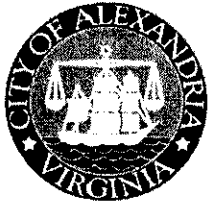




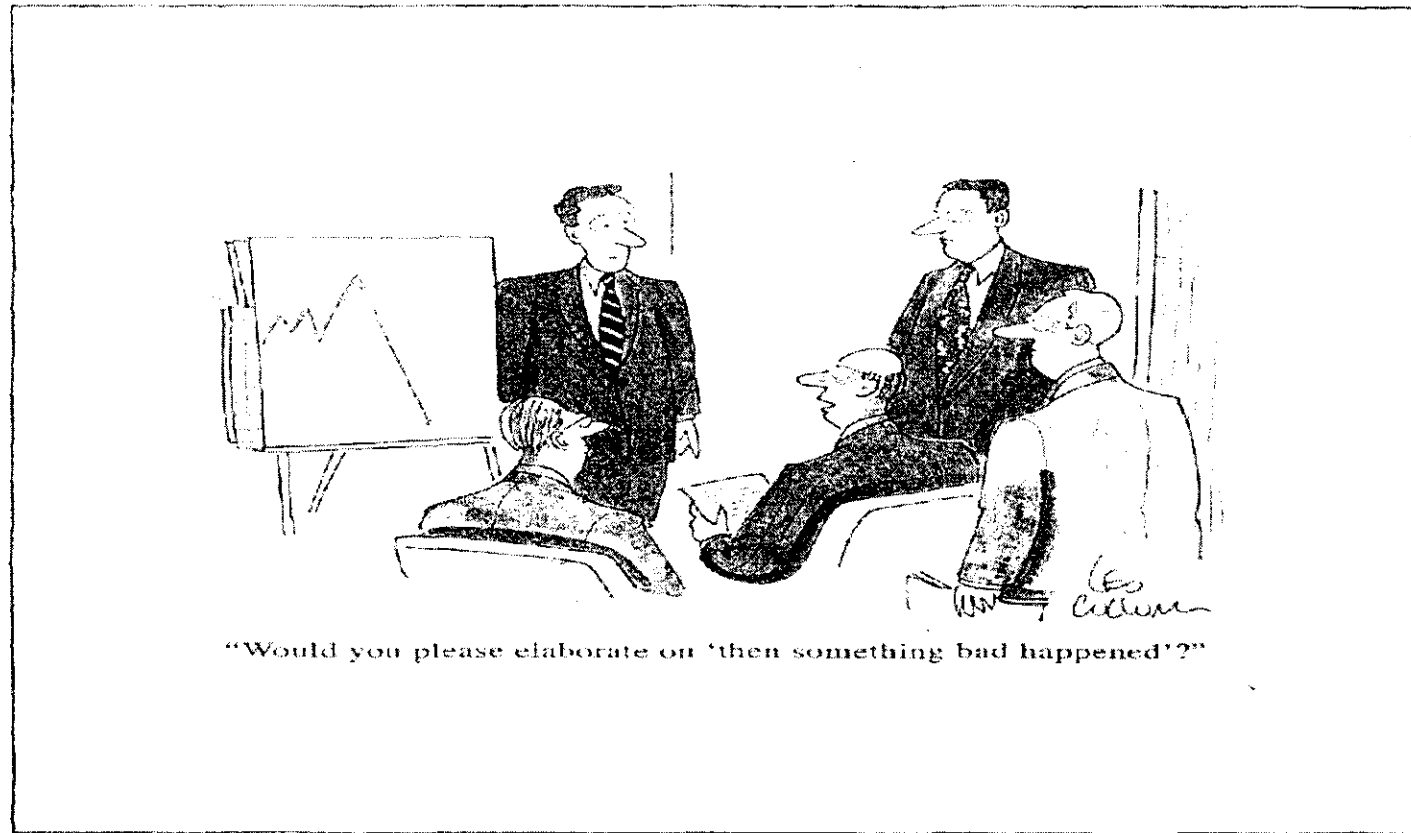
Retreat  
11-4-06

# FY 2008 Preliminary Economic and Revenue Outlook



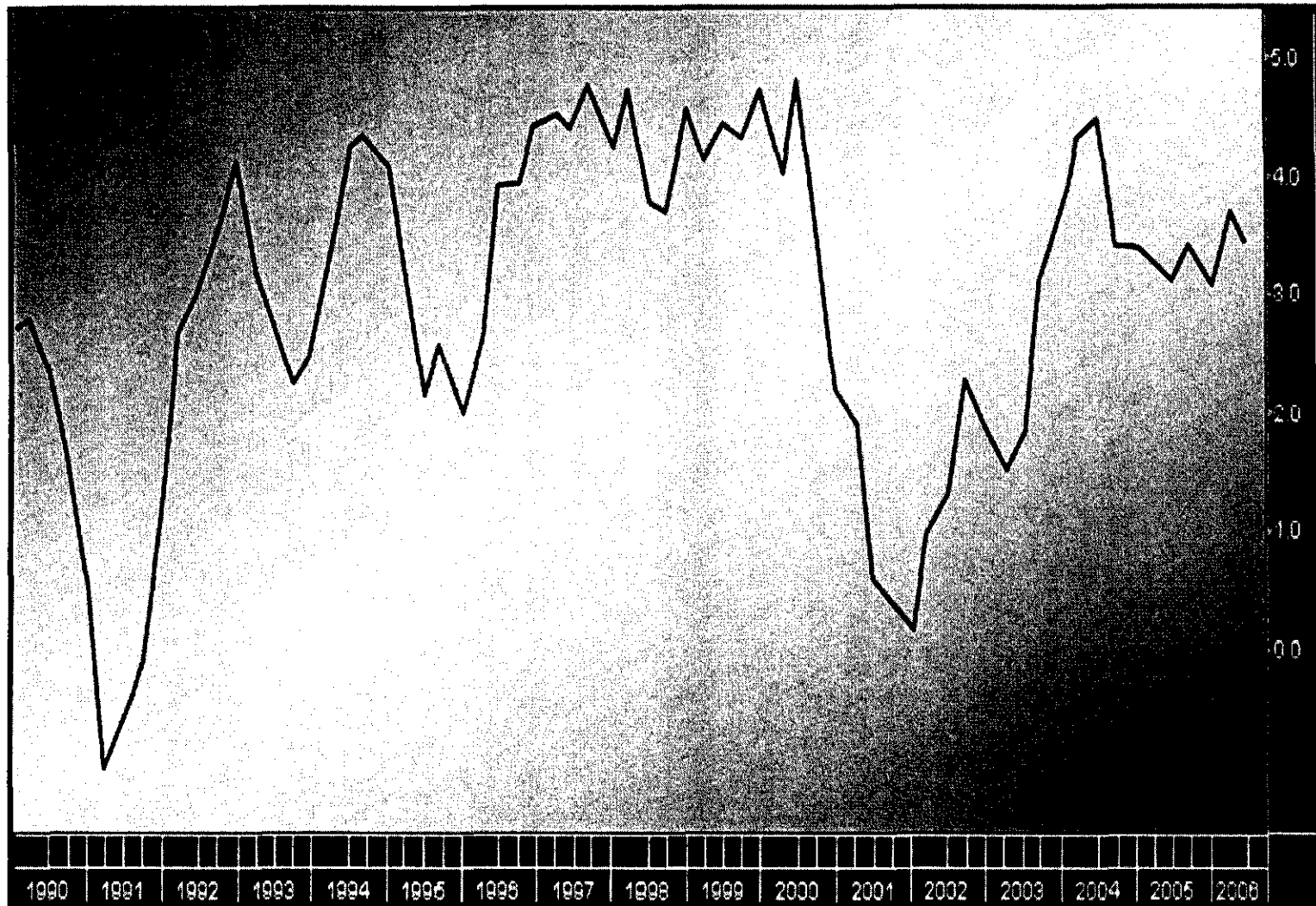
# Preliminary Economic and Revenue Outlook

