

FY 2011 Budget Work Session
Revenues and Real Estate Assessments
February 16, 2010



CY 2010 Overall Real Property Assessment Changes

- Real Property assessments decreased 7.45% or \$2.56 billion from January 1, 2009 to January 1, 2010
- \$2.32 billion was due to depreciation of existing properties
- \$415 million was a decrease in value from January 1, 2009 to December 31, 2009
- \$176 million was new growth



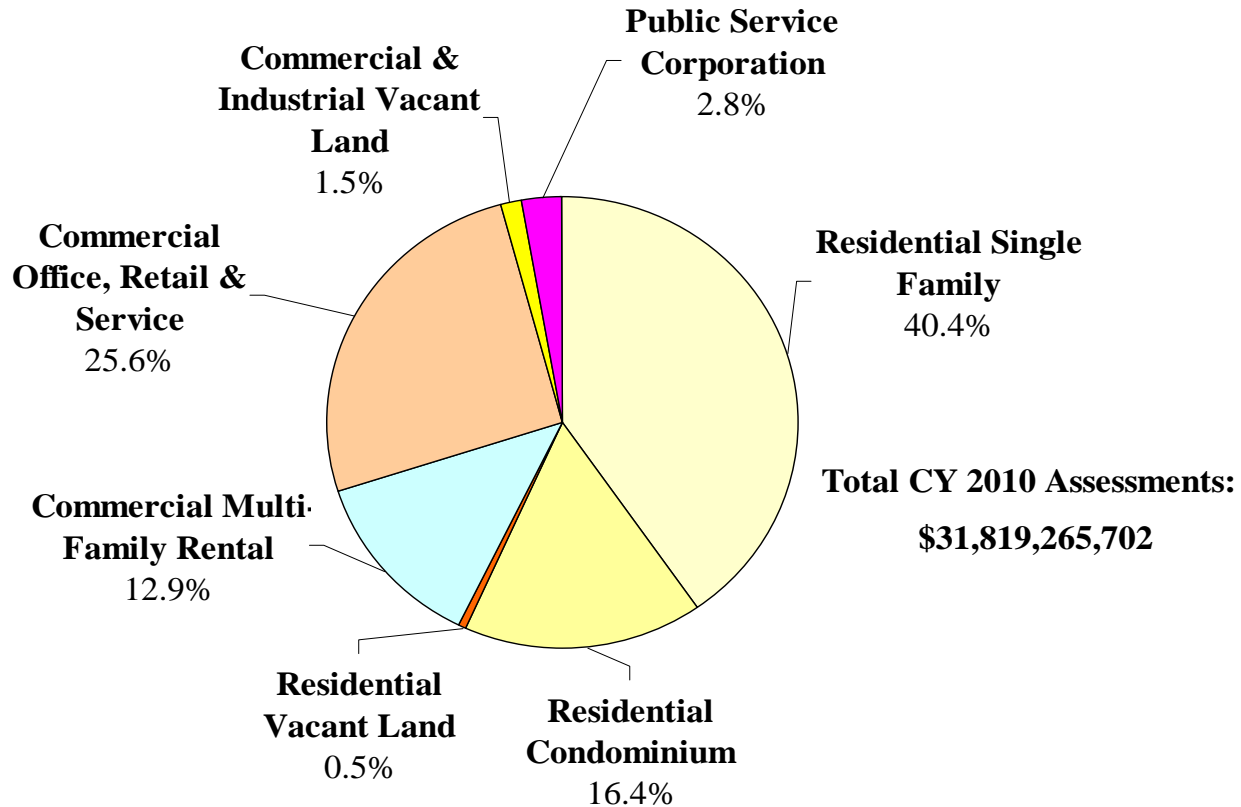
CY 2010 Overall Changes (cont'd)

January to January

- Residential Tax Base - 5.46%
- Commercial Tax Base - 10.63%
- SCC Tax Base + 0.73%
- New Growth + 0.52%



