

**Report on the  
County of Bedford - City of Bedford  
Consolidation Action**



**Commission on Local Government  
Commonwealth of Virginia**

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**REPORT ON THE  
COUNTY OF BEDFORD - CITY OF BEDFORD  
CONSOLIDATION ACTION**

**PROCEEDINGS OF THE COMMISSION**

On April 4, 1995 the City of Bedford and the County of Bedford jointly filed notice with the Commission on Local Government, pursuant to the provisions of Section 15.1-945.7(A) of the Code of Virginia, proposing the establishment of the consolidated "Bedford City."<sup>1</sup> That notice was accompanied by data and materials supporting the plan of consolidation. Further, in accordance with statutory requirements, the parties to the consolidation agreement concurrently gave notice of the proposed consolidation to 30 other local governments with which they were contiguous or with which they individually or collectively shared functions, revenue, or tax sources.<sup>2</sup>

Pursuant to a schedule which had been adopted in February 1995 in anticipation of the formal filing, on April 24, 1995 the Commission toured relevant sections of the City of Bedford and Bedford County and received oral testimony from the two jurisdictions in support of the proposed consolidation. In addition, the Commission solicited comment from other potentially affected political subdivisions and the public. Each locality receiving notice of the proposed consolidation from the parties under the provisions of Section 15.1-945.7 (A) of the Code of Virginia was invited to submit testimony on the proposed consolidation for the Commission's consideration. Further, the Commission held a public hearing, which was advertised in accordance with requirements of Section 15.1-945.7 (B) of the Code

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<sup>1</sup>**Notice by the County of Bedford and the City of Bedford of Their Intent to Petition for an Order Authorizing a Consolidation into a Single City** (hereinafter cited as **Consolidation Notice**), submitted to the Commission on Local Government on April 4, 1995.

<sup>2</sup>Sec. 15.1-945.7 (A), Code of Va.

of Virginia, on the evening of April 24, 1995 at Liberty High School in Bedford, Virginia. The public hearing was attended by approximately 60 persons and produced testimony from 7 individuals. In order to afford the public an opportunity to submit additional comment, the Commission agreed to keep open its record for the receipt of written testimony through May 8, 1995.

### **DEVELOPMENT OF CONSOLIDATION AGREEMENT**

In early 1994 petitions signed by the requisite number of registered voters of the City of Bedford and Bedford County were filed with the Bedford City Council and the Bedford County Board of Supervisors, respectively, pursuant to Section 15.1-1132 of the Code of Virginia, requesting the governing bodies to develop an agreement consolidating the two jurisdictions as a city and to submit the plan of consolidation to referendum.<sup>3</sup> In accordance with statutory direction, copies of both petitions were concurrently presented to the circuit court having jurisdiction over the City and County. Following certification that the petitions were valid, representatives of the City of Bedford and Bedford County began an extensive series of meetings for the purpose of developing a plan of consolidation. On March 28,

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<sup>3</sup>Sec. 15.1-1132 of the Code of Virginia permits the citizens of a locality to initiate the development of a consolidation agreement by petition signed by not less than 15% of the residents of that locality registered to vote as of the 1st day of January of the year in which the petition is filed. The governing body receiving the petition is allowed one year within which to develop the requested consolidation agreement. If the governing body of the locality fails for any reason to develop a consolidation agreement pursuant to the citizens' petition within the one-year period, the judge of the circuit court serving the locality "shall appoint" a committee of five citizens "to act for and in lieu of" the governing body. The residents of the City of Bedford filed their petition with the City Council on January 24, 1994, while a similar petition was submitted to the Bedford County Board of Supervisors on February 24, 1994.

1995 a consolidation agreement was approved by the governing bodies of the City and the County proposing the establishment of the consolidated Bedford City containing within it a "shire," a unit of general government whose initial boundaries would coincide with those of the former City of Bedford.<sup>4</sup>

As a consequence of the enactment of HB 1648 by the 1995 session of the General Assembly, the Commonwealth's consolidation statutes were amended to permit an independent city to become a "shire" within a consolidated city.<sup>5</sup> The proposed consolidation of the City of Bedford and Bedford County was founded on that legislation and proposes the transformation of the City of Bedford to the "Shire of Bedford." Under the terms of the consolidation agreement, and consistent with the enabling legislation, the Shire of Bedford will have an elected governing body and "the same rights, powers, and obligations as towns exercise in counties, and such other rights, powers and obligations as may be granted by general law or by charter."<sup>6</sup>

It is significant to note that the consolidation agreement, consistent with the new legislation, also grants the proposed Shire several major distinctive arrangements not authorized to towns under general law. First, the consolidation agreement authorizes the Shire of

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<sup>4</sup>See **Appendix A** for the complete text of the Consolidation Agreement. Following the Commission's oral presentations and public hearing on April 24, the parties made minor changes in the consolidation agreement and submitted a revised instrument to the Commission bearing the date of May 1, 1995. Appendix A contains the revised version of the consolidation agreement.

<sup>5</sup>See **Appendix B** for the complete text of House Bill 1648. The bill carried an emergency clause and became effective in early April.

<sup>6</sup>Sec. 15.1-1135(20), Code of Va.

Bedford to annex by ordinance areas in the proposed consolidated city which qualify for such based upon their proximity and the nature and extent of their development.<sup>7</sup> Second, the consolidation agreement permits the Shire to exercise, under prescribed conditions, extraterritorial subdivision and zoning regulation in designated areas.<sup>8</sup> Third, the consolidation agreement grants the Shire 50% of the local option sales and use tax collected within its boundaries, a distributional arrangements which varies from that used in the distribution of such funds to towns.<sup>9</sup>

In terms of functions, the proposed Shire will retain responsibility within its boundaries for law enforcement; the provision of public utilities (water, sewer, and electrical service); the

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<sup>7</sup>See Consolidation Agreement, Sec. 19. The annexation provisions in the proposed consolidation agreement are patterned after the boundary change procedures authorized for use by certain municipalities in North Carolina pursuant to the laws of that state. In 1970, and again in 1975, the U. S. Advisory Commission on Intergovernmental Relations cited the North Carolina annexation statutes as a model for other states. (U. S. Advisory Commission on Intergovernmental Relations, **1970 Cumulative ACIR State Legislative Program**, M-48, Aug. 1969; and **ACIR State Legislative Program, Local Government Modernization**, M-93, Nov. 1975.)

<sup>8</sup>See Consolidation Agreement, Sec. 20. With the concurrence of the consolidated City, the Shire of Bedford can exercise extra-territorial zoning and subdivision regulation in an area extending up to three miles beyond its boundary. If such occurs, a resident of the consolidated City living in that area must be appointed to the Shire's planning commission and to the board of zoning appeals.

<sup>9</sup>Under the terms of the proposed agreement, the Shire of Bedford will receive on a monthly basis from the consolidated City 50% of the local option sales tax collected within the Shire. (See Consolidation Agreement, Sec. 16.) Under current statutes, towns in the Commonwealth receive a proportionate share of one-half of the total local option sales taxes received by a county based on the ratio of school-age children in the municipality to the total school-age children in the county overall. (Sec. 58.1-605, Code of Va.)

maintenance of streets and roads; solid waste collection and disposal; public planning, zoning, and subdivision control; community and economic development; the maintenance of public cemeteries; and the provision of parks and recreation. Other services formerly provided by the City of Bedford, directly or by contract with Bedford County, such as public schools; health; social services; mental health, mental retardation, and substance abuse services; court system; building inspection; and libraries will become the responsibility of the new consolidated City. In sum, the proposed Shire of Bedford will function as a new form of general government operating within a consolidated city encompassing the former City and County of Bedford.

#### **SCOPE OF REVIEW**

The statute establishing the Commission on Local Government states that the fundamental purpose of the General Assembly in creating this body was to provide a means to "help ensure that all of [the Commonwealth's] counties, cities and towns are maintained as viable communities in which their citizens can live."<sup>10</sup> With this expression of legislative intent as a guide, the Commission is charged with the responsibility of reviewing certain proposed consolidations, as well as other local boundary change and governmental transition issues, before such actions are presented to the courts for disposition. In undertaking such reviews, the Commission is required to "investigate, analyze, and make findings of fact, as directed by law, as to the probable effect" of the proposed action on the people in the affected jurisdictions.<sup>11</sup> While the Code of Virginia directs that the Commission's findings and recommendations in each instance be based upon the standards and criteria prescribed by law for the

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<sup>10</sup>Sec. 15.1-945.1, Code of Va.

<sup>11</sup>Sec. 15.1-945.3, Code of Va.

disposition of the issue in question, the Commission is also cognizant of the fact that its analyses also must be guided generally by the General Assembly's concern for the preservation of the viability of all Virginia localities.<sup>12</sup> We trust that this report will be of assistance to the court, the citizens and elected leadership of the affected jurisdictions, and the Commonwealth generally with respect to the protection and preservation of the viability of local governments in Virginia.

**GENERAL CHARACTERISTICS OF THE CITY OF BEDFORD,  
BEDFORD COUNTY, AND THE CONSOLIDATED  
BEDFORD CITY**

**CITY OF BEDFORD**

The City of Bedford was incorporated as a town in 1912 and became one of Virginia's independent cities in 1968.<sup>13</sup> As of 1990, the City of Bedford had a population of 6,073 persons, reflecting a growth in its populace of only 1.4% since the 1980 census.<sup>14</sup> A population estimate for 1993, however, placed the City's populace at 6,600 persons, an increase of 8.7% since the 1990 decennial

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<sup>12</sup>Sec. 15.1-945.7(B), Code of Va.

<sup>13</sup>J. Devereux Weeks, **Dates of Origin of Virginia Counties and Municipalities** (Charlottesville: Institute of Government, University of Virginia, 1967). The City of Bedford became a city of the second class on August 31, 1968.

<sup>14</sup>U. S. Department of Commerce, Bureau of the Census, **1980 Census of Population, Number of Inhabitants, Virginia**, Table 2; **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 1. See **Appendix C** for a statistical profile of the City of Bedford, Bedford County, and the proposed consolidated Bedford City.



census.<sup>15</sup> Based on its land area of 6.8 square miles and the 1993 population estimate, the City has a population density of 971 persons per square mile.<sup>16</sup>

With respect to the nature of its population, the data disclose that the City's populace is considerably older and less affluent than that of the State as a whole. The evidence reveals that, as of 1990 (the most recent year for which data are available), the median age of residents of the City was 39.9 years, a statistic considerably in excess of that for the State overall (32.6 years).<sup>17</sup> Further, the percentage of the City's 1990 population age 65 or over was 24.8%, or more than double that for the State generally (10.7%).<sup>18</sup> In terms of income, State Department of Taxation data disclose that Bedford residents had a per capita adjusted gross income (AGI) in 1992 (the latest year for which such data are available) of \$10,040, or only 73.1% of the comparable figure for the Commonwealth collectively (\$13,733).<sup>19</sup>

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<sup>15</sup>Julia H. Martin and Donna J. Tolson, **1993 Estimates of the Population of Virginia Counties & Cities** (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, Dec. 1994). The City of Bedford's 1993 population estimate includes the results of an annexation effected June 30, 1993 pursuant to a voluntary settlement with the County. That annexation increased the City's population by 186 persons and its land area by 26.7 acres.

<sup>16</sup>**1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 16.

<sup>17</sup>**Ibid.**, Table 1.

<sup>18</sup>**Ibid.**

<sup>19</sup>Samuel R. Kaplan, **1992 Virginia AGI, Distribution of Virginia Adjusted Gross Income by Income Class and Locality** (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, 1994).

In regard to the City's overall fiscal condition, statistics indicate that between 1982 and 1992 (the latest year for which such information is available) the true value of real estate and public service corporation property in the municipality increased from \$128.0 million to \$213.2 million, or by 66.6%, approximately one-half the rate of growth in the State generally (133.5%).<sup>20</sup> Further, the City's total taxable retail sales, a significant indicator of the strength of the locality's commercial base, rose 72.7% between 1982 and 1992, a growth rate only three-fourths that of the State as a whole (96.9%).<sup>21</sup> Furthermore, between 1980 and 1990 the number of nonagricultural wage and salary employment positions in the City increased from 4,380 to 4,730 positions, or by only 8.0%.<sup>22</sup> Moreover, official estimates for March 1994 placed the number of nonagricultural wage and salary positions in the City at 4,482, a decrease of 5.2% since 1990.<sup>23</sup>

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<sup>20</sup>Virginia Department of Taxation, **Virginia Assessment/Sales Ratio Study, 1982**, Mar. 1984; and **Virginia Assessment/Sales Ratio Study 1992**, May 1994. The per capita increases in true real estate and public service corporation properties in the City of Bedford and the Commonwealth generally were 66.5% and 100.1%, respectively.

<sup>21</sup>Virginia Department of Taxation, **Taxable Sales in Virginia Counties and Cities, Annual Report**, 1982 and 1992. On a per capita basis, taxable retail sales in the City increased by 69.9% between 1982 and 1992, compared to an increase of 68.9% for Virginia as a whole. Not included in the data reported by the Virginia Department of Taxation for taxable sales are sales of certain motor vehicles, trailers and semi-trailers, mobile homes and travel trailers, motor vehicle fuels, and products sold in Alcohol Beverage Control stores.

<sup>22</sup>Virginia Employment Commission, "ES-202 Covered Employment and Wages File, Annual Average Employment" (unpublished data for 1980 and 1990), Apr. 1992.

<sup>23</sup>Virginia Employment Commission, "Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending March 31, 1995 - Bedford City."

Additional evidence of the City of Bedford's fiscal condition is revealed by statistical analyses conducted annually by this Commission. These analyses are based upon a Virginia-adapted "representative tax system" (RTS) methodology, which establishes a theoretical level of revenue capacity for each county and city in the Commonwealth derived from six local revenue-generating "sources" and the statewide average "yield rate" for each. Our calculations reveal that between the 1989/90 and 1992/93 fiscal periods the City of Bedford's per capita theoretical revenue capacity decreased by 10%, while during the same span of years that of all Virginia's counties and cities, considered collectively, increased by 13.2%.<sup>24</sup> In addition, data for 1992/93 reveal that the City's per capita theoretical revenue capacity was only 83.4% of the statewide average statistic.<sup>25</sup> Finally, our statistical calculations for the latter period reveal that the City of Bedford (based on consideration of its theoretical revenue capacity, its actual revenue effort, and the income level of its residents) could be characterized as an "above average stress" locality in relation to all of Virginia's counties and cities.<sup>26</sup>

In terms of the City of Bedford's physical development, 1991 land use data (the latest available) reveal that 51.8% of the City's total land area was then devoted to residential usage, 7.8% to commercial enterprise, 10.1% to industrial activity, 10.6% to public or semi-public

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<sup>24</sup>Commission on Local Government, **Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1992/93** (forthcoming), Tables 2.1, 2.3.

<sup>25</sup>**Ibid.**, Table 2.3. In 1989/90 the City's per capita revenue capacity was 85.8% of the statewide figure.

<sup>26</sup>**Ibid.**, Table 6.3.

purposes, with 30.2% (1,310 acres) remaining vacant.<sup>27</sup> Exclusive of the vacant land located within the 100-year floodplain or on slopes of 15% or greater (1,036 acres), the City of Bedford retained in 1991 only 274 acres, or 6.3% of its total area, vacant and free from environmental constraints affecting its development potential.<sup>28</sup>

Although the previously cited evidence suggests that the City of Bedford confronts growing demographic and fiscal concerns, the City remains a focal point of the economic and corporate life of its general area. The significant concentration of governmental offices, medical and professional facilities, civic and fraternal organizations, and retail outlets in the City emphasizes the importance of the municipality to the surrounding area. Moreover, a 1990 study disclosed that 4,532 residents of Bedford County commuted to the City for their employment.<sup>29</sup> In addition, the City of Bedford has facilitated growth on its periphery, with City water and sewerage serving, directly or through interlocal agreements, many of the developed areas located in the County adjacent to the municipality.

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<sup>27</sup>City of Bedford, **Bedford Comprehensive Plan**. The percentages include land area occupied by streets and railroad right-of-ways within each classification. Land use statistics for the City do not reflect the very small area (26.7 acres) incorporated into the municipality as a result of the 1993 voluntary settlement with Bedford County.

<sup>28</sup>**Ibid.**

<sup>29</sup>Virginia Employment Commission, **Commuting Patterns of Virginia Workers: City and County Level for 1990**, Mar. 1993. It may be observed that the number of persons reported as commuting from Bedford County to the City of Bedford for employment in 1990 almost equalled the total number of nonagricultural wage and salary employment positions reported as being in the municipality that year. This situation results from the fact that the two measures are generated by two distinct agencies using different methodologies. The "commuting" figure is produced by the Bureau of the Census using a broader and more encompassing definition of "employment."

## COUNTY OF BEDFORD

The County of Bedford was created in 1754 from territory formerly a part of Albemarle and Lunenburg Counties.<sup>30</sup> Between 1980 and 1990 the County's population increased from 34,927 to 45,656 persons, or by 30.7%.<sup>31</sup> The official population estimate for 1993 placed the County's population at 49,800, an increase of 9.1% since the 1990 decennial census.<sup>32</sup> On the basis of its 1993 population and an area of 764 square miles, the County has an overall population density of 65 persons per square mile.<sup>33</sup>

With regard to the nature of its population, various statistical indices disclose that the County's populace is older and slightly less affluent than that of the State generally. In 1990 the median age of residents of Bedford County was 35.7 years, a statistic less than that of the City (39.9 years) but greater than that of the State as a whole (32.6 years).<sup>34</sup> Further, as of 1990, approximately 12.2% of the County's population was age 65 or over, an elderly component only half that of the City (24.8%) but slightly greater than that of the State overall (10.7%).<sup>35</sup> In terms of income, the data disclose that, based on 1992

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<sup>30</sup>Dates of Origin of Virginia Counties and Municipalities.

