Lodging Tax collections will approximate \$7.7 million, a \$0.5 million decrease below the Approved FY 2007 Budget and no change from the previous projection. 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 compared to last fiscal year.

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 March 2007. Collections total \$7.4 million, an increase of \$0.4 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 and no change from the previous projection

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 \$4.2 million represent a decrease of \$1.8 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 and no change from the previous projection

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 for service through December. 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.

Intergovernmental Revenues: The City's General Fund revenues from the federal government are primarily for federal prisoner per diem. The City has billed \$4.4 million for housing federal prisoners through the period ending April 30, 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 and an increase in the number of guaranteed beds for the federal government, as well as an increase in the per diem rate the federal government pays to the City, it appears that total federal intergovernmental revenues will approximate \$6.1 million, an increase of \$0.7 million over the Approved FY 2007 Budget and no change from the previous projection

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 continues to address 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 and no change from the previous projection.

Licenses and Permits: Year-to-date revenues include increased construction related permits, primarily for multi-family dwellings. Collections-to-date are \$4.9 million, or \$0.6 million higher than collections at this time last year, primarily for building permits. Some of these revenues will need to be transferred to separate revenue funds for development-related activities. Based on these collection patterns and before the transfer, Licenses and Permits revenue are expected to be \$5.4 million, an increase of \$0.5 million over the Approved FY 2007 Budget and no change from the previous projection.

Charges for Services: The decrease below prior year collections is primarily attributable to the fact that sewer charges are recorded in a separate fund in 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 and no change from the previous projection.

Revenue from Use of Money & Property: Increased revenues represent increased interest earnings on short-term City investments. Interest rates are almost 50 basis points higher than the rate earned at this time last year, thereby increasing City earnings. Based on collections-to-date, it appears that actual collections will approximate \$9.7 million, an increase of \$1.1 million over the Approved FY 2007 Budget and no change from the previous projection.

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

Transfer from Sanitary Sewer Fund: This transfer represents the portion of the City's general obligation debt that is attributable to sanitary 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 April 30, 2007, actual General Fund expenditures totaled \$348.8 million, an increase of \$12.1 million, or 3.6 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. This expenditure pattern reflects the Approved FY 2007 Budget.

Economic Development Activities: General Fund expenditures in this category reflect all annual contribution payments to community agencies.

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.

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 \$143.2 million in expenses through April 30, 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 \$108.9 million (i.e., 76 percent of \$143.2 million).

Other Education Activities: Expenditures-to-date reflect all 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 Revenue 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

STAFF:

Mark Jinks, Deputy City Manager

Laura B. 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 APRIL 30, 2007 AND APRIL 30, 2006**

