

The Charlottesville / Albemarle Revenue-Sharing Agreement

By **Ned Michie** (Charlottesville School Board Member);
e-mail: NedMichie@aol.com

January 2012 – Written;

January 2014 – Updated some “current” data;

March 2017-Added more historical references and cut out sections related to the school funding issue.

Introduction

The revenue-sharing agreement was reached 34 years ago, when the clear majority of the current community residents and leaders (both City and County) were not around. Even for those of us that were here – well, it was 34 years ago, and memories fade. So in writing this memo, my hope is to try to bring back a better understanding of why we ended up with a revenue-sharing agreement between Charlottesville and Albemarle

I have certainly gotten carried away with writing this memo, but I rather enjoyed the research that has gone into it and wanted to try to get my thoughts down in a coherent manner that could be shared easily with others. I am sure there is still a lot more research that could be done with records from that time period, and perhaps this memo will spur such further reflection – but of course we can never truly put ourselves in the shoes of the City and County leaders or the voters of 34 years ago, anyway.

If our current community, looking back from our position over 30 years later, really wants to know, out of curiosity, whether the City or the County got the better end of the agreement, I would suggest the localities choose and share the cost of a consultant to make some reasonable estimates given a few possible scenarios. Such an exercise would, of course, be limited by what cannot be known: e.g., what land would have been awarded in an annexation, the amount awarded to the County as payment for the land, and whether the land acquired would have developed differently or at a different rate if it had been in the City for the last 30+ years. Such a calculation would also just be a snapshot at the time it is completed; the “answer” may well change in another 10, 20, 30 years and on into the future. Such an estimate, however, might help citizens and leaders better understand and appreciate the agreement for some years to come – or at least better recognize the unknowable variables the negotiators themselves faced.

I ask that you, the reader, at least give your full consideration to the summary. Then, as time and interest allow, use this document to see if you agree that the references and other source information provided below support the points I make in the summary. I think the quotes from leaders and citizens from back in the early 1980s are particularly interesting (including a quote from recent Board of Supervisor member). As you will see the supporting information is broken into headings (e.g. “Did the County Board Appoint Soft Negotiators”)Below the supporting information is list of “Fast Facts” regarding the City and County.

In any event, the thoughts, opinions, and any errors expressed herein are my own.

SUMMARY

March 21, 2017

(Superscript numbers reference section numbers in the Supplemental Information)

Every few years, significant resentment bubbles up publicly from some Albemarle County residents about the annual payments the County makes to the City of Charlottesville under the permanent Revenue-Sharing Agreement which was approved by 63 percent of County voters in May of 1982. I fully believe this resentment is felt only by a minority of County residents, but sometimes this resentment has even come in the form of attempts at legislation to “fix the problem.” The expressed resentment, however, is virtually always rooted in an entrenched misunderstanding of the history and the nature of the payments being made.

The understandable but entirely mistaken belief of those in the County who feel wronged seems to be that the annual payment the County makes is in exchange for the City’s ongoing agreement not to annex any more County land. This belief is then understandably coupled with the knowledge that there actually is a law currently in place that prevents annexation by Virginia cities – ergo the conclusion that “Albemarle payments are for nothing, and the County got screwed in the deal.” I hold out hope that the following reminder of the actual events from over 30 years ago can help dispel this misunderstanding.

The Revenue-Sharing Agreement was reached after two years of hard bargaining between City and County to avert what was certain to become a courtroom annexation battle, given the City's expressed intention in 1980 to try to acquire up to 32 square miles of County land.^{6, 10} The land targeted for annexation was virtually all the County’s commercially developed and developing land, including Route 29 North, all of Pantops Mountain (including the I-64 interchange), the area that is now Stonefield shopping center, the area of the new Fifth Street Station shopping center, Mill Creek subdivision, Lake Reynovia, Monticello High School area, PVCC, and the Blue Ridge Sanatorium property.^{6, 10}

Charlottesville, which started as small town made up of a few blocks around what is now the downtown pedestrian mall, had expanded through annexation multiple times before — including nearly doubling in size in 1963 when the Barracks Road Shopping Center and several neighborhoods were acquired.⁴ Starting in 1969, the County and City leaders seriously considered merging the two governments, but the residents overwhelmingly voted down the idea in a March 3, 1970 referendum (4 to 1 against, in the County; and almost 2 to 1 against, in the City).⁴ Given the merger failure, the City went back to court to seek relief from its financial burdens: it filed annexation suits in 1971 and 1972, seeking about 11 square miles of the County. Both the suits were dismissed, however, on purely procedural technicalities.⁴

Consequently, the City was “loaded for bear,” waiting for the first opportunity legally available to re-initiate an annexation of the County. This opportunity arrived on July 1, 1980, **when an eight-year moratorium on annexation ended** as a result of the state legislature’s adoption of a new set of laws aimed at tackling the thorny annexation issue. These laws also, for the first time, gave localities the ability to work out revenue-sharing agreements, if they chose, rather than fight annexation battles in court.⁵ Seeing this train coming down the track, the County agreed to negotiations starting in December of 1979 — six months before the moratorium even ended.⁶

Just during the course of the two years of negotiation (and using the new annexation laws): **(1)** the courts awarded Harrisonburg 14 square miles of Rockingham County, including property that generated 60 percent of the County's sales tax revenue; **(2)** Spotsylvania County agreed to give up 4.6 miles of land to Fredericksburg as part of an agreement to avoid an annexation suit; and **(3)** after a failed negotiation seeking a settlement of about four to five square miles, Williamsburg City Council voted to pursue 12 square miles of James City County through annexation proceedings. These events were all reported in our local news prior to the vote by Albemarle residents on the Revenue-Sharing Agreement; indeed, Albemarle County officials asked to file a "friend of the court" brief in the Harrisonburg case to support Rockingham's attempt to overturn Harrisonburg's annexation (the Virginia Supreme Court ultimately, however, upheld the annexation).⁷

Leading up to the County's vote on the Revenue-Sharing Agreement, a May 9, 1982 *Daily Progress* editorial warned those in the County community who did not think annexation was likely to happen:

Believe it. It *would* happen. Doubters have only to look at the record: Virginia cities have won 87 percent of all annexation suits – 106 out of 121.

Editorial, "Albemarle's Opportunity," *The Daily Progress*, May 9, 1982 (emphasis in original).

The Albemarle County negotiators, who were hard-nosed County advocates,⁸ considered making some modest offers of land to the City, in settlement, but ultimately decided — in consultation with lawyers and financial experts — that they did not want to give up any land at all, either voluntarily through an agreement or through a court-ordered annexation. Consequently, after further negotiations, the parties came up with a revenue-sharing formula that would send money from whichever locality was doing better financially to the less fortunate one. Of course, the formula has resulted in the County paying the City every year, because of the County's vastly greater wealth and land available for development. The payment actually does not even meet the full value of the wealth differential formula, because it has been hitting the specified and essentially arbitrary payment **cap** in the agreement, which is a mere **one tenth of one percent (0.1%) of the total value of the County's taxable real estate**.^{6,9}

There is, of course, no way to know exactly what would have happened in the planned annexation suit, but the County leaders at the time had their financial consultant prepare an analysis comparing the County's projected costs over ten years under the proposed Revenue-Sharing Agreement with the cost to the County of a 10-mile and, separately, of a 32-mile annexation of land by the City (taking into account likely payment amounts required from the City for the land awarded, as well as costs associated with keeping land — e.g., more citizens to serve, more roads, providing utilities. . .).¹⁰

This County analysis only compared the potential cost of the land targeted by the City for the one planned annexation suit in 1980 to the potential cost of County payments under the Revenue-Sharing Agreement; the comparison did NOT factor in the cost of potential future annexations (i.e., it did not place a value on the provision whereby the City agreed to give up the right to annex permanently).¹⁰ **The comparison** which was publicized during the lead-up to the County referendum

showed that, after five years, the annual payments under the Revenue-Sharing Agreement would be about a third of the net cost to the County — compared to losing just the 10 square miles in the planned annexation. (It has turned out that the total ten-year costs of the agreement proved to be only \$5 million more than the estimated cost in the 1981 analysis — and still way below the estimated cost of the land loss.)¹⁰ It is also worth noting that the benefit to the City from an annexation of land would actually have been greater than the cost of the annexation to the County, because the City would have been taxing the land at a higher rate all this time. The permanent immunity from annexation that came with the Revenue-Sharing Agreement was just an important bonus that may yet come in handy for the County if/when the legislature acts to help cities out by letting the moratorium lapse in the future.^{2,5}

The County negotiators did, in fact, argue strenuously for some sort of time limit or escape clause to the revenue-sharing payments.^{9,11} That argument, however, was a total non-starter for the City, because as negotiators on both sides recognized, a successful annexation of land by the City in this one specific planned 1980s annexation — **and the stream of income that would have come with it — would have been permanent, forever, never ending, always present, without termination.** Therefore, it is perfectly logical that the Revenue-Sharing Agreement is set up that way, as well.¹⁰ The City negotiators also demanded permanence because everybody recognized there might be other changes in the annexation law or another moratorium. (There had been a moratorium for a couple of years in the 1960s; and, as previously noted, a second moratorium started in 1972 and **had not even ended when the negotiations began.**)¹¹ The existence of a cap on the payments under the Agreement was actually a concession County negotiators won from the City very late in the negotiations because of County concerns about the lack of an expiration date on the payments.^{9,11} Of course, the City's promise to permanently give up the right to annex was also a bow to the permanent nature of the payments.

The Editor to *The Daily Progress* wrote, leading into the referendum:

Forever Is a Long Time:

In 1762 Charlottesville first established itself on 31 acres of prime Albemarle County land. In the 220 years since then, not so much as one clod of red clay has ever been returned to county control.