<sup>31</sup>1980 Census of Population, Number of Inhabitants, Virginia, Table 2; and 1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia, Table 1.

<sup>32</sup>1993 Estimates of the Population of Virginia Counties & Cities.

<sup>33</sup>1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia, Table 16. Bedford County is the fifth largest county in the Commonwealth in terms of land area.

<sup>34</sup>1990 Census of Population, Summary Population and Housing Characteristics, Virginia, Table 1.

<sup>35</sup>Ibid.

State tax returns, Bedford County residents had a per capita AGI of \$13,033, a figure substantially in excess of that of the City (\$10,040) but comparable to that of the State generally (\$13,733).<sup>36</sup>

In regard to Bedford County's overall fiscal condition, statistics indicate that the true value of real estate and public service corporation property in the County increased between 1982 and 1992 (the latest year for which such information is available) from \$1,002.6 million to \$2,284.4 million, or by 127.9%.<sup>37</sup> This percentage growth in the County's principal revenue source was nearly double that of the City (66.6%) but slightly less than that in the State generally (133.5%) With respect to Bedford County's commercial base, taxable retail sales in the County rose by 130.4% between 1982 and 1992, again nearly twice that of the City (72.7%) and far exceeding that for the State as a whole (96.9%).<sup>38</sup> Overall, these data indicate that the County has experienced considerable growth in its principal resource bases during the last decade.

Consistent with the statistics cited above, data developed by this Commission disclose that Bedford County experienced an increase of 16.4% in its theoretical per capita revenue capacity between fiscal periods 1989/90 and 1992/93, a statistic in marked contrast to that

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<sup>36</sup>**1992 Virginia AGI, Distribution of Virginia Adjusted Gross Income by Income Class and Locality.**

<sup>37</sup>**Virginia Assessment/Sales Ratio Study, 1982; and Virginia Assessment/Sales Ratio Study, 1992.** On a per capita basis, the increases in the true value of real estate and public service corporation property in Bedford County and the State generally during the period were 70.1% and 100.3%, respectively. (*Ibid.*)

<sup>38</sup>**Taxable Sales in Virginia Counties and Cities, Annual Report, 1982 and 1992.** Between 1982 and 1992 the per capita increase in the County (72.0%) exceeded that in the State overall (68.9%).

of the City (-10%) and exceeding that of the State overall (13.2%).<sup>39</sup> Further, the Commission's most recent comparative fiscal stress analysis found that Bedford County (based on consideration of its theoretical revenue capacity, actual revenue effort, and the income level of its population) could be categorized in 1992/93 as a "below average stress" locality.<sup>40</sup>

In terms of the nature of its development, statistics indicate that Bedford County has experienced growth and diversification in its economic base in recent years. Between 1980 and 1990 the number of nonagricultural wage and salary positions in the County grew from 4,538 to 7,494, or by 65.1%.<sup>41</sup> Moreover, during the period from 1990 until March 1994 the number of such positions in the County is estimated to have grown to 8,227, a further increase of 9.8%.<sup>42</sup> Despite this growth in nonagricultural employment, data collected in April 1990 reveal that, as of that date, two-thirds of the County's total civilian labor force (22,284 persons) either continued to be engaged in agricultural or forestal activities, was required to seek employment outside Bedford County, or was unemployed.<sup>43</sup> Indeed, the evidence

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<sup>39</sup>**Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1992/93,** (forthcoming), Tables 2.1, 2.3. As of 1992/93, the County's per capita theoretical revenue capacity was 99.1% of that for all the Commonwealth's counties and cities considered collectively.

<sup>40</sup>**Ibid.**, Table 6.3.

<sup>41</sup>"ES-202 Covered Employment and Wages File, Annual Average Employment."

<sup>42</sup>Virginia Employment Commission, "Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending March 31, 1994 - Bedford County."

<sup>43</sup>Virginia Employment Commission, **Labor Market Review**, Vol. 4, No. 4, Apr. 1991. The term "civilian labor force" is defined to include all individuals 16 years of age or over (exclusive of persons serving in

suggest that agricultural and forestal activities remain significant components of Bedford County's economic base. As of 1992, there were 1,227 farms in the County occupying a total of 200,507 acres (313 square miles), with the average market value of their agricultural products being \$20,740.<sup>44</sup> Further, 1991 data disclose that 276,133 acres (431 square miles) in Bedford County were classified as "timberland."<sup>45</sup> In sum, while Bedford County experienced significant growth in its population and economic base during the past decade, the County remains predominantly rural.

### **PROPOSED CONSOLIDATED BEDFORD CITY**

The two jurisdictions which would constitute the consolidated Bedford City had a combined 1993 population estimated to be 56,400 persons, a land area of approximately 771 square miles, and a

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the armed forces) within a specified geographic area who are either employed or unemployed. In 1990, 19,025 County residents traveled to jobs located outside the boundaries of Bedford County. (**Commuting Patters of Virginia Workers: County and City Level for 1990.**) Of those County residents, 71.2% were employed in positions located within the Cities of Roanoke, Lynchburg, or Bedford.

<sup>44</sup>U. S. Department of Commerce, Bureau of the Census, **1992 Census of Agriculture, Virginia**, Table 1, p. 163. The average market value of agricultural products sold by farms in the State collectively was \$48,694, or more than twice that for farms in Bedford County. (**Ibid.**, Table 1, p. 162.)

<sup>45</sup>U. S. Department of Agriculture, Forest Service, **Forest Statistics for the Southern Piedmont of Virginia, 1991**, Table 1. The Forest Service defines "timberland" as property being at least 16.7% stocked by forest trees of any size, or formerly having had such tree cover and not currently developed for nonforest use, capable of producing 20 cubic feet of industrial wood per acre per year and not withdrawn from timber utilization by legislative action. Such property may also be included in the Census Bureau's definition of "farm land." In 1991, approximately 17,000 acres of timberland were located in the Thomas Jefferson National Forest or were State or local-government owned. (**Ibid.**, Table 2.)



population density of 73 persons per square mile. In terms of fiscal resources, as of 1992 the true value of real estate and public service corporation property in the proposed consolidated City was \$2,497.6 million, or \$45,576 per capita, with the latter statistic being 82.7% of that for the Commonwealth generally (\$55,078).<sup>46</sup> Further, in 1992 the two jurisdictions which would comprise the proposed consolidated entity collectively recorded more than \$161 million in taxable retail sales. That aggregate statistic yielded a per capita retail sales measure in the proposed consolidated Bedford City of \$2,938, or only 43.8% of the comparable statistic for the State overall (\$6,710).<sup>47</sup> In terms of resident income, the data reveal that in 1992 the residents of the proposed consolidated City had a per capita AGI of \$12,690, or 92.4% of the comparable figure for the State overall (\$13,733).<sup>48</sup>

With respect to its economy, the data disclose that, while agricultural and forestal activities remain prominent, the proposed consolidated City has an expanding commercial and industrial base. In this regard, it should be noted that during the decade of the 1980's the number of nonagricultural wage and salary employment positions in the two jurisdictions increased from 8,918 to 12,224, or by

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<sup>46</sup>Virginia Assessment/Sales Ratio Study, 1992.

<sup>47</sup>Taxable Sales in Virginia Counties and Cities, Annual Report, 1992.

<sup>48</sup>1992 Virginia AGI, Distribution of Virginia Adjusted Gross Income by Income Class and Locality. By virtue of its location between the Lynchburg and Roanoke Metropolitan Statistical Areas, a large number of workers residing in Bedford County and the City of Bedford commute to jobs outside the two jurisdictions. Thus, while the per capita fiscal resources of the proposed consolidated City are somewhat below that of the Commonwealth's jurisdictions considered collectively, the residents of the new municipality have incomes comparable to the State average.

37.2%.<sup>49</sup> Further, between 1990 and March 1994 the number of such employment positions in the two localities which would constitute the proposed consolidated entity had increased by another 4.0%.<sup>50</sup>

In sum, the merger of the City of Bedford and Bedford County would create a consolidated entity with a 1993 estimated population larger than that of all but 10 of the Commonwealth's 41 cities but with a density of population significantly less than that of any of Virginia's independent municipalities.<sup>51</sup> Further, although the consolidation of the City and the County would combine the local fiscal bases of the two jurisdictions, the data indicate that the fiscal resources of the consolidated entity, when standardized by population, would be generally less than that available to the counties and cities of the Commonwealth considered collectively.

#### **STANDARDS AND FACTORS FOR CONSOLIDATED CITIES**

In 1979 the Code of Virginia was amended to require, for the first time, judicial review and approval of all consolidations which propose the establishment of a new consolidated city.<sup>52</sup> In 1985 the Code of Virginia was further amended to require this Commission's

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<sup>49</sup>"ES-202 Covered Employment and Wages File, Annual Average Employment."

<sup>50</sup>"Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending March 31, 1994 - Bedford County"; and "Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending March 31, 1994 - Bedford City." In 1994 almost one-third of the nonagricultural wage and salary positions in the two jurisdictions were in the manufacturing sector. (*Ibid.*)

<sup>51</sup>In 1993 the city with the lowest population density in Virginia was the City of Suffolk (135 persons per square mile).

<sup>52</sup>Ch. 85, Acts of Assembly, 1979.

evaluation of such proposed consolidations prior to their being presented to the courts for disposition.<sup>53</sup> This State oversight of consolidations proposing the creation of new consolidated cities was established in recognition of the fact that status as an independent municipality (1) imposes upon a jurisdiction increased fiscal responsibilities and (2) affects the territorial growth opportunity of adjacent municipalities.

As noted previously, the Commission is required in its review of a proposed consolidation, or any other interlocal issue, to base its findings and recommendations upon the standards and factors prescribed by statute for consideration in such issues.<sup>54</sup> The standards and factors prescribed for consideration in consolidation issues are set forth in Section 15.1-1130.8 of the Code of Virginia. The following sections of this report reflect the Commission's efforts to review the proposed establishment of the consolidated Bedford City in relation to those statutorily prescribed standards and factors.

### **POPULATION STANDARD**

The Code of Virginia establishes certain population and population density standards which must be met by jurisdictions proposing to consolidate as a city. However, in instances where the proposed consolidated entity includes an existing city, those population and population density standards are waived.<sup>55</sup> Since in this case the consolidating units of government include a city, the City

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<sup>53</sup>Ch. 478, Acts of Assembly, 1985. The Commission has no statutory responsibility for the review of consolidations proposing the creation of consolidated counties.

<sup>54</sup>Sec. 15.1-945.7(B), Code of Va.

<sup>55</sup>Sec. 15.1-1130.8(B)(1), Code of Va.

of Bedford, the overall population and population density figures for the consolidating localities are irrelevant in terms of the statutory conditions for consolidation.

There are, however, statistics regarding population and population density of the proposed consolidated Bedford City which should be noted. As indicated previously, based on its total land area (771 square miles) and its 1993 estimated total population (56,400 persons) the proposed consolidated entity would have an overall population density of only 73 persons per square mile. With respect to the distribution of its population, however, the data indicate that the proposed consolidated entity would have major population concentrations along its northeastern and southern boundaries, as well as in or adjacent to the proposed Shire.<sup>56</sup> As a consequence, while the proposed consolidated City embraces a considerable amount of territory which is essentially rural and undeveloped in nature, almost two-thirds of its population would be concentrated in urban and suburban development located in the specified areas.<sup>57</sup> Further, the presence of public utilities in the existing City of Bedford and adjacent areas, as well as in the northeastern portion of the County, is likely to focus future development within those geographic areas.<sup>58</sup> Such

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<sup>56</sup>Anderson and Associates, **Comprehensive Water and Wastewater Study, Bedford County, Virginia**, Jan. 31, 1995, Figures 11, 12. The distribution of the County's projected 1995 population is based on 1990 census block statistics and estimates of the growth which has occurred between 1990 and 1995.

<sup>57</sup>**Ibid.**, Figure 12.

<sup>58</sup>Water and sewer lines owned by the Bedford County Public Service Authority serve portions of the Forest and Boonesboro areas in the northeastern portion of the County adjacent to the City of Lynchburg. The BCPSA purchases potable water from Lynchburg to serve those areas, and wastewater collected from Service Authority connections in Forest and Boonesboro is treated by that City pursuant to an interlocal agreement. In addition, the BCPSA operates small

concentrations of development, coupled with the service responsibilities to be borne by the Shire, will lessen the fiscal burdens which would confront the consolidated City for the provision of services.<sup>59</sup>

### **FISCAL CAPACITY**

State statutes governing the establishment of consolidated cities require this Commission and ultimately the court to determine if the proposed consolidated entity "has the fiscal capacity to function as an independent city and [is capable of providing] appropriate services."<sup>60</sup> This issue entails consideration of the services to be borne by the proposed consolidated City, the local-source resources available to that entity, and the level of intergovernmental aid which will be available to the new consolidated entity.

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water systems supported by wells serving several subdivisions located along Smith Mountain Lake area in the southwestern portion of Bedford County. Further, another BCPSA water well system serves a residential subdivision located approximately two miles west of the City of Bedford. Water and sewer utility services in County areas adjacent to the City of Bedford are provided solely by that municipality. (Willie Jones, Executive Director, Bedford County Public Service Authority, communication with staff of Commission on Local Government, May 30, 1995.)

<sup>59</sup>Under the terms of the consolidation agreement, the Shire of Bedford will provide water and sewer service to its residents and to those areas outside the Shire's boundaries currently served by the City of Bedford. Further, the agreement contemplates the continued operation of the Bedford County Public Service Authority (BCPSA) to provide utility service within the consolidated City. (William C. Rolfe, County Administrator, County of Bedford, testimony before the Commission on Local Government, Apr. 24, 1995.) Thus, the water and sewer utility systems in the consolidated City will be supported by user charges and not general fund revenues.

<sup>60</sup>Sec. 15.1-1130.8(B)(2), Code of Va.

With respect to the issue of service provision, the proposed consolidation of the City of Bedford and Bedford County will establish, in essence, the traditional Virginia town-county relationship between the two jurisdictions. Consistent with such a relationship, the consolidated City will assume full responsibility for the provision of public education; health; social services; mental health, mental retardation, and substance abuse services; and for the support of library facilities; the judicial system; the jail; and the constitutional officers for both the former jurisdictions. In the performance of these responsibilities, the consolidated entity will be supported by the real estate, public service corporation, and all the tangible personal property assessables of the former City and County and may draw upon other fiscal resources within the Shire as Virginia's counties do within their towns. Further, the fiscal burden to be borne by the proposed consolidated entity will be substantially reduced by the existence of the Shire of Bedford, which will be responsible for law enforcement, public works, public utilities, planning and development control, and other urban services within its boundaries.

In order to evaluate the local-source revenue potential of the proposed consolidated City, data can be aggregated for the two jurisdictions and compared to that for the State collectively (i.e., all counties and cities) and to that for four cities of comparable size (Charlottesville, Danville, Lynchburg, and Suffolk). In terms of property values, the per capita true value of real estate and public service corporation properties in the proposed consolidated City in 1992 was \$45,577, a statistic only 82.8% of that for the State as a whole (\$55,076), but one exceeding that for each of the four Virginia cities of comparable population size.<sup>61</sup> The 1992 per capita statistic

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<sup>61</sup>See **Appendix D** for per capita measures of true real estate and public service corporation values, taxable retail sales, and AGI for the proposed consolidated Bedford City, the cities of comparable

for the proposed consolidated entity exceeded that for Lynchburg (\$32,726) by 39.3% and that for Danville (\$26,073) by 74.8%. With respect to taxable retail sales, the proposed consolidated entity recorded a 1992 per capita taxable sales statistic of \$2,938, a figure only 43.8% of that of the Commonwealth generally (\$6,710) and substantially less than that for each of the four cities of comparable size. In regard to resident income, the per capita AGI of the residents of the proposed consolidated City in 1992 was \$12,690, a statistic 92.4% of that for the Commonwealth overall (\$13,733), but, one exceeding that for each of the cities in the same population bracket. The 1992 per capita AGI statistic for the proposed Bedford City exceeded that for Lynchburg (\$10,762) by 17.9% and that for residents of Danville (\$9,746) by 30.2%.

An alternative means of measuring the fiscal capacity of Virginia localities is the methodology utilized annually by this Commission in evaluating the theoretical revenue generating potential of the Commonwealth's counties and cities. When this methodology is utilized to determine the theoretical revenue generating potential of the proposed Bedford City for the 1992/93 fiscal period, the calculations indicate that the proposed consolidated entity would have a per capita revenue capacity of \$891.36, a statistic 96.3% of that for all the Commonwealth's counties and cities considered collectively.<sup>62</sup> Further, the per capita revenue capacity of the proposed consolidated Bedford City for the period in question would exceed that for three of the four cities of comparable size, surpassing that of Danville (\$673.26) by 32.4%.

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population size, and the State as a whole.

<sup>62</sup>See **Appendix E** for data regarding the theoretical revenue capacity of the proposed consolidated Bedford City, cities of comparable size, and the counties and cities of the State generally.

