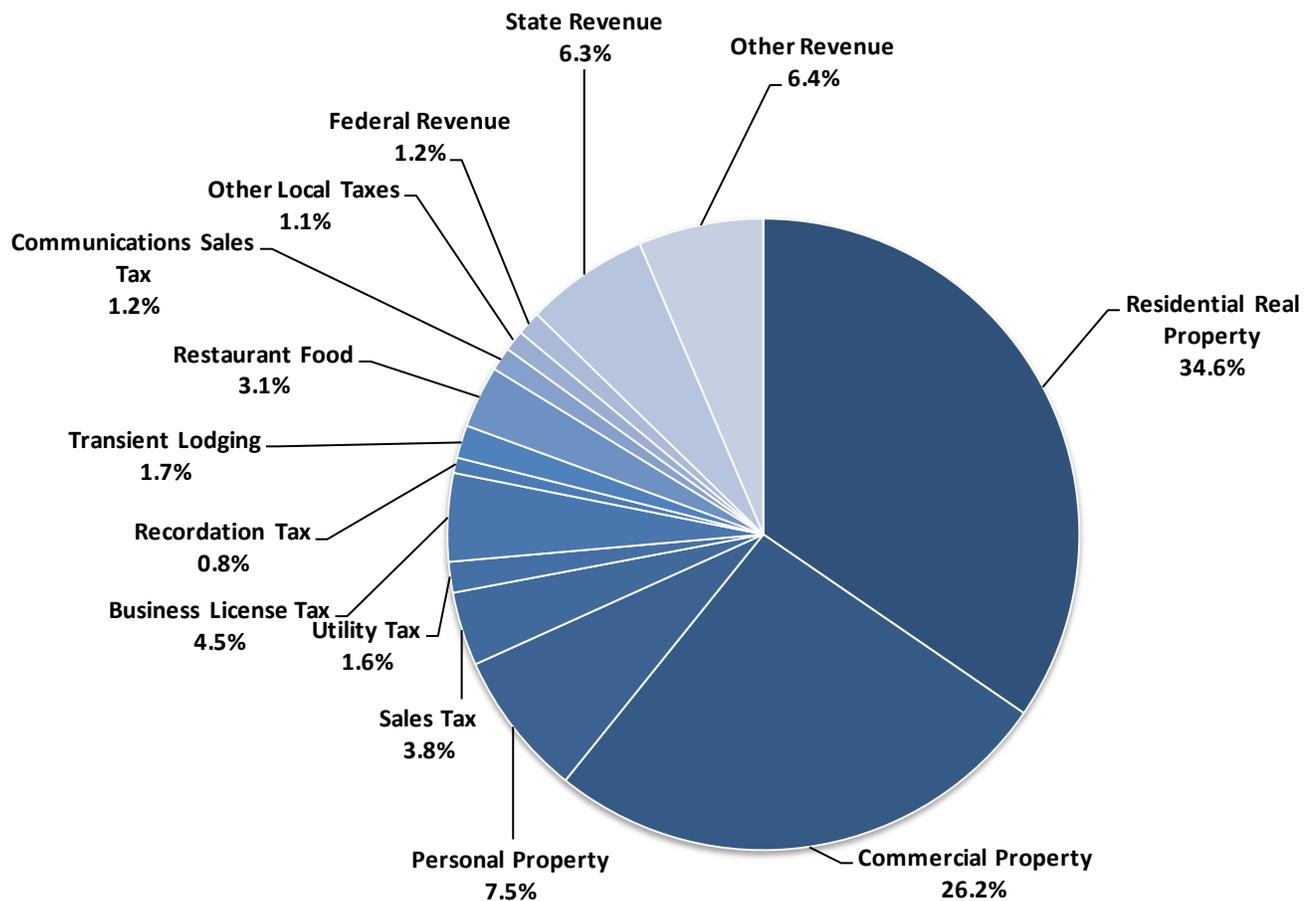


# Revenues



## GENERAL FUND REVENUES

The pie chart below shows the distribution of estimated General Fund revenues for FY 2020 of **\$761,542,268**.



## Revenues



## GENERAL FUND REVENUES

General Fund Revenue	FY 2018 Actual	FY 2019 Approved	FY 2019 Projected	FY 2020 Approved
General Property Tax Revenue				
Real property tax	438,341,911	446,963,782	450,246,430	462,848,143
Personal property tax	49,240,775	50,800,000	51,580,000	56,926,910
Penalties and Interest	2,622,511	3,300,000	2,318,598	2,708,000
<i>Total general property tax revenue</i>	<i>490,205,196</i>	<i>501,063,782</i>	<i>504,145,028</i>	<i>522,483,053</i>
Other local tax revenue				
Local sales tax	27,257,656	27,700,000	28,300,000	28,800,000
Utility tax	12,069,408	11,800,000	12,000,000	12,000,000
Business licenses	33,846,543	34,878,000	34,378,000	34,378,000
Motor vehicle licenses	3,675,482	3,800,000	3,800,000	-
Recordation	7,359,257	5,300,000	6,400,000	6,000,000
Cigarette	2,777,656	2,800,000	2,600,000	2,600,000
Transient Lodging	12,883,323	13,275,000	12,600,000	12,800,000
Restaurant food	18,283,682	24,150,000	24,000,000	24,231,000
Admissions	688,505	670,000	670,000	670,000
Communications service	9,881,812	9,900,000	9,400,000	9,200,000
Other miscellaneous	4,725,581	4,745,000	4,745,000	4,809,090
<i>Total other local tax revenues</i>	<i>133,448,905</i>	<i>139,018,000</i>	<i>138,893,000</i>	<i>135,488,090</i>
Non-tax revenue				
Licenses, permits, and fees	2,235,428	2,612,678	2,612,678	2,615,350
Fines forfeitures	5,024,337	5,193,450	4,630,450	4,930,450
Use of money and property	7,307,650	8,031,110	10,843,000	11,406,650
Charges for services	21,272,076	21,748,168	22,260,539	15,790,462
Noncategorical State (PPTRA)	23,578,531	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	33,008,881	33,406,758	32,567,776	33,961,515
Miscellaneous	1,646,321	1,853,215	1,910,000	2,016,285
<i>Total non-tax revenue</i>	<i>94,073,224</i>	<i>96,423,910</i>	<i>98,402,974</i>	<i>94,299,243</i>
<b>Total General Fund Revenues</b>	<b>717,727,325</b>	<b>736,505,692</b>	<b>741,441,002</b>	<b>752,270,386</b>
<b>Other financing sources (uses)</b>				
Appropriations to/from Fund Balances				
Contribution to/Use of Fund Balance	-	-	-	-
Transfer from special revenue acct. <sup>1</sup>	10,705,736	11,921,244	11,921,244	9,271,882
Total Transfers In	10,705,736	11,921,244	11,921,244	9,271,882
<b>Total General Fund Revenues and Other Sources</b>	<b>728,433,062</b>	<b>748,426,936</b>	<b>753,362,246</b>	<b>761,542,268</b>

