

CERTAIN FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING FAIRFAX COUNTY, VIRGINIA

Set forth below is certain financial, economic and demographic information describing generally the underlying conditions that may affect the performance and value of retail and commercial property in Fairfax County. The success of any retail or commercial venture, and the value of the real property on which such venture is located, is subject to many factors. Further no assurance can be given that any particular measurement of financing, economic or demographic factor in Fairfax County will necessarily correlate with the performance and value of any particular retail or commercial establishment within the District. **The following information should not be read with a view to the creditworthiness of Fairfax County, which is not obligated to pay debt service on the 2011A Bonds.**

GENERAL DESCRIPTION

Overview

Fairfax County is located in the northeastern corner of the Commonwealth of Virginia (the “Commonwealth”) and encompasses an area of 407 square miles. Its current estimated population is approximately one million. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia, and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of Fairfax County is the Board of Supervisors, which makes policies for the administration of Fairfax County (the “County”). The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four year term, and one member from each of nine districts, each elected for a four year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

ECONOMIC FACTORS

Economic Development

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (“EDA”), whose seven commissioners are appointed by the Board of Supervisors. The EDA promotes Fairfax County as a premier location for business start-up, relocation and expansion, and capital investment. It works with new and existing businesses to help identify their facility and site needs, and assist in resolving County-related issues and provide other business assistance. Pursuant to its enabling legislation, the EDA encourages investment in the County with tax-exempt conduit revenue bond financing.

The total inventory of office space in the County was estimated at 113 million square feet in the first half of 2010. Nearly 2.5 million square feet of new office space was available; more than half of this space was in the Chantilly and Dulles submarkets. Industrial/hybrid space in the County was estimated at 38.8 million square feet as of mid-year 2010. The direct vacancy rates for the office and industrial/hybrid markets were 13.3% and 12.7%, respectively, as of June 30, 2010. Including sublet space, the office vacancy rate and the industrial/hybrid vacancy rate were 15.7% and 13.7%, respectively, in the first half of 2010.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet-related services, has served as a strong magnet for the expansion and attraction of business and professional services. Government contractors, as well as diversified business and financial services, have added to the demand for prime office space in a number of key employment centers throughout the County. Major corporations such as Booz Allen Hamilton, Capital One Financial, CSC, Federal Home Loan Mortgage Corporation (Freddie Mac), Gannett (USA Today), General Dynamics, Hilton

Worldwide, The MITRE Corporation, ManTech International, SAIC, TASC, and Volkswagen Group of America are headquartered in Fairfax County. In addition, defense contractor Northrop Grumman will move its corporate headquarters from Los Angeles to Fairfax County beginning in summer 2011.

As of midyear 2010, there were 96 hotels, each with 75 or more rooms completed or under construction in the County, totaling 17,242 hotel rooms and nearly 11 million square feet of space. Two hotels that were under construction at year-end 2009—the 91-room SpringHill Suites Alexandria and the 86-room Holiday Inn Express & Suites Alexandria/Fort Belvoir—have delivered, each adding 58,000 square feet to the County’s hotel inventory. Hotel development parallels commercial construction in terms of diversity of concept and design with a variety of product and service mixes (all-suites, business meeting facilities, and leisure facilities) in the marketplace. National chains such as AmeriSuites, Best Western, Comfort Inn, Doubletree, Embassy Suites, Hampton Inn, Hilton, Holiday Inn, Hyatt, Marriott, Ritz-Carlton, Sheraton and Westin offer a wide range of hotel options in the County.

The 16-mile Dulles Toll Road provides access from Washington, D.C. through Tysons Corner and Reston-Herndon (the largest business centers in the County) to Dulles Airport, on the County’s western edge. Pursuant to legislation enacted by the Virginia General Assembly at its 1995 session, the Commonwealth sold \$45.2 million in bonds for the construction of two additional lanes (for a total of eight lanes) for the Dulles Toll Road between Interstate 495 in Fairfax County and Route 28 (Sully Road) in Fairfax and Loudoun Counties. Additionally, a 14-mile extension of the Dulles Toll Road, the privately-financed Dulles Greenway, connects Dulles Airport with Leesburg, in Loudoun County west of Fairfax County.