Seven other times — in 1860, 1873, 1888, 1916, 1939, 1963 and 1968 — the city's territorial limits have been extended at the expense of Albemarle. A total of 6,683 acres once belonging to the county is now in the hands of the city. **Never has one shovelful been returned to county control. This lesson from history makes laughable the notion that the city-county revenue-sharing agreement should be feared because it lasts forever.**

Annexation, dear reader, lasts forever.

“Forever Is a Long Time,” *The Daily Progress*, May 13, 1982 (emphasis added).

Therefore it is simply not accurate that the annual revenue-sharing money is in exchange for the ongoing (and currently unneeded) promise by the City not to annex. Instead, the money reflects the ongoing settlement value of the land that both parties expected the City would have successfully permanently taken in the early 1980s. The statewide moratorium on annexation that

was put in place in 1987 would, of course, have had no effect on the permanent land addition to the City that an annexation would have brought, nor would it have affected the associated permanent revenue stream the land would have provided the City.

As the Board of Supervisors chairman and lead negotiator said after the agreement was approved by the County voters in 1983, “We will never know how much territory the city would have gotten. **Had the referendum failed, we would have found out.**” Giametta, Charles, “Hendrix: ‘City Gave Up a Lot’ to Avoid Annexation,” *The Daily Progress*, May 19, 1982 (emphasis added).

It is also important to note that it was clearly understood by all, at the time, that the County would never have a say in how the City spent the money.¹² Indeed, there were plenty of County residents and BOS members, even back then, who did not like all the ways the City spent its money, but the City would not agree to any strings attached to the revenue coming from the agreement.¹² If the County negotiators had chosen to give up land, nobody would ever think that County leaders or residents would have a say in how the revenue from that land was spent by the City. (For example, no one in the County has made such a claim regarding the money generated by Barracks Road Shopping Center.) The fact that the County wisely chose not to give up any land does not change the fact that the City gets to decide how to spend its City revenue without consulting the County.

No doubt some County residents and BOS members recognize the true nature of the revenue-sharing payments (as described herein) but are nevertheless bitter about the City ever having had the right to annex and thereby having the power to force the Revenue-Sharing Agreement. For those people, I simply ask that you please keep in mind the following facts:

- (1) Virginia is unique among states, with its system of totally independent cities and counties that must sustain themselves;
- (2) **Albemarle was created entirely by the legislature, taken from Goochland County**, in 1744; by 1777, Albemarle also gained part of Louisa County by legislative act, but lost the land that now makes up the counties of Nelson, Fluvanna, Buckingham, and Amherst.³ (Should Albemarle residents be bitter toward these four counties? And how should they feel toward poor Goochland and Louisa?);
- (3) Many years later around 1900, it was the Legislature, which was (and still is) numerically dominated by county representatives, that decided to get out of the boundary-setting business and instead left it up to local courts to decide when cities justifiably needed to expand through the use of annexation suits;³
- (4) The County has 720 square miles of land, to the City’s 10, so the County has lots of room to add revenue-generating businesses such as those in Stonefield, Forest Lakes, Fifth Street Station, and Pantops Mountain;
- (5) Albemarle is one of the wealthiest of Virginia’s 133 local government jurisdictions and has a very low “fiscal stress rating” compared to the others, as determined by the Va. Commission on Local Government; the City, on the other hand, is rated as having “above average” fiscal stress;²
- (6) About 25 percent of Charlottesville residents live in poverty, whereas only nine percent of County residents live in poverty, and Albemarle’s median household income is \$20,000 higher than that in the City;
- (7) Charlottesville spends much more per capita than does Albemarle on health and welfare, public works, and safety;² and
- (8) Charlottesville’s real estate tax rate is 95 cents, and Albemarle’s is 83 cents, per \$100.

Furthermore, it is important to recognize that if the revenue-sharing payments have grown larger than some envisioned (despite always being limited by the 0.1% cap), this growth is due entirely to the fact that the County is doing that much better financially than was anticipated, and it is doing better primarily because of the very land that would have been the subject of the City's 1980s annexation.

We are indeed all one community; the County's population and main businesses grew up around the City for a reason. The County needs the City to succeed and be an attractor, just as the City needs the same from the County. Therefore, sharing resources toward our mutual success makes sense even from a County- or City-centric perspective. As we as individuals enjoy both City and County amenities, can't we all just be happy that our community as a whole is doing quite well compared to many others?

SUPPLEMENTAL DETAILS **AND REFERENCE MATERIALS** (Numbers correlate with superscripts in Summary)

A prime source of information on the Revenue Sharing agreement is the excellent master's thesis written by Timothy Lindstrom, who was elected as an Albemarle County Supervisor in **1977 and who was chosen as one of its two lead negotiators beginning January 1, 1982** – right at the end of the two years of negotiations between the City and the County. His well-researched and -written 1992 thesis is entitled "The Charlottesville/Albemarle Revenue-Sharing Agreement: An Informal History of Negotiations 1979-1982," and it is a good read for those of you wanting a detailed account of the negotiations.

1. Other Cities/Counties with Revenue Sharing

Although Charlottesville and Albemarle have by far the largest revenue-sharing agreement, many other Virginia localities have various types of revenue-sharing agreements –some of which resulted from annexation boundary disputes. According to the Commission on Local Government, in addition to Charlottesville/Albemarle, the localities listed below have revenue-sharing agreements with each other. (Note that the payments may go in either direction, depending on the individual agreements; apparently in some cases payments flow in both directions.)

City-County

Bedford City and Bedford County
Bristol City and Washington County
Buena Vista City and Rockbridge County
Danville City and Pittsylvania County
Franklin City and Southampton County and Isle of Wight County
Lexington City and Rockbridge County
Lynchburg City and Campbell County
Radford City and Montgomery County and Pulaski County

Town-County

Smithfield Town and Isle of Wight County
Vinton Town and Roanoke County
Windsor Town and Isle of Wight County
Wytheville Town and Bland County and Wythe County

County-County

Bland County and Wythe County
Botetourt County and Roanoke County
Washington County and Smyth County

See also: The much larger list the Virginia Commission on Local Government's much longer list agreement of Annexation and related issues between counties, cities, and towns at: www.dhcd.virginia.gov/index.php/commission-on-local-government/reports.html

2. Why Did Cities Ever Get to Annex County Land, Anyway?

Virginia is the only state in the union that still has independent cities and counties that have completely separate and governing bodies and taxing authority. Since they are completely independent, they each have the obligation to provide whatever services are needed and/or desired within their jurisdictional boundaries (schools, parks, non-VDOT roads, police, firemen, social services . . .) and each governing body has the power and means to raise revenue. The primary sources of revenue are, however, real estate taxes and sales taxes.

City Financial Burdens

Cities generally face greater financial challenges than do counties, because cities typically have a greater concentration of residents living in poverty. For instance, Charlottesville has over three times the number of residents living in poverty as Albemarle (27.6 percent versus 8.8 percent). **Charlottesville ends up spending about \$1,200 per capita on health and welfare budget items, while Albemarle spends about \$350 per capita on the same services.** It is worth noting, for instance, that Charlottesville has **376 public housing units** that are in need of renovations/redevelopment to the tune of tens of millions of dollars; **Albemarle has 0** public housing units. (Both localities offer housing vouchers.) Moreover, unlike Albemarle, the City is the home of Salvation Army housing for the homeless, and the City is the location of the Crossing an apartment with, 60 single rooms to help people out of homelessness (some of these units are rented by the County but these are now City residents who use other City services as well). **On public works, Charlottesville spends \$300 per capita and Albemarle spends about \$50. On public safety, Charlottesville spends about \$900 per capita and Albemarle spends about \$400.** (The spending numbers cited in this paragraph are from the annual Auditor of Public Accounts Comparative Report.²⁷)

The Virginia Commission on Local Government²⁴ found, in its most recent full report on the fiscal health of localities (using data), that **84.6 percent of Virginia cities were determined to be in either the “above average” fiscal stress category** (e.g., Charlottesville) or the “high stress”

category, while only **36.8 percent of counties** fell within one of those two categories (Albemarle is in the “low stress” category). **In fact, of the 22 localities identified as highly stressed fiscally, only two were counties and the rest were cities.** (Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities FY 2012 – dated January, 2014.)²⁴

Cities: Little Land for Development

Not only are cities faced with higher expenses than counties, they also are landlocked by their surrounding counties. Counties have plenty of room to grow their populations and to add to businesses and commercial areas that can produce large streams of revenue, while cities are very limited in this regard. **(The City of Charlottesville occupies 10 square miles; Albemarle County encompasses 720 square miles and includes, for example, the Forest Lakes area, Pantops, 5th street extended and the enormous “Stonefield” development)** Compounding these two major problems (higher expenses and being land locked) has been the longstanding trend of many upper and middle class families and individuals moving out of city limits into the suburbs. Consequently, to keep cities from dying under the weight of these problems due to the essentially arbitrary community jurisdictional borders, the legislature has traditionally allowed cities a way to expand their borders which can potentially simultaneously solve all these problems.

Cities Traditionally Provided High Level of Services

Originally, cities were envisioned to be the unit of government (as opposed to counties) that provided high level services, like sewer, water, trash removal, more and better maintained roads, higher levels of social services, and of emergency type services. Indeed, it was not uncommon at times for county residents living in neighborhoods surrounding cities to actually want to be included inside city borders, in order to take advantage of these enhanced services. Increasingly, however, Counties that contain an urban ring now provide some or all these types of services.

