

# The Virginian-Pilot

Hampton Roads, Page 1, November 8, 2009

## TAXES

# Say what? Good news on city revenue? Suffolk forecast cautiously upbeat

By Dave Forster  
*The Virginian-Pilot*

### SUFFOLK

Credit a conservative budget, an uptick in spending or both, but revenues from many local taxes are beating expectations.

Three months into the fiscal year, the city is projecting revenues in its main operating fund to exceed expenses by about \$823,000, despite declining state aid. That's a cushion of about half a percent on its \$169 million general fund.

Anne Seward, the budget director, emphasized to the City Council last week that the year-end projections are preliminary.

### looking up

According to preliminary projections, Suffolk is on pace to bring in more money than it budgeted for almost all of its local taxes, including those on restaurants, hotels and sales.

"I stress that, because it's very difficult in this economy to really give you a good feel of where we think we'll land on June 30," she said. "But at this point we do have some good news to share with you."

The margins are slim and it's still early, but the city is

---

See REVENUE, BACK PAGE

## REVENUE | *City's growth rate tells part of the story*

*Continued from Page 1*

on pace to bring in more money than it budgeted for almost all of its local taxes, including those on restaurants, hotels and sales.

Some, such as the meals tax, could eclipse the revenues they brought in during the past couple of years.

Suffolk, which for years has been one of Virginia's fastest growing cities, can

**Overall, there are slightly fewer businesses operating in the city of Suffolk this year than there were last year.**

expect at least nominal tax revenue growth because of its expanding population, said William D. Conner, an economics professor at Tidewater Community College.

Other than that, it's difficult to gauge a city's economic performance with just a cursory review of its tax revenues, he said. That would require a more in-depth study with data from neighboring cities.

No doubt some local businesses are still feeling the recession. The people who run

the Hilton Garden Inn downtown said last month that their revenue was down 27 percent from a year before. Still, the city is on pace for a record haul from its lodging tax thanks to more rooms at two new hotels in North Suffolk.

Overall, there are slightly fewer businesses operating in the city than there were last year. Not counting small vendors, the city had 4,672 active business licenses as of Friday, down from 4,753 in 2008, Commissioner of Revenue Thomas Hazelwood said.

The city's recordation tax, which is assessed when deeds, mortgages, leases and contracts are recorded, is also beating budget expectations, even though those revenues have slowed. The monthly take from that tax fell from June to August, said Randy Carter, clerk of the Suffolk Circuit Court.

Another indicator – sales tax – shows lower receipts through the first quarter this year than in the past two fiscal years. But Treasurer Ron Williams saw an encouraging sign in that data. Receipts were better this September than they were for that month the two previous years.

"This is good news for the retail recovery," Williams said.

**Dave Forster**, (757) 222-5563,  
dave.forster@pilotonline.com