



## ***The Extent of Residential Assessment Impacts for FY 2007/08***

*Source: City Assessor Documentation & VBTA research*

### **136,000 Homes in Virginia Beach**

- 81,518 (60%) homes received assessment increases from 20% to 105%
  - Located in 511 Neighborhoods
  - average assessment increase = 30.76%
- 107,171 (79%) homes received assessments ranging from 15% to 105%
  - Located in 680 neighborhoods
  - The average assessment increase was 27.5%
- 6,389 (.047%) homes received assessment increases exceeding 40%
  - Located in 75 neighborhoods
- 129,068 (95%) homes received double-digit assessments increases - 10% to 105%
- 278 (.002%) homes received negative assessment (Taxes went down)

### ***Residential Impacts That Are Not Disclosed on \$5,000/10,000 VB City Page Ads***

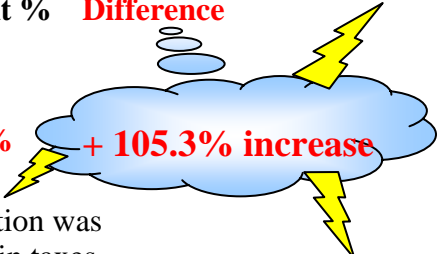
- Since FY 99/2000, residential assessments have skyrocketed from \$16.8 billion to \$47.5 billion in FY 2007/08
- Virginia Beach continues to grow the most disproportionate residential tax base in the nation
  - The current tax base is residential 87% vs. commercial 13%. The tax base is rapidly increasing the residential tax burden
  - Within a 2-3 years, 90 cents out of every real estate tax dollar will be paid on the backs of the residential community
- Since FY 2000, residential assessments has increased by a staggering 182% while commercial rose by 84%
  - Under the commercial ledger, the assessment value of citywide hotels is \$835 million or 1.5% of all real estate assessments of \$55.5 billion in 07/08
  - Resort hotels represent 0.8% of all city assessments (\$55.5 billion) or just \$400+ million of citywide hotels

- The City's long-term debt and the ability to extend this debt is attributable to the residential households which are the City's major tax payer
  - VB Residential property assets represents \$47.5 billion
  - Allowed debt is 3.5% or \$1.66 billion
  - Raises in assessments = Higher Debt limit to fund special projects
- Disposable spending of 165,000 households \* is estimated at \$10+ billion
  - As the City's primary economic engine, the multiplier effect of disposable residential income is estimated at over \$20+ billion both locally and regionally
- While the average residential tax bill has increased by over \*\* 129% since FY 99/2000, the tax rate was reduced by 23 cents or 18.8%. The City Mgr has proposed an additional 6 cents reduction for 07/08 which will equate to reducing the cumulative rate by 23.7% since FY 99/2000. Additionally, reducing the tax by 6 cents off the existing .99 cents tax rate accounts for a reduction of 93 cents per \$100 or 6% while increasing the average tax bill by 21.6% in FY 07/08 for residential households

\* As of FY2007/08, there are 136,000 residential stakeholders. The remainder, some 30,000 are apartment dwellers. Total households - 165,000

\*\* Note the residential tax base was:

Years	Tax Rate	Percent %	Value	Percent %	Difference
FY 99/ 2000	\$1.22		\$206,756,000		
FY 07/ 2008.	\$.93		\$474,216,990		
<b>Difference</b>	<b>-.29</b>	<b>- 23.7%</b>	<b>+\$267,460,990</b>	<b>+ 129%</b>	<b>+ 105.3% increase</b>



This represents a residential escalation of 129% when tax rate reduction was 23.7% since FY99/2000 and equaled a whopping 105.3 % increase in taxes

### School Demographics:

- From FY99/2000 to FY06/2007, school population has decreased from 76,773 to 71,843, a reduction of 4,930 or 6.42%.
- VBTA estimates that student population is expected to decline from 7.00% to 7.70% in FY 07/2008.  
*Source: Series 2007 \$75 million GO Bond, pg 36*