3. Annexation History in Virginia and Rate of Success

For a first couple hundred years of Virginia’s history it was the legislature that established and changed county and city boundaries without court involvement. It was in this way that the County of **Albemarle was created in whole cloth from (i.e. taken from) the existing County of Goochland in 1744. By 1777, Albemarle had also acquired part of Louisa County by legislative act, but had lost the land that now makes up the counties of Nelson, Fluvanna, Buckingham, and Amherst.** Albemarle: Jefferson’s County, 1727-1976 by John H. Moore p.9 (*University Press of Virginia* 1976)

This legislative involvement ended at the turn of the twentieth century, and thereafter city/county boundary issues were handled through annexation proceedings in local courts. It is important to keep in mind that the legislature was and is dominated numerically by county representatives, but the majority understood the need and purposes for cities in some delineated circumstances to be able to expand its borders. Consequently, they legislature took on that decision making for years before deciding it was better to let the local courts handle it in a non political setting.

For better and worse annexations suits then became fairly common and were often unpleasant long and expensive battles.

Virginia's program of annexation by judicial decision-making began under the Constitution of 1902. Before that time, municipalities had expanded their boundaries through special acts of the General Assembly. To comply with the new constitution's prohibition of such special acts, the assembly passed legislation in 1904 that established the annexation procedure used until 1987. Beginning in the 1950s, **five Virginia cities expanded their boundaries to subsume the now-extinct counties in which they were geographically situated:** Hampton (subsuming Elizabeth City County) in 1952, Newport News (extinguishing Warwick County) in 1958, Virginia Beach (subsuming Princess Anne County) and Chesapeake (subsuming Norfolk County) in 1963, and Suffolk (extinguishing what until 1972 had been Nansemond County) in 1974.

Hornbook of Virginia History at the Library of Virginia. (2011, January 31). Cities of Virginia. READ_DATE - 12/9/11, from *Encyclopedia Virginia*: (emphasis added) http://www.EncyclopediaVirginia.org/Cities_of_Virginia.

According to a *Daily Progress* editorial leading up to the revenue-sharing agreement vote, Virginia cities had won 87 percent of all annexation suits (106 of 121). Editorial, "Albemarle's Opportunity," *The Daily Progress*, May 9, 1982.

In just the decade between 1960 and 1970, there were 27 successful annexations by cities in Virginia, taking 79 square miles of county land and 86,000 county residents. This was true despite the fact that a moratorium was put in place by the legislature from 1962 to 1964 (the moratorium did not affect pending annexation lawsuits). **Petersburg had the second largest annexation during this time period, gaining 14 square miles and 9,000 residents** from its surrounding counties. Again, it is worth noting that some of these annexations were initiated by county residents, developers, or the county government wanting the city to provide services to its urban ring residents. The Petersburg annexation, however, was initiated by the city. **Moreover, it is important to recognize that, whether through settlement or court-awarded annexation, the cities getting the land were required to pay an agreed-upon or awarded amount as compensation based on the value of the land, improvements to the land, and the lost tax revenue.** In addition, cities were only allowed to initiate annexations once every five years. [At some point later this was changed to 10 years.] ("Municipal Annexation in Virginia, 1960-1970," E. Morton, *University of Virginia News Letter*, vol. 48, No. 9, pages 33-36).

Of course, cities and counties are really just single communities. Indeed, I imagine most county residents who live near a city tell other people, when asked, that they are from that city. Moreover, a county's growth tends to be driven by the "success" of the city/cities it surrounds; as a result, the growth is generally centered around its city/cities. Obviously, city success is also dependent on the counties' overall attractiveness. In any event, because of the above realities, cities were given the ability to annex land from their surrounding counties, to ensure the cities' survival – and I again note that a thriving city also helps its surrounding county.

4. Charlottesville's History of Expansion and Annexation

Charlottesville is currently 10.4 square miles (6,656 acres), but it had more modest beginnings when it was established by the General Assembly in 1762 as a town of 50 acres (less than 1/10th of one square mile). (*Charlottesville: A Brief Urban History*, <http://www2.iath.virginia.edu/schwartz/cville/cville.history.html>) In 1888, it became an incorporated independent city. (Website for City of Charlottesville: <http://www.charlottesville.org/Index.aspx?page=154>)

Two of the successful annexations in Virginia in the 1960s were done by Charlottesville. In 1963, Charlottesville almost doubled in size, taking 3.9 square miles of county land and almost 4,700 county residents. Charlottesville's last annexation came in 1967 [*sic*] [*correct date is 1968*] when either the county or county residents petitioned the court to be annexed. This resulted in the City acquiring another 44 acres and 94 county residents. ("Municipal Annexation in Virginia, 1960-1970," E. Morton, *University of Virginia News Letter*, vol. 48, No. 9, pages 33-36). Over time, there were a total of eight expansions by the City. (The information below is taken from the City's 1972 annexation filings in the Albemarle Circuit Court and from the annexation map in the City Circuit Court.)

- 1762 Original town – essentially central downtown: Water Street, Main Street, Market Street, and High Street.
- 1818 Added .032 square miles – extending the City a couple more blocks into the downtown neighborhood beyond High Street. The City line on the east side ended at Park Street.
- 1860 Added .184 square miles (5.7 times larger than before that expansion) – adding several blocks all around the existing town.
- 1873 Added .069 square miles – adding a few blocks to the east: 10th, 11th Streets and E. High Street.
- 1888 Added .88 square miles, making it four times larger (total 1.221 square miles) and becoming an incorporated city. Added land included Preston Road area and Cherry Ave.
- 1916 Added 2.6 square miles, doubling the size of the city; adding land circling the existing city, including much of the university area over to about Emmet Street and the Rose Hill Drive area, up to about Rugby Road.
- 1939 Added another 2.6 square miles, circling the existing city (total city size after the annexation: 6.4 square miles), including the neighborhoods behind Walker School; on the west side stopping at Emmet Street up to about Bodo's; also taking most of Belmont and part of McIntire Park into the City boundary.
- 1963 **Added 3.9 square miles, including all of the Greenbrier neighborhood, the rest of the McIntire Park land, Barracks Road shopping area, Johnson Village, and the Cleveland Avenue area.**
- 1968 Added .08 square miles in the Greenbrier neighborhood: the extension of Brandywine Drive up to Glenn Court.

Merger Talks Begin by 1969

March 3, 1970 referendum to the voters of the City and County on whether the two governments should merge together, loses badly. County residents voted 4 to 1 against merger and City residents voted against it 2 to 1.

“Thumbs Down on Merger; Worst Defeat for an Issue in Modern Times” *The Daily Progress*, March 4, 1969

Failed 1971-1972 annexation by The City - Except as noted, the information below is taken from court documents.

- January 8, 1971 The City filed a petition in the Albemarle Circuit Court to annex almost 12 square miles of Albemarle County surrounding the City. The land the City sought to annex included all of Pantops Mountain, all the way to the I-64 interchange. On the south side, the proposed annexation would have gone all the way out to I-64 and, in many spots, beyond I-64, from the easternmost interchange to the westernmost interchange. On the north, it would have followed outside the northern edge of Rio Road all the way from Greenbrier past the Rock Store and continuing along Hydraulic past Albemarle High School. The line, however, was drawn to the outside of Rio Road so that the City would get all the business and properties along Rio Road – including Albemarle Square and Albemarle High School. On the west side, the proposed boundary would have included all of the Georgetown Road area and the Belair subdivision before connecting up, around the I-64 interchange, with Route 29.
- January 10, 1972 A year later, the Circuit Court agreed with an argument by County attorneys that the City annexation ordinance (which the City had initially passed in order to start the annexation), was technically deficient because it did not include a detailed metes-and-bounds description of the land sought in the annexation. As a result of the City’s failure to follow the statutory requirements, the suit was dismissed.
- February 3, 1972 The City passed a corrected annexation ordinance and re-filed in court.
- October 26, 1972 The Circuit Court dismissed the second lawsuit because the annexation laws stated that a City must wait at least five years after its last annexation attempt before trying again. (At some point after the City’s annexation suit was filed, the law was apparently changed to make the waiting period ten years.) The City appealed, arguing that the prior dismissal due to the flawed annexation ordinance should not prevent the City from correcting the technical failure and proceeding with the corrected filing. The Supreme Court disagreed with this argument and upheld the dismissal by opinion dated November 26, 1973. *Charlottesville v. Albemarle*, 214 Va. 365, 200 S.E.2d 551 (1973). By this time, the state legislature had imposed an annexation moratorium. (See below.)

5. Annexation Moratoriums and 1979 Adoption of New Laws

The ones I know about are: the one lasting from 1962 to 1964 (referenced above) and another one starting on March 1, 1972. This later moratorium, like the 1962 moratorium, did not, however, affect annexation proceedings that had already been initiated – including one filed by Charlottesville. The moratorium included the creation of a legislative study commission which was to report back by the time the moratorium was scheduled to end on January 1, 1976.

In May of 1972, one local researcher at UVA's Institute of Government wrote that "[b]y 1976, when the Commission makes its report, most of the cities in the State will likely plan to extend their boundaries . . ." (*Id.* at 36) Charlottesville was one of the cities with such plans, particularly after its failed 1971 and 1972 attempted annexation. This moratorium, however, was extended beyond 1976 **until July 1, 1980** (Virginia Code § 15.1-1032.1), while the annexation laws were being completely re-written in a contentious battle between county and city interests in the legislature. Of local note: the legislation was being spearheaded by our local House of Representatives member (and later our state senator), a certain Thomas J. Michie, who represented both City and County voters. Moreover, the chair of the Albemarle Board of Supervisors, Gerald Fisher (who was also a future lead negotiator for the County in the revenue-sharing agreement), was an extremely vocal and effective lobbyist in Richmond on behalf of county interests.