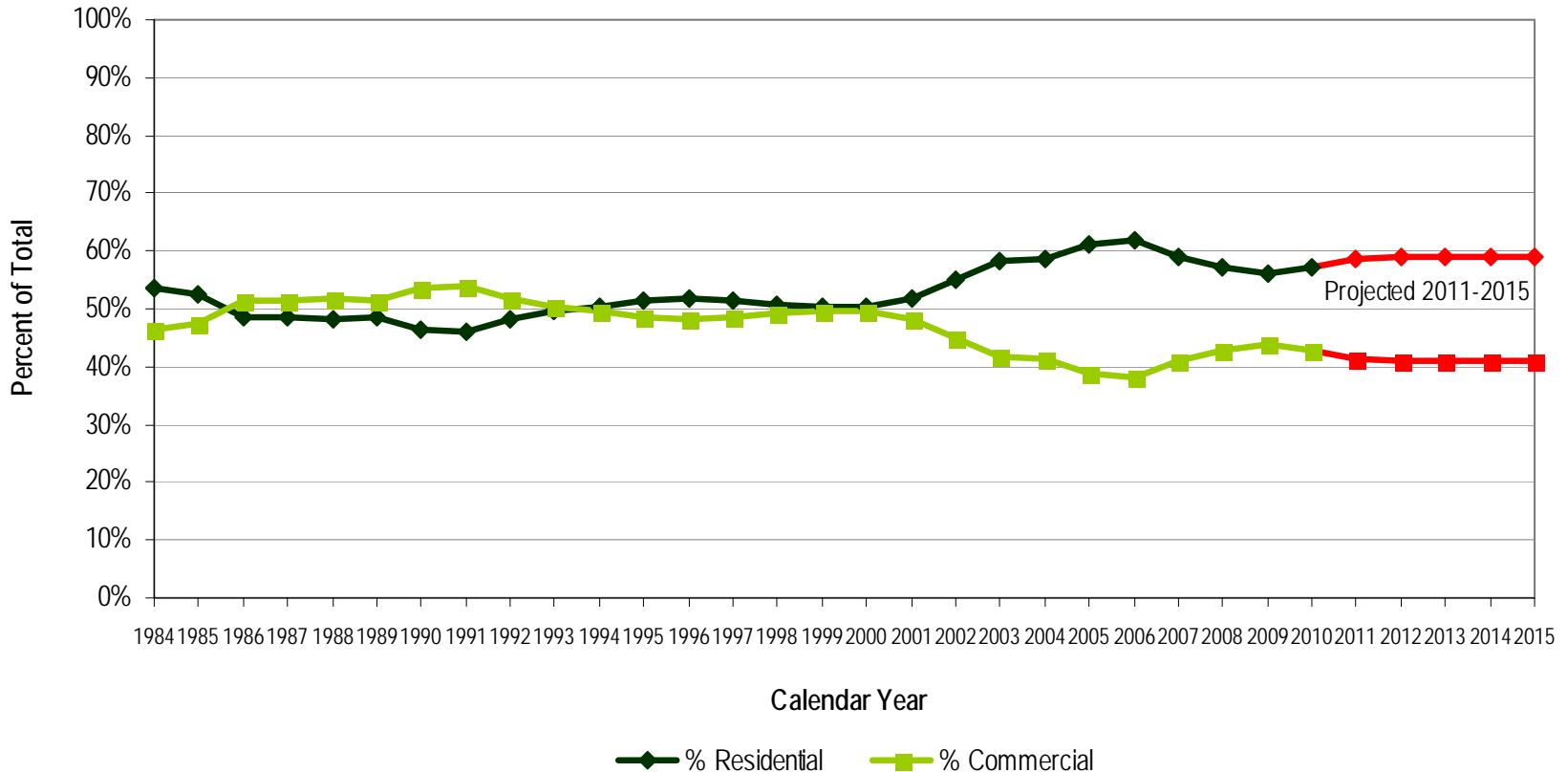
2010 Real Estate Tax Base



Real Estate Tax Base Distribution

CY 1984 to CY 2015

CY 2011-CY 2015 Projected

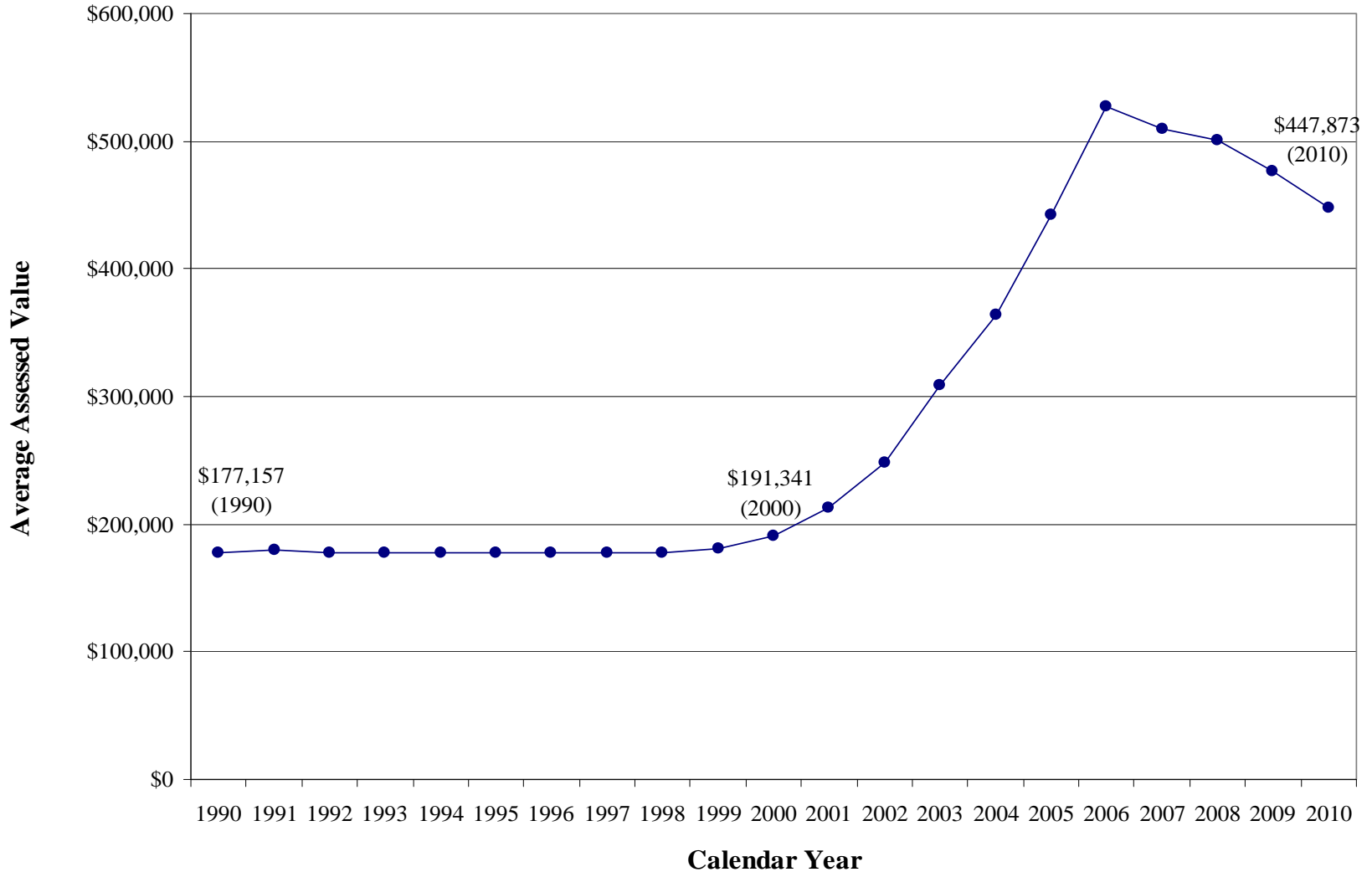


CY 2010 Residential Property (Existing Properties)

- Existing Residential decreased by - 5.17%
- Average SF & Condo AV \$447,873
- Average SF \$612,749 - 4.03%
- Average Condo \$269,695 - 7.83%