Washington Dulles International Airport has experienced a significant increase in service levels and demand in recent years, serving as a catalyst for corporate activities dependent on immediate access to air travel. Dulles Airport is served by 32 airlines and offers nonstop flights to 82 domestic and 45 international destinations. The airport is the second largest international gateway on the east coast. Dulles Airport reported more than 23 million passengers, more than 340,000 takeoffs and landings, and moved nearly 646,000 pounds of mail and freight in 2009. In 2000, the Metropolitan Washington Airports Authority initiated Dulles Development (D2), the second phase of its ongoing capital construction program. The nearly \$4 billion development program includes the completed AeroTrain, a new passenger conveyance system; construction of a new fourth north-south runway; and expansion of Concourse B. Future projects include expansion of the International Arrivals Building in the Main Terminal, and construction of a fifth east-west runway and a new concourse beyond the existing Concourses C and D.

Metrorail service is planned to be extended approximately 23 miles from an area east of West Falls Church station, along the median of the Dulles Connector Road through Tysons Corner, then further out the Dulles International Airport Access Road, through Dulles Airport, to Route 772 in Loudoun County. The total cost of the unofficially named Silver Line project to Dulles Airport currently is estimated at more than \$5.8 billion to \$6.5 billion. The project is currently expected to be completed in two phases. Phase I, which is underway, is expected to cost approximately \$2.64 billion for the segment from the Metrorail Orange line to Wiehle Avenue in Reston, including construction of five new stations. The cost will be shared by the federal government, the Metropolitan Washington Airports Authority (MWAA), Dulles Toll Road revenues and Fairfax County. Relocation of 21 utilities in the Tysons Corner area is progressing. Phase II construction will be funded by Fairfax and Loudoun Counties, Virginia and MWAA. Final cost estimates for Phase II (which includes six Metro stations between Wiehle Avenue, Dulles Airport and Loudoun County) are expected to be developed at a later date.

In December 2003, the Smithsonian Institution opened the new National Air and Space Museum Dulles Center for the display and collection of rare and historic aviation and space artifacts. The Steven F. Udvar-Hazy Center, a 761,000-square-foot building located on 177 acres at Dulles Airport, is home to more than 200 aircraft and 135 spacecraft, including the space shuttle Enterprise and the B-29 Superfortress “Enola Gay.” The museum welcomed more than one million visitors in FY 2009.

The Board of Supervisors and the County actively support the revitalization and redevelopment throughout the County, particularly in its more mature business areas. Enhancements to the residential and commercial neighborhoods in Annandale, Bailey Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield, and the Richmond Highway corridor in the southeastern portion

of the County are progressing, and a number of capital improvement projects and other construction in process or already completed have improved the appearance and quality of life of these communities. Most notably, Tysons Corner—Fairfax County’s “downtown”—is undergoing a transformative land-use replanning effort. Spurred by the Metrorail project, the County is working to set the stage for Tysons’s evolution into a more urban-scale, pedestrian-friendly environment, with additional housing and open space in addition to more-dense office and retail development.

Employment

About 33,500 payroll business establishments (units), including corporate and regional headquarters, technology firms, sales and marketing offices, and business services, are located in Fairfax County. Local businesses create employment in such diversified areas as computer software development and systems integration, government contracting, Internet-related services, wholesale and retail trade, and financial services. The following table presents data on the average number of payroll establishments and employment by major industry classification in Fairfax County as of first quarter 2010.

Businesses and Employment by Industry Fairfax County, Virginia¹

<u>Industrial Classification</u>	<u>Number of Establishments</u>	<u>Average Payroll Employment for Year</u>
Agriculture/Forestry/Fishing/Hunting	13	65
Mining	9	170
Manufacturing	467	9,714
Utilities	n/d	n/d
Wholesale Trade	1,336	14,279
Construction	2,353	23,589
Transportation/Warehousing	366	8,806
Retail Trade	2,679	49,528
Services ²	22,186	370,656
Finance and Insurance	1,628	22,193
Real Estate/Rental and Leasing	1,404	8,797
Information	859	24,454
Public Administration	127	25,238
Not Disclosed/Unclassified	<u>30</u>	<u>1,745</u>
Total	33,457	559,234

Source: Virginia Employment Commission, Covered Employment and Wages in Virginia, Fairfax County, 2009 annual average.