The data presented above have examined the revenue-raising potential of the proposed consolidated Bedford City in relation to Virginia's counties and cities, considered collectively, and in relation to four municipalities of comparable demographic size. However, the adequacy of a locality's revenue base is not determined by its magnitude alone, but by its size in relation to the locality's fiscal needs. The latter measurement for a locality can be obtained by expressing the total of its actual tax levies and revenue collections as a percentage of its total theoretical revenue capacity during a specified fiscal period. The resulting percentage for a specified locality is considered by this Commission as a measurement of the jurisdiction's "revenue effort."<sup>63</sup>

Using this methodology, data for the proposed consolidated Bedford City for the 1992/93 fiscal period would generate a revenue effort statistic for that entity of 0.4938, a measure only 59.5% of that for all the Commonwealth's counties and cities considered collectively.<sup>64</sup> Moreover, the revenue effort statistic for the proposed consolidated City was substantially less than that for any of the four cities of comparable population size and only 36.4% of that of the City of Lynchburg (1.3550).<sup>65</sup> These comparative data suggest that the

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<sup>63</sup>The revenue effort statistic calculated for a locality expresses the total of its revenue collections and levies as a percentage of its theoretical revenue capacity. Through this calculation the receipts which a locality derives from its various resource bases are, in essence, compared to the yield the jurisdiction could anticipate if its local revenue-raising efforts reflected the average rates of return for the State overall.

<sup>64</sup>See **Appendix F** for data regarding the revenue effort of the proposed consolidated Bedford City, cities of comparable size, and the counties and cities of the State generally.

<sup>65</sup>The revenue effort statistic for the City of Lynchburg (1.3550) indicates that the City's tax levies and collections during the specified fiscal period (1992/93) were 135.50% of its absolute revenue capacity.



integrated revenue base which would support the proposed consolidated City can readily support its needs.<sup>66</sup>

While the data reviewed above indicate that the proposed consolidated entity has the fiscal capability to function as an independent city, the General Assembly has enacted several measures designed to facilitate local governmental consolidation and to assist fiscally jurisdictions which pursue that option. In this regard, in 1991 the consolidation statutes were amended to permit the State Department of Transportation to continue indefinitely to construct and maintain those roads in a consolidated city which were formerly in a county.<sup>67</sup> This provision will avoid the necessity of the proposed consolidated Bedford City assuming responsibility for constructing and maintaining the public thoroughfares currently in Bedford County. Further, State law authorizes the governing body of a consolidated city to request and receive the services of the State Police in areas of the consolidated entity formerly in a county for a period of ten years following the effective date of consolidation.<sup>68</sup> Furthermore, to avoid the possibility that consolidation might change some overall statistical measure for a consolidated entity and, consequently, reduce the level of State assistance to that jurisdiction predicated upon such a

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<sup>66</sup>City of Bedford, "Fiscal Impact of Consolidation on the City and County of Bedford," Apr. 24, 1995. The City of Bedford estimates that, based on FY1993/94 data and the service arrangements called for in the proposed agreement, the revenues of the consolidated entity will exceed its expenditures by \$275. A representative of Bedford County has expressed concurrence with the City's calculations. (Rolfe, testimony before Commission on Local Government, Apr. 24, 1995.)

<sup>67</sup>Sec. 15.1-1131.1, Code of Va. While this provision does not represent an additional benefit for the residents of the current County, it will avoid an expense that otherwise would have confronted the consolidated City.

<sup>68</sup>Sec. 52-11.2, Code of Va.

measure, a provision was also added to the Code of Virginia in 1991 which assures consolidating units of government that they will experience no diminution in State aid for any governmental program or function during the five-year period following consolidation.<sup>69</sup> This provision permits the proposed Bedford City to contemplate the continued receipt of State aid at undiminished levels for at least the five-year period following the consolidation.<sup>70</sup>

A final consideration should be addressed in evaluating this proposed consolidation. One of the consequences of local governmental consolidation often cited by analysts is an increase in service expectation within the consolidated entity, with the result that expenditure levels often rise to accommodate the request for additional services. With respect to this issue, the Commission notes that the two jurisdictions which would comprise the proposed consolidated City currently collaborate on both formal and informal bases in the provision of numerous public services, with the result that the distinctions in service levels between the City of Bedford and Bedford County are diminished in several functional areas.<sup>71</sup> In addition, the provisions in the consolidation agreement which permit the existing City of Bedford to become a Shire with responsibility for

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<sup>69</sup>Sec. 15.1-21.1, Code of Va.

<sup>70</sup>This 1991 enactment does not preclude an across-the-board adjustment in State aid necessitated by any general State budgetary imbalance.

<sup>71</sup>Contractual agreements between the City of Bedford and Bedford County provide for collaboration in the areas of schools, libraries, social services, health, and mental health and substance abuse services. In addition, the judicial system of Bedford County, as well as the constitutional offices of Clerk of the Circuit Court, Commonwealth Attorney, and Sheriff (for prisoner incarceration and courtroom security), are shared on a contractual basis by the City and County.

the provision of certain urban services to its residents will result in the consolidated entity not having to assume responsibility for those services provided within the Shire.<sup>72</sup> Further, the consolidation agreement authorizes the Shire of Bedford to expand its boundaries in a simple, nonadversarial manner to incorporate urban areas on its periphery. This component of the consolidation agreement will enable the Shire, rather than the proposed consolidated City, to address the demands for higher levels of services in the urbanizing areas adjacent to the Shire. Similarly, a provision in the consolidation agreement will permit the Bedford County Public Service Authority to continue to furnish public water and sewer service to various portions of the former County, with this arrangement also reducing the demand for services on the consolidated City.<sup>73</sup> These factors will assist the proposed Bedford City in meeting the urban service need of its residents and should effectively constrain its growth in expenditures.

Based on consideration of the fiscal resources available to the two jurisdictions which would constitute the consolidated Bedford City, the current level of public expenditures in those localities, and the existing array of public services currently being borne by both the existing City of Bedford and Bedford County, this Commission finds

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<sup>72</sup>Under the terms of the consolidation agreement, the Shire will have sole responsibility for providing water, sewer, electric, law enforcement, street maintenance, solid waste collection and disposal, planning, zoning and subdivision regulation, community and economic development, building and grounds maintenance, cemetery, and parks and recreation services within its boundaries.

<sup>73</sup>The Bedford County Public Service Authority provides water and sewer service to the northeastern portion of the County encompassing the Forest and Boonesboro areas adjacent to the City of Lynchburg. In addition, BCPSA water systems serve several subdivisions located in the southwestern portion of the County in the Smith Mountain Lake area, as well as residential subdivision located approximately two miles west of the City of Bedford.

that the proposed consolidated entity has the fiscal capacity to function as an independent city and to provide its residents with appropriate services.

### **INTERESTS OF THE PARTIES**

Any consideration of the impact of the proposed consolidation on the City of Bedford and Bedford County and their respective residents should include acknowledgment of the potential benefits which can accrue from the political integration of the two jurisdictions. These benefits include the more efficient use of public resources, future economies of scale in the provision of services, the elimination of undesirable competition between independent units of government, and a greater ability to engage in long-range, coordinated planning for the future development of the proposed consolidated City.

In evaluating the prospective impact of the proposed consolidation on the interests of the parties, consideration should also be given to the interdependence and complementary nature of the localities involved in the proposed consolidation. Where these characteristics exist, the appropriateness of local government consolidation is, in our judgment, increased. In this instance, there is evidence to suggest that such characteristics are present with respect to the City of Bedford and Bedford County. As noted in a previous section of this report, the two jurisdictions currently cooperate on both a formal and informal basis in the provision of numerous public services. Furthermore, a 1990 study of commuting patterns and employment has revealed that approximately 4,500 residents of Bedford County commuted at that time to the City of Bedford for employment, thereby reflecting a significant degree of economic

interdependence between the two localities.<sup>74</sup> Clearly, there currently exists a governmental and economic relationship between the City of Bedford and Bedford County which establishes, in our judgment, an appropriate basis for political integration.

Considering specifically the interests of the current City of Bedford, the data indicate that the municipality has an aging and a comparatively poor population. While this Commission's calculations do not place the City of Bedford among the "high stress" jurisdictions in Virginia, the data suggest that the City is a community confronting increasing economic and fiscal concerns. The proposed consolidation will alleviate those concerns by shifting to the enlarged consolidated entity, a polity with enormous fiscal potential, full responsibility for education, social services, health, the funding of the constitutional officers, and other activities. Moreover, the provisions in the consolidation agreement which permit the Shire of Bedford to annex in a nonadversarial and expeditious manner adjacent urbanizing areas will enable it to benefit from the demographic and economic growth on its periphery. These various arrangements should enable the Shire to maintain its viability and to provide its residents with the overlay of urban services which they require.<sup>75</sup> From our perspective, the

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**<sup>74</sup>Commuting Patterns of Virginia Workers: County and City Level for 1990.**

<sup>75</sup>See "Fiscal Impact of Consolidation on the City and County of Bedford." The City of Bedford estimates that if the real estate tax rate of the Shire were established at \$0.06 per \$100 of assessed value, it would realize approximately \$190 million from that revenue source. The provision in the proposed agreement which authorizes the Shire of Bedford to continue the operation of the current City's electric utility system following the consolidation represents an additional fiscal resource available to the Shire. The Commission notes that in FY1993/94 inter-fund transfers from the City's electric system enterprise fund to its general fund operating budget was approximately \$1.2 million.

proposed consolidation is consistent with the interests of the current City of Bedford.

### **INTERESTS OF THE COMMONWEALTH**

#### **Compliance With State Policies**

Another of the factors prescribed for consideration in consolidation issues is the impact of the proposed consolidated city on “the promotion of applicable State policies” with respect to education, public planning, and other services.<sup>76</sup> In the issue currently before the Commission, we fail to find any basis for concluding that the proposed consolidation of the City of Bedford and Bedford County will have an adverse effect on the implementation of such State policies. Moreover, several State service policies, in our view, will be positively affected by the proposed consolidation, and they merit comment in this report.

**Education.** The Commonwealth has declared by both constitutional provision and legislative enactment that public education is a fundamental concern of the State of Virginia.<sup>77</sup> Since students from the City of Bedford are currently educated in the Bedford County school division by contractual agreement, the proposed consolidation will not result in the shifting of students from one educational environment to another.<sup>78</sup> The proposed consolidation will, however,

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<sup>76</sup>Sec. 15.1-1130.8(B)(2), Code of Va.

<sup>77</sup>Art. VIII, Constitution of Va. See also Sec. 22.1-253.13:1, Code of Va.

<sup>78</sup>Following transition to city status in 1968, the City of Bedford continued to educate its students in the County school system pursuant to contractual agreement.

officially merge the two existing school boards and institute changes which would eliminate duplicative administrative elements and facilitate a more effective management of educational resources.

Environmental Protection. Many environmental concerns transcend local boundaries and often defy effective treatment by localities acting independently. Water resources management, solid waste collection and disposal, and the protection of an area's aesthetic qualities are more adequately addressed by localities acting in concert. Although the proposed consolidation will not merge the public services that directly address some of these major environmental concerns (i.e., water supply and distribution, sewage collection and treatment, and solid waste collection and disposal), it will foster increased collaboration and cooperation between the consolidated City and the Shire in the provision of those services. Further, the ability of the Shire of Bedford to annex by ordinance will have beneficial consequences by promoting more compact development patterns in the central portion of the new consolidated City. In sum, we have no difficulty in concluding that the State's concern for the protection of the Commonwealth's environment will be advanced by the proposed consolidation.

Public Planning. Both jurisdictions which would comprise the consolidated City have planning commissions and have adopted comprehensive plans, zoning measures, and subdivision ordinances.<sup>79</sup> Although the proposed consolidation does not contemplate the full integration of those planning and development control instruments, it will foster a more cooperative planning process between the

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<sup>79</sup>Unlike the City of Bedford and other localities in the Commonwealth which utilize traditional zoning practices, Bedford County has adopted a Land Use Guidance System (LUGS) as a flexible tool to manage growth within its jurisdiction.

consolidated City and the Shire of Bedford. The provisions in the consolidation agreement which would enable the Shire to exercise extraterritorial zoning and subdivision regulatory authority should facilitate orderly and compatible growth adjacent to that entity.<sup>80</sup>

### **VIABILITY OF LOCAL GOVERNMENTS IN AREA**

Because consolidations which propose the establishment of a new city can affect the growth opportunities of adjoining or adjacent municipalities, the General Assembly has directed that such proposals be subjected to critical examination for this prospective impact. While in certain instances such restriction in a municipality's growth opportunity may be found appropriate, in other circumstances such an action might be found inconsistent with the Commonwealth's concern for the protection and preservation of the viability of its local governments.<sup>81</sup> In this instance, the only adjacent jurisdiction which would be immediately affected by the establishment of the consolidated Bedford City is the City of Lynchburg.

The impact of this proposed consolidation on the City of Lynchburg is, in our judgment, a critical issue for consideration. The data indicate that on both demographic and fiscal dimensions the City of Lynchburg confronts concerns which must be noted. Contrary to the experience of the two jurisdictions which will comprise the consolidated Bedford City, the City of Lynchburg confronted a population loss (1%) during the decade of the 1980s, and population

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<sup>80</sup>See Consolidation Agreement, Sec. 20.

<sup>81</sup>Sec. 15.1-1130.8(B)(3), Code of Va.



estimates for 1993 indicate a continuation of that downward trend.<sup>82</sup> Further, demographic projections suggest that the City can expect only modest population growth into the next century.<sup>83</sup> Moreover, despite having a growing employment base, almost half of its employment positions in 1990 were occupied by non-residents.<sup>84</sup> With respect to its fiscal condition, this Commission's calculations indicate that, as of the 1992/93 fiscal period, only 12 of Virginia's 136 counties and cities experienced a degree of "fiscal stress" greater than that of the City of Lynchburg.<sup>85</sup>

In terms of the future viability of the City of Lynchburg, several factors may be noted. Lynchburg experienced its last annexation in January 1975 when it brought within its corporate limits 18.0 square miles and 12,316 persons from Campbell County and 7.1 square miles and 1,550 residents from Bedford County. That annexation afforded the City of Lynchburg significant land for future development. While

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<sup>82</sup>1980 Census of Population, Number of Inhabitants, Virginia, Table 2; and 1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia, Table 1. Since the 1990 census, the City of Lynchburg's population has declined by 0.1%. (1993 Estimates of the Population of Virginia Counties & Cities.)

<sup>83</sup>Virginia Employment Commission, Virginia Population Projections 2010, June 1993, Table 1.

<sup>84</sup>Between 1980 and 1990 the total number of nonagricultural wage and salary employment positions in the City of Lynchburg increased by 12.0%. ("ES-202 Covered Employment and Wages File, Annual Average Employment.") According to data from the 1990 census, 22,708 nonresidents commuted to Lynchburg for employment, a statistic equivalent to 48.9% of the total number of nonagricultural wage and employment positions in the municipality. (Commuting Patterns of Virginia Workers: City and County Level for 1990.)

<sup>85</sup>Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1992/93, forthcoming.

current data are not available, 1982 land use statistics indicated that, as of that date, approximately 11,000 acres of property within Lynchburg, or one-third of the City's total area, were vacant and generally suitable for development.<sup>86</sup> While the amount of vacant land in the City has certainly been reduced since 1982, it is reasonable to conclude that Lynchburg retains a significant amount of vacant property.

With respect to its opportunities for future geographic expansion, Lynchburg concluded a voluntary agreement with Campbell County in 1987 whereby the City waived its authority to initiate annexation actions involving the County's principal growth corridors until the year 2007.<sup>87</sup> Further, the decision by the 1972 annexation court which denied Lynchburg's petition to annex property in Amherst County, citing the James River as a natural and historical boundary between the two jurisdictions which should be preserved, may constitute an impervious legal barrier to Lynchburg's expansion to the north. Thus, the proposed consolidation currently under review would, for the near future, terminate the principal growth opportunity for the City.

In terms of the territorial growth opportunities of Virginia's cities in general, this Commission is cognizant of the fact that the General Assembly established and maintained a moratorium on all city-initiated annexation between 1972 and 1980 and reestablished such a moratorium in 1987 which continues at the present time.<sup>88</sup> Thus, for

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<sup>86</sup>City of Lynchburg, **Lynchburg General Plan**, 1984, p. 111-7.

<sup>87</sup>See Commission on Local Government, **Report on the City of Lynchburg - County of Campbell Voluntary Settlement of Annexation and Growth Sharing**, Mar. 1986.

<sup>88</sup>The current moratorium on city-initiated annexation extends until July 1, 1997.

most of the past quarter-century annexation has not been an option available to Virginia's cities. In recognition of the General Assembly's disposition to preclude annexation by any Virginia city, we do not consider it reasonable or appropriate for this Commission to interpose an objection to the proposed consolidated Bedford City due to its potential impact on the uncertain future annexation authority of the City of Lynchburg.

### **FINDINGS AND RECOMMENDATIONS**

As a consequence of our review, we find that the proposed consolidated Bedford City meets the statutory requirements for independent city status, and we recommend the court's approval of the plan of consolidation.

While this Commission finds the proposed consolidation consistent with statutory requirements, and while we recommend the court's approval, there are additional observations which we wish to offer. The proposed consolidation will transform one of Virginia's largest counties into an incorporated city, it may affect the identity and the historical role which numerous rural communities held in the former County, and it will establish a new and unprecedented system of local government in the area. The aggregate impact and significance of these changes cannot be forecast with certainty. However, it appears to this Commission that, given the circumstances which prevail at this time within the specified geographic area, the proposed consolidation is consistent with the requirements imposed by State law. While the proposed consolidation is a pioneering venture with uncertain ramifications for the consolidating localities and neighboring jurisdictions, it is a reminder of the perennial dilemma of democratic government. "Democracy," we have been advised, offers only "a method of finding proximate solutions for insoluble

problems."<sup>89</sup> Accordingly, this Commission and the residents of the localities proposing to consolidate must reluctantly recognize the improbability of developing "ideal" solutions to all local governmental concerns, and we must be prepared to accept "proximate" answers to the intricate issues we confront.