<sup>1</sup>. Transfers from special revenue accounts include sanitary sewer fee revenue transferred to the General Fund to pay for sanitary sewer debt service budgeted in the General Fund; transfers from the sanitary sewer fund, storm water fund, residential refuse fund, permit fee fund, and the Torpedo Factory Operations account for indirect costs; and a transfer from the Potomac Yard Fund for the cost of City and School services provided to properties within Potomac Yard.



## MAJOR REVENUE INITIATIVES IN FY 2020

- **Eliminating Vehicle Tax Decals (General Fund)**

Prior to FY 2020, any person who must register a vehicle for personal property tax in the City of Alexandria needed to purchase and display a City decal within 30 days of moving into the City or purchasing a vehicle. The decal acts as proof of registration with the City and payment of personal property tax, if applicable. The City decal expired annually and must be removed and replaced by November 15. The Approved FY 2020 budget, starting with calendar year 2019, includes the elimination of the vehicle tax decal residents were previously required to display on their vehicle, as well as the registration fee frequent and associated fee. With advances in technology, personal property taxes can be enforced through the use of vehicle discovery initiatives implemented by the Department of Finance, to include the use of automated License Plate Readers (LPR) and enhanced out-of-state vehicle research under the department's RADAR program (Research and Discover All Registrations). Surrounding jurisdictions have eliminated the decal requirement. The elimination of the decal resulted in a \$3.8 million revenue reduction as the \$33 decal fee was eliminated.

- **Personal Property Tax Rate Increase (General Fund)**

Annual personal property tax bills (including residential parking permit fees) are mailed in August with a due date of October 5 (or the next business day if October 5 falls on a weekend or holiday). The FY 2020 Approved Budget increases the Personal Property Tax rate from \$5.00 per \$100 of the assessed value of the vehicle to \$5.33 per \$100 of the assessed value of the vehicle to offset the \$3.8 million revenue lost from the elimination of the vehicle tax decal and associated fee. This elimination of the decal fee offset by an increased vehicle tax rates results in the most progressive car tax of any jurisdiction in Northern Virginia.

- **Residential Refuse Fee (General Fund)**

The City of Alexandria collects trash from its residential customers once a week on a designated collection day, Monday through Thursday. Residential customers are charged a Solid Waste User Fee on the residential tax bill on a bi-yearly basis. Residences that are subject to tax relief (elderly, non profits, etc.) are exempt from paying the refuse fee. This fee is calculated to cover 100% of applicable City residential refuse fee costs. Beginning in FY 2020, the residential refuse fee will increase from \$373 to \$411 per household due to current service adjustments and increased market costs for recycling. Associated expenditures and revenues collected from this fee that had previously been recorded in the General Fund will be moved to the refuse special revenue fund beginning July 1, 2019.



## MAJOR REVENUE INITIATIVES IN FY 2020

- **User Fees and Other Revenues (General Fund)**

Other user fees and other sources of revenue are increased to achieve greater cost recovery for the services provided.

- Monthly City employee parking fees at City owned garages are increased by \$10, from \$130 to \$140 per month, to align the rates more closely with the market for parking.
- Vehicle Parking fees for 20 of 35 of the parking spaces on Jameson Avenue blocks will change from a \$1.75 per hour rate to a \$5 daily rate during the work week.
- Motorcoach daily and overnight parking permit fees for Masonic Temple are increased from \$15 to \$20 for daily permits and \$40 to \$45 for overnight permits.
- The Health Department will begin receiving revenue from the State Family Planning Grant for a percent of a staff member's salary and benefits based on services related to the State Grant that are rendered by a City employee.
- The Health Department will begin receiving additional revenue from Neighborhood Health as reimbursement for pharmaceutical services provided by the Health Department.
- The Department of Community and Health Services will begin receiving revenues for provider access to its data management system.