¹ Excludes self-employed business owners.

² The Services category includes professional and technical services, health care and social assistance, management services, educational services, accommodation and food services, arts, entertainment and recreation, administrative and waste services, and membership organizations and trade associations.

The following is a list of the 25 largest private, base sector (non-retail) employers in Fairfax County as of June 2010.

Company Name	Type of Business	County Employment Range*
Inova Health System	Health Care	7,000 – 10,000
Booz Allen Hamilton, Inc.	Professional, Scientific, and Technical Services	7,000 – 10,000
Northrop Grumman	Professional, Scientific, and Technical Services	7,000 – 10,000
SAIC	Professional, Scientific, and Technical Services	4,000 – 6,999
Lockheed Martin	Professional, Scientific, and Technical Services	4,000 – 6,999
Federal Home Loan Mortgage Corporation (Freddie Mac)	Finance and Insurance	4,000 – 6,999
General Dynamics	Professional, Scientific, and Technical Services	1,000 -- 3,999
Navy Federal Credit Union	Finance and Insurance	1,000 -- 3,999
Sprint	Information/Telecom	1,000 -- 3,999
Deloitte	Professional, Scientific, and Technical Services	1,000 – 3,999
Fannie Mae	Finance and Insurance	1,000 -- 3,999
CSC	Professional, Scientific, and Technical Services	1,000 – 3,999
Accenture	Professional, Scientific, and Technical Services	1,000 – 3,999
CACI International	Professional, Scientific, and Technical Services/Telecom	1,000 – 3,999
Greenspring	Health Care and Social Assistance	1,000 – 3,999
BAE Systems	Professional, Scientific, and Technical Services/Transportation Equipment	1,000 – 3,999
IBM	Professional, Scientific, and Technical Services/Computers, Peripherals Equipment	1,000 – 3,999
ExxonMobil	Wholesale Trade (Petroleum Products)	1,000 – 3,999
HP Enterprise Services	Information/Data Processing Services	1,000 – 3,999
Verizon	Information/Telecom	1,000 – 3,999
Cox Communications	Information/Telecom	1,000 - 3,999
ITT Industries	Professional, Scientific, and Technical Services	1,000 – 3,999
Gannett Company	Information/Newspaper Publishers	1,000 – 3,999
Administaff	Administrative and Support Services	1,000 – 3,999
ICF International	Professional, Scientific, and Technical Services	1,000 – 3,999

Sources: Fairfax County Economic Development Authority and the Virginia Employment Commission.

* Note: Employment estimates for separate facilities of the same firm have been combined. Broad employment ranges are given to ensure confidentiality and are based on quarterly employer reports to the Virginia Employment Commission. Type of Business is based on 2 digit North American Industry Classification System (NAICS) codes.

Unemployment in the County has historically been, and continues to be, well below national averages even in challenging economic times. The average unemployment rate in Fairfax from January through November 2010 was 5.0%. Virginia and U.S. average unemployment rates during this same period were 7.0% and 9.7%, respectively. Reflecting the global recession that began in late 2007 and escalated a year later, Fairfax County's unemployment rate had risen to a high of 5.5% in early 2010, but had dropped to a low of 4.6% November 2010, reflecting an overall "leveling out" of the economic downturn. The following table shows the average annual unemployment rate in Fairfax County as compared with Virginia and national averages in the past decade:

Average Annual Unemployment Rates

Calendar Year	Fairfax County	Virginia	United States
2000	1.6%	2.3%	4.0%
2001	2.5	3.2	4.7
2002	3.4	4.2	5.8
2003	3.1	4.1	6.0
2004	2.7	3.7	5.5
2005	2.5	3.5	5.1
2006	2.2	3.0	4.6
2007	2.1	3.0	4.6
2008	2.8	4.0	5.8
2009	4.7	6.7	9.3
2010 (through November)	5.0	7.0	9.7

Source: Virginia Employment Commission.

