

**FY 2019-2020 Virginia Beach Budget
Response to Council Questions**

Question Number: FY 20 66

Question: What is Town Center and the Resort Area's estimated contribution to the general fund for FY 19-20?

Date Requested: 4/8/2019

Requested By: Councilmember Abbott

Department: Budget and Management Services

Response:

Estimating revenue specific to districts or geographical areas is not something that is typically done as the information is fairly difficult to obtain. Historical information was provided by the Commissioner of the Revenue in total for BPOL, sales, personal property, hotel and meals within the Resort area and Town Center. Real Estate revenue was provided by the Real Estate Assessor. With that information, revenue estimates for the districts were calculated based on historical actuals and projected growth rates.

BPOL, Sales, and Personal Property are realized entirely in the General Fund and are shared with the schools via the School Funding formula.

Hotel and Meals taxes have special dedications with the General Fund receiving only a portion of the total revenue.

- Hotel tax- the General Fund receives 2% of the 8% tax rate or 25%
- Meals tax- the General Fund receives 3.5% of the 5.5% rate or 64%

Real Estate has special dedications with the General Fund receiving only a portion of the total revenue. To determine the General Fund revenue from these districts, dedications such as ARP, outdoor initiative, recreation centers, Open Space, etc. were excluded. Town Center operates as a Tax Increment Financing District and the General Fund only receives revenue for the base year assessment for which the TIF was established (1999). Once controlling for the dedications, the General Fund revenue is then shared with schools via the School Funding formula.

Due to the difficulty in obtaining information and with a goal of a timely response, revenues like utility taxes, cigarette taxes, and other minor revenues that are generated within the district are excluded, so this projection is conservative.

The following page includes two tables estimating the FY 2019-20 revenue contribution to the General Fund for the Resort area and Town Center:

Resort area:

Tax	Total	Estimated Resort Area Contribution to General Fund	City	Schools
BPOL	\$ 3,179,039	\$ 3,179,039	\$ 1,678,533	\$ 1,500,507
Meal	\$ 10,284,788	\$ 6,544,865	\$ 3,455,689	\$ 3,089,176
Sales	\$ 6,204,090	\$ 6,204,090	\$ 3,275,760	\$ 2,928,331
Hotel	\$ 16,873,480	\$ 4,218,370	\$ 2,227,299	\$ 1,991,071
Real Estate	\$ 46,107,300	\$ 40,263,568	\$ 21,259,164	\$ 19,004,404
Personal Property	\$ 6,940,366	\$ 6,940,366	\$ 3,664,513	\$ 3,275,853
Total	\$ 89,589,063	\$ 67,350,299	\$ 35,560,958	\$ 31,789,341

Town Center:

Tax	Total	Estimated Town Center Contribution to General Fund	City	Schools
BPOL	\$ 1,829,300	\$ 1,829,300	\$ 965,871	\$ 863,430
Meal	\$ 3,072,608	\$ 1,955,296	\$ 1,032,396	\$ 922,900
Sales	\$ 1,146,907	\$ 1,146,907	\$ 605,567	\$ 541,340
Hotel	\$ 1,456,055	\$ 364,014	\$ 192,199	\$ 171,814
Real Estate	\$ 9,848,383	\$ 1,519,250	\$ 802,164	\$ 717,086
Personal Property	\$ 789,670	\$ 789,670	\$ 416,946	\$ 372,724
Total	\$ 18,142,923	\$ 7,604,437	\$ 4,015,143	\$ 3,589,294