## MAJOR REVENUE INITIATIVES IN FY 2020

- **User Fees and Other Revenues (Cont'd)**

- Recreation fee revenue is increased through a combination of fee increases to maintain cost recovery and a number of recreation centers and programs are being upgraded and expanded to generate increased use of City facilities.
  - The Marina Commercial Docking annual fee increases based on Commercial License Agreements effective January 1, 2019.
  - The Marina Pleasure Boat Slip annual fee increases based on comparable marina fees and the Recreation department's resource allocation and cost recovery policy.
  - A Marina Docking fee will provide the Tall Ship Providence with a City Marina annual docking license based on market rate for commercial slip rentals of this size among affiliate organizations.
  - The Out-of-School-Time Program (OSTP) fee increases based on current service expenditure increases of running the program and the Recreation department's cost recovery policy.
  - The Athletic Field rental for private school usage of fields will increase based on full non-discounted rate of \$115 per hour of usage.
  - Tennis Court rental fees increase from \$3 per hour for singles and \$4 per hour for doubles to a flat \$10 per hour for residents and \$15 per hour for non-residents based on market rate comparisons with neighboring jurisdictions.



REAL ESTATE TAX RATES

Regional Tax Rates 1979-2019

Below are real estate tax rates from selected major Northern Virginia jurisdictions over the past forty-one calendar years. In Virginia, the tax and calendar years coincide. Rates listed are per \$100 of assessed value.

Tax Year	Alexandria	Arlington	Fairfax <sup>1</sup>	Loudoun <sup>1</sup>	Pr. William <sup>1</sup>
1979	1.44	1.12	1.64	1.19	5.25 <sup>2</sup>
1980	1.39	1.12	1.54	1.25	5.25 <sup>2</sup>
1981	1.37/1.35	0.96	1.51	1.02	1.40
1982	1.37	0.98	1.47	1.13	1.45
1983	1.41	0.99	1.47	1.13	1.42
1984	1.41	0.97	1.46	1.10	1.39
1985	1.39	0.95	1.39	1.13	1.42
1986	1.38/1.37	0.94	1.35	1.02	1.42
1987	1.34	0.92	1.32	0.88	1.30
1988	1.25	0.89	1.30	0.95	1.38
1989	1.10	0.78	1.19	0.88	1.38
1990	1.045	0.765	1.11	0.85	1.36
1991	1.045	0.765	1.11	0.94	1.36
1992	1.045	0.82	1.16	0.96	1.36
1993	1.07	0.86	1.16	1.00	1.36
1994	1.07	0.897	1.16	1.02	1.36
1995	1.07	0.94	1.16	0.99	1.36
1996	1.07	0.96	1.23	1.03	1.36
1997	1.07	0.986	1.23	1.06	1.36
1998	1.11	0.998	1.23	1.11	1.36
1999	1.11	0.998	1.23	1.11	1.36
2000	1.11	1.023	1.23	1.08	1.34
2001	1.11	1.023	1.23	1.08	1.31
2002	1.08	0.993	1.21	1.05	1.23
2003	1.035	0.978	1.16	1.11	1.16
2004	0.995	0.958	1.13	1.11	1.07
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
		<u>Res/Comm</u> <sup>3</sup>	<u>Res/Comm</u> <sup>3</sup>		
2008	0.845	0.848/0.973	0.92/1.03	1.14	0.97
2009	0.903	0.875/1.00	1.05/1.16	1.245	1.288
2010	0.978	.958/1.083	1.121/1.231	1.30	1.3146
2011	0.998	.958/1.083	1.101/1.211	1.285	1.2806
2012	0.998	0.971/1.096	1.111/1.221	1.235	1.2859
2013	1.038	1.006/1.131	1.106/1.231	1.205	1.2562
2014	1.043	.996/1.121	1.114/1.239	1.155	1.2212
2015	1.043	.996/1.121	1.116/1.241	1.135	1.1936
2016	1.073	.991/1.116	1.159/1.284	1.145	1.1950
2017	1.130	1.006/1.131	1.161/1.286	1.125	1.2067
2018	1.130	1.006/1.131	1.151/1.276	1.085	1.2075
2019	1.130	1.013/1.138 <sup>4</sup>	1.151/1.276 <sup>5</sup>	1.045	1.2075 <sup>6</sup>



## REAL ESTATE TAX RATES

### Regional Tax Rates 1979 Continued

#### Table References

- <sup>1</sup>. Tax rates in tax years 1979-2001 do not reflect additional special tax district (fire, leaf collection, etc.) or town real estate tax rates.
- <sup>2</sup>. Before 1981, real property in Prince William County was assessed at 33% of fair market value. Since 1981, real property has been assessed at 100% of fair market value.
- <sup>3</sup>. Beginning in calendar year 2008, Arlington County and Fairfax County levied an additional tax on most commercial real property for transportation purposes.
- <sup>4</sup>. Arlington County's rate includes 2.0 cents for Schools & Public Safety and a transportation add-on tax on commercial property of 12.5 cents.
- <sup>5</sup>. The Fairfax County rate includes add-on tax rates of 0.1 cents for pest infestation and 12.5 cents on commercial properties for transportation.
- <sup>6</sup>. Prince William includes a county-wide fire and rescue levy of 8.0 cents and 0.25 cents for mosquito & forest pest management.