THE  
NEW YORKER





# U.S. Real GDP % Annual Rate of Growth



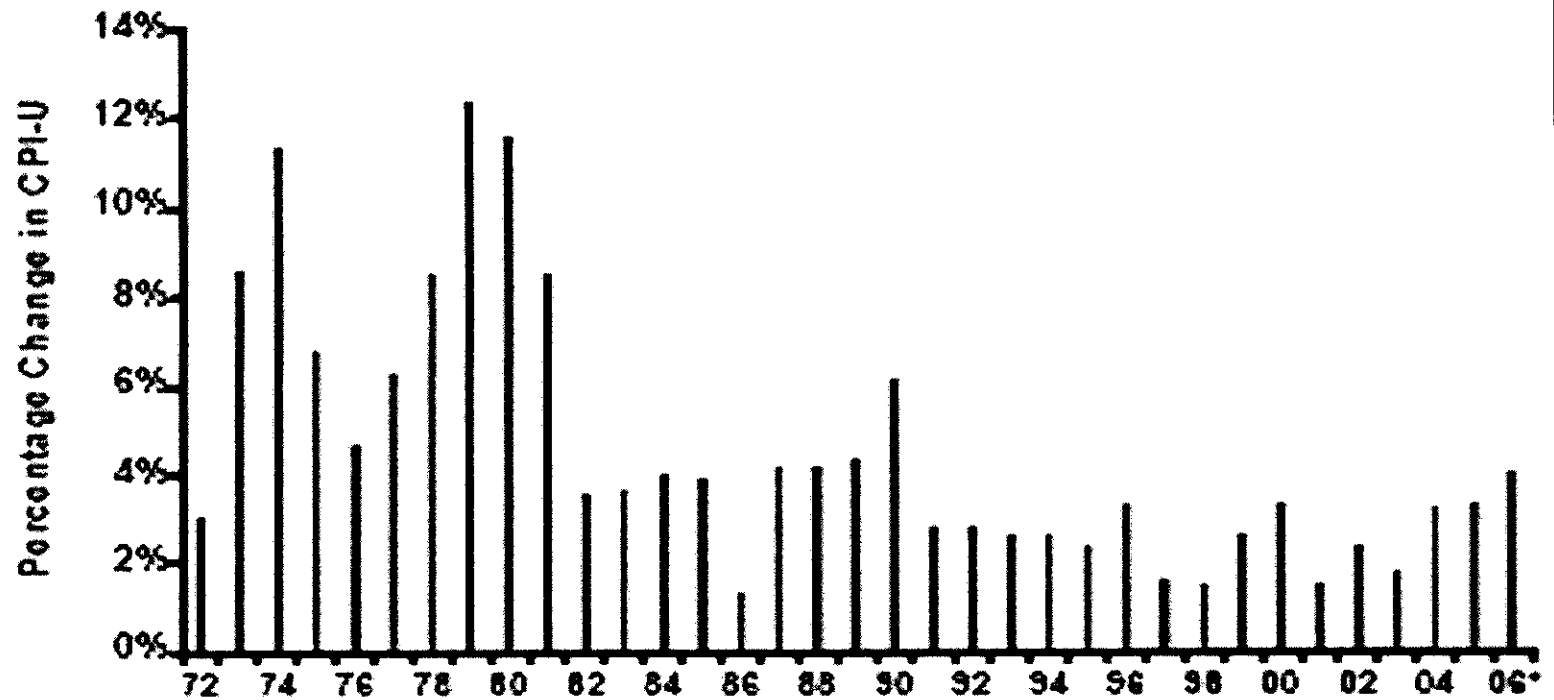


# Leading Economic Indicators





# U.S. Inflation

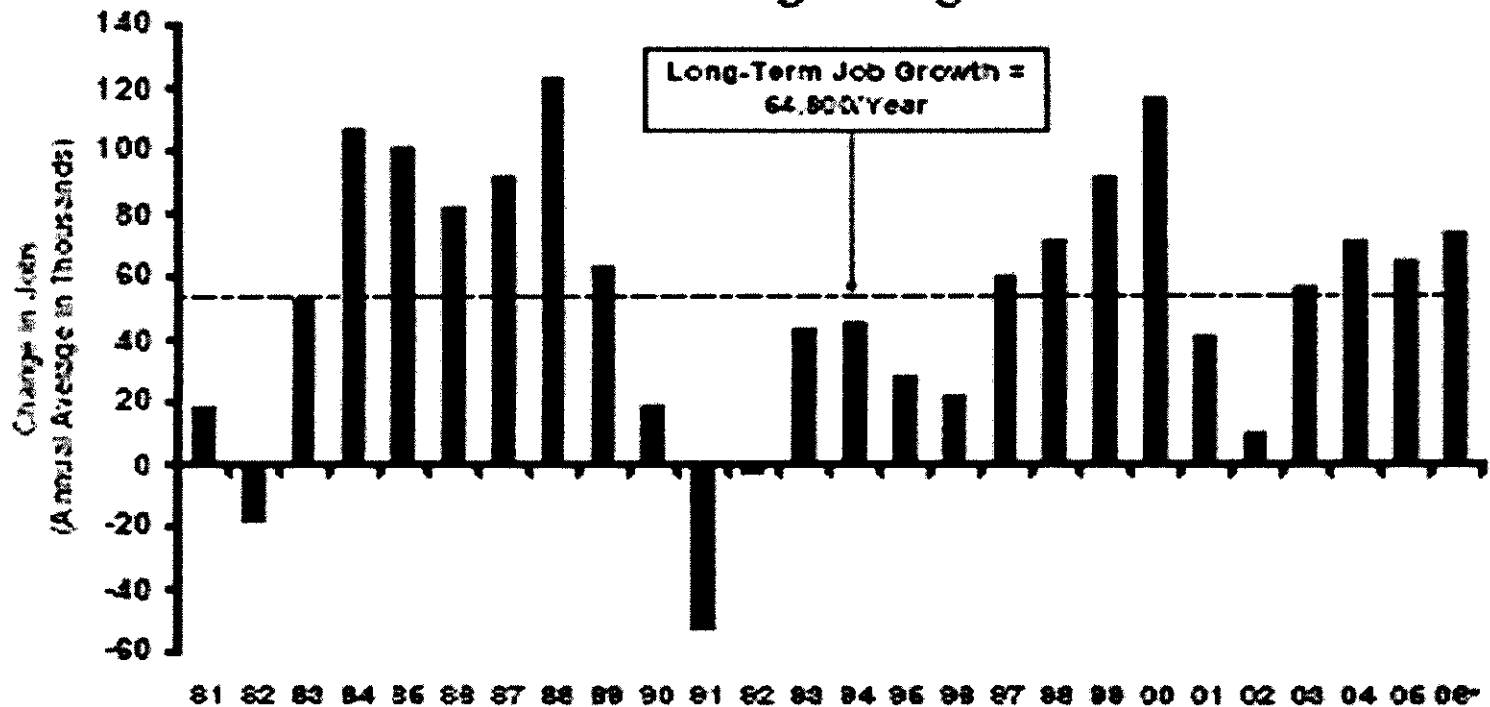


\*12-month percentage change through July 2006.

Source: Bureau of Labor Statistics; September 2006.