According to the Virginia Employment Commission, the number of jobs in the County was 562,674 in March 2010, and averaged 574,600 for second quarter 2010. This number of jobs does not include self-employed persons. The following table presents total non-agricultural payroll employment in recent years:

Non-agricultural Employment

As of March	Non-agricultural Employment in Fairfax County	% Change	As of March	Non-agricultural Employment in Fairfax County	% Change
2001	541,132	4.3	2006	567,781	2.2
2002	524,298	(3.1)	2007	579,045	2.0
2003	524,232	0.0	2008	588,373	1.6
2004	533,562	1.8	2009	568,185	(3.6)
2005	555,473	4.1	2010	562,674	(1.0)

Source: Virginia Employment Commission.

Population

Fairfax County government estimated the County's 2010 population at 1,056,435. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C. primary metropolitan statistical area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County, with 818,584 residents, had become the most populous jurisdiction in the Washington, D.C. area, adding an average of 22,000 persons per year in the 1980s. Population growth during the 1990s and 2000s has slowed in Fairfax County; on average, about 8,700 persons per year have been added to the population during 2000-2010.

Fairfax County Population

<u>Calendar Year</u>	<u>Population</u>
1940	40,929
1950	98,557
1960	248,897
1970	454,275
1980	596,901
1990	818,584
2000	969,749
2001	984,366
2002	1,004,435
2003	1,012,090
2004	1,022,298
2005	1,033,646
2006	1,037,311
2007	1,041,507
2008	1,045,694
2009	1,051,990
2010	1,056,435

Sources: U.S. Bureau of the Census (1940-2000) and the Fairfax County Department of Systems Management for Human Services.

The following table reflects the population age distribution of County residents, based on the U.S. Census Bureau's 2009 American Community Survey. The survey estimated the County's total population at 1,037,605.

Household Population Age Distribution Fairfax County

<u>Age Group</u>	<u>2009</u>	
	<u>Number</u>	<u>Percent (%)</u>
Under 20 years.....	283,085	27.3
20 – 34	203,675	19.6
35 – 54	323,957	31.2
55 – 64	125,588	12.1
65 and Over	<u>101,300</u>	<u>9.8</u>
Total.....	1,037,605	100.0

Source: U.S. Bureau of the Census, 2009 American Community Survey.

Based on income data released in September 2010 by the U.S. Census Bureau Fairfax County's median household income in 2009 was \$102,499. The estimated median family income in Fairfax County was \$122,651 in 2009. Nearly 31% of the County households and just over 38% of families had annual incomes of \$150,000 or more. The following table illustrates the 2009 household and family income distribution in the County.

**Annual Household and Family Income Distribution (by Percentage)
Fairfax County, 2009**

<u>Income Level</u>	<u>Household</u>	<u>Family</u>
Under \$25,000	7.6%	5.6%
\$25,000 – 49,999	11.6	9.7
\$50,000 – 74,999	15.0	11.7
\$75,000 – 99,999	14.1	12.3
\$100,000 – 149,999	21.3	22.6
\$150,000 or more	30.4	38.2
Median Income	\$102,499	\$122,651

Sources: Fairfax County Department of Systems Management for Human Services; Population Division, U.S. Bureau of the Census.

Note: In 2009, the Population-Division, U.S. Bureau of the Census estimated that there were 371,129 households and 260,241 families in Fairfax County. "Families" are defined as those households containing two or more persons related by blood, marriage, or adoption.

The following table shows that total taxable retail sales in the County rose from 1999 through third quarter 2010, reflecting rising income levels and the County's increasing dominance as a regional commercial and retail center. Declining per capita taxable retail sales in 2001, 2002, 2005, 2008 and 2009 reflect general economic downturns. The global economic recession that began in fall 2007 is responsible for the most recent decline.