As described in *The Daily Progress*, "[i]n the 1970s, with court battles becoming increasingly costly and divisive for localities, the General Assembly imposed a temporary moratorium on annexation so that the whole procedure could be reviewed." Brickhouse, Robert, "Negotiators Hoping to Avoid Costly Court Battle," *The Daily Progress*, May 11, 1982. Lindstrom describes this period as follows:

For a ten-year period during the 1970's Virginia cities were prevented from the annexation of adjoining county territory by a moratorium imposed by the Virginia General Assembly. On July 1, 1981, a complex package of annexation related legislation went into effect. . . . The legislation was authored by Delegate (and later State Senator) Thomas J. Michie, Jr. . . . A most important part of the legislation is the termination of the moratorium on annexation. The legislation also contains provisions for a more orderly and, arguably, fairer annexation process. The legislation for the first time offers localities the option of entering into agreements for tax base transfer in lieu of protracted annexation litigation. Counties are also authorized to seek partial immunity from annexation. To make the legislation more palatable it **increases funding to both cities and counties for such things as law enforcement, street maintenance, and other basic services.**

Lindstrom at 3.

The increased local funding in the 1979 laws have provided many millions of extra dollars to the County and the City over the years.

The Charlottesville City Council first approached the County Board of Supervisors about starting an "amicable" negotiation over the issue of annexation/revenue sharing at a joint executive session on **December 12, 1979**. (Lindstrom at 8). The new annexation laws seem to have been

passed in the 1979 legislative session, and I would have thought they went into effect in July of that year, but perhaps Lindstrom’s 1981 date for the laws going into full effect is correct. In any event, **the moratorium was for sure in effect until July 1, 1980 (i.e., for six more months after the start of the negotiations).** (Virginia Code § 15.1-1032.1)

The 1987 moratorium, like those before it, did not affect annexation petitions filed before the date of the moratorium – which began January 1, **1987**. (So, the City would have had plenty of opportunity to follow through with its planned annexation in the early 1980s, had the revenue-sharing agreement not been reached. See Virginia Code § 15.2-3201.) I further note that **the moratorium is currently set to expire July 1, 2024 and although it is likely to be extended, it in any event does not apply to voluntary annexations initiated by counties** or to a petition by 51 percent of the voters or landowners in the locality seeking to be annexed. (Virginia Code §§ 15.2-3201, 15.2-3203). **Consequently, if the County would like to go back to the idea of permanently trading some land in exchange for ending the permanent annual payments under the Agreement – that could still be worked out.**

6. Time Line of Charlottesville-Albemarle Negotiations

April 1979 – Governor John Dalton signs into law a new package of laws dealing with annexation/boundary dispute issues between localities. (“Chronology of Negotiations;” *The Daily Progress*, February 2, 1982). The package of bills includes significant new funding for both counties and cities to help ease localities financial problems.

December 12, 1979 – Actual negotiations begin in a closed-door meeting between City Council members and the Board of Supervisors in the County Office Building (i.e., the former City High School, “Lane”). The City Council suggested three areas for consideration: boundary adjustments, increasing shared government services, and revenue sharing. (Lindstrom at 8, 9).

July 1, 1980 – State-imposed annexation moratorium lifted. (“Chronology of Negotiations;” *The Daily Progress*, February 2, 1982; see also Virginia Code § 15.1-1032.1)

January, February, 1980 – The Board and Council choose lead negotiators and decide to proceed with public negotiations, which continue with no proposal on the table. (Lindstrom at 13, 14).

March 17, 1980 – County demands that the City submit a formal proposal for consideration. (*Id.* at 18, 19)

November 18, 1980 – **City announces its first proposal.** It calls for immediately **creating a committee to study consolidating** the City and County governments, because the City leaders believed a consolidated government would provide the best long-term solution to both the City’s financial situation and the County’s worries over annexation. In addition, to solve its short-term financial problems, the City proposed **taking about 10 square miles** of land in voluntary annexation or pooling and **sharing the tax revenue from the 32-square-mile**

urbanized area of the County. Part of the second option would include the County increasing public housing and housing assistance programs in the County and increasing its financial support for transportation. In exchange, under either of these options the **County would get 20 years of annexation immunity**. (*Id.* at 18, 19)

December, 1980 - February 25, 1981 – Several meetings are held where the County indicates it wants to do an internal study of consolidation to see if it makes any sense, before agreeing to a joint study committee. (The County Board was quite cool to the idea of consolidation all along and worried that an independent committee’s plans and recommendations would take on a life of their own and potentially result in a loss of control by the Board). The County also indicates it can only study the consolidation idea and cannot also study the City’s other proposals simultaneously, as the City was proposing. The City was not willing to delay annexation negotiations but gave the County until July 15, 1980 to come up with a counter-proposal – or, presumably, the City might go ahead to file for annexation in court. (*Id.* at 21-28)

July 9, 1981 – **County announces its counter-proposal**, offering the following: (1) **giving the City two square miles of essentially undeveloped and unpopulated land south of town** (the City folks contended it consisted of largely undevelopable steep slopes); (2) transferring the County’s share of a new state line item of funding to the City, in addition to the City keeping its own share; (3) **giving the City the UVa grounds**, noting it would increase state funding to the City schools through the LCI; (4) pooling all sales tax from anywhere in the City or County and then redistributing it to the localities per capita. (*Id.* at 29-32)

September - December, 1981 – The City rejects the County's offer but is in favor of getting the UVa grounds. Both sides agree to hold all future negotiations in private and meet much more often. During this time, negotiations narrow down to a purely financial settlement. (*Id.* at 37-69). In December an impasse on the issue of whether a time limit on the agreement should be put in place threatened to derail the entire negotiations. The City refused to yield on having a time limit because if they moved forward with annexation that would create a permanent stream of income and the City also feared the annexation laws may change yet again in favor of the counties by the legislature that was dominated by county representatives. (*Id.* at 51-58). In response to County concerns over the lack of a time limit, the City negotiators propose the idea of a cap on the payments, along with the City’s permanent agreement to forgo the right to sue for annexation (*Id.* at 57.).

January 5, 14, 1982 – Negotiations center around the level of a cap, with the City arguing for it to be a maximum of 0.25% of the real estate tax base (i.e. 25 cents of the tax rate) (*Id.* at 58–68)

January 21, 1982 – Negotiators and their boards reach a verbal deal for the revenue-sharing agreement, **with the cap set at 0.01% of the real estate tax base** (i.e. 10 cents of the tax rate) (*Id.* at 65 - 69)

January 27, 1982 – Final draft of written agreement considered and agreed to by Council and the Board of Supervisors in the last closed session. (*Id.* at 69)

February 1, 1982 – The agreement is publically announced (“Chronology of Negotiations,” *The Daily Progress*, February 2, 1982)

May 18, 1982 – By 63 percent, County voters approve revenue-sharing agreement:
... [I]n the end it was approved by **five of the County’s six magisterial districts.** Only in the Whitehall District, the County’s only district with no boundary contiguous to the City, and whose Supervisor, Joseph T. Henley, Jr., was the only Supervisor who did not support the revenue-sharing proposal, did the agreement fail to receive majority support. . . . **Suffice it to say that the Whitehall District most likely represented the attitude shared by many rural opponents of the agreement: an annexation might purge the County of some of the suburbanites whose demand for costly urban services and support of land use regulations were anathema to many rural folks.**

Lindstrom at 70, 71. (Emphasis added)

7. Did the County Leaders and Voters Fear and Have Good Reason to Fear that a Significant Annexation Might Take Place if No Agreement Was Reached?

Yes.

“The entire Board felt extremely disadvantaged and threatened by the possibility of annexation. This, coupled with bitter memories of the 1972 annexation attempt by the city, put the Board on the defensive.” (Lindstrom at 9) In addition to the Board of Supervisors' awareness of the City annexations in the past and the general success rate of cities in annexation suits (87 percent), there were a couple city/county boundary events that took place even while the two years of negotiations were going on, that the negotiators and citizens took note of. The biggest event was when the newly established Commission on Local Government published its first annexation dispute report on **February 20, 1981**, in response to an annexation suit filed by the City of Harrisonburg against Rockingham County.

The Commission’s report on Harrisonburg/Rockingham was a shock to the County Board. The Commission’s recommendation appeared to give the City of Harrisonburg much of what it had asked for, despite the report’s finding that the City of Harrisonburg was one of the most financially sound cities in the Commonwealth. Harrisonburg had requested a land transfer of **14.14 square miles of Rockingham County.** The report recommended a transfer of nearly all of this territory – an area **comprising over 14 percent of the County’s total taxable property value and generating more than 60 percent of its sales tax revenues.**

The report acknowledged that although the annexation of Rockingham land would be a severe blow to that County’s tax base, Rockingham had much room for expansion and, in time, it could recover.

Lindstrom at 34, 35 (emphasis added).

Pursuant to the new procedure, the Commission’s report was reviewed and ruled upon by a three-judge panel, and the court's opinion was rendered on **July 16, 1981**.

That decision **essentially confirmed the Commission’s report**.

...
The outcome of the Harrisonburg/Rockingham dispute had a very sobering effect upon those members of the County staff who were actively working with the Board, as well as upon the Board itself. Much anger and frustration resulted from these surprisingly harsh decisions.

Id. at 35 (emphasis added). The court’s decision was appealed by Rockingham County to the Virginia Supreme Court and **Albemarle actually filed a petition with the court seeking permission to file a friend-of-the-court brief and asking that “. . .the annexation court’s award to the city of Harrisonburg be reversed.**” Brickhouse, Robert, “Reverse Annex Decision, Suit Says,” *The Daily Progress*, December 5, 1981. (The Supreme Court ultimately did uphold the annexation court’s decision, but this occurred in September of 1982, after the Charlottesville-Albemarle revenue-sharing agreement was reached and approved. *Rockingham v. Harrisonburg*, 224 Va. 62, 294 S.E.2d 825 (1982).

In **December of 1981**, *The Daily Progress* reported that:

The Fredericksburg City Council and the Spotsylvania County Board of Supervisors last week signed an agreement in which the city will annex **4.6 square miles** of the county and begin a large-scale sharing of water and sewer services.