## Payroll Job Growth Washington Area 1981 Through August 2006

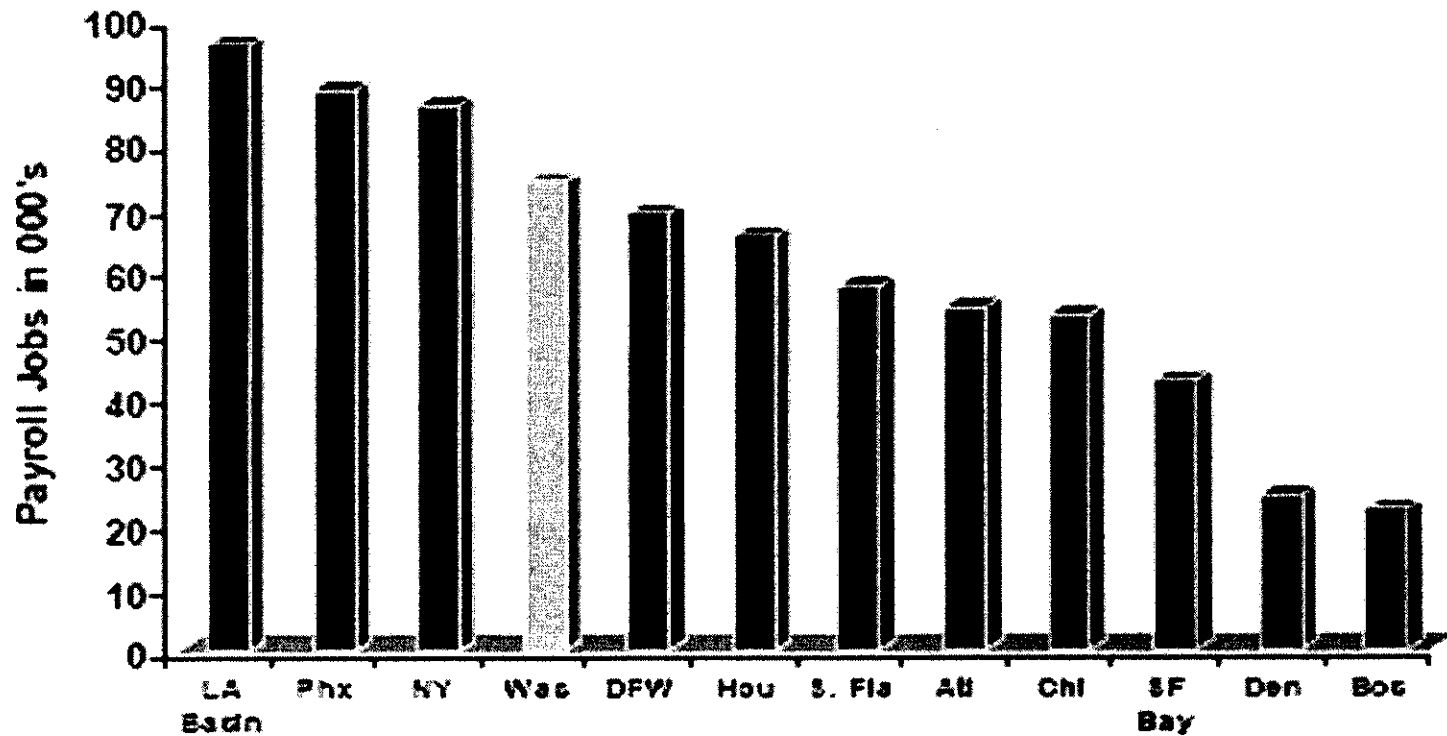


\*12 months ending in August 2006.  
Note: Data reported since 2000 consistent with redefinition of metro area in March 2005.

Source: Bureau of Labor Statistics; September 2006.



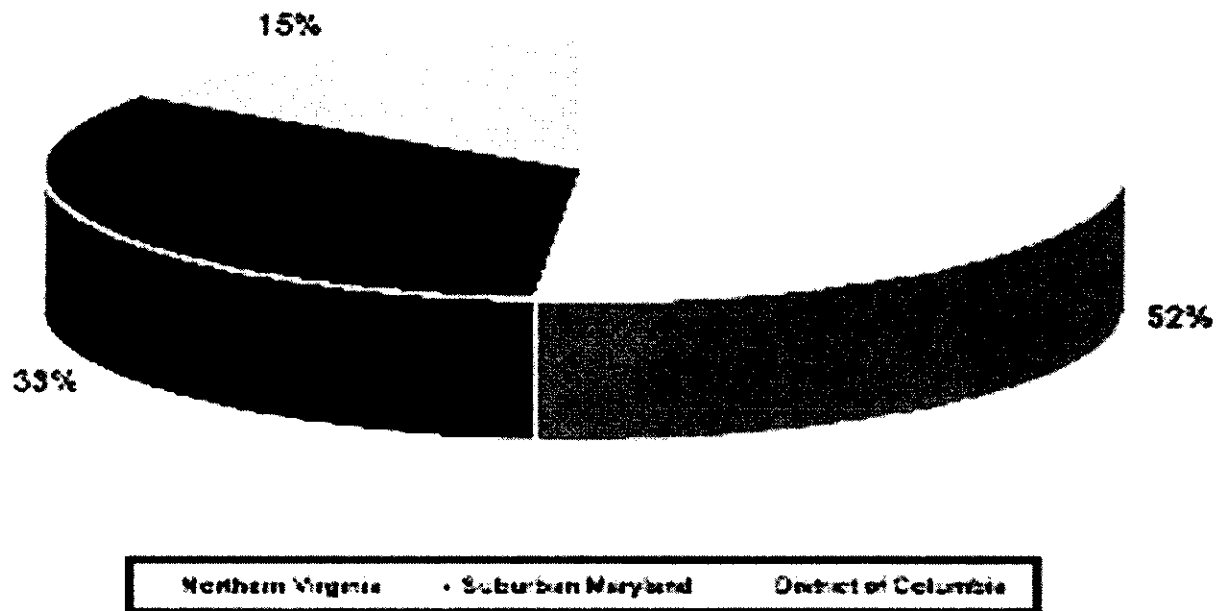
## Payroll Job Growth Large Metro Areas 12 Months Ending August 2006



Source: Bureau of Labor Statistics: September 2006.



## Payroll Job Growth by Substate Area 12 Months Ending August 2006

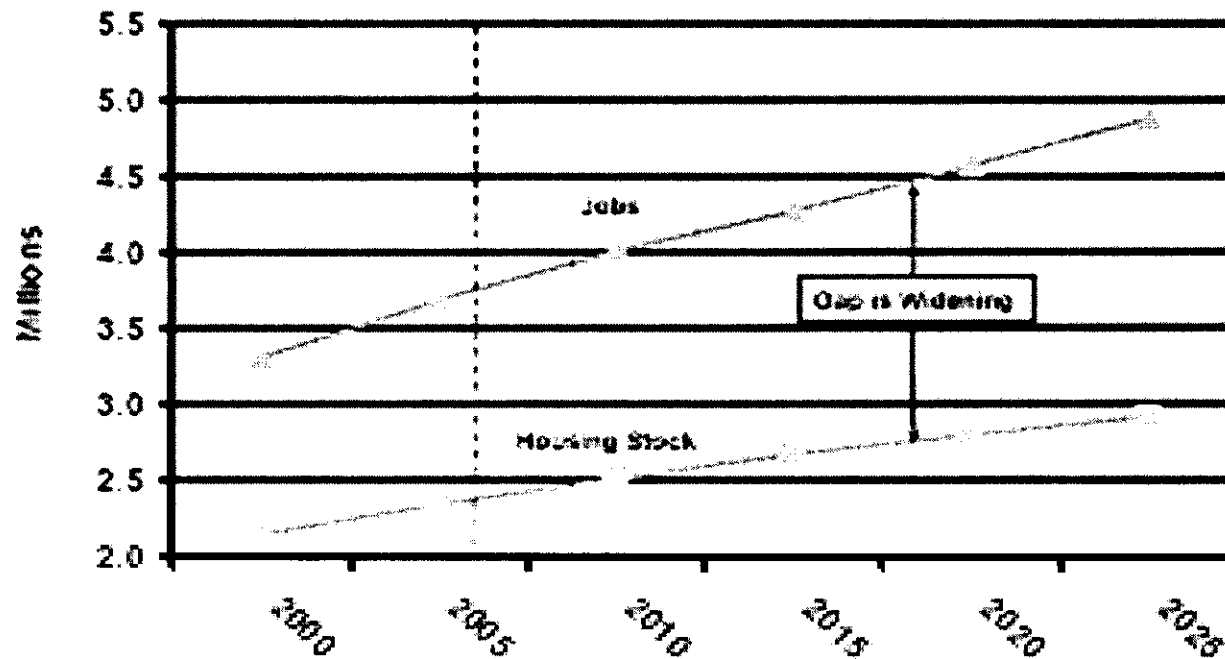


Source: Bureau of Labor Statistics; September 2006.