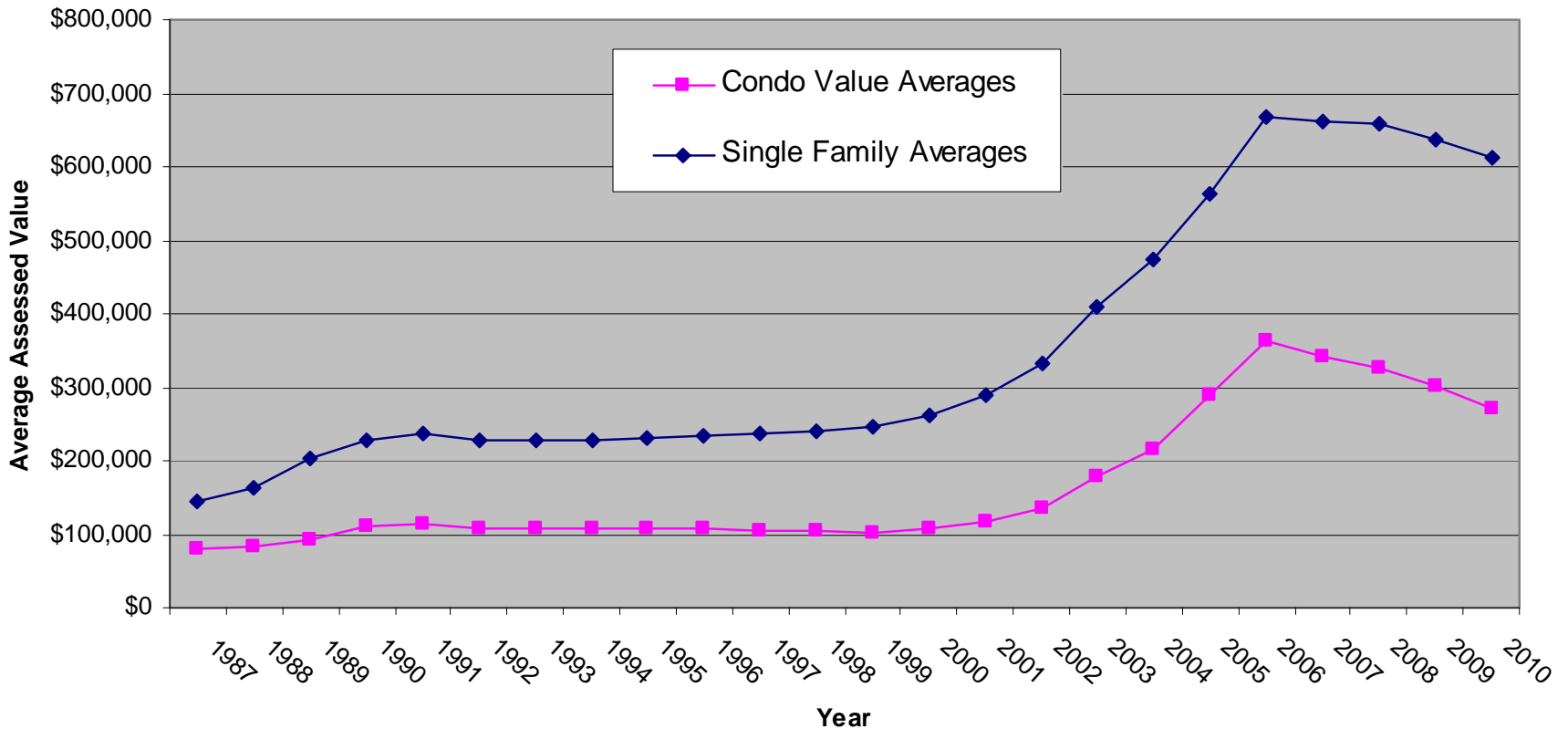


Average Residential Assessed Value Since 1990

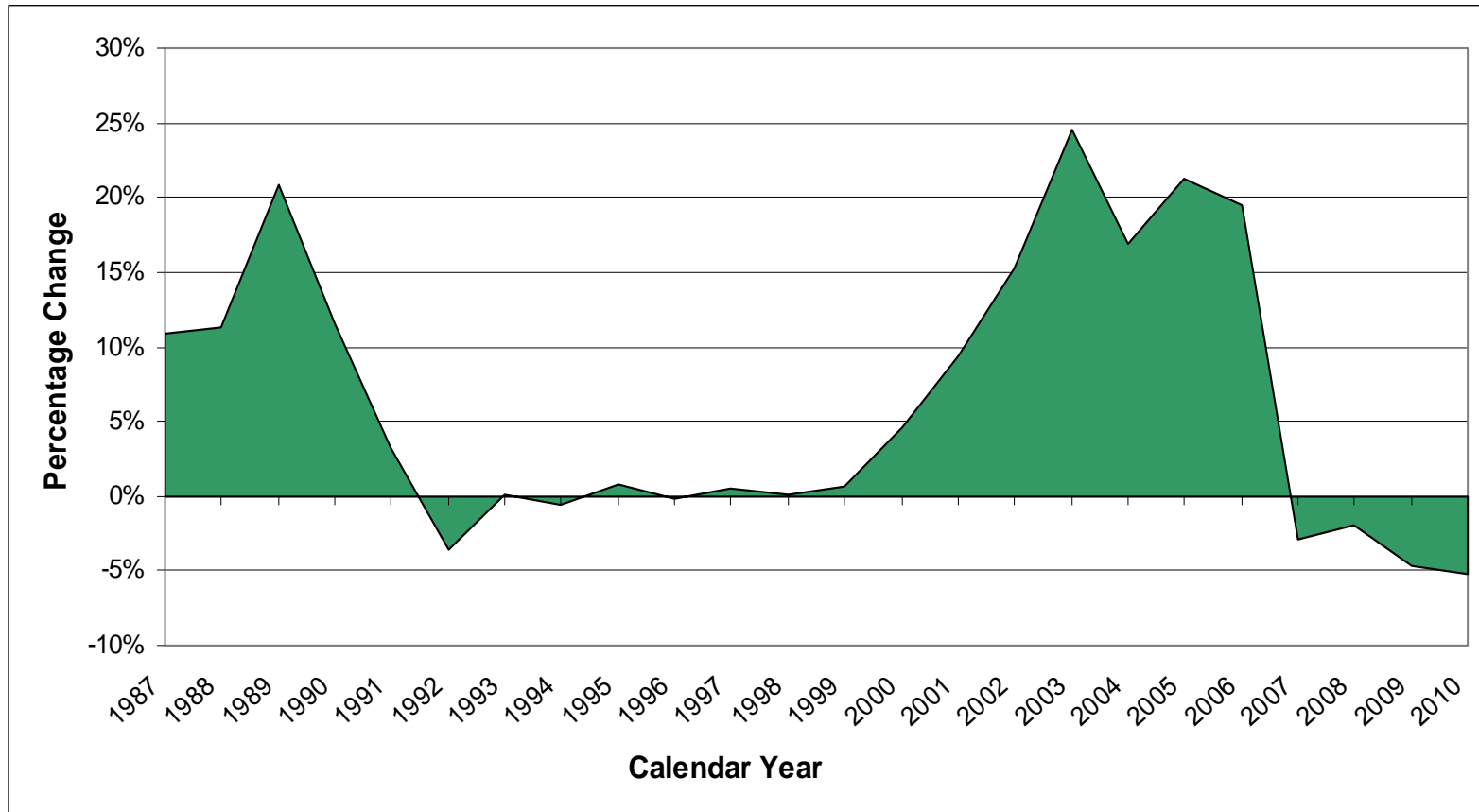


Average Residential Assessed Value

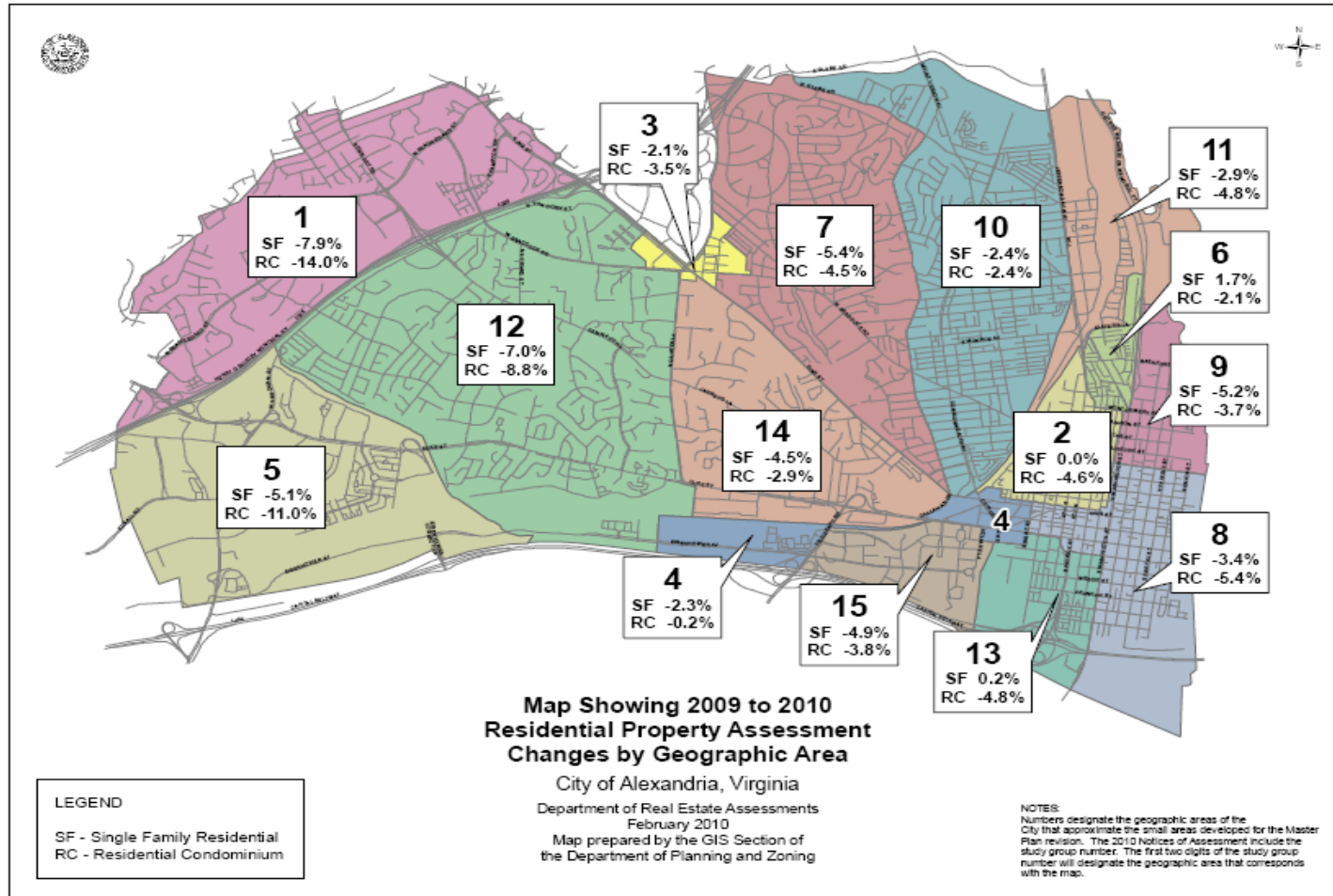
Average Residential Assessed Value



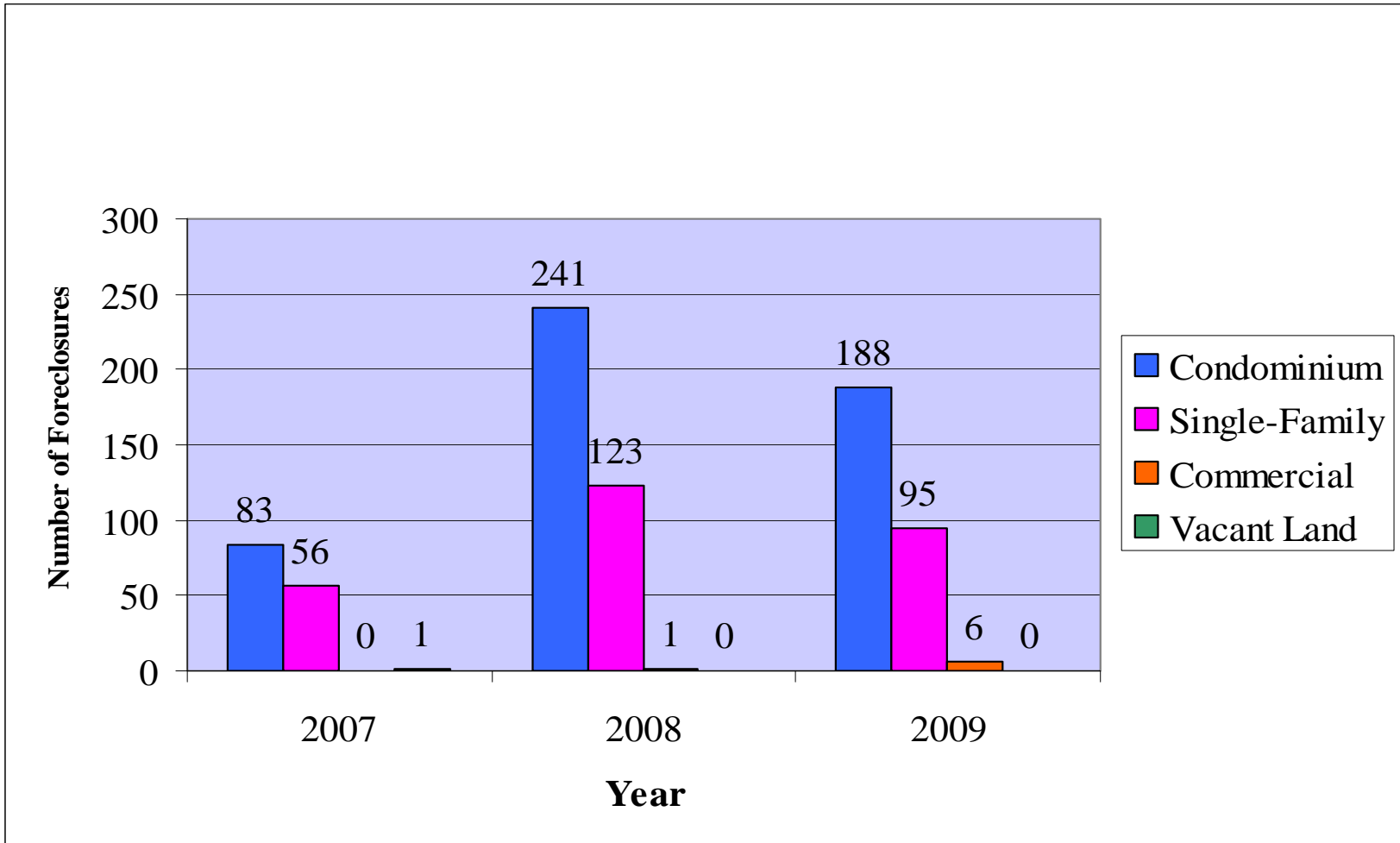
Residential Appreciation % Change Calendar Year 1987 - 2010