## FY 2020 APPROVED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Proposed Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.13 per \$100 assessed value	58.1-3200	None set
<b>Personal Property Tax:</b>			
Tangible personal property	\$4.75 on every \$100 of assessed value	58.1-3507	None set
Machinery and tools	\$4.50 on each \$100 of assessed value		None set
Mobile homes	\$1.13 on each \$100 of assessed value		None set
Automobiles	\$5.33 on every \$100 of assessed value		None set
Automobiles (10,000 lbs or more)	\$4.50 on every \$100 of assessed value		None set
Automobiles (handicap equipment)	\$3.55 on every \$100 of assessed value	58.1-3506-b	None set
Boats	\$0.01 on every \$100 of assessed value	58.1-3506.1	None set
<b>Utility Consumer Tax:</b>			
Electric (residential)	\$1.12 plus \$0.012075 for each KWh, not to exceed \$3.00	58.1-3814	\$3.00 monthly
Electric (residential group meter)	\$1.12 per dwelling unit plus \$0.012075 on each KWh, not to exceed \$3.00 per dwelling unit	58.1-3814	\$3.00 monthly
Electric (commercial)	\$1.18 plus \$0.005578 of each KWh	58.1-3814	
Electric (industrial)	\$1.18 plus \$0.004544 of each kWh	58.1-3814	
Natural Gas (residential)	\$1.28 plus \$0.124444 on each CCF, not to exceed \$3 monthly	58.1-3814	\$3.00 monthly
Natural Gas (residential group meter)	\$1.28 per dwelling unit plus \$0.050909 on each CCF, not to exceed \$3 monthly per dwelling unit		\$3.00 monthly
Natural Gas (residential group meter interruptible)	\$1.28 per dwelling unit plus \$0.023267 on each CCF, not to exceed \$3 monthly per dwelling unit		\$3.00 monthly
Natural Gas (commercial/industrial)	\$1.42 plus \$0.050213 of each kWh	58.1-3814	20% of monthly amount charged
Natural Gas (Non-residential interruptible)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	20% of monthly amount charged
Water (residential)	15% of the monthly amount charged to consumers of the utility service	58.1-3814	**
Water (commercial/industrial)	20%, if the monthly bill exceeds \$150 then no tax is computed on that in amount above \$150	58.1-3814	20% of monthly amount charge
<b>Business and Professional Licenses*</b>			
Amusement	\$0.36 per \$100 gross receipts	58.1-3700 et seq.	\$0.36
Professional	\$0.58 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Renting of Residential Property	\$0.50 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Renting of Commercial Property	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Financial Services	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Personal, Business, & Repair Services	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.36
Retail Merchants	\$0.20 per \$100 gross receipts	58.1-3700 et seq.	\$0.20
Contractors	\$0.16 per \$100 gross receipts	58.1-3700 et seq.	\$0.16
Wholesale Merchants	\$0.05 per \$100 gross receipts	58.1-3700 et seq.	\$0.05
Alcoholic Beverages	\$5-\$1,500 (flat fee assessed as part of business license for sales of alcoholic beverages; fee is dependent upon seating capacity and/or type of license)	4.1-233	Various
<b>Public Utilities:</b>			
Telephone Company	\$0.50 per \$100 of gross receipts excluding charges for long distance calls	58.1-3731	\$0.5
Water	One-half of one percent of the gross receipts	58.1-3731	0.5% Minimum of \$0.50 per line per month; annual rate calculated by VDOT
Public rights-of-way use fee	\$1.20 per access line (Effective July 1, 2019)	56-468.1	
Electric Consumption Tax	\$0.0038/kWh	58.1-2900	0.00038/kWh
Natural Gas Consumption Tax	\$0.004 per CCF	58.1-2904	\$0.004 per CCF
Communications Sales and Use Tax	5% of the sales price of each communications service that is sourced to the Commonwealth	58.1-648	5.0%
Admissions Tax	10% of any admission charge, not to exceed \$0.50 per person admitted	58.1-3840	None set
Cigarette Tax	\$1.26 on each package of 20 cigarettes	58.1-3830 & 58.1-3840	None set
Short-Term Rental Tax	1.0% of gross proceeds of business arising from rentals (1.5% Heavy Equipment)	58.1-3510.4	1.0% or 1.5%
Local Sales Tax	1.0% on sale (added to the rate of the State tax imposed)	58.1-605	1.0%
Transient Lodging Tax	6.5% of total amount paid for room rental, plus \$1.25 per night lodging fee	58.1-3840	None set
Restaurant Meals Tax	5.0% of total charge of a meal	58.1-3840	None set
Recordation Tax:	\$0.83 per \$100 of sales price/loan value (equals State max)	58.1-3800	1/3 of State Chrgs
Late Payment Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10***
Tax Interest	10% for the first year and 5% for each year thereafter. Equals refund rates.		10.0%

\* Tax rate applies to businesses with gross receipts of \$100,000 or above. Businesses with gross receipts of at least \$10,000 but no more than \$99,999 will be assessed a license tax of \$50

\*\* The City's existing tax rate exceeds state cap. The State cap was established after the City had set this rate.

\*\*\* The late payment penalty on real property is 5% if paid within 15 days of due date and 10% on the balance due thereafter.

## Revenues



## REAL PROPERTY TAX REVENUES

Real Property Tax	FY 2018 Actual	FY 2019 Approved	FY 2019 Projected	FY 2020 Approved	% Chg. FY19 Proj/ FY20 Approved
Residential	248,659,699	252,907,770	255,250,222	260,963,902	2.2%
Commercial Multi-Family	78,228,252	82,275,333	85,546,925	88,895,471	3.9%
Office/Retail and Other Commercial	104,379,603	104,824,451	102,391,014	105,659,901	3.2%
Public Service Corporation	7,074,357	6,956,228	7,058,270	7,328,870	3.8%
Total	438,341,911	446,963,782	450,246,430	462,848,143	2.8%
<i>Potomac Yard Tax Base Growth Transfer to the Potomac Yard Fund (Informational)</i>	<i>(10,224,819)</i>	<i>(10,638,343)</i>	<i>(10,716,990)</i>	<i>(11,109,473)</i>	<i>3.7%</i>

The FY 2020 Approved budget reflects a Real Property tax rate of \$1.130 per \$100. The FY 2020 approved rate of \$1.130 includes the following set asides for specific programs:

- Transportation Improvements 2.2 cents (General Fund Reservation)
- Affordable Housing 0.6 cents (General Fund Dedication)

As required by State law, all real estate parcels in the City are annually assessed at 100% of estimated fair market value. As detailed in the Calendar Year 2019 Real Property Assessment Report, the City's overall real property tax base increased 2.71% from the January 1, 2018 assessment to January 1, 2019, or \$1.1 billion from \$39.9 billion in CY 2018 to \$41.0 billion in CY 2019.