	FY2007 APPROVED BUDGET	FY2007 REVENUES THRU 04/30/07	% OF BUDGET	FY2006 REVENUES THRU 04/30/06
General Property Taxes				
Real Property Taxes.....	\$ 265,646,462	\$ 131,596,939	49.5%	\$ 125,996,318
Personal Property Taxes.....	31,500,000	34,067,304	108.2%	32,397,692
Penalties and Interest.....	1,500,000	1,441,181	96.1%	1,457,758
Total General Property Taxes	\$ 298,646,462	\$ 167,105,424		\$ 159,851,768
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 26,100,000	16,693,060	64.0%	\$ 16,161,440
Consumer Utility Taxes.....	17,900,000	10,911,145	61.0%	12,656,994
Communication Sales and Use Taxes.....	-	1,635,454	-	-
Business License Taxes.....	31,000,000	28,226,152	91.1%	25,984,095
Transient Lodging Taxes.....	8,200,000	4,924,337	60.1%	5,192,541
Restaurant Meals Tax.....	10,700,000	7,394,623	69.1%	6,951,929
Tobacco Taxes.....	2,800,000	2,242,165	80.1%	1,720,967
Motor Vehicle License Tax.....	2,400,000	2,323,309	96.8%	2,341,700
Real Estate Recordation.....	5,125,640	4,203,192	82.0%	5,971,909
Admissions Tax.....	1,200,000	809,857	67.5%	823,743
Cell Phone Tax.....	2,400,000	1,397,452	58.2%	1,605,262
Other Local Taxes.....	3,829,000	1,455,549	38.0%	1,509,242
Total Other Local Taxes	\$ 111,654,640	\$ 82,216,295	73.6%	\$ 80,919,822
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 5,328,909	\$ 3,548,040	66.6%	\$ 2,941,428
Personal Property Tax Relief from the Commonwealth.....	23,600,000	23,311,781	98.8%	22,336,644
Revenue from the Commonwealth.....	21,185,396	16,995,647	80.2%	16,726,225
Total Intergovernmental Revenues	\$ 50,114,305	\$ 43,855,468	87.5%	\$ 42,004,297
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 4,072,300	\$ 2,756,352	67.7%	\$ 2,901,310
Licenses and Permits.....	4,909,800	4,878,196	99.4%	4,244,175
Charges for City Services.....	10,988,543	6,083,894	55.4%	9,006,668
Revenue from Use of Money & Property.....	8,644,000	8,084,169	93.5%	6,762,423
Other Revenue.....	427,000	490,272		765,336
Transfer from Sewer Fund.....	1,063,895	-	0.0%	-
Total Other Governmental Revenues	\$ 30,105,538	\$ 22,292,883	74.0%	\$ 23,679,912
TOTAL REVENUE	\$ 490,520,945	\$ 315,470,070	64.3%	\$ 306,455,799
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	\$ 315,470,070	62.7%	\$ 306,455,799

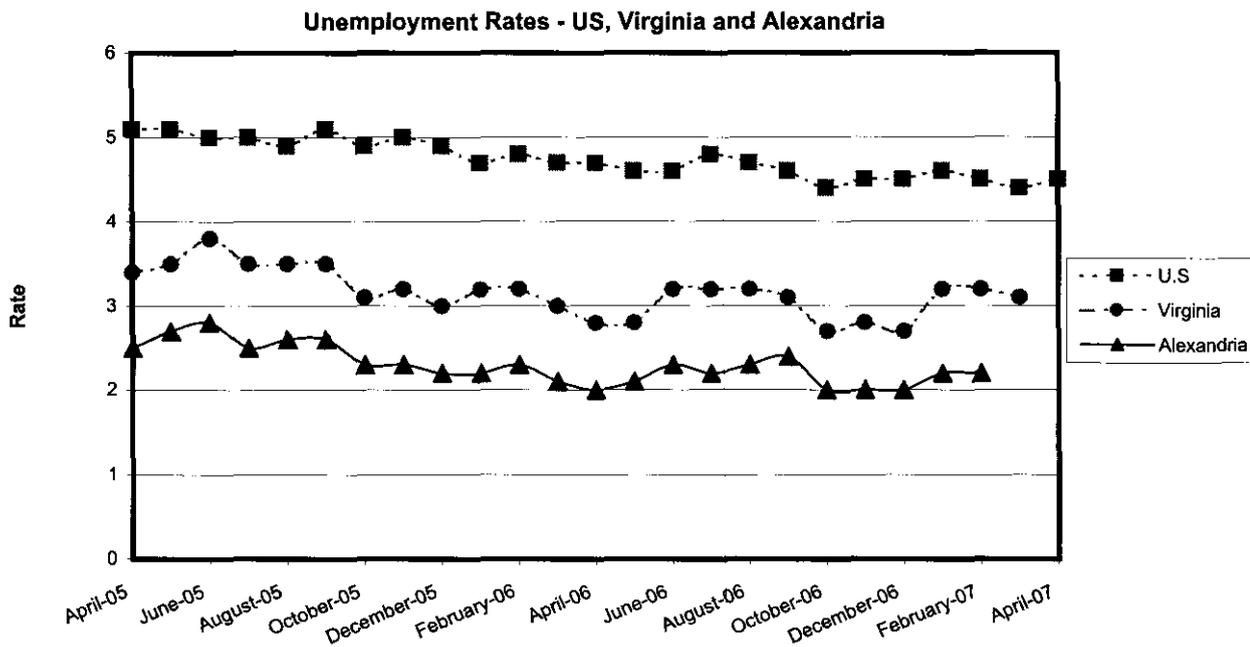
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING APRIL 30, 2007 AND APRIL 30, 2006