2009 to 2010 Residential Property Value Change by Geographic Area



Foreclosures by Property Type 2007-2009

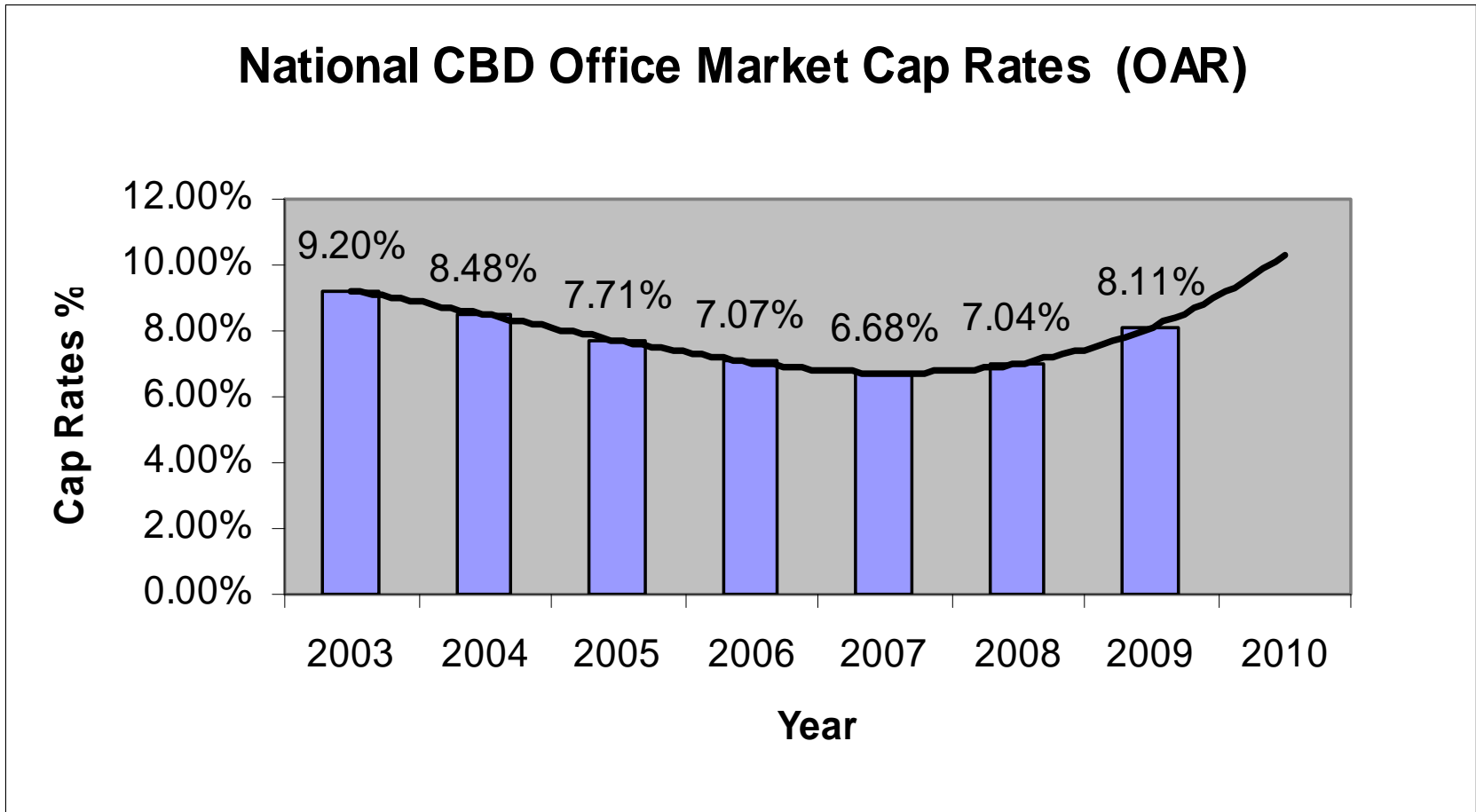


CY 2010 Commercial Property Assessments (Existing properties)

- Existing commercial decreased - 9.60%
 - Office buildings - 12.11%
 - Apartments - 8.59%
 - Hotels - 12.85%
 - Shopping Centers - 7.7%
 - General Commercial - 7.24%
 - Warehouses - 7.11%
- New commercial construction \$135.3 million



Capitalization Rate Trends 2002-2009



What do we expect for commercial properties?

A long road back

- Lackluster economic recovery
- Problematic job growth
- Rents and occupancies will continue to fall in 2010
- Retail and office properties take the biggest hits
- Apartments should rebound more quickly than other sectors, potentially in 2011
- Hotel sector can benefit quickly once businesses loosen travel budgets
- The coming year – continued decline in the commercial values
- Housing market stabilizes, and shows slow modest improvement

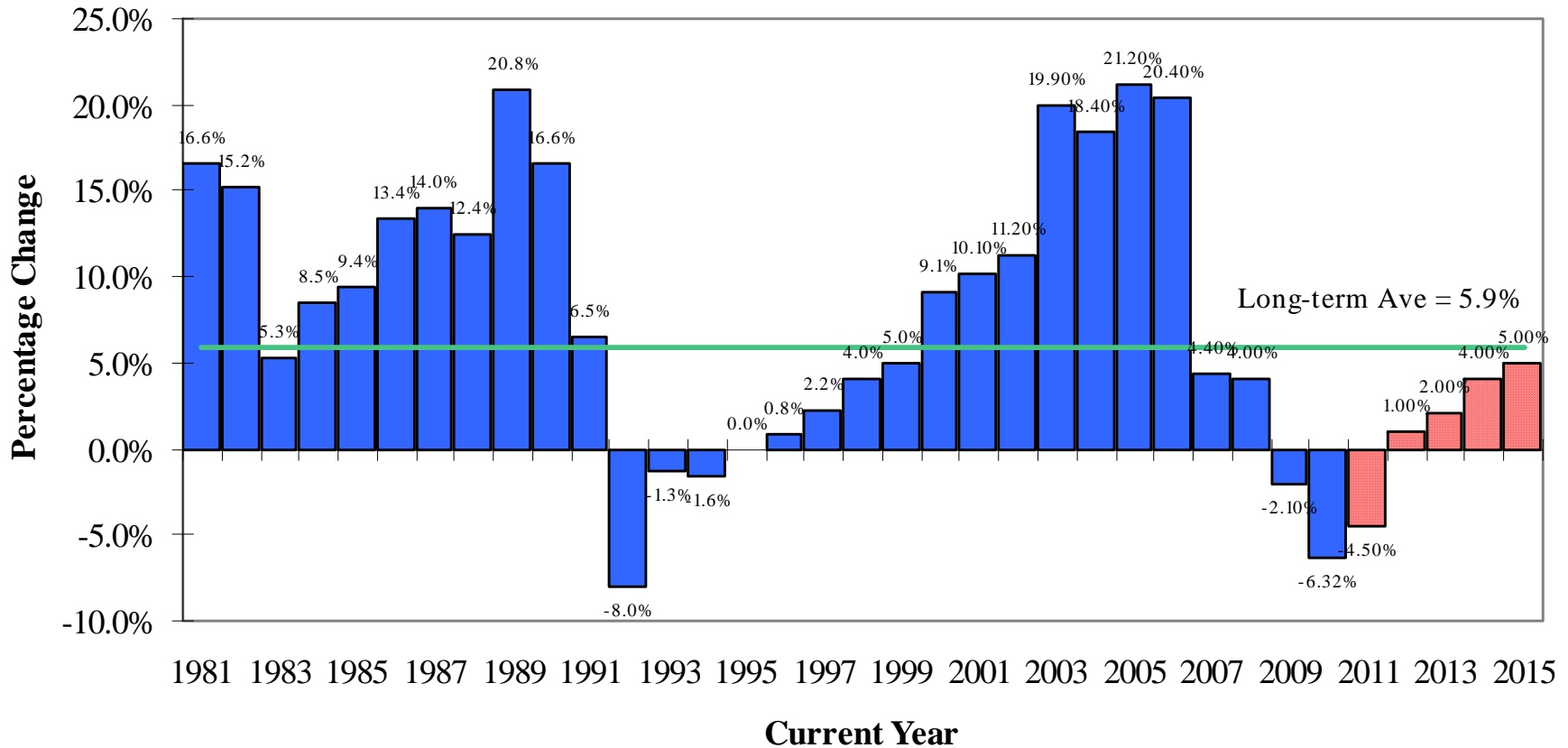


- Ultimately....