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<sup>89</sup>Reinhold Niebuhr, **The Children of Light and the Children of Darkness** (New York: Charles Scribner's Sons, 1944) p. 118.

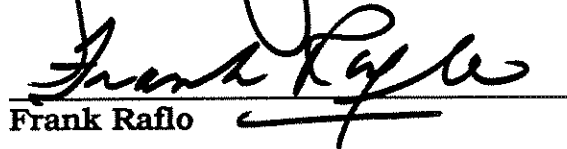
Respectfully submitted,

  
Harold S. Atkinson, Chairman

  
William S. Hubbard, Vice Chairman

  
Layton R. Fairchild, Jr.

  
James J. Heston

  
Frank Rafla

DRAFT

CONSOLIDATION AGREEMENT  
FOR THE COUNTY OF BEDFORD, VIRGINIA  
AND  
THE CITY OF BEDFORD, VIRGINIA

MAY 1, 1995

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(DRAFT)  
CONSOLIDATION AGREEMENT  
FOR THE COUNTY OF BEDFORD, VIRGINIA  
AND THE CITY OF BEDFORD, VIRGINIA

1 This Agreement is made and entered into by and between the County of Bedford, a county  
2 of the Commonwealth of Virginia, and the City of Bedford, a municipal corporation of the  
3 Commonwealth of Virginia, hereinafter "County" and "City" respectively.

4 In entering into this Agreement, the parties hereto understand and agree that the word  
5 "consolidation," as used herein, shall mean "consolidation" as it is used in Article 4, Chapter 26,  
6 Title 15.1, of the Code of Virginia (1950), as amended, and in order to effect such consolidation  
7 hereby agree as follows:

1

**NAMES OF COUNTY AND CITY PROPOSING TO CONSOLIDATE**

8  
9  
10 The names of the county and city proposing to consolidate are the County of Bedford and  
11 the City of Bedford.

2

**NAME OF CONSOLIDATED GOVERNMENT**

12  
13  
14 The name of the new consolidated city shall be Bedford City, hereinafter referred to as the  
15 "Consolidated City."

3

**GOVERNMENTAL ORGANIZATION**

16  
17  
18 The Consolidated City shall be a city unit of government pursuant to Article VII, § 1,  
19 Constitution of Virginia and an incorporated political subdivision of the Commonwealth. The  
20 Consolidated City shall exist and be operated pursuant to a Charter granted by the General  
21 Assembly of Virginia and it shall perform such governmental functions and have such powers,  
22 rights and responsibilities as are granted to it by this Agreement, its Charter, and the general laws  
23 of the Commonwealth. The Consolidated City shall contain a political and geographical  
24 subdivision known as a shire with the name "Shire of Bedford," the initial boundaries of which  
25 shall be the same as the existing boundaries of the City. The government structure of the

26 Consolidated City shall include as elected constitutional officers: Clerk of Circuit Court,  
27 Commonwealth Attorney, Sheriff, Treasurer, and Commissioner of Revenue.

28 4

29 **EFFECTIVE DATE**

30 Subject to the approval of this Agreement by the County and the City, review by the  
31 Virginia Commission On Local Government, the entry of an order approving eligibility for city  
32 status pursuant to Virginia Code §15.1-1130.8, the approval by referendum of a majority of the  
33 voters of each jurisdiction, enactment by the General Assembly of charters for the Consolidated  
34 City and the Shire consistent with this Agreement, and to the Consolidation Agreement complying  
35 with the terms of applicable law, the consolidation shall become effective on the date prescribed in  
36 the court order effecting the consolidation. The County and the City agree to support before the  
37 Circuit Court of the County, 12:01 a.m. July 1, 1996 as the effective date of the consolidation, or  
38 as soon thereafter as practicable. If the actual consolidation becomes effective on a different date,  
39 all other dates set forth herein shall be adjusted as required.

40 5

41 **FORM OF GOVERNMENT**

42 The Consolidated City and the Shire shall have Charters providing for the city manager  
43 form of governmental organization. The Consolidated City and Shire managers shall be appointed  
44 by their respective elected governing bodies and serve at the pleasure of those bodies. The  
45 managers shall have both administrative and executive powers and power to appoint and dismiss  
46 employees reporting directly to them. The authority and responsibility of the Consolidated City  
47 and Shire managers shall be as provided by the charters of the Consolidated City and Shire  
48 respectively.

49 6

50 **SEAT OF GOVERNMENT**

51 **(DESIGNATION OF ADMINISTRATIVE OFFICES)**

52 The seat of government and main administrative offices of the Consolidated City and the Shire  
53 shall be maintained within the geographical boundaries of the Shire.

54  
55 GOVERNING BODY AND ESTABLISHMENT OF WARDS  
56 FOR ELECTION OF THE GOVERNING BODY

57 The Consolidated City and the Shire shall each have a governing body, known respectively  
58 as the City Council and the Shire Council. Initially each shall have seven members; however, that  
59 number may be altered later in the manner provided by general law. Like the current City Council,  
60 the Shire Council shall be elected from the Shire at large. Like the current County Board of  
61 Supervisors, the City Council of the Consolidated City shall be elected from districts, which shall be  
62 designated as wards.

63 The City and County recognize that the holding of the consolidation referendum, the  
64 consolidation itself and the establishment of boundaries for the wards of the Consolidated City all will  
65 require preclearance by the United States Department of Justice, pursuant to Section 5 of the Federal  
66 Voting Rights Act, before they can lawfully be implemented.

67 Immediately upon receipt of a court order scheduling the referendum, the City and County  
68 Attorneys are authorized to request preclearance to conduct the referendum. If the voters of both  
69 the City and the County approve the consolidation in accordance with this agreement, the attorneys  
70 shall likewise be authorized to submit it for preclearance, and the Board of Supervisors shall, as soon  
71 after the referendum as may be practicable, adopt a plan of proposed ward boundaries for the  
72 consolidated city, which shall be submitted for preclearance with the consolidation.

73 The ward boundary plan shall comply with constitutional requirements for equality of  
74 population. The initial plan approved by the Board of Supervisors shall include the Shire entirely  
75 within one of the proposed wards, but the Board of Supervisors may later eliminate this requirement  
76 if it deems it necessary to do so to obtain preclearance from the Department of Justice.

77 The Mayors and Vice Mayors of the Consolidated City and Shire shall be elected from the  
78 members of the City and Shire Councils respectively, by majority vote every two years at the first  
79 meeting in July following a May council election. The Mayors shall preside over the meetings of their  
80 councils and represent their governments at official functions and ceremonial events. The Vice-  
81 Mayors shall preside in the absence of their Mayors. Except as stated herein, the Mayors and Vice-  
82 Mayors shall have the same rights, privileges and duties as other council members.

**ELECTION OF SCHOOL BOARD MEMBERS**

The school board for the Consolidated City shall have the same number of members as the city council, one of whom shall be elected from each ward by the qualified voters residing therein. School board members shall be elected at the same time and for the same terms as council members for the Consolidated City.

**REPRESENTATION**

On and after July 1, 1996, the Consolidated City and the Shire shall be governed by their respective elected councils.

On the first Tuesday in May, 1996, the initial election shall be held for the City and Shire Councils. Thirty to sixty days prior to the deadline for candidates for office to qualify and submit petitions, the Electoral Board of the County shall determine, through drawing of straws, four council positions for the Consolidated City for which the initial terms of office shall be four years, and three council positions for which the initial terms of office shall be two years. Of the individuals elected to the Shire council, the four receiving the most votes shall serve four-year terms. The remaining three shall serve two-year terms. Thereafter, all terms of office for the City and Shire council members shall be four years.

**CONSOLIDATION TRANSITION TEAM**

Upon ratification of this Agreement by the voters of the County and the City, a consolidation transition team shall be created, consisting of two members of the County Board of Supervisors, two members of the City Council, the County Administrator and Attorney, and the City Manager and Attorney. The team may designate such officers and employees of the County and the City as they deem appropriate to perform staff work for such team. It shall be the general responsibility of the Consolidation Transition Team to prepare a plan which will permit the orderly transition of the two governments into the Consolidated City and Shire. Such plan, which shall be advisory only, shall contain, but not be limited to the following:

- (a) Job descriptions and pay ranges and general qualifications for each position;

- 112 (b) The allocations of office space and equipment among the agencies and departments;
- 113 (c) A description of the duties and responsibilities of each agency and department along  
114 with a chain of command for operations;
- 115 (d) Preparation of a budget for the fiscal operation of the Consolidated City government  
116 and the Shire;
- 117 (e) Review of ordinances;
- 118 (f) Assignment of contracts, leases and franchises;
- 119  
120 (g) Personnel assignments.

121 11

122 **PERSONNEL**

123 It is recognized by the parties hereto that the efficient operation of the Consolidated City and  
124 the Shire will require the experience and skills of the dedicated and loyal officers and employees of  
125 the County and the City, employees of constitutional officers of the County and the City, and  
126 employees of the County School Division. Therefore, it is the intent of the parties hereto that to the  
127 extent possible no current officer or employee of the County or City, employee of any constitutional  
128 officer of the County or City, or employee of the County School Division shall lose employment or  
129 have wages, salary or benefits diminished by virtue of consolidation. To the extent possible, all such  
130 officers and employees shall be retained and compensated at no lower rate of pay than they received  
131 at the effective date of consolidation. To the extent possible, such officers and employees shall be  
132 placed in positions comparable to those occupied at the time of consolidation. To the extent possible,  
133 reductions in force shall be accomplished through normal attrition resulting from retirement,  
134 resignation, death or other termination.

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136 **CONSTITUTIONAL OFFICERS, ELECTORAL BOARD,**  
137 **GENERAL REGISTRAR AND OFFICERS OF ELECTION**

138 Matters concerning constitutional officers and electoral officers of the Consolidated City, their  
139 terms, and the transition into a consolidated city shall be governed by the provisions of Section 15.1-  
140 1135, Section 15.1-1141.1 and Section 24.2-217 of the Code of Virginia, 1950, as amended.

141           A. The attorney for the Commonwealth, the Clerk of the Circuit Court, and the Sheriff in  
142 office upon the effective day of consolidation shall continue in their offices as the respective officers  
143 for the Consolidated City, and their terms shall be extended beyond the date of expiration of the full  
144 terms for which they were elected until January 1 after the next regularly scheduled election for such  
145 offices in cities under Section 24.2-217.

146           B. The offices of the commissioners of the revenue and of the treasurers of the consolidating  
147 jurisdictions shall be consolidated on the effective date of consolidation, and the Consolidated City  
148 shall have a Commissioner of the Revenue and a Treasurer.

149           C. The Commissioner of the Revenue and the Treasurer of the county shall continue in office  
150 as the commissioner of the revenue and the treasurer of the Consolidated City, respectively, and their  
151 terms shall be extended beyond the date of expiration of the full terms for which such officers were  
152 elected until January 1 after the next regularly scheduled election for such officers in cities under  
153 Section 24.2-217.

154           D. The commissioner of the revenue and the treasurer of the former city shall continue in  
155 office as the Consolidated City's chief deputies for the Shire during the extended terms of the  
156 Consolidated City's commissioner of the revenue and treasurer at not less than their salaries in effect  
157 at the effective date of consolidation. On a transitional basis during their terms in office, they shall  
158 perform such duties in respect to the residents of the shire as may be delegated by the respective  
159 constitutional officers of the Consolidated City. They shall be assigned to offices located in the  
160 administrative building of the shire where they shall perform the duties delegated by their chief  
161 officers as set forth above, and they may also perform such additional duties designated by the shire  
162 as they had performed prior to consolidation. The respective positions of chief deputies for the shire  
163 shall be abolished at the expiration of such extended terms or in the event of a vacancy in either office  
164 during such extended terms.

165           E. The terms of office of the Electoral Board, General Registrar and officers of election for  
166 the Consolidated City shall be determined pursuant to Section 15.1-1141.2.

## INDEBTEDNESS

The indebtedness, bonded and otherwise, of the City and County as set forth in their audited statements of June 30, 1994 is as follows:

<u>Indebtedness</u>	<u>City of Bedford</u>	<u>Bedford County</u>
General Obligation Bonds	\$ 8,256,715	\$37,124,141
State Literary Fund	\$0	\$ <u>6,022,496</u>
Total	\$ 8,256,715	\$43,146,637

## PROPERTY VALUES

The fair value in current money of the United States of real and personal property belonging to the County and the City and the accounts receivable by each as of June 30, 1994, are as follows:

	<u>Bedford County</u>	<u>City of Bedford</u>
Real Estate	\$ 89,788,851	\$20,517,900
Personal Property	19,200,963	2,991,241
Accounts Receivable	<u>2,041,822</u>	<u>2,067,804</u>
Total	\$111,031,636	\$25,576,945

The property values set forth above do not include real and personal property holdings of any authorities, commissions or corporations created by, incorporated by or sponsored by the City or County or in which the City and County have any interest, direct or indirect. Information on the property holdings of authorities, commissions and corporations appears on the records of these entities. The above values do include those of the schools.

## DISPOSITION OF ASSETS

A. All real estate and personal property of the City upon the effective date of consolidation shall be vested in the Shire of Bedford.

B. All real estate and personal property of the County upon the effective date of consolidation shall be vested in the Consolidated City.

195 C. All real estate and personal property of the Bedford County School Board upon the  
196 effective date of consolidation shall be vested in the Consolidated City, with the consent of the  
197 School Board.

198 D. As soon as practical after the effective date of consolidation, the Shire of Bedford shall  
199 assign and convey to the Consolidated City such real estate and personal properties as are essential  
200 to the operations allocated to the Consolidated City under this agreement, which shall include, but  
201 not be limited to, the real estate necessary for the elementary and middle schools, the central library  
202 facility, and the animal shelter; provided, however, that in the deeds of conveyance of the school  
203 properties the Shire may reserve the right to use portions of the premises for parks and recreation  
204 programs, but in no event shall such use interfere with the educational program.

205 E. Upon the effective date of consolidation, the agreement between the City Council of  
206 Bedford and the Board of Supervisors of Bedford County, dated May 29, 1981, which created the  
207 regional library, shall be terminated, and the parties hereto agree that all tangible and intangible  
208 personal property held by the Regional Library board shall be vested in the Consolidated City, and  
209 the Shire of Bedford shall convey to the Consolidated City such real estate as shall be required for  
210 operation of the library facility scheduled for completion in 1995.

212 **LOCAL SALES AND USE TAX DISTRIBUTION**

213 Following the effective date of consolidation, the Consolidated City shall collect local sales  
214 and use tax revenue from the areas currently within both the City and the County. The Consolidated  
215 City shall pay to the Shire, on a monthly basis, that portion of the sales and use tax revenue equal to  
216 50% of the amount of such revenue the Shire would have received if it were a city. If treated as a  
217 city, the Shire would have received sales tax revenue on the basis of sales made within its boundaries  
218 and would have received use tax revenue on the basis of personal property purchased outside the  
219 State but used, consumed, or stored within the Shire. The Consolidated City shall remit such  
220 payments to the Shire within five business days after the Consolidated City receives distributions of  
221 sales and use tax revenues from the State Department of Taxation. The City and County agree to  
222 seek legislation in the 1996 Session of the General Assembly to authorize and direct the Virginia



223 Department of Taxation to continue accounting separately for sales taxes collected within the Shire,  
224 so that the distribution specified in this paragraph may be accurately calculated.

225 17

## 226 SERVICES

227 Public services required within the Consolidated City may be provided by the Consolidated  
228 City, the Shire, their duly authorized boards, agencies and authorities or jointly by contract between  
229 the two governments. The cost of providing such services shall be covered by rates and fees derived  
230 therefrom, taxes allocated to them, or a combination thereof such that the service provider bearing  
231 the cost thereof has an equitable and adequate means to meet that cost. The Consolidated City or  
232 Shire respectively shall be responsible for any obligation from contracts or leases associated with the  
233 services delegated to them under the consolidation agreement.

234 The following initial allocations of services, revenues and expenditures, which may change  
235 from time to time, is intended to provide, with maximum efficiency and economy, the same level of  
236 services throughout the Consolidated City and Shire that existed prior to consolidation without  
237 increasing the financial burden on the citizens of either government.

238 The Consolidated City shall provide the following services throughout its entire area  
239 including, except where otherwise noted, in the Shire.

240 Schools  
241 Library  
242 Animal Control  
243 Tax Assessment & Collection (except the collection of Shire taxes)  
244 Building Inspections  
245 Planning, Zoning, Community & Economic Development (except that the Consolidated City's  
246 comprehensive plan, zoning regulations, and subdivision ordinance shall not apply within the Shire)  
247 Solid Waste Collection & Disposal (except in the Shire)  
248 Social Services  
249 Health Department  
250 Community Services Board  
251 Court System  
252 Registrar & Electoral Board  
253 Cooperative Extension Service  
254 Sheriff's Department & Jail  
255 Buildings & Grounds (belonging to the Consolidated City)  
256 Nursing Home  
257 New London Cannery  
258 Erosion & Sediment Control  
259 Parks & Recreation (but not those parks or recreation facilities retained by the Shire)

- 260 Museum
- 261 911 Dispatching (Joint Policy Board)
- 262 Emergency Services
- 263 Fire & Rescue

264 This allocation of services to be provided by the Consolidated City may be changed from time  
 265 to time with the agreement of the Consolidated City and the Shire.

