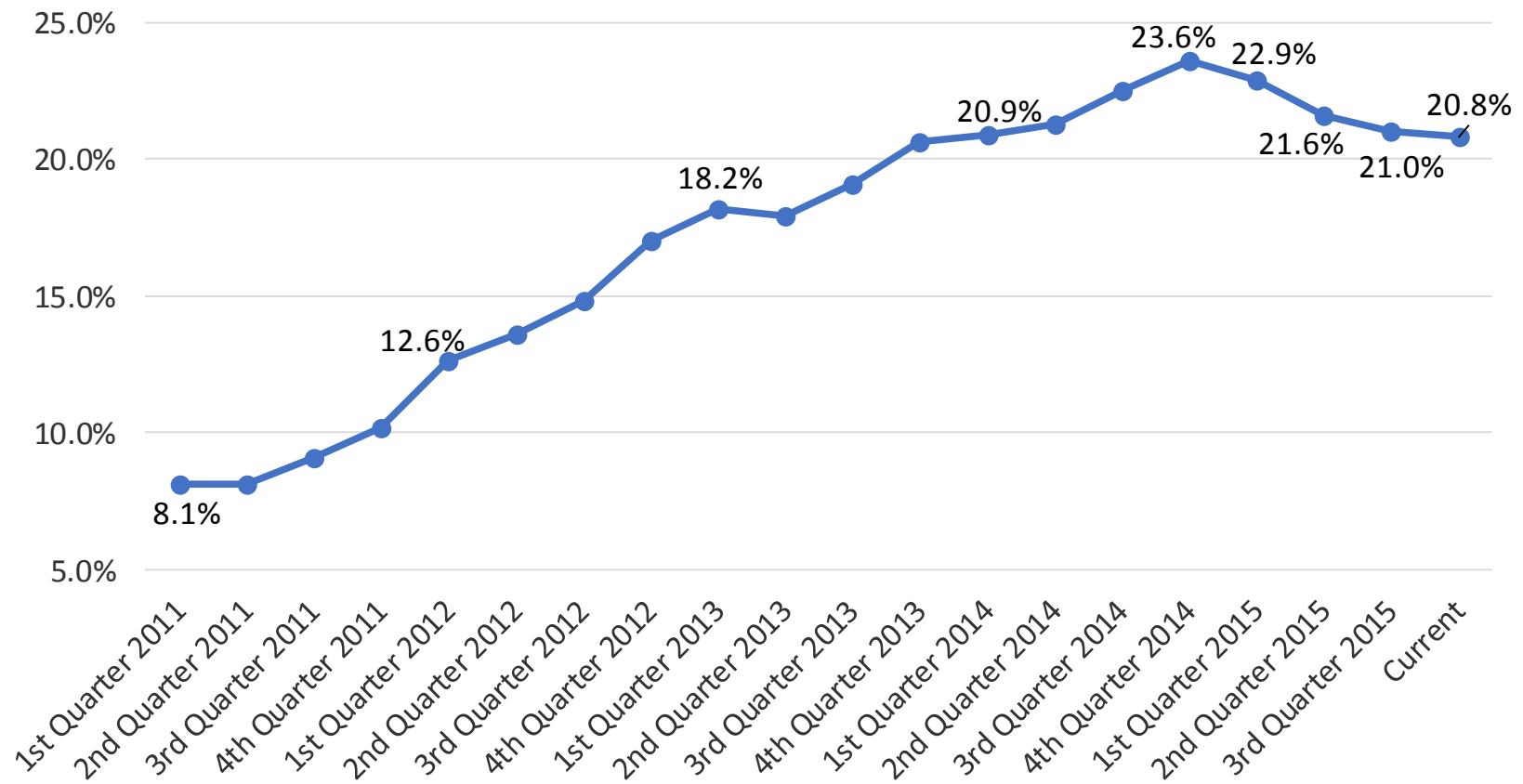


FY 2017 Preliminary Budget Discussion

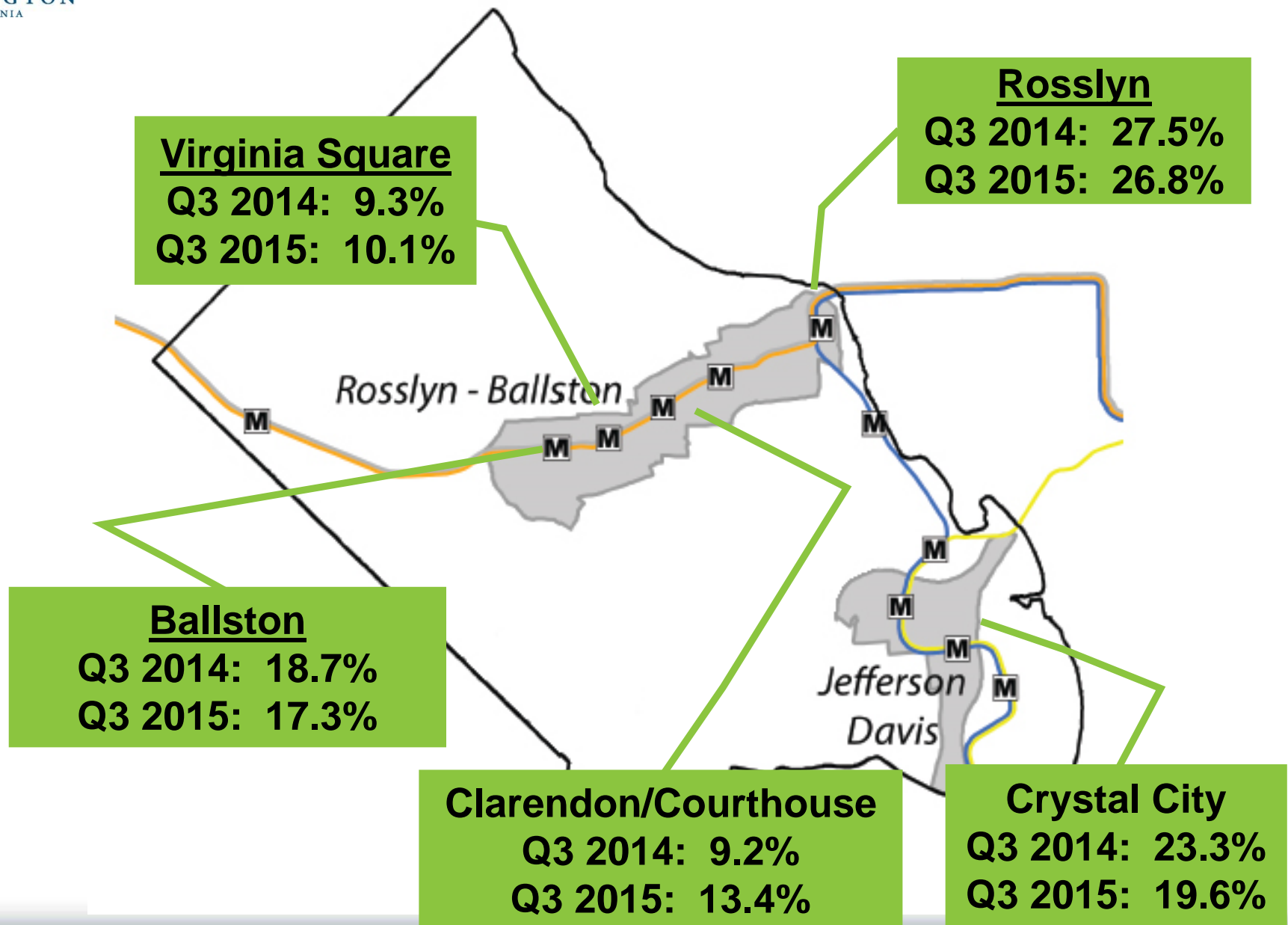
October 15, 2015

- **Arlington Continues to Grow**
 - Population
 - Service Demands
 - Real Estate Assessment Base / New Construction
 - School Population
- **Real Estate Trends**
 - Residential – positive – 2015 sales & prices up
 - Apartments – slower growth in rents, some concessions
 - Commercial Office – continues to be under pressure - vacancy rate still key concern