–Still foggy outlook as to when the industry will start to recover



30-Year History of Percentage Change in Real Property Tax Base CY 2011-CY 2015 Projected



FY 2011 Revenue Estimates

Millions of Dollars

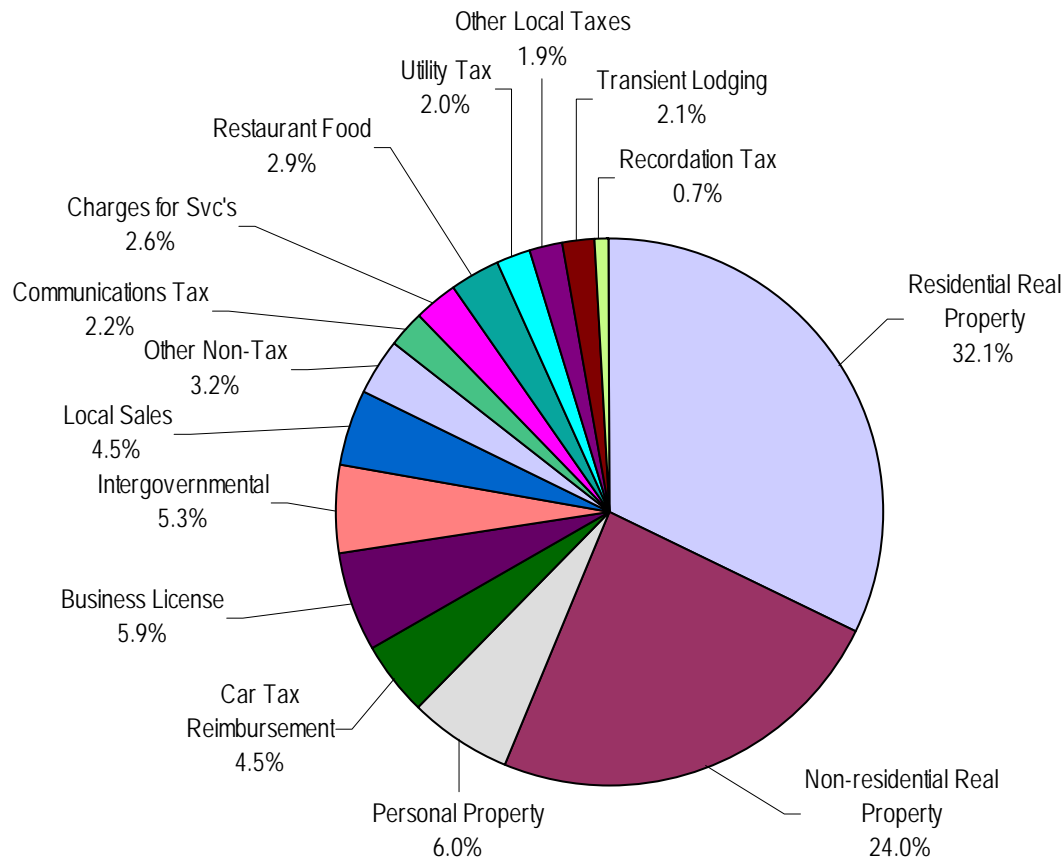
	FY 2010 Approved	FY 2010 Projected	FY 2011 Proposed	%Change 10 Approved/ 11 Proposed*
Real Property Taxes	\$296.3	\$303.5	\$296.2	0.0%
Other taxes	149.1	149.4	151.4	1.5%
Taxes	445.4	452.9	447.6	0.5%
Non-tax revenue	27.6	26.1	28.8	4.3%
Federal & State Revenue	53.4	51.7	51.5	-3.6%
Prior Year Surplus & Transfers	3.6	3.6	6.2	72.2%
Total	\$530.0	\$534.4	\$534.1	0.8%

- Total FY 2011 General Fund revenues are expected to increase 0.8% compared to the FY 2010 Approved Budget including the impact of a 7 cent increase in the real estate tax rate.
- Even with a 7 cent increase in the real estate tax rate, total taxes paid by Alexandrians would only increase 0.5% from the estimate in the FY 2010 Approved Budget.
- No other tax rates are proposed to increase in the base budget.



General Fund Revenue Distribution

FY 2011 Estimates



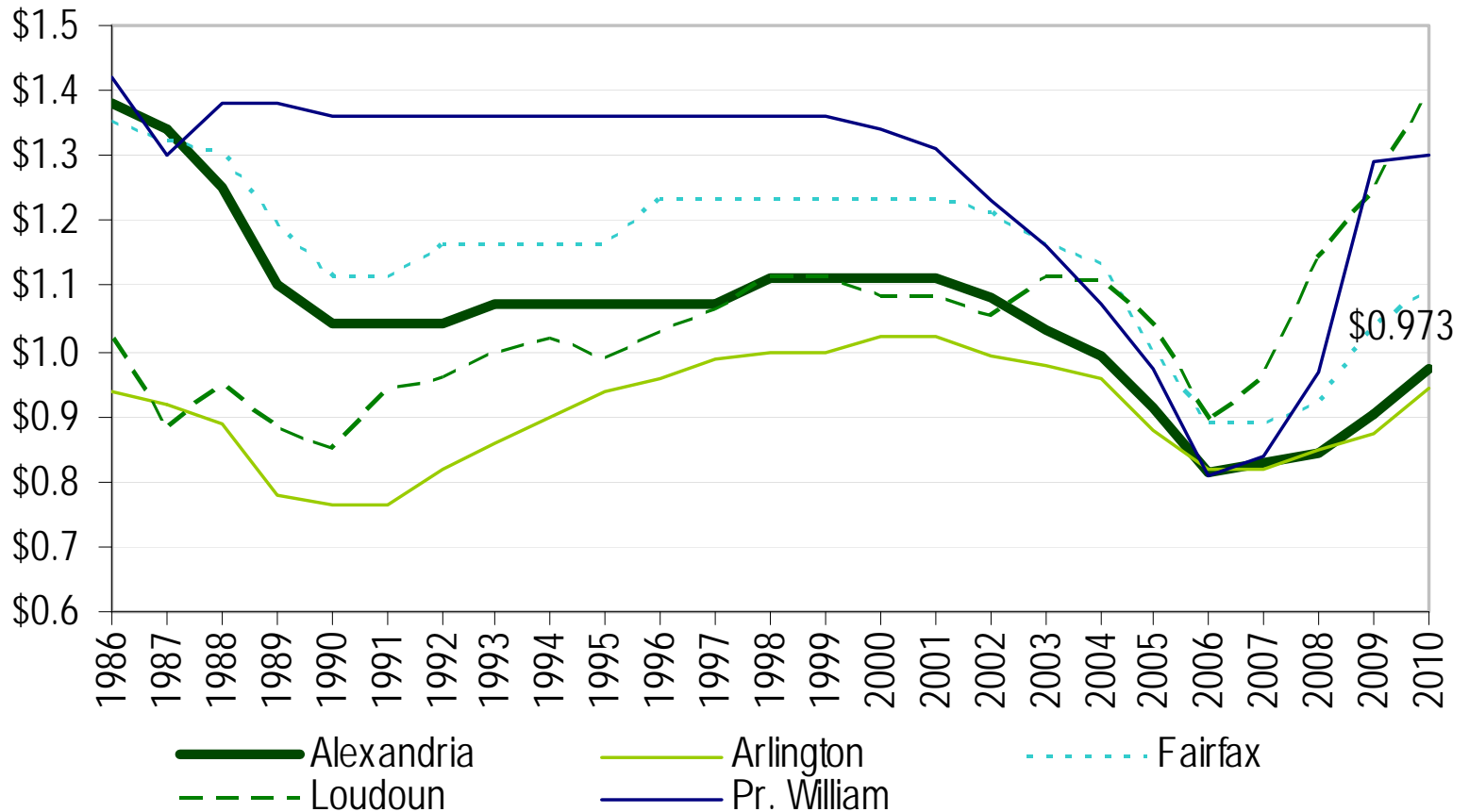
Use of Fund Balance & Other Financing

	FY 2009 Actuals	FY 2010 Approved	FY 2010 Projected	FY 2011 Proposed
City Fund Balance prior year surplus	NA	\$2,315,347	\$2,315,347	\$3,600,000
City Fund Balance FY 2010 surplus	NA	NA	NA	\$1,144,291
Sewer Fund (Transfer in)	\$1,323,910	\$1,301,560	\$1,301,560	\$1,200,361
IT Equipment Replacement Fund (transfer in)	\$900,000	NA	NA	NA
Transfer-in from liquidates special revenue account	NA	NA	NA	\$246,352
Total	\$2,223,910	\$3,616,907	\$3,616,907	\$6,191,004