FUNCTION	FY2007	FY2007	% OF	FY2006
	APPROVED BUDGET	EXPENDITURES THRU 04/30/07		BUDGET
Legislative & Executive.....	\$ 6,327,498	\$ 4,686,988	74.1%	\$ 4,005,757
Judicial Administration.....	\$ 35,637,354	\$ 28,694,514	80.5%	\$ 26,737,665
Staff Agencies				
Information Technology Services.....	\$ 8,283,530	\$ 6,037,909	72.9%	\$ 5,474,896
Management & Budget.....	1,173,351	888,121	75.7%	752,530
Finance.....	10,091,525	7,572,430	75.0%	6,106,041
Real Estate Assessment.....	1,521,042	1,132,817	74.5%	927,599
Personnel.....	3,156,379	2,576,261	81.6%	2,305,053
Planning & Zoning.....	5,620,332	3,767,587	67.0%	3,150,581
Economic Development Activities.....	2,798,072	2,731,486	97.6%	2,679,532
City Attorney.....	3,185,009	3,682,937	115.6%	1,906,163
Registrar.....	1,088,476	831,901	76.4%	766,112
General Services.....	12,638,040	10,446,895	82.7%	9,006,112
Total Staff Agencies	\$ 49,555,756	\$ 39,668,344	80.0%	\$ 33,074,619
Operating Agencies				
Transportation & Environmental Services.....	\$ 25,803,876	\$ 20,549,139	79.6%	\$ 18,712,796
Fire.....	35,749,973	29,430,081	82.3%	26,995,669
Police.....	49,425,375	39,839,568	80.6%	36,565,909
Transit Subsidies.....	6,825,042	6,405,223	93.8%	5,776,135
Mental Health/Mental Retardation/ Substance Abuse.....	520,755	457,292	87.8%	517,430
Health.....	7,920,603	6,025,747	76.1%	5,752,008
Human Services.....	11,705,975	9,999,821	85.4%	8,740,338
Historic Resources.....	2,758,869	2,110,605	76.5%	2,021,823
Recreation.....	20,308,880	16,098,750	79.3%	14,907,502
Total Operating Agencies	\$ 161,019,348	\$ 130,916,226	81.3%	\$ 119,989,610
Education				
Schools.....	\$ 149,873,621	\$ 108,855,326	72.6%	\$ 100,186,203
Other Educational Activities.....	12,548	12,548	100.0%	12,990
Total Education	\$ 149,886,169	\$ 108,867,874	72.6%	\$ 100,199,193
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 31,094,403	\$ 13,203,001	42.5%	\$ 12,752,181
Non-Departmental.....	11,809,221	4,906,944	41.6%	7,994,431
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	\$ 22,964,753	47.8%	\$ 39,606,347
TOTAL EXPENDITURES	\$ 450,515,314	\$ 335,798,699	74.5%	\$ 323,613,191
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library and Transfers to the Special Revenue Fund)...				
Transfer to Housing.....	4,385,398	1,044,496	23.8%	865,117
Transfer to Library.....	7,045,031	5,868,511	83.3%	5,363,539
Transfer to DASH.....	7,337,024	6,111,741	83.3%	5,282,886
TOTAL EXPENDITURES & TRANSFERS	\$ 503,170,597	\$ 348,823,447	69.3%	\$ 336,764,548