Countywide Commercial Vacancy Rate



Current Vacancy Rates by Corridor



Preliminary FY 2017 Outlook

- Residential assessments expected to increase lightly
 - Projected range 1-3%
- Flat to negative commercial property growth (1/2 of tax base)
- Continued residential growth with flat commercial shifts more of the burden to the homeowner
- Other taxes showing slow but positive growth
 - Personal Property & BPOL: flat
 - Sales, Meals, & Transient Occupancy Tax: all increasing
 - Other local taxes: up 4%
- Minimal growth in fee revenue – fee study underway
- State & Federal flat
 - Positive indicators from the Governor on state aid for schools

County Support of Schools

- Sharing Local Tax Revenue (46.5%)
- Additional Support Through:
 - School Resource Officers
 - School Health Nurses & Services
 - Crossing Guards
 - DHS Programs Helping Children & Families
 - Fields, & Maintaining Safe Routes to Schools



Projected Revenue Allocation

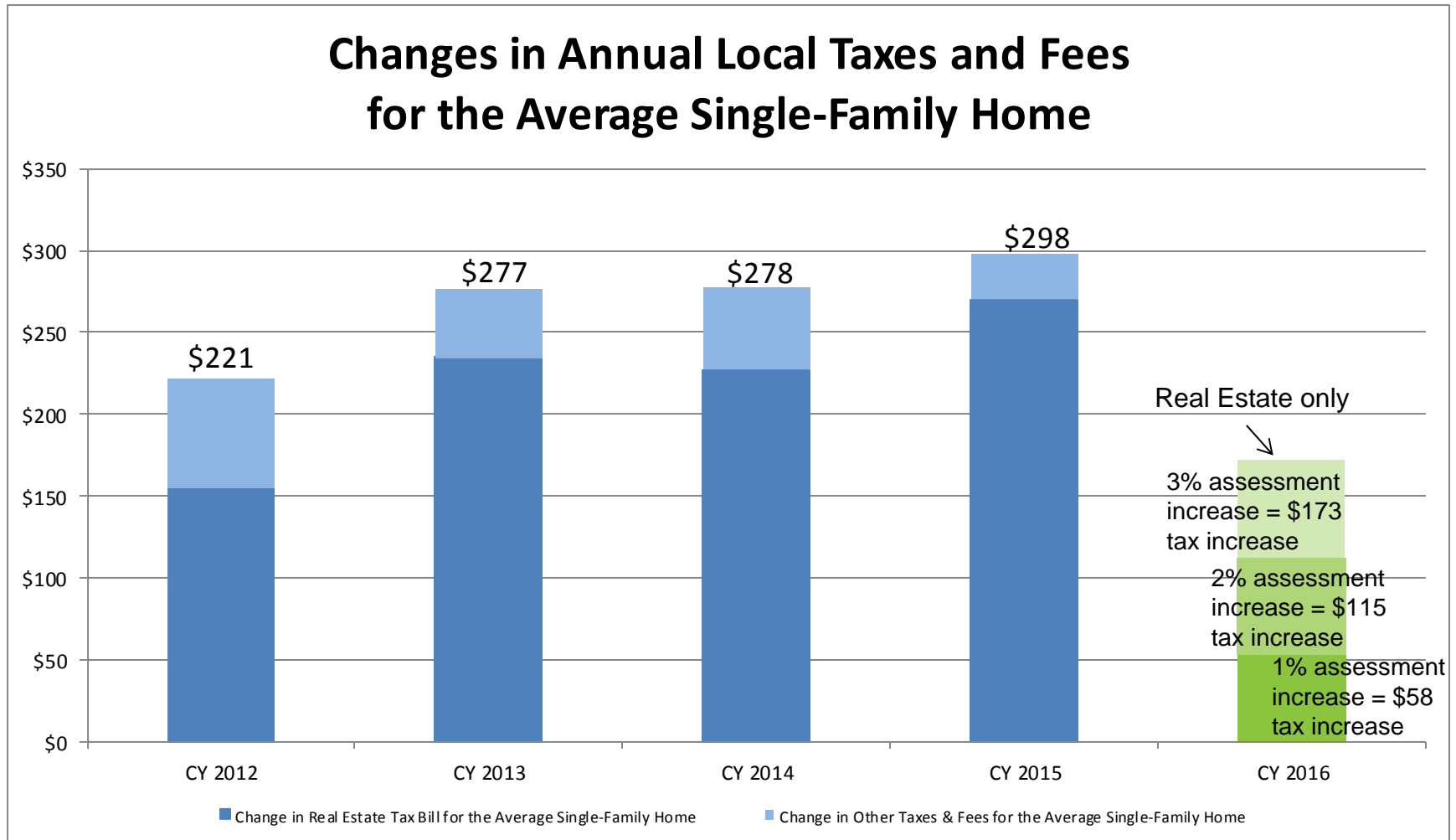
Real
Estate
Tax
Growth:
1-3%

APS 46.5%:
\$458.3M to \$464.7M,
\$6.6M to \$13.0M increase

County 53.5%:
\$527.3M to \$534.6M,
\$8.4m to \$15.8M increase

Pressures on the Residential Taxpayer

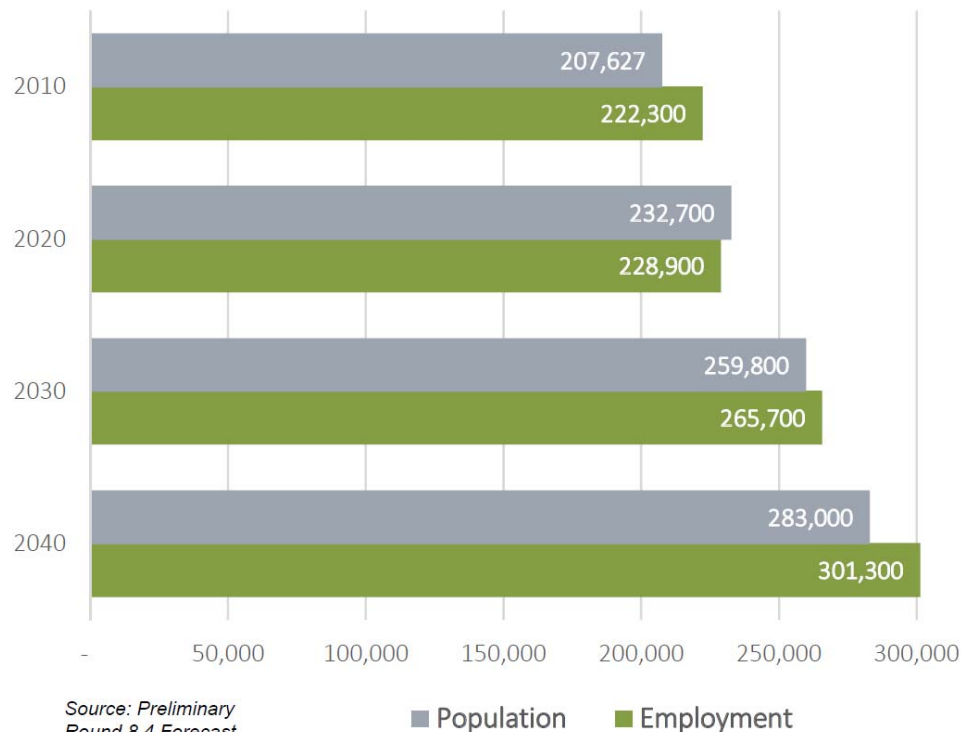
Changes in Annual Local Taxes and Fees for the Average Single-Family Home



The estimate for CY 2016 does not include expected fees including a possible \$35 increase in the household solid waste rate.