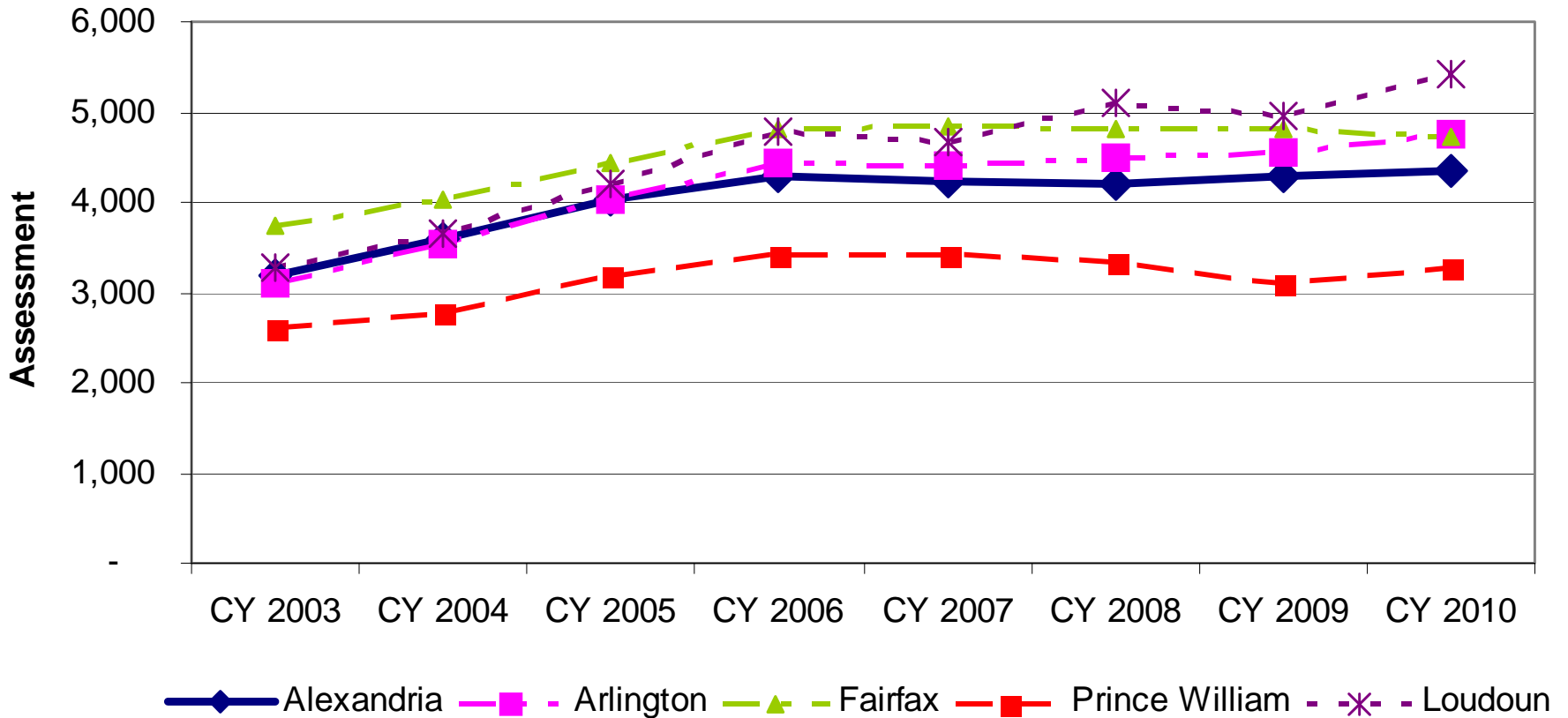
- Total increase of \$2.6 million in use of fund balance and other financing sources compared to FY 2010 budget.



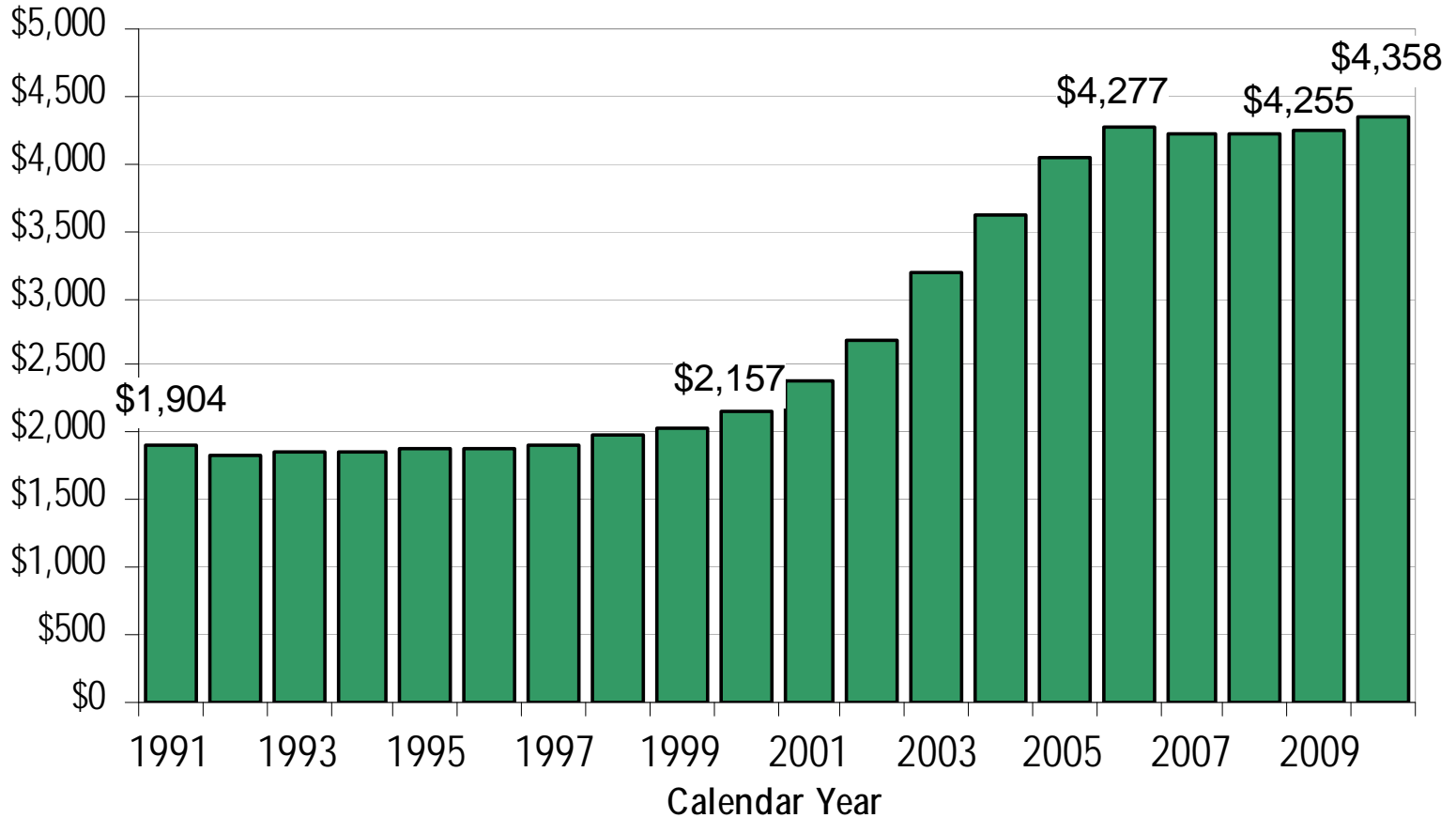
Real Estate Tax Rate (Proposed) Cents Per \$100 of Assessed Value