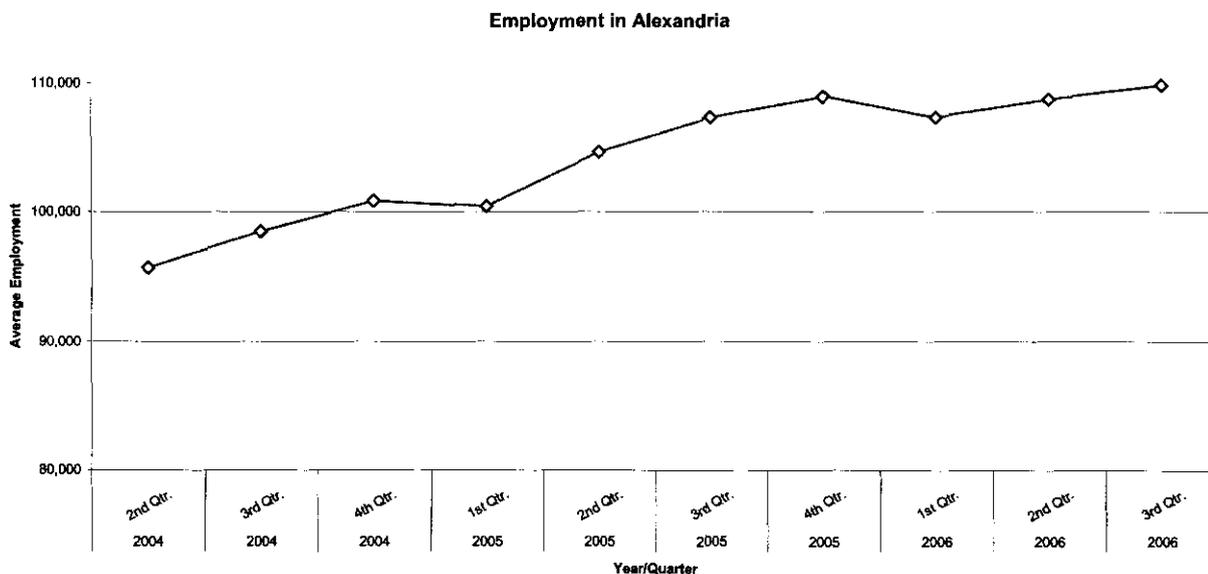
**CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS**

	<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 March 31, 2007)	131.9	126.8	+4.1%
(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	3.1%	3.0%	+3%
(As of March 31, 2007)			
(Source: United States Department of Labor, Bureau of Labor Statistics, as adjusted)			
<u>United States</u>	4.5%	4.7%	-4%
(As of April 30, 2007)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
<u>Interest Rates</u>			
(As of April 30, 2007)			
Prime Rate	8.25%	7.75%	+6%
Federal Fund Rate	5.19%	4.73%	+10%
(Source: SunTrust Economic Monitor)			
<u>New Business Licenses</u>			
(During April)			
(Source: Finance Department, Business Tax Branch)	76	103	-26%
<u>Office Vacancy Rates</u>			
(As of December 31, 2006)			
Alexandria	11.4%	6.7%	+70%
Northern Virginia	13.1%	12.9%	+2%
Washington DC Metro Area	11.6%	10.4%	+12%
(Source: Grubb & Ellis)			
<u>New Commercial Construction</u>			
(As of February 28, 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 February 28, 2006)			
Residential Dwelling Units Sold	344	337	+2%
Average Residential Sales Price	\$466,255	\$500,771	-7%
(Source: Department of Real Estate Assessments)			

