

# City of Alexandria, Virginia

## MEMORANDUM

DATE: MARCH 4, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

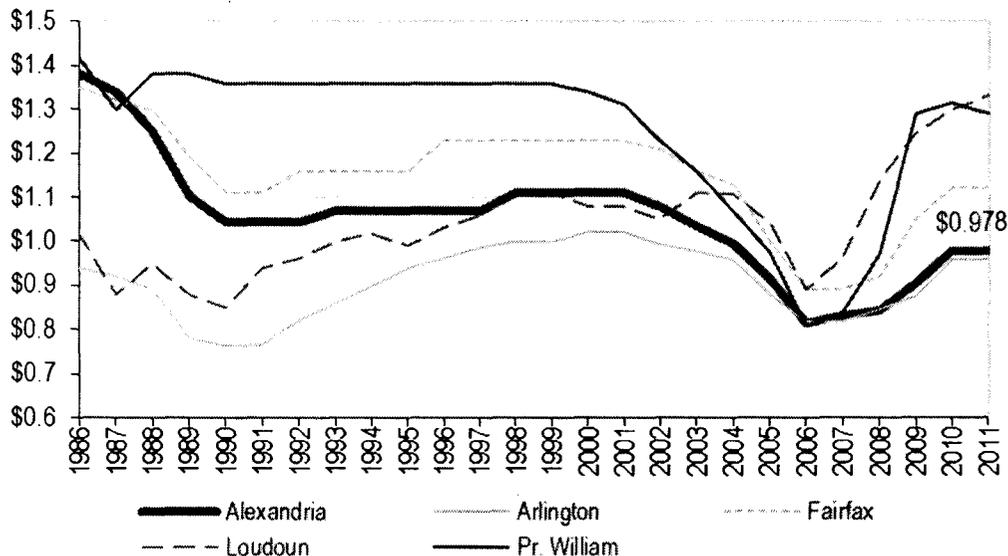
FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 8 : COMPARATOR JURISDICTIONS REAL PROPERTY TAX RATES

This memorandum provides information on real property tax rates of comparator jurisdictions including the counties of Arlington, Fairfax, Loudoun, and Prince William.

The graph below shows Real Estate Tax Rates from 1986 through the proposed 2011 rates. Alexandria's proposed rate is higher only than Arlington County's.

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



**Real Estate changes in neighboring jurisdictions.** As shown in the table on the following page, Arlington has chosen to advertise a 1 cent increase; Fairfax County has proposed no tax increase; Loudoun County has proposed to increase its tax rate by 3 cents; and Prince William County has proposed to decrease its tax rate by 2.44 cents. It is likely that after the budgets of all the neighboring jurisdictions are approved, Alexandria will continue to have one of the lowest tax rates among major jurisdictions in Northern Virginia.

**Blended Tax Rates for Residential Properties (by jurisdiction)**

Tax Year	Alexandria	Arlington	Fairfax	Loudoun	Pr. William ****
1986	1.380	0.940	1.35	1.02	1.420
1987	1.340	0.920	1.32	0.88	1.300
1988	1.250	0.890	1.30	0.95	1.380
1989	1.100	0.780	1.19	0.88	1.380
1990	1.045	0.765	1.11	0.85	1.360
1991	1.045	0.765	1.11	0.94	1.360
1992	1.045	0.820	1.16	0.96	1.360
1993	1.070	0.860	1.16	1.00	1.360
1994	1.070	0.897	1.16	1.02	1.360
1995	1.070	0.940	1.16	0.99	1.360
1996	1.070	0.960	1.23	1.03	1.360
1997	1.070	0.986	1.23	1.06	1.360
1998	1.110	0.998	1.23	1.11	1.360
1999	1.110	0.998	1.23	1.11	1.360
2000	1.110	1.023	1.23	1.08	1.340
2001	1.110	1.023	1.23	1.08	1.310
2002	1.080	0.993	1.21	1.05	1.230
2003	1.035	0.978	1.16	1.11	1.160
2004	0.995	0.958	1.13	1.1075	1.070
2005	0.915	0.878	1.00	1.04	0.974
2006	0.815	0.818	0.89	0.89	0.8071
2007	0.830	0.818	0.89	0.96	0.8379
2008	0.845	0.848 **	0.92	1.14	0.97
2009	0.903	0.875 **	1.050 ***	1.245	1.291
2010	0.978 *	0.958 **	1.121 ***	1.30	1.3146
2011	0.978 *	0.968 **	1.121 ***	1.33	1.2902

\*Beginning in CY 2010, Alexandria levied an added on tax of \$0.005 cents for storm water management. In CY 2011, Alexandria has proposed adding 12.5 cents for commercial properties for transportation purposes for a total commercial tax rate of \$1.103.