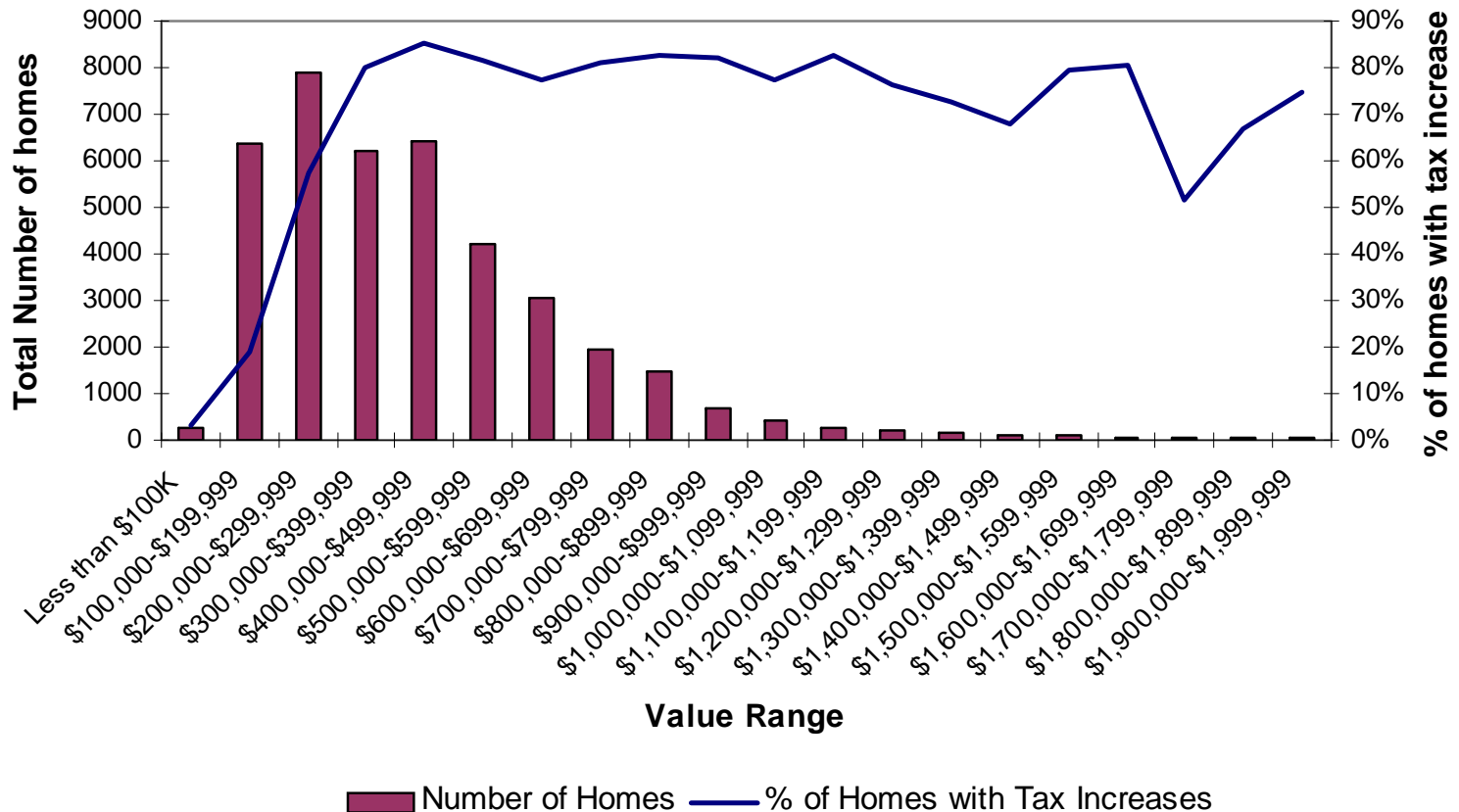
Comparison of Local Tax Assessments CY 2003 - CY 2010 Proposed



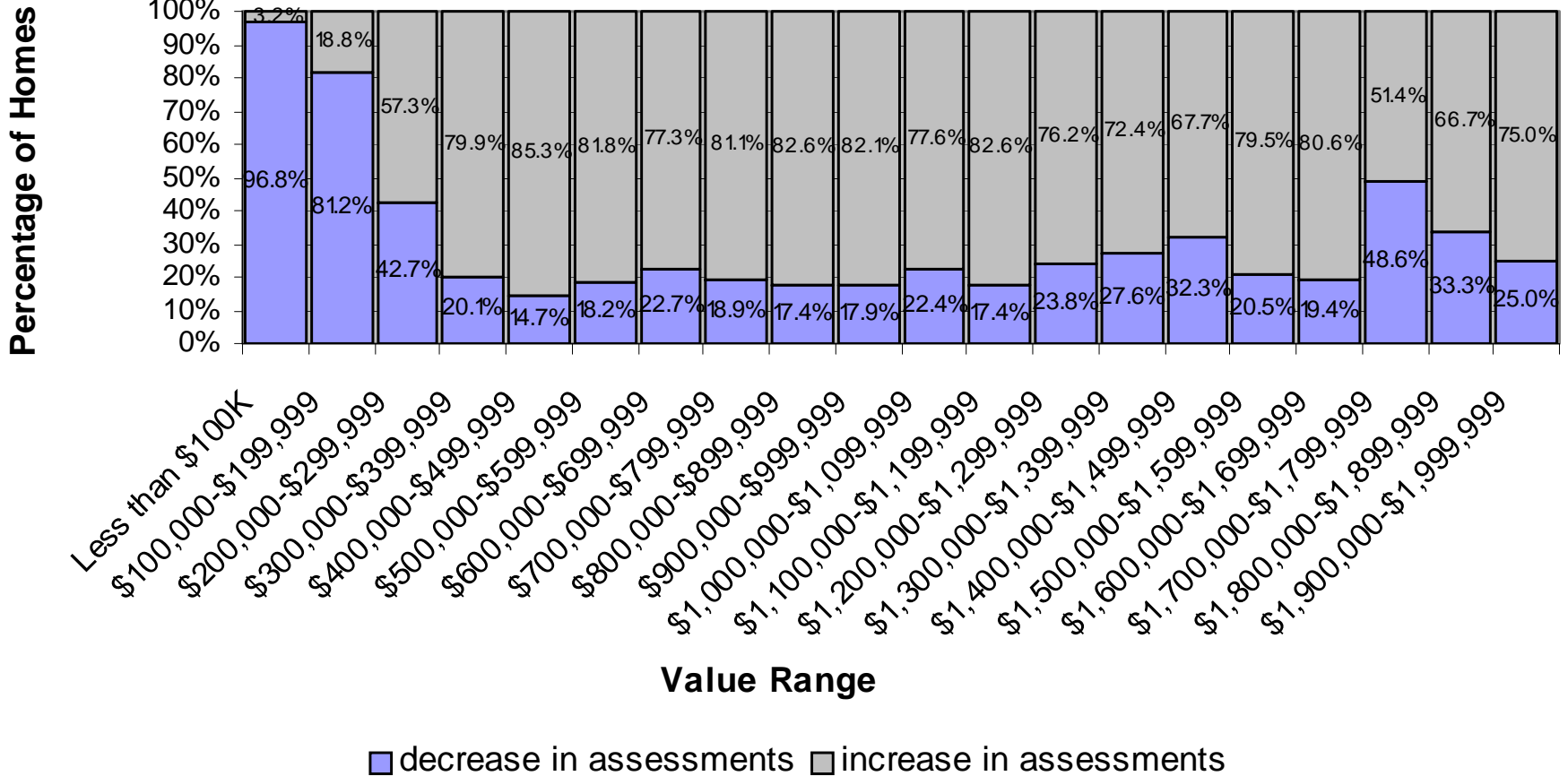
Average Residential Tax Bill



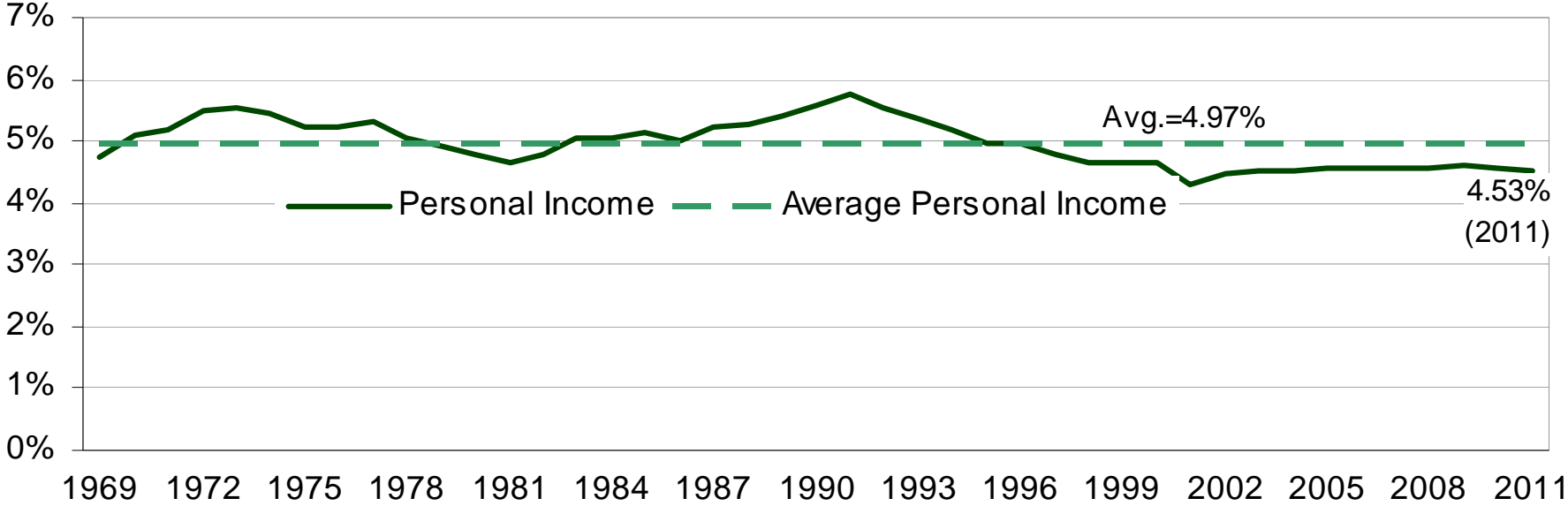
Percentage of Homes with Tax Increases Under 7 cent rate increase in Proposed Budget



Percentage of Homes with Tax Increases Under 7 cent rate increase in Proposed Budget



General Fund Revenue from Local Sources as a Percentage of Personal Income



Significant Fee and Fine Changes

Department	Tax Rate/ Fee	Estimated Revenue
Finance	Street parking permit fees	\$200,000
Recreation	Miscellaneous Fees	\$80,640
Transportation & Environmental Services	Parking meter rate increase	\$358,427
	Residential refuse collection fee (base budget)	-\$91,184
	Other T&ES fee adjustments	\$328,725
Total		\$876,608
		Expenditure Reduction
	Rate increases that reduce City expenditures	
T&ES	Increase the out of City DOT paratransit fare (City subsidy reduce by riders paying a greater share of the cost)	\$102,500
City Total		\$102,500
DASH	Increase in DASH bus fare from \$1.25 to \$1.50 and monthly pass from \$30 to \$35.	