**City of Alexandria
Selected Economic Indicators**



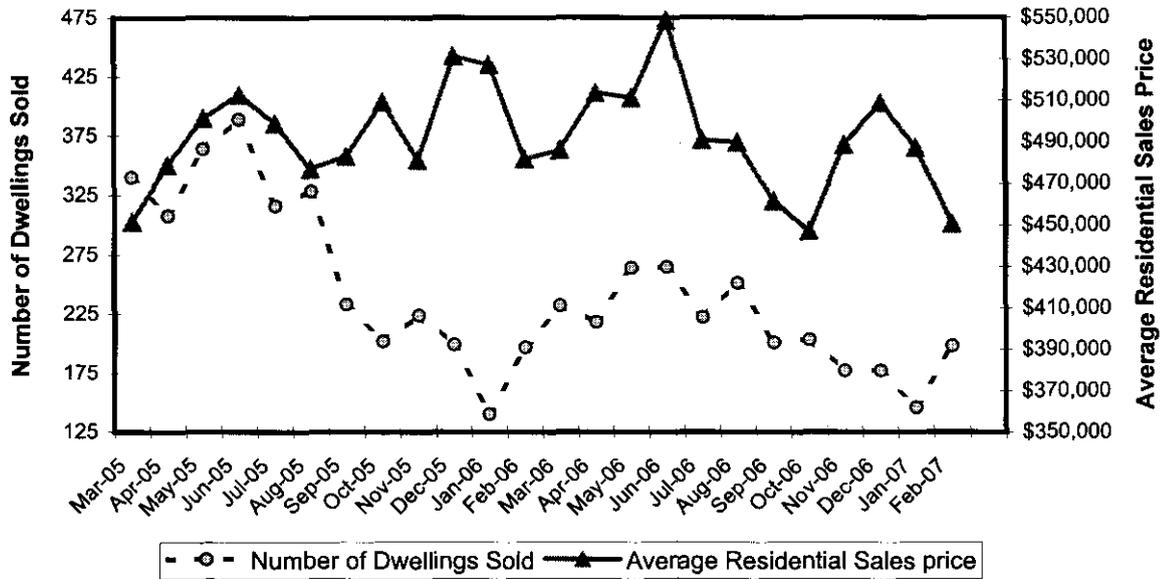
Source: United States Department of Labor, Bureau of Labor Statistics (as revised by BLS)



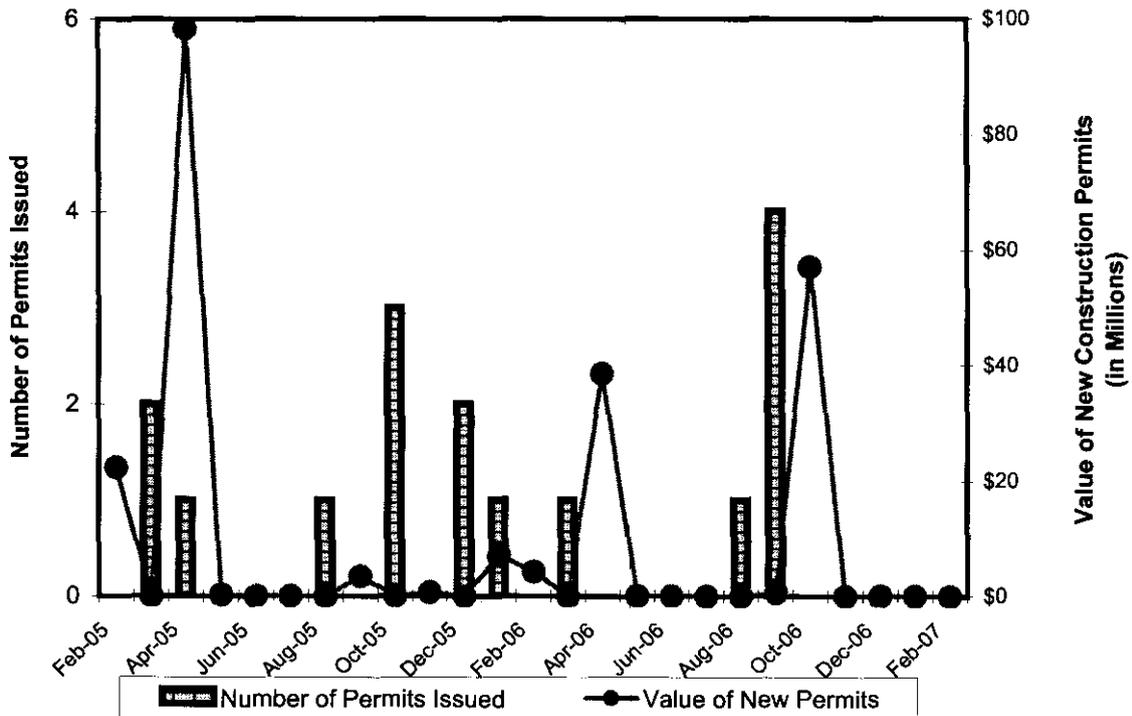
Source: Virginia Employment Commission, including the U. S. Patent and Trademark Office.