...
“We’ve been at war with each other for the past two years and this is essentially a peace treaty,” Fredericksburg City Manager Peter Kolakowski said. . .

About 50 percent of the land Fredericksburg will receive is vacant, the rest contains stores, homes, businesses and motels.

The annexed area will add 2,800 residents to Fredericksburg’s current population of 15,322 and will increase the city’s land mass by 77 percent.

...
Spotsylvania gets immunity from annexation for the next 25 years.

Giametta, Charles, “Officials React To Annex Pact,” *The Daily Progress*, December 26, 1981 at B1,2.

At this point in the Charlottesville-Albemarle negotiations, those involved had already decided that there would not be a land swap as part of the agreement. Instead, they were working out the details of the revenue sharing. The paper quoted City Councilman Tom Albro as saying:

If I were to walk into the next negotiation session and say “Spotsylvania gave Fredericksburg 4.6 square miles, why not do the same for me?” I’d be laughed out of the room.

Id. at B1.

Then, on January 21, 1982 – the same day the negotiators reached agreement behind closed doors on the revenue-sharing agreement – the newspaper reported:

Giving up on attempts for a negotiated settlement, the [Williamsburg] City Council has passed an annexation resolution that seeks more than **12 square miles of James City County**.

The boundary outlined in Wednesday’s resolution is greater than an original “study area” council first told the board of supervisors it was considering in January 1980.

A.P., “Williamsburg Sues James City County Over Annexation,” *The Daily Progress*, January 21, 1982 (emphasis added). (The localities **had reached a preliminary agreement** the previous May involving **four to five square miles** and county access to water, but the two parties could not reach a final agreement on the details.)

8. Did the County Board Appoint Soft Negotiators?

No.

At the time the negotiations began, “[f]our members [of the Board], although willing to concede nothing to the City, were hopeful that litigation could be avoided and were willing to act and speak moderately to accomplish that end.” (Lindstrom at 11) **The Board decided, however, to pick as its lead negotiators the two Board members that “were much more outspoken and unyielding both publicly and privately in their opposition to annexation.”** (*Id.* at 11). Gerald E. Fisher, Chairman of the Board, was one of the two members chosen. Lindstrom described Fisher as:

[o]ne of the more outspoken members [who] had been through the 1972 annexation attempt by the city and was probably the most mistrustful of the city’s motives of all of the Board’s members. **He had repeatedly taken a very tough and adamant approach toward the possibility of annexation and negotiations.**

Id. at 11, 12.

I know (from being around at the time) that Fisher was an extremely strong and effective advocate for the County who frequently lobbied in Richmond on behalf of the County. At one point he publically chastise delegate Michie over his compromise annexation bills, because the new laws would re-open the door to annexation under the specified conditions. On February 25, 1979 *The Daily Progress* actually printed a large political cartoon drawing depicting Mr. Fisher dressed in regalia and sitting on a throne of sorts. Over top of him was a large sign saying “Albemarle County” with smaller signs affix (impliedly by Mr. Fisher) saying “Keep Out” and “Closed” and under the them was a fancy banner stating “Gerald Fisher Lord of Albemarle.” One of the books at Fisher’s feet was titled “Albemarle County My Private Domain,” another was “How to Run for State Office.”

Lindstrom also mentions that, even during the negotiations, Fisher “had been making appearances before the General Assembly, attempting to alter the still pending Michie annexation package to make it more favorable to counties.” (*Id.* at 27, 28)

On January 10, 1982 while the closed door negotiations were near their end (unbeknownst to the public), *The Daily Progress* started running a series of articles entitled “Who’s In Charge Here?” It was based on 2 months of research and more than 80 hours of interviews of over 40 community leaders of all sorts. The paper then counted down the Top Ten over the following days and on January 20, 1982 (which as it turns out was the day before the negotiators reach their agreement) - **the paper announced that Gerald Fisher was “. . .chosen by an overwhelming majority as the most powerful person in the Charlottesville-Albemarle area.”**(Brickhouse, Robert, “Fisher’s Power is Undisputed” *The Daily Progress*, January 20, 1982). “. . . the 45 year old was also identified as the person who uses his power the most often.” (*Id.*)

The article went on to note that Fisher was a native to the area, had a physics degree and negotiated down his contract at Uva running a research program to a part time position, so that he could devote 20-30 hours a week to his work for the County. It pointed out that he had been first elected as a supervisor in 1971 and been the Chairman ever since 1976 (He also had been the President of the Virginia Association of Counties and Chairman of the land use committee of the National Association of Counties). (*Id.*) The article went further to quote various community members on their thoughts regarding Mr. Fisher in his role as a community leader. An elected official stated:

“He is very conscious of the use of power and of being cagey.”

“He is probably the smoothest politician I have ever seen” said a civic leader who does not always agree with him. “I would never want to get into his arena.”

I think he manipulates the board,” said a builder. “I think he has in mind what he wants to do and works his plan very vell.[sic]” (*Id.*)

The second lead negotiator chosen was Anthony “Tony” Iachetta. He was “[t]he other Board member most outspoken against the city [and] represented a district which had experienced the highest rate of commercial and residential development of all of the County’s six magisterial districts.” (*Id.* at 12) “. . . Iachetta was viewed, accurately, as a ‘hard-liner’ where the City was concerned . . .” (*Id.* at 80)

The other members of the Board of Supervisors also remained very involved in the negotiations. “. . . [N]early all of the negotiating sessions were attended by three of the other four Supervisors.” (*Id.* at 13) (emphasis added)

Tony Iachetta did not run for re-election in 1981, and Timothy Lindstrom took over his role as the second County lead negotiator on January 1, 1982. The agreement was reached just a few meetings later, on January 21, 1982. (*Id.* at 58)

9. **Did the County Feel Sympathetic to the City's Financial Plight and Take a Soft Stance During the Negotiations?**

No.

"The City of Charlottesville and County of Albemarle had been bitter antagonists prior to the annexation moratorium." (Lindstrom at 2)

For several years prior to the December 12 [1979] meeting, it was apparent that annexation was not very far from the minds of Board members. In repeated small jokes and side-comments, members showed a genial animosity towards the City and a constant wariness in all of their dealing with the City.

Lindstrom at 9.

The proposed revenue-sharing agreement between Charlottesville and Albemarle County did not come about because either side was feeling generous.

Only after long negotiations did the city council and the county board of supervisors forge the agreement that Albemarle residents will vote on a week from today. Both sides had to make educated guesses about how much they thought the city could win in court under the state's annexation legislation.

The legislation, which has been on the books since 1904, gives cities the right to go to court every ten years to try to annex territory to expand their tax bases. In the overwhelming majority of cases, cities have been able to convince the courts of their need to grow.

Brickhouse, Robert, "Negotiators Hoping to Avoid Costly Court Battle," *The Daily Progress*, May 11, 1982. (Emphasis added)

The complex counter-proposal [by the County on July 9, 1981], really a series of separate proposals, represented a change in attitude by several members of the Board [of Supervisors]. Although these Board members had been initially sympathetic to the City's financial plight, their perceptions had been changed by the results of a County consultant's study of the City's needs.

The County had hired (in addition to Robert Fitzgerald as legal counsel) the accounting firm of Robinson, Farmer & Cox as financial consultants specializing in public finance and annexation matters. **The results of their studies of City government operations succeeded in convincing the Board that whatever financial plight the City had was primarily due to the kinds of choices the City had voluntarily made about the nature of its services and the kind of compensation it was willing to pay its employees for providing those services. Board members professed shock at the degree to which City salaries exceeded those offered by the County.**

Lindstrom at 29 (emphasis added).

In announcing the July 9, 1981 counter-offer, Gerald Fisher, the Chairman of the Board of Supervisors, was quoted in *The Daily Progress*:

Any city financial problems could be “solved by belt-tightening of the kind other localities, including Albemarle County, are already practicing.” . . .

“We are willing to work with council to assure that the city has the means to live, but we are not willing to help it to live beyond its means at the expense of county taxpayers.”

Brickhouse, Robert, “County’s Counterproposal: Less Land, Share Sales Tax,” *The Daily Progress*, July 10, 1981 at A1 (emphasis added).

Even late in the negotiations, hard-nosed bargaining nearly caused the talks to break down. In October of 1981, a County board member had come up with the basic “ingenious formula that balanced various factors” that were important to both sides, but the County was stuck at 28 cents of the tax rate as the pool contribution amount under the formula, and the City was pushing for a 38-cent contribution. The County negotiators then met privately to discuss their next move.

In private caucus it was apparent that the County Board was increasingly inclined to end the negotiations.

In fact, it was difficult to be very aggressive in arguing for the continuation of negotiations in that private caucus without feeling like an “appeaser.” Board members were in a “hard-line” mood and were feeling antagonistic toward the City.

Lindstrom at 46.

The negotiators did, however, continue the talks and eventually settled at a 33-cent contribution amount to the pool.

Other major road blocks were then hit, even in the closing two months of negotiations – particularly over the issue of whether there should be a time limit on the agreement. (*Id.* at 56) **The City team at the December 17, 1981 negotiation session stated flatly that the agreement must have no time limit and “. . . that this point was ‘nonnegotiable’ – the first time any subject considered in the negotiations had been so characterized by either side.”** (*Id.* at 54) The impasse continued into the next meeting, on December 22, 1981, until a City negotiator suggested that perhaps there could be a cap on the payments made based on a percentage of the tax base. **The negotiating teams then met in private caucus, and one Board of Supervisors member suggested one-tenth of one percent as a potential cap which would work out to about ten cents of each jurisdiction’s real estate tax rate.** (*Id.* at 57) Note that there was no science or calculations that had gone into this suggestion, but when the boards came out of caucus, **the one-tenth-of-one-percent cap was the County position, and the City offered a cap of one quarter of one percent (25 cents of each jurisdiction's tax rate).** (*Id.* at 58)

Even though it was essentially a number pulled out of the hat during a brief board caucus, the County stuck to its guns on the one-tenth-of-one-percent tax rate as a cap for payments. The only

concession the City negotiators were able to get were a two-cent rise in the rather meaningless pool contribution amount and the County agreeing to have no cap on the first year of the payment. (*Id.* at 63, 64, 66, 68) (As I understand it, the pool contribution has become meaningless because, as a result of the County’s great wealth, it has hit the payment cap every year except the first year.)