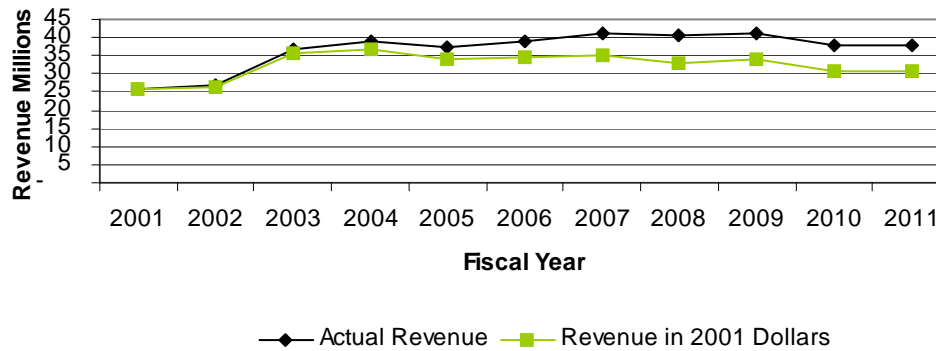
Revenue and Expenditure options not included in the base budget

- Increase in sanitary sewer fee in order to fund sewer projects
- New stormwater utility fee to fund stormwater improvement projects in order to reduce flooding and the environmental impacts of stormwater pollutants entering streams and rivers
- Add-on real estate tax on commercial properties in order to expand transportation system capacity
- Details will be provided at later work sessions

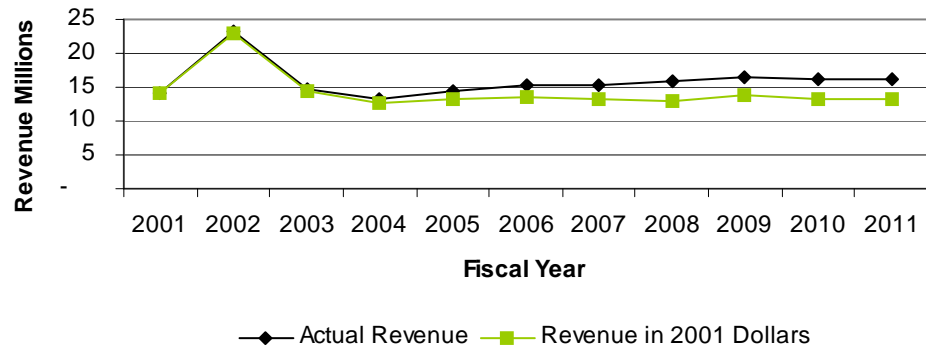


Personal Property Tax Revenue including State Subsidy FY 2001- FY 2011 Proposed

Vehicular Personal Property tax (including state subsidy)



Business Personal Property Tax



FY 2011 Vehicular estimate = \$37.8 million

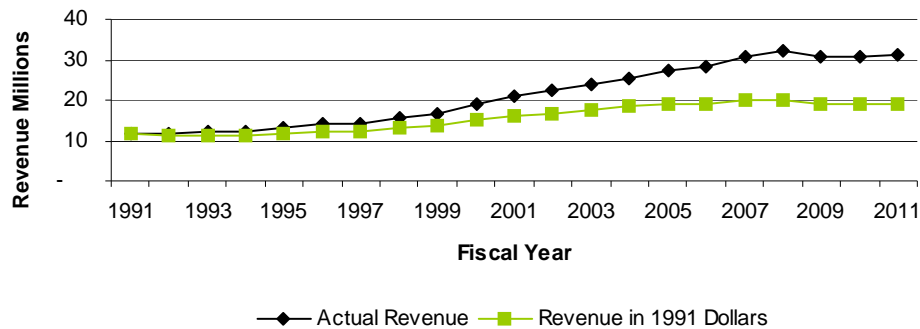
FY 2011 Business Personal Property estimate = \$16.2 million



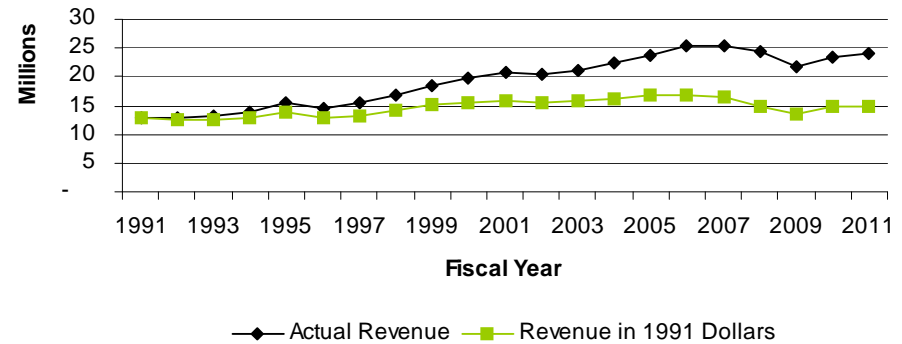
Business License Tax, Sales Tax Revenue

FY 1991 – FY 2011 Proposed

Business License (BPOL) tax



Sales Tax



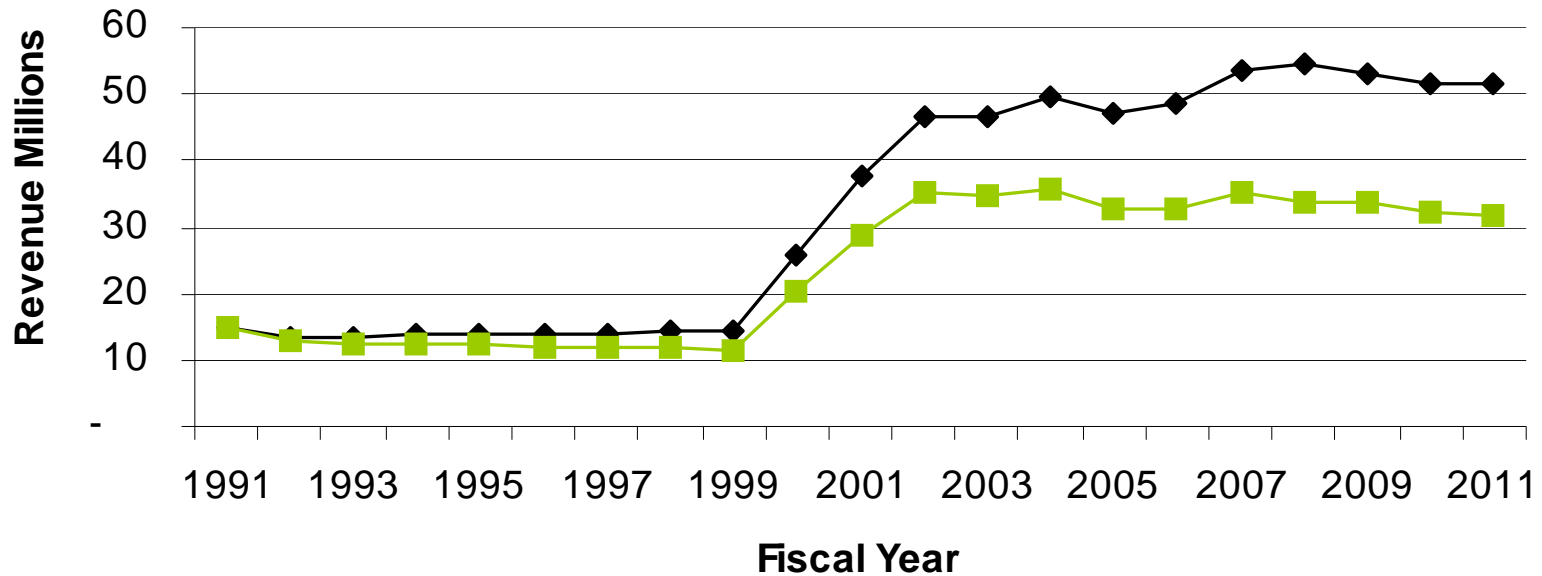
FY 2011 Business License tax estimate = \$31.1 million

FY 2011 Sales Tax estimate = \$24.0 million



Intergovernmental Revenues

FY 1991 - FY 2011 Proposed



—◆— Actual Revenue —■— Revenue in 1991 Dollars

- FY 2011 estimate including state subsidy = \$51.5 million
- State revenue highly uncertain



Long-range budget is out of balance

Long-range Forecast Scenarios
FY11-FY21