#### Assumptions

General Fund real property tax revenues for the first half of FY 2020 (the second half of calendar 2019) are based on the 2019 real property assessment, a tax rate of \$1.130, and a 49.65 percent collection rate for the second half of the 2019 tax levy. Real property tax revenues for the second half of FY 2020 (the first half of calendar year 2020) assume an increase of 2.85 percent in real property assessments in 2020 and no change in the tax rate. This projection is a best mid-point estimate based on a modestly growing residential real estate market and a stable commercial real estate market.

The real property tax estimate for FY 2020 has been reduced by approximately \$4.0 million to reflect the costs of the tax relief programs for the elderly and disabled, and tax exemptions for disabled veterans and surviving spouses.



## REAL PROPERTY TAX REVENUES

### **Potomac Yard Special Tax District**

In December, 2010, City Council approved the Tier I Special Services Tax District for Land Bay F, G, and H and the multi-family portion of Land Bay I in Potomac Yard and tax collections started in 2011. The tax district helps provide funding for the development and operation of the planned Potomac Yard Metrorail station. In addition, City Council approved legislation to set aside a portion of the appreciation on real estate in Potomac Yard to support the Metrorail development. In FY 2020, \$11.1 million in revenue is budgeted for the appreciation of Potomac Yard. Of the revenue generated from the appreciation, \$5.5 million is being transferred to the General Fund as the cost of delivery of City and School services as envisioned when the special services district was established.

### **Transportation Fund**

A special revenue fund was established in FY 2014 for transportation as a result of new tax authority legislation approved by the General Assembly for the Northern Virginia Transportation Authority (NVTA). The legislation increased the sales, transient occupancy, and grantor's tax rates and distributed the revenue generated by those increases to the NVTA for transportation purposes. Northern Virginia cities, counties and towns receive 30 percent of the revenues collected within their jurisdictions from the NVTA if they deposit revenues from a 12.5 cent real estate tax on commercial and industrial property, or an equivalent amount of revenue, into a special fund for transportation. The FY 2020 budget includes a transfer of \$12.2 million in general property taxes to the transportation fund, which exceeds the amount of revenue that would be generated by a 12.5 cent commercial and industrial real estate property tax of \$11.6 million. The amount of revenue estimated to be generated by the City's 30 percent of NVTA revenues is \$4.7 million, most of which is planned for the Washington Metropolitan Area Transit Authority (WMATA) operating subsidy and DASH bus replacements.

### **Real Property Revenues and WMATA Shutdown**

The Washington Metropolitan Area Transit Authority (WMATA), which operates the Metrorail, Metrobus, and MetroAccess system in the District of Columbia, Maryland, and Virginia, is closing all Metrorail stations south of the Ronald Reagan Washington National Airport Station between Memorial Day and Labor Day 2019. The shutdown will allow WMATA to address reconstruction of three outdoor station platforms. In addition to the summer shutdown, there will be repairs to the Van Dorn Metro platform in September 2019, which will involve significant single-tracking on the Blue Line. The anticipated impact of planned WMATA revitalization work is decreased local and tourist traffic during the peak summer period. For FY 2020, the amount of revenue estimated to be generated by summer visitors was decreased by a total of \$0.6 million, reflected in Transient Lodging Taxes.

## Revenues



## REAL PROPERTY TAX REVENUES

## Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2004	2005	2006	2007	2008	2009	2010
Residential Single Family	9,727,249	11,604,207	13,840,915	13,810,784	13,887,235	13,504,417	13,037,361
Residential Condominium	3,518,100	4,668,117	6,490,841	6,394,580	6,252,379	5,648,101	5,233,544
Commercial Multi-Family	2,570,652	3,088,102	3,378,614	4,102,178	4,383,780	4,443,230	4,101,241
Office/Retail Property	5,447,070	6,499,398	7,565,870	8,386,548	9,165,161	9,001,670	7,970,599
Other Commercial	549,565	726,886	850,487	694,879	522,208	489,796	423,355
Public Service Corporation	76,860	772,941	779,992	854,062	892,054	876,985	883,390
<b>Total</b>	<b>21,889,496</b>	<b>27,359,651</b>	<b>32,906,719</b>	<b>34,243,031</b>	<b>35,102,817</b>	<b>33,964,199</b>	<b>31,649,490</b>
Residential Single Family	44.4%	42.4%	42.1%	40.3%	39.6%	39.8%	41.2%
Residential Condominium	16.1%	17.1%	19.7%	18.7%	17.8%	16.6%	16.5%
Commercial Multi-Family	11.7%	11.3%	10.3%	12.0%	12.5%	13.1%	13.0%
Office/Retail Property	24.9%	23.8%	23.0%	24.5%	26.1%	26.5%	25.2%
Other Commercial	2.5%	2.7%	2.6%	2.0%	1.5%	1.4%	1.3%
Public Service Corporation	0.4%	2.8%	2.4%	2.5%	2.5%	2.6%	2.8%
<b>Total</b>	<b>100%</b>						
Residential	60.5%	59.5%	61.8%	59.0%	57.4%	56.4%	57.7%
Commercial	39.5%	40.5%	38.2%	41.0%	42.6%	43.6%	42.3%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial*							
Residential	72.3%	70.8%	72.1%	71.0%	69.9%	69.5%	70.7%
Commercial	27.7%	29.2%	27.9%	29.0%	30.1%	30.5%	29.3%

\* Current assessment practices include Commercial Multi-Family (rental units) in as commercial property. These numbers show the split if Commercial Multi-Family were included in Residential

Sources: Assessment Values are from the 2004-2019 Real Property Assessment Reports.