266 The Shire may provide those additional or special services and functions needed or desired  
 267 in the area of the Shire, which may include, but not be limited to:

- 268 Police
- 269 Water/Sewer
- 270 Electric
- 271 Public Works
- 272 Solid Waste Collection & Disposal
- 273 Planning, Zoning, Community & Economic Development
- 274 Buildings & Grounds (belonging to the Shire)
- 275 Cemeteries
- 276 Parks & Recreation
- 277 Tax Collection of Shire Taxes

278 Upon the effective date of consolidation, the Consolidated City shall assume all indebtedness  
 279 and contractual obligations of the County. In addition, it shall assume and be responsible for all  
 280 indebtedness and contractual obligations of the City related to the provision of public school and  
 281 library services. Except as otherwise provided herein, the Shire of Bedford shall assume, upon the  
 282 effective date of consolidation, all indebtedness and other contractual obligations of the City.

283 The following chart represents the revenues and expenses of the City of Bedford which are  
 284 allocated to the Consolidated City as a result of the provisions of this Agreement, based upon the  
 285 audit of fiscal year ending June 30, 1994.

286 **ALLOCATION OF REVENUES AND EXPENDITURES**

287

<b>Based on Audited Budgets for Fiscal Year 1993-94</b>		
	<b>CONSOLIDATED CITY REVENUES</b>	<b>CONSOLIDATED CITY EXPENDITURES</b>
288 <b>General Property Taxes</b>		
289 -Real Estate (1)	1,226,214	

	CONSOLIDATED CITY REVENUES	CONSOLIDATED CITY EXPENDITURES
290	-Personal Property (2)	743,688
291	-Other Taxes	90,549
292	<b>Other Local Taxes (3)</b>	402,494
293	<b>Permits, Fees &amp; Licenses</b>	15,621
294	<b>Fines &amp; Forfeitures</b>	43,925
295	<b>Recovered Costs</b>	77,903
296	<b>Commonwealth:</b>	
297	-Shared Expenses	82,823
298	-State Sales Tax(Educ.)	433,787
299	-Education	1,920,210
300	<b>Federal Revenue</b>	5,386
301	<b>E911</b>	78,604
302	<b>Commissioner of Revenue</b>	82,723
303	<b>Board of Assessors</b>	22,286
304	<b>Treasurer (4)</b>	33,683
305	<b>Board of Elections:</b>	
306	-Electoral Board	11,833
307	-Registrar	24,653
308	<b>Judicial Administration</b>	21,147
309	<b>Sheriff</b>	58,239
310	<b>Fire</b>	129,103
311	<b>Fire Inspector</b>	11,851
312	<b>Lifesaving Crew</b>	22,120
313	<b>Correction &amp; Detention</b>	17,024
314	<b>Code Enforcement/Planning (5)</b>	67,320
315	<b>Animal Control</b>	26,435

	CONSOLIDATED CITY REVENUES	CONSOLIDATED CITY EXPENDITURES
316	Emergency Services	2,503
317	Dispatch	129,454
318	Maint. of General Buildings (6)	148,134
319	Shared Office Space	22,985
320	Health	70,405
321	Community Services Board	12,803
322	Social Services	123,721
323	Education	3,338,528
324	Library	83,090
325	Civic & Community Groups	
326	-Museum	9,000
327	Environmental Management	5,258
328	Nondepartmental (7)	131,716
329	Debt Service:	
330	-Schools	469,202
331	-Library	46,263
332	<b>TOTAL</b>	<b>5,121,204</b>
333	<b>DIFFERENCE</b>	<b>(275)</b>

#### NOTES

- 334
- 335 (1) Shire retains the difference between \$.71 City tax rate and \$.65 County tax rate.  
336 Shire revenue equals \$.06 on the assessed value of \$190,042,100.
- 337 (2) Shire retains the difference between \$1.50 City tax rate and \$1.30 County effective tax rate.  
338 Shire revenue equals \$.20 on the assessed value of \$25,549,610.
- 339 (3) Sales & Use Tax was shared 50/50 based on \$756,722.
- 340 (4) A 75/25 split was used for the Treasurer's Office expenditures attributed to time spent on  
341 collecting utility bills and other Shire revenues.

- 342 (5) Code Enforcement expenditures were allocated to the Consolidated City and Planning  
343 expenditures were retained by the Shire.  
344 (6) Expenditures for the schools and the animal control shelter were allocated to the Consolidated  
345 City.  
346 (7) Nondepartmental expenditures include the payment to the County for contracted service  
347 settlement.

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349 The distribution of state funds to the Shire and Consolidated City shall be consistent with the  
350 provisions of § 15.1-21.1 of the Code of Virginia.

351 Upon the effective date of consolidation, the Council of the Consolidated City shall request  
352 the Superintendent of State Police to grant the service of the State Police in those areas which were  
353 formerly the territory of the County as provided by § 52-11.2 of the Code of Virginia.

354 The provision for services to the Consolidated City and Shire by the Department of  
355 Transportation shall be consistent with § 15.1-1131.1 of the Code of Virginia.

356 18

### 357 SPECIAL SERVICE DISTRICTS

358 To provide and maintain essential levels of public services, and to insure that the costs of  
359 providing these services are borne directly by the recipients thereof, special service districts may be  
360 created and modified as necessary. The Consolidated City may levy taxes and fees for increased  
361 public services within special service districts, and the proceeds from such taxes and fees shall be  
362 segregated into separate funds and expended solely for the special service districts they were collected  
363 from provided that these taxes and fees shall not be levied for school, police or general governmental  
364 services.

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### 366 ANNEXATION

#### 367 A. GENERALLY

368 This section includes the procedure and all requirements by which the Shire may annex  
369 portions of the Consolidated City. The parties agree that the Shire, in order to annex, must  
370 renounce its right to become a city.

#### 371 B. CHARACTER OF AREA TO BE ANNEXED

372 1. The Shire may extend its boundaries to include any area which meets

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- (a) the general standards of ¶ B(2) and
- (b) the requirements of either ¶ B(3) or B(4).

**2. The total area to be annexed must meet the following standards:**

- (a) It must be contiguous to the Shire's boundaries at the time the annexation proceeding is begun, and
- (b) At least one eighth of the aggregate external boundaries of the area to be annexed must coincide with the Shire's boundary.

**3. Urban Purposes Requirement**

Part or all of the area to be annexed must be developed for urban purposes. An area developed for urban purposes is defined as any area which meets any one of the following standards:

- (a) Has a total resident population equal to at least two persons for each acre of land included within its boundaries; or
- (b) Has a total resident population equal to at least one person for each acre of land included within its boundaries, and is subdivided into lots and tracts such that a) at least sixty percent of the total acreage consists of lots and tracts five acres or less in size and b) at least sixty-five percent of the total number of lots and tracts are one acre or less in size; or
- (c) Is 1) so developed that at least sixty percent of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes, and 2) subdivided into lots and tracts such that at least sixty percent of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional purposes, consists of lots and tracts five acres or less in size. Both subsections 1) and 2) must be complied with to meet this standard.

**4. Necessary Land Connection Requirement**

In addition to areas developed for urban purposes, any area may be annexed which does not meet the requirements of ¶ B(3) if such area either:

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- (a) Lies between the Shire boundary and an area developed for urban purposes so that the area developed for urban purposes is either not adjacent to the Shire boundary or cannot be served by the Shire without extending services and/or water and/or sewer lines through such sparsely developed area; or
- (b) Is adjacent, on at least sixty percent of its external boundary, to any combination of the Shire boundary and the boundary of an area or areas developed for urban purposes as defined in ¶ B(3).

**5. Area as a Whole**

The tests to determine whether an area may be annexed must be applied to the annexation area as a whole. However, the Shire need not use the same tests in annexing noncontiguous subareas. Rather, each noncontiguous subarea must be considered as a whole and must qualify under one of the tests in this section. Where the area proposed to be annexed, considered as a whole, meets the requirements of this section, the fact that a part of the area is an undeveloped tract which does not comply with the standards set out in this section does not require that such part be excluded from annexation.

**6. Boundaries**

In fixing new boundaries, the Shire shall, wherever practical, use natural topographic features such as ridge lines and streams and creeks as boundaries, and may use streets as boundaries. Tree lines do not constitute natural topographical features. Where to follow natural topographical features would convert an area which would otherwise meet the tests of this section into an area that no longer satisfies those requirements, the drawing of boundaries along topographical features is no longer practicable.

**7. Lots**

The Shire is not tied to any particular method of calculating the number of lots so long as the method utilized is "calculated to provide reasonably accurate results." The fact that different methods of lot calculation have been used by the Shire in past annexations is of no import where the record establishes that the method utilized complies with the requirements of this section. Methods to determine what is a lot

431 include, but are not limited to: 1) counting each numbered lot separately; 2)  
432 considering a landlocked lot as part of the lot in front of it and group the two lots, i.e.,  
433 the landlocked lot and the one providing it with access to a street, as being a single  
434 lot; 3) considering a group of lots in single ownership and used for a single purpose  
435 as being a tract within the meaning of this section, and counting tracts rather than lots;  
436 and 4) following actual use and ownership patterns instead of artificial patterns of  
437 subdivision in determining the number of lots in the area to be annexed. The word  
438 "lot" includes the concept of a condominium unit.

#### 439 **8. Definitions and Explanations**

440 The following terms where used in this section shall have the following meanings:

- 441 (a) "Commission" shall mean the Commission on Local Government.
- 442 (b) "Contiguous area" shall mean any area which, at the time annexation  
443 procedures are initiated, either abuts directly on the Shire boundary or is  
444 separated from the Shire boundary by a street or street right-of-way, a creek  
445 or river, the right-of-way of a railroad or other public service corporation,  
446 lands owned by the Shire or some other political subdivision, or lands owned  
447 by the Commonwealth of Virginia.
- 448 (c) Simply because some land was previously classified as one use does not  
449 preclude a different present classification. How land is zoned is not  
450 determinative of its use.
- 451 (d) Several parcels of land can be counted as a single "tract" where the various  
452 parcels are used for the same purpose.
- 453 (e) Land graded and held for future development is not "used for industrial  
454 purposes."
- 455 (f) "Industrial" includes easements for power lines. A concurrent activity on a  
456 power line easement does not require a reclassification.
- 457 (g) "Used for residential purposes" shall mean any lot or tract five acres or less  
458 in size on which is constructed a habitable dwelling place.



459 (h) "Total resident population" is calculated as such persons who would have  
460 been counted inhabitants of the proposed annexation area under rules  
461 governing the last preceding decennial census. The Shire is not required to  
462 make a finding that a person is actually domiciled within the proposed  
463 annexation area before counting that person for the purpose of making the  
464 population estimate required by this section.

465 (i) No rule requires an apartment complex, golf course, or country club property  
466 to be classified a particular way.

## 467 C. PROCEDURE FOR ANNEXATION

### 468 1. Resolution of Consideration

469 No resolution of intent may be adopted under ¶ C(2) unless the Shire has, by  
470 resolution adopted at least one year prior to adoption of the resolution of intent,  
471 identified the area as being under consideration for annexation. The area described  
472 under the resolution of intent may comprise a smaller area than that identified by the  
473 resolution of consideration. The resolution of consideration may have a metes and  
474 bounds description or a map, shall remain effective for two years after adoption, and  
475 shall be filed with the Shire Manager. A new resolution of consideration adopted  
476 before expiration of the two-year period for a previously adopted resolution covering  
477 the same area shall relate back to the date of the previous resolution.

478 A resolution of consideration is not required if the resolution of intent describing the  
479 area and the ordinance annexing the area both provide that the effective date of the  
480 annexation shall be at least one year from the date of passage of the annexation  
481 ordinance.

### 482 2. Resolution of Intent

483 The Shire must first pass a resolution stating the intent of the Shire to consider  
484 annexation. Such resolution shall describe the boundaries of the area under  
485 consideration and fix a date for a public hearing on the question of annexation, the  
486 date for such public hearing to be not less than 45 days and not more than 90 days  
487 following passage of the resolution.

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3. Report

(a) Contents

Prior to the public hearing provided for in ¶ C(5), the Shire must prepare a report setting forth such plans to provide services to the area proposed to be annexed. The report shall include:

- (1) A map or maps of the Shire and adjacent territory to show the following information:
  - (i) The present and proposed boundaries of the Shire.
  - (ii) The proposed extensions of water mains and sewer outfalls to serve the annexed area, if such utilities are operated by the Shire. The water and sewer map must bear the seal of a registered professional engineer or a licensed surveyor.
- (2) A statement showing that the area to be annexed meets the requirements of ¶ B.
- (3) A statement setting forth
  - (i) the level of services available in the Shire regarding: police protection, fire protection, solid waste collection, street maintenance services, and water and sewer lines.  
Such services are considered provided within the Shire even though they may be performed or furnished by contract or independent authority.
  - (ii) a commitment by the Shire to provide the services enumerated above to the area to be annexed on substantially the same manner and in the same basis as such services are provided within the rest of the Shire prior to annexation within one year from the effective date of annexation.  
The level of services that Consolidated City residents receive prior to annexation is irrelevant to the required level of services the Shire must provide.

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(iii) the method under which the Shire plans to finance extension of services into the area to be annexed.

(iv) If the Shire must, at its own expense, extend water and/or sewer mains into the area to be annexed before property owners in the area can make such connection to such lines, then the plans must call for contracts to be let and construction to begin on such lines within one year following the effective date of annexation. The plans must call for construction to be completed within two years of the effective date of annexation.

**(b) Approval of Report**

At least thirty days before the date of the public hearing, the shire shall approve the report and shall make it available to the public at the office of the Shire Manager. In addition, the Shire may prepare a summary of the full report for public distribution. In addition, the Shire shall post in the office of the Shire Manager at least thirty days before the public hearing a legible map of the area to be annexed and a list of the persons holding freehold interests in property in the area to be annexed that it has identified.

**4. Notice of Public Hearing**

**(a) Content of Notice**

The notice of public hearing shall:

- (1) Fix the date, hour and place of the public hearing.
- (2) Describe clearly the boundaries of the area under consideration, and include a legible map of the area.
- (3) State that the report will be available at the office of the Shire Manager at least thirty days prior to the date of the public hearing.

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**(b) Publication**

Such notice shall be given by publication once a week for at least two successive weeks prior to the date of the hearing in a newspaper having general circulation in the Shire and the Consolidated City. The period from the date of the first publication to the date of the last publication, both dates inclusive, shall be not less than eight days including Sundays, and the date of the last publication shall be not more than seven days preceding the date of public hearing.

**(c) Mailing**

In addition, notice shall be mailed at least four weeks prior to date of the hearing by first class mail, postage prepaid, to the owners as shown by the tax records of the Consolidated City of all freehold interests in real property located within the area to be annexed. The person or persons mailing such notices shall so certify to the governing board, and such certificate shall become a part of the record of the annexation proceeding and shall be deemed conclusive in the absence of fraud. If the notice is returned to the Shire by the postal service by the tenth day before the hearing, a copy of the notice shall be sent by certified mail, return receipt requested, at least seven days before the hearing. Failure to comply with the mailing requirement of this section shall not invalidate the annexation unless it is shown that the requirements were not substantially complied with.

If the shire by resolution finds that the tax records are not adequate to identify the owners of some or all of the parcels of real property within the area, it may in lieu of the mail procedure as to those parcels where the owners could not be so identified, post the notice at least thirty days prior to the date of public hearing on all buildings on such parcels, and in at least five other places within the area to be annexed.

In any case where notices are placed on property, the person placing the notice shall so certify that fact to the Shire.

**5. Public Hearing**

At the public hearing, a representative of the Shire shall first make an explanation of the report. Following such explanation, all persons resident or owning property in the territory described in the notice of public hearing, and all residents of the Shire, shall be given an opportunity to be heard.

**6. Annexation Ordinance**

The Shire shall take into consideration facts presented at the public hearing and shall have authority to amend the report to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of ¶ B. At any regular or special meeting held no sooner than the tenth day following the public hearing and not later than ninety days following such public hearing, the Shire shall have authority to adopt an ordinance extending the boundaries of the Shire to include all, or such part, of the area described in the notice of public hearing and which the Shire Council has concluded should be annexed. The ordinance shall:

- (a) Contain specific findings showing that the area to be annexed meets the requirements of ¶ B. The external boundaries of the area to be annexed shall be described by metes and bounds. In showing the area meets the requirements of ¶ B, the Shire may refer to boundaries set forth on a map of the area and incorporate same by reference as a part of the ordinance.
- (b) A statement of the intent of the Shire to provide services to the area being annexed as set forth in the Report.
- (c) A specific finding that on the effective date of annexation the Shire will have funds appropriated in sufficient amount to finance construction of any water and sewer lines found necessary in the Report to extend the basic water and/or sewer system of the Shire into the area to be annexed, or that on the effective date of annexation the Shire will have authority to issue bonds in an amount sufficient to finance such construction. If authority to issue such bonds must

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be secured from the electorate of the Shire prior to the effective date of annexation, then the effective date of annexation shall be no earlier than the day following the statement of the successful result of the bond election.

- (d) Fix the effective date for annexation. The effective date of annexation may be fixed for any date not less than forty days nor more than four hundred days from the date of passage of the ordinance.

The Shire is not required to hold a second public hearing before amending the Report. Nor is the Shire required to make the amended report available for public inspection for any particular amount of time before final action is taken on the annexation proposal.