Population Trends

POPULATION AND EMPLOYMENT FORECASTS



- Population growth continues

- 4.4% between 2010 & 2015
- Projected to grow by 66,300, or 31% through 2040

- Population characteristics

- Ages 25-34 represent the largest distribution at 28.5% & fastest growing age group
- Those 55+ make up 19% of Arlington's population & are the 2nd fastest growing age group
- Diverse population – as of 2010, 36% of residents were Hispanic/Latino, African-American, Asian or Multi-racial

- Student enrollment growth

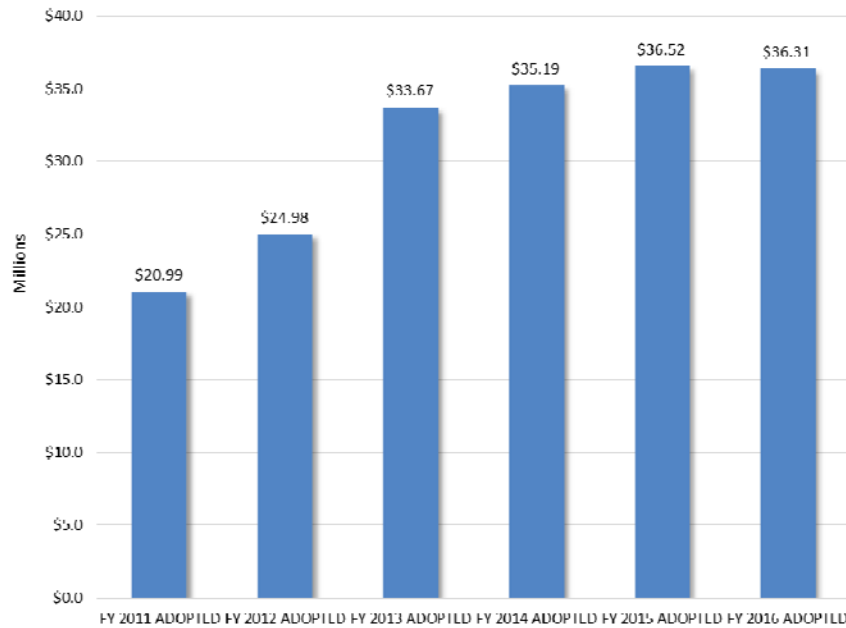
- 2.8% to 5.2% per year for the past 5 years
- Projected growth of 2.7% to 3.5% per year over next 5 years

- Employment growth

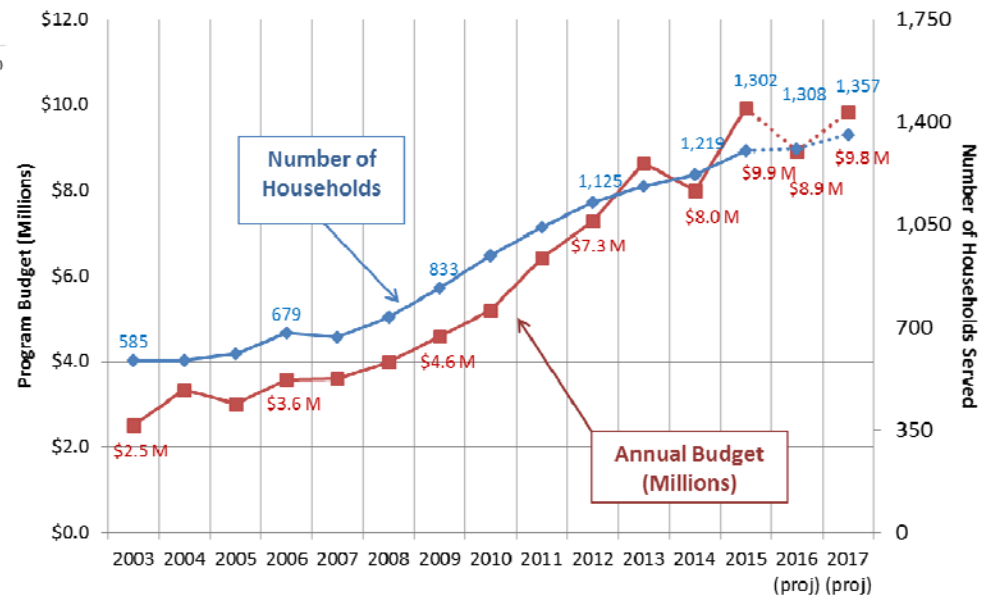
- Projected to grow by 84,100 jobs, or 39% through 2040
- More private office space than the downtowns of Los Angeles, Dallas, Denver, Seattle, or Atlanta.