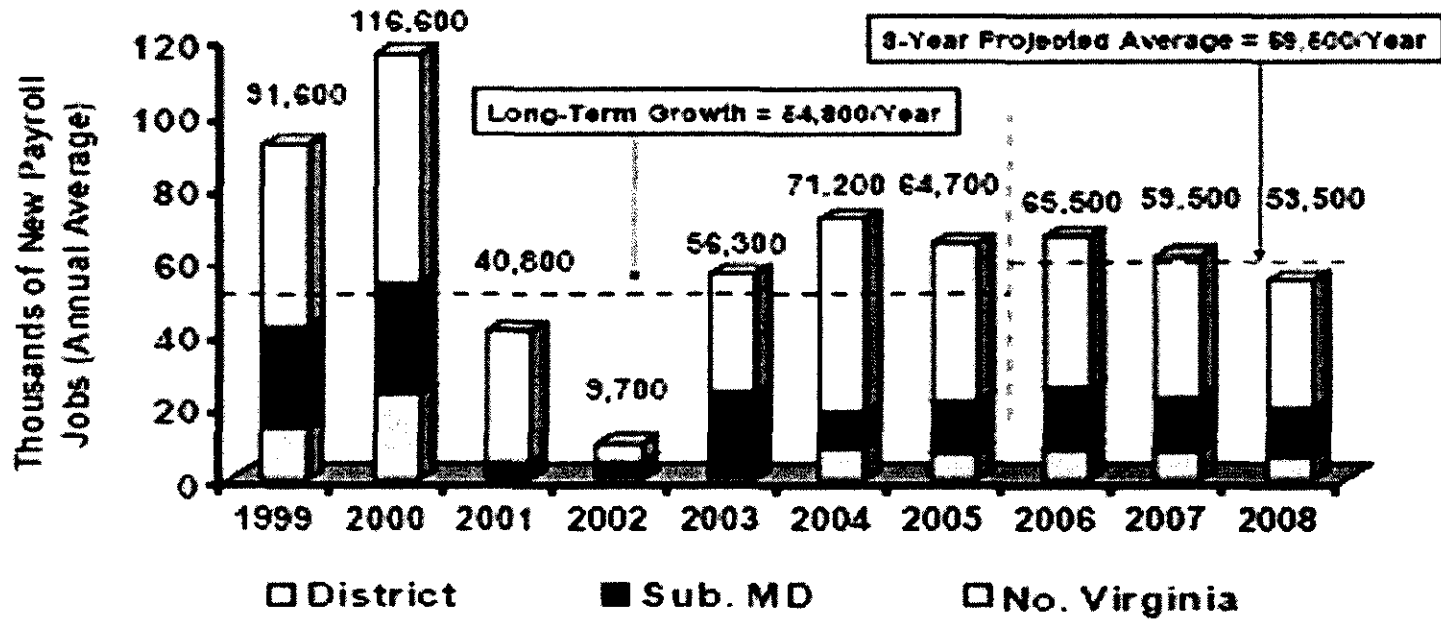
## Growth of Jobs vs. Housing Stock Washington Metro Area 2000 – 2025



Source: GMU Center for Regional Analysis, Delta Associates, September 2006.



## Payroll Job Growth Washington Metro Area 1999 – 2008

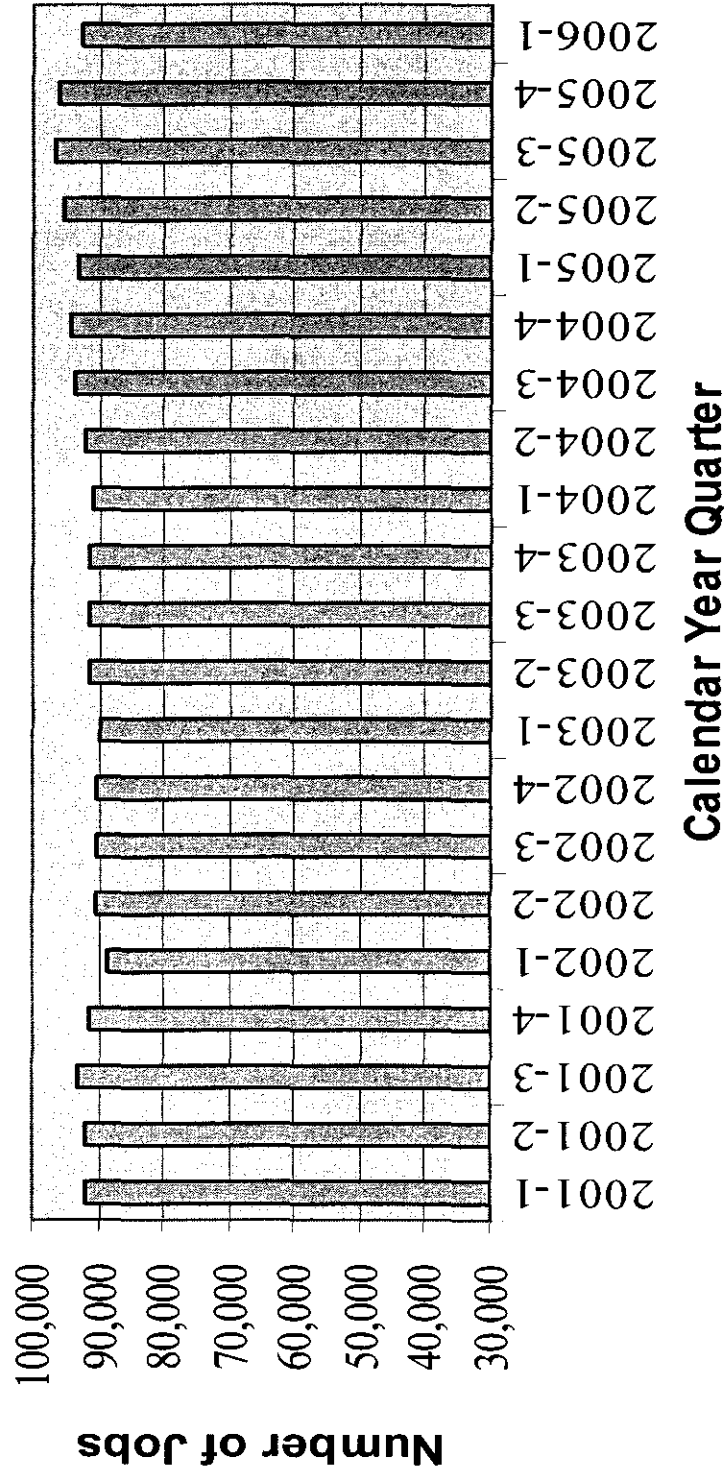


Note: Data restated since 2000 consistent with redefinition of metro area in March 2005.

Source: Dr. Stephen Fuller and Delta Associates; September 2006.