City of Alexandria
Selected Economic Indicators

Selected Residential Real Estate Indicators

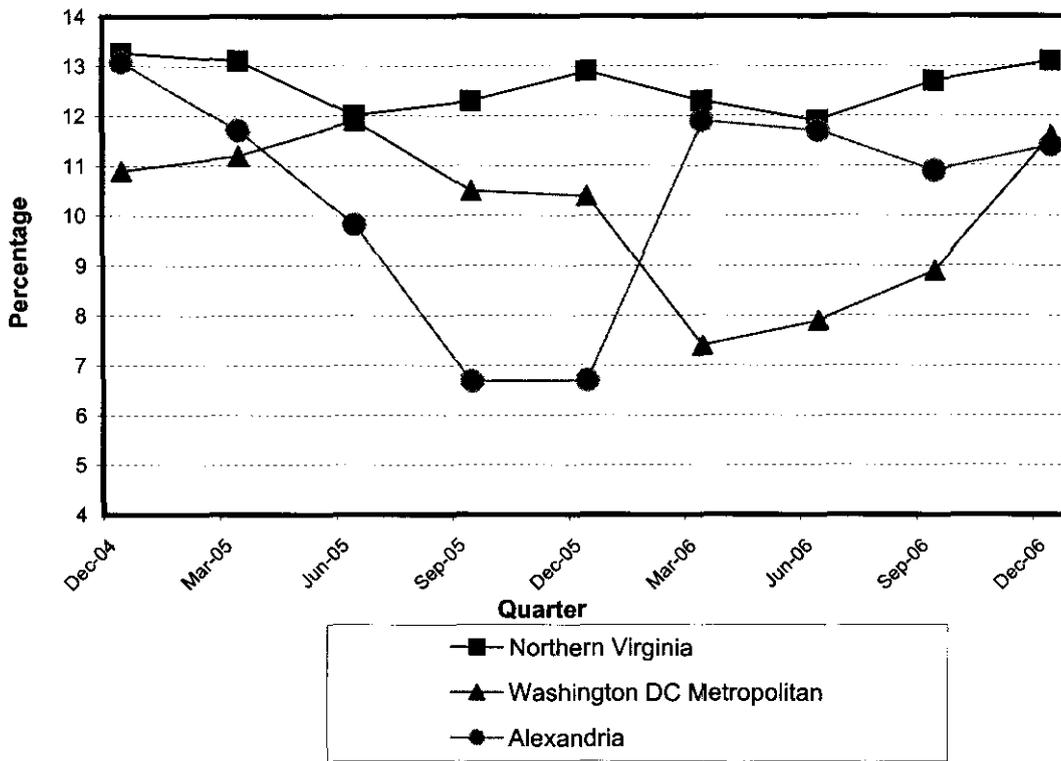


Alexandria New Commercial Construction
Number of Permits and
Value of New Construction Permits