**7. Effect of Annexation Ordinance**

From and after the effective date of the annexation ordinance, the annexed area and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the Shire and shall be entitled to the same privileges and benefits as other parts of the Shire. The annexation authorized in this section has the same effect as court ordered annexation.

**8. Simultaneous Annexation Proceedings**

Nothing in this section precludes the Shire from simultaneously pursuing annexation of two or more areas which are all adjacent to its boundary but are not adjacent to one another.

**9. Notification to Agencies of the Commonwealth**

The Shire will notify the Commission on Local Government of the adoption of the annexation ordinance, and the Commission on Local Government will notify all necessary agencies of the Commonwealth of the boundary adjustment.

**D. Review by Commission on Local Government**

The review afforded in these annexation proceedings is limited in scope to whether the Shire substantially complied with the requirements of this section and serves as a safeguard against unreasonable and arbitrary action by the Shire.

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**1. Burden**

The burden is upon those challenging the annexation to show either that the annexation area does not meet the requirements of ¶ 19(B) (“Character of Area to be Annexed”) or that there was a material irregularity in the Shire’s proceedings pursuant to ¶ 19(C) (“Procedure for Annexation”) of this Section.

**2. Five Percent Margin of Error Permitted**

In determining whether the requirements of this section have been met, the Commission on Local Government shall uphold the estimates of the Shire required in ¶ B, if the estimates are based on an actual survey, or on Consolidated City tax maps or records, or on aerial photographs, or on some other reasonably reliable map used for official purposes by a governmental agency unless the petitioners for review demonstrate that such estimates are in error in the amount of five percent or more.

**3. Procedure**

- (a) Within thirty days following the passage of an annexation ordinance, any person owning property in the annexed territory who shall alleges that the Shire has failed to comply with the procedures or requirements of this section as they apply to his property may file a petition with the Commission on Local Government seeking review of the Shire's action. The same day the petition is filed with the Commission, the person seeking review must serve a copy of the petition by registered mail, return receipt requested, upon the Shire.
- (b) Such petition shall explicitly state what exceptions are taken to the action of the Shire and what relief the petitioner seeks.
- (c) Within fifteen days after receipt of the copy of the petition for review, the Shire shall transmit to the Commission
  - (1) A transcript of the portions of the Shire journal or minute book in which the procedure for annexation has been set forth and
  - (2) A copy of the report setting forth the plans for extending services to the annexed area.

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- (d) The Commission shall fix the date for review of the annexation proceedings, which review date shall preferably be within thirty days following the last day for receiving petitions to the end that review shall be expeditious and without unnecessary delays. The Commission may hear oral arguments and receive written briefs, and may take evidence intended to show that the requirements or procedures of this section were not met.
- (e) The Commission may affirm the action of the Shire without change, or it may:
  - (1) Remand the ordinance to the Shire for further proceedings if material procedural irregularities are found; or
  - (2) Remand the ordinance to the Shire for amendment of the boundaries to conform to the provisions of this section if it finds that the provisions have not been met; provided, that the Commission cannot remand the ordinance to the Shire with directions to add areas to the Shire which were not included in the notice of public hearing and not provided for in plans for service.
- (f) If the Shire fails to take action in accordance with the Commission's instructions upon remand within three months from receipt of such instructions, the annexation proceeding shall be deemed null and void.

**4. Effective Date**

At any time before or during the review proceeding, any petitioner or petitioners may apply to the Commission for an order staying the operation of the annexation ordinance pending the outcome of the review. The Commission may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance for which no question for review has been raised. When a stay is granted, the effective date may be postponed until the last day of the next full calendar month following the date of the final judgment of the Commission or the date the Shire completes action to make the ordinance conform to the Commission's instructions in the event of remand.



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5. Consolidation of Petitions

If two or more petitions for review are submitted to the Commission, the Commission may consolidate all such petitions for review at a single hearing, requiring the Shire to submit only one set of documents.

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**EXTRATERRITORIAL ZONING AND SUBDIVISION  
POWERS**

**A. General**

All of the Shire zoning and subdivision regulation powers that are exercised within its corporate limits may be exercised within a defined area extending not more than one mile beyond its limits. In addition, with the approval of the Consolidated City Council, the Shire may exercise these powers over an area extending not more than three miles beyond its limits.

**B. Limitation on Extraterritorial Powers**

Unless the Shire and the Consolidated City agree otherwise, the Shire cannot exercise its extraterritorial powers in an area for which the Consolidated City at that time has already adopted and is enforcing a zoning ordinance, subdivision regulations, and the state building code. If the Consolidated City agrees to the exercise of such extraterritorial powers, then only the Shire shall exercise zoning and subdivision powers within the designated areas.

**C. Procedure**

For the Shire to exercise its extraterritorial jurisdiction, it must adopt an ordinance specifying the areas to be included.

The Shire may, in its discretion, exclude from its jurisdiction certain areas.

**D. Extraterritorial Representation**

If the Shire chooses to exercise extraterritorial zoning or subdivision regulation powers, there shall be a representative from the Consolidated City, living within an extraterritorial area, on the Shire's planning commission and board of zoning appeals. The representative on the Shire's planning commission must be appointed by the Consolidated City Council. If the Consolidated City Council fails to make this appointment within ninety days after receiving a resolution from the Shire requesting that it be made, the Shire Council may make such

715 appointment. The representative on the Shire's board of zoning appeals shall be appointed  
716 by the Circuit Court.

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718 **CHARTER**

719 It is the intent of the parties to this Agreement that Charters for both the Consolidated City  
720 and Shire shall become effective at 12:01 a.m. on July 1, 1996.

721 The governing bodies of the County and the City, acting jointly, shall submit Charter bills to  
722 the 1996 session of the General Assembly of Virginia for enactment as the Charters of the  
723 Consolidated City and the Shire respectively. The governing bodies agree to jointly advocate and  
724 work for the enactment of the Charter bills, including their effective date, by the 1996 session of the  
725 General Assembly. The consolidation shall become effective only if the General Assembly enacts  
726 Charters for the Consolidated City and the Shire which are consistent with the provisions of this  
727 Agreement. However, if the Charters modify any provisions of this Agreement, the governing bodies,  
728 acting jointly, may agree to any such revisions to this Agreement that may be made by the General  
729 Assembly, and the consolidation shall become effective in accordance with this Agreement and the  
730 Charters. If the consolidation vote supports the creation of the Consolidated City, the Charters shall  
731 be prepared for approval by the governing bodies by January 1, 1996.

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733 **REFERENDUM**

734 The governing bodies of the County and City, after execution of this Agreement, shall request  
735 that the Commission on Local Government undertake a review as required by Virginia Code §15.1-  
736 945.7. Following the issuance of the Commission's report, the City and the County, pursuant to  
737 Virginia Code §15.1-1130.2, shall petition the Circuit Court for the County and the City to determine  
738 the issue of eligibility for city status. Following such determination, the City and the County shall file  
739 a petition on behalf of such governing bodies asking that a referendum on the question of  
740 consolidation be ordered to be held within the County only for the eligible voters residing within the  
741 boundaries of the County, and within the City only for the eligible voters residing within the  
742 boundaries of the City pursuant to Article 4, Chapter 26, Title 15.1 (§15.1-1130.1 et seq.), Code of  
743 Virginia (1950), as amended, on a date fixed by the Court.

744 The County and the City agree to support before the Courts the date of November 7, 1995,  
745 as the date of the required referendum, or such later date as may be required.

746 Prior to such filing with the Circuit Court of the County and the City, the governing bodies  
747 shall cause a copy of this Consolidation Agreement to be printed at least once a week for four  
748 consecutive weeks in the Roanoke Times & World-News, the Lynchburg News & Advance, the  
749 Bedford Bulletin and the Smith Mountain Eagle, newspapers having general circulation in the County  
750 and the City. The cost of such publication shall be shared by the County and the City on a per capita  
751 basis.

752 Upon approval by referendum in the County and the City as set forth above, certification by  
753 judges of the Circuit Court of the results of the referendum to the Secretary of the Commonwealth,  
754 and enactment of charters for the Consolidated City and the Shire, consolidation shall become  
755 effective at 12:01 a.m. on the date prescribed in the Court order or orders for such consolidation to  
756 become effective, unless objection to such changes affecting electoral procedures be expressed by the  
757 Attorney General of the United States and not be removed as provided by law.

758 Upon approval by referendum in the County and City as set forth herein, the current term of  
759 office of the members of the Board of Supervisors of the County, the members of the City Council  
760 of the City and all appointees of each governing body shall terminate upon the effective time and date  
761 of consolidation. Terms of constitutional officers of the County and the City shall be addressed by  
762 Section 12 of this Agreement.

763 This Agreement shall be null and void in its entirety if not approved by referendum in the  
764 County and the City as set forth above.

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766 **PENDING LITIGATION AND CAUSES OF ACTION**

767 **AGAINST COUNTY AND CITY**

768 A. If at the time of consolidation there are any pending actions or proceedings by or  
769 against the City, or if after the effective date of consolidation an action or proceeding  
770 arising out of a cause of action which arose prior to the time of consolidation, which  
771 but for said consolidation would have been by or against the City, is instituted, the  
772 Shire shall be substituted in place thereof and the proceeding may be perfected to

773 judgment. If judgment against the Shire results from said proceeding, the liability  
774 shall be paid by the Shire.

775 B. If at the time of consolidation there are any pending actions or proceedings by or  
776 against the County, or if after the effective date of consolidation an action or  
777 proceeding arising out of a cause of action which arose prior to the time of  
778 consolidation, which but for said consolidation would have been by or against the  
779 County, is instituted, the Consolidated City shall be substituted in place thereof and  
780 the proceeding may be perfected to judgment. If judgment against the Consolidated  
781 City results from said proceeding, the liability shall be paid by the Consolidated City.

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783 **ADOPTION OF NEW ORDINANCES; ENFORCEMENT POWERS**

784 Upon and after the effective date of consolidation, all ordinances and resolutions of a general  
785 and permanent nature previously adopted by the governing bodies of the County or the City and not  
786 inconsistent with this Agreement or the charters of the Consolidated City and the Shire shall continue  
787 in effect until revised or repealed by the Consolidated City Council or the Shire Council.

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789 **PROSECUTIONS AND INDICTMENTS; CIVIL ACTIONS**

790 From and after the effective date of consolidation, all prosecutions and indictments for crimes  
791 committed or ordinances violated and all suits or causes of action arising within the territory of the  
792 Consolidated City may be instituted in the Consolidated City with the same force and effect as if  
793 consolidation had always been effective.

794 All criminal prosecutions pending on the effective date of consolidation, whether by  
795 indictment, warrant or other complaint, and all suits, actions, motions, warrants and other  
796 proceedings of a civil nature at law or in chancery, with all the records of the courts of the City and  
797 the County shall stand ipso facto removed to the court or courts of concurrent or like jurisdiction of  
798 the Consolidated City.

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**CHANGE OF CIRCUMSTANCES**

It is understood that some of the financial calculations and governmental service level assumptions set forth herein are subject to change by either of the participating parties or as a result of changes in economic conditions, changes in funding from State and Federal governments, changes in assessments and changes in State or Federal legislation. Any changes occurring after the adoption of this Agreement, but prior to its effective date, which impact upon the financial calculations and governmental service levels as set out herein, shall not affect the validity or terms of this Agreement, but any such changes may be reviewed and acted upon by the City and the County. The parties hereto do agree, however, that any adjustment or changes in the financial calculations and service level determinations as set out herein made subsequent to the adoption of this Agreement shall be consistent with the formulas and principles established and stipulated in this Agreement and applicable sections of the Code of Virginia.

**AMENDMENTS TO AGREEMENT**

This Agreement may be amended by agreement between the parties prior to submission to the Court.


**SEVERABILITY**

In the event that any portion of this Agreement shall be declared illegal, invalid or unconstitutional by final judgment of any court of competent jurisdiction, such judgment of invalidity shall not invalidate any other portion hereof, and all portions of this Agreement not expressly held invalid shall remain in full force and effect, and it is agreed and understood that this Agreement would have been entered into by the parties without such invalid portions.

**WITNESS** the following signatures and seals this 28th day of March, 1995.

COUNTY OF BEDFORD

(SEAL)

By   
Chairman, Board of Supervisors

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ATTEST:

William C. Kelly

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CITY OF BEDFORD

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(SEAL)

By Michael J. H.

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Mayor

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ATTEST:

Dennis J. H.

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## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact §§ 15.1-21.1 and 15.1-1135 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 15.1-1146.1:2 and 22.1-57.1:1, relating to disbursements by the Commonwealth to a consolidated city; consolidation of city and county; powers of a political subdivision and a school board within a consolidated city.*

[H 1648]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.1-21.1 and 15.1-1135 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 15.1-1146.1:2 and 22.1-57.1:1 as follows:

§ 15.1-21.1. Certain Commonwealth distributions to local governments.

Any state funds that were distributed to a county, city, town, or a local school board in support of a governmental program or function prior to a consolidation of such program or function or the governmental consolidation of the entities providing such programs or functions, shall continue to be distributed to the entity or entities carrying out the program or function after consolidation and shall not be reduced below the amounts that would have been received by each entity from the Commonwealth for the governmental program or function computed on the premise that no consolidation occurred for a period of five fiscal years following the consolidation.

This section shall not prohibit the Commonwealth from terminating or modifying any program or function under which distribution to a county, city, town, or local school board has been made, and if so terminated or modified all obligations hereunder shall cease or be reduced in proportion with such modifications, as the case may be.

If any such consolidations terminate prior to the end of the five-year period, the Commonwealth's obligation under this section shall cease.

For the purposes of this statute, "consolidation" includes the reversion of a city to town status *and further includes the consolidation of a city and a county into a consolidated city containing a shire, borough, or such other political subdivision authorized by subdivision 20 of § 15.1-1135, the initial boundaries of which are the same as the existing city which is included in the consolidated city.*

§ 15.1-1135. Optional provisions of consolidation agreement or plan.

Any such consolidation agreement or plan may contain any of the following provisions:

1. That in any territory a part of the consolidated city, or county proposed to be included therein, there shall be no increase in assessments, except for permanent improvements made after the consolidation, for a period of not exceeding five years.

2. That the rate of tax on real property in any such territory shall be lower than in other territory of the consolidated unit for a period of five years, provided that any difference between such rates of taxation shall bear a reasonable relationship to differences in non-revenue-producing governmental services giving land urban character which are furnished in such territories.

3. That in any area specified in such agreement or plan there may, for the purpose of repaying existing indebtedness chargeable to such area prior to consolidation, be levied a special tax on real property for a period not exceeding twenty years, which may be different from and in addition to the general tax rate throughout the entire consolidated city, county, counties, or tier-city, as the case may be.

4. That geographical subdivisions of the consolidated city, to be known as boroughs, may be established, which may be the same as the existing cities, or counties or portions of such counties included in the consolidated city, and may be the same as the temporary special debt districts referred to in subdivision 3 of this section; the names of such boroughs shall be set forth in the consolidation agreement.

5. That geographical subdivisions of the consolidated county or counties, to be known as shires or boroughs, may be established, which shall be the same as and bear the names of the existing counties, towns, communities or portions of counties included in the consolidated county or counties, and may be the same as the temporary special debt districts referred to in subdivision 3 of this section.

6. That in the event of consolidation of such counties and cities into a single county, there may be established geographical subdivisions of such county, to be known as boroughs, which shall be the same as and bear the names of the existing cities and shires, which shall be the same as and bear the names of the existing counties.

7. That in the event of consolidation of such counties and cities into a single county incorporating a tier-city therein, there shall be established geographical and political subdivisions of such county, to be known as "tier-cities"; such tier-cities shall apply for and receive a charter from the General Assembly in the same manner as may any municipality and when issued shall thereafter qualify in general law, mutatis mutandis, as a town with respect to its rights, powers and obligations, and shall have such other rights, powers and obligations as may be given it by general law or special charter legislation.

8. That in the event of the establishment of such shires or boroughs, it shall be the duty of the Commonwealth Transportation Commissioner and the Director of the Department of Historic Resources to have suitable monuments or markers erected indicating the limits of such geographical subdivisions and setting forth the history of each.

9. a. That in the event of establishment of a consolidated city, there shall be a new election of officers therefor whose election and qualification shall terminate the terms of office of their predecessors; provision may be made for the exclusion from such new election of such elective officers as is deemed desirable.

b. That in the event of the establishment of a consolidated city, the constitutional officers of the consolidating jurisdictions may continue in office at not less than their salaries in effect at the effective date of consolidation; that the selection of each constitutional officer for the consolidated city shall be made by agreement between those persons holding such respective offices, and the other or others, as the case may be, shall become assistants or chief deputies, upon filing of a certification of such agreement in a circuit court and approval by the court; that in the event no agreement is reached or no certification is filed on or before a date stated in the consolidation agreement or plan, the circuit court shall designate one officer as principal and the other or others, as the case may be, as assistants or chief deputies; and that in the event of a vacancy in the office of assistant or chief deputy thereby created during such term, the position shall be abolished. Each such officer shall continue in office, whether as the principal officer or as chief deputy or assistant, until the first day of January following the next regularly scheduled election pursuant to §§ 24.1-86 and 24.1-87, whether or not the term to which such officer was elected may have expired prior to that date. When the effective date of the consolidation plan is the same as the end of the term of one or more existing constitutional officers for the consolidating jurisdictions, an election shall be held to select such constitutional officers for the consolidating jurisdictions for a new term to begin on the effective date of consolidation in order to implement this provision. Such newly elected officers may or may not become the principal constitutional officers of the consolidated city under this provision.

c. That in the event of the establishment of a consolidated city, the persons holding office as the superintendents of the school divisions within the consolidating jurisdictions may continue in office at no less than their salaries in effect at the effective date of consolidation, for the terms to which they were appointed; that the consolidated city school board shall designate one of such persons as division superintendent and the other as associate superintendent; that in the event no designation is made on or before a date stated in the consolidation agreement or plan, the designation shall be made by the circuit court for the consolidated city; and that in the event of a vacancy in the position of superintendent or associate superintendent during the term to which appointed, the remaining incumbent shall be the superintendent and the position of associate superintendent shall be abolished.