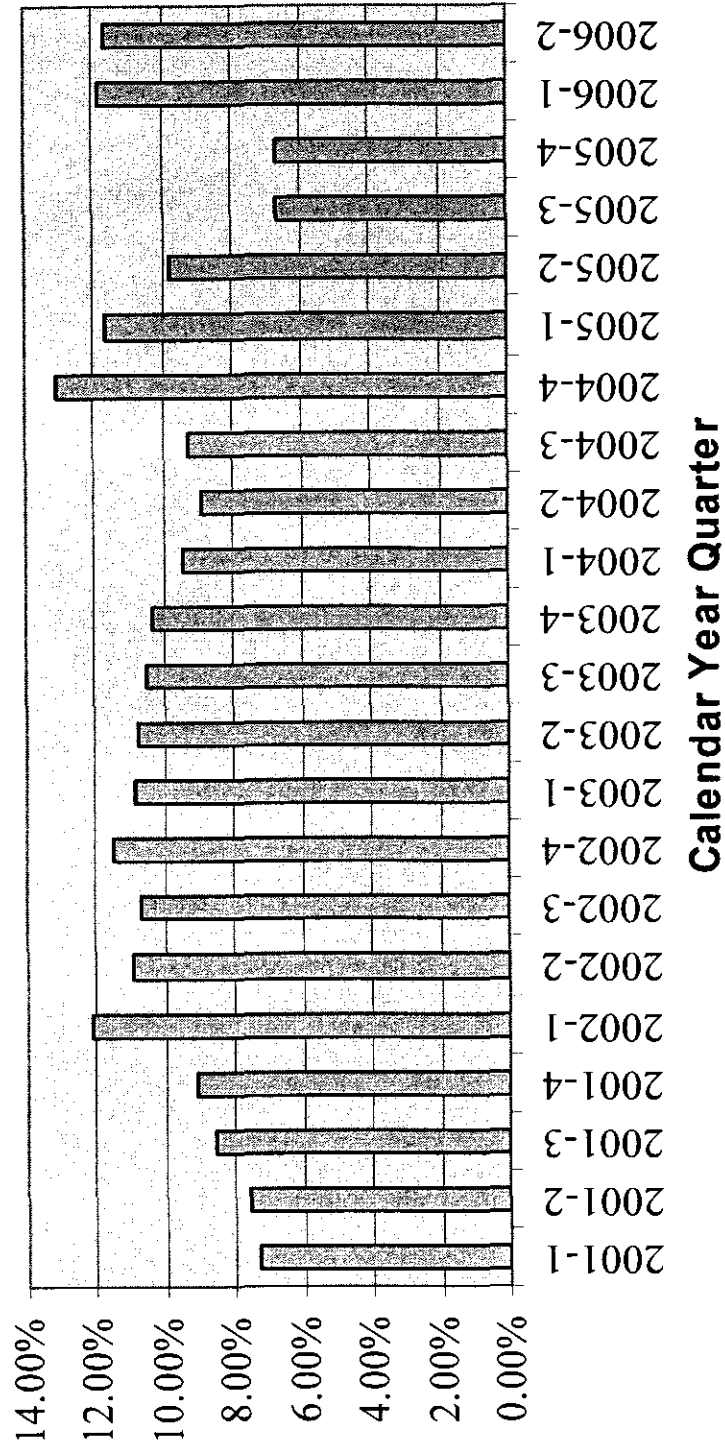


## Employment in Alexandria



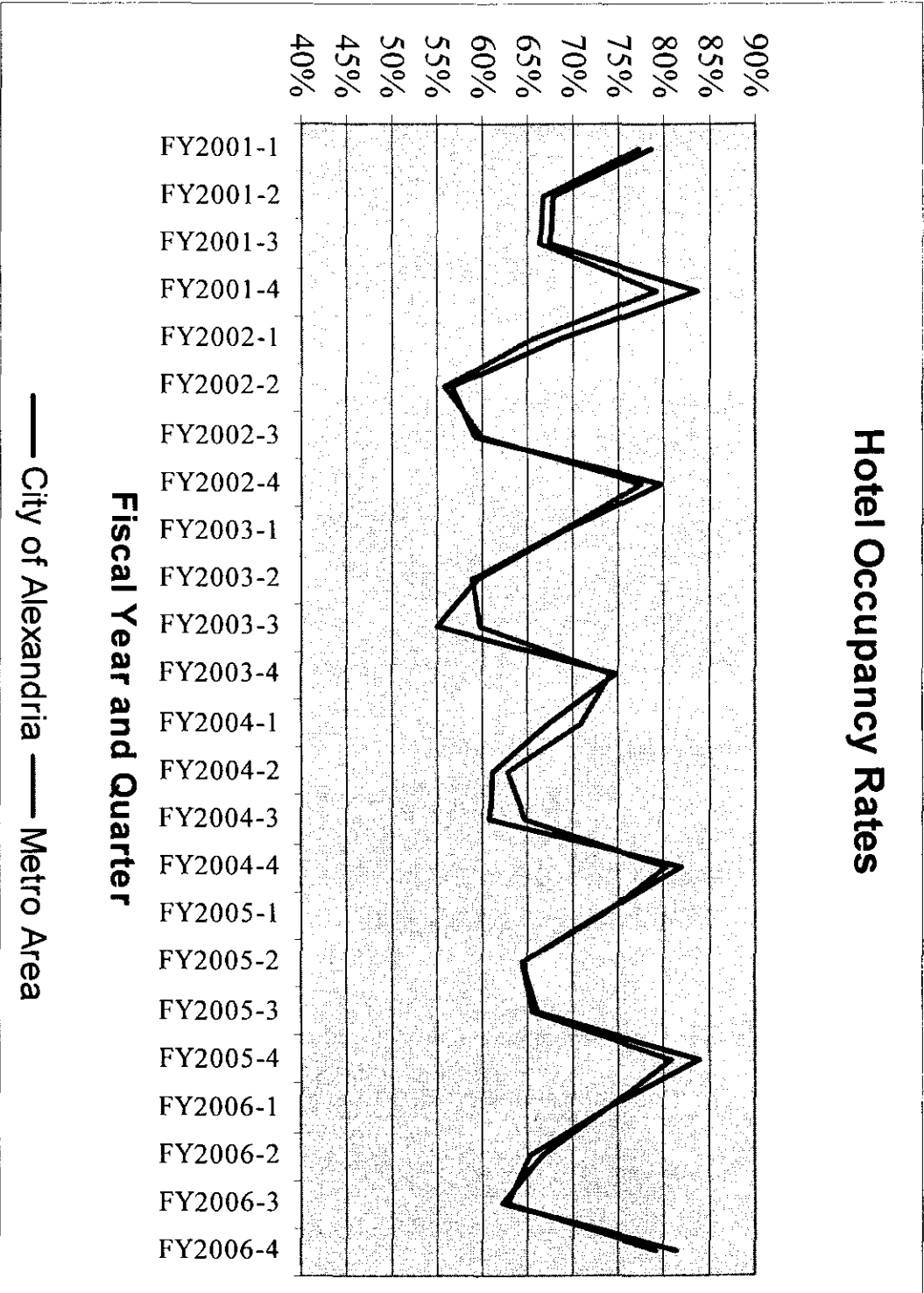


## Alexandria Office Vacancy Rates





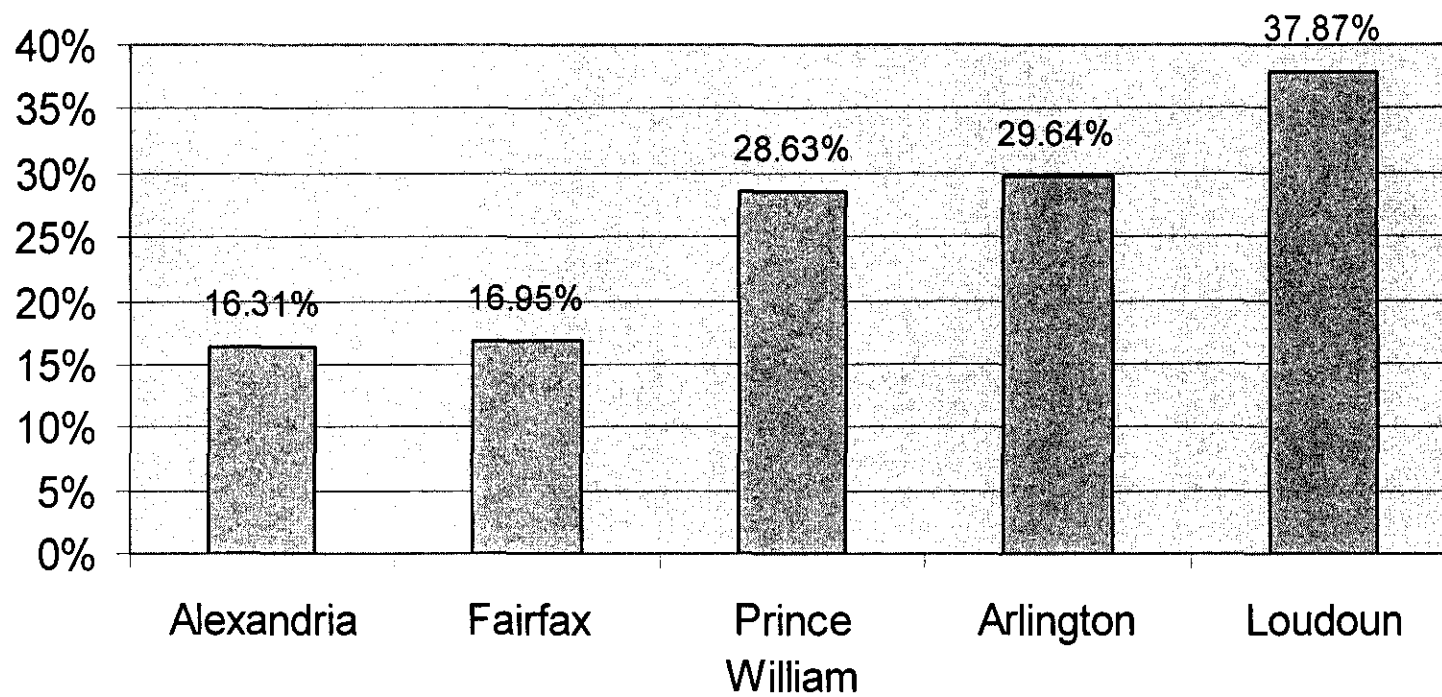
# Hotel Occupancy Rates

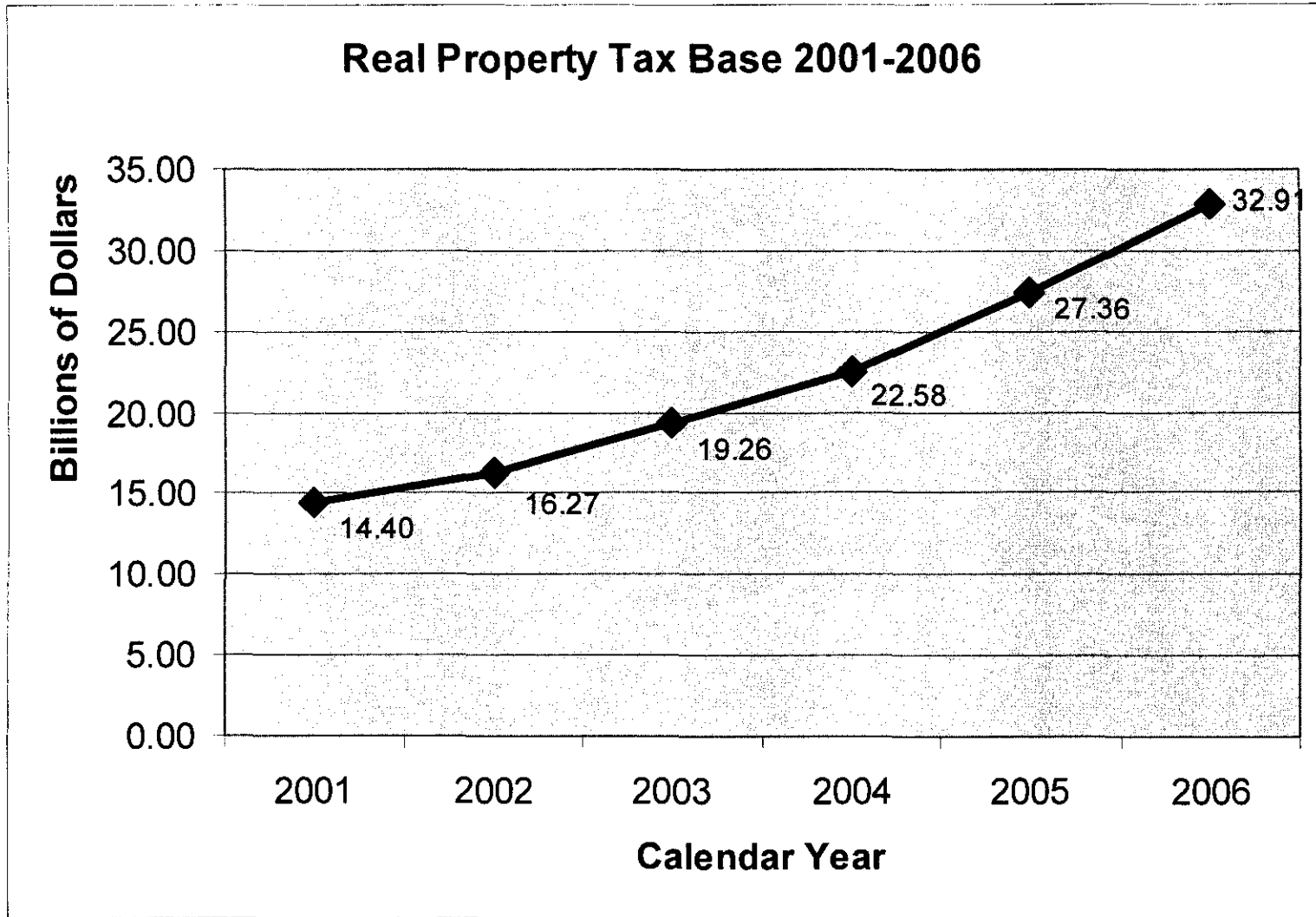