# Revenues



## REAL PROPERTY TAX REVENUES

### Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential Single Family*	13,064,551	13,401,631	13,903,410	14,491,781	15,022,092	15,458,313	15,756,517	16,291,951	16,578,737
Residential Condominium*	5,186,478	5,150,726	5,390,043	5,666,528	6,017,488	6,125,698	6,233,181	6,429,613	6,626,468
Vacant Residential*	179,702	163,350	150,532	156,601	155,976	129,179	103,299	122,472	105,629
Commercial Multi-Family	4,483,882	5,276,996	5,854,955	6,275,816	6,564,475	6,849,849	6,931,170	7,463,415	7,768,690
Office/Retail Property	8,433,635	8,544,988	8,431,243	8,332,484	8,376,688	8,656,218	8,900,100	8,587,410	8,896,153
Other Commercial	438,957	416,596	382,214	411,972	434,949	380,089	453,686	386,192	360,442
Public Service Corporation	844,746	828,408	634,278	560,421	575,192	595,973	609,339	616,934	641,124
<b>Total</b>	<b>32,631,951</b>	<b>33,782,695</b>	<b>34,746,675</b>	<b>35,895,603</b>	<b>37,146,860</b>	<b>38,195,319</b>	<b>38,987,294</b>	<b>39,897,987</b>	<b>40,977,242</b>
Residential Single Family	40.7%	40.0%	39.7%	40.0%	40.4%	40.4%	40.4%	40.9%	40.5%
Residential Condominium	16.5%	15.9%	15.2%	15.5%	15.8%	16.2%	16.0%	16.1%	16.2%
Vacant Residential	0.5%	0.6%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Commercial Multi-Family	13.0%	13.7%	15.6%	16.9%	17.5%	17.7%	17.8%	18.7%	19.0%
Office/Retail Property	25.2%	25.8%	25.3%	24.3%	23.2%	22.6%	22.8%	21.5%	21.7%
Other Commercial	1.3%	1.3%	1.2%	1.1%	1.1%	1.2%	1.2%	1.0%	0.9%
Public Service Corporation	2.8%	2.6%	2.5%	1.8%	1.6%	1.5%	1.6%	1.5%	1.6%
<b>Total</b>	<b>100%</b>								
Residential*	57.7%	56.5%	55.4%	56.0%	56.6%	57.1%	56.7%	57.3%	56.9%
Commercial**	42.3%	43.5%	44.6%	44.0%	43.4%	42.9%	43.3%	42.7%	43.1%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***									
Residential	70.7%	70.2%	71.0%	72.8%	74.1%	74.7%	74.4%	76.0%	75.9%
Commercial	29.3%	29.8%	29.0%	27.2%	25.9%	25.3%	25.6%	24.0%	24.2%

\* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2010.

\*\* Commercial includes Commercial Multi-Family, Office/Rental Property, Other Commercial, and Public Service Corporation.

\*\*\* Current assessment practices include Commercial Multi-Family (rental units) in as commercial property. These numbers show the split if Commercial Multi-Family were included in Residential

Sources: Assessment Values are from the 2004-2019 Real Property Assessment Reports.

# Revenues



## PERSONAL PROPERTY TAX

	FY 2018 Actual	FY 2019 Approved	FY 2019 Projected	FY 2020 Approved	% Chg. FY19 Proj/ FY20 Approved
Business Personal Property Tax	15,947,065	16,100,000	16,080,000	16,070,000	-0.1%
Personal Property Tax	33,293,710	34,700,000	35,500,000	40,856,910	15.1%
Total	49,240,775	50,800,000	51,580,000	56,926,910	10.4%
<i>State Reimbursement (informational)</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>0.0%</i>

The Personal Property tax is assessed on vehicles, mobile homes, and business personal property and divided into two categories—vehicular personal property tax and business personal property tax.

Business personal property consists of office furniture, fixtures, unlicensed vehicles, machinery, tools, and computers located in the City as of January 1st. The tax rate levied on business property for office furniture, fixtures, computers and unlicensed vehicles is \$4.75 per \$100 of assessed value and the tax rate levied on machinery and tools used in a mining or manufacturing business is \$4.50 per \$100 of assessed value. Business tangible equipment is valued using established depreciation tables based on original cost. The self-assessing tax return is due to the City on May 1st. Business personal property taxes for FY 2020 are expected to remain flat based on historical trends.

Alexandria’s vehicle personal property tax rate is \$5.33 per \$100 of vehicle’s value. The City computes the value of vehicles using clean trade-in value. Thus, the effective rate on vehicles is \$4.30 per \$100 retail value. Since 1999, the Commonwealth of Virginia has reimbursed all localities in Virginia for part of the vehicle portion of the personal property tax as part of the Personal Property Tax Relief Act (PPTRA). For Alexandria, this totals \$23,578,531. Beginning in calendar year 2013 a tiered reimbursement rate structure was adopted and reimbursement provided to the first \$20,000 of the vehicle’s assessed value based on the total assessed value is listed as follows:

	\$1,001 to \$20,000	\$20,001 to \$25,000	Greater than \$25,001
2013	61.0%	50.0%	40.0%
2014	61.0%	50.0%	40.0%
2015	60.0%	50.0%	40.0%
2016	58.0%	48.0%	39.0%
2017	55.5%	45.5%	35.5%
2018	56.0%	46.0%	36.0%
2019	52.5%	42.5%	32.5%

Vehicle personal property tax revenue for FY 2020 reflects an increase of \$2.3 million over FY 2019 approved based on an estimated growth of 2.45% in the vehicle population combined with an estimated average prorated tax levy of \$267, adjusted for the \$0.33 tax rate increase to offset the elimination of the decal fee and the historical collection rate.