10. That in the event of the establishment of a consolidated city the tax rate on all property of the same class within the city shall be uniform; provided that the council shall have power to levy a higher tax in such areas of the city as desire additional or more complete services of government than are desired in the city as a whole and, in such case, the proceeds therefrom shall be so segregated as to enable the same to be expended in the areas in which raised. Provided further that such higher tax rate shall not be levied for school, police or general government services but only for those services which prior to consolidation were not offered in the whole of all the consolidated political subdivisions.



11. That the aforesaid agreement, when proposing the creation of a consolidated city, may incorporate, subject to the subsequent approval of the General Assembly, any provisions of any charter heretofore granted by the General Assembly of Virginia for any of the cities proposing to consolidate or any proposed consolidated city. It is the intention of this subsection to permit the drafting by the governing bodies, or the committees acting for and in lieu of the governing bodies under § 15.1-1132, of a composite charter to be adopted as a part of the consolidation agreement or plan for the proposed consolidated city. In such composite charter the name of the consolidated city, if agreed upon, shall be inserted in lieu of the name of the city which may be specified in the original charters from which the composite charter provisions are taken, or if the name of the consolidated city be left to subsequent referendum, then the phrase "the consolidated city" shall be so substituted. Any such composite charter shall be published as provided in § 15.1-1137 as a part of the consolidation agreement.

12. That any agreement between any units of government to form a consolidated county may likewise incorporate provisions of any charter of any such units of government proposing to consolidate and also may include the provisions of any of the optional forms of county government set forth in this title. In any form of government approved by the voters hereunder, irrespective of any other provisions of law, the membership of the governing body shall be as set forth in such consolidation agreement or amendments thereto. Such agreement or plan when adopted and approved as provided herein shall be the form of the consolidated county and the provisions of subdivision 11 above shall be applicable, mutatis mutandis. The governing body of the consolidated unit shall have the power to make amendments to the consolidated agreement or plan not contrary to general law. No such amendments shall become effective until such amendments have been approved by the General Assembly in accordance with the procedures established by Chapter 17 (§ 15.1-833 et seq.) of this title, insofar as such chapter provides for an election or public hearing, notice and advertising.

13. That in any consolidation by a county and all the towns therein into a consolidated county, or in any consolidation of a county and a city into a consolidated county the area of any of such town, towns, city or cities may be designated as a special service district and the delivery of water, sewer and similar type services may be continued; in addition the consolidated county shall have the same powers, rights and duties with respect to the public right-of-way, streets and alleys within such district and receive State Highway Fund allocations as did such town, towns, city or cities prior to consolidation. The roads in the area formerly located solely within the county will continue to be maintained as they were prior to the consolidation, and this subdivision shall not be construed to authorize any allocation from highway funds not previously authorized. The boundaries of such special service district or districts may be altered from time to time by ordinance of the governing body duly adopted after public hearing.

14. That any consolidation agreement may provide for offering to the voters the option of adopting a city or county form of government as well as the option between forms of county governments.

15. That the agreement between a county and the incorporated towns located entirely therein consolidated pursuant to this article may contain provisions for the establishment of special service tax districts wherein a tax may be levied on all classes of property within those shires or boroughs, where, upon the effective date of the consolidation plan, there exists, or the consolidation plan provides for, additional or more complete governmental services than the level of services which are being provided or will, under the plan, be provided in other shires or boroughs, or in the consolidated county as a whole. Additional or more complete governmental services include but are not limited to water supply, sewerage, garbage removal and disposal, heat, lighting, streets, sidewalks and storm drains, fire-fighting equipment and services, and additional law-enforcement services but shall not include separate police forces, additional schools or other basic governmental services to which all citizens are entitled. Any additional revenue produced from any such tax shall be segregated into a separate fund and expended by such consolidated county solely in the shire, borough, or special service tax district wherein such additional tax is assessed. The consolidation plan shall establish the initial boundary lines of such shires or boroughs and the tax rates within each shire or borough. Future adjustments in the boundaries of such shires, boroughs, or special service tax districts shall be made in accordance with § 15.1-18.2, which shall apply to such consolidated county, as well as to the consolidated cities described therein. The governing body of such consolidated county shall have the

same power as the city council referred to in such section. Such governing body also shall have the power to tax all sources of revenue which the previous county or incorporated towns therein had prior to such consolidation.

16. That in the event of consolidation of such counties and cities into a single county incorporating a tier-city therein, any rights provided to counties, cities and towns in Chapters 21 (§ 15.1-966 et seq.), 21.1 (§ 15.1-977.1 et seq.), 21.2 (§ 15.1-977.19:1 et seq.), 22 (§ 15.1-982.1 et seq.), and 25 (§ 15.1-1032 et seq.) of this title may be modified or waived in whole or in part, as set forth in the consolidation agreement or plan, provided that the modification or waiver does not conflict with the Constitution of Virginia and provided that such provision in the consolidation agreement or plan is approved pursuant to the provisions of Chapter 26.1:1 (§ 15.1-1167.1 et seq.) of this title prior to the effective date of consolidation.

17. That the agreement may provide for a subsequent referendum of the voters of all or part of one or more of the consolidating jurisdictions to be held after a favorable referendum on the initial question of consolidating. This subsequent referendum shall take the sense of the qualified voters of an area or areas of the consolidating jurisdictions, as determined in the discretion of the governing bodies of the consolidating jurisdictions, on the question of dividing that area or portion from the newly consolidated jurisdiction and merging or consolidating that area or portion with an adjoining jurisdiction not a part of the newly consolidated jurisdiction. The terms and conditions of this division and merger may be included in said agreement or may be determined by the Commission on Local Government if the affected jurisdictions are unable to agree. The nonagreeing jurisdiction shall have the right to reject the recommendations of the Commission, and not accept said area or portion.

18. That in the event of consolidation of such counties and cities into a single city which completely surrounds another city, the agreement may provide for the subsequent unilateral merger of the surrounded city into the consolidated city at any time. The agreement shall provide that a referendum take the sense of the qualified voters of the surrounded city on the question of whether the surrounded city and the surrounding city shall consolidate.

19. That in the event of consolidation of such counties and cities into a single city which completely surrounds another city, the agreement may provide for the subsequent unilateral merger and conversion of the surrounded city to a township within the surrounding city at any time. The agreement shall provide that a referendum take the sense of the qualified voters of the surrounded city on the question of whether the surrounded city shall convert to a township. The township may, in the discretion of its council, continue to be called a city and may formally be referred to as ..... city, a Virginia township. Such township shall have no right to become an independent city, nor to annex or exercise any extraterritorial jurisdiction within the consolidated city but otherwise shall have the rights, powers and immunities granted towns. The consolidated city's legal relationship with such township shall be governed by the same laws that govern county-town relationships, except as modified herein.

20. *That in the event of consolidation of a county and city into a consolidated city, there may be established a geographical and political subdivision within such consolidated city, to be known as a "shire" or a "borough," or having such other name as may be established in the consolidation plan, the corporate boundaries of which shall be the same as the existing city which is included in the consolidated city. Such political subdivision shall apply for a charter from the General Assembly and, when the charter is issued, shall thereafter have the same rights, powers and obligations as towns exercise in counties, and such other rights, powers and obligations as may be granted by general law or by charter. The consolidation agreement may also include a provision permitting the shire, borough, or other unit of government to annex at regular intervals by the adoption of an ordinance, if the shire, borough, or other political subdivision agrees to renounce permanently any right to become a city. Any such provisions permitting annexation shall provide for the regular and orderly growth of the shire, borough, or other political subdivision in conjunction with the consolidated city and for an equitable sharing of resources and liabilities. In the event the consolidation agreement provides for annexation by ordinance, it shall also include provisions establishing a procedure by which property owners in the area to be annexed may petition the Commission on Local Government for review of the annexation proceedings. The Commission's review shall be limited to whether the shire, borough, or other political subdivision substantially complied with the procedures and*

requirements set forth in the consolidation agreement. Upon the filing of such a petition, the Commission may stay the effective date of the annexation pending the outcome of its review. In any consolidation which establishes a "shire" or "borough" pursuant to this subdivision, the resulting consolidated city shall not annex any area of an adjacent county. Following the holding of a hearing at which the parties may present evidence, the Commission shall enter an order which shall either affirm the annexation ordinance without change or remand the ordinance for further proceedings to comply with the procedures and the requirements of the consolidation agreement. The order of the Commission shall be final and not subject to further review. The consolidation agreement may further include provisions granting the shire, borough, or other unit of government the right to exercise subdivision regulation and zoning authority within designated areas of the consolidated city lying outside the boundaries of the shire, borough, or other political subdivision, and may also include provisions for representation for residents of such designated areas on the Planning Commission and Board of Zoning Appeals of the shire, borough or other unit of government.

§ 15.1-1146.1:2. Powers of a shire, borough, etc.

Any city which consolidates with a county into a consolidated city and which shall become a shire, borough, or other political subdivision within the consolidated city pursuant to subdivision 20 of § 15.1-1135 shall have, *mutatis mutandis*, all the powers, duties and responsibilities exercised by towns within counties, unless otherwise specifically provided, together with such additional powers and responsibilities as may be granted it by general law or charter. Except for those powers reserved to the shire, borough, or other political subdivision in the consolidation plan, the consolidated city shall exercise such powers in the shire, borough, or other unit of government as are exercised by counties in towns. Shires, boroughs, or such other political subdivisions shall receive financial assistance from the Commonwealth in the same manner and to the same extent as is provided to towns. Such a shire, borough, or other political subdivision may transfer to the consolidated city all or part of the revenues it receives, the services it performs, its facilities, other assets, or any portion of its debt as provided in the consolidation agreement. The consolidated city may transfer to the shire, borough, or such other political subdivision all or part of the revenues it receives, the services it performs, its facilities, other assets, or any portion of its debt as provided in the consolidation agreement.

§ 22.1-57.1:1. Referendum in certain consolidated cities.

Notwithstanding the provisions of this article or any other statutory provision, where an existing city and a county consolidate into a consolidated city and where the county at the time of consolidation is providing all school services to the existing city by contract pursuant to § 22.1-27 and the voters of the county have approved direct election of the school board, the consolidation plan or agreement shall provide for the election of school board members directly by the voters of the consolidated city without the necessity of a further referendum under § 22.1-57.2; in such case, the consolidation plan or agreement shall provide that the members of the initial school board shall be elected from the municipal election districts designated in the consolidation plan or agreement. The provisions of § 22.1-57.3 shall apply in all other respects.

2. That an emergency exists and this act is in force from its passage.

## APPENDIX C

### STATISTICAL PROFILE OF THE CITY OF BEDFORD, COUNTY OF BEDFORD, AND THE PROPOSED CONSOLIDATED BEDFORD CITY

	<u>City of Bedford</u>	<u>County of Bedford</u>	<u>Consolidated Bedford City</u>
Population (1993)	6,600	49,800	56,400
Land Area (Square Miles)	6.8	764.0	770.8
Total Assessed Values (1993)	\$253,238,824	\$1,961,818,042	\$2,215,056,866
Real Estate Values	\$186,997,700	\$1,710,560,738	\$1,897,558,438
Personal Property Values	\$25,883,550	\$111,549,216	\$137,432,766
Machinery and Tools Values	\$31,371,090	\$14,873,046	\$46,244,136
Merchants' Capital Values	\$0	\$5,370,190	\$5,370,190
Public Service Corporation Values	\$8,986,484	\$119,464,852	\$128,451,336
Total Taxable Retail Sales (1993)	\$71,589,870	\$107,106,741	\$178,696,611

#### NOTES:

The City of Bedford does not levy a merchants' capital tax.

Assessed values for the County of Bedford are for Tax Year (i.e., calendar year) 1993;  
assessed values for the City of Bedford are for Fiscal Year 1993.

#### SOURCES:

City of Bedford and County of Bedford, Notice by the County of Bedford and the City of Bedford  
of Their Intent to Petition for an Order Authorizing a Consolidation into a Single City.

Cooper Center for Public Service, 1993 Estimates of the Population of Virginia Counties & Cities.

Virginia Department of Taxation, Annual Report, Fiscal Year 1994.

Virginia Department of Taxation, Taxable Sales in Virginia Counties & Cities, Annual Report, 1993.

## APPENDIX D

### LOCAL FISCAL RESOURCES - CONSOLIDATED BEDFORD CITY AND CITIES OF COMPARABLE POPULATION SIZE: 1992

City	1992 Population Estimate	Per Capita True Value of Real Estate and Public Service Corporation Property	Per Capita Taxable Retail Sales	Per Capita Adjusted Gross Income for All Returns
Consolidated Bedford City	54,800	\$45,576	\$2,938	\$12,690
Charlottesville	40,400	\$43,988	\$11,841	\$11,965
Danville	53,300	\$26,073	\$8,406	\$9,746
Lynchburg	66,000	\$32,726	\$10,121	\$10,762
Suffolk	53,100	\$40,164	\$4,046	\$10,425
All Cities	2,290,000	\$42,458	\$7,915	\$10,921
State	6,394,000	\$55,082	\$6,710	\$13,733

SOURCES:

Virginia Department of Taxation, The 1992 Virginia Assessment/Sales Ratio Study.

Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities, Annual Report, 1992.

Cooper Center for Public Service, 1992 Virginia AGI.

Cooper Center for Public Service, 1992 Estimates of the Population of Virginia Counties and Cities.

Table 1                      1A  
 Revenue Capacity Per Capita  
 2 of  
 Consolidated Bedford City and Selected Reference Localities  
 1992/93

Jurisdiction	Population, 1992	Revenue Capacity Per Capita, 1992/93	Jurisdictional/Statewide Revenue Capacity Per Capita Ratio Score, 1992/93
Consolidated Bedford City	54,800	\$891.36	0.9631
Charlottesville City	40,400	\$906.07	0.9790
Danville City	53,300	\$673.26	0.7275
Lynchburg City	66,000	\$769.49	0.8314
Suffolk City	53,100	\$772.39	0.8346

1A

See end notes.

2

This proposed jurisdiction encompasses Bedford City as a dependent shire. The associated data profile embodies no assumptions concerning the realization of fiscal benefits from a restructuring of the city-county relationship.

3

The statewide value relative to the 1992/93 period indicates the mean, or average, level of revenue capacity per capita as computed from data for a local system of 94 counties and 41 independent cities. In 1992/93 the mean value associated with a jurisdictional framework comprised of 135 units would have been \$925.49.