Per Capita Taxable Sales

<u>Calendar Year</u>	<u>Taxable Sales (in Billions)</u>	<u>Population</u>	<u>Per Capita Taxable Sales</u>
1999	\$10.62	946,371	\$11,220
2000	11.32	969,749	11,676
2001	11.01	984,366	11,180
2002	11.13	1,004,435	11,080
2003	11.68	1,012,090	11,538
2004	12.66	1,022,298	12,387
2005	11.60	1,033,646	11,221
2006	13.29	1,037,311	12,812
2007	13.88	1,041,507	13,328
2008	13.55	1,045,694	12,958
2009	12.93	1,051,990	12,293
2010 (through third quarter)	9.67	1,056,435	9,145

Sources: Virginia Department of Taxation, Taxable Sales Based on Retail Sales Tax Revenues, Fairfax County Department of Systems Management for Human Services, U.S. Bureau of the Census, and Fairfax County Department of Management and Budget.

Construction Activity

The following table illustrates trends in residential and commercial construction activity in the County:

Fiscal Year	Building Permits ¹				Estimated Housing Units Started ¹
	Residential Properties		Industrial and Commercial Properties		
	Number	Estimated Value (000s)	Number	Estimated Value (000s)	
2000	30,178	\$995,247	4,735	\$719,885	5,944
2001	23,154	806,139	4,455	671,805	6,121
2002	20,863	771,174	3,624	459,000	5,979
2003	19,095	820,046	3,561	306,909	4,020
2004	16,442 ¹	800,358	4,034 ¹	405,788	6,780
2005	23,253 ¹	1,145,145	4,013 ¹	460,814	4,353
2006	17,168 ¹	918,839	4,413 ¹	450,382	2,784
2007	11,419 ¹	757,848	4,974 ¹	1,297,296	1,599
2008	10,719 ¹	548,759	5,046 ¹	619,613	2,238
2009	8,780 ¹	327,454	4,361 ¹	413,719	1,361
2010	8,977	428,941	3,946	375,126	1,150

Sources: ¹ Fairfax County Department of Public Works and Environmental Services (for building permits) and Weldon Cooper Center, University of Virginia (for estimated housing units started which includes new and alteration/repair permits issued.).

The following is a short list of major new or expanded office projects within the County announced in 2010:

New or Expanded Commercial Projects		
Name of Company	Nature of Operations	Projected New/Additional Employment
Acumen Solutions	Professional Services	156
Agilex Technologies, Inc.	Information Technology	130
ATCS	Professional Services	100
Chenega Federal Systems	Professional Services	150
Cox Communications	Telecommunications	87
GeoEye	Aerospace	230
ICF International	Personal Services	400
KPMG	Professional Services	372
ManTech International Corp	Information Technology	153
Modern Technology Solutions	Professional Services	93
Northrop Grumman	Professional Services	300
QinetiQ North America	Information Technology	200

Source: Fairfax County Economic Development Authority.

Housing

Single-family detached housing units continue to account for a majority of the housing units within Fairfax County, representing 48.6% of the total in 2009. Single-family attached housing accounted for 25.0% and multi-family housing made up the remaining 26.4%. As of January 2009, the median market value of all owned housing units, including condominiums, in Fairfax County was estimated by the Department of Systems Management for Human Services to be \$441,679, a decrease of 12.1% from 2009.

With respect to sales prices, in 2009, the median sales price of new single-family homes was \$791,984, a 14.5 percent drop from the 2008 median of \$926,498. The median sales price of new townhouses increased to \$569,775 in 2009, a 2.6 percent rise compared to the 2008 median price of \$555,288. The median sales price of condominiums—both new and existing—fell 16.5 percent to \$212,000 from the 2008 median of \$254,000.

The median sales price of existing (previously owned) single-family homes in 2009 was \$521,050, a 2.6 percent drop over the 2008 median sales price of \$535,000. The median sales price of existing townhouses in 2009 remained unchanged at \$340,000.