# Revenues



## INTERGOVERNMENTAL REVENUES

General Fund Intergovernmental Revenues include state and federal aid that are generally not legally restricted to a specific program use. This excludes grant funding from the state and federal government which is accounted for in the City's Special Revenue Fund.

	FY 2018 Actual	FY 2019 Approved	FY 2019 Projected	FY 2020 Approved	% Chg. FY19 Proj/ FY20 Approved
<i>Federal</i>					
Prisoner Per Diem	7,020,639	6,424,437	5,913,651	6,755,000	14.2%
Build American Bond Reimbursement	1,575,883	1,589,945	1,536,024	1,585,000	3.2%
Other Federal	986,870	1,057,000	1,120,485	1,057,000	-5.7%
<i>State</i>					
HB 599	5,553,728	5,759,216	5,759,216	5,983,826	3.9%
Personal Property Tax Relief	23,578,531	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	7,856,277	8,068,624	8,259,032	8,182,695	-0.9%
Street & Highway Maintenance	7,660,296	8,158,709	7,888,979	7,977,917	1.1%
Other State	2,355,188	2,348,827	2,090,389	2,420,077	15.8%

**Federal Prisoner Per Diem:** The City receives per diem reimbursement from the Federal Government for federal prisoners held in custody in the Alexandria Detention Center. The FY 2020 budget assumes revenue generated by the contract that guarantees a minimum of 150 beds per day. Actual federal utilization may exceed the guaranteed minimum.

**Build America Bonds Reimbursement:** The City receives a reimbursement from the federal government for taxable bonds (in lieu of tax exempt bonds) issued in June 2009 and June 2010.

**HB599 Aid:** The City receives funding from the Commonwealth of Virginia to help defray the costs of law enforcement in the City. The FY 2020 budget assumes a 3.9% from FY 2019 based on the Virginia FY 2019-2020 budget bill (HB1700) and the City's FY19 allocation of this funding.

**Personal Property Tax Reimbursement:** Since 1999, the Commonwealth of Virginia has paid a portion of local government's personal property tax on vehicles, the "car tax." For additional information about the reimbursement, which for Alexandria is \$23,578,531 per year, see the previous description of the personal property tax rate.

**Compensation Board Reimbursement:** The City receives assistance from the Virginia Compensation Board to help defray part of the cost of office operations for Constitutional Officers, including the Sheriff, the Commonwealth's Attorney, the Clerk of Court, and the Registrar. The City also receives assistance to fund part of the cost of the Finance Department.

**State Aid for Road Maintenance:** The City receives State aid for local maintenance of its primary and secondary roads based on a formula including reimbursement rate and locally maintained lane miles.

# Revenues



## OTHER MAJOR CATEGORIES OF REVENUES

	FY 2018 Actual	FY 2019 Approved	FY 2019 Projected	FY 2020 Approved	% Chg. FY19 Proj/ FY20 Approved
Penalties and Interest	2,622,511	3,300,000	2,318,598	2,708,000	16.8%
Charges for Services	21,272,076	21,748,168	22,260,539	15,790,462	-29.1%
Licenses, Permits, and Fees	2,235,428	2,612,678	2,612,678	2,615,350	0.1%
Fines and Forfeitures	5,024,337	5,193,450	4,630,450	4,930,450	6.5%
Use of Money and Property	7,307,650	8,031,110	10,843,000	11,406,650	5.2%
Miscellaneous Revenues	12,352,057	13,774,459	13,831,244	11,288,167	-18.4%
Contribution to/Use of Fund Balance	-	-	-	-	0.0%

**Penalties and Interest:** This category includes penalty and interest for real estate, personal property and all other local taxes.

**Charges for services:** This category includes charges for the use of City Services, including the refuse user charge, parking meter receipts, and ambulance charges. The FY 2020 budget includes a \$6.8 million decrease due to the transfer of refuse user chargers to the residential refuse fund. The FY 2020 budget also includes a \$0.3 million increase due to an expansion of the ParkMobile meter program, an additional \$0.2 million due to fee increases and revenue increases in the Recreation department consistent with the City’s cost recovery policy, and an additional \$0.3 million due to projected revenue based on average growth rates.

**Licenses, Permits, and Fees:** This category includes taxi fees, residential parking permits, temporary parking permits, noise permits, Fire safety system retesting fees, and health permits for food service and pools.

**Fines and Forfeitures:** This category includes parking fines, court fines, and red light violations.

**Use of Money and Property:** This category includes the rental of Alexandria owned properties and the interest on General Fund investments. The FY 2020 budget includes an increase in the rental of property and employee monthly parking rates was increased from \$130 to \$140. The revenue for interest on General Fund investments increased to reflect actual receipts and rising market interest rates.

**Miscellaneous revenues:** This category includes revenues that do not fit into any other category including revenues transferred from Special Revenue accounts.

**Use of Fund Balance:** The FY 2020 General Fund operating budget does not propose the use of fund balance as a source of revenue.