Source: Staff, Commission on Local Government

Revenue Capacity Per Capita by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Lowest Capacity/135=Highest Capacity

I.D.	Jurisdiction	Population, 1992	Revenue Capacity Per Capita, 1992/93	Rank Score
1	Accomack County	32,200	\$827.89	65.0
2	Albemarle County	70,300	\$1,203.75	118.0
3	Alleghany County	13,100	\$745.94	51.0
4	Amelia County	9,200	\$880.07	79.0
5	Amherst County	29,200	\$712.04	39.0
6	Appomattox County	12,600	\$734.23	43.0
7	Arlington County	175,400	\$1,739.69	131.0
8	Augusta County	57,100	\$912.27	87.0
9	Bath County	4,900	\$3,870.51	135.0
10	Bland County	6,600	\$609.71	13.0
11	Botetourt County	25,800	\$913.46	88.0
12	Brunswick County	16,200	\$614.89	14.0
13	Buchanan County	31,500	\$686.83	32.0
14	Buckingham County	13,000	\$684.82	31.0
15	Campbell County	48,600	\$743.16	50.0
16	Caroline County	20,200	\$841.41	67.0
17	Carroll County	27,000	\$651.78	23.0
18	Charles City County	6,400	\$882.80	81.0
19	Charlotte County	11,800	\$681.16	30.0
20	Chesterfield County	225,100	\$1,034.09	106.0
21	Clarke County	12,100	\$1,132.52	114.0
22	Craig County	4,500	\$765.87	55.0
23	Culpeper County	28,800	\$1,003.43	99.0
24	Cumberland County	7,900	\$775.26	60.0
25	Dickenson County	17,700	\$583.03	6.0
26	Dinwiddie County	21,600	\$734.35	44.0
27	Essex County	9,000	\$1,019.90	102.0
28	Fairfax County	857,900	\$1,518.85	126.0
29	Fauquier County	50,400	\$1,438.03	125.0
30	Floyd County	12,400	\$762.88	54.0
31	Fluvanna County	13,900	\$913.86	89.0
32	Franklin County	41,100	\$857.80	71.0
33	Frederick County	48,800	\$1,005.53	101.0
34	Giles County	16,400	\$709.87	37.0
35	Gloucester County	31,300	\$859.90	72.0
36	Goochland County	14,900	\$1,306.72	122.0
37	Grayson County	16,200	\$608.43	12.0
38	Greene County	11,500	\$789.18	61.0
39	Greensville County	11,100	\$553.00	3.0
40	Halifax County	29,500	\$711.75	38.0
41	Hanover County	68,000	\$1,136.62	115.0
42	Henrico County	225,700	\$1,109.67	111.0

Revenue Capacity Per Capita by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Lowest Capacity/135=Highest Capacity

I.D.	Jurisdiction	Population, 1992	Revenue Capacity Per Capita, 1992/93	Rank Score
43	Henry County	56,500	\$740.80	48.0
44	Highland County	2,600	\$1,226.86	120.0
45	Isle of Wight County	26,000	\$895.85	84.0
46	James City County	37,200	\$1,269.41	121.0
47	King and Queen County	6,300	\$842.86	68.0
48	King George County	14,400	\$968.76	98.0
49	King William County	11,600	\$943.18	92.0
50	Lancaster County	11,000	\$1,400.10	124.0
51	Lee County	24,500	\$482.47	1.0
52	Loudoun County	95,100	\$1,742.98	132.0
53	Louisa County	21,700	\$1,565.16	127.0
54	Lunenburg County	11,400	\$627.05	18.0
55	Madison County	12,200	\$888.38	82.0
56	Mathews County	8,700	\$1,037.21	107.0
57	Mecklenburg County	29,600	\$734.71	45.0
58	Middlesex County	9,000	\$1,215.05	119.0
59	Montgomery County	74,400	\$634.80	20.0
60	Nelson County	13,200	\$1,114.09	113.0
61	New Kent County	11,100	\$1,050.10	108.0
62	Northampton County	13,000	\$773.24	59.0
63	Northumberland County	11,000	\$1,336.04	123.0
64	Nottoway County	17,000	\$559.29	4.0
65	Orange County	22,400	\$1,021.39	103.0
66	Page County	22,300	\$736.74	46.0
67	Patrick County	17,500	\$680.10	29.0
68	Pittsylvania County	55,700	\$658.32	24.0
69	Powhatan County	16,900	\$864.35	73.0
70	Prince Edward County	17,700	\$646.97	22.0
71	Prince George County	28,100	\$665.64	25.0
72	Prince William County	228,900	\$1,072.07	110.0
73	Pulaski County	34,500	\$675.45	27.0
74	Rappahannock County	6,800	\$1,593.01	128.0
75	Richmond County	7,300	\$968.70	97.0
76	Roanoke County	80,700	\$950.59	95.0
77	Rockbridge County	18,900	\$876.15	76.0
78	Rockingham County	59,500	\$849.37	70.0
79	Russell County	28,800	\$627.16	19.0
80	Scott County	23,500	\$568.48	5.0
81	Shenandoah County	32,700	\$900.58	85.0
82	Smyth County	32,900	\$616.26	15.0
83	Southampton County	17,200	\$728.39	41.0
84	Spotsylvania County	62,500	\$1,060.25	109.0



Revenue Capacity Per Capita by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Lowest Capacity/135=Highest Capacity

I.D.	Jurisdiction	Population, 1992	Revenue Capacity Per Capita, 1992/93	Rank Score
85	Stafford County	69,700	\$962.81	96.0
86	Surry County	6,400	\$2,567.08	134.0
87	Sussex County	10,200	\$746.67	52.0
88	Tazewell County	46,900	\$645.35	21.0
89	Warren County	27,800	\$944.23	93.0
90	Washington County	47,100	\$706.24	36.0
91	Westmoreland County	16,000	\$942.09	91.0
92	Wise County	40,000	\$606.20	11.0
93	Wythe County	26,000	\$714.87	40.0
94	York County	47,200	\$1,026.12	105.0
95	Alexandria City	114,800	\$1,695.83	130.0
96	<u>Consolidated Bedford City</u>	<u>54,800</u>	<u>\$891.36</u>	<u>83.0</u>
97	Bristol City	17,800	\$767.15	56.0
98	Buena Vista City	6,400	\$597.34	10.0
99	<u>Charlottesville City</u>	<u>40,400</u>	<u>\$906.07</u>	<u>86.0</u>
100	Chesapeake City	164,000	\$878.94	78.0
101	Clifton Forge City	4,500	\$590.75	8.0
102	Colonial Heights City	16,400	\$1,024.59	104.0
103	Covington City	6,900	\$741.75	49.0
104	<u>Danville City</u>	<u>53,300</u>	<u>\$673.26</u>	<u>26.0</u>
105	Emporia City	5,600	\$759.58	53.0
106	Fairfax City	20,600	\$1,669.82	129.0
107	Falls Church City	9,400	\$2,178.66	133.0
108	Franklin City	8,400	\$728.87	42.0
109	Fredericksburg City	20,000	\$1,003.60	100.0
110	Galax City	6,500	\$845.43	69.0
111	Hampton City	136,300	\$701.40	35.0
112	Harrisonburg City	32,000	\$882.78	80.0
113	Hopewell City	23,300	\$678.85	28.0
114	Lexington City	7,100	\$625.60	17.0
115	<u>Lynchburg City</u>	<u>66,000</u>	<u>\$769.49</u>	<u>57.0</u>
116	Manassas City	30,100	\$1,146.75	116.0
117	Manassas Park City	7,000	\$834.33	66.0
118	Martinsville City	15,800	\$875.85	75.0
119	Newport News City	177,500	\$692.43	34.0
120	Norfolk City	250,300	\$616.49	16.0
121	Norton City	4,300	\$800.80	62.0
122	Petersburg City	38,100	\$595.50	9.0
123	Poquoson City	11,100	\$914.39	90.0
124	Portsmouth City	103,800	\$584.84	7.0
125	Radford City	16,400	\$516.84	2.0
126	Richmond City	201,100	\$878.24	77.0

Revenue Capacity Per Capita by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Lowest Capacity/135=Highest Capacity

I.D.	Jurisdiction	Population, 1992	Revenue Capacity Per Capita, 1992/93	Rank Score
127	Roanoke City	97,000	\$808.61	63.0
128	Salem City	23,900	\$949.91	94.0
129	South Boston City	7,100	\$689.74	33.0
130	Staunton City	24,600	\$738.31	47.0
131	Suffolk City	53,100	\$772.39	58.0
132	Virginia Beach City	409,900	\$819.57	64.0
133	Waynesboro City	18,700	\$870.99	74.0
134	Williamsburg City	11,700	\$1,175.08	117.0
135	Winchester City	22,400	\$1,111.65	112.0

Source: Staff, Commission on Local Government

**NOTES**  
**Revenue Capacity**

- 1A. In measuring "revenue capacity" at the county and city levels, the Commission on Local Government has employed the Representative Tax System (RTS) methodology, whose early development can be traced from the U. S. Advisory Commission on Intergovernmental Relations to the University of Virginia and, in turn, to the Joint Legislative Audit and Review Commission. With regard to a selected time frame, the RTS approach isolates six resource bases that capture, directly or indirectly, aspects of private-sector affluence which local governments can tap in financing their programmatic objectives. As applied to any given jurisdiction, the computational procedure rests centrally upon the multiplication of each resource-base indicator (e.g., real property true valuation or adjusted gross income) by the associated statewide average rate of return--i.e., the yield in revenues or levies to all county and city governments per unit of the stipulated resource. Once the full set of jurisdictional wealth dimensions has been covered by this weighting operation, the six resulting arithmetic products are added to generate a cumulative measure of local capacity, the magnitude of which is then divided by the population total for the designated county or city. The latter calculation engenders a statistic gauging, in per capita terms, the collections which the target jurisdiction would realize from taxes, service charges, regulatory licenses, fines, forfeitures, and various other extractive mechanisms (i.e., potential revenue) if local public officials established resource-base levies at statewide average values.

[For an extended discussion of revenue capacity, see Commission on Local Government, **Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities: 1991/92**, Appendix B.]

Table 2 1B  
 Revenue Effort  
 2 of  
 Consolidated Bedford City and Selected Reference Localities  
 1992/93

Jurisdiction	Population, 1992	Revenue Effort, 1992/93	3
			Jurisdictional/Statewide Revenue Effort Ratio Score, 1992/93
Consolidated Bedford City	54,800	0.4938	0.5950
Charlottesville City	40,400	1.2933	1.5584
Danville City	53,300	0.9000	1.0845
Lynchburg City	66,000	1.3550	1.6327
Suffolk City	53,100	0.9752	1.1751

1B

See end notes.

2

This proposed jurisdiction encompasses Bedford City as a dependent shire. The associated data profile embodies no assumptions concerning the realization of fiscal benefits from a restructuring of the city-county relationship.

3

The statewide value relative to the 1992/93 period indicates the mean, or average, level of revenue effort as computed from data for a local system of 94 counties and 41 independent cities. In 1992/93 the mean statistic associated with a jurisdictional framework comprised of 135 units would have been .8299.

Source: Staff, Commission on Local Government

Revenue Effort by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Highest Effort/135=Lowest Effort

I.D.	Jurisdiction	Population, 1992	Revenue Effort, 1992/93	Rank Score
1	Accomack County	32,200	0.6524	81.0
2	Albemarle County	70,300	0.7653	59.0
3	Alleghany County	13,100	0.8949	50.0
4	Amelia County	9,200	0.6244	87.0
5	Amherst County	29,200	0.5762	103.0
6	Appomattox County	12,600	0.6181	89.0
7	Arlington County	175,400	1.0325	38.0
8	Augusta County	57,100	0.5584	106.0
9	Bath County	4,900	0.5066	124.0
10	Bland County	6,600	0.5523	111.0
11	Botetourt County	25,800	0.6006	93.0
12	Brunswick County	16,200	0.5542	109.0
13	Buchanan County	31,500	1.1242	29.0
14	Buckingham County	13,000	0.5070	123.0
15	Campbell County	48,600	0.5402	115.0
16	Caroline County	20,200	0.7297	66.0
17	Carroll County	27,000	0.5147	119.0
18	Charles City County	6,400	1.8629	1.0
19	Charlotte County	11,800	0.5959	95.0
20	Chesterfield County	225,100	0.9404	43.0
21	Clarke County	12,100	0.5741	104.0
22	Craig County	4,500	0.4879	129.0
23	Culpeper County	28,800	0.6975	70.0
24	Cumberland County	7,900	0.5811	102.0
25	Dickenson County	17,700	1.4354	7.0
26	Dinwiddie County	21,600	0.7567	61.0
27	Essex County	9,000	0.5999	94.0
28	Fairfax County	857,900	1.1276	27.0
29	Fauquier County	50,400	0.7217	68.0
30	Floyd County	12,400	0.5856	101.0
31	Fluvanna County	13,900	0.5940	96.0
32	Franklin County	41,100	0.5101	121.0
33	Frederick County	48,800	0.6888	72.0
34	Giles County	16,400	0.6667	75.0
35	Gloucester County	31,300	0.7296	67.0
36	Goochland County	14,900	0.5073	122.0
37	Grayson County	16,200	0.5324	117.0
38	Greene County	11,500	0.7305	65.0
39	Greensville County	11,100	0.8292	55.0
40	Halifax County	29,500	0.5476	112.0
41	Hanover County	68,000	0.6747	74.0
42	Henrico County	225,700	0.9175	47.0
43	Henry County	56,500	0.6374	86.0

Revenue Effort by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Highest Effort/135=Lowest Effort

I.D.	Jurisdiction	Population, 1992	Revenue Effort, 1992/93	Rank Score
44	Highland County	2,600	0.4920	128.0
45	Isle of Wight County	26,000	0.8064	57.0
46	James City County	37,200	0.9317	44.0
47	King and Queen County	6,300	0.9203	46.0
48	King George County	14,400	0.6877	73.0
49	King William County	11,600	0.5424	114.0
50	Lancaster County	11,000	0.4610	132.0
51	Lee County	24,500	0.6537	80.0
52	Loudoun County	95,100	0.8606	53.0
53	Louisa County	21,700	0.5895	99.0
54	Lunenburg County	11,400	0.6582	76.0
55	Madison County	12,200	0.5544	108.0
56	Mathews County	8,700	0.5270	118.0
57	Mecklenburg County	29,600	0.4434	134.0
58	Middlesex County	9,000	0.5562	107.0
59	Montgomery County	74,400	0.6580	78.0
60	Nelson County	13,200	0.6558	79.0
61	New Kent County	11,100	0.6920	71.0
62	Northampton County	13,000	0.7805	58.0
63	Northumberland County	11,000	0.4401	135.0
64	Nottoway County	17,000	0.5693	105.0
65	Orange County	22,400	0.5938	97.0
66	Page County	22,300	0.4669	131.0
67	Patrick County	17,500	0.4996	125.0
68	Pittsylvania County	55,700	0.4578	133.0
69	Powhatan County	16,900	0.5524	110.0
70	Prince Edward County	17,700	0.5866	100.0
71	Prince George County	28,100	0.7116	69.0
72	Prince William County	228,900	1.2216	18.0
73	Pulaski County	34,500	0.6416	84.0
74	Rappahannock County	6,800	0.4734	130.0
75	Richmond County	7,300	0.5345	116.0
76	Roanoke County	80,700	0.8973	49.0
77	Rockbridge County	18,900	0.7471	64.0
78	Rockingham County	59,500	0.6433	83.0
79	Russell County	28,800	0.6452	82.0
80	Scott County	23,500	0.5139	120.0
81	Shenandoah County	32,700	0.5927	98.0
82	Smyth County	32,900	0.6090	91.0
83	Southampton County	17,200	0.6581	77.0
84	Spotsylvania County	62,500	0.8347	54.0
85	Stafford County	69,700	0.8726	52.0
86	Surry County	6,400	0.6385	85.0

Revenue Effort by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Highest Effort/135=Lowest Effort

I.D.	Jurisdiction	Population, 1992	Revenue Effort, 1992/93	Rank Score
87	Sussex County	10,200	0.7551	62.0
88	Tazewell County	46,900	0.6135	90.0
89	Warren County	27,800	0.4926	127.0
90	Washington County	47,100	0.6038	92.0
91	Westmoreland County	16,000	0.5471	113.0
92	Wise County	40,000	0.7532	63.0
93	Wythe County	26,000	0.6201	88.0
94	York County	47,200	0.7603	60.0
95	Alexandria City	114,800	1.1802	23.0
96	<u>Consolidated Bedford City</u>	<u>54,800</u>	<u>0.4938</u>	<u>126.0</u>
97	Bristol City	17,800	1.1205	30.0
98	Buena Vista City	6,400	1.0932	35.0
99	<u>Charlottesville City</u>	<u>40,400</u>	<u>1.2933</u>	<u>15.0</u>
100	Chesapeake City	164,000	1.2106	19.0
101	Clifton Forge City	4,500	1.0929	36.0
102	Colonial Heights City	16,400	1.1030	33.0
103	Covington City	6,900	1.4623	5.0
104	<u>Danville City</u>	<u>53,300</u>	<u>0.9000</u>	<u>48.0</u>
105	Emporia City	5,600	1.3891	8.0
106	Fairfax City	20,600	1.1202	31.0
107	Falls Church City	9,400	1.1004	34.0
108	Franklin City	8,400	1.1473	26.0
109	Fredericksburg City	20,000	1.3674	9.0
110	Galax City	6,500	1.2068	20.0
111	Hampton City	136,300	1.2715	17.0
112	Harrisonburg City	32,000	0.9894	40.0
113	Hopewell City	23,300	1.4824	4.0
114	Lexington City	7,100	1.1273	28.0
115	<u>Lynchburg City</u>	<u>66,000</u>	<u>1.3550</u>	<u>10.0</u>
116	Manassas City	30,100	1.1721	24.0
117	Manassas Park City	7,000	1.3124	13.0
118	Martinsville City	15,800	0.8906	51.0
119	Newport News City	177,500	1.3197	12.0
120	Norfolk City	250,300	1.5473	3.0
121	Norton City	4,300	1.2014	21.0
122	Petersburg City	38,100	1.2943	14.0
123	Poquoson City	11,100	0.8139	56.0
124	Portsmouth City	103,800	1.4584	6.0
125	Radford City	16,400	0.9275	45.0
126	Richmond City	201,100	1.6073	2.0
127	Roanoke City	97,000	1.3436	11.0
128	Salem City	23,900	1.1867	22.0
129	South Boston City	7,100	1.0099	39.0

Revenue Effort by Locality, 1992/93  
(Consolidated City Table)

Rank Scores  
1=Highest Effort/135=Lowest Effort

I.D.	Jurisdiction	Population, 1992	Revenue Effort, 1992/93	Rank Score
130	Staunton City	24,600	1.0576	37.0
131	Suffolk City	<u>53,100</u>	<u>0.9752</u>	<u>41.0</u>
132	Virginia Beach City	409,900	1.1109	32.0
133	Waynesboro City	18,700	1.1525	25.0
134	Williamsburg City	11,700	1.2830	16.0
135	Winchester City	22,400	0.9651	42.0

Source: Staff, Commission on Local Government



**NOTES**  
**Revenue Effort**

- 1B. The concept of revenue effort focuses on the degree to which county and city governments actually harness the revenue-generating potential of their respective jurisdictions through the employment of locally controlled devices for resource mobilization (taxes and the like, as illustrated above). With respect to a particular locality, the effort dimension operationally takes shape as an extraction/capacity ratio, a statistical mechanism in which the sum of jurisdictional levies and revenues across all "own-source" funding categories is divided by the aggregate fiscal ability of the given county or city. Through this indicator the receipts which the target locality derives from its various private-sector resource bases are gauged in relation to the yield that the jurisdiction could anticipate if local revenue-raising simply reflected the average rates of return for the Commonwealth at large.

[For an extended discussion of revenue effort, see Commission on Local Government, **Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities: 1991/92**, Appendix B.]