Of course, the hard-nosed resolve that the County demonstrated during the negotiations to protect its interests is also shown by the fact that it **did not give up any land as part** of the agreement – not even the University grounds that the County originally offered and that are, in fact, surrounded by the City.

Mr. Lindstom noted, near the end of his thesis:

Frequently people ask whether the agreement will last or be challenged. It appears that some believe that either the City or County will someday realize that they struck a bad bargain and will try to back out of the agreement. It must be remembered in assessing the future of the agreement that it was the product of the coincidence of interests of two parties motivated by pragmatic self-interest rather than goodwill.

Id. at 72 (emphasis added).

10. Did the County Leaders Really, Truly Believe the Planned 1980s Annexation Alone Would Cost the County More Than the Revenue-Sharing Agreement?

Yes.

An original city proposal to annex **10 square miles** of county land would actually result in a smaller Albemarle tax increase at first, officials disclosed, but they said that within five years such an annexation would wind up costing the county **much more** than the revenue-sharing proposal.

...
City officials have said that if they took an annexation bid to court they would try for an even larger area, and they have made studies of a **32-square-mile** section of the county. An annexation that large would **immediately cost the county taxpayers twice as much** as the revenue-sharing proposal . . .

Brickhouse, Robert, “Revenue-Sharing Agreement To Boost County Property Tax,” *The Daily Progress*, February 2, 1982 (emphasis added).

Statement of [County] Negotiation Team:

We have asked our staff and consultants to make objective estimates for a 10-year period of the comparative costs of the settlement we are proposing today, of the annexation of the 10-square-mile area initially requested by the city, and finally, the costs to county residents remaining if annexation of the 32-square-mile area were to occur. In calculating the costs of annexation, the consultants have taken into consideration the money which the county might expect to receive during the first five years after annexation as part of a court order of annexation. Our estimates of this compensation might be high or low, but they are based upon our consultant's understanding of recent court decisions on the subject.

...

We recommend this settlement proposal to the board of supervisors and citizens of Albemarle County, believing it to be the best settlement achievable. We recognize that it is a costly solution to a problem the county has neither created, nor can control. It is a solution which we believe offers the county the opportunity to lay to rest permanently one of the most persistent threats to the welfare of its citizens at a reasonable, predictable cost, **a cost which may very well be far below the potential cost of annexation.**

“Statement to County,” *The Daily Progress*, February 2, 1982 (emphasis added).

Albemarle officials have said **an** annexation would cost county taxpayers much more than the agreement in the long run because of the revenue bite that annexations can take from the county's tax base.

Brickhouse, Robert, Close Vote Seen in Tuesday's Revenue Referendum,” *The Daily Progress*, May 16, 1982 (emphasis added).

As described in Lindstrom's thesis paper, “[t]he consultants' study concluded that even the loss of the **ten-square-mile area would be by far more costly** than any of the various settlement proposals then being considered by the Board. . .” (Lindstrom at 48) **Note that this study by the County, and its conclusions, were developed before the idea of the cap** – that has been limiting all payments by the County – had even been thought of by the negotiators. The cap idea was thrown out by a City negotiator at the December 17, 1981 meeting, and the cost calculations by the County's consultant had been done earlier that month. (*Id.*)

The chart of estimated costs of annexation over ten years, as published in the paper, showed that after ten years the revenue-sharing agreement would have cost the County a total of \$18.59 million; by that point in time the proposed 10-square-mile annexation would have cost the County a total of \$34.37 million and a 32-square-mile annexation would have cost the County \$106.67 million. “Revenue Sharing vs. Annexation: Comparison of County's Net Costs,” *The Daily Progress*, February 2, 1982.

The actual ten-year cost of the revenue-sharing agreement wasn't too far off from what was predicted. By the end of the 1991-1992 fiscal year, the actual payments to the City had totaled \$23.8

million (Lindstrom at 71) – which is still much lower than the estimated ten-year cost to the County of just the ten-mile annexation. I think it is also worth noting that the cost to the County of an annexation would be less than the gain to the City, because **the City would have been applying its own higher tax rates to the land and the businesses this whole time.**

To the extent the payments under the revenue-sharing agreement have exceeded expectations, there is but one explanation: the County is wealthier than expected and wealthier in relation to the City than expected. Moreover, the wealth is primarily the result of the income from the very land the City was targeting for annexation in 1980.

11. Forever is a Really Long Time; Did the County Negotiators and Voters Understand That?

Absolutely.

. . . [A]s the negotiations turned to the more fundamental issue of duration of the agreement itself, a chasm of difference opened between the two sides which threatened a complete breakdown in the negotiations.

One of the County's negotiators suggested a five-year limit on the duration of the agreement. The City responded by stating emphatically that there could be no time limit whatsoever. **Annexation legislation**, the City argued, could be amended **or rescinded leaving the City with no benefit except a few years of revenue-sharing payments.** Furthermore, if state annexation legislation was amended to be more favorable to counties, any incentive for Albemarle to respond to the City's needs in the future would be gone.

Lindstrom at 52 (emphasis added).

The negotiations continued, and County leaders discussed whether there could be some defined trigger for a re-negotiation, but City negotiators pointed out that, while no one could know the future, the revenue formula itself was, by design, self-correcting for changed circumstances. (*Id.* at 54, 55) In response to this assertion, one County negotiator asked rhetorically, "For a thousand years?" (*Id.* at 56)

The two teams of negotiators explored time limits. City Council members feared that a revenue-sharing agreement involving a moratorium on annexation which might terminate after some legislative amendment **had eliminated the option of annexation** would be detrimental to the City.

Id. at 56 (emphasis added).

The County negotiators suggested having automatic renewal for a fix period of time if the laws had changed to the City’s detriment, but the City negotiators thought this just put off the ultimate problem. (*Id.*) "The City’s position appeared so absolute that discussion of extending the initially proposed five-year term, even to one hundred years, seemed futile." (*Id.*)

In private meetings, some of the County leaders recognized the force of the City’s argument:

. . . [O]ne Board member again pointed out to the others that the consequences of an annexation lasted forever. For example, he pointed out, the substantial revenue generated by the Barracks Road Shopping Center had been lost to the County forever when the City annexed the shopping center in 1963 – and there was no ceiling on the amount of that loss.

Id. at 58. At another point, a Board member pointed out that "a City/County agreement with unlimited duration would also provide the County with permanent immunity from annexation regardless of the status of annexation legislation in future years." (*Id.* at 53)

Keep in mind also that as described in section 9 above, the County negotiators in exchange for the lack of a time limit got the City team to agree to the cap on the payments in the agreement along with the permanent agreement to not seek annexation.

Moreover, remember that the annexation moratorium currently in place is set to expire in 2024 (Va Code 15.2-3201). It may well be extended again, but at some point during “forever,” it may not be extended, and then – as that Board member foresaw – the County will be happy to still have immunity in its pocket, in addition to keeping the land it would have lost in the planned 1980 annexation.

Some Public Responses to the Idea of "Forever"

Letter to the Editor - **“Cost of Annexation Has Been Exaggerated”:**

The transfer of funds from the county to the city will be \$1.3 million at first and will likely increase every year until **we will be paying tens of millions or even hundreds of millions of dollars in the years to come.** . . . A 'no' vote is the only logical conclusion to this matter. Remember: *annexation laws can be changed, but revenue-sharing is forever.*

Artrip, Floyd, “Cost of Annexation Has Been Exaggerated,” *The Daily Progress*, May 12, 1982 (emphasis added; italics in original).

Editorial Headline - **“Forever Is a Long Time”**:

In 1762 Charlottesville first established itself on 31 acres of prime Albemarle County land. In the 220 years since then, not so much as one clod of red clay has ever been returned to county control.

Seven other times – in 1860, 1873, 1888, 1916, 1939, 1963 and 1968 – the city’s territorial limits have been extended at the expense of Albemarle. A total of 6,683 acres once belonging to the county is now in the hands of the city. **Never has one shovelful been returned to county control. This lesson from history makes laughable the notion that the city-county revenue-sharing agreement should be feared because it lasts forever.**

Annexation, dear reader, lasts forever.

“Forever Is a Long Time,” *The Daily Progress*, May 13, 1982 (emphasis added).

Large Paid Advertisement in Opposition to the Agreement

Bitter (F)root of Revenue Sharing

...

Revenue Sharing is defeating ourselves and our own children’s children by forever increasing our own taxes for absolutely nothing.

...

“Paid for by Lynwood Coffman in the interests of Citizens Who Care”

The Daily Progress (Emphasis original)

Letter to the Editor - **“Compromise Product of Much Thought”**

There is simply no getting around the fact that the city is going to obtain money from the county either by revenue sharing or by annexation. So, we have to decide what’s best for us. At least we have *that* choice!

My choice is revenue sharing. It is a known quantity. It is a fixed amount on our tax rate which cannot be increased but may decrease. **If we allow our land to be annexed, we lose forever the tax dollars that it provides. The revenue lost because Barracks Road Shopping Center was annexed has been tremendous – well over \$1.5 million a year! That was a permanent loss to the county!**

Don’t fool yourselves – annexation is every bit as “in perpetuity” as revenue sharing and much more costly.