## Revenues



## OTHER MAJOR TAX REVENUES

	FY 2018 Actual	FY 2019 Approved	FY 2019 Projected	FY 2020 Approved	% Chg. FY19 Proj/ FY20 Approved
Sales	27,257,656	27,700,000	28,300,000	28,800,000	1.8%
Utility	12,069,408	11,800,000	12,000,000	12,000,000	0.0%
Business License	33,846,543	34,878,000	34,378,000	34,378,000	0.0%
Recordation	7,359,257	5,300,000	6,400,000	6,000,000	-6.3%
Cigarette	2,777,656	2,800,000	2,600,000	2,600,000	0.0%
Transient Lodging	12,883,323	13,275,000	12,600,000	12,800,000	1.6%
Restaurant Meals	18,283,682	24,150,000	24,000,000	24,231,000	1.0%
Communications Sales and Use	9,881,812	9,900,000	9,400,000	9,200,000	-2.1%
Other Local Taxes	9,089,567	9,215,000	9,215,000	9,329,090	1.2%
Total Other Major Taxes	133,448,905	139,018,000	138,893,000	139,338,090	0.3%

**Sales Tax:** Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2019 are based on sales through March of 2019 and reflect a 3.8% increase over FY 2018 actuals. FY 2020 is projected to increase by 4.0% compared to FY 2019 based on historic growth rates and collections through March 2019.

**Consumer Utility Tax:** The consumer utility tax is levied upon all residential and commercial users of water, natural gas, and electricity. Based on collections through the first five months of the fiscal year, consumer utility tax revenue in FY 2019 are projected to decrease by 0.6% compared to FY 2018 actuals. In FY 2020, this revenue is estimated to continued to remain flat based on historic trends.

**Business License Tax:** The Business License Tax is levied upon those doing business in the City. The rates vary by the amount of gross receipts and the type of business. FY 2020 collections are expected to remain flat based on projected WMATA shutdown effect on calendar year 2019 gross receipts.

**Recordation Tax:** The Recordation Tax is assessed on the recording of deeds, deeds of trust, mortgages, and contracts admitted to record by the Clerk of the Circuit Court. Projected revenue of \$6.4 million for recordation tax revenue in FY 2019 is based current receipts and historical trends. Based on the average transactions that have occurred in FY 2019 and historic monthly averages for Recordation tax revenues, revenues are expected to decrease by 6.3% in FY 2020.

**Cigarette Tax:** The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2020, revenues are expected to remain flat.

**Transient Lodging Tax:** The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. Revenues in FY 2019 are projected to decrease 2.2% over FY 2018 actuals. FY 2019 revenues are based on collections through the first nine months of the fiscal year, historic amounts collected for the past five years, and projected WMATA shutdown effect on calendar year 2019 gross receipts. FY 2020 revenues are projected to increase by 1.6% based on historic growth rate and impact of WMATA shutdown.

**Restaurant Meals Tax:** The Restaurant Meals Tax is levied on all prepared food and beverages at a 5% rate. Revenues in FY 2019 are projected to be 31.3% higher than FY 2018 actuals, reflecting a 1% rate hike in FY 2019 which was dedicated for affordable housing. FY 2019 revenues are based on collections through the first nine months of the fiscal year and historic amounts collected for the past five years. FY 2020 revenues are projected to increase by 1.0% compared to FY 2019.

**Communication Sales and Use Tax:** This tax is assessed on landline telephone service, cell phones, cable television, Voice Over Internet Protocol (VOIP) services and satellite television service. There has been a decline in this revenue source since its inception in FY 2007 due to the trend of discontinuing landline service in favor of cell phone service. Revenues are projected to decrease by 2.1% in FY 2020 based on historical trends.

# Revenues



## RESIDENTIAL TAX AND FEE BURDEN

The table below measures the tax and fee cost to the average household in the City.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>Fees and Taxes</b>										
Real Estate Tax	\$4,380	\$4,523	\$4,571	\$4,815	\$5,115	\$5,318	\$5,593	\$5,989	\$6,154	\$6,272
Personal Property Tax	\$282	\$353	\$380	\$457	\$445	\$464	\$505	\$523	\$533	\$570 <sup>3</sup>
Trash Removal Fee	\$336	\$336	\$336	\$328	\$337	\$337	\$363	\$373	\$373	\$411
Decal Fee	\$53	\$57	\$55	\$56	\$55	\$55	\$56	\$58	\$58	\$0 <sup>2</sup>
Utility tax on Natural Gas	\$23	\$23	\$23	\$25	\$25	\$24	\$24	\$24	\$22	\$25
Utility tax on Electricity	\$31	\$30	\$30	\$33	\$36	\$35	\$36	\$36	\$33	\$34
Utility tax on Water	\$27	\$24	\$27	\$26	\$30	\$29	\$29	\$30	\$27	\$25
Communication Sales and Use Tax	\$148	\$144	\$143	\$136	\$134	\$129	\$126	\$123	\$119	\$111
Sanitary Sewer System Capital										
Investment & Maintenance Fee	\$54	\$68	\$68	\$68	\$68	\$68	\$76	\$98	\$123	\$123
Storm Water Utility Fee								\$70 <sup>1</sup>	\$140	\$140
<b>Total</b>	<b>\$5,336</b>	<b>\$5,558</b>	<b>\$5,632</b>	<b>\$5,944</b>	<b>\$6,245</b>	<b>\$6,458</b>	<b>\$6,808</b>	<b>\$7,324</b>	<b>\$7,582</b>	<b>\$7,711</b>

<sup>1</sup> Reflects cost for half of the year.

<sup>2</sup> In FY 2020, the City eliminated the vehicle tax decal and associated fee requirement.

<sup>3</sup> Assumes an average of two vehicles per Alexandria household. Beginning in FY 2020, the Personal Property tax rate is increased from \$5.00 per \$100 of the assessed value of a vehicle to \$5.33 per \$100 of the assessed value.