Housing & Human Service

Net Tax Support: Multi-Departmental Housing Programs



Housing Grants Program:
Annual Budget and Number of Households Served



Housing grants support renters who are:

- 65 years or older
- Totally & permanently disabled
- Clients & patients of a County operated or County supported mental health program
- Working families with at least one child under age 18

A Safe Community

Increasing Demands On Public Safety

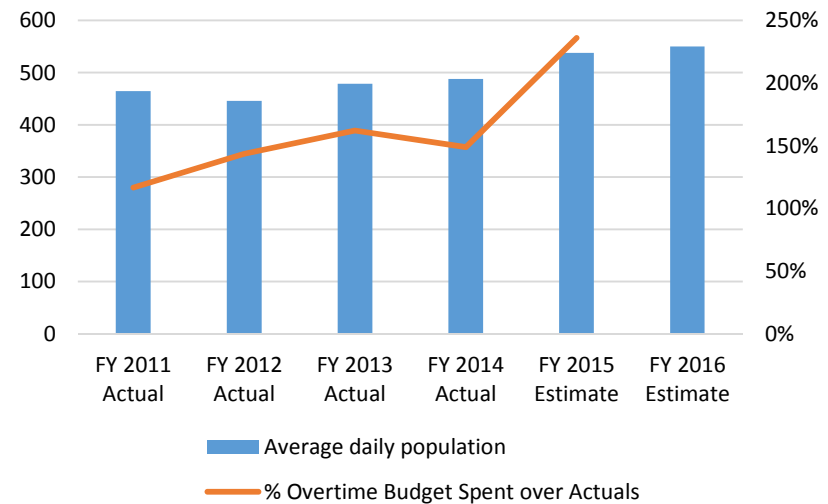
Sheriff staffing needs to reduce lockdowns and alleviate overtime pressures:

- Prisoner population
- Lockdown rates

Changing demands on Police and Fire:

- Special events
- Increased night life
- Mixed-used buildings
- Unique neighborhood issues

Detention Facility Statistics



Quality of Life – Parks & Libraries

Service	Change (FY 14 to FY 15)	Trend
Parks & Recreation		
Number of Enrollments in DPR-Run Programs	5%	↑
Number of Youth Served	3%	↑
Number of Teens Served	2%	↑
Number of Enrollments in Nature Center Programs	20%	↑
Number of Individuals Receiving Fee Reductions	16%	↑
Libraries		
Children and Young Adults Attending Programs	5%	↑



Positive trends indicate success in many of DPRs and Libraries core programmatic services. However, increased usage correlates with increased staff-customer interaction; increased equipment and facility usage and maintenance; and more administrative management – registration processing, etc. – much of which is absorbed within existing resources.

Transportation & Roads

40% of Virginia's total annual transit ridership is from Arlington-related trips

	FY 1996 Actual	FY 2014 Actual	% Growth
Metrorail Arlington Stations	45,335,000	50,569,536	11.5%
Metrobus Arlington Routes	12,049,000	14,317,320	18.8%
VRE – Crystal City	567,000	965,196	70.2%
Arlington Transit (ART)	105,000	2,837,023	2,602.0%
Total Annual Ridership	58,076,000	68,689,075	18.3%



- Mid to Late October
 - Working with Departments to Determine Continuing Service Budgets & finalizing other costs
- November
 - County Board gives Budget Guidance
 - Personal property tax revenue update
 - Real estate assessment update
 - Metro forecast
- December
 - County/Schools Joint Public Budget Forum
- January
 - Real estate assessments finalized
- February
 - County Manager & Schools Superintendent propose budgets