

**REPORT ON THE
CITY OF BEDFORD – COUNTY OF BEDFORD
VOLUNTARY SETTLEMENT AGREEMENT**



**Commission on Local Government
Commonwealth of Virginia**

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REPORT ON THE CITY OF BEDFORD– COUNTY OF BEDFORD VOLUNTARY SETTLEMENT AGREEMENT

PROCEEDINGS OF THE COMMISSION

On March 13, 2012, the City of Bedford and the County of Bedford submitted to the Commission on Local Government for review a proposed voluntary settlement agreement negotiated by the two jurisdictions under the authority of Section 15.2-3400 of the Code of Virginia.¹ Consistent with the regulations promulgated by the Commission, the submission was accompanied by data and materials supporting the proposed agreement. Further, and in accordance with the Commission’s regulation 1 VAC 50-20-230 (C), the City and County gave notice of the proposed agreement to 17 other political subdivisions with which they are contiguous or with which they share functions, revenues, or tax sources.² The proposed agreement contains provisions for (1) the transition of the City to town status within the County; (2) the immediate incorporation of certain territory into the new Town’s boundaries; (3) a simplified process for the potential incorporation of additional areas into the Town in the future; (4) a framework for a potential merger of the water and sewer operations of the City and the Bedford County Public Service Authority; (5) a waiver of certain annexation rights; and (6) for other matters.³

In conjunction with its review of the proposed settlement agreement, on May 14, 2012, the Commission toured relevant sections of the City of Bedford and Bedford County and met in the City to receive oral testimony from the two jurisdictions in support of the agreement. That evening, the Commission held a public hearing, advertised in accordance with Section 15.2-2907 (B) of the Code of Virginia, for the purpose of receiving citizen comment. The public hearing was attended by approximately 50 persons, and four individuals testified. In order to permit receipt of additional public comment, the Commission agreed to keep its record open for written submissions through May 29, 2012. The Commission received written comments from seven individuals.

¹ City of Bedford and Bedford County, Notice by the City of Bedford and the County of Bedford of a Voluntary Settlement Agreement (hereinafter cited as the “Joint Notice”), March 13, 2012, which contains the Settlement Agreement and supporting materials.

² Ibid., Tab, “Local Governments Notified.”

³ Voluntary Settlement of Transition to Town Status and Other Related Issues Between the City of Bedford and the County of Bedford (hereinafter cited as the “Settlement Agreement”). See Appendix A for the complete text of the Settlement Agreement.

SCOPE OF REVIEW

The Commission on Local Government is directed by law to review negotiated interlocal agreements, such as the one currently before us, prior to their presentation to the courts for ultimate disposition. Upon receipt of notice of such a proposed action, the Commission is directed to “hold hearings, make investigations, analyze local needs” and to submit a report containing findings of fact and recommendations to the affected local governments.⁴ With respect to a proposed agreement negotiated under the authority of Section 15.2-3400 of the Code of Virginia, the Commission is required to determine in its review “whether the proposed settlement is in the best interest of the Commonwealth.”

As we have noted in previous reports, it is evident that the General Assembly encourages local governments to attempt to negotiate settlements of their interlocal concerns. One of the statutory responsibilities of this Commission is to assist local governments in such efforts. In view of this legislative intent, the Commission believes that proposed interlocal agreements, such as that negotiated by the City of Bedford and Bedford County, should be approached with respect and a presumption of their compatibility with applicable statutory standards. The Commission notes, however, that the General Assembly has also decreed that interlocal agreements negotiated under the authority of Section 15.2-3400 of the Code of Virginia shall be reviewed by this body prior to their final adoption by the local governing bodies. We are obliged to conclude, therefore, that, while interlocal agreements are due respect and should be approached with a presumption of their consistency with statutory standards, such respect and presumption cannot be permitted to render our review a *pro forma* endorsement of any proposed settlement. Our responsibility to the Commonwealth and to the affected localities requires more.

GENERAL CHARACTERISTICS OF THE CITY, THE COUNTY, AND THE AREAS PROPOSED FOR ANNEXATION

City of Bedford

The City of Bedford was settled as the village of Liberty in 1782 to serve as the seat of government for Bedford County. Subsequently, the village was incorporated as a town in 1839, and, after a series of name changes, eventually transitioned to city status in 1969.⁵ Located in central Bedford County, the City is a retail trade and governmental center for the area.

⁴ Sec. 15.2-2907 (A), Code of Va.

⁵ Salmon, Emily J. and Edward D.C. Campbell Jr., The Hornbook of Virginia History, 4th ed. (Richmond: Library of Virginia, 1994) p. 189.

Between 2000 and 2010, the City of Bedford's population decreased slightly, from 6,299 to 6,222 persons, or by 1.22%. Based on its land area of 6.88 square miles, the City has a population density of 904.36 persons per square mile.⁶

The population of the City is older and significantly less affluent than that of the state as a whole. As of 2010, the median age of the City of Bedford's residents was 42.9 years, a statistic well above that for the State overall (37.5 years). Further, the percentage of the 2010 population that was age 65 and over was 21.5%, significantly in excess of the comparable figure for the State generally (12.2%).⁷ Regarding personal earnings, the 2006-2010 American Community Survey estimated the median household income in the City was \$32,262, or only 52.5% of the statistic for all of Virginia (\$61,406).⁸

In terms of the City's current fiscal condition, between 1999 and 2009 (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 \$288.6 million to \$488.9 million, or by 69.4%, only about half of the rate of increase for the State overall (134.5%).⁹ Additionally, the City's total taxable retail sales, a significant indicator of the strength of the locality's commercial base, decreased by 3.8% between 2001 and 2011, whereas retail sales in the State as a whole increased by 29.6%. The City's share of taxable sales among both Bedford County and the City of Bedford decreased from 30.6% in 2001 to 18.8% in 2011.¹⁰

Further evidence of the City of Bedford's fiscal condition is revealed by annual statistical analyses conducted 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 several local revenue-generating "sources" and the statewide average "yield rate" for each. Our calculations reveal that, between FY1999-2000 and FY2009-2010, the City of Bedford's per capita revenue capacity increased by 39.6%, while, during the same period, that of all of Virginia's counties and cities considered collectively increased by 57.6%. In addition, data for FY2009-2010 reveal that the City's per capita revenue capacity was only 73.3% of the statewide average statistic. Finally, our statistical calculations reveal that for FY2009-2010, the City was the 24th most fiscally distressed locality among Virginia's 134 counties and cities, when considering theoretical

⁶ U.S. Department of Commerce, Bureau of the Census, 2010 Census, Summary File 1.

⁷ Ibid.

⁸ U.S. Department of Commerce, Bureau of the Census, 2006-2010 American Community Survey.

⁹ Virginia Department of Taxation, The 1999 Virginia Assessment/Sales Ratio Study, August 2001; and The 2009 Virginia Assessment/Sales Ratio Study, July 2011. On a per capita basis, the city experienced an increase in true real estate values of 72.1%, which was notably less than that of the State as a whole at 103.3%.

¹⁰ "Taxable Sales Reports," Weldon Cooper Center for Public Service, University of Virginia, accessed June 18, 2012, <http://www.coopercenter.org/node/1160>. Taxable sales for 2011 in Bedford County were \$339.6 million, and in the City of Bedford they totaled \$78.5 million.

revenue capacity, actual revenue effort, and the income level of its residents.¹¹ As a result, the City was classified as experiencing “above average” fiscal stress.

While the demographic and fiscal growth has been modest in recent years, the number of wage and salary employment positions in the City actually decreased from 4,286 in 2001 to 3,245 in 2011, a decrease of 24.3%, while the State as a whole experienced an increase of 4.1%. Most of these job losses can be attributed to decline in the manufacturing and retail trade sectors, where 1,092 positions were eliminated during the last decade. In the overall region, containing both the City and County of Bedford, the share of the number of positions within the City decreased from 25.4% to 17.5%¹²

With respect to the City’s present physical development, recent land use data reveal that 26.0% of Bedford’s total area is devoted to residential development, 12.0% to commercial enterprise, 14.9% to industrial uses, 6.2% to public or semi-public uses and 12.5% to public rights of way, with 28.3% (1,234.16 acres) remaining undeveloped. Of this undeveloped land, however, 960 acres are situated on steep slopes, flood plains or wetlands. Therefore, the City retains approximately 274 acres, or only 6.3% of its total land area, vacant and suitable for development.¹³

Although these statistics demonstrate that the City has experienced economic difficulties over the last decade, the City of Bedford remains a focal point of the economic and corporate life in the area. The City provides water and sewer services beyond its borders to adjacent areas in Bedford County. The City serves as an employment center for the region, as data indicates that, in 2011, the number of employment positions in the City was 3,245, in excess of its 2,592-person labor force.¹⁴ A significant concentration of governmental facilities, healthcare facilities, employers, and retailers emphasize the importance of the municipality to the surrounding area. While the previously-discussed statistics indicate that the City of Bedford has an aging, less affluent demographic, and a declining fiscal condition, the municipality remains an important component of its region.

¹¹ Commission on Local Government, Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia’s Counties and Cities, FY 2010 (hereinafter cited as FY 2010 Fiscal Stress Report), January 2012, pp. 4, 11, and 13; and Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia’s Counties and Cities, FY 1999/2000, May 2002, Tables 2.1 and 2.3. See Appendix F for more information.

¹² Virginia Employment Commission, Quarterly Census of Employment and Wages. 2001 and 2011 (Online database). <https://www.vawc.virginia.gov>.

¹³ Joint Notice, Tab “Best Interest of the Parties,” pp.76-77.

¹⁴ Virginia Employment Commission, Labor Area Unemployment Statistics (LAUS), 2011 (Online database). <https://www.vawc.virginia.gov>.

County of Bedford

Bedford County was established in 1753 and consists of territory formerly part of Albemarle and Lunenburg Counties.¹⁵ The 2010 Census revealed that the County's population was 68,676, an increase of 13.76% from the 2000 figure (60,371). On the basis of its 2010 population and a land area of 753.02 square miles, Bedford County has an overall population density of 91.2 persons per square mile.¹⁶

The County's population is also older and slightly less affluent than that of the state as a whole. Census data shows that, as of 2010, the median age of residents in Bedford County was 44.3 years, which is notably higher than the figure for the entire State (37.5 years). In addition, as of 2010, approximately 16.2% of the County's population was age 65 or older, which is lower than that of the City, but also reflecting an elderly component greater than the State generally (12.2%).¹⁷ With respect to income, the 2006-2010 American Community Survey estimated the median household income in the County was \$54,110, which was drastically greater than the City's figure, but only 88.1% of the comparable figure for the Commonwealth overall (\$61,406).¹⁸

In terms of Bedford County's overall fiscal health, statistics indicate that the true value of real estate and public service corporation property in the County increased from \$3.88 billion to \$9.80 billion, or by 152.7%, between 1999 and 2009 (the latest year for which such information is available). This percentage growth in the County's principal revenue source exceeded both that of the City and the Commonwealth as a whole (134.5%).¹⁹ In addition, the County's total taxable retail sales increased by 83.4% between 2001 and 2011, which is over 20 times the City's increase (3.9%), while the statewide total increased by 29.6%.²⁰ Regarding employment, between 2000 and 2010, the number of wage and salary positions in the County increased from 12,567 to 15,248 positions, an increase of 21.3%, well over the statewide increase of 4.1%.²¹

Data developed by this Commission indicate that between FY1999-2000 and FY2009-2010, the per capita theoretical revenue capacity of Bedford County increased by 67.6%, a growth rate exceeding both that of the City (39.5%) and the state as a whole (57.6%). Further, as of FY2009-2010, the County's per capita revenue capacity (\$2,012.70) was 10.4% greater than the average

¹⁵ Salmon, Emily J. and Edward D.C. Campbell Jr., *The Hornbook of Virginia History*, 4th ed. (Richmond: Library of Virginia, 1994) p. 161.

¹⁶ U.S. Department of Commerce, Bureau of the Census, 2010 Census, Summary File 1.

¹⁷ *Ibid.*

¹⁸ U.S. Department of Commerce, Bureau of the Census, 2006-2010 American Community Survey.

¹⁹ Virginia Department of Taxation, *The 1999 Virginia Assessment/Sales Ratio Study*, August 2001; and *The 2009 Virginia Assessment/Sales Ratio Study*, July 2011. On a per capita basis, the County experienced an increase in true real estate and public service corporation property values of 113.7%, which was in excess of the same figure for the State as a whole (103.3%).

²⁰ "Taxable Sales Reports," Weldon Cooper Center for Public Service, University of Virginia, accessed June 18, 2012, <http://www.coopercenter.org/node/1160>.

²¹ Virginia Employment Commission, Quarterly Census of Employment and Wages. 2001 and 2010 (Online database), <https://www.vawc.virginia.gov>.

for all of the Commonwealth's counties and cities (\$1,822.78). Further, the Commission's most recent comparative fiscal stress analysis concluded that in FY2009-2010, the County experienced "below average stress" relative to all Virginia localities, with a fiscal stress ranking of 104 out of 134 jurisdictions.²²

Significant development has occurred in Bedford County as a result of suburban development from the Lynchburg and Roanoke areas and resort-oriented development along Smith Mountain Lake.²³ Despite this growth, agricultural and forestal land uses continue to dominate the County's land area. As of 2007, there were 1,428 farms in the County, occupying a total of 212,237 acres (332 square miles), and the total value of agricultural products sold in the County in 2007 was \$23.6 million, ranking 32nd out of 98 county-equivalents in Virginia.²⁴ Further, 2007 data indicate that 285,191 acres (446 square miles) in the County were classified as "timberland." In sum, while Bedford County experienced significant growth in its population and economic base during the past decade, the County remains predominantly rural.²⁵

Areas Proposed for Annexation

As noted in the introduction to this report, the proposed agreement would result in the reversion of the City of Bedford to town status and for the immediate incorporation of certain territory into the newly-reverted Town, referred to as the "Phase I Boundary Adjustment Areas." The agreement also proposes two additional boundary expansion phases, which would be eligible for incorporation into the Town at later dates and in accordance with criteria specified in the agreement.

Phase I Boundary Adjustment

The area proposed for immediate annexation upon reversion consists of a total of 1,200 acres, and, as of 2010, contained an estimated population of 535 persons.²⁶ In addition, based on 2011 assessed values, these areas included \$53.7 million in total assessed real estate and tangible personal property values. Therefore, this area contains 0.25% of the County's current total land area, 0.78% of its current population, and 0.62% of its 2011 assessed real estate and tangible personal property values.²⁷ Based on the total area and the 2010 population estimate,

²² FY 2010 Fiscal Stress Report, pp. 4, 11, and 13; and Commission on Local Government, Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, FY 1999/2000, May 2002, Tables 2.1 and 2.3. See Appendix F for more information.

²³ Bedford County, Bedford County 2025 Comprehensive Plan (hereinafter cited as County Comprehensive Plan), p. 17.

²⁴ U.S. Department of Agriculture, 2007 Census of Agriculture, County Profile: Bedford County, Virginia.

²⁵ "Forest Inventory Data Retrieval," Virginia Department of Forestry, accessed March 27, 2012, http://www.dof.virginia.gov/fia/FIA_2007_StandardTables.htm. Some property may be classified as both "timberland" and "farmland."

²⁶ Joint Notice, Tab "Best Interest of the Parties," pp. 16-17.

²⁷ Ibid., p. 20. Bedford County's 2011 assessed real estate and tangible personal property values were \$8.698 billion.

this boundary adjustment area has a population density of 285 persons per square mile, or three times greater than that of Bedford County overall (91.2 persons per square mile).

With respect to current development, the Phase I Area contains scattered residential development, two mobile home parks, and significant commercial development. In addition, a city park and the City's closed landfill are within the Phase I Area. Much of the Phase I Area coincides with the area that is subject to the current revenue sharing agreement between the City and County.²⁸ According to recent land use data, 7.0% of the area is devoted to residential development, 26.5% to commercial enterprise, 0.4% to industrial activity and 26.1% to public and semi-public uses, with 40.1% (481.11 acres) of the area remaining vacant or engaged in agricultural production. Of the vacant land in the area proposed for annexation, 122.66 acres are located on property constrained by steep slopes or flood plains. Thus, the net vacant land suitable for development consists of approximately 358.45 acres.²⁹ In sum, although the area proposed for immediate annexation is mostly developed, it also contains some vacant land with growth potential.

Phase II and III Boundary Adjustments

The proposed agreement would also allow the post-reversion Town of Bedford to annex by ordinance additional territory in Bedford County, within areas designated by the agreement as the "Phase II and Phase III Boundary Adjustment Areas," subject to certain criteria specified in the agreement.³⁰ Those areas contain approximately 4,545.7 acres of land and have a 2010 estimated population of 1,422.³¹ According to the most recent land use data, 21.2% of the Phase II and III Areas are devoted to residential development and 3.8% to commercial or industrial activity, with 75.0% of the area (3,482.5 acres) remaining vacant or engaged in agricultural production. Of this undeveloped land, 1,258.9 acres are inhibited by flood plains or steep slopes. Exclusive of this land affected by environmental constraints, the area contains approximately 2,223.6 acres of land suitable for development.³² Though these areas contain some residential and commercial development, almost half of the Phase II and III Areas are vacant and amenable to development.

²⁸ *Ibid.*, pp. 8-9.

²⁹ *Ibid.*, pp. 79-80.

³⁰ *Settlement Agreement*, Article IX and X.

³¹ *Joint Notice*, Tab "Best Interest of the Parties," pp.16-17.

³² *Ibid.*, pp. 82, 83, 85, and 86.

PUBLIC FINANCE PROFILES

City of Bedford

In the agreement, the City seeks to ensure that the new Town will have adequate tax resources in the future. Given the City's general fund revenue collection over the last five years, this need is valid. Total revenues to the general fund have declined from \$15.1 million in FY2007 to \$14.5 million in FY2011.³³ The bulk of this decline is attributable to a drop in intergovernmental revenues. Intergovernmental revenues were as high as \$7.7 million in FY2009, but declined to \$6.6 million in FY2011.³⁴ Meanwhile, subtle increases in general property taxes over the last five years (an average of 3.4% per year) have been offset by decreases in other property taxes, investment earnings, and charges for services.³⁵ There are three phases of boundary adjustments in the agreement, which will provide the Town an immediate boost as well as the potential for growth in the future.

Short Term Financing. Two methods by which to analyze a locality's short-term financial health are their current ratio and their cash ratio. The City's current ratio dropped from 2.28 in 2007 to 1.88 in 2009 (mainly because a large portion of long-term debt became due), but has improved every year since then.³⁶ By 2011, it was up to 2.26. The City's cash ratio remains virtually unchanged over the last five years; however, it has increased and decreased during the period.³⁷ At the same time, the City has shown a slight improvement in its ability to cover short-term needs.

The City's annual report states that they do not have a policy regarding a fund balance target for the general fund.³⁸ Unrestricted funds as a percentage of general fund expenditures hit a low point of 2.4% in 2008.³⁹ Since then, this ratio has increased every year. By 2011, the percentage had increased to 12.4%, thereby illustrating that the City's ability to handle financial adversity within the general fund is improving.⁴⁰

Since 2007, the City has been operating at a deficit out of its general fund. It experienced just under \$1 million in losses in FY2011, which is up from a five-year low of \$2.7 million in losses in FY2008.⁴¹ In order to fund important programs, the City has been making transfers from its

³³ See Appendix C, Table 3.

³⁴ ibid.

³⁵ ibid.

³⁶ The current ratio is computed as current assets divided by current liabilities. It is a measure of short-term liquidity. See Appendix C, Tables 1 and 7.

³⁷ The cash ratio is computed as cash and cash equivalents divided by current assets. It depicts the percentage of "near-cash" assets among all short-term assets. See Appendix C, Tables 1 and 7.

³⁸ City of Bedford, FY 2011 City of Bedford Comprehensive Annual Financial Report (hereinafter cited as FY 2011 City CAFR) p. 31.

³⁹ See Appendix C, Table 7.

⁴⁰ ibid.

⁴¹ See Appendix C, Table 3.

electric fund.⁴² In FY2011, this transfer equaled \$1.3 million.⁴³ The City has indicated that this transfer will drop to \$1.1 million in its next budget.⁴⁴ While this practice has worked for the City recently, it is not sustainable. Incorporation of the boundary adjustment areas should generate additional general fund revenue that will help to alleviate this problem in the future.

The proprietary funds have generated operating income in four of the last five years.⁴⁵ The overall performance of proprietary funds is highly correlated with the performance of the electric fund. FY2010 was the only year in the last five in which the electric fund experienced an operating loss.⁴⁶ That was also the only year in the last five in which proprietary funds as a whole experienced a loss. Additionally, the water and sewer fund is the only enterprise fund to experience operating gains in each of the last four years. According to the proposed agreement, the City's water and sewer operation is expected to merge with the Bedford County Public Service Authority. Therefore, there will be even more pressure on the electric fund to generate operating income after reversion. Additionally, the Town's new tax structure must adequately serve its needs so that proprietary funds can be used for their own operations.

Capital Structure. Under the terms of the proposed agreement, the new Town will be responsible for the long-term debt of the City. Nominal debt for the City as of 2011 totaled \$37.3 million, with \$3.6 million due within one year.⁴⁷ While this is down from \$40.1 million in 2008, it is up from \$34.4 million in 2010.⁴⁸ The increase was mainly due to a \$5.5 million general obligation bond issued in March 2011, which was used primarily for the Stoney Creek Reservoir project.⁴⁹

Nominal net assets of the City have increased overall from \$35.5 million in 2007 to \$37.7 million in 2011.⁵⁰ The increase is largely due to increases in the City's investments in capital assets.⁵¹ At the same time, unrestricted net assets, which are a measure of a locality's ability to meet its expenditures in difficult economic times, have decreased from \$8.9 million in 2007 to \$6.2 million in FY2011.⁵² This is chiefly due to transfers from the electric fund being used to finance general fund projects. As the new Town creates its tax structure, it is hoped that this practice will no longer be necessary. The capital structure of the City's solid waste fund is also of

⁴² 2011 City CAFR, p. 36.

⁴³ ibid.

⁴⁴ Testimony of Charles Kolakowski, City Manager, May 14, 2012.

⁴⁵ See Appendix C, Table 5. The City experienced operating gains in its proprietary funds in 2007, 2008, 2009, and 2011.

⁴⁶ ibid.

⁴⁷ See Appendix C, Table 1.

⁴⁸ ibid.

⁴⁹ 2011 City CAFR, p. 38.

⁵⁰ See Appendix C, Table 1.

⁵¹ Investments in capital assets are land or infrastructure used to provide services to its citizens.

⁵² See Appendix C, Table 1.

concern and will need to be addressed by the new Town. By 2011, the fund's long-term debt represented 122.7% of its total assets.⁵³

The City's financial position ratio has remained mostly constant over the last five years.⁵⁴ In FY2011, it was computed as 88.5%.⁵⁵ It reached a high of 92.0% in FY2008 and experienced a low of 85.9% in FY2009.⁵⁶ In other words, relative to overall government spending activity, the City has maintained a consistent level of net assets over the last five years.

