


City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 19, 2012
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: RASHAD M. YOUNG, CITY MANAGER 
SUBJECT: CALENDAR YEAR 2012 REAL PROPERTY ASSESSMENT REPORT

ISSUES: (1) 2012 Notices of Assessment will be mailed to property owners on January 20, 2012; (2) The Department of Real Estate Assessments (DREA) Calendar Year 2012 Real Property Assessment Report is attached; and (3) The DREA staff will give a presentation on the new real estate values at the January 24 City Council legislative meeting.

RECOMMENDATION: That City Council receive the report.

BACKGROUND: Included in the attached report are the annual changes in real property assessments from CY 2011 to CY 2012 and historical statistics related to assessment appreciation/depreciation. Due to the fact that Notices of Assessment are being mailed earlier this year, the attached detailed report contains the same information that was contained in Budget Memos No. 2 & 3 in previous years. For valuation purposes, annual assessments have an effective date of January 1. Assessment reports typically represent data on a calendar year basis. Key changes in the assessed valuation of real property from CY 2011 to CY 2012 are summarized below.

OVERALL CHANGE IN CY 2012 REAL PROPERTY TAX BASE

This year, the City's overall real property tax base (including both locally assessed real property and state-assessed public service corporation property) from January 1, 2011 to January 1, 2012, increased 3.53%, or \$1.15 billion from \$32.63 billion in CY 2011 to \$33.78 billion¹ in CY 2012 (Attachment 1). The planned closure of the GenOn plant on October 1, will reduce in 2012 the effective increase to about 3.37%.

¹ The 2012 valuation includes the 2011 value of state-assessed public service corporation property. This value was certified by the State Corporation Commission and Virginia Department of Taxation in September 2011.

Points of Interest Relating to CY 2011 Assessment Landbook Changes:

- **Locally assessed real property** assessments increased 3.67% (which consists of new construction and gain in value of existing property), or \$1.17 billion, from \$31.79 billion in 2011 to \$32.95 billion in 2012.
- **Residential property** increased 1.55%, or \$284.98 million, from \$18.43 billion in 2011 to \$18.72 billion in 2012.
- The **commercial property** tax base increased by 6.60%, or \$882.11 million, from \$13.36 billion in 2011 to \$14.24 billion in 2012.
- **State-assessed public service corporation property** assessments decreased -1.93%, or \$16.34 million, from \$844.75 million in 2011 to \$828.41 million in 2012. The 2012 assessment is the value effective January 1, 2011. These values are certified by the State Corporation Commission (SCC) and the Virginia Department of Taxation (VDoT) in late September of the effective year of the valuation. The City bills all non-locally assessed properties on a fiscal year basis, which allows for accuracy in the budget and collection process. This assessment includes the GenOn property since assessments are computed as of January 1. The impact of the closing of the plant will impact FY 2013 revenue when the plant closes October 1
- **Tax exempt real property** assessments increased 5.5%, or \$296.87 million, from \$5.4 billion in 2011 to \$5.69 billion in 2012.
- Real property classified as residential for assessment purposes for CY 2012 represents 55.4% of the total real property taxable base, while property classified as commercial and public service corporations represent 44.6% of the base.

ATTACHMENT: CALENDAR YEAR 2012 REAL PROPERTY ASSESSMENT REPORT