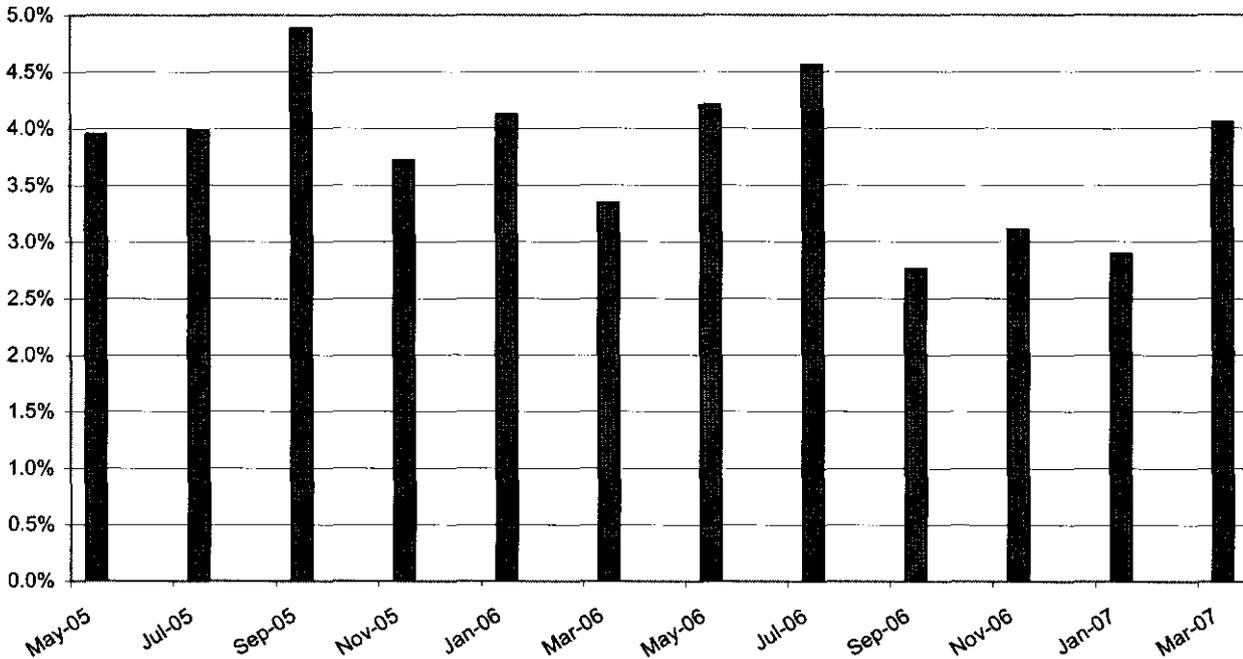


**City of Alexandria
Selected Economic Indicators**

Office Vacancy Rates



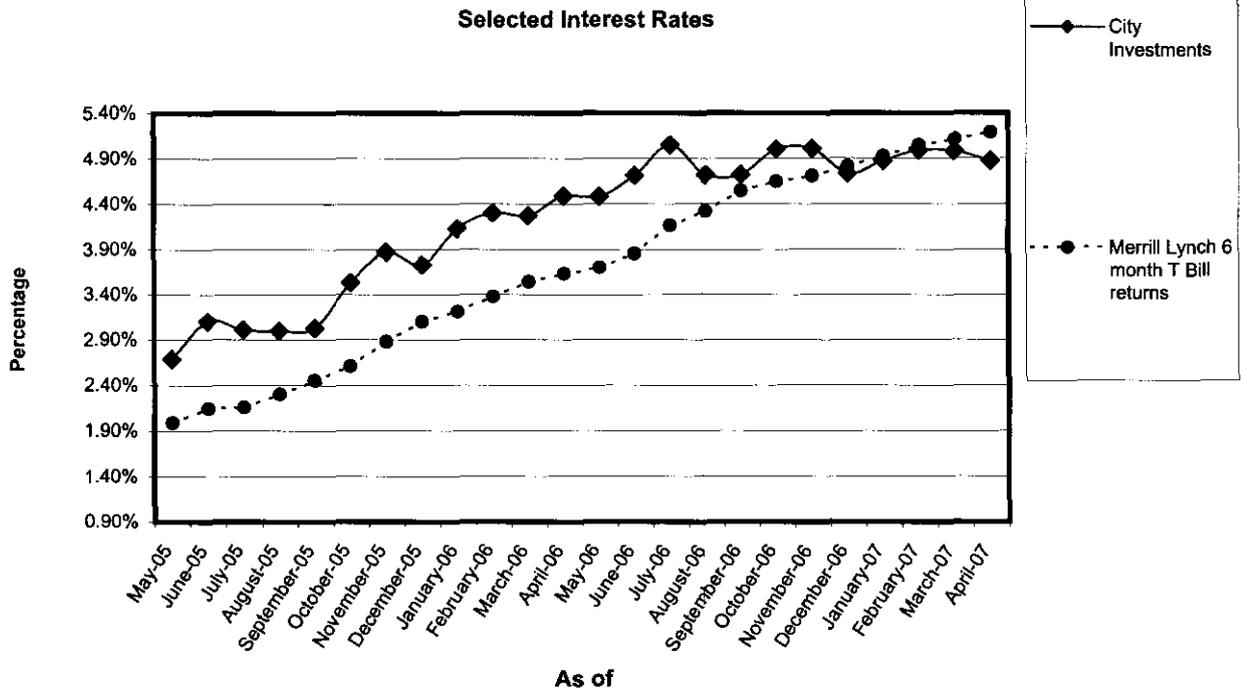
Twelve Month Annualized Percentage Change in Consumer Price Index
Washington/Baltimore



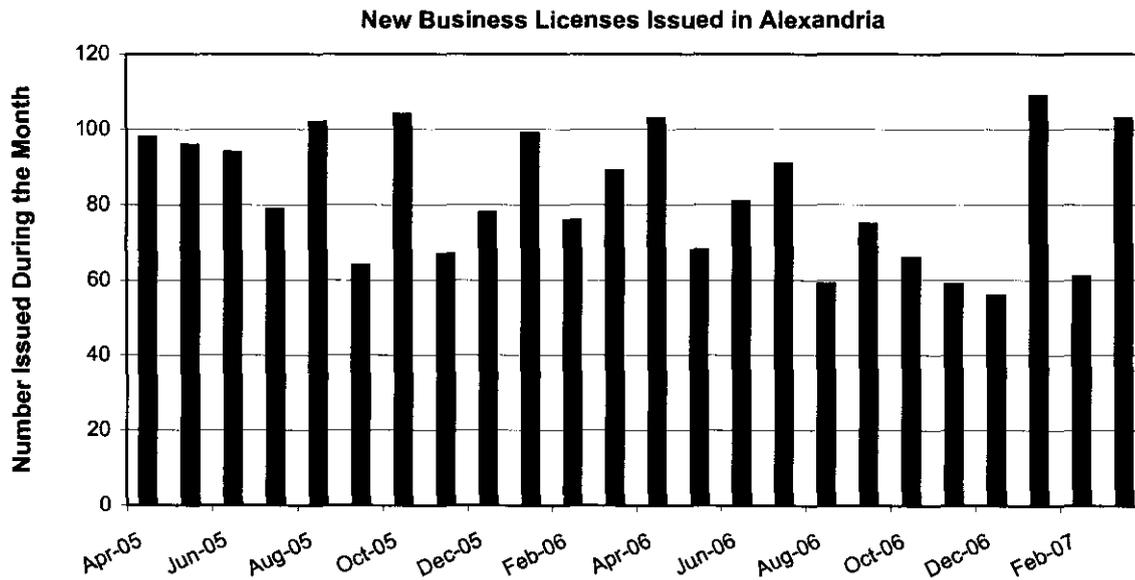
Source: United States Department of Labor, Bureau of Labor Statistics

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**City of Alexandria
Selected Economic Indicators**



Source: Suntrust Economic Monitor



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