Vote “yes” on revenue sharing on May 18.

Stoneburner, Mr. and Mrs Donald, “Compromise Product of Much Thought,” *The Daily Progress*, May 15, 1982 (emphasis added).

12. Did the County Leaders and Voters Think They Would Get Some Say-So in How the Money Was Spent by the City Under the Agreement?

No.

Letter to the Editor - **“County Should Seek Better Sharing Pact”**

The following is why we do not favor the revenue-sharing proposal between the county and city:

The county has no voice in how these funds are spent.

Solution: limit the use of these funds to projects which have some relationship to the joint needs of the city and county, such as parks and recreation, fire protection, police protection, housing, and transportation.

Batchelor, T. M., Jr.; Balley, J. Harvey (Former County Executives), “County Should Seek Better Sharing Pact,” *The Daily Progress*, May 14, 1982 (emphasis added).

Letter to the Editor - **“Voter Not Persuaded to Support Agreement”**

The following factors remain questionable to me:

1. **The city’s insistence on the transfer of hard cash to them from the county with no county representation as to its use.** (Taxation without representation.)

Beard, Roland, III, “Voter Not Persuaded to Support Agreement,” *The Daily Progress*, May 12, 1982.

Large Paid Advertisement in Opposition to the Agreement

Bitter (F)root of Revenue Sharing

...

Revenue Sharing is to pay taxes to profligate city politicians to spend as they jolly well please without any accountability to Albemarle tax-payers whatsoever who would be paying taxes forever to fund city “pork-barrel” politics!

...

“Paid for by Lynwood Coffman in the interests of Citizens Who Care”

The Daily Progress (Emphasis original)

Editorial Headline - **“Why Pay More For Less?”**

The pencil-pushers at the county office building figure the added burden on the county taxpayers would amount to another 10 cents on the tax rate. **County dwellers can’t ever expect much to show for those extra dimes. The city can spend it however it wishes, possibly on generous pay raises for public employees and social programs that the county doesn’t have. The people who put up the money won’t ever be asked how they would like to see it spent.**

...

. . .

The highly developed territory at the edge of the city's present boundary provides almost as much property tax revenue as all the rest of the county put together. A whopping 84 percent of Albemarle's sales tax is also collected there.

If there is a "no" vote a week from Tuesday, the city will sue to annex a big chunk of that developed area. The courts will, most assuredly, rule that the city is entitled to most, if not all, of the territory it asks for.

Should that happen, those owning or renting property in the annexed area would pay city taxes – 47 percent higher than their maximum possible contribution under the revenue-sharing arrangement. Those who live in Crozet, Ivy, Scottsville, Earlsville, White Hall and all the rest of the county outside the annexed area would pay, too. Every tax dollar lost to the city through annexation – all the revenue brought in by the shopping centers and factories and housing developments that the county has labored so hard to attract – would have to be replaced by higher taxes.

. . .

So, in a sense, county taxpayers are getting quite a bargain for their extra dime of tax rate. They are buying protection against even higher tax rates and the satisfaction of knowing that what is theirs can never again be stolen away through annexation.

That's about as good a way to spend a dime as you're likely to find these days.

"Why Pay More for Less?" *The Daily Progress*, May 10, 1982 (emphasis added).

13. Voices From the Past

Pre-Referendum Quotes

Lindsay Dorrier (Recent Member of Board of Supervisor) - Supported the Agreement

Albemarle Commonwealth's Attorney Lindsay G. Dorrier announced today he is joining the ranks of those supporting the proposed revenue-sharing agreement between Charlottesville and Albemarle. . . . Dorrier said one of the reasons he supports the agreement is that without it Albemarle would lose as much as 10 square miles in an annexation fight. "This is a risk I don't think the county should take," he said. "I think we would lose more (through annexation) than under the revenue-sharing agreement."

Brickhouse, Robert, "Revenue? Prosecutor Votes Yes," *The Daily Progress*, May 11, 1982.

Charlotte Y. Humphris (former County Supervisor)

An argument being used against the revenue-sharing agreement is that the city government is a spendthrift and Albemarle County taxpayers should not have to donate their tax dollars to support the city's follies.

That argument is completely irrelevant. The fact is that the city already had the right to annex Albemarle County land. If that happens, it would be a taking of our land, our people and our tax dollars *permanently*.

Humphris, Charlotte Y., “Ranting and Raving Doesn’t Help County,” *The Daily Progress*, May 10, 1982 (italics in original).

Leigh B. Middleditch (a leader of the 5C’s: Citizens Committee for City County Cooperation) “The other alternative [to the proposed revenue-sharing agreement] would be to go to war and not know how the war would turn out. It would be very costly and divisive,” says Leigh B. Middleditch, a lawyer who is a **member of a group of civic leaders and former county officials who support the agreement.**

Brickhouse, Robert, “Much at Stake In Upcoming County Vote,” *The Daily Progress*, May 9, 1982 (emphasis added).

Letter to the Editor – “Revenue Sharing Cheaper Than Lawsuit”

As a member of the organization that calls itself Citizens for Albemarle, I want to endorse the revenue-sharing plan rather than see annexation.

Miller, Marie T., “Revenue Sharing Cheaper Than Lawsuit,” *The Daily Progress*, May 10, 1982 (emphasis added).

Post-Referendum Vote Quotes

City Councilor Elizabeth Gleason: “I’m very excited about it. . . . It goes a long way to assure the health of our community, and it really is one community.” Giametta, Charles, “Compromise Is Key to Plan,” *The Daily Progress*, February 2, 1982, at A1.

Ellen Nash, Board of Supervisors member: “I’m very thrilled with it because I feel it’s a compromise.” Giametta, Charles, “Compromise Is Key to Plan,” *The Daily Progress*, February 2, 1982, at A1.

Cole Hendrix, City Manager - after the approval by County voters:

“If the city could have annexed a specific area . . . that would have been better. . . . The revenue sharing by itself is not the complete answer to all the city’s financial problems. Annexation very may well have produced a better end result 20 or 30 years from now if the city would have been successful in annexing all the territory it wanted to. But nobody knows for sure.”

Giametta, Charles, “Hendrix: ‘City Gave Up a Lot’ to Avoid Annexation,” *The Daily Progress*, May 19, 1982.

Charlottesville Mayor, Frank Buck: "If the city were to look at it from strictly the city's own selfish interest, then I think that annexation would be better." Giametta, Charles, "Hendrix: 'City Gave Up a Lot' to Avoid Annexation," *The Daily Progress*, May 19, 1982.

Gerald Fisher, Chairman of the Board of Supervisors: "We will never know how much territory the city would have gotten. Had the referendum failed, **we would have found out.**" Giametta, Charles, "Hendrix: 'City Gave Up a Lot' to Avoid Annexation," *The Daily Progress*, May 19, 1982 (emphasis added).

Timothy Lindstrom, Board of Supervisors member (from his thesis): "The County has avoided costly, and by most expert opinions, ultimately futile litigation. It has averted the almost certain loss of prime commercial tax base to the City and the corresponding increased demand upon its citizens to make up lost revenues." (Lindstrom at 74)

14. In the 1990s, When City Finances Looked Increasingly Bleak, Did County Leaders and Residents Suggest Altering the Agreement in the City's Favor or Encourage the Reversion to Town Status that Was Being Considered?

I don't recall that happening. Does anyone else?

In his 1992 thesis, Lindstrom wrote:

[A]s the negotiations which lead [*sic*] to the agreement recede from memory and as City Council and the Board of Supervisors become dominated by members who did not participate in the creation of the agreement, the reasons which caused the two jurisdictions to undertake two and one-half years of vigorous effort and expense negotiating the agreement may seem less compelling. Evidence of this may be the increasingly frequent, yet informal, **suggestions by some in the City that the agreement ought to be reexamined.** Such a reexamination, however, would be an empty exercise without the sanction of a County-wide referendum as any revision of the agreement which was approved in the County by referendum, would itself require a referendum. Given that County voters have twice recently overwhelmingly rejected a meals tax, it is highly unlikely that voter sentiment would favor any change in the existing revenue-sharing agreement [in the City's favor].

Id. at 73 (emphasis added).

15. Consolidation: Wouldn't Government be More Efficient (e.g., Fewer Duplicate Positions and Services) if the City and County were to merge?

No doubt this would be true, to some degree – but keep in mind that, to a large extent, the number of positions required and the amount of services needed (including school funding/staffing) are based on the actual number of and condition of the people being served, **and these population numbers and demographics would not change with merger**. Also, it seems bound to be true that, a merger would lead to a closing of the gap in tax rates and services offered between the County and City after merger. Consequently, County taxes would need to rise, while City residents would likely see a decrease in their tax rate. Merger would largely end the City-County fighting, standoffs, and bad feelings, because the one government would represent the one community we really are. Of course, the same fights and battle of ideas would take place, but they would occur within one electorate and one governmental body – which could just take a vote on controversial matters and move on, rather being locked in dispute with an equally powerful governing body.

On the other hand, such a merger would also mean a loss of more local control (generally considered a prized commodity by all and particularly cherished by conservatives). The separate City government and County government are in a better position to understand and meet the needs and wants of its electorate; a merged government would mean a loss of that level of local control. City residents have repeatedly shown at the ballot box in the last couple decades that they are willing to pay higher taxes to ensure that the City continues to offer high quality schools and government services and that the City remains well maintained, compassionate, and physically an attractive place to live. The County, on the other hand, has an electorate more evenly divided between those who want to limit government services and expenditures and those who wish the government would do more to fund and maintain, for example, education/schools; local transportation infrastructure; providing mass transit; recreational needs like softball and soccer fields and swimming pools; library support and construction; and helping out the poor with affordable housing and other services.

