Robust Economy:
What is 35% Commercial?

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What is 35% Commercial?

- Is it only the percentage of commercial Real Estate in the County’s land book?

- Is it the percentage of tax revenues deemed received from commercial activity?

- Or is it something else?
Commercial / Residential Real Estate Valuation

- Undeveloped Land: 0.29%
- Apartments: 5.45%
- Commercial & Industrial: 13.28%
- Public Service: 3.05%
- Residential: 77.93%

= 16.33% Commercial Today
Commercial / Residential Split Over Time

Residential + Apartments – 83.4% Today

Commercial – 16.3% Today

Land – 0.3% Today
The County Has Two Primary Types of Tax Revenues

1. Valuation Based
   - Real Estate Taxes
   - Personal Property Taxes
   > 90%

2. Transaction Based
   - Sales Taxes
   - BPOL
   - Transient Occupancy
   - Recodration Tax
   - Consumer Utility Tax
   < 10%

The drivers for these revenues sources are different resulting in "Diversification"

- Policy 3.01 of Board adopted Principles of Sound Financial Management states:
  - “The County will strive to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.”
Distribution of General Revenue Categories

$938 million in total revenue

- Real Estate: 67.70%
- Sales Tax: 6.85%
- BPOL Tax: 2.91%
- Personal Property: 18.44%
- All Other Local: 4.10%
Distribution of General Revenue Categories

Approximately $693 million vs. $245 million (non-commercial vs commercial)
Commercial / Non-Commercial Revenue Split

**FY 2013 REVENUE SPLIT**
- Commercial: 26%
- Non-Commercial: 74%

**FY 2018 REVENUE SPLIT**
- Commercial: 26%
- Non-Commercial: 74%

**FY 2022 REVENUE SPLIT (Projected)**
- Commercial: 24%
- Non-Commercial: 76%
Other Revenue Opportunities

- Manage the tax mix to achieve greater diversification and meet strategic goals
  - Reassess current tax rates relative to neighboring jurisdictions
    - Identifies market “mispricing” of tax rates that can evolve over many years
    - Presents opportunities to creatively increase some tax rates to offset instances where rates were/are in need of reduction
    - Can serve to diversify revenue sources
  - Add new taxes
    - Increases County revenue and/or;
    - Provides an opportunity to creatively reduce other taxes with little fiscal impact
Questions?

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