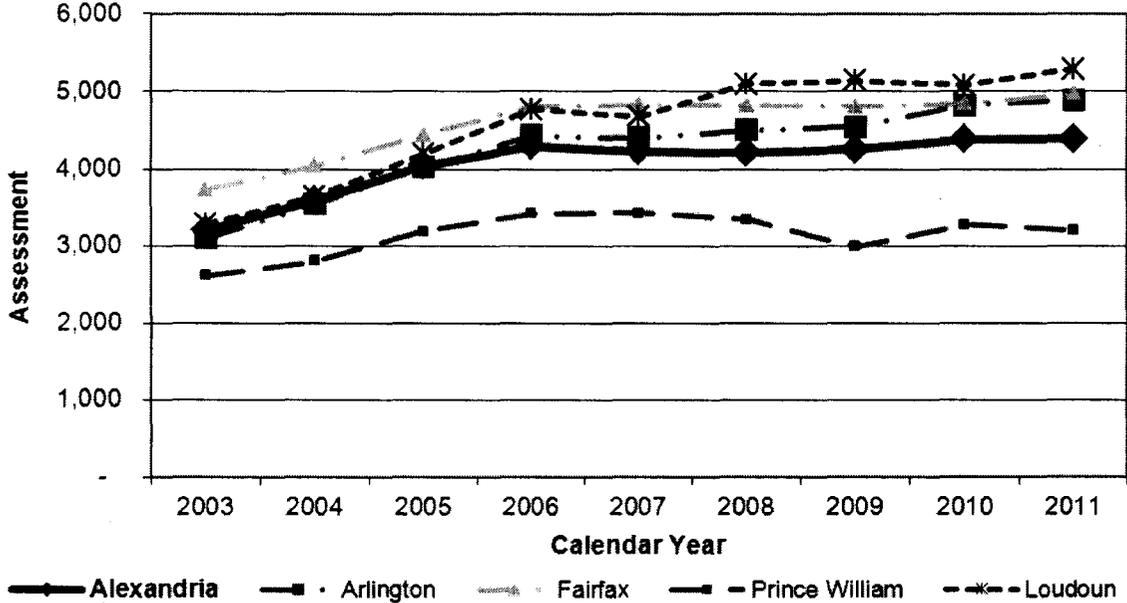
\*\* The Arlington rate includes a County-wide add-on tax of \$0.01 for stormwater management initiatives. The Arlington rate also adds 12.5 cents for commercial properties for transportation purposes for a total commercial tax rate of \$1.093. The Arlington County Board of Supervisors has advertised an increase of 1 cent, although the County Manager had proposed no increase.

\*\*\* The Fairfax rate also adds 11 cents for commercial properties for transportation purposes for a total of \$1.20.

\*\*\*\* Prince William includes a general tax levy of \$1.213 and two special levies totaling \$0.0772 that are levied throughout the County.

The following graph shows the average residential tax bill by jurisdiction. Under the proposed budget, Alexandria's average residential tax bill is lower than all area jurisdictions except for Prince William County's, where the average home value is much lower. Since 2006, Alexandria's average residential tax bill has been the second lowest among major Northern Virginia jurisdictions.

**Comparison of Local Tax Assessments  
CY 2003 - CY 2011 Proposed**



The graph below shows by home value ranges the percentage of residential properties in the City of Alexandria with an increase in assessments, no change in assessments, or a decrease in assessments with an unchanged blended tax rate of \$0.978 by CY 2011 assessed value. In total 45.4% of Alexandria residential properties had an increase, 37.9% had a decrease, and 16.7% had no change.

### Percentage of Homes with Tax Increases under no tax rate change in Proposed Budget