Housing Units by Type of Structure

	1980		1990		2000		2009	
	No.	%	No.	%	No.	%	No.	%
Single-Family:								
Detached	125,580	59.3	163,029	53.9	181,591	50.6	191,640	48.6
Attached	30,833	14.6	67,306	22.3	87,171	24.3	98,739	25.0
Multi-Family:	<u>55,333</u>	<u>26.1</u>	<u>72,129</u>	<u>23.8</u>	<u>90,198</u>	<u>25.1</u>	<u>104,127</u>	<u>26.4</u>
Total	<u>211,746</u>	<u>100.0</u>	<u>302,464</u>	<u>100.0</u>	<u>358,960</u>	<u>100.0</u>	<u>394,556</u>	<u>100.0</u>

Sources: U.S. Bureau of the Census, U.S. Census of Housing (1980) and Department of Systems Management for Human Services (1990, 2000 and 2009). Single-family detached includes all single-family homes and mobile homes, single-family attached includes duplexes, townhouses, and multiplex units. Multi-family includes condominiums, apartments and other units in structures with a common entryway.

Colleges and Universities

Sixteen institutions of higher education are located in Fairfax County: Averett University, Central Michigan University, Everest College, George Mason University, ITT Technical Institute, Marymount University, Missouri State University (Department of Defense Studies), Northern Virginia Community College, Potomac College, Sanford-Brown College, Stratford University, University of Phoenix, the Virginia Polytechnic Institute and State University (Virginia Tech), two campuses of the University of Virginia (both Virginia Tech and the Falls Church campus of the University of Virginia are located in the Northern Virginia Graduate Center) and Webster University. George Mason University, with an enrollment of approximately 32,000 students, offers 186 programs of study leading to bachelor's, master's, or doctoral degrees. The Northern Virginia Community College serves more than 72,000 students in credit courses and non-credit workforce and professional development programs at six campuses throughout Northern Virginia. American University, George Washington University, Catholic University, and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

Cultural Amenities

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for the number and quality of its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in north-central Fairfax County. Nearly 300 cultural organizations – theatre and opera

companies, music and dance groups, community arts centers, festivals, and other activities – are based in and around the County. The County also assists in supporting the Fairfax Symphony, an internationally recognized 94-member orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington’s wedding gift to his nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia. The region also boasts professional baseball, basketball, football, ice hockey, and soccer.

TAX BASE DATA

Fairfax County reassesses approximately 352,100 parcels of real property annually employing a computer assisted mass reassessment program for both residential and non-residential properties. The County uses a statistic called the coefficient of dispersion (the “Coefficient of Dispersion”) which measures the uniformity of assessment to sale ratios among properties. The lower the number calculated, the more uniform the assessment. The overall Coefficient of Dispersion in Fairfax County for tax year 2010 (FY 2011) was 5.52% and the assessment to sales price ratio was .9211. A Coefficient of Dispersion of 15% is considered good by professional assessing standards. The County falls into the excellent category, indicating a high degree of assessment uniformity and equity.

The assessed value of the real estate tax base, as reported for 2010 in the main tax book for Fairfax County, decreased by 9.20% in value from the prior year.

The data in the following five tables are presented to illustrate trends and characteristics of the assessed value of real and personal property which are major sources of County-derived revenue:

Assessed Value of All Taxable Property (000s)

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Corporation¹</u>	<u>Total Assessed Value</u>
2001	\$87,334,092	\$10,820,524	\$2,893,923	\$101,048,540
2002	99,172,800	11,586,200	3,042,300	113,801,300
2003	114,155,500	11,610,620	3,161,030	128,927,150
2004	128,228,900	11,739,600	3,256,670	143,225,170
2005	143,682,400	11,542,500	3,036,400	158,261,300
2006	177,877,141	12,349,635	1,960,543	192,187,319
2007	216,435,990	12,730,825	3,180,533	232,347,348
2008	225,202,547	12,578,473	3,531,915	241,312,935
2009	226,130,955	12,763,621	3,605,037	242,499,613
2010	203,178,823	11,805,344	3,565,190	218,549,357
2011 ²	184,034,603	12,089,401	3,386,448	199,510,452

Source: Actual values are from the Fairfax County Department of Tax Administration. Figures are net of exonerated assessments and tax relief for the elderly and disabled.