It should be noted that, as of the end of FY2011, the City's capital assets were more than 50% depreciated.⁵⁷ Therefore, the possibility exists for capital improvements in the near future, which could lead to new debt issues. Of particular concern is Bedford Elementary School, which the City has indicated is now worth just 29.4% of its acquisition value.⁵⁸ The proposed agreement provides that ownership of the school will be transferred to the County.

County of Bedford

The primary fiscal benefit to the County is in the form of a net gain of over \$5 million per year from the state in the form of educational aid for a period of 15 years.⁵⁹ Over the previous four years, the County has experienced decreasing revenues to the general fund.⁶⁰ Most of the decreases have come from intergovernmental revenue.⁶¹ Fortunately, the County's expenses have decreased at an even higher rate. These decreases in expenses are primarily the result of the completion of renovations to Jefferson Forest High School, which were as high as \$18.7 million in 2007.⁶² These changes have turned large annual losses to the general fund into moderate gains by 2011.

Short Term Financing. Analysis of the County's financial statements over the last five years indicates an improving fiscal situation. The County's current ratio has improved from 1.63 in 2007 to 2.22 in 2011, illustrating an increasing ability to meet its short term liabilities.⁶³ The County's cash ratio has increased in each of the last four years: from 50.9% in 2007 to 59.7% in

⁵³ See Appendix C, Table 6.

⁵⁴ Financial position measures a government's financial status. It is computed as net assets divided by total expenses.

⁵⁵ See Appendix C, Table 7.

⁵⁶ ibid.

⁵⁷ FY 2011 City CAFR, p.37. Note 6 indicates that the City has \$104,682,379 worth of depreciable capital assets among its governmental and business-type activities. Those assets have accumulated \$55,868,701 in depreciation expenses.

⁵⁸ Carter Glass, IV, Counsel for the City of Bedford, letter to staff of Commission on Local Government, May 3, 2012 (hereinafter cited as the City Response), p. 18.

⁵⁹ The net gain to the County is computed as the \$5.8 million in additional educational aid to the state less the \$750,000 annual payment to the Town, as provided for in the proposed agreement.

⁶⁰ See Appendix D, Table 3.

⁶¹ ibid.

⁶² ibid.

⁶³ The current ratio is computed as current assets divided by current liabilities. It is a measure of short-term liquidity. See Appendix D, Tables 1 and 6.

2011.⁶⁴ These improvements demonstrate an increasing ability for the County to satisfy its short term needs.

The County reports a general fund reserve target of 10%.⁶⁵ They determine whether that requirement has been met by comparing the unassigned balance with the annual appropriations budget. In 2007, the undesignated fund balance in the general fund was just 1.7% of general fund expenditures.⁶⁶ That ratio has increased every year since. In 2010, the County surpassed its reserve target with a 14.1% reserve.⁶⁷ In 2011, that figure increased to 22.2% of general fund expenses.⁶⁸ This progress by the County further illustrates its financial stability.

The County has transformed large deficits in general fund spending into surpluses over the last five years. In 2007, the County experienced an operating loss in the general fund of \$19.4 million.⁶⁹ By 2011, it generated \$4.2 million in operating gains.⁷⁰ The primary factor in this turnaround is the elimination of capital project expenses related to education. Despite these gains, the County will need to closely monitor its revenues, which have declined every year since 2008.⁷¹ The principal factors related to these declines are a decrease in revenues derived from general property taxes as well as reductions in intergovernmental aid.

The County's proprietary fund is comprised of the group homes fund, the nursing home fund, and the solid waste fund. Water and sewer is provided to County residents via the Bedford County Public Service Authority. Proprietary funds have turned operating losses in 2007 and 2008 into gains in 2009, 2010, and 2011.⁷²

Capital Structure. The County's long-term-debt to assets ratio has decreased in each of the last four years. In 2007, the ratio was 36.6%, but it had dropped to 29.7% by 2011.⁷³ The long-term debt of the County will continue to decrease as the County pays off the debt associated with the Jefferson Forest High School renovation project, which accounts for its largest outstanding debt. Additionally, the County's total debt as a percentage of assets has decreased in each of the last four years: from 59.3% in 2007 to 48.1% in 2011.⁷⁴

⁶⁴ The cash ratio is computed as cash and cash equivalents divided by current assets. It shows the percentage of "near-cash" assets among all short-term assets. See Appendix D, Tables 1 and 6.

⁶⁵ Bedford County, FY 2011 County of Bedford Comprehensive Annual Financial Report, p. 36.

⁶⁶ See Appendix D, Table 6.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ See Appendix D, Table 3.

⁷⁰ Ibid.

⁷¹ Ibid.

⁷² See Appendix D, Table 5.

⁷³ See Appendix D, Table 1.

⁷⁴ Ibid.

Net assets have increased both nominally and as a percentage of total assets in each year since 2007.⁷⁵ Unrestricted net assets have increased every year as well, illustrating a successful commitment by the County to ensure financial viability in case of emergency or economic hardship.

The County's financial position ratio has steadily improved over the last five years. In 2007, the ratio was 54.2%, but it had risen to 77.4% by 2011.⁷⁶ This means that, compared to all governmental expenses, the County's net assets are increasing. This is partially attributable to increasing unrestricted net assets.

Of note is that the County's capital assets were more than 50% depreciated by the end of FY2011.⁷⁷ Therefore, the possibility exists for capital improvements in the near future, which could lead to new debt issues.

STANDARDS FOR REVIEW

As a previous section of this report has noted, the Commission on Local Government is charged with reviewing proposed interlocal agreements negotiated under the authority of Section 15.2-3400 of the Code of Virginia for purposes of determining whether such settlements are "in the best interest of the Commonwealth." In our judgment, the State's interest in this and other proposed interlocal agreements is fundamentally the preservation and promotion of the general viability of the affected localities. In this instance, the Commission is required to review an interlocal agreement which provides for (1) the transition of the City to town status within the County; (2) the immediate incorporation of certain territory into the new Town's boundaries; (3) a simplified process for the potential incorporation of additional areas into the Town in the future; (4) a framework for a potential merger of the water and sewer operations of the City and the Bedford County Public Service Authority; (5) a waiver of certain annexation rights; and (6) for other matters. A proper analysis of the proposed City of Bedford - County of Bedford voluntary settlement agreement, as mandated by statute, requires consideration of the ramifications of these provisions with respect to the current and future viability of the two jurisdictions.

⁷⁵ Ibid.

⁷⁶ See Appendix D, Table 6.

⁷⁷ Bedford County, FY 2011 County of Bedford Comprehensive Annual Financial Report, p.42. Note 6 indicates that the County has \$210,463,958 of depreciable capital assets. Those assets have accumulated \$108,994,459 in depreciation expense.

Interests of the City of Bedford

As part of the voluntary settlement agreement, the transition of the City to town status will provide relief from economic and fiscal challenges, by shifting the responsibility for certain major public services to Bedford County, an entity with greater fiscal capacity.⁷⁸

The City's reversion would also restore its authority to extend its boundaries through annexation. While the legislature has legally barred annexation by cities since 1987, it has not imposed similar restrictions on annexation by the Commonwealth's towns. Recognizing the distinction between the effects of city and town annexation, the latter have been permitted to continue pursuant to the traditional test of "necessity" and "expediency."⁷⁹ It is clearly in the interest of the City of Bedford to have an opportunity to share, subject to full and proper consideration of the standards and factors prescribed by law, in the development which has occurred around its periphery. As mentioned previously, terms in the agreement would immediately result in an annexation of significant developed properties and provide for the potential annexation of additional areas that have experienced prescribed levels of development.⁸⁰

Land for Development. As noted previously, the City of Bedford currently has within its boundaries approximately 1,234.16 acres of undeveloped land, which constitutes 28.3% of the City's total land area. Excluding property situated within the 100-year flood plain and on steep slopes, the City has 274 acres, or 6.3%, of its total land area vacant and generally amenable to development.⁸¹

The lack of sufficient available land has been a challenge in attracting new growth within the City limits. An indication of the lack of developable land within the municipality is that no new residential subdivisions have been approved in the City since 2007, whereas over 3,000 residential subdivision lots have been recorded in the County during the same period.⁸² Additionally, most of the significant commercial development in the area has occurred along U.S. Route 460 just east of the City limits, due to the availability of land in the County and its proximity to City-provided utilities.⁸³

⁷⁸ Settlement Agreement, Articles V and VI.

⁷⁹ In addition, Section 15.2-4117 of the Code of Virginia generally restricts town-initiated annexations for a period of two years subsequent to the effective date of the transition of a city to town status. However, in the proposed agreement, the City and County have mutually agreed to an immediate boundary adjustment as well as certain phased boundary adjustments, which are subject to specified criteria.

⁸⁰ Settlement Agreement, Articles VII through X.

⁸¹ Joint Notice, Tab "Best Interest of the Parties," pp.76-77. While such factors are not absolute barriers to development, they do constitute major impediments to development.

⁸² City Response, p. 8; and G. Carl Boggess, County Attorney, County of Bedford, letter to staff of Commission on Local Government, May 4, 2012 (hereinafter cited as the County Response.), p. 5.

⁸³ Joint Notice, Tab "Best Interest of the Parties," pp. 72 and 73.

While the proposed annexation would immediately bring within the newly-reverted Town of Bedford approximately 358.45 acres of vacant land for possible future development, the proposed agreement permits additional boundary adjustments that should provide opportunities for the incorporation of additional territory at the appropriate time. As previously mentioned, in the Phase II and III Areas, there are approximately 2,223.6 acres of vacant or agricultural land free of major development constraints, which is over eight times greater than the amount that is currently available within the existing City's limits.⁸⁴ As the proposed agreement is structured, properties in the Phase II and III Areas generally would need to be urbanized to a specified level prior to being eligible for annexation.⁸⁵ While this provision will not substantially increase the amount of vacant land available for development, it will secure the prospective Town of Bedford's ability to extend its boundaries into these areas after significant development occurs.

With respect to the Phase II and III Areas, the agreement will require Bedford County to adopt development standards to ensure that streets in most new developments are designed with urban amenities such as curb, gutter, sidewalks and streetlights. In addition, the City and County have agreed that development in the central portion of the County should be concentrated within the existing municipality or in the identified annexation areas, which will be reflected in forthcoming amendments to both parties' comprehensive plans.⁸⁶ In sum, the proposed agreement should provide the Town of Bedford access to additional land, both developed and undeveloped, and ensure that new development will be compatible with the existing municipality.

Reversion. Regarding public services, the reversion will re-establish the traditional Virginia town-county relationship between the two jurisdictions, as existed prior to Bedford's transition to city status in 1969. The agreement obliges Bedford County to provide all services required by general or special law to the territory of the former City. As such, the remaining responsibilities of the resulting Town would be public safety services (law enforcement and fire protection); maintenance of public thoroughfares; parks and recreation facilities; solid waste collection; and land development regulation. Other public services that were formerly provided by the City, directly or by contract with other jurisdictions, such as public schools; public health; social services; behavioral health services; jail operations; election administration; building inspections; and certain constitutional offices, will become the responsibilities of Bedford County.⁸⁷ The provisions in the proposed agreement that terminate certain interlocal contracts or agreements between the City and County will contribute to a significant portion of the

⁸⁴ *Ibid.*, pp. 77, 80, 83, and 86.

⁸⁵ *Settlement Agreement*, Sections 9.2, 10.2, and 10.7.

⁸⁶ *Ibid.*, Sections 7.1 and 7.2.

⁸⁷ *Ibid.*, Articles V through VII; and *Joint Notice*, Tab "Best Interest of the Parties," pp. 23-29.

savings that would be realized by the City. For instance, the agreement will terminate the existing schools contract for which the City paid \$6.0 million in FY2009 to the County to provide education for the City's students.⁸⁸ These reductions in expenditures will provide the new Town an opportunity to create a tax structure that matches its new revenue needs.

When considering public service responsibilities, the proposed reversion of the City to town status will provide significant financial relief to the prospective Town of Bedford. An analysis of the proposed governmental transition, based on FY2009 data, indicates that the reversion alone should result in a \$9.5 million (56.3%) reduction in general fund expenditures by the municipality – from \$16.9 million to \$7.4 million post-reversion.⁸⁹

When the City reverts to town status, it will have the opportunity to construct a new tax structure to meet its general fund needs. For the purpose of determining potential future revenues, a theoretical tax structure was constructed by the City's consultant that does not increase the tax burden on the new Town's tax base, because that base will also be paying taxes to the County after reversion. Based on that tax scenario, the Town should easily be able raise \$5.7 million in local source revenue, supplemented with approximately \$1.8 million in anticipated state and federal aid, resulting in a surplus of approximately \$158,000 as a result of the reversion action.⁹⁰

Annexation. Though reverting to town status will greatly reduce the Town's public service responsibilities, the boundary expansions provided for in the agreement will increase public service demands in the areas of administration, planning, police protection, and public works, while providing the prospective Town with additional revenues and the potential for future economic growth. The proposed agreement will require the Town to extend its general governmental services to the citizens in the areas annexed at the same level as currently provided to those within the municipality.⁹¹

The City estimates that it will cost approximately \$137,000 (based on FY2009 figures) to provide municipal services to the additional territory located in the Phase I Area. While the tax rates have not yet been determined for the post-reversion Town of Bedford, based upon FY2009 figures, the immediate annexation area will generate an estimated additional \$660,000 in state and local revenues each year, using the previously-mentioned theoretical tax structure; therefore, a net gain of \$523,000 annually is anticipated as a result of the Phase I annexation.⁹²

⁸⁸ City of Bedford, Budget, Fiscal Year 2011-2012, p. 24.

⁸⁹ Joint Notice, Exhibit 1, p. 3.

⁹⁰ Ibid., Exhibit 1, p. 4.

⁹¹ Settlement Agreement, Sections 8.5, 9.8, and 10.8.

⁹² Joint Notice, Tab "Best Interest of the Parties," p. 36.

Overall Fiscal Impact. In addition to the impacts of the reversion to town status and the incorporation of additional territory, several terms in the agreement will affect the overall financial impact to the jurisdiction. The agreement provides for terminating an existing revenue sharing payment agreement between the City and County, the lease of a school building to the County, payments of up to \$750,000 annually for 15 years from the County in exchange for the transfer of certain properties that would no longer be needed, and payments from the City to County for the provision of tourism services, resulting in a net increase of \$460,000 for the Town in the year following the effective date of the agreement.⁹³ Taking into account the overall effect of the voluntary settlement agreement as well as the anticipated tax structure, estimates indicate that revenues should exceed expenditures by \$1.1 million in the first year following the implementation of the agreement.⁹⁴

Additional Provisions. In addition to the financial benefits of the agreement cited above, the proposed agreement between the City of Bedford and Bedford County contains other benefits for the Town. First, the agreement would permit the Town and its residents to use Bedford County's landfill on the same basis as other County users, which will allow the City to end its current practice of hauling refuse to a landfill that is located 25 miles away.⁹⁵ Second, the County has agreed to create and support a youth athletic association for the Town, as a component of its countywide network of athletic associations, which will help maintain a sense of identity for the community.⁹⁶ Finally, with respect to public water and sewer services, the agreement requires the City and the County to undertake certain actions to consolidate their utility systems under a new joint public service authority. Under the terms of the agreement, public water and sewer service, which is currently provided by the City, will become the responsibility of a joint County-Town authority, which will result from the merger of the City water and sewer system with the Bedford County Public Service Authority (PSA). The new joint authority will be responsible for interconnecting the existing County PSA and City water distribution systems, which should improve the capacity of the system during periods of drought.⁹⁷ While the consolidation of utility systems will result in greater efficiencies, the City should be cognizant that, as a result, it will lose some influence in managing growth in the area, as water and sewer utilities often encourage and direct where growth occurs.

Summary. As a result of the reversion, annexation, and other agreement terms in aggregate, the overall fiscal impact to the newly reverted Town, based upon FY2009 figures, should result

⁹³ Ibid., p. 36, and Settlement Agreement, Articles 3 and 4; and Sections 5.2, 6.3, and 13.2.

⁹⁴ Joint Notice, Tab "Best Interest of the Parties," p. 36.

⁹⁵ Settlement Agreement, Section 6.4; and Joint Notice, Tab "Best Interest of the Parties," pp. 52-53.

⁹⁶ Settlement Agreement, Section 6.9.

⁹⁷ Ibid., Section 6.2 and Exhibit 7; and Joint Notice, Tab "Best Interest of the Parties," pp. 50-51. It should be noted that, as of the printing of this report, the agreement to consolidate the City and County water and sewer systems had not been developed and executed. According to the Settlement Agreement, if the merger has not been executed by July 1, 2012, future annexation of the Phase II and III Areas would not be permitted; however, the City and County have indicated their intention to extend this deadline.

in first year revenues exceeding expenditures by about \$1.1 million. In addition to addressing pressing fiscal concerns, the terms of the agreement appear to be in the best interest of the City of Bedford for other reasons as well. First, the proposed agreement will preserve Bedford as a distinct and active political entity. The ability of the Town to retain its separate community identity is an important element in the maintenance of citizen attachment. Second, the transition to town status will enable the Town to focus more of its resources on the enhancement of its physical infrastructure, which will have the effect of improving the social and economic health of the municipality. Third, as a town, the County will have a direct economic interest in its growth and viability. In our judgment, for the reasons specified, the agreement is in the best interest of the City of Bedford.

Interests of Bedford County

The proposed reversion of the City of Bedford to town status would result in increasing the County's land area by 6.88 square miles (0.9%), its population by approximately 6,222 persons (9.1%), and, based on 2010 data, its total assessed property values by \$517 million (5.95%).⁹⁸ While the reversion and annexation actions proposed in the agreement negotiated by the City and County will increase Bedford County's responsibilities, it will have, in our judgment, a long-term positive impact on both jurisdictions.

State Incentives for Consolidation. While the information presented above indicates that the transition of the City of Bedford to town status as called for in the proposed agreement will increase the public service demands on Bedford County, the General Assembly has enacted measures designed to encourage reversion of independent cities and to financially assist the counties affected by such actions, which are summarized below:

- ***General State Aid.*** To avoid the potential that reversion may result in a reduction in the distribution of state aid to affected jurisdictions, state law provides that, in situations where school divisions or constitutional officers are consolidated among two localities (in this instance, both are applicable), state aid for any governmental program or function shall not be reduced below the amount previously distributed to the affected localities as a consequence of the reversion action. This provision will ensure that, for a period of 15 years, Bedford County will continue to receive at least as much state funding as the existing City of Bedford and Bedford County together would have received had the reversion to town status not occurred.⁹⁹

⁹⁸ Joint Notice, Tab "Best Interest of the Parties," p. 20. In 2011, Bedford County's total assessed property values were \$8,698 million.

⁹⁹ Sections 15.2-1302 and 15.2-4116, Code of Va.

- *Educational Assistance.* Standard of Quality payments to school divisions are currently paid on the basis of a composite index established by the Board of Education, which is intended to be a calculation of the locality’s ability-to-pay for public education. Since 1982, an incentive has been provided in the Appropriation Act for the consolidation of school divisions – so that the consolidated school division’s State assistance shall be calculated using the lowest composite index score among the merging school divisions prior to consolidation. This calculation shall remain in effect for 15 years, unless the Board of Education calculates a lower composite index for the combined school division.¹⁰⁰ Additionally, the state provides incentives for the consolidation of school divisions with respect to Literary Fund loans.¹⁰¹ These terms will provide the newly-consolidated school division with a greater amount of State financial assistance than the two divisions would have received if they remained separate.

The merger of the City of Bedford and Bedford County school divisions would have resulted in an estimated \$5.8 million in additional state-aid payments for education, based on the FY2009 analysis of the settlement agreement.¹⁰² The Virginia Department of Education estimates the increase in state-aid payments for the 2012-2014 biennium will be \$6.15 million, an increase of \$350,000 from the FY2009 figures.¹⁰³

Reversion. Although the reversion will provide Bedford County with additional population and fiscal resources, it will concurrently present the County with increased public service responsibilities. As noted previously, following the effective date of reversion, the proposed agreement calls for the County to assume full responsibility for the funding of the constitutional officers; election officials and processes; social services, public health, and mental health services; landfill operations; judicial system and local corrections; and public education within the former City.¹⁰⁴ Since many of the services currently provided to City residents are actually provided through contracts with the County or regional entities, agencies providing services such as education, social services and public health should not experience a change in service demand, but a shift in funding sources, as the County would assume the City’s funding responsibilities.¹⁰⁵ To the extent that the post-reversion Town of Bedford is able to meet the needs of its residents for other public services, such as police and fire protection, the demands

¹⁰⁰ Item 139 (A)(4)c.1., Chapter 2, Acts of Assembly, 2012, Special Session I; and Item 173 (A)(4), Chapter 684, Acts of Assembly, 1982. The language in the 1982 Appropriation Act only provided incentive funding for the duration of the biennium; however, this was eventually extended to 15 years.

¹⁰¹ Item 139 (A)(4)c.3., Chapter 2, Acts of Assembly, 2012, Special Session I; and 8 VAC 20-100-210, Virginia Administrative Code.

¹⁰² Joint Notice, Exhibit 1, p. 6.

¹⁰³ Testimony of Charles Kolakowski, City Manager, May 14, 2012.

¹⁰⁴ Settlement Agreement, Articles V through VII; and Joint Notice, Tab “Best Interest of the Parties,” pp. 23-29.

¹⁰⁵ Joint Notice, Tab “Best Interest of the Parties,” p. 5.

on County staff and resources are reduced. Based on FY2009 data, the County's additional expenditures due to the reversion are estimated at \$2.3 million.¹⁰⁶

As a consequence of reversion, added assessments and increased receipts from other tax sources (e.g., sales taxes), estimates, based on FY2009 data, indicate that the County would experience an increase in local-source revenues of almost \$2.3 million annually as a result of the reversion.¹⁰⁷

The transition of the City to town status, therefore, would adequately increase the County's overall population and the revenue resources to address its needs. Estimates show the reversion should result in additional local-source revenue approximately equal to the cost to provide County services to the former City territory, before application of the incentive funding from the Commonwealth, as described above.¹⁰⁸

Annexation. While the County will acquire additional responsibilities as a result of the City of Bedford's reversion, the accompanying annexation of territory into the newly-reverted Town will reduce some of the County's responsibilities in these areas. Following the annexation of this territory, the Town will assume responsibility for providing certain municipal services in these areas, including law enforcement, street maintenance, public works, and planning and development control, which should reduce to some degree the demand on the County's staff and resources. In addition, the proposed immediate annexation and future opportunities for annexation will permit the Town to increase its fiscal potential by expanding its tax base, will assure the municipality of land for future development and will, accordingly, expand the Town's ability to serve the general area. In brief, the enhanced financial viability of the Town will be a positive factor in strengthening the economy of the general area, with economic benefits accruing to the citizens of Bedford County generally.