City Council Retreat  
November 4, 2006



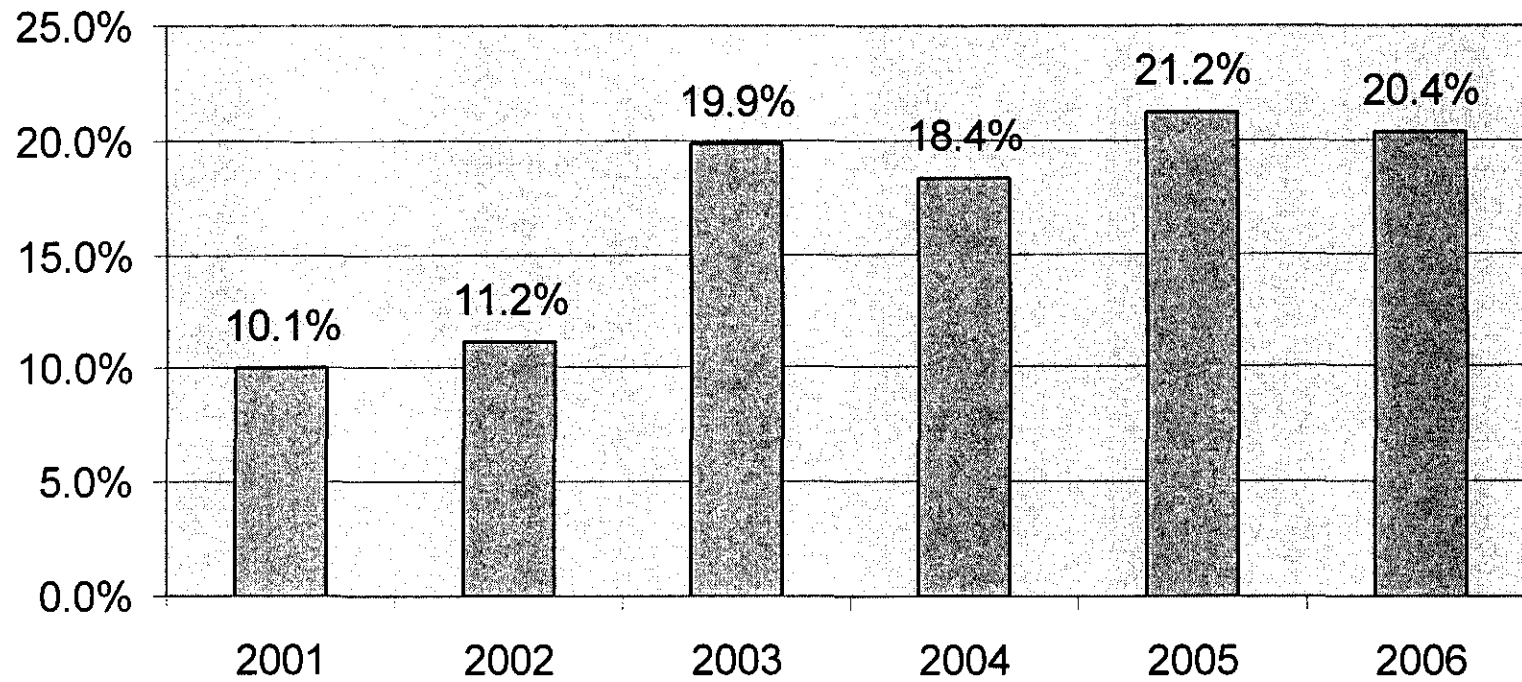
### Sales Tax Cumulative Increase 2003-2005







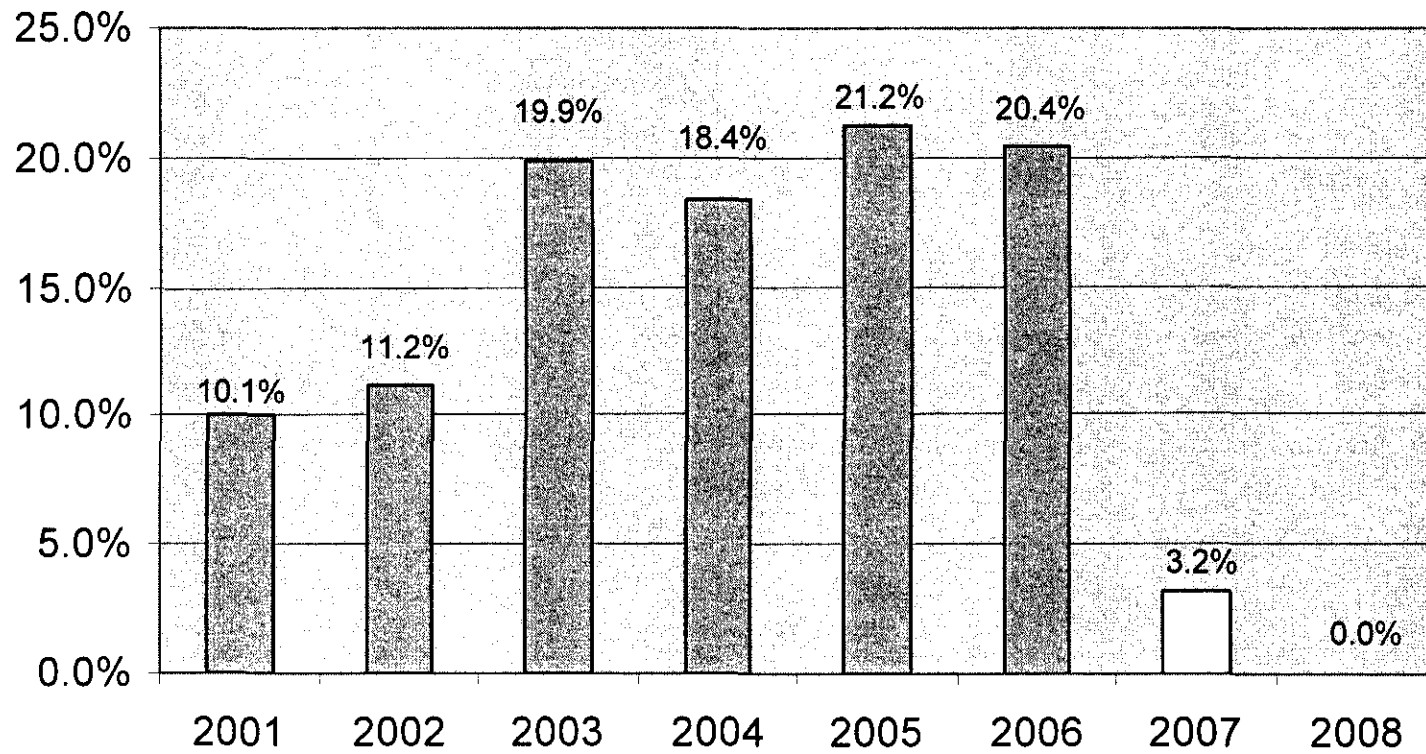
### Real Property Tax Base % Change 2001-2006