¹ Pursuant to Virginia statute, all Public Service Corporation real property assessments are required to be made at 100% of estimated market value annually by the State Corporation Commission.

² Estimated amounts per Fairfax County Department of Management and Budget FY 2011 Adopted Budget Plan.

**Tax Rates per \$100 Assessed Value
(Fiscal Year)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Real Estate – Regular and Public Service	\$1.23	\$1.21	\$1.16	\$1.13	\$1.00	\$.89	\$.89	\$.92	\$1.04	\$1.09
Personal Property – Regular ...	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Public Service	1.23	1.21	1.16	1.13	1.00	.89	.89	.92	1.04	1.09
Personal Property – Mining and Manufacturing, Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Research and Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Mobile Homes	1.23	1.21	1.16	1.13	1.00	.89	.89	.92	1.04	1.09
Personal Property – Antique Cars01	.01	.01	.01	.01	.01	.01	.01	.01	.01
Personal Property – Special ¹01	.01	.01	.01	.01	.01	.01	.01	.01	.01

Source: Fairfax County Approved Fiscal Plans, FY 2002-2011.

¹ Includes vehicles specially equipped for the handicapped, privately owned vans used for van pools, vehicles belonging to volunteer fire and rescue squad members, vehicles owned by auxiliary police and reserve deputy sheriffs, certain property of homeowners associations, aircraft, including flight simulators, and motor vehicles owned by qualified elderly or disabled individuals, and boats.

**Commercial-Industrial Percentage of the
Total Assessed Value of Real Property**

<u>Fiscal Year</u> ¹	<u>Percent (%)</u> ²
2002	24.84
2003	21.97
2004	19.14
2005	18.20
2006	17.36
2007	17.22
2008	19.23
2009	21.06
2010	22.67
2011	19.70

Source: Fairfax County Department of Tax Administration. Assessed values are reported by State of Virginia Land Use Codes. Vacant land is defined according to zoning classification.

¹ Fiscal year property taxes are levied on prior year assessments.

² Includes the Towns of Vienna, Herndon, and Clifton.

The following data shows the assessed value of real property of the 25 largest holders of real property in the County (as of January 1, 2010).

RANK	PROPERTY OWNER	PROPERTY TYPE	TOTAL ASSESSMENT
1	TYSONS CORNER PROPERTY HOLDINGS LLC	Tyson's Corner Regional Shopping Center	\$1,012,437,860
2	CESC SKYLINE LLC	Commercial and Industrial	550,737,670
3	WEST GROUP PROPERTIES LLC	Various Offices, Retail, Industrial and Land	309,686,520
4	FAIRFAX COMPANY OF VIRGINIA	Fair Oaks Mall	273,932,200
5	RESTON TOWN CENTER	Commercial and Industrial	257,979,330
6	WASHINGTON GAS LIGHT CO	Public Utility	254,210,859
7	BRANDYWINE ACQUISITION PARTNERS LP	Commercial and Industrial	251,006,950
8	SRI SEVEN FAIR LAKES LLC	Commercial and Industrial	245,238,710
9	SUMMIT PROPERTIES PARTNERSHIP LP	Apartments and Land	228,521,370
10	WEST MAC ASSOCIATES	Office and Land	213,567,660
11	PS BUSINESS PARKS LP	Industrial Parks	201,190,380
12	SOUTH OF MARKET LLC	Office	194,632,740
13	CAMPUS POINT REALTY CORP	Office	190,582,750
14	WRIT LP	Offices, Apartments, Ind. and Shopping Centers	176,590,180
15	HOMART NEWCO ONE INC	Commercial and Industrial	172,755,600
16	MOBIL FAIRFAX INC	HQ Office and Various Commercial	172,290,040
17	TYSONS II LAND CO LLC	Land	168,823,700
18	MITRE CORPORATION	Office	166,857,990
19	GANNETT CO INC	Office	159,947,270
20	CAPITAL ONE BANK	Office	159,721,890
21	GREENSPRING VILLAGE INC	Apartments and Land	158,115,580
22	FRANCONIA TWO LP	Springfield Mall	153,969,810
23	PATRIOT VILLAGE OWNER LLC	Apartments	138,103,460
24	HOME PROPERTIES MOUNT VERNON LLC	Apartments and Office	134,914,270
25	NAVY FEDERAL CREDIT UNION	Various Office and Land	<u>131,630,480</u>
			\$6,077,445,269

Source: Fairfax County Department of Tax Administration. Derived from January 1, 2010, tax rolls.