A merged City-County government would change the dynamics and balance of the debate and, as noted above, would almost certainly lead to a real estate tax rate for everyone somewhere between the County rate (currently \$.0766 per \$100 in assessed value) and the City rate (currently \$0.95 per \$100 of assessed value). Despite gaining some cost efficiencies, there would certainly have to be a corresponding overall drop/increase in government services across the City and County, depending on your perspective.

I think County leaders, over time, have recognized that merging with the City would mean taking on the higher costs associated with running the City – and this is the reason that they have been cool to the idea of consolidating the governments. Indeed, seeking a consolidation of communities under one government was one of the big pushes the City negotiators were making during the two years of annexation/revenue-sharing negotiations. The City negotiators even argued that the payments the County would be making under the revenue-sharing agreement might even "create an incentive for consolidation. If the formula over the years began to cost the

County 'too much,' the County could always terminate the agreement by agreeing to consolidate with the City." (Lindstrom at 55)

During the course of the negotiations, the attorney the County had hired as a consultant had postulated to the Board that, while consolidation could be worth studying, “. . .the economies of scale resulting from consolidation might be lost, particularly where the jurisdictions involved were already sharing in the provision of major public services.” (*Id.* at 24)

The County remained cool to the idea of consolidation the whole time. Ultimately, the City settled for having a clause in the revenue-sharing agreement that required the formation of a consolidation study committee, but nothing ever came from the meetings of that committee. (*Id.* at 26, 60, 51, 81)

Some have suggested that the two school systems should consolidate even if the governments do not. I think there are good arguments that could be made for this; however, as with merging the governments, there would by necessity be a loss of local control and a leveling of costs/expenditures across the two division. This would seem almost certainly to mean a rise in overall costs/expenditures for the County and a lowering of costs/expenditures in the City. So, for instance, in Charlottesville we have traditionally been willing to invest more than Albemarle has in small class sizes and enriched school-level resources, including fine arts. If the divisions are merged and finances are leveled, what would happen? As another example, we in the City are also are proud of our purely locally-funded preschool program for three year olds, which we would like to expand, but Albemarle does not have such a program.

Moreover, if just our school divisions are consolidated, our City school system would – to one degree or another – be subject to the funding whims of the Albemarle Board of Supervisors, and that would seem to me a pretty dicey proposition. On the whole, if it is the will of the community to become more like one community, then I think it would make more sense to consolidate the governments first, thereby placing funding under the control of one joint governing funding body. The alternative would be to give school boards taxing authority, as they have in other states. The Virginia School Board Association’s standing position is in favor of Virginia school boards getting taxing authority; not surprisingly, the idea has gotten nowhere in the legislature.

Other Citations

16. 1982 Tax Rate Cite

Brickhouse, Robert, “City, County Strike Bargain - Negotiating Teams Reach Unique Revenue-Sharing Agreement,” *The Daily Progress*, February 2, 1982 at A1.

17. **The Commission on Local Government and Its Fiscal Reports:**

www.dhcd.virginia.gov/index.php/commission-on-local-government/reports.html

The Commission was actually created as part of the package of 1979 changes to the annexation laws. The Commission on Local Government, as stated on its website, "promotes and preserves the viability of Virginia's local governments by fostering positive intergovernmental relations." The site goes on to explain that "[t]he Commission is composed of five members appointed by the Governor and confirmed by the Virginia General Assembly. The members are required by statute to have knowledge and experience in local government, and they can hold no other elective or appointive office while on the commission. Commission members are appointed for five-year terms and are eligible for reappointment." The Commission aids localities regarding annexation/boundary changes, town incorporation, and reversion from city to town and advises the legislature on how proposed legislation will affect localities. In addition, it puts out reports regarding localities, including an annual fiscal report.

The latest full report on the fiscal status and stress of Virginia localities came out in January of 2014 and is looking at **2012** data. The full report sort of culminates in the calculation of a Composite Fiscal Stress Index for each of the 134 localities in Virginia. It uses nationally-developed complex formulas that I don't begin to understand, in order to come up with key measures of a locality's fiscal health and wealth. Revenue Effort, one of the components of the overall fiscal stress index, is aimed at determining what the locality is actually doing in the way of raising revenue by the various means available to it – and then essentially comparing those numbers per capita to the state average. So an important point to recognize is that the calculations are comparing each locality to others in Virginia and not to any kind of pre-determined 'gold standard.' So for instance, a low revenue effort means it is low compared to what other Virginia localities are doing at the same time in the same state economy.

18. **Raising Taxes/Revenues.**

The LCI and revenue-sharing agreements are not at all Democratic or Republican issues. I'm confident the majority of the Albemarle School Board would identify themselves as Democrats, and the senior member of the Board ran against the County's Republican House of Delegates member who is carrying the LCI bill for the school board. The Board of Supervisors just lost two of its three Republican members in the Fall 2013 election. It doesn't matter to me if the County chooses to raise, lower, or leave its taxes the same. That is obviously an issue for the Albemarle citizens to work out for themselves based on the level of government services they want. I write about the "keys to any financial difficulties being in your own hands" just to point out that IF you want/need to increase your spending on government services, you should recognize – by looking at your neighbor's tax rate and the tax rate of other comparable counties – that higher rates do not make the sky fall, and you can exempt or give tax credits/subsidies to those who truly can't afford a penny or two more in real estate taxes, as is already done in Albemarle, Charlottesville and other localities. See Also, the comparative reports compiled by the Commission on Local government described in note #24 above.

Remember that even Ronald Reagan raised taxes in a deep recession, and yet the economy then emerged from the recession. The recession I speak of is the one that lasted from July 1981 to November of 1982, and by November of 1982, unemployment was at 10.8 percent. (Wikipedia.org/wiki/list_of_recessions. The same information is available on other cites; just “Google” something like “US recession history.”) Reagan had pushed through a very big tax cut in 1981 which lowered individual tax rates a lot, but he was a fairly pragmatic conservative and realized that the government needed more revenue to make up for the deficit caused by the tax cuts and for his build-up of the military. So, in 1982 he signed into law the largest peacetime tax increase in history. The fact that he lowered taxes, overall, more in 1981 than he raised them in 1982 does not change the fact that he passed a very large tax increase in the heart of a serious recession, and yet the economy recovered. He went on to sign a total of 11 tax increases into law. These increases still left individual tax rates much lower than they had been but closed “loopholes” and essentially broadened where the tax revenues were coming from, including **businesses**. See Zajac, Andrew, “Candidates Channeling Reagan Don’t Talk About His Tax Increases,” www.businessweek.com/news/2011-10-18/candidates-channeling-reagan-don-t-talk-about-his-tax-increases.html; Sahadi, Jeanne, “Taxes: What people forget about Reagan,” money.cnn.com/2010/09/08/news/economy/reagan_years_taxes/index.html; Garofalo, Pat, “Memo to House Republicans: Following Reagan’s 1982 Tax Increase, Economy Boomed, Unemployment Fell,” <http://thinkprogress.org/economy/2011/06/24/253569/reagan-1982-flashback-economy-boomed>.

- 19. US Census State and County Quick Facts: Albemarle & Charlottesville, Virginia
<http://quickfacts.census.gov/qfd/index.html>
- 20. Virginia Auditor of Public Accounts Comparative Report
www.apa.virginia.gov/APA_Reports/LG_ComparativeReports.aspx

City/County – Fast Facts

	CHARLOTTESVILLE	ALBEMARLE
US Census Population in 2010 ²⁶	43,475 (down 3.5% since 2000 Census)	98,970 (up 25% just since 2000)
US Census Population in 1980	39,916	55,783
Size - Sq. Miles	10.4	720.7
Retail Sales 2007 ²⁶	\$700 million	\$1.7 billion
Avg. Per Capita Annual Income 2012 ²⁶	\$26,000	\$37,800

Median Household Income (Adj. Gross Inc.) 2012 ²⁴	\$41,000 (ranks 48/134)	\$70,800 (ranks 117/134)
Median Household Income 1980 US Census	\$13,900	\$17,800
Percent of Persons below poverty level 2012 ²⁶	27.3%	8.9%
2012 Health and Welfare Spending per capita ²⁷	\$1,043	\$326
2012 Public Works Spending per capita ²⁷	\$299	\$72
2012 Public Safety Spending per capita ²⁷	\$817	\$361
2012/13 Real Estate Tax Rate per \$100 of assessed value	\$ 0.95	\$0.766
1982 Real Estate Tax Rate (Before Rev. Sharing Agreement) ²³	\$1.13 per \$100	\$0.67 per \$100 County estimated it would go up 10 cents to \$0.77 because of Rev. Agreement
General Fund Budget - Current Fiscal Year, 2013/14	\$148 Million	\$228 Million
2012 Fiscal Stress Index Comm. Local Gov. ²⁴	Above Avg. Stress - Ranks 39 th in fiscal stress out of 134 Va. localities	Low Stress - Ranks 121 st least stressed of 134 Va. localities
2012 Revenue Effort Index Comm. Local Gov. ²⁴	24 th highest effort out of 134	84 th out of 134 in effort
Disparity Between City and County Fiscal Stress - Latest Calculation 2008, by Comm. on Local Gov. ²⁴	Ch'ville-Albemarle is tied for 3 rd largest disparity in Fiscal Stress, out of 52 City-County pairings in Va.	
<u>SCHOOL DISTRICT INFO</u>		
School District total enrollment 2013/14	4,012	13,400

School's Total Budget - Current F.Y. 2013/14	\$70 Million (2 million of which is Federal pass through money to fund a regional hospital education program)	\$179 Million
\$2.9 million - approx. state LCI money sought by Albemarle as share of respective current budgets.	4% of Total Budget	1.6% of Total Budget
Percentage of Economically Disadvantaged Students 2013/14	54%	27%