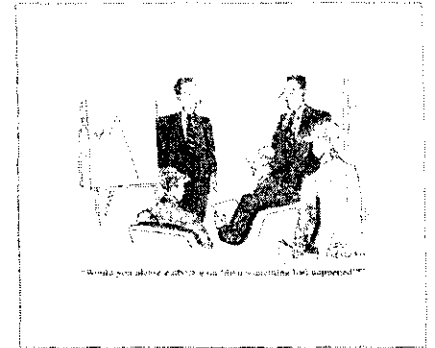






### Real Property Tax Base % Change Including Projected 2007 and 2008

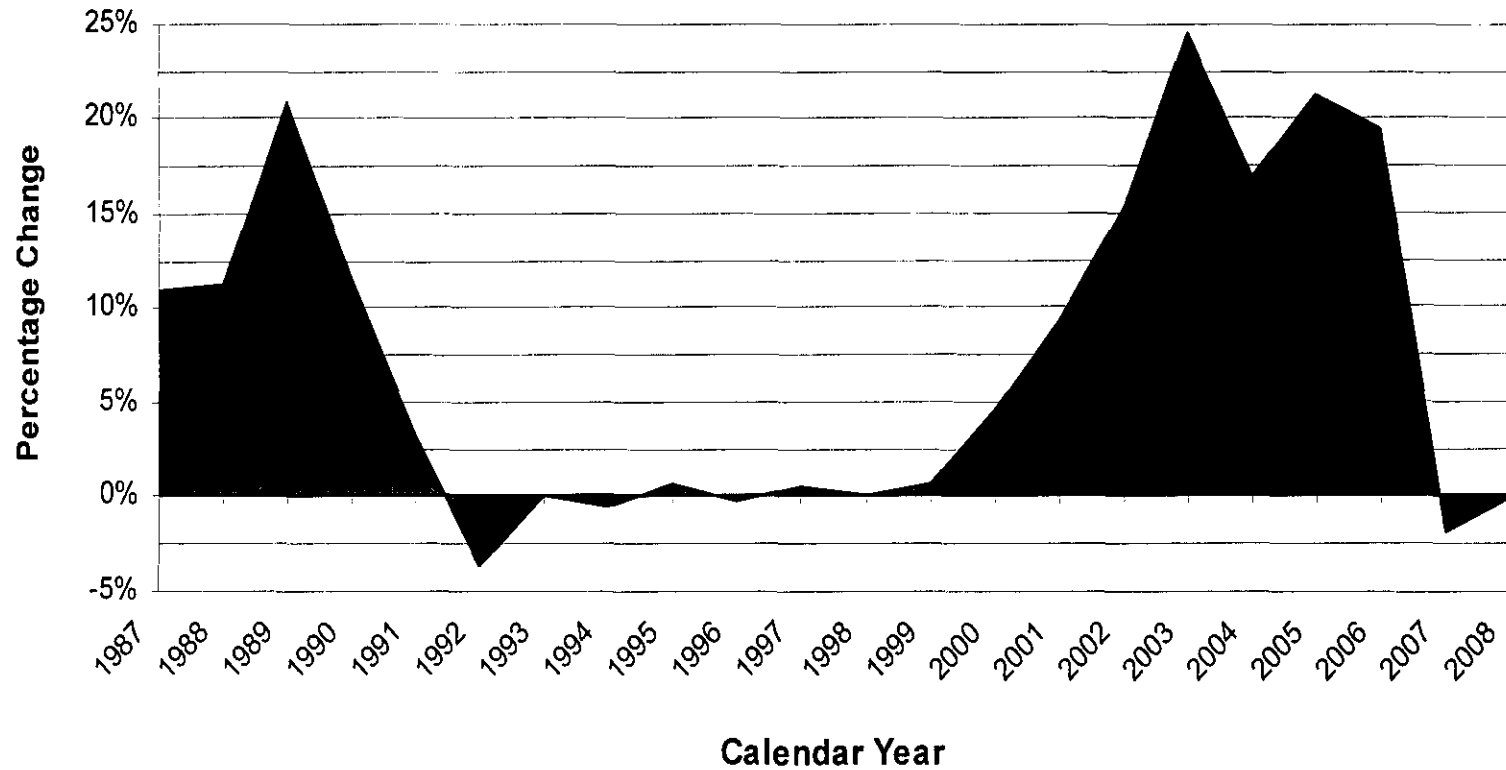


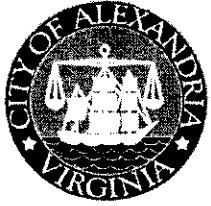


### Residential Real Estate % Change

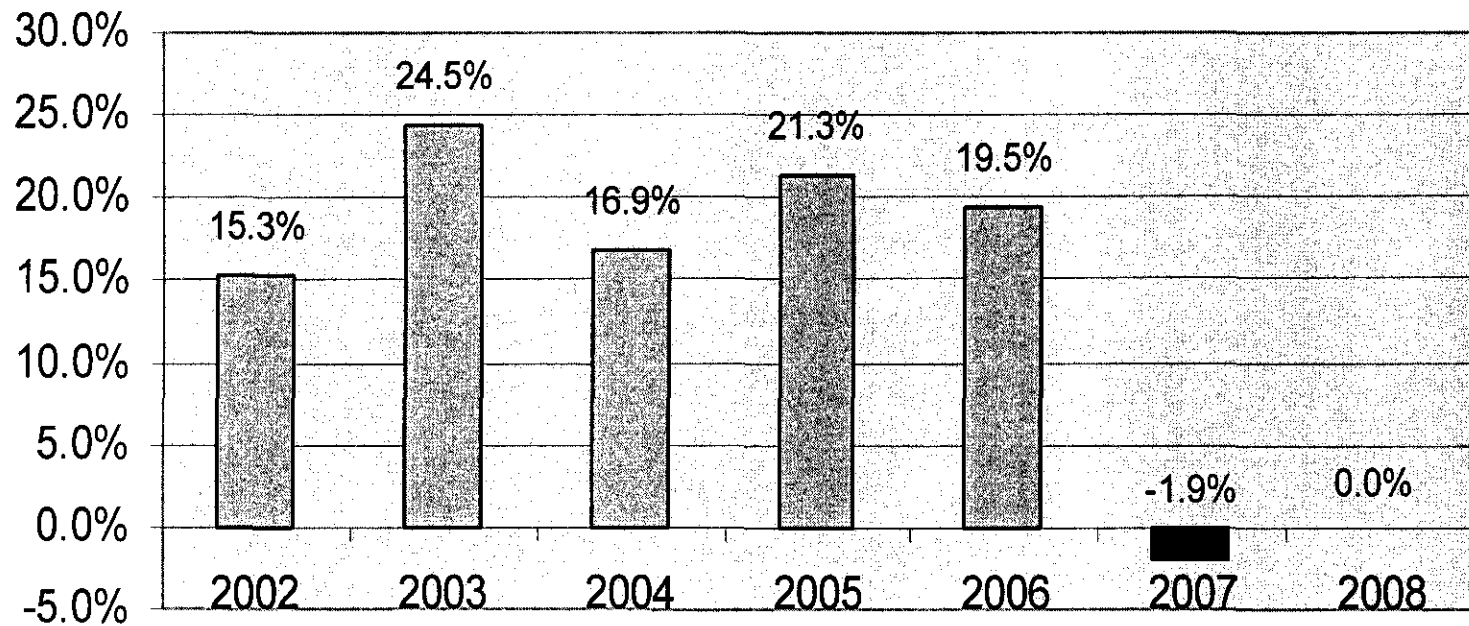
1987 to 2006

2007 and 2008 estimated



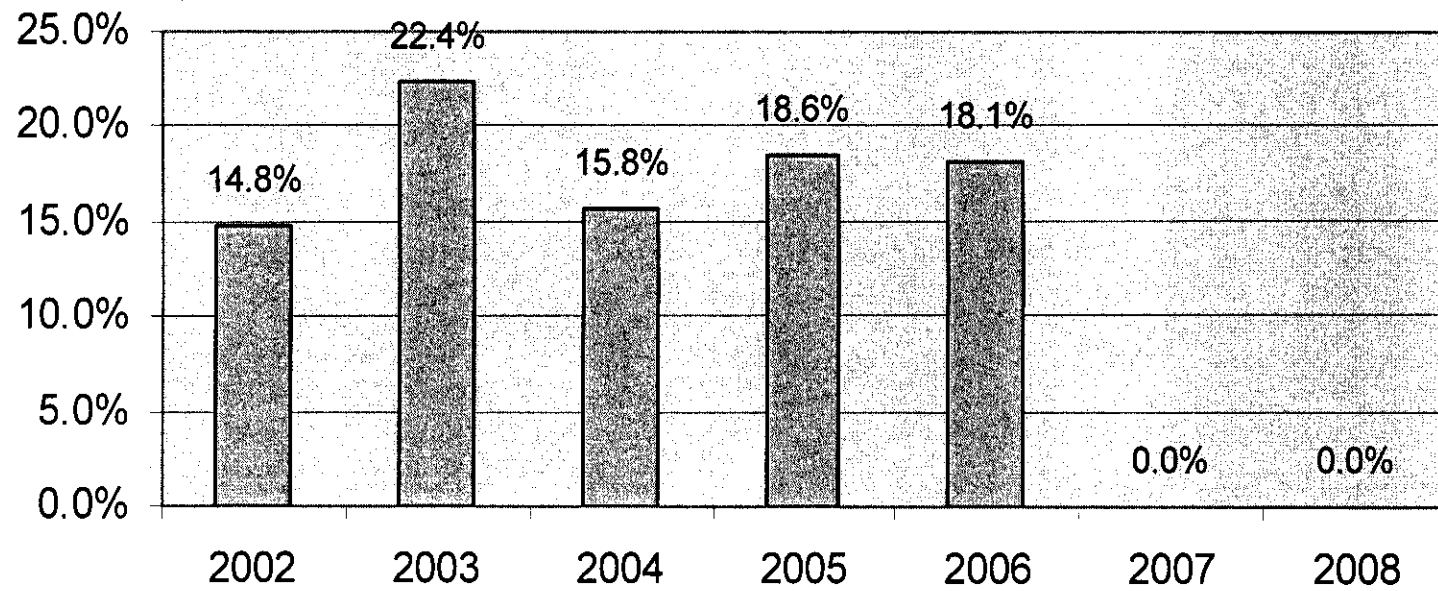


## Residential Property Change Including Projected 2007 and 2008



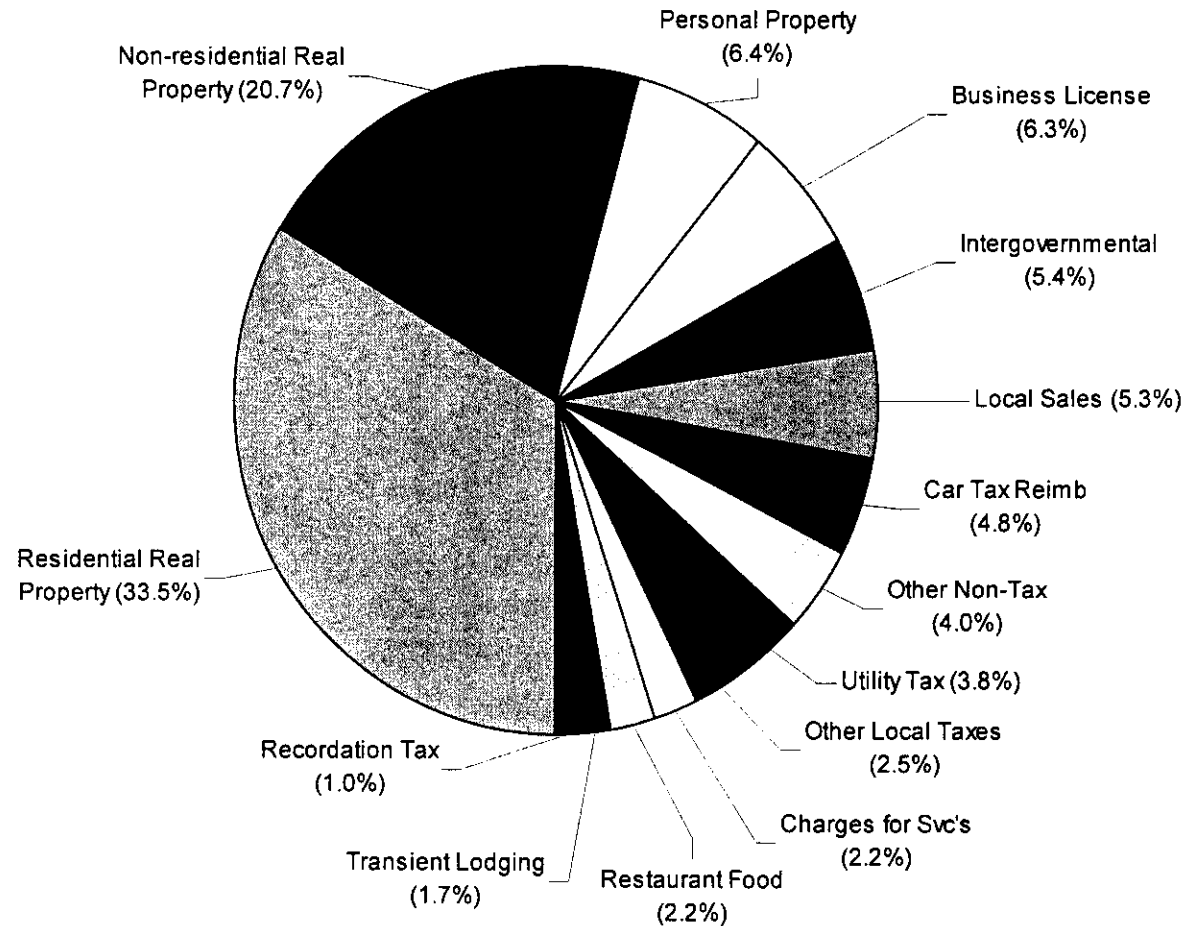


### Single Family Property Appreciation Including Projected 2007 and 2008

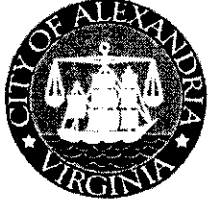




# FY 2007 Approved General Fund Revenues



City Council Retreat  
November 4, 2006



# General Fund Revenue Issues

- Low Real Estate Tax Base Growth
- Slow Growth in Other Tax Revenues
- Slow Growth in State Aid
- Federal Aid Cutbacks



# Fee Issues

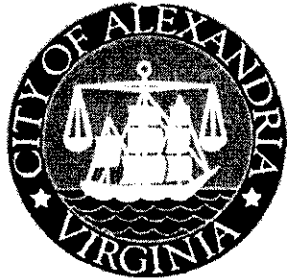
- Solid Waste at 100% Cost Recovery
- Sanitary Sewer at 100% Cost Recovery
- Improved Cost Recovery of Recreation Fees
- Study of Stormwater Management Utility



# Stormwater Management Utility

- June 2006 reinforced awareness of limitations and gaps of storm sewer collection system
- Identifying and correcting gaps will be costly
- Other environmental-related improvements needed
- Dedicated funding source needed to fund costly construction projects, environmental improvements and operating and maintenance of storm sewer system





# FY 2008 Expenditure Outlook

- Increase in revenues under current tax rates = \$11.2 M
- \$34.1 M City increases requested
  - \$20.4 M for City operating budget
  - \$1.2 M for transit subsidies
  - \$12.5 M for Debt Service and Cash Capital for CIP
- \$22.0 M in Schools operating budget Superintendent's preliminary forecast
- \$56.1 M Total (includes 2.0% COLA)