As of January 1, 2010, the assessed value of the real property of the 25 largest holders of real property in the County represented 3.24% of the total assessed value of all real property in Fairfax County, excluding tax-exempt properties. January 1, 2010, assessments generate tax revenue in FY 2011.

**Real and Personal Property
Tax Levies and Tax Collections
(000s)**

Fiscal Year	Total Levy¹	Current Collections²	% of Levy³	Collection of Back Taxes	Total Collection of Current & Back Taxes	% of Current & Back Taxes Collected to Tax Levy
2001	\$1,524,861	\$1,512,551	99.19	\$10,761	\$1,523,312	99.90
2002	1,705,787	1,690,398	99.10	14,269	1,704,667	99.93
2003	1,864,588	1,851,665	99.31	11,364	1,863,029	99.92
2004	1,973,175	1,960,699	99.37	13,900	1,974,599	100.07
2005	2,098,852	2,090,787	99.62	21,048	2,111,835	100.62
2006	2,270,002	2,263,289	99.70	18,110	2,281,399	100.50
2007	2,445,217	2,444,525	99.97	17,634	2,462,159	100.69
2008	2,526,532	2,525,278	99.95	14,416	2,539,694	100.52
2009	2,616,413	2,605,766	99.59	15,408	2,621,174	100.18
2010	2,617,631	2,620,830	100.12	12,898	2,633,728	100.61

Sources: Fairfax County Comprehensive Annual Financial Reports for the Fiscal Years ended June 30, 2001-2007. For FY 2008, 2009 and 2010 Fairfax County Department of Management and Budget.

¹ The total levy is the levy for General Fund real and personal property taxes and does not include the property tax levy for Special Revenue Funds, e.g. for refuse collection and Community Centers.

² Current collections do not include tax collections for the Special Revenue Funds or payments in lieu of taxes. As a result of revised accounting procedures, the collection of penalty and interest payments for late payments of current taxes is included in the collection of current taxes rather than under the collection of back taxes.

³ The percentage of levy is not the collection rate since current collections also include penalty and interest payments for late payments of current taxes.

Section 58.1-3916 of the Code of Virginia authorizes Fairfax County, pursuant to Section 4-10-1 of the County Code, to impose a penalty of 10% for failure to pay taxes when due, with interest to be due on such taxes and penalty following the day such taxes are due at the rate of 10% per annum the first year and at the greater of 10% per annum and the rate established pursuant to Section 6621 of the Internal Revenue Code for the second and subsequent years of delinquency.

FY 2011 Budget

A balanced FY 2011 budget was adopted by the Board of Supervisors in April 2010. The budget included a 5 cent real estate tax rate increase and a ½ cent increase in the storm water service district levy to address storm water environmental improvements. As a result of the adopted budget a net reduction for the average homeowner's tax bill is over \$25. The FY 2011 Adopted Budget funds disbursements of \$3.3 billion, a 2.7 % decrease from the previous years budget and includes no pay increases for County or School employees. As part of the close management of FY 2010 resources as well as higher revenue than anticipated, the Board of Supervisors has reserved nearly \$24 million in funding to address unforeseen critical FY 2011 requirements or to fund FY 2012 budget needs. This funding is in addition to the \$15 million reserve set aside in anticipation of increased employer contribution requirements for the County's retirement systems in FY 2012.

FY 2012 Budget

In Fall 2010, the County Executive presented a financial forecast for FY 2012 which projected a \$55 million budget shortfall under the assumption of no compensation increases, fairly flat FY 2012 spending requirements and with revenues anticipated to increase approximately 2.4%. The County plans to address this shortfall by a combination of agency funding reductions, internal reorganizations and revenue enhancements.