The immediate annexation of the Phase I Areas by the newly-reverted Town will have minimal adverse fiscal impact on Bedford County. Although the annexation will not affect the County's receipts from any of its property taxes, it will reduce its collections from some of its secondary revenue sources. Estimates indicate that the proposed agreement will result in the County's loss – during the first year following the annexation – of approximately \$261,000 in general fund revenues, based on FY2009 data.¹⁰⁹ That estimated revenue loss equates to less than one-half of one percent of the County's total general fund receipts during FY2009.¹¹⁰

¹⁰⁶ *Ibid.*, Exhibit 1, p. 3.

¹⁰⁷ *Ibid.*, p. 4.

¹⁰⁸ *Ibid.*, Tab "Best Interest of the Parties," p. 35. According to the fiscal analysis of the proposed reversion, FY2009 figures indicate that the reversion alone would result in additional expenditures exceeding additional revenues by approximately \$3,000.

¹⁰⁹ *Ibid.*, p. 37.

¹¹⁰ *Ibid.*, Exhibit 1, p. 4. Total local-source revenues for Bedford County in FY2009 were approximately \$77.9 million.

Overall Fiscal Impact. As noted previously, the agreement provides for the County to obtain ownership of a school, library, and the jointly-owned Welcome Center, in exchange for which the County will pay the Town up to \$750,000 annually for 15 years.¹¹¹ In addition, the County will lease another school, initially for \$120,000 per year, while a replacement facility is planned and constructed. The amount of the lease would eventually escalate to \$750,000 in 6 years, as an incentive for the County to vacate the school building.¹¹²

Taking into consideration the full effect of the provisions of the agreement as well as the anticipated additional state aid, it is estimated that, in the first year following the implementation of the agreement, Bedford County's revenues should exceed expenditures by \$5.4 million.¹¹³

Fiscal Stress. The estimated impact of the proposed reversion on the revenue capacity, revenue effort, and median household income statistics of Bedford County, as measured by the representative tax system, suggests that the City's transition to town status would have relatively moderate fiscal consequences for the County. These consequences would include a lower revenue capacity, a higher revenue effort, and a lower median household income for the County.¹¹⁴

When the City reverts to town status and the County begins exercising its taxation authority with respect to its newly acquired town residents, there will be an impact on the fiscal stress index.¹¹⁵ First, the City of Bedford will be eliminated from the computations, which will reduce the total number of cities in the analysis from 39 to 38. Additionally, the computed values for revenue capacity per capita, revenue effort, and median household income for the County will be altered. Former City residents will become residents of the County, which will result in an increase in the population used for the calculation, and property located within the current City limits will be taxed by the County at their prevailing rates.

According to the 2010 fiscal stress report, the average revenue capacity per capita among Virginia cities and counties is \$1,822.78.¹¹⁶ The County of Bedford has a revenue capacity per

¹¹¹ Settlement Agreement, Articles III and IV; The amount of the payment to the Town is anticipated to be no less than \$750,000, as the additional state aid for education is estimated to be between \$5.8 and \$6.3 million through FY2020. Per the terms of the proposed agreement, the payment to the Town is reduced only if the additional state aid to the County drops below \$4 million. See Joint Notice, Exhibit 1, p. 30 for estimates of state aid payments.

¹¹² Settlement Agreement, Section 5.2.

¹¹³ Joint Notice, Tab "Best Interest of the Parties," p. 37.

¹¹⁴ Revenue capacity per capita measures how much tax revenue a locality could collect per person from its base if it used statewide average rates. A locality's revenue effort is computed as its own-source revenue collections divided by its revenue capacity. A jurisdiction's median household income represents the point at which half of households earn a higher income and the other half earns a lower income.

¹¹⁵ The fiscal stress index illustrates a locality's ability to generate additional local revenues from its current tax base relative to the rest of the Commonwealth.

¹¹⁶ FY 2010 Fiscal Stress Report, p. 11. See Appendix F for more information.

capita of \$2,012.70.¹¹⁷ The City of Bedford has a revenue capacity per capita of \$1,335.57.¹¹⁸ The City's figure indicates that the County's score should decrease after reversion. When property within the City limits is taxed by the County, the new revenue capacity per capita figure becomes \$1,956.42.¹¹⁹ As expected, the County will have a higher stress score for revenue capacity per capita after reversion.

The 2010 fiscal stress report also indicates that the average revenue effort among cities and counties in the Commonwealth is 0.9093.¹²⁰ The County has a revenue effort of 53.80%. In other words, the County is collecting 53.80% of its capacity from its residents.¹²¹ Revenue capacity is the denominator in the revenue effort calculation, so its decline indicates that revenue effort will increase after reversion. This is indeed the case, as the new revenue effort is calculated to increase to 55.31%.¹²² These calculations indicate that the County will experience a modest increase in its fiscal stress score after the reversion.

The average of median household incomes among Virginia's cities and counties in 2010 was \$49,342.¹²³ For purposes of this analysis, a figure for median household income must be estimated. To simplify the estimate, a weighted-average based upon population can be used. According to information gathered for the 2010 fiscal stress index, \$53,003 represents median household income for the 68,676 residents of Bedford County.¹²⁴ The same dataset shows that \$34,485 was the median figure for the 6,222 residents of the City of Bedford in the same year.¹²⁵ A weighted average based upon population would be \$51,465 for Bedford County after reversion.¹²⁶

The fiscal stress score for Bedford County was 156.75, according to the 2010 index.¹²⁷ That score gives the County a stress rank of 104 out of the 134 cities and counties in the Commonwealth.¹²⁸ The change in the individual factors indicates that the overall fiscal stress score of the County should increase, but not significantly. After reversion, the new fiscal stress score for the County is computed as 157.90, which would rank as 102 of the 133 cities and counties in the Commonwealth – between the Counties of Botetourt and Isle of Wight.¹²⁹ This ranking is consistent with fiscal stress rankings computed for the County in the last five reports

¹¹⁷ *Ibid.*, p. 12.

¹¹⁸ *Ibid.*, p. 13.

¹¹⁹ See Appendix E, Table 1.

¹²⁰ *FY 2010 Fiscal Stress Report*, p. 16.

¹²¹ *Ibid.*, p. 17.

¹²² See Appendix E, Table 2.

¹²³ *FY 2010 Fiscal Stress Report*, p. 21.

¹²⁴ *Ibid.*, p. 22.

¹²⁵ *Ibid.*, p. 23.

¹²⁶ See Appendix E, Table 3.

¹²⁷ *FY 2010 Fiscal Stress Report*, p. 3.

¹²⁸ *Ibid.*, p. 6-8.

¹²⁹ See Appendix E, Table 4.

(as low as 104 in 2010 and as high as 92 in 2007). Even though its fiscal stress standing in Virginia would decline slightly after reversion, the County would still be classified as experiencing “below average” fiscal stress.

Additional Provisions. Aside from the fiscal impact of the agreement discussed previously, there are additional terms that are in the best interest of Bedford County. First, the proposed consolidation and interconnection of the City and County PSA utility systems will result in a more cost-effective and reliable source of water.¹³⁰ Next, the agreement provides the County with fee-simple ownership of properties currently owned by the City that the County will need in order to deliver services.¹³¹ Third, the City has agreed that the new Town will temporarily lease the Bedford Middle School building to the County, providing time for the County to plan for a replacement facility.¹³²

Further, the agreement contains a provision that the new Town’s right to initiate any annexation proceeding not provided for in the agreement is waived for a period of up to 15 years.¹³³ This provision, coupled with the terms of the proposed agreement that provide for boundary adjustments under specified circumstances, will serve to inform the public as to where growth and development are anticipated to occur in the foreseeable future and to promote orderly development in appropriate urbanizing areas.

In addition, the Code of Virginia prohibits any city that has reverted to town status from re-obtaining city status in the future.¹³⁴ This provides assurance to Bedford County that the Town will remain a constituent element of the County.

Summary. Beyond the immediate fiscal impact of the proposed reversion and annexation, there are other significant long-term benefits that Bedford County will enjoy. Such benefits include the more efficient use of public resources, elimination of undesirable competition among separate units of government, and an enhanced ability to engage in long-range planning efforts for the future development of the entire community. Further, to the extent that the reversion will enhance the fiscal viability of the Town of Bedford, the overall economy of the enlarged Bedford County will be strengthened.

The transition of the City of Bedford to town status, as called for in the settlement agreement proposed by the City and County, provides an opportunity to reintegrate two adjoining and historically close jurisdictions, and the utilization of a voluntary settlement agreement ensures that the County’s interests are protected throughout the reversion. Moreover, our review of

¹³⁰ Settlement Agreement, Section 6.2 and Exhibit 7; and Joint Notice, Tab “Best Interest of the Parties,” pp. 50-51.

¹³¹ Settlement Agreement, Article III.

¹³² Ibid., Section 5.2.

¹³³ Ibid., Article XI.

¹³⁴ Sec. 15.2-4113, Code of Va.

the current and prospective fiscal status of the County indicates that the proposed reversion will have only a moderate impact on the County. In sum, we find the proposed agreement to be in the best interest of Bedford County.

Interests of the Areas Proposed for Annexation

Community of Interest

One of the factors appropriate for consideration in the analysis of proposed voluntary settlement agreements is the strength of the community of interest that joins the area proposed for annexation to the adjacent municipality. In this case, the evidence suggests that there exists a significant degree of interdependence between the areas proposed for annexation, especially those areas designated for immediate annexation, also known as “Phase I Areas.” First, the Town is the source of public utilities to that area, and, in exchange for providing such utilities, the County agreed in 1998 to share with the City some of the revenue generated in that area.¹³⁵ The proposed voluntary settlement agreement would nullify that revenue sharing program.¹³⁶ Next, located within current City limits, is the volunteer fire department which serves both the existing City and the proposed annexation areas.¹³⁷ Further, the City police department currently responds to emergency calls for service within that area as needed.¹³⁸

Second, the evidence reveals that the City of Bedford is a major focal point of commercial activity serving the area proposed for annexation and the general environs. In this regard, we note that, during 2011, taxable sales in the City were 18.76% of the sales occurring in the City and County combined, whereas only 8.3% of the 2010 population of the two jurisdictions lived in the City.¹³⁹ It is reasonable to infer that the City’s commercial establishments serve to a substantial extent the needs of residents and businesses in the areas adjacent to the municipality.

Third, the presence of Bedford County’s seat of government within the City limits, along with the many contracted County services provided to City residents, signify the relationship between the municipality and its nearby residents. Examples of those services and facilities have included social services, schools, libraries, courts, and certain constitutional officers. This concentration of facilities and services provided contributes to the community of interest which ties the City to its adjacent areas.

¹³⁵ Joint Notice, Tab “Best Interest of the Parties,” pp. 14-15.

¹³⁶ Settlement Agreement, Section 13.2.

¹³⁷ Joint Notice, Tab “Best Interest of the Parties,” p. 61.

¹³⁸ Ibid., pp. 60-61.

¹³⁹ “Taxable Sales Reports,” Weldon Cooper Center for Public Service, University of Virginia, accessed June 18, 2011, <http://www.coopercenter.org/node/1160>; and U.S. Department of Commerce, Bureau of the Census, 2010 Census, Summary File 1.

Finally, the immediate annexation area has an urban character and service needs, which more closely parallel those of the City rather than those of the outlying portions of the County. With respect to the nature of those areas, they are essentially extensions of development patterns originating within the City.

For the reasons cited above, the Commission finds that the area proposed for annexation has a strong relationship with the existing City of Bedford, comprising a noteworthy community of interest.

Need for Urban Services

The approximately 1,200 acres of territory subject to immediate annexation in conjunction with the reversion to town status are estimated to contain a population of 535 persons, giving the area, as noted previously, a population density of 285 persons per square mile. While approximately 40.1% of the Phase I Areas are currently vacant or in agricultural use, the area contains significant residential and commercial development. With respect to prospective future development, the agreement provisions intend to concentrate development in the central Bedford County area into the Phase II and III Areas.¹⁴⁰

Water and Sewer Service. The City of Bedford's water treatment plant, which draws water from Stoney Creek Reservoir, Big Otter River, and several wells, can treat 3 million gallons per day (GPD). Recent usage data indicates that the water system on average consumes about 900,000 GPD, or only 30% of its capacity. Regarding storage facilities, the City has four storage tanks which collectively hold about 4 million gallons of treated water. The water distribution system currently serves 3,181 customers, 71 of which are located within the immediate annexation area and an additional 460 in the Phase II and III Areas.¹⁴¹

The City also owns and operates a sewage collection system that serves 2,575 customers, an estimated 150 of which are located within the immediate annexation area, with about 50 in the Phase II and III Areas. Sewage collected by the City's system is treated at the wastewater treatment plant, which has a rated capacity of 2 million GPD. The plant currently treats an average daily flow of 920,000 MGD, less than half of its capacity.¹⁴²

As a result of the previously-discussed merger of utility systems, residents of areas that are annexed would enjoy reduced charges for water and sewer services because the City places a surcharge on its water and sewer rates for "out-of-town" connections.¹⁴³ However, this

¹⁴⁰ Settlement Agreement, Section 7.1.

¹⁴¹ Joint Notice, Tab "Best Interest of the Parties," pp. 46-47; and City Response, p. 12.

¹⁴² Joint Notice, Tab "Best Interest of the Parties," pp. 48-49; and Carter Glass, IV, Counsel for the City of Bedford, letter to staff of Commission on Local Government, May 7, 2012, p. 2.

¹⁴³ Joint Notice, Tab "Best Interest of the Parties," p. 88.

situation will only be temporary, as the draft terms of the previously-mentioned proposal to merge the two existing water and sewer systems provide up to ten years for the new joint public service authority (PSA) to adjust the current fee schedules so that customers of the merged entity would eventually all be charged the same amount.¹⁴⁴

Solid Waste Collection and Disposal. The City of Bedford provides weekly solid waste collection to its residents and businesses. The program is financed by user fees; however, this fee is less than the typical price charged for collection by private contractors outside of the City limits and includes the provision of additional services for residents, such as weekly collection of recyclables, monthly leaf and brush collection, and an annual debris pick-up. The City currently disposes of its refuse at the Region 2000 Landfill, which is located in Campbell County.¹⁴⁵

Bedford County does not provide any solid waste collection services to its residents and businesses. County residents can dispose of their household waste at one of 25 drop-off centers, four of which are within approximately three miles of the areas proposed for annexation.¹⁴⁶

Upon annexation, the Town will extend its solid waste collection and disposal services to the annexed area. Residents and businesses in those areas should benefit from the Town's solid waste collection service. The extension of the Town's solid waste collection services to newly-annexed areas will provide a convenience for residents who currently haul their solid waste to a County drop-off center. The general availability of publicly financed solid waste collection services promotes the use of that service, reduces the incidence of illegal disposal and has a beneficial effect on a community.

Planning, Zoning, and Subdivision Regulation. The City of Bedford conducts its public planning efforts with the assistance of a planning commission and guided by a comprehensive plan that was last revised in 2003, which is supported by a five-year capital improvements program. In addition, the City has adopted a unified development ordinance, which contains both zoning and subdivision controls.¹⁴⁷ These regulations specifically require the construction of public streets with curbs, gutters, and sidewalks in new subdivisions.¹⁴⁸ At the present time, the City has a staff of three to assist in the administration and management of its planning and land development controls.¹⁴⁹

¹⁴⁴ Settlement Agreement, Exhibit 7, Item 6.

¹⁴⁵ Joint Notice, Tab "Best Interest of the Parties," pp. 51-52; and County Response, p. 8.

¹⁴⁶ County Response, p. 7-8.

¹⁴⁷ Joint Notice, Tab "Best Interest of the Parties," pp. 54-55.

¹⁴⁸ City of Bedford, Land Development Regulations, Section 1301.02.

¹⁴⁹ City Response, p. 8.

Bedford County also utilizes a planning commission and a comprehensive plan in its efforts to guide its development.¹⁵⁰ The County's current comprehensive plan, which was last updated in 2007, is also supplemented with a five-year capital improvements plan, although it has not received regular updates and was last updated in 2008.¹⁵¹ The County also administers zoning and subdivision ordinances to ensure orderly development, the latter of which contains provisions that prohibit the utilization of private streets in most subdivisions.¹⁵² However, unlike the City, in most instances, the installation of curbs, gutters, and sidewalks is optional within new single-family subdivisions.¹⁵³ Bedford County currently maintains a staff of 11 persons for the management and implementation of its various planning and development control activities.¹⁵⁴

Following the effective date of the annexation, the Town will extend its planning and development controls to the annexed area. The application of the Town's municipal policies, which are designed to address the needs of urban and urbanizing areas, should result in a more consistent and comprehensive approach to managing future growth and in protecting the distinctive features of the Town.

The two parties have identified several planning and development issues that are addressed in the settlement agreement. First, the City has agreed to amend its zoning ordinance to reduce the minimum area of its least-intense residential zoning district (R-1, Single-Family Residential) so that it will be consistent with the minimum lot size of the County's corresponding zoning districts.¹⁵⁵ Second, the County has agreed to amend its subdivision ordinance, so that all new subdivisions within the Phase II and III Areas will be constructed with curb and gutter, sidewalks, and streetlights.¹⁵⁶ Third, the parties have agreed that urban and suburban growth in the central area of Bedford County should be concentrated within the Town and Phase II and III Areas, which will be incorporated into each entity's comprehensive plan. Finally, the City has agreed to adopt the County's use value assessment and taxation policies, which will assist in the preservation of agricultural properties located in the potential boundary adjustment areas.¹⁵⁷ These provisions will ensure that the development of the Phase II and III Areas is consistent

¹⁵⁰ Bedford County, Code of the County of Bedford, Appendix A, Sections 30-8 and 30-8-1.

¹⁵¹ Bedford County, Bedford County 2025 Comprehensive Plan; and County Response, Exhibit 1.

¹⁵² County Response, pp. 2 and 5. Private roads are prohibited in most subdivisions; however, some exceptions are made, such as for family subdivisions or townhouse developments.

¹⁵³ Bedford County, Code of the County of Bedford, Appendix B, Sections 6.7, 6.24 and 6.25. The subdivision ordinance adopts the Virginia Department of Transportation's design standards by reference, which do not mandate curb, gutter, or sidewalk for all new streets. The subdivision ordinance does require such improvements in higher density residential developments.

¹⁵⁴ County Response, p. 5.

¹⁵⁵ Settlement Agreement, Article 7. The City's R-1 district currently has a minimum lot size of 15,000 square feet, if the lot has water and sewer connections. Similar zoning districts in Bedford County, such as its R-1, Low-Density Residential District, have a minimum lot size of 10,000 square feet. The City has agreed to reduce the minimum lot size in its R-1 district from 15,000 to 10,000 square feet.

¹⁵⁶ Ibid., The agreement provides that family subdivisions and minor subdivisions could be exempted from this requirement.

¹⁵⁷ Ibid.

with the development that occurs within the adjacent Town, while simultaneously discouraging scattered development in the central part of the County and preserving agricultural land.

Crime Prevention and Detection. Since the law enforcement activities of Virginia towns supplement those provided by a county's Sheriff's department, the proposed annexation by the newly-reverted Town of Bedford will have the effect of providing additional and more intensive law enforcement services in the area annexed. The current City of Bedford has 24 full-time, sworn law enforcement employees, 13 of whom are assigned to patrol responsibility.¹⁵⁸ This staffing level is sufficient to give the City one patrol officer for every 479 residents. With respect to patrol activity, the City maintains officers on its streets 24-hours per day, with a minimum of two officers on duty at all times, which means that the geographic intensity of patrol is equivalent to one officer for every 3.4 square miles of territory.¹⁵⁹ Another measure of the intensity and adequacy of patrol service in a locality is the number of "calls for service" borne by each law enforcement position. The data indicate that, during calendar year 2011, each patrol officer in the City was responsible for an average of about 485 calls for service. With the level of staffing and incidence of activity requiring police response, the police department has an average response time of less than three minutes.¹⁶⁰

The Bedford County Sheriff's office, which is headquartered just outside of the City of Bedford, has primary law enforcement responsibility for areas outside of the City, although the County Sheriff also serves the existing City.¹⁶¹ The Office has 78 full-time employees assigned to law enforcement, 31 of whom are dedicated to patrol activity. Therefore, the County (exclusive of the existing City) has one patrol deputy for every 1,947 residents, or one for every 24.3 square miles. During 2011, the Sheriff's office responded to 40,241 calls for service, or 1,298 per patrol deputy.¹⁶²

The Police Department has estimated that the annexation of new territory would result in about 2,500 additional calls for service, or an increase in its current demand by 40%. Although this is a significant increase in demand for police services, the Department has indicated that it is adequately staffed to absorb the additional demand and intends to continue monitoring its needs post-annexation.¹⁶³ Despite the increased demands caused by annexation, the annexed area will benefit from an improved level of service, thus providing relief to the County Sheriff's office.

¹⁵⁸ Joint Notice, p. 57.

¹⁵⁹ City Response, p. 14.

¹⁶⁰ Joint Notice, pp. 60-61.

¹⁶¹ "Bedford County Sheriff's Office Facility," Bedford County Sheriff's Office, accessed June 21, 2012, <http://www.bedfordcountysheriff.org/2008/Facility.asp>; and "Former Second Class Cities in Virginia," Commission on Local Government, accessed June 21, 2012, <http://www.dhcd.virginia.gov/CommissiononLocalGovernment/PDFs/second.class.cities.pdf>.

¹⁶² County Response, p. 9.

¹⁶³ City Response, pp. 14-15.

Public Works. The proposed annexation will result in the application of the Town’s policies and procedures for the construction and maintenance of various public works in the annexed areas. The newly-reverted Town of Bedford’s policies and procedures are, in our view, properly designed to meet the needs of urbanizing areas and should be increasingly beneficial to the residents and businesses incorporated into the Town.

First, the Town of Bedford will assume responsibility for the construction and maintenance of roads in the annexed area, including snow removal and right-of-way maintenance. The ability of the Town to schedule and administer the maintenance of its public thoroughfares, as well as its demonstrated willingness to appropriate and expend local funds for that purpose, will, in our judgment, benefit the annexed area. With respect to the latter point, the data indicate that between FY2008 and FY2010, the City of Bedford expended approximately \$680,663 in addition to its state aid allotment to improve and maintain approximately 95.62 lane-miles of public roadway within its corporate limits.¹⁶⁴ The proposed immediate annexation will bring into the Town limits an additional 2.13 lane-miles of roadway eligible for State maintenance payments, and the additional maintenance cost to the Town is estimated to be \$26,050 annually.¹⁶⁵

Second, the City provides street lighting through its municipally-owned electric utility. At the present time, there are approximately 978 publicly funded streetlights within the City’s boundaries. Bedford considers requests from its citizens for additional streetlights, and, where deemed appropriate, will install and operate new lights. Following the annexation of the Phase I Area, the City has estimated that approximately 18 new streetlights will be installed in that area, as the County does not provide streetlights along its public roadways.¹⁶⁶ Further, the City requires streetlights to be installed in all new subdivisions, whereas the County does not have a similar policy.¹⁶⁷ These facilities contribute to public safety and can be a factor in crime prevention and will be continued by the new Town. In our judgment, the areas proposed for annexation will benefit from the application of the new Town’s policies regarding the installation and operation of these facilities.

Fire Protection. With respect to fire protection services, the Bedford Volunteer Fire Department (VFD) is part of the City government, and receives some financial assistance from the County. The Bedford VFD currently serves the City and surrounding areas of Bedford

¹⁶⁴ “Weldon Cooper Public Highway Survey,” Virginia Department of Transportation, Local Assistance Division, accessed June 21, 2012, <http://www.virginiadot.org/business/local-assistance-programs.asp>. The City is not responsible for the 13.52 lane-miles of US 460 that are within the corporate limits and maintained by VDOT. Between FY2008 and FY2010, the City reported \$3,845,352 in expenditures for the upkeep of its streets and highways, and, during the same period, \$3,164,689 in maintenance payments were received from the Commonwealth.

¹⁶⁵ *Joint Notice*, pp. 68 and 89. The Town will also not be responsible for an additional 6.52 lane-miles of US 460 that are in the Phase I Area.

¹⁶⁶ *Ibid.*, pp. 68-69.

¹⁶⁷ City of Bedford, *Land Development Regulations*, Section 1302.06; and Bedford County, *Code of the County of Bedford*, Appendix B, Section 6.19. The County only requires streetlights in multi-family and townhouse developments.

County, including all of the areas proposed for annexation; therefore, no change in service level is anticipated.¹⁶⁸ The fire suppression capabilities of the Bedford VFD and the municipal water system are such that properties located in the municipality, as well as those in portions of the areas proposed for annexation which are located within 1,000 feet of a fire hydrant, are classified “5” by the Insurance Services Office (ISO) in terms of their exposure to fire loss. Other properties in the areas proposed for annexation that are situated more distant from a fire hydrant have an ISO classification on “9.”¹⁶⁹ The integration of the utility systems, accompanied by additional fire hydrants that are installed as growth occurs in the annexation areas, should result in an improved ISO classification for the affected properties.

Summary of Service Needs

In the preceding sections of this report, the Commission has endeavored to examine the existing and prospective urban service needs of the areas proposed for annexation and the ability of the reverted Town of Bedford to meet those needs. On the basis of the data cited above, the Commission finds that the areas proposed for immediate and future annexation will benefit from the extension of Town services and policies as well as the provisions of the agreement. Further, the prospective Town is capable, in our judgment, of meeting the future needs of those areas as they develop.

Interests of the Commonwealth

The Commission notes that the proposed City of Bedford – County of Bedford agreement is the product of negotiations conducted under a State-established process that encourages the negotiated settlement of interlocal issues. By the establishment of this negotiation process, the State has expressed its desire for local governments to affect a resolution of their interlocal concerns within parameters established by law. This agreement, which constitutes a locally effected reconciliation of the needs and interests of the City and County, is consistent with the interest of the Commonwealth in the promotion of negotiated settlements.

The principal interest of the State in the resolution of this and all interlocal issues subject to the Commission’s review is the preservation and promotion of the viability of the affected localities. From our perspective, the proposed agreement between the City of Bedford and Bedford County would promote the viability of the two jurisdictions. As previous sections of this report have indicated, the provisions in the settlement agreement that facilitate the transition of the City of Bedford to town status and the expansion of the resulting Town’s boundaries will enhance the fiscal well-being of that municipality. In addition, the components

¹⁶⁸ *Joint Notice*, pp. 29, 61-62, and 64.

¹⁶⁹ Carter Glass, IV, Counsel for the City of Bedford, letter to staff of Commission on Local Government, May 7, 2012, p. 2; and Carl Boggess, Bedford County Attorney, email to Commission staff dated May 22, 2012.

of the proposed agreement set forth terms and conditions that address the concerns of the County resulting from the City's reversion. Clearly, those provisions can be cited as in support of the State's interest.

Additional confirmation of the general interest of the State in encouraging the transition of cities to town status can be gleaned from actions of the General Assembly. As noted previously, since 1982, the Appropriation Act has included language to provide that the State increase its basic aid payments to local governments which have consolidated or which have consolidated their school divisions.¹⁷⁰ In addition, the Code of Virginia precludes any reduction in State assistance to the affected jurisdictions for any function or activity as a result of local government consolidation, including city reversion to town status.

Based on the considerations mentioned above, we find the proposed agreement to be in the best interest of the Commonwealth.

FINDINGS AND RECOMMENDATIONS

In the preceding sections of this report, the Commission has reviewed a proposed voluntary settlement agreement negotiated by the City of Bedford and Bedford County addressing the interests of the two jurisdictions. Based upon that review, we find that the agreement promotes the viability of both local governments and is consistent with the best interests of the Commonwealth. Accordingly, we recommend the court's approval of the agreement. While finding the agreement to be in the best interest of the two jurisdictions and the State, there are two issues which we are obliged to address.

First, while the Commission recognizes that the Utility Consolidation Agreement that is contemplated in the proposed voluntary settlement agreement will not be finalized by the July 1, 2012 date stated in the proposed agreement, the Commission strongly encourages the City of Bedford and Bedford County to develop and execute the utility consolidation agreement without delay and, accordingly, to amend the voluntary settlement agreement to provide for a reasonable but short new deadline for definite action.

The Commission believes that the utility consolidation agreement is critical not only to the efficient provision of water and sewer services to residents, businesses and industries located in both jurisdictions but also to the success of long-term planning efforts relating to the development that will occur in the future in both jurisdictions. The Commission commends the

¹⁷⁰ Acts 1982, Chapter 684, Item 173 (A)(4).

City and County for recognizing the importance of taking into consideration the long-term interconnectivity needs of the entire county in the “Principles Governing the Creation of the Bedford Regional Utility Authority,” which have been agreed to by both parties and included as Exhibit 7 to the proposed voluntary settlement agreement. However, the Commission observes that, while necessary to the consolidation of the two utility systems, such interconnection may encourage development outside of the areas designated for growth, and the governing bodies may wish to expand the stated principles in order to address the balance between interconnectivity needs and interconnectivity policies that could unintentionally encourage sprawling development.

Next, Section 9.2 of the proposed voluntary agreement provides in part that “[s]ubsequent to the effective date of this Agreement, the boundaries of the Town may be adjusted to incorporate all or any portions of the Phase II Boundary Adjustment Areas that are contiguous to the existing Town boundary, if each non-contiguous area designated by the Town for a boundary adjustment consists of parcels of land that have an average size of three acres or less based on recorded subdivision plats or deeds. An example of a boundary adjustment that would meet such requirements is described on the attached Exhibit 13.”

Exhibit 13 provides that “[a]n area in the Phase II Boundary Adjustment Areas designated for a boundary adjustment by the Town would be eligible for incorporation prior to the automatic boundary adjustment occurring ten years after the Phase I Boundary Adjustment, if it is contiguous to the existing Town boundary and if it consists of parcels of land that have an average size of three acres or less based on subdivision plats or deeds recorded after the effective date of Town status.”

The Commission understands – based on supplemental information that was requested by the Commission and provided by the City of Bedford – that Section 9.2 of the agreement “is intended to permit the new Town to incorporate portions of the Phase II territory if they meet the density requirement, but only if such designated areas are physically adjacent to, or touching, the existing Town boundaries. However, Section 9.2 contains other language related to the determination of whether the areas designated for a boundary adjustment have parcels of land with an average size of three acres or less. If multiple areas are designated for a boundary adjustment, and *if those areas are physically separated from each other*, then each separate area must satisfy the three-acre density requirement.”¹⁷¹

The Commission is concerned that the reference to each “*non-contiguous*” area in Section 9.2 of the proposed agreement as written and without the benefit of the supplemental explanation

¹⁷¹ [City Response](#), p. 4.

provided by the City may cause confusion in the interpretation of the requirement that an area designated for a boundary adjustment must be contiguous to the existing Town boundaries. Therefore, the Commission suggests that the language in Section 9.2 of the agreement be amended to clarify that, while all areas designated for a boundary adjustment must be contiguous to the existing Town boundaries, when multiple areas are designated that are contiguous to the Town but are not contiguous to each other, the density requirement will apply to each area.

In addition, Exhibit 13 also provides an example of an area designated by the Town that would satisfy the criteria for a Phase II boundary adjustment. The last sentence in the example states that “[h]ence, the designated area satisfies the eligibility criteria, because 75 acres meet the lot size requirement and 25 acres meet to public utility requirement.” The City has acknowledged that this criterion is outdated and not part of the proposed agreement that was submitted to the Commission for review.¹⁷² Accordingly, the Commission recommends that this language be amended for accuracy and in order to avoid undue confusion among the public.

¹⁷² *Ibid.*, pp. 4-5.

CONCLUDING COMMENT

The Commission on Local Government acknowledges the considerable effort devoted by officials of the City of Bedford and Bedford County to negotiate the agreement before us. The agreement reflects a notable commitment by the leadership of both jurisdictions to address in a collaborative fashion the concerns of their localities and the needs of their residents. We commend the officials of the two jurisdictions for their public leadership, for the interlocal agreement which they have negotiated, and for putting the needs of their citizens ahead of personal and political gain.

Respectfully submitted,

/s/
Cole Hendrix, Chairman

/s/
John G. Kines, Jr., Vice Chairman

/s/
Harold H. Bannister, Jr.

/s/
Wanda C. Wingo

/s/
John T. Stirrup, Jr.

Appendix A: Voluntary Settlement Agreement

**VOLUNTARY SETTLEMENT OF TRANSITION TO TOWN STATUS AND
OTHER RELATED ISSUES BETWEEN
THE CITY OF BEDFORD AND THE COUNTY OF BEDFORD**

**AUTHORIZED BY
THE BEDFORD CITY COUNCIL
AND
THE BEDFORD COUNTY BOARD OF SUPERVISORS**

SEPTEMBER 14, 2011

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EXHIBITS

EXHIBITS

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2. Tax Map Depicting Bedford Elementary School Property To Be Conveyed To Bedford County
3. Tax Map Depicting Bedford Central Library Property To Be Conveyed To Bedford County
4. Tax Map Depicting Bedford Welcome Center Property To Be Conveyed To Bedford County
5. Determination of County Payments to Town
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**VOLUNTARY SETTLEMENT OF TRANSITION TO TOWN STATUS AND
OTHER RELATED ISSUES BETWEEN
THE CITY OF BEDFORD AND THE COUNTY OF BEDFORD**

This Agreement is made and entered into this 14th day of September, 2011, by and between the **CITY OF BEDFORD, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City"), and the **COUNTY OF BEDFORD, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County") (together, the "Parties"), pursuant to Title 15.2, Chapter 34 (§ 15.2-3400 et seq.) and Chapter 41 (§ 15.2- 4100 et seq.) of the Code of Virginia (1950), as amended (the "Code").

WHEREAS, the City and the County have studied the feasibility of a partial consolidation of their two political subdivisions by means of a transition of the City to a town located within and constituting part of the County; and

WHEREAS, the City and the County have concluded that such a transition of the City to town status will provide long-term benefits for the citizens of their communities including, among others, (i) increased opportunities for more efficient delivery of needed services, (ii) expanded cooperation in pursuing economic development and employment for the City/County region, (iii) substantial financial incentives offered by the Commonwealth for the implementation of such a partial consolidation, (iv) simplified boundary adjustments for the new town, and (v) the creation of a new authority to operate water and sewer systems in the City and County that may increase the availability of such services and lower the capital expenses for the operation of such systems; and

WHEREAS, the City seeks to establish a traditional town/county relationship

with the County, including the same rights, powers and responsibilities as are granted to existing towns by the Code of Virginia; and

WHEREAS, the transition of the City to town status within the County would further the interest of the State in promoting strong and viable units of local government; and

WHEREAS, the City and the County have reached this Agreement, pursuant to Title 15.2, Chapter 34 and Chapter 41 of the Virginia Code, providing for the transition of the City to town status, the allocation of governmental services following that change in governmental structure, the transfer of certain properties, the sharing of certain revenues, the adjustment of the boundaries of the Town, and for other matters; and

WHEREAS, the provisions of this Agreement are deemed by the parties to be in the best interests of the City, the County, their respective residents, and the Commonwealth of Virginia;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS

The Parties hereto agree that the following words, terms, and abbreviations as used in this Agreement shall have the following defined meanings, unless the context clearly provides otherwise:

Section 1.1 City. "City" shall mean the City of Bedford, Virginia.

Section 1.2 Town. "Town" shall mean the new Town of Bedford, Virginia.

Section 1.3 Code. "Code" shall mean the Code of Virginia of 1950, as amended.

Section 1.4 Commission "Commission" shall mean the Commission on Local Government.

Section 1.5 County. "County" shall mean the County of Bedford, Virginia.

Section 1.6 Special Court. "Special Court" shall mean the special three-judge Court appointed by the Supreme Court of Virginia pursuant to Title 15.2, Chapter 30, § 15.2-3000 of the Code.

Section 1.7 Section. "Section" refers to parts of this Agreement unless the context indicates that the reference is to parts of the Code.

Section 1.8 Agreement. "Agreement," as used herein, shall mean this Voluntary Settlement Agreement between the City and the County reached pursuant to Title 15. 2, Chapter 34, Voluntary Settlements, §15.2-3400, *et seq.*, of the Code.

Section 1.9 Applicability. The terms defined in this Article shall be applicable to all exhibits to this Voluntary Settlement Agreement.

ARTICLE II

TRANSITION TO TOWN STATUS

Section 2.1 General. Upon the date specified in Section 13.9, the City of Bedford shall make a transition from an independent city to a town located within and constituting part of Bedford County. The Town shall possess all powers and have such authority as granted by general law to other towns in the Commonwealth and such other powers and authority as granted by charter or other special acts of the General Assembly. Until a new charter is granted by the General Assembly, the present City charter shall be conformed to a town charter by the Special Court, pursuant to Section 15.2-4112 of the Virginia Code. The conformed town charter shall retain the same grants of authority contained in the present City charter, except as modified in this Agreement.

ARTICLE III

LIABILITIES AND ASSETS OF THE CITY

Section 3.1 General Disposition of Liabilities and Assets. Except as provided in this Agreement, the Town shall remain liable for all of the bonded indebtedness, current debts, obligations, and other liabilities it incurred as a City, and the title to all of the real and personal property of the City and all of the City's rights and privileges under any contract, and all of its books, records, papers and other things of value shall vest in and become the property of the Town.

Section 3.2 Transfer of Bedford Elementary School. On the effective date of transition to town status, the City shall assign, transfer, and convey to the County, "as is" and without warranty, and the County agrees to accept and acquire from the City, the Bedford Elementary School, including the City's interests in all real and tangible personal property pursuant to the terms and conditions of this agreement. The conveyance shall be made by a deed substantially in the form attached hereto as Exhibit 1. The Bedford Elementary School includes a building, furnishings, equipment, and approximately 28 acres of land, as shown on the tax map attached as Exhibit 2. The County shall assume all liabilities accruing from and after the effective date of town status with respect to the ownership and operation of the Bedford Elementary School. Liabilities and obligations accruing prior to the effective date of town status shall be allocated between the City and the County in accordance with the provisions of the Agreement for Public Schools and Educational Programs, dated June 28, 1988. For example, the Town shall pay all bills for heating fuel, liquid propane gas, water,

sewerage and electricity used at the Bedford Elementary School prior to the effective date of transition to town status, but which were not billed until after the effective date of town status.

Section 3.3 Transfer of Bedford Central Library. On the effective date of transition to town status, the City shall assign, transfer, and convey to the County, “as is” and without warranty, and the County agrees to accept and acquire from the City, the Bedford Central Library including the City’s interests in all real and tangible personal property pursuant to the terms and conditions of this agreement. The conveyance shall be made by a deed substantially in the form attached hereto as Exhibit 1. The Bedford Central Library includes a building and approximately 2 acres of land, including an adjoining parking lot, as shown on the tax map attached as Exhibit 3. The City’s interests in the library collection and in all other tangible personal property at the Central Library shall be conveyed to the County. The County shall assume all liabilities accruing from and after the effective date of town status with respect to the ownership and operation of the Bedford Central Library.

Section 3.4 Transfer of City Interest in Bedford Welcome Center. On the effective date of transition to town status, the City shall assign, transfer, and convey “as is” and without warranty to the County, and the County agrees to accept and acquire from the City, the City’s interest in the Bedford Welcome Center including the City’s interests in all real and tangible personal property pursuant to the terms and conditions of this agreement. The conveyance shall be made by a deed substantially in the form attached hereto as Exhibit 1. The Bedford Welcome Center includes a building, furnishings and equipment, with the exception of exhibits owned by others, and

approximately 3 acres of land, as shown on the tax map attached as Exhibit 4. The County shall assume all liabilities accruing from and after the effective date of town status with respect to the ownership and operation of the Bedford Welcome Center.

ARTICLE IV

COUNTY PAYMENTS TO TOWN

Section 4.1 County Payments to Town. The Parties recognize that the General Assembly has provided financial incentives for the consolidation of Virginia localities, including temporary increases in state education funding for 15 years as provided in the 2010 Acts of Assembly, Chapter 874, Item 132, and in any subsequent Appropriation Acts (The "Incentive Payment"). In consideration of such financial incentives and the transfer of certain facilities to the County, and further in consideration of the fact that this incentive is part of the Appropriations Act, the County agrees to pay to the Town a guaranteed annual sum of \$500,000 for a period of 15 years. In any year in which the Incentive Payment is \$4,000,000 or greater, the County shall pay the Town the additional sum of \$250,000. If the Incentive Payment is less than \$4 million, the additional payment to the Town will be reduced by the following formula: the \$250,000 additional payment will be reduced by the same percentage by which the Incentive Payment is less than \$4 million. For example, if the Incentive Payment is \$3 million, the percentage decrease is 25%. A 25% percent decrease of \$250,000 is \$62,500, yielding \$187,500. The net payment to the Town would be \$500,000 plus \$187,000, or a total of \$687,500. The "Incentive Payment" shall be calculated by determining the amount of the payment for educational services made by the State to the County each year based on the special composite index established by the State Board of Education as provided in the 2010

Acts of Assembly, Chapter 874, Item 132, and in the subsequent Appropriation Acts, as such provision for a special composite index may be revised from time to time, less the payment that would have been made each year on the basis of the composite index calculated for the County using the standard method of computing such index figure as set forth in the Acts of Assembly, as such method may be revised from time to time. See Exhibit 5 for more information regarding the calculation of the additional payment. The County shall make the first payment by November 15 following the effective date of town status. It shall make subsequent payments by the fifteenth day of November of each calendar year.

Section 4.2 Obligations Subject to Appropriation. The County's obligation to make such payments for 15 years shall be subject to annual appropriations by the County Board of Supervisors of sufficient funds to meet such obligations. If the County decides not to appropriate funds in any year sufficient to satisfy such obligations, the Town shall have the option of requiring the County to convey to the Town fee simple ownership of the Bedford Welcome Center. In addition, if the County determines not to appropriate such funds, the Town shall have the right immediately to incorporate into the Town the Phase II and Phase III Boundary Adjustment Areas, as identified in Article VII of the Agreement. In that case, the Town may incorporate such areas by adoption of an ordinance and shall follow the procedures described in Articles IX and X. However, it shall not be necessary for the Town to meet the eligibility requirements set forth in Section 9.2 or Section 10.2. Instead, the Town shall be entitled to incorporate such Areas solely on the basis that the County declined to appropriate sufficient funds to satisfy the payment obligations described in this Section. Such

boundary adjustments shall be effective on the date specified in the Town's ordinance.

ARTICLE V

PUBLIC EDUCATION

Section 5.1 Dissolution of City School Division. On the effective date of transition to town status, the existing City of Bedford School Board shall cease to exist, and the Agreement for Public Schools and Educational Programs between the City and the County, dated June 28, 1988, shall terminate and have no further force and effect, except as provided herein. The County of Bedford School Board and its division superintendent shall exercise all the powers conferred and perform all the duties imposed upon them by general law and the State Board of Education to assure quality education for schoolchildren in the expanded area of the County including the Town of Bedford. The County shall be entitled to receive all state and federal educational aid attributable to schoolchildren within the Town after the effective date of transition to town status.

Section 5.2 Interim Use of City Middle School. The County intends to construct a new middle school facility within the Liberty High School attendance zone. Until this facility is operational, the County acknowledges its need to use the existing Bedford Middle School facility located at 503 Longwood Avenue. Beginning with the effective date of transition to Town status, the City agrees that it will lease to the County, and the County agrees to lease from the City, the Bedford Middle School facility for successive terms of one year for a maximum total period of up to six years, pursuant to the terms and conditions set forth in a definitive lease agreement, substantially in the form attached hereto as Exhibit 6. Unless the County gives written notice of

termination three months in advance of the end of each term, the lease shall automatically be renewed for an additional one-year term. The lease may be extended beyond six years if the Parties negotiate such an extension. The annual lease payments by the County for use of the Bedford Middle School shall be as follows:

Year 1:	\$120,000
Year 2:	\$120,000
Year 3:	\$120,000
Year 4:	\$450,000
Year 5:	\$450,000
Year 6:	\$750,000

The County's obligation to make such lease payments shall be subject to the annual appropriation of sufficient funds for that purpose. In the event the County declines to appropriate sufficient funds for an additional one-year term, the lease shall terminate at the end of the term for which the County has paid the required lease payments.

ARTICLE VI

OTHER PUBLIC SERVICES

Section 6.1 Allocation of Governmental Services. Upon the effective date of town status, the Parties agree that, except as modified by specific provisions below, the County shall provide to Town residents all services that the County is required by general or special law to provide to County residents. All services provided by the County shall be made available without discriminating against residents of the Town because they reside in the Town.

Section 6.2 Water and Sewer Services. The City and County agree that consolidation of the existing sewer and water utility systems in the two jurisdictions is critical to sound long-term planning of County and Town development. Both jurisdictions agree that a new joint water and sewer authority (the "Joint Authority") shall be created to

consolidate the water and sewer services provided by the City and the Bedford County Public Service Authority (the "County Authority").

The County and City immediately after initial approval of this Agreement, and beginning before or during the official review by the Commission on Local Government, shall commission studies necessary to complete the consolidation, and the parties shall develop a definitive agreement providing for the creation of the Joint Authority and for the transfer of all sewer and water utility systems (the "Utility Consolidation Agreement").

The consolidation of the two systems shall be accomplished based upon the guidelines set forth in Exhibit 7 attached to this Agreement and shall take place no later than one year after the effective date of reversion.

Until the Joint Authority is created and the assets of the two systems are consolidated, the City or Town and the Bedford County Public Services Authority shall continue to provide such water and sewer services to their respective customers.

The parties recognize that the County Authority as well as the City and County must enter into the Utility Consolidation Agreement in order to accomplish the consolidation of the two systems. If the Utility Consolidation Agreement has not been developed and executed by the City, County and County Authority by July 1, 2012, then the provisions of this Agreement concerning water and sewer services (paragraph 6.2), Phase II Boundary Adjustment (Article IX), and Phase III Boundary Adjustment (Article X) shall not become effective and such provisions shall be null and void except as to the boundary adjustment rights provided in Section 4.2.

Section 6.3 Tourism Program. The County will bear sole responsibility for operation of a tourism program for the entire County area, including the Town, following the effective date of transition to town status. However, the City agrees to provide funding of the program through June 30, 2015, based on the following schedule:

Fiscal Year 2010-2011:	\$115,000
Fiscal Year 2011-2012:	\$80,000
Fiscal Year 2012-2013:	60% of transient occupancy tax collected by the Town during the previous fiscal year
Fiscal Year 2013-2014:	60% of transient occupancy tax collected by the Town during the previous fiscal year
Fiscal Year 2014-2015:	60% of transient occupancy tax collected by the Town during the previous fiscal year

The Town funding shall be paid on a quarterly basis during each fiscal year following the effective date of town status. Any necessary additional operational funding shall be paid by the County during each of those fiscal years.

As provided in Section 3.4, the City shall transfer its entire interest in the Bedford Welcome Center to the County on the effective date of town status. In connection with the construction of the Bedford Welcome Center, the City issued certain bonds, and the Town shall remain liable for such indebtedness following the effective date of town status. However, the Welcome Center's construction escrow account shall be used to make all remaining debt payments until such funds have been depleted. In the event the escrow account is insufficient to pay all remaining liabilities, any such liabilities shall be paid equally by the Town and the County, which payments shall be in addition to contributions made by the Town and the County for other operating expenses of the program. The County's obligation to make such payments shall be subject to annual appropriations by the County of sufficient funds to satisfy its share of the obligations. In

the event the County declines to make such appropriations, the Town shall have no obligation to make any further contributions for any operational expenses of the program.

Section 6.4 Solid Waste Collection and Disposal. The City currently provides to its residents curbside pickup of solid waste, recycling services, and refuse disposal services. The County currently provides to its residents solid waste and recycling collection sites and refuse disposal services. The County agrees that the Town's individual residents, businesses, and institutions will have the same access to the County's current and any future landfill and recycling facilities and shall pay the same fees as other County residents of the same category for the use of such facilities. The Town shall have the right to deliver to the County's current and any future landfill for disposal or to any County recycling facility for recycling and disposal, all solid waste and recyclable materials that it collects from its residential customers within the boundaries of the Town without payment of any charge or fee, as long as the County continues its current policy of not requiring individual residents to pay any charge or fee for such disposal services. If the County imposes a disposal fee for such services, the fee shall apply uniformly to all County residents, including residents of the Town, and the County may require the Town to pay a disposal fee for solid waste and recyclable materials collected from its residential customers within the boundaries of the Town, as long as the fee is comparable to the fees imposed on individual County residents in terms of the quantity of solid waste or recyclable materials delivered to the County landfill or recycling facility.

Section 6.5 Dispatching Services. The County shall provide dispatching services serving law enforcement, fire, and rescue personnel for the County and the Town, and

the costs of such services shall be paid for by the County, subject to annual appropriations of sufficient funding to satisfy such obligations. However, the Town shall pay the costs of dispatching services directly attributable to calls for service in connection with the operations of the Town's Electric Department, which shall be based on the average cost per dispatching communication multiplied by the number of such communications related to the Electric Department. The average cost shall be based on total operating expenses for the County's communications center. Payment by the Town to the County shall be made on an annual basis. Upon the effective date of transition to town status, the joint dispatch center agreement, dated January 1, 1999, between the City and the County shall be automatically terminated, including the board of directors established therein. The City and the County are also parties to an Intergovernmental Agreement, dated May 1, 1996 ("Intergovernmental Agreement"), which created the Central Virginia Radio Communications Board to construct and operate a certain radio communications system to serve the fire, police, emergency and other communication needs of all participating localities. Such system is used in connection with the current joint communications center operated by the City and the County to provide dispatching services. The County shall assume and be responsible, upon and following the effective date of town status, for all financial and other obligations of the Town under the Intergovernmental Agreement.

Section 6.6 Building Code Enforcement and Zoning.

- A. Within the Town boundaries, the County shall enforce all State-mandated building

codes and the County's erosion and sediment control ordinance. The County shall issue all permits related to building codes and erosion and sediment control. The County shall also perform all inspections associated with such codes and regulations for those permits issued after the effective date of town status and shall collect permit fees specifically associated with such activities. The County's obligation to undertake such actions shall continue as long as the State imposes such requirements on localities. However, the Town shall retain the option to take over such functions with Town personnel at any time.

- B. The Town will exercise zoning authority within its boundaries as authorized by the Code of Virginia and will continue to collect permit fees specifically associated with such activities. No building permit or certificate of occupancy shall be granted for any use by the County within Town limits prior to Town certification of zoning approval.

Section 6.7 Fire Department Services. An existing fire services agreement, dated December 7, 1981, between the City and the County provides for contributions by the County to the City's fire department, and such agreement shall remain in effect until July 1, 2013. The County commits to have a revised funding policy in place for public fire safety agencies by April 15, 2013.

Section 6.8 Economic Development.

- A. The County Economic Development Authority will use its best efforts to market the central area of the County, including the Town, for economic development.
- B. When all existing debt of the Bedford Joint Economic Development Authority has been fully paid, the Town and the County will direct the Board of Directors

of the Bedford Joint Economic Development Authority to dissolve the Authority pursuant to Article Nine of the Bylaws of the Bedford Joint Economic Development Authority and the provisions of Virginia Code § 15.2-4914. The Town and the County will further direct the Board to transfer title of its property known as the Bedford Center for Business and all other assets and liabilities to the Bedford County Economic Development Authority.

Section 6.9 Recreation.

The City and County agree that a separate “area athletic association” will be created for the provision of youth sports to Town residents for as long as the County uses such athletic associations to provide youth athletic programs. The Town athletic association shall be funded by the County Parks and Recreation Department in the same manner as all other recreation and athletic associations in the County. The Town shall retain ownership of all recreational facilities and parks owned by the City.

Section 6.10 Library. On the effective date of the transition of the City to town status, the County shall assume responsibility for providing all funding for the operation of the Bedford Central Library, which shall be transferred to the County, as provided in Section 3.3. The Regional Library agreement, dated May 29, 1981, between the City and the County (the “Library Agreement”) shall be automatically terminated on the effective date of town status, including the Regional Library Board established therein, and shall have no further force or effect. The disposition of all real and tangible personal property shall be governed by Sections 3.3 and 6.10 of this Agreement and not by the dissolution provisions of the Library Agreement.

Section 6.11 Regional Jail. The City and the County are members of the Blue Ridge Regional Jail Authority (the “Jail Authority”). The County shall assume all liabilities of the City to the Jail Authority accruing from and after the effective date of the transition of the City to town status, including those liabilities arising under the Jail Authority Service Agreement, dated November 10, 1994, as amended. As of such effective date, all then-existing City inmates shall be deemed inmates of the County.

Section 6.12 Regional Juvenile Detention Home. The City and the County are parties to a juvenile detention home agreement, dated April 10, 1996 (the “Juvenile Home Agreement”), by which they use space at a juvenile detention home operated by the City of Lynchburg. The County shall assume all liabilities of the City accruing under the Juvenile Home Agreement from and after the effective date of the transition of the City to town status. As of such effective date, all juveniles deemed to be the responsibility of the City shall be deemed the responsibility of the County.

Section 6.13 Animal Shelter. The Town shall have the right to deliver to the County’s current and any future animal shelter all stray animals picked up by Town animal control personnel without payment of any charge or fee. The Animal Shelter Agreement dated 22 September 2004, between the City and the County, shall terminate on the effective date of town status.

ARTICLE VII ECONOMIC DEVELOPMENT AND GROWTH MANAGEMENT AREAS

Section 7.1 General.

- A The City Council and the Board of Supervisors are aware that there is a significant commercial and industrial base in the present City, and that after

transition to town status, it will be in the interest of both the County and the Town to plan for continued growth of the Town as one of the primary commercial and industrial areas of the County. The Parties intend to maintain the economic vitality of the Town and to provide for the orderly growth of the Town in conjunction with the County. Accordingly, the parties have agreed that certain economic development areas currently adjacent to the City boundaries shall become part of the Town of Bedford upon the transition of the City to town status. These areas are shown as "Phase I Boundary Adjustment Areas" on the map dated December 14, 2009, with a revision date of March 29, 2010, attached as Exhibit 8, and shall be incorporated into the Town as provided in Article VIII of the Agreement.

- B. Additional areas designated on said map as Phase II and Phase III Boundary Adjustment Areas shall constitute "Growth Management Areas." Within six months after the effective date of town status, the Parties shall incorporate into their respective comprehensive plans the provisions of this Agreement pertaining to the Phase II and Phase III Boundary Adjustment Areas.
- C. The Phase II Boundary Adjustment Areas are comprised of areas that are already developed in an urban fashion and additional areas which are likely to develop in the near future and which will all be incorporated into the Town boundaries no later than ten years after the effective date of town status.
- D. The Phase III Boundary Adjustment Areas are comprised of six possible urban or suburban development areas that may be incorporated into the Town limits

only if and when development occurs.

- E. The Parties intend that urban and suburban growth in the central part of the County should be concentrated in the Town and in the Growth Management Areas.

Section 7.2 Zoning and Land Use.

- A. The City and the County agree that it is in their mutual interests to ensure that future development in the Phase II and Phase III Boundary Adjustment Areas is compatible with the density and quality of development within the current City.
- B. No later than the effective date of transition to town status, the County agrees to amend its zoning and subdivision ordinances to provide for an overlay district applicable to all zoning districts in the Phase II and Phase III Boundary Adjustment Areas. The overlay district shall provide that all major subdivisions of property recorded after the effective date of transition to town status must substantially comply with the same standards for streets, curb and gutter, sidewalks, and street lights as are applicable, as of December 31, 2010, under such County ordinances (i) to multifamily and townhouse developments and (ii) to developments with a density of greater than three units per acre. "Major subdivisions" shall include all subdivisions except for "family subdivisions" and "minor subdivisions" as currently defined in the County ordinances. A copy of such County development standards, as of December 31, 2010, is attached as Exhibit 9.
- C. Such provisions in County zoning and subdivision ordinances shall remain in

effect for all major subdivisions in the Growth Management Areas until different standards are approved by both the Board of Supervisors and the Town Council following receipt of recommendations from the planning commissions of the two jurisdictions. Upon the incorporation into the Town of any portion of the Phase II and Phase III Boundary Adjustment Areas, the zoning and subdivision ordinances of the Town shall apply to the development of all subdivisions within such areas.

- D. The City agrees to amend its R-1 zoning district provisions to change the minimum lot size to 10,000 square feet no later than the effective date of transition to town status and shall retain such minimum lot size for ten years.
- E. Promptly following its transition to town status, the City agrees that the Town will adopt the same use value assessment and taxation ordinance as the County which will be applicable to areas within the then existing Town and in any area that subsequently is incorporated into its boundaries.

ARTICLE VIII

PHASE I BOUNDARY ADJUSTMENT

Section 8.1 Phase I Boundary Adjustment Areas. The Town boundary shall be adjusted to incorporate areas of the County collectively referred to as the "Phase I Boundary Adjustment Areas." The Phase I Boundary Adjustment Areas are depicted on the map dated December 14, 2009, with a revision date of March 29, 2010, attached as Exhibit 8, and are described by tax parcel on attached Exhibit 10. The general descriptions and tax parcel numbers of the Phase I Boundary Adjustment Areas are as follows:

- a) Oakwood Villas (110-A-17A)

- b) Old City Landfill property (130-A-2)
- c) Lynchburg Crane property (130-A-4)
- d) Greater Independence development proposal (130-A-4A)
- e) Route 460 East Revenue Sharing Area
- f) Area of Route 122 South adjacent to current City limits (146-A-46, 146-A-47, 146-A-48, 146-A-49, 146-A-88, 146-A-88A, 146-A-88D, 146B-1-1, 146B-1-2, 146B-1-3, 146B-1-3A, 146B-1-4, 146B-1-5A, 146B-4-6, 146B-1-7, 146B-1-8, 146B-1-9, 146B-1-10, and 146B-1-10A)
- g) Liberty Lake Park (146-A-89 and 146-A-88C)
- h) Harmony development proposal (128-A-32)
- i) Route 460 West Revenue Sharing Area south of railroad track
- j) Elks property (128-3-4, 128-A-50, 109-A-39A, 109-A-39, 128-A-50A, 128-A-50B)
- k) Parcels bounded by Lowry Street and current City limits
- l) Otey Street parcel (130-2-1)
- m) All "stranded" parcels bounded by Roberts Lane and Route 460 Bypass

Section 8.2 Effective Date of Phase I Boundary Adjustment. The Phase I Boundary Adjustment shall become effective on the date of transition to town status.

Section 8.3 Interim Zoning Classifications. The City agrees to amend its zoning ordinance to provide that, upon the effective date of the Phase I Boundary Adjustment, each tax parcel or parcel of land in the Phase I Boundary Adjustment Area shall be temporarily classified as part of the Town's zoning district that is

most comparable to the County's zoning district in which each such tax parcel was located immediately prior to the boundary adjustment. Based upon the existing City and County zoning districts, the most comparable districts are as follows:

COUNTY ZONING DISTRICT	CITY ZONING DISTRICT
R-1 Low Density Residential	R-1 Single Family Residential
R-2 Medium Density Residential R-3 Medium Density Multi-Family Residential	R-2 Medium Density Residential
Residential R-4 High Density Residential	R-3 High Density Residential
PRD Planned Residential Development	PRD Planned Residential Development
R-MH Manufactured Home Residential	R-1E Low Density Residential
NC Neighborhood Commercial	B-1 Limited Business
C-1 Office District C-2 General Commercial PCD Planned Commercial	B-2 General Business
I-1 Low-Intensity Industrial	CLI Commercial/Light Industrial
I-2 Higher-Intensity Industrial PID Planned Industrial	M-1 Manufacturing

Section 8.4 Affirmation or Rezoning of Interim Zoning Classifications.

Within six months after the effective date of the adjustment of the Town boundaries to include the Phase I Boundary Adjustment Areas, the Town shall either (i) affirm the zoning districts established pursuant to section 8.3, or (ii) reclassify one or more tax parcels in the Phase I Boundary Adjustment Areas to different zoning districts, as the Town may determine in its discretion.

Section 8.5 Extension of Municipal Services. Upon the effective date of the Phase I Boundary Adjustment, the Town shall extend its then-existing governmental

services (including, for example, police protection, solid waste collection, and zoning controls) to the Phase I Boundary Adjustment Areas on the same basis as such services are then, or may thereafter be, provided to areas within the Town's current corporate limits where like conditions exist. The Town shall also undertake the construction of such capital improvements as the Town Council determines, in its discretion, are needed to serve the Phase I Boundary Adjustment Areas in accordance with then existing policies, and at such times as the Town Council deems appropriate. The Special Court will have exclusive jurisdiction to hear any dispute between the Town and County with respect to the Town's compliance with the provisions of this Section and agree that the County has standing to pursue a declaratory judgment action with the Special Court to enforce the provisions of this Section.

ARTICLE IX

PHASE II BOUNDARY ADJUSTMENT

Section 9.1 Phase II Boundary Adjustment Areas. Subsequent to the transition to town status, the Town may adjust its boundaries to incorporate all or any portion of certain areas of the County, collectively referred to as "Phase II Boundary Adjustment Areas," in accordance with the requirements of this Article IX. The Town may not exercise this right, except as provided in Section 4.2 of this Agreement, unless and until the City or Town, the County, and the County Service Authority have executed an agreement providing for the consolidation of their water and sewer systems and the creation of the Joint Authority as described in Section 6.2 of this Agreement. The Phase II Boundary Adjustment Areas are depicted on the map dated December 14, 2009, with a revision date of March 29, 2010, attached as Exhibit 8, and are described by tax

parcels on attached Exhibit 11. The general descriptions and tax parcel numbers of the Phase II Boundary Adjustment Areas are as follows:

- a) Parcels adjacent to Stratford Drive plus the residue southward to the creek located on the Witt property (147-A-7B)
- b) Area bounded on west by Route 43, on north by APCO transmission line, and on east by Route 122
- c) Area bounded on northwest by Little Otter River, on east by current City limit (near Route 43), and on south by current City limit (north of railroad track)
- d) Area bounded on west by Route 122, on north and northeast by Little Otter River, and on south by railroad track
- e) Town and Country subdivision plus residue westward to creek on Woolfolk property (128-A-37)

However, those portions of the Phase II Boundary Adjustment Areas generally known as the Bison Printing property (Tax Parcel 109-A-45), the North Hills Subdivision, and the Town and Country Subdivision, as described on the attached Exhibit 16, shall not be eligible for incorporation into the Town in accordance with Sections 9.2, 9.3, 9.4, and 9.5 of this Agreement. Instead, such subdivisions shall be incorporated into the Town only in accordance with the requirements and procedures of Section 9.7 of this Agreement, except as provided in Section 4.2 of this Agreement.

Section 9.2 Partial Phase II Boundary Adjustment Subsequent to the effective date of this Agreement, the boundaries of the Town may be adjusted to incorporate all or any portions of the Phase II Boundary Adjustment Areas that are contiguous to the existing Town

boundary, if each non-contiguous area designated by the Town for a boundary adjustment consists of parcels of land that have an average size of three acres or less based on recorded subdivision plats or deeds. An example of a boundary adjustment that would meet such requirements is described on the attached Exhibit 13. The boundary adjustment will take place upon passage of an ordinance by a majority vote of the members of the Town Council. The Town may incorporate qualifying portions of the Phase II Boundary Adjustment Areas by the adoption of one or more ordinances following the effective date of this Agreement. Each boundary adjustment shall take effect on the date specified in the ordinance and shall not require a review by the Commission or action by any court.

Section 9.3 Provisions in the Boundary Adjustment Ordinance. A boundary adjustment ordinance adopted by the Town Council shall include (i) a metes and bounds description and survey plat of the area or areas to be incorporated into the Town, (ii) a general statement of the Town services to be provided in such area or areas and the capital improvements, if any, to be constructed therein, and (iii) the effective date of the boundary adjustment.

Section 9.4 Conditions Precedent to Boundary Adjustment by Ordinance. The Town may adopt any number of separate ordinances to incorporate portions of the Phase II Boundary Adjustment Areas at different times subsequent to the effective date of town status. However, the Town shall not pass any ordinance to adjust its boundary to incorporate any territory in the Phase II Boundary Adjustment Areas pursuant to Section 9.2 of this Agreement unless and until:

A. The Town provides the County written notice of its intent to adopt an

ordinance adjusting the Town boundary to incorporate any portion of the Phase II Boundary Adjustment Areas. Such notices shall be delivered at least 60 days prior to the adoption of the ordinance.

- B. The Town provides with the notice to the County (i) a metes and bounds description and survey plat of the area or areas to be incorporated into the Town and (ii) a written statement of the basis for the Town's determination that such area or areas meet the requirements in Article IX.
- C. The County gives notice to the Town within such 60-day notice period that it does not object to the boundary adjustment. If the County objects to the boundary adjustment, the County shall give written notice to the Town (i) detailing its reasons for objecting and (ii) stating why the County believes the proposed boundary adjustment is not in compliance with this Agreement. The Town agrees that it will not pass any boundary adjustment ordinance until such dispute between the Town and the County has been resolved.
- D. The Town and the County further agree that should the County give notice of its objection to the boundary adjustment, both the Town and the County shall have the standing to immediately initiate a declaratory judgment action with the Special Court appointed to affirm, validate and give full force and effect to this Agreement to determine if the proposed boundary adjustment is in accordance with this Agreement.
- E. The Town has held a public hearing on the proposed boundary adjustment ordinance prior to its adoption. Notice of the public hearing and the Town's intention to adopt the ordinance shall be published once a week for two

successive weeks in a newspaper having general circulation in the Town and the County. The notice shall include either the full text of the ordinance or a descriptive summary of the ordinance with a statement that a copy of the full ordinance is available for inspection in the office of the Town Manager.

Section 9.5 Effective Date of Boundary Adjustment by Ordinance. The effective date of any boundary adjustment that occurs pursuant to Section 9.2 of this Agreement shall be fixed or established in the boundary adjustment ordinance and shall be no sooner than 30 days after the date of adoption of such Ordinance.

Section 9.6 Certified Copies of Boundary Adjustment Ordinance. Following the adoption of the boundary adjustment ordinance, the Town shall file a certified copy of the ordinance with the Circuit Court of Bedford County, the Secretary of the Commonwealth, the State Corporation Commission, and the Department of Taxation of the Commonwealth of Virginia.

Section 9.7 Incorporation of Remaining Phase II Boundary Adjustment Areas. Any and all parcels in the Phase II Boundary Adjustment Areas that have not already become part of the Town pursuant to Section 9.2 shall automatically become part of the Town ten years after the effective date of the Phase I Boundary Adjustment, upon adoption of an ordinance providing for such incorporation of the remaining portions of the Phase II Boundary Adjustment Areas. In adopting the ordinance for this boundary adjustment, the Town shall not be required to satisfy the criteria set forth in Section 9.2. In the event, however, that public water and sewer rates in the Town and the County are equalized prior to the end of such ten-year period, all remaining parcels shall be incorporated into the Town on an earlier date prescribed

in an ordinance adopted by the Town, which shall be no sooner than 60 days after the date of adoption. Water and sewer rates shall be deemed to be equalized when the rates used to calculate monthly charges for public water and sewer service provided by the Town, the Bedford County Public Service Authority, and/or a new regional utility authority are identical for each category of customer within the Town and the County. The ordinance adopted by the Town to incorporate such remaining areas shall set forth the facts supporting a finding that the utility rates have been equalized. The Town shall not adopt any such ordinance to incorporate the remaining portions of the Phase II Boundary Adjustment Areas, pursuant to this Section 9.7, until notice of its intention to take such action has been published once a week for two successive weeks in a newspaper having general circulation in the Town and the County. The notice shall include either the full text of the ordinance or a descriptive summary of the ordinance with a statement that a copy of the full ordinance is available for inspection in the office of the Town Manager. However, the Town Council shall not be required to hold a public hearing prior to the adoption of the ordinance. The boundary adjustment of such remaining parcels in the Phase II Boundary Adjustment Areas shall take effect on the date specified in the ordinance and shall not require a review by the Commission or action by any court. However, the Town may not exercise the right to incorporate the Phase II Boundary Adjustment Areas in accordance with this Section 9.7 unless the City or Town, the County, and the County Service Authority have executed an agreement providing for the consolidation of their water and sewer systems and the creation of the Joint Authority as described in Section 6.2 of this Agreement.

Section 9.8. Extension of Municipal Services. Upon the effective date of any Phase II Boundary Adjustment, the Town shall extend its then-existing governmental services (including, for example, police protection, solid waste collection, and zoning controls) to the Phase II Boundary Adjustment Areas on the same basis as such services are then, or may thereafter be, provided to areas within the Town's current corporate limits where like conditions exist. The Town shall also undertake the construction of such capital improvements as the Town Council determines, in its discretion, are needed to serve the Phase II Boundary Adjustment Areas in accordance with then existing policies, and at such times as the Town Council deems appropriate. The Special Court will have exclusive jurisdiction to hear any dispute between the Town and County with respect to the Town's compliance with the provisions of this Section and agree that the County has standing to pursue a declaratory judgment action with the Special Court to enforce the provisions of this Subsection.

ARTICLE X

PHASE III BOUNDARY ADJUSTMENT

Section 10.1 Phase III Boundary Adjustments. Subsequent to the effective date of the City's transition to town status, the Town may incorporate all or any portion of each of six areas of the County that are collectively referred to as "Phase III Boundary Adjustment Areas" in accordance with the requirements set forth in this Article. The Town may not exercise this right, except as provided by Section 4.2 of this Agreement, unless and until the City or Town, the County, and the County Service Authority have executed an agreement providing for the consolidation of their water and sewer systems

and the creation of the Joint Authority as described in Section 6.2 of this Agreement. The Phase III Boundary Adjustment Areas are depicted on the map dated December 14, 2009, with a revision date of March 29, 2010, attached as Exhibit 8, and are described by tax parcels on attached Exhibit 12.

Section 10.2 Areas Eligible to be Incorporated. By adoption of an ordinance, the Town may incorporate all or any portion of the Phase III Boundary Adjustment Areas that meets the following requirements:

- A. An area designated by the Town for a boundary adjustment must be contiguous to the existing Town boundaries and must have a minimum width of 500 feet at the existing Town boundary line.
- B. The area to be incorporated into the Town must be an urban or urbanizing area based on any one or more of the following requirements: (i) the area consists of parcels of land that have an average size of three acres or less (the “lot size requirement”), (ii) the area has a density of at least two or more dwellings per acre (the “density requirement”), or (iii) the area includes parcels of land that are used wholly or in part for commercial or industrial purposes, as defined below (the “business use requirement”).
- C. The area to be incorporated into the Town shall be deemed urban or urbanizing if all of the designated area meets any one of these requirements or if portions of the area meet one requirement and other portions meet other requirements.
- D. The lot size requirement shall be determined by dividing the total acres within the designated area or portion thereof by the total number of parcels of land

based on recorded subdivision plats or deeds.

- E. The density requirement shall be determined by dividing the total acres within the designated area or portion thereof by the total number of dwellings. A “dwelling” shall mean each building or portion thereof designed for one or more persons to live independently of each other, including single-family dwellings, multi-family dwellings, condominiums, apartments, duplexes, or townhouses.
- F. For purposes of the business use requirement, “commercial or industrial” shall mean the use of a parcel of land, wholly or in part, for any non-residential activities, including commercial, industrial, and public uses. “Commercial or industrial” shall not include agricultural uses, including the planting and harvesting of crops or plant growth of any kind, pasture, horticulture, silviculture, dairying, floricultural, or the raising of poultry or livestock.
- G. In determining whether any portion of a designated area to be incorporated into the Town meets the lot size, density, or business use requirements of this Section, the Town may exclude the acreage of any public roads or associated rights-of-way.
- H. An example of a boundary adjustment that would meet such requirements is described on the attached Exhibit 14.

Section 10.3 Provisions in the Boundary Adjustment Ordinance. A boundary adjustment ordinance adopted by the Town Council shall include (i) a metes and bounds description and survey plat of the area or areas to be incorporated into the Town, (ii) a general statement of the Town services to be provided in such area or areas and the

capital improvements, if any, to be constructed therein, and (iii) the effective date of the boundary adjustment.

Section 10.4 Conditions Precedent to Boundary Adjustment by Ordinance. The

Town may adopt any number of separate ordinances to incorporate portions of the Phase III Boundary Adjustment Areas at different times subsequent to the effective date of town status. However, the Town shall not pass any ordinance to incorporate any territory in the Phase III Boundary Adjustment Areas pursuant to this Agreement unless and until:

- A. The Town has provided the County written notice of its intent to adopt an ordinance to incorporate any portion of the Phase III Boundary Adjustment Areas. Such notices shall be delivered at least 60 days prior to the adoption of the ordinance.
- B. The Town provides with the notice (i) a metes and bounds description and survey plat of the area or areas to be incorporated into the Town, and (ii) a written statement of the basis for the Town's determination that such area or areas meet the requirements in Section 10.2.
- C. The County gives notice to the Town within such 60-day notice period that it does not object to the proposed boundary adjustment. In the event the County objects to the boundary adjustment, the County will give written notice to the Town (i) detailing its reasons for objecting and (ii) stating why the County believes the proposed boundary adjustment is not in compliance with the Agreement. The Town shall not adopt the boundary adjustment ordinance until such dispute between the Town and the County has been resolved.

- D. If the County gives notice of its objection to the boundary adjustment, both the Town and the County shall have the standing to immediately initiate a declaratory judgment action with the Special Court appointed to affirm, validate and give full force and effect to this Agreement to determine if the proposed boundary adjustment is in accordance with this Agreement.
- E. The Town has held a public hearing on the proposed boundary adjustment ordinance prior to its adoption. Notice of the public hearing and the Town's intention to adopt the ordinance shall be published once a week for two successive weeks in a newspaper having general circulation in the Town and the County. The notice shall include either the full text of the ordinance or a descriptive summary of the ordinance with a statement that a copy of the full ordinance is available for inspection in the office of the Town Manager.

Section 10.5 Effective Date of Boundary Adjustment by Ordinance. The effective date of any boundary adjustment that occurs pursuant to Article X of this Agreement shall be prescribed in the Town ordinance and shall be no sooner than 60 days after the date of adoption of any such ordinance. Each boundary adjustment shall take effect on the date specified in the ordinance without a review by the Commission or action by any court.

Section 10.6 Certified Copies of Boundary Adjustment Ordinance. Following the adoption of the boundary adjustment ordinance, the Town shall file a certified copy of the ordinance with the Circuit Court of Bedford County, the Secretary of the Commonwealth, the State Corporation Commission, and the Department of Taxation of the Commonwealth of Virginia.

Section 10.7 Incorporation of Remaining Phase III Boundary Adjustment

Areas. The Parties agree that those portions of the six Phase III Boundary Adjustment Areas that have not been incorporated by the Town based on the requirements in Section 10.2 shall each be eligible for a separate boundary adjustment at such time as 60% of the remaining parcels of land (the “60% criterion”) within such a Phase III Boundary Adjustment Area has been developed. A parcel of land shall be deemed to be developed if it satisfies at least one of any of the following criteria:

- (i) the parcel contains three acres or less of land and is used for one or more residential dwellings, as defined in Section 10.2(e);
- (ii) the parcel has a density of two or more dwellings per acre, as calculated in Section 10.2(e); or
- (iii) the parcel is used wholly or in part for commercial or industrial purposes, as defined in Section 10.2(f).

Such remaining parcels of land within each Phase III Boundary Adjustment Area may be incorporated by the Town by adoption of one or more ordinances in accordance with the procedures set forth in Section 10.3. Each such boundary adjustment based on the 60% criterion shall not be required to satisfy the criteria for a boundary adjustment set forth in Section 10.2. In determining whether any such remaining parcels of land meet the 60% requirement, the Town may exclude the acreage of any public roads or associated rights-of-way. An example of a boundary adjustment of the remaining portions of a Phase III Boundary Adjustment Area that would meet such requirements is described on the attached Exhibit 15.

Section 10.8 Extension of Municipal Services. Upon the effective date of any Phase III Boundary Adjustment, the Town shall extend its then-existing governmental services (including, for example, police protection, solid waste collection, and zoning controls) to the Phase III Boundary Adjustment Areas on the same basis as such services are then, or may thereafter be, provided to areas within the Town's current corporate limits where like conditions exist. The Town shall also undertake the construction of such capital improvements as the Town Council determines, in its discretion, are needed to serve the Phase III Boundary Adjustment Areas in accordance with then existing policies, and at such times as the Town Council deems appropriate. The Special Court will have exclusive jurisdiction to hear any dispute between the Town and County with respect to the Town's compliance with the provisions of this Section and agree that the County has standing to pursue a declaratory judgment action with the Special Court to enforce the provisions of this Section.

ARTICLE XI

WAIVER OF ANNEXATION RIGHTS

Section 11.1 Waiver of Annexation Rights. The Town and County agree that for a period of five years following the effective date of the Phase I Boundary Adjustment, the Town waives all statutory rights to annex County territory pursuant to Title 15.2, Chapter 32, Article 1 of the Code, or any successor provisions, and will not initiate, institute or support any attempt to annex County territory except: (1) as provided in Articles VIII, IX and X as to the Phase II and Phase III Boundary Adjustment Areas; or (2) any annexations that may be the result of mutual agreement between the Town and County; or (3) as provided in

Section 4.2 of this Agreement. It is the intent of the Town and the County that the County be immune from any annexation by the Town for such five-year period except as provided herein and as provided in Articles VIII, IX, and X as to the Phase I, II, and III Boundary Adjustment Areas. This waiver shall automatically be extended for an additional ten years after the initial five-year waiver period, if the City or Town, the County, and the County Service Authority have executed, prior to the expiration of such five-year period, an agreement providing for the consolidation of the water and sewer systems and the creation of the Joint Authority, as described in Section 6.2 of this Agreement.

Section 11.2 Citizen Annexation. In the event annexation proceedings are initiated by property owners or qualified voters pursuant to §15.2-3203 of the Code or any statute similar thereto, the Town agrees that it will not support such proceedings during the five-year immunity period and the additional ten-year immunity period, if such additional period becomes effective. The Town specifically agrees that it will not provide any legal assistance, engineering assistance, financial aid or any other aid or assistance to property owners or qualified voters petitioning for annexation pursuant to §15.2-3203 of the Virginia Code other than that which may be required of the Town by the Freedom of Information Act.

ARTICLE XII

COMMISSION AND COURT APPROVAL

Section 12.1 Commission Approval. The City and the County agree to initiate the steps necessary and required by Title 15.2, Chapter 34 of the Code (in particular § 15.2-

3400, paragraphs 3, 4, 5 and 6) and Title 15.2, Chapter 29 of the Code (§ 15.2-2900 *et seq.*) to obtain a review of this Agreement by the Commission.

Section 12.2 Submission to Court. Following the issuance of the report of findings and recommendations by the Commission, the City and the County agree that they will submit this Agreement in its present form to the Court for approval, as required by Title 15.2, Chapter 34 of the Code (in particular § 15.2-3400, paragraphs 3, 4, 5 and 6 of the Code), unless both parties agree to any change in this Agreement as hereinafter provided.

Section 12.3 Termination if Agreement Modified. The City and County agree that if this Agreement is not affirmed without modification by the Court, this Agreement shall immediately terminate. However, the parties may waive termination by mutually agreeing to any recommended modifications.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1 Transfer of Records and Equipment. As a result of the City's transition to town status, the responsibilities of the City's constitutional officers will be assumed by the County's constitutional officers. The parties agree that all necessary records currently maintained by the City's constitutional officers will be transferred to the County's constitutional officers no later than the effective date of the transition to town status. Any records or equipment not needed by the County's constitutional officers will remain the property of the Town.

Section 13.2 Repeal of Joint Economic Development and Growth Sharing Agreement. On the effective date of transition to town status, the Joint

Economic Development and Growth Sharing Agreement entered into by the City and the County on February 9, 1998, automatically will terminate and will have no further legal effect.

Section 13.3 Town Council. The mayor and members of the City Council shall continue to serve as officers of the Town until their successors are elected or appointed in accordance with statutory requirements and/or actions directed by the Special Court.

Section 13.4 Binding on Future Governing Bodies. This Agreement shall be binding upon and inure to the benefit of the City and the County, and each of the future governing bodies of the City and the County, and upon the Town and any other successor to either the City or the County.

Section 13.5 Enforceability. This Agreement shall be enforceable by the Special Court affirming, validating and giving full force and effect to this Agreement by successor Special Court appointed pursuant to Title 15.2, Chapter 30 of the Code, pursuant to declaratory judgment action initiated by either of the parties hereto to secure the specific performance of the provisions of this Agreement or any exhibit attached thereto.

Section 13.6 Standing. The Town and County agree that each shall have and does have standing to enforce any provision of this Agreement by declaratory judgment action as provided in Section 13.5.

Section 13.7 Obligations and Agreements of the Town. All the obligations and agreements herein by the City are deemed by the parties to also be the obligations and agreements of the Town.

Section 13.8 Amendments to Agreement. This Agreement may be amended, modified or supplemented, in whole or in part, by mutual consent of the City (or the Town) and the County, by a written document of equal formality and dignity, duly executed by the authorized representative of the City (or the Town) and the County, without requiring further Commission review or Court approval.

Section 13.9 Effective Date. The City's transition to town status shall be effective on the date provided in the final court order, but the Parties support an effective date of July 1, 2013.

WITNESS the following signatures and seals.

CITY OF BEDFORD, VIRGINIA

Mayor

ATTEST:

Clerk

COUNTY OF BEDFORD, VIRGINIA

Chairman, Board of Supervisors

ATTEST:

Clerk

EXHIBIT 1

**TRANSFER AGREEMENT DOCUMENTS FOR BEDFORD
ELEMENTARY SCHOOL, BEDFORD CENTRAL LIBRARY, AND
BEDFORD WELCOME CENTER**

Prepared by and Return to:
William W. Berry, IV
206 E. Main Street
Bedford, Virginia 24523
540-586-8133
FAX: 540-586-8569

DEED FOR ELEMENTARY SCHOOL

THIS DEED is made the ____ day of _____ 201_, by and between the **CITY OF BEDFORD, VIRGINIA**, a Virginia municipal corporation (herein referred to as the "City"), party of the first part (Grantor); **BEDFORD COUNTY SCHOOL BOARD**, a political subdivision of the Commonwealth of Virginia (herein referred as "County School Board") party of the second part, (Grantee); and **BEDFORD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, (herein referred to herein as the "County"), party of the third part (Grantor).

WHEREAS, the City and the County have entered into a "Voluntary Settlement Agreement dated September 14, 2010 (the "Agreement"), pursuant to which the parties agreed to a partial consolidation of the two governmental entities by means of a transition of the City to a town located within and constituting a part of the County and which provided for the conveyance of the hereinafter described school real estate and related school property interests to the County; and

WHEREAS, the Agreement and its terms were approved by a Special Court as required by the statutes made and provided for such actions by order entered on _____, with the transition to town status to become effective on _____; and

WHEREAS, the City desires to convey the said school property interests pursuant to the Agreement and the County has directed that the conveyance of school properties be made to the County School Board pursuant to Virginia Code Section 22.1-125, as is evidenced by the County's entering into this deed.

NOW, THEREFORE, THIS DEED WITNESSETH:

That for and in consideration of the premises and the terms of said Agreement, the City of Bedford, Virginia does hereby REMISE, RELEASE

and forever QUITCLAIM to the Bedford County School Board the following described properties, to-wit:

A. Real Estate. The real estate to be conveyed shall include the school properties to be shown on a new subdivision plat to be prepared at joint expense. The City shall retain the buffer area surrounding the D-Day Memorial property on the south, west and north beginning at the end of the Tiger Trail Cul-de-sac (part of tract 211-A-2 and all of 211-A-5 and tract 211-A-2). The real estate to be conveyed to the School Board shall include the recreation fields south of the D-Day entry road, but shall not include any City properties lying north of that road, including the lot fronting on Burks Hill Road.

B. Tangible Personal Property. The City shall quitclaim to the School Board its interest in any furniture, furnishings and equipment.

This conveyance is made subject to the reservation of electric, water and utility easements shown on the attached plat and to such matters as are of record or apparent upon an inspection of the premises.

The real estate and improvements are conveyed without warranty of title, and the improvements and tangible personal property are conveyed "as is."

IN WITNESS WHEREOF, the City of Bedford, Virginia, a municipal corporation, has caused its name to be hereunto signed by its Mayor and its seal to be affixed and attested by its City Clerk, said action having been authorized by an ordinance duly adopted at a meeting of its City Council held on the ____ day of _____ 20__; the above described conveyance of real estate and personal property has been accepted by the Bedford County School Board, pursuant to a resolution duly adopted at a meeting held on _____ which authorized the _____ to execute such acceptance on behalf of the Bedford County School Board; and the above deed has been approved by Bedford County, Virginia,

pursuant to a resolution of its Board of Supervisors duly adopted at a meeting held on _____ which authorized its _____ to sign this deed on behalf of the County.

WITNESS THE FOLLOWING SIGNATURES AND SEALS:

CITY OF BEDFORD, VIRGINIA

By: _____
Its Mayor

SEAL

Attest:

Clerk of the Bedford City Council

Approved as to form:

Its City Attorney

BEDFORD COUNTY SCHOOL BOARD

By: _____
Its

Approved as to form:

BEDFORD COUNTY, VIRGINIA

By: _____
Its

Approved as to form:

STATE OF VIRGINIA
CITY OF BEDORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, Mayor of the City of
Bedford, Virginia.

Notary Public

My commission expires: _____

STATE OF VIRGINIA
CITY OF BEDORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, _____ on
behalf of the Bedford County School Board of Bedford County, Virginia.

Notary Public

My commission expires: _____

STATE OF VIRGINIA
CITY OF BEDORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, _____ on
behalf of the Bedford County, Virginia.

Notary Public

My commission expires: _____

Prepared by and Return to:
William W. Berry, IV
206 E. Main Street
Bedford, Virginia 24523
540-586-8133
FAX: 540-586-8569

DEED FOR CENTRAL LIBRARY

THIS DEED is made the ____ day of _____ 201, by and between the **CITY OF BEDFORD, VIRGINIA**, a Virginia municipal corporation (herein referred to as the "City"), party of the first part (Grantor); and **BEDFORD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, (herein referred to as the "County"), party of the second part (Grantee).

WHEREAS, the City and the County have entered into a "Voluntary Settlement Agreement dated September 14, 2010 (the "Agreement"), pursuant to which the parties agreed to a partial consolidation of the two governmental entities by means of a transition of the City to a town located within and constituting a part of the County and which provided for the conveyance of the hereinafter described Central Library real estate and other related library property interests to the County; and

WHEREAS, the Agreement and its terms were approved by a Special Court as required by the statutes made and provided for such actions on _____, with the transition to town status to become effective on _____; and

WHEREAS, the City desires to convey the said property interests pursuant to the Agreement.

NOW, THEREFORE, THIS DEED WITNESSETH:

That for and in consideration of the premises and the terms of said Agreement, the City of Bedford, Virginia does hereby REMISE, RELEASE and forever QUITCLAIM to the Bedford County, Virginia the following described properties, to-wit:

A. Real Estate. A new subdivision plat shall be prepared at the joint expense. A new line separating the property conveyed to the County from that retained by the City including the

Wharton Gardens) will run from North Bridge Street westerly along the south edge of the sidewalk to the east edge of the sidewalk along the parking lot and thence along the west edge of the Wharton Garden to the north terminus of Robins Way. The real estate should include the parking area and the sidewalks, and all improvements, including buildings, streetlights, and utility lines leading from the public right of way serving the Library improvements.

The City shall reserve an easement for any stormwater or other utilities that are identified as serving other properties in addition to the conveyed real estate.

B. Tangible Personal Property. The City shall quitclaim any interest in any equipment, fixtures, and other tangible personal property, including the book collection of the Regional Library Board.

This conveyance is made subject to the reservation of electric, water and utility easements shown on the attached plat and to such matters as are of record or apparent upon an inspection of the premises.

The real estate and improvements are conveyed without warranty of title, and the improvements and tangible personal property are conveyed "as is."

IN WITNESS WHEREOF, the City of Bedford, Virginia, a municipal corporation, has caused its name to be hereunto signed by its Mayor and its seal to be affixed and attested by its City Clerk, said action having been authorized by an ordinance duly adopted at a meeting of its City Council held on the ___ day of _____ 20___, and the above described conveyance of real estate and personal property has been accepted by Bedford County, Virginia, pursuant to a resolution of its Board of Supervisors duly adopted at a meeting held on _____ which authorized the _____ to execute such acceptance on behalf of the of the County.

WITNESS THE FOLLOWING SIGNATURES AND SIGNATURES:

CITY OF BEDFORD, VIRGINIA

By: _____
Its Mayor

SEAL

Attest:

Clerk of the Bedford City Council

Approved as to form:

Its City Attorney

BEDFORD COUNTY, VIRGINIA

By: _____
Its

Approved as to form:

STATE OF VIRGINIA
CITY OF BEDORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, Mayor of the City of
Bedford, Virginia.

Notary Public

My commission expires: _____

STATE OF VIRGINIA
CITY OF BEDORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, _____ on
behalf of the Bedford County School Board of Bedford County, Virginia.

Notary Public

My commission expires: _____

Prepared by and Return to:
William W. Berry, IV
206 E. Main Street
Bedford, Virginia 24523
540-586-8133
FAX: 540-586-8569

DEED FOR WELCOME CENTER

THIS DEED is made the ____ day of _____ 201_, by and between the **CITY OF BEDFORD, VIRGINIA**, a Virginia municipal corporation (herein referred to as the "City"), party of the first part (Grantor); and **BEDFORD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, (herein referred to herein as the "County"), party of the second part (Grantee).

WHEREAS, the City and the County have entered into a "Voluntary Settlement Agreement dated September 14, 2010 (the "Agreement"), pursuant to which the parties agreed to a partial consolidation of the two governmental entities by means of a transition of the City to a town located within and constituting a part of the County and which provided for the conveyance of the hereinafter describe Welcome Center real estate and related property interests to the County; and

WHEREAS, the Agreement and its terms were approved by a Special Court as required by the statutes made and provided for such actions on _____, with the transition to town status to become effective on _____; and

WHEREAS, the City desires to convey the certain property interests pursuant to the Agreement.

NOW, THEREFORE, THIS DEED WITNESSETH:

That for and in consideration of the premises and the terms of said Agreement, the City of Bedford, Virginia does hereby REMISE, RELEASE

and forever QUITCLAIM to the Bedford County, Virginia the following described properties, to-wit:

A. Real Estate. The City's one-half interest in the Welcome Center real estate that is owned by the City and County jointly. The City shall retain easements required for service to other properties.

B. Tangible Personal Property. The City shall quitclaim any interest in furniture, furnishings and equipment, with the exception of exhibits owned by others.

This conveyance is made subject to the reservation of electric, water and utility easements shown on the attached plat and to such matters as are of record or apparent upon an inspection of the premises.

The real estate and improvements are conveyed without warranty of title, and the improvements and tangible personal property are conveyed "as is."

IN WITNESS WHEREOF, the City of Bedford, Virginia, a municipal corporation, has caused its name to be hereunto signed by its Mayor and its seal to be affixed and attested by its City Clerk, said action having been authorized by an ordinance duly adopted at a meeting of its City Council held on the ___ day of _____ 20__ and the above described conveyance of real estate and personal property has been accepted by Bedford County, Virginia, pursuant to a resolution of its Board of Supervisors duly adopted at a meeting held on _____ which authorized the _____ to execute such acceptance on behalf of the of the County.

WITNESS THE FOLLOWING SIGNATURES AND SIGNATURES:

CITY OF BEDFORD, VIRGINIA

By: _____
Its Mayor

SEAL

Attest:

Clerk of the Bedford City Council

Approved as to form:

Its City Attorney

BEDFORD COUNTY, VIRGINIA

By: _____
Its

Approved as to form:

STATE OF VIRGINIA
CITY OF BEDORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, Mayor of the City of
Bedford, Virginia.

Notary Public

My commission expires: _____

STATE OF VIRGINIA
CITY OF BEDFORD, to-wit:

The foregoing instrument was acknowledged before me on this ____
day of _____, 20__ by _____, _____ on
behalf of the Bedford County, Virginia.

Notary Public

My commission expires: _____

EXHIBIT 2

**TAX MAP DEPICTING BEDFORD ELEMENTARY SCHOOL PROPERTY
TO BE CONVEYED TO BEDFORD COUNTY**



GENERAL PARCEL INFORMATION

Tax Parcel # 232-A-2
806 Tiger Trail
Deeded Acreage: 28.32

Located in southern part of City at foot of National D-Day Memorial and near Highway 460 Bypass. Frontage along Burks Hill Road with vehicle access provided by Tiger Trail.

EXHIBIT 3

**TAX MAP DEPICTING BEDFORD CENTRAL LIBRARY PROPERTY TO
BE CONVEYED TO BEDFORD COUNTY**



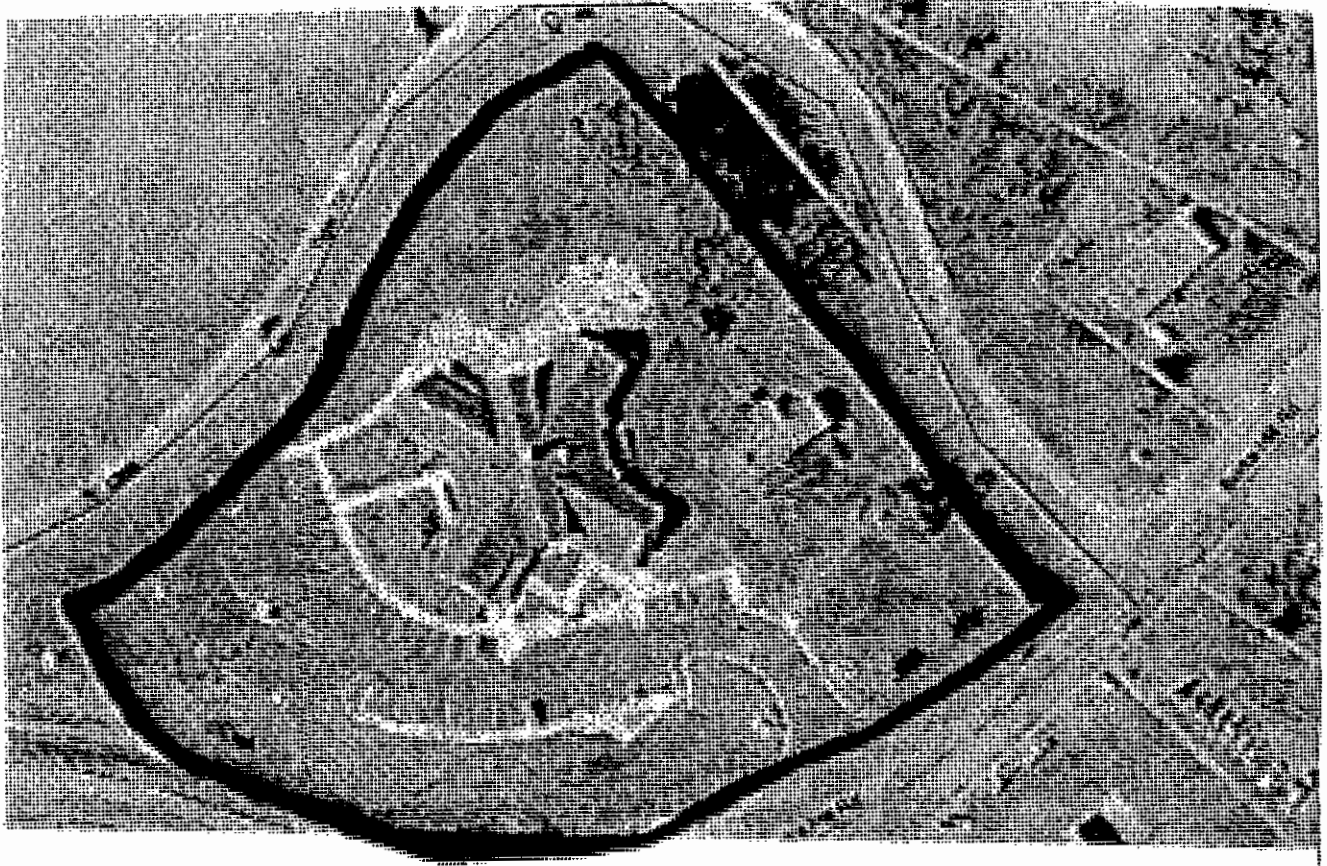
GENERAL PARCEL INFORMATION

Tax Parcel # 194-A-20
321 North Bridge Street
Deeded Acreage: 2.449

Located just across railroad bridge from Centertown. Frontage along North Bridge Street with vehicle access provided by Robinson Way (off Bedford Avenue).

EXHIBIT 4

**TAX MAP DEPICTING BEDFORD WELCOME CENTER PROPERTY TO
BE CONVEYED TO BEDFORD COUNTY**



GENERAL PARCEL INFORMATION

Tax Parcel # 232-3-2
816 Burks Hill Road
Deeded Acreage: 3.4022

Located in southern part of City at foot of National D-Day Memorial and near Highway 460 Bypass. Frontage along Burks Hill Road with additional vehicle access provided by Tiger Trail.

EXHIBIT 5

DETERMINATION OF COUNTY PAYMENTS TO TOWN

DETERMINATION OF COUNTY PAYMENTS TO TOWN

The annual payment by the County to the Town for fifteen years as set forth in Section 4.1 is composed of two parts:

(1) A guaranteed annual payment of \$500,000 which is due to the Town regardless of any other factors, subject to the provisions of Section 4.2; and

(2) A second amount which is dependent upon the amount of "Incentive Payment" consisting of any increase in State funding of local education that is paid by the State as a financial incentive resulting from the consolidation of localities.

The determination of the "Incentive Payment" for purposes of Section 4.1 requires a comparison in each of the fifteen years of the actual dollar amount of State funding of local education to Bedford County based on the special method of calculation applicable to consolidated localities with the dollar amount that would have been paid if the special incentive payment were not available.

Under the rules established by the General Assembly in the Appropriations Act (Chapter 890 of the 2011 Acts of Assembly or Chapter 874 of the 2010 Acts of Assembly), the State Board of Education determines for each school division a "Composite Index of Local Ability-to-Pay." This index is based on certain property assessments, income, and sales data for the school division. The dollar amount of State Standard of Quality payments is determined by using the index.

In the event of a consolidation of local governments as a result of a transition of a city to town status, the Appropriations Act provides that the resulting consolidated school division for a period of fifteen years shall be paid Standard of Quality payments for all pupils in the combined division based upon the lowest composite index of the two school divisions being consolidated (the "pre-consolidation index"), unless in a particular year the composite index for the consolidated division as calculated in the standard manner (the "normal calculated index") is lower. Consequently, in each year the State Board of Education will determine the normal calculated index for the consolidated division and will determine whether that index is more favorable than the pre-consolidation index.

The State Department of Education has advised the parties that, once it has determined which composite index will be used each year, it then calculates the State funding of local education that will be paid to the locality based upon that index. It routinely does not calculate the dollar amount of

State funding based on the other composite index. However, the Department has advised the parties that it will be willing to make that additional calculation as a service to the County School division, if requested.

These calculations will enable the parties to determine the "Incentive Payment" by comparing dollar amounts as supplied by the Department of Education.

EXHIBIT 6

**LEASE AGREEMENT FOR FUTURE USE OF BEDFORD MIDDLE
SCHOOL BY BEDFORD COUNTY PUBLIC SCHOOLS**

LEASE OF BEDFORD MIDDLE SCHOOL

This lease is made this ____ day of ____ 2011 by and between THE CITY OF BEDFORD, VIRGINIA, a Municipal Corporation chartered under the laws of the Commonwealth of Virginia (herein called "Landlord" or "City"), party of the first part; and BEDFORD COUNTY, VIRGINIA, a governmental entity of the Commonwealth of Virginia (herein called "Tenant"), party of the second part.

In consideration of the mutual covenants contained in this Lease, Landlord and Tenant, intending legally to be bound, here by covenant and agree as set forth below:

ARTICLE I

Basic Lease Provisions

The following are the basic terms of this Lease which shall have the meanings indicated:

1.1 Premises. The premises are deemed to be the real estate consisting of the land and improvements and buildings thereon located at 503 Longwood Avenue which are owned by the City of Bedford and contain the improvements and appurtenances upon which the Bedford Middle School educational facility is located. A tax map showing the location of the real estate is attached hereto as "Exhibit A" and made a part hereof.

The premises do not include the Old Yellow Bedford Public School Building, which is hereby reserved by Landlord with an easement of access from the public streets over the leased premises.

1.2 Furniture and Equipment. During the term of this Lease Tenant shall have the right to use of all student desks and equipment owned by the City and used as part of operation of the School. The parties will conduct an inventory at least 6 months prior to commencement of Lease. There will be no charge for the use of the equipment during the term of this Lease. The furniture and equipment shall remain the property of the City and possession shall be returned to the City upon termination of this Lease, subject to normal wear and tear. At the expiration of this Lease, if Tenant is not in default, Tenant shall have the option to buy any furniture or equipment owned by the City and being used on the premises for a price to be agreed by the parties or as set by an appraisal performed by a qualified company approved by both parties.

1.3 Term. The term of this Lease shall be for one year from July 1, ____ to June 30, ____, renewable for additional terms of one year each for a maximum total period of six years unless the Tenant gives written notice of termination three months in advance of the end of any term. As used in this

Lease, the expression "term of this Lease" refers to the initial term and to any renewal of the Lease as provided herein. This Lease may be extended beyond six years only if the parties have negotiated such an extension and have executed a written amendment to this Lease providing for an additional term.

1.4 Rent. Rent by Tenant for the use of the premises, furniture and equipment shall be on a yearly basis, payable in equal monthly installments, in advance, without demand, notice, deduction, offset or counterclaim, on or before the first day of each and every calendar month during the term based upon the following schedule:

<u>Lease Year</u>	<u>Annual Base Rent</u>	<u>Monthly Installment</u>
1.	\$120,000	\$10,000
2.	\$120,000	\$10,000
3.	\$120,000	\$10,000
4.	\$450,000	\$37,500
5.	\$450,000	\$37,500
6.	\$750,000	\$62,500

1.4.2 Late charge. If Tenant fails to pay Rent within fifteen (15) days after it is due, Tenant shall also pay a late charge equal to four (4%) percent of the unpaid Rent.

1.5 Permitted Uses. Educational use for middle school and related activities as set forth in Article IV.

1.6 Landlord's Address for Payment of Rent.

City Manager
City of Bedford
215 E. Main Street
Bedford, Virginia 24523

1.7 Landlord's Address for Notice Purposes.

City Manager
City of Bedford

215 E. Main Street
Bedford, Virginia 24523

Copy To:

William W. Berry, IV
City Attorney
City of Bedford
206 E. Main Street
Bedford, Virginia 24523

1.8 Tenant's Address.

County Administrator
County of Bedford
122 E. Main Street
Bedford, Virginia 24523

Copy to:

Carl Boggess
County Attorney
122 E. Main Street
Bedford, Virginia 24523

1.9 Work Agreement. Landlord and Tenant agree that at least six months prior to commencement of the Lease term, the parties will perform a joint inspection of the premises. The City, within a reasonable amount of time, shall make any repairs in order to make the premises serviceable and in working order for school purposes. A Work Agreement describing any repairs to be made by the City as Landlord shall be set forth as "Exhibit B" to this Lease and made a part of it executed by both parties, See paragraph 6.1.

ARTICLE II

Purpose of Lease and Uses of Premises

2.1 Purpose of Lease. This Lease is executed pursuant to a voluntary settlement of Town status issues between the City of Bedford, Virginia and the County of Bedford, Virginia, dated _____. Under the terms of that Agreement, the City of Bedford intends to revert to a Town status under which the present City will become a part of Bedford County and Bedford County will assume all responsibilities for public education of residents within the former jurisdiction of the City. The City owns in fee simple the Middle School complex which has been used by the County School Board as the middle school facility serving the central area of Bedford County. The County intends to construct a

new middle school complex to replace the existing Bedford Middle School facility at 503 Longwood Avenue which is owned by the City. This Lease is intended to provide for the continued use of the Bedford Middle School facility owned by the City for an interim period of time until the new Middle School can be constructed, at which time full possession will be returned to the City.

2.2 Assignment to School Board. The parties contemplate that the County as Tenant will assign its interest to the Bedford County School Board or will sublease the property to the School Board.

ARTICLE III Demise, Term and Rent

3.1 Demise and Lease of Premises. In consideration of the agreements contained herein, the City hereby CONVEYS, BARGAINS, GRANTS and LEASES a leasehold interest in the premises from the City as Landlord for the term and upon the terms and conditions hereinafter provided.

3.2 Lease Term. The term of the Lease is set forth in Section 1.2. This Lease may be extended beyond six years only after the parties have entered into a written agreement amending this Lease.

3.3 Rent. Tenant shall pay to the City as Landlord the rent as specified in Section 1.4.

3.4 Payment of Rent. Rent for each lease year shall be payable in equal monthly installments in advance, without demand, notice, deduction, offset or counterclaim, on or before the first day of each and every calendar month during the term. Tenant shall pay the rent by check in lawful currency of the United States of America to the City at the address set forth in paragraph 1.6. or to such other address or in such other manner as the City from time to time specifies by written notice to Tenant. Any payment made by Tenant to Landlord on account of rent may be credited by Landlord to the payment of any late charges then due and payable and to any rent then past due before being credited to rent currently due.

3.5 Security Deposit. No security deposit shall be required of Tenant.

ARTICLE IV Use Of Premises

4.1 Permitted Uses. Tenant may use the premises for public school and related office uses involved in the operation of the Middle School complex.

4.2 Community Uses. Tenant shall have complete discretion in making the premises or any parts available for community uses based upon existing policies of the School Board for other public school facilities under its control.

The City as Landlord during the term of the lease shall have no control of use of the athletic facilities, auditorium and cafeteria.

4.3 No unlawful use or Nuisance. Tenant shall not use or permit to be used any part of the premises for any unlawful purpose or for any dangerous, obnoxious or offensive news, and shall not cause, permit or maintain any nuisance in, at or on the premises.

4.4 Compliance with Laws. During the term, Tenant, at its sole cost and expense, shall comply with all applicable laws, ordinances, rules and regulations of governmental authorities.

ARTICLE V Utilities

5.1 Tenant Responsibilities. Tenant shall pay for heat, light, water, refuse disposal, electricity and any other utility services supplied to the premises and will pay any required deposits.

5.1 Landlord Responsibilities. Landlord shall have no responsibility for any utility services furnished to the premises.

ARTICLE VI Alterations, Maintenance and Repair

6.1 Initial Construction. The parties at least 6 months prior to delivery of possession at the commencement of this Lease will conduct a joint review of the premises and will agree upon a Work Agreement to be performed by the City in order to make the premises serviceable and in working order for school purposes. Such initial work shall be performed by Landlord at Landlord's expense.

6.2 Alterations by Tenants. Tenant shall not make or perform, or permit the making or performance of, any alterations, installations, improvements, additions or other physical changes in or about the premises (referred to collectively as "alterations") without Landlord's prior consent which consent shall not be unreasonably withheld. Within thirty (30) days after Landlord receives Tenant's request for approval of an alteration, together with the plans and identity of the contractors to perform the alterations, Landlord shall give Tenant it response. Tenant shall require any contractor performing alterations to carry and maintain at all times during the performance of the work, at no

expense to Landlord, (a) a policy of comprehensive public liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, contractor's protective liability coverage and a broad form property damage endorsement, naming Landlord and (at Landlord's request) any mortgage of the building as additional insured(s), with such policy to afford protection to the limit of not less than Two Million and 00/100 Dollars (\$2,000,000.00) with respect to bodily injury or death to any number of persons in any one accident and to the limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) to damage to the property of any one owner from one occurrence, and (b) workmen's compensation or similar insurance in the form and amounts required by the laws of the Commonwealth of Virginia.

6.3 Tenant Repairs. Except as otherwise provided herein, during the term of the lease, Tenant, at its own expense, will make all necessary repairs, interior and exterior, in and about the premises in order to preserve the premises in the same condition as at the commencement of this Lease, and Tenant shall keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this Lease. Tenant shall be responsible for routine maintenance and cleaning of the heating and air conditioning, electrical, plumbing, and mechanical systems, and for the first \$10,000 in actual cost not covered by insurance of each repair of the mechanical, heating and cooling and electrical systems.

6.4 Landlord Obligations.

6.4.1 Limited Repairs. Landlord shall keep in good order and condition and make structural repairs to the roof, the bearing structure, and the foundation of the building. Tenant shall be responsible for the first \$10,000 in actual cost not covered by insurance of each repair of the mechanical, heating and cooling, and electrical systems. The remaining costs of any such repair shall be borne by the City as Landlord.

6.4.2 Notice Required. Landlord shall have no obligation to make repairs under this section until a reasonable time after receipt from tenant of written notice of the need for repairs. Tenant shall notify Landlord in advance of making any repair of the mechanical, heating and cooling, and electrical systems for which the cost is anticipated to exceed \$10,000 and for which Tenant believes Landlord will be obligated under paragraph 6.3. The parties shall agree upon the manner in which such repairs shall be made.

6.5 Repairs Due to Fire or Casualty. Any and all repairs necessitated by fire or other casualty whatsoever shall be made only in accordance with the provisions set forth concerning damage or destruction of property.

ARTICLE VII
Insurance

7.1 Insurance Rating. Tenant shall not conduct or permit any activity, or place any equipment or material, in or about the premises, the building or the land which will invalidate or increase the rate of fire or other insurance on the building or insurance benefitting any other Tenant of the building; and if any increase in the rate of insurance is stated by any insurance company or by the applicable insurance rating bureau to be due to any activity, equipment or material of Tenant in or about the premises, the building, or land, such statement shall be conclusive evidence that the increase in such rate is due to the same and, as a result thereof, Tenant shall pay such increase to Landlord upon demand plus interest thereon at the interest rate until paid. If any insurance coverage carried by Landlord pursuant to this Article or otherwise with respect to the building or land shall be cancelled or reduced (or cancellation or reduction thereof shall be threatened by reason of the use or occupancy of the premises by Tenant or by anyone permitted by Tenant to be upon the premises, and if Tenant fails to remedy such condition within five days after delivery of written notice thereof, it shall be deemed an event of default under this Lease, without the benefit of any additional notice, and Landlord shall have all remedies provided in this Lease, at law or equity, including, without limitation, the right (but of the obligation) to enter upon the premises and attempt to remedy such condition at Tenant's sole cost and expense.

7.2 Liability Insurance. Tenant shall, at its sole cost and expense, procure and maintain throughout the term a commercial general liability policy insuring against claims, demands or actions for bodily injury, death, personal injury, advertising injury and loss or damage to property arising out of or in connection with: (i) the premises and Tenant's property; (ii) the condition of the premises; (iii) Tenant's operations in, maintenance and use of the premises, building and land, and (v) Tenant's liability assumed under this Lease. Such insurance shall afford protection to the limit of not less than \$3,000,000 Combined Single Limit from one occurrence and shall be primary over any insurance carried by Landlord. Endorsements shall be obtained for cross-liability and contractual liability. Landlord shall be named as an additional insured party to such general liability policy.

7.3 Insurance for Tenant's Property. Tenant shall, at its sole cost and expense, procure and maintain throughout the term a property insurance policy (written on an "All Risk" basis) insuring all of Tenant's property for not less than the full replacement cost of said property. All proceeds of such insurance shall be used to repair or replace Tenant's property. If this Lease is terminated as the result of a casualty in accordance with Article VIII herein, the proceeds of said insurance attributable to the repair and/or replacement of any leasehold improvements, tenant improvements or alterations performed by or

on behalf of Tenant or by Landlord pursuant to the terms of the Work Agreement or this Lease shall be the property of the Landlord and paid to Landlord upon demand together with interest thereon at the interest rate until paid.

7.4 Workman's Compensation Insurance. Tenant shall, at all times during the term hereof, maintain in effect workers' compensation insurance as required by applicable legal requirements.

7.5 Requirements of Insurance Coverage. All such insurance required to be carried by Tenant herein shall be with an insurance company licensed to do business in the Commonwealth of Virginia and rated not lower than A-XII in the A.M. Best Rating Guide. Such insurance (i) shall contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured has released its right of action against any party before the occurrence of a loss; (ii) shall name Landlord and, at Landlord's request, any mortgagee or ground lessor, as additional insured(s); (iii) shall provide that the policy shall not be cancelled, failed to be renewed or materially amended without at least thirty days' prior written notice to Landlord and, at Landlord's request, any mortgagee, and (iv) shall be issued as primary policies and not contributing with and not in excess of coverage which the Landlord may carry. On or before the commencement date and, thereafter, not less than thirty days before the expiration date of the insurance policy, an original of the policy (including any renewal or replacement policy) or a certified copy thereof, together with evidence satisfactory to Landlord of the payment of all premiums for such policy, shall be delivered to Landlord and, at Landlord's request, to any mortgagee. Tenant's insurance policies shall not include deductibles in excess of Five Thousand and 00/100 (\$5,000.00).

7.6 Waiver of Subrogation. Each party hereby releases the other party hereto from liability for any loss or damage to any building, structure or tangible personal property, or any resulting loss of income, or losses under worker's compensation laws and benefits, notwithstanding that such loss, damage or liability may arise out of the negligent or intentionally tortious act or omission of the other party or its agents, if such loss or damage is covered by insurance benefitting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Lease. Each party hereto shall require its insurer(s) to include in its insurance policies a waiver of subrogation clause (providing that such waiver of right of recovery against the other party shall not impair the effectiveness of such policy or the insured's ability to recover thereunder), and shall promptly notify the other in writing if such clause cannot be included in any such policy; if such waiver of subrogation clause shall not be available, then the foregoing waiver of right of recover shall be void.

7.7 Landlord's Insurance. Landlord shall procure and maintain throughout the term fire and extended coverage insurance on the building and its contents in such coverage and amounts as reasonably determined by Landlord in its prudent management of the building and as necessary to satisfy the requirements of Landlord's mortgagee, if any. At Landlord's option, such insurance may be carried under any blanket or umbrella policies which Landlord has in force for other buildings and projects. In addition, at Landlord's option, Landlord may elect to self-insure all or any part of such required insurance coverage. Landlord may, but shall not be obligated to, carry any other form or forms of insurance as Landlord or the mortgagees may reasonably determined is advisable. The proceeds payable under all fire and other hazard insurance policies maintained by Landlord on the building shall belong to and be the property of Landlord, and Tenant shall not have any interest in such proceeds.

7.8 Coverage. Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's property or Tenant's obligations or assumption of contractual liability under this Lease, and the limits of any insurance carried by Tenant shall not limit its duties and obligations under this Lease.

ARTICLE VIII Damage or Destruction

8.1 Damage or Destruction

8.1.1 Total Beyond Repair. If during the term of this lease, the leased premises are damaged by fires, floods, windstorms, earthquakes, explosions, hurricanes, tornadoes, strikes, acts of public enemy, incidences of terrorism, wars or riots, civil disturbances, acts of God, or other casualty, so that the same are rendered wholly unsuitable for use as a public middle school, and if said premises cannot be repaired within 180 days from the time of said damage, then this lease shall terminate as of the date of such damage. In such case, Tenant shall pay the rent apportioned to the time of damage and shall immediately surrender the leased premises to Landlord who may enter upon and repossess the same and Tenant shall be relieved from further liability hereunder.

8.1.2 Partial Damage Repairable. If any damage by any of the above casualties, rendering the leased premises wholly unsuitable for the operation as a public middle school can be repaired within 180 days thereafter, Landlord agrees to repair such damage promptly and this lease shall not be affected in any manner except that the rent shall be suspended and shall not accrue from the date of such damage until such repairs have been completed.

8.2 Partial Damage Not Repairable. If said premises shall be partially damaged by any of the above casualties as to be partially rendered unsuitable for operation as a public middle school, Landlord shall repair the premises promptly and during the period from the date of such damage until the repairs are completed, the rent shall be apportioned so that Tenant shall pay as rent an amount which bears the same ratio to the entire monthly rent as the portion of the premises which Tenant is able to occupy (without disturbance) during such period bears to the entire premises. If the damage by any of the above casualties is so slight that Tenant is not disturbed in his possession and enjoyment of the premises, then Landlord shall repair the same promptly and in that case the rent accrued or accruing shall not abate.

ARTICLE IX
Default and Remedies

9.1 Events of Default. Each of the following constitutes an event of default (a "Default"): (i) Tenant's failure to pay any rent within fifteen days after Tenant receives notice of nonpayment from Landlord; (ii) Tenant's failure to pay rent by the date due, at any time during the calendar year in which Tenant has already received one notice of its failure to pay rent by the due date; (iii) Tenant's failure to maintain the insurance required by Article VII; (iv) Tenant's failure to perform or observe any other Tenant obligation after a period of thirty days time, if any, that is reasonably necessary to promptly and diligently cure the failure, after it receives notice from Landlord setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision(s); (v) Tenant's abandoning or vacating the demised premises; (vi) Tenant's failure to vacate or stay the filing of a petition in bankruptcy by or against Tenant, the adjudication of Tenant as bankrupt or insolvent, the judicial appointment of a receiver, trustee, or liquidator for all or substantial part of Tenant's property, or an assignment by Tenant for the benefit of creditors.

9.2 Remedies of Landlord. In addition to the remedies provided in this Lease or under the law, Landlord may do any one or more of the following if Tenant commits a Default under paragraph 9.1.; (i) terminate this Lease, upon which Tenant shall immediately surrender the demised premises to Landlord; (ii) enter and take possession of the demised premises either with or without process of law and remove Tenant, with or without having ended the Lease; and (iii) alter locks and other security devices at the demised premises. Tenant waives claims for damages by reason of Landlord's reentry, repossession, or alteration of locks or other security devices and for damages by reason of any legal process.

9.3 Surrender of Premises. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender

of the demised premises by Tenant. A surrender must be agreed to in a writing signed by both parties.

ARTICLE X
Right of Entry

Tenant shall permit Landlord or its agents, at any time and without notice, to enter the premises, without charge therefore to Landlord and without diminution of rent, (i) to examine, inspect and protect the premises and the building; (ii) to make such alterations and repairs or perform such maintenance which in the sole judgment of Landlord may be deemed necessary or desirable, (iii) to exhibit the same to prospective purchasers of the building or to present or future mortgages or (iv) to exhibit the same to prospective tenants during the last eighteen months of the term and to erect on the premises a suitable sign indicating the premises are available.

ARTICLE XI
Miscellaneous

11.1 No Partnership or Joint Venture. It is understood and agreed that nothing contained here is intended or should be construed as otherwise creating or establishing the relationship of copartners between the parties, or as constituting either party as the agent, representative or employee of the other party, for any purpose or in any manner. Tenant is and remains an independent contractor with respect to all services performed under this Lease.

11.2 Captions and headings. The paragraph headings contained here are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

11.3 Invalid Provisions. In the event that any covenant, condition or provision contained here is held to be invalid by any court or competent jurisdiction the invalidity of any covenant, condition or provision shall in no way affect any other covenant, condition or provision contained here, provided that the invalidity of the covenant, condition or provision does not materially prejudice Tenant in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Lease.

11.4 Notices.

11.4.1 General. All notices, demands, or other writings in this lease provided to be given or made or sent, or which may be given or made or sent, by either party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

City Manager

City of Bedford
215 E. Main Street
Bedford, Virginia 24523

County Administrator
Bedford County
122 E. Main Street
Bedford, Virginia 24523

11.4.2 Changes. The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by the party as provided.

11.5 Waiver. A waiver by Landlord of any breach of any covenant or duty of Tenant under this Lease is not a waiver of a breach of any other covenant or duty of Tenant, or of any subsequent breach of the same covenant or duty.

11.6 Time of the Essence. Time is of the essence of this Lease and all of its provisions.

11.7 Governing law. It is agreed that this Lease shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Virginia.

11.8 Entire Lease. This agreement shall constitute the entire Lease between the parties. Any prior understanding or representation of any kind preceding prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party except to the extent incorporated in this Lease.

11.9 Modification of Lease. Any modification of this Lease or additional obligation assumed by either party in connection with this Lease shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

ARTICLE XII
Dispute Resolution

Special Court Jurisdiction. This Lease is executed as an integral part of a Voluntary Settlement of Town Status Issues between the City of Bedford and the County of Bedford. The parties agree that exclusive jurisdiction to hear any disputes pertaining to this Lease shall be exclusively in the Three Judge Court

to be convened pursuant to Title 15.2, Chapter 34 and Chapter 41 of the Code of Virginia.

ARTICLE XIII
Quiet Enjoyment

13.1 General. Landlord covenants that if Tenant shall pay rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the term peaceably and quietly occupy and enjoy possession of the premises without molestation or hindrance by Landlord or any party claiming through or under Landlord.

ARTICLE XIV
Surrender and Holding Over

14.1. Surrender of Premises. Tenant shall peaceably surrender the premises to Landlord on the expiration date or earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, including, without limitation, the repair of any damage to the premises caused by the removal of any of Tenant's property except for reasonable wear and tear and loss by fire or other casualty not caused by Tenant or its agents.

14.2 Holding Over. In the event that Tenant shall not immediately surrender the premises to Landlord on the expiration date or earlier termination of this Lease, Tenant shall be deemed to be a month to month tenant upon all of the terms and provisions of this Lease, except the monthly Rent shall be equal to one hundred twenty five percent (125%) of the Rent applicable to the premises immediately prior to the date of such expiration or earlier termination. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a hold over hereunder or result in an extension of this Lease. Tenant shall pay an entire month's rent calculated in accordance with this Section for any portion of a month it holds over and remains in possession of the premises pursuant to this Section.

CITY OF BEDFORD

BY: _____
City Manager

COUNTY OF BEDFORD

By: _____
County Administrator

EXHIBIT 7

**PRINCIPLES GOVERNING THE CREATION OF THE BEDFORD
REGIONAL UTILITY AUTHORITY**

PRINCIPLES GOVERNING THE CREATION OF THE BEDFORD REGIONAL UTILITY AUTHORITY

The City and County agree that the merger of the existing sewer and water utility systems in the two jurisdictions is critical to the sound long-term planning of County and Town development. Both jurisdictions agree that the two systems shall be merged. A study shall be commissioned to review the necessary details associated with such a merger. The study may include, but may not be limited to a review of financial resources, debt and capital funding needs/recommendations; service implications, efficiencies and improvements; organizational structure; capital needs; rate equalization strategies; and other necessary considerations to inform a timely and successful merger. A primary objective of the study shall be a recommendation as to the most appropriate, cost effective, method and location(s) to interconnect the two existing systems. The County and City/Town agree to participate in the study, to provide any and all necessary information to fully inform the study, and subsequently commit to the pursuit of the recommendations resulting from the analysis.

Over and above the recommendations anticipated as part of the study, the merger of the systems shall be guided by the following principals:

1. Pursuant to the Virginia Water and Waste Authorities Act, Title 15.2, Chapter 51, Sections 15.2-5 100 et. Seq. of the Code of Virginia, the City and County intend to create a new independent Authority for the supply, treatment, distribution and transmission of water and the collection and treatment of wastewater with the two jurisdictions.
2. The assets and liabilities of the Water and Sewer Systems of the City and the Bedford County Public Service Authority will be merged into the one full service Authority created pursuant to the Act.
3. The Authority shall be named the Bedford Regional Utility Authority and will be governed by a seven member Board of Directors.
4. Representation on the Board of Directors shall be determined as follows:
 - a. The two local governing bodies will have an equal number of appointments to the Board for the first six (6) years with appointments for each jurisdiction to be made on an at-large basis from the jurisdiction. Subsequent appointments shall be based upon the proportionate number of customers in each jurisdiction with the Town having a minimum of two (2) appointments.
 - b. Six (6) members of the initial Board of Directors shall be appointed by the governing bodies of the jurisdictions, each governing body to appoint

one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years. The seventh initial director shall be nominated by the initial six directors and confirmed by the governing bodies of each of the localities for an initial term of four (4) years. If no nominee for the seventh position is approved by both governing bodies within forty-five (45) days, the appointment shall be made by the Circuit Court Judge. In case an initial member dies, resigns or is disqualified, and upon expiration of the initial term of any director, successors shall be appointed by the same method as for the original.

- c. After the initial terms, each board member shall be appointed for a four (4) year term and shall serve until a successor is appointed and qualified. No member may serve more than two (2) successive full four (4) year terms, but he may serve again after not serving for four (4) years.
 - d. After the expiration of the first four (4) year term for initial members who served for three (3) years, all further appointments will be based upon proportionate representation of the localities according to the number of customers in each jurisdiction.
5. The assets of the City and of the Public Service Authority sewer and water systems shall be conveyed to the new Authority in consideration for the agreement by the new Authority to accept all existing liabilities (including outstanding payments on bonds) that are associated with the respective sewer and water systems.
 6. The initial rate structure of the Authority will have different water and sewer rates for former City customers from those of the current Bedford County PSA. It is agreed that within 10 years of the merger, the rate structures are expected to be equalized; however, equalization can only occur through realized cost efficiencies and economies and cannot be done through disproportionate increases upon the former City of Bedford users.
 7. The City presently has large industrial and commercial users which provide significant employment for citizens of both jurisdictions. Most of these large water users have water quality requirements as a result of chemical tolerances required for manufacturing or production processes. The study must address these concerns as well as the need for special rate classifications for large users. PSA rate structures will be revised immediately so as to reflect special treatment of large areas in order to allow for meaningful projections in the study.
 8. The new Authority may utilize City/Town billing systems for collection of

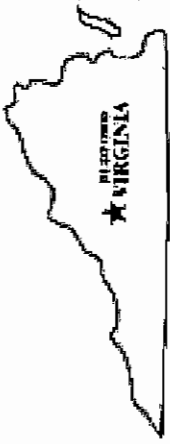
accounts, and the Town may charge the Authority a reasonable fee for such services.

9. Capacity shall be reserved in the new system to assure the availability of utilities in the areas designated to become part of the Town.
10. It is the intent of the localities that all of their employees currently employed to provide services in connection with the system who are in good standing as of the effective date of merger and whose positions with the locality or the PSA are being terminated as of that date will be offered employment with the Authority.
11. Both the City and the County agree that the top priority of the new authority shall be the interconnectivity between the existing PSA system and the existing City system. As it is unknown as to what will be the initial start up cost of the authority as well as any other unknown cost factors, the City and County agree that by the 31st day of December 2016 that a water line of sufficient size shall be constructed by the Authority to connect the existing PSA system to the City system.
 - (a) The size and location or locations of the water line interconnection will be decided by the new authority taking into consideration the long term interconnectivity needs of the entire county. The new authority will work under the premise that the revenues from the authority should be sufficient to fund the debt service based upon a 30 year amortization. However, neither the City nor the County desire that water rates rise to a disproportionate level as to have an adverse effect on the residents, businesses and industries of the two jurisdictions.
 - (b) Accordingly, should the required debt service of the cost of making the initial interconnection of the two water systems cause the average water rate to increase more than 20% in one calendar year following the incurring of the additional debt or there is a projected three year increase of more than 35%, the County and City (Town) agrees to subsidize the debt service payments of the authority, related to the interconnectivity water line to the extent it exceeds either 20% or 35%. If more than one interconnection is proposed the rate impact and subsidy will be based only on the least expensive of the interconnects
 - (c) The County and City commit to subsidize the debt service for the one initial interconnection as long as the authority is in need of the subsidy considering principals of this agreement such as keeping water rates reasonable commensurate to adjoining jurisdictions and the requirement that the water rates of the two localities be equalized within ten years of

the inception of the authority.

- (d) The authority, City/Town and County shall analyze the revenues and expenses five years after the commencement of the subsidy and shall come to a mutual decision of the need of a subsidy for the subsequent five years and every five years thereafter until the indebtedness is paid in full. The amount of subsidy, if any, for a 5 year period shall be apportioned between the County and Town based upon the number of water customers in the Town and outside the Town at the beginning of each 5 year period.

EXHIBIT 8
**MAP DEPICTING BOUNDARY ADJUSTMENT AREAS & COUNTRY
SUBDIVISION**



SCALE 1" = 1/4 MI

- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS
- UNIMPROVED LOT WITH IMPROVEMENTS

CITY OF BEDFORD
PLANNING DEPARTMENT

**MAP SHOWING
PROPOSED FINANCIAL ASSISTANCE
AND CITY BOUNDARY ADJUSTMENTS**

DATE: _____

APPROVED: _____

DATE: _____

SCALE: _____

PROJECT: _____

DATE: _____

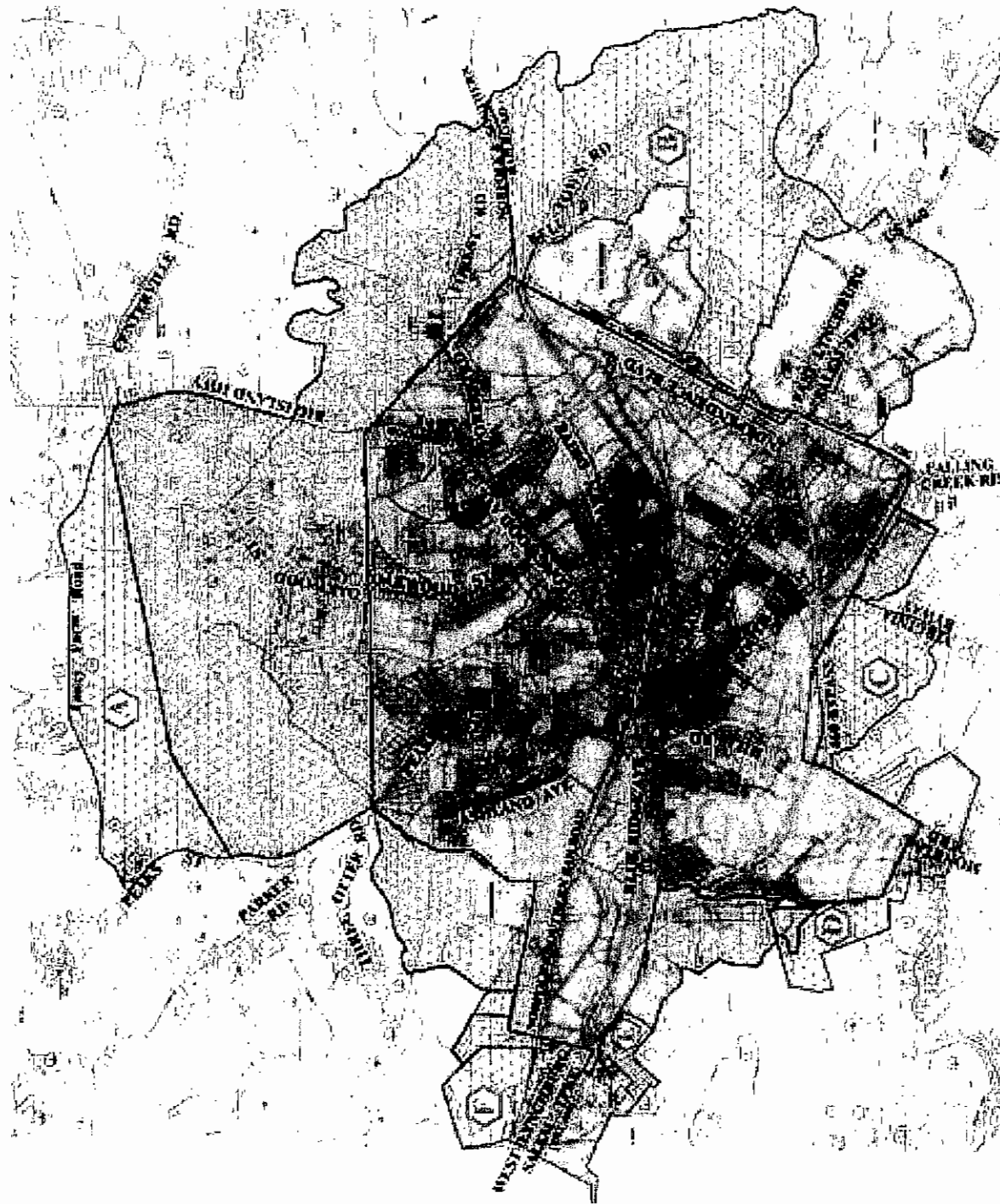


EXHIBIT 9

**BEDFORD COUNTY DEVELOPMENT STANDARDS FOR MAJOR
SUBDIVISIONS**

FROM BEDFORD COUNTY SUBDIVISION ORDINANCE:

Article 6 - Street and Sidewalks

DIVISION 1 – GENERALLY

6.1 Frontage on improved roads.

Except for family subdivisions and agricultural subdivisions, no subdivision shall be approved unless the area to be subdivided has frontage on and access from:

1. An existing road or street in the VDOT system.
2. A street shown upon an approved plat recorded in the Clerk of the Circuit Court's office.

Such road or street must be suitably improved as required by VDOT regulations, specifications, or orders, or be secured by a performance bond required under these subdivision regulations, with the width and right-of-way required by these regulations.

6.2 Grading and improvement plan.

Roads shall be graded and improved and conform to VDOT standards and specifications and shall be approved as to design and specifications by VDOT in accordance with the construction plans required to be submitted and approved prior to the final plat approval.

6.3 Classification.

All roads shall be classified according to VDOT standards. In designing roads, the subdivider shall consider projected traffic demands after 20 years of development.

6.4 Topography and arrangement.

1. Roads shall be related appropriately to the topography. Local roads shall be curved wherever possible to promote a variety of lot appearances. All streets shall be arranged so as to obtain as many buildings sites as possible at, or above, the grades of the streets. Grades of streets shall conform as closely as possible to the original topography. A combination of steep grades and curves shall be avoided.
2. All streets shall be properly integrated with the existing and proposed system of thoroughfares and dedicated rights-of-way as established by the Comprehensive Plan and VDOT's Six Year Plan.
3. All thoroughfares shall be properly related to special traffic generators such as industries, business districts, schools, churches, and shopping centers; to population densities; and to the pattern of existing and proposed land uses.
4. Minor or local streets shall be laid out to conform as much as possible to the topography, to discourage use by through traffic, to permit efficient drainage and utility systems, and to require the minimum number of streets necessary to provide

convenient and safe access to property.

5. The rigid rectangular gridiron street pattern need not necessarily be adhered to, and the use of curvilinear streets, cul-de-sacs, or U-shaped streets shall be encouraged where such use will result in a more desirable layout.
6. Proposed streets shall be extended to the boundary lines of the tract to be subdivided, unless prevented by topography or other physical conditions, or unless in the opinion of the subdivision agent such extension is not necessary or desirable for the coordination of the layout of the subdivision with the existing layout or the most advantageous future development of adjacent tracks.
7. In business and industrial developments, the streets and other accessways shall be planned in connection with the grouping of buildings, location of rail facilities, and the provision of alleys, truck loading and maneuvering areas, and walks and parking areas so as to minimize conflict of movement between the various types of traffic, including pedestrian.

6.5 Access to principal arterials.

Where a subdivision borders on or contains an existing or proposed principal arterial, the subdivision agent may require that access to such streets be limited by one of the following means:

1. The subdivision of lots such that they back on the principal arterial and front on a parallel local street, no access shall be provided from the principal arterial and screening shall be provided in a strip of land along the rear property line of such lots.
2. A series of cul-de-sacs, U-shaped streets, or short loops entered from and designed generally at right angles to such a parallel street, with the rear lines of their terminal lots backing onto the principal arterial.
3. A marginal access or service road (separated from the principal arterial by a planting or grass strip and having access at suitable points).

6.6 Dedication of streets.

All streets shall be dedicated for public use on the final plat unless otherwise specifically provided for in this ordinance.

6.7 Adoption of state highway department standards.

All design standards of the Virginia Department of Transportation are hereby adopted by reference; such design standards shall govern streets dedicated to public use unless otherwise specified by this ordinance.

6.8 Minimum widths.

The minimum width of proposed streets right-of-way, measured from lot line to lot line,

shall be in accordance with regulations established by VDOT. However, in no case shall a street right-of-way be less than fifty (50) feet in width.

6.9 Approach angle.

The angle of intersection between streets shall be as close as possible to a right angle and in no case less than eighty (80) degrees unless approved by the subdivision agent, upon recommendation of the Resident Engineer, for specified reasons of contour, terrain, or matching of existing patterns.

6.10 Access to adjoining property.

Streets shall be dedicated, but not required to be improved, at strategic locations to provide for future access to adjoining properties which may be subdivided in the future. Each street connection shall intersect property lines at a 90 degree angle or as otherwise approved by the subdivision agent. Whenever a parcel of land located adjacent to an existing subdivision is to be subdivided, a street shall be located so as to connect with the platted street connection of the adjacent existing subdivision. The developer of the new subdivision shall be required to improve the connecting street including the dedicated street connection of the existing subdivision.

6.11 Grades.

The grades of streets shall be in accordance with specifications established by VDOT, and such grades as submitted on subdivision road plans shall be approved by VDOT prior to final action by the subdivision agent.

6.12 Cul-de-sacs.

A local terminal street (cul-de-sacs), designed to have one end permanently closed, shall be not longer than twelve hundred (1,200) feet to the beginning of the turnaround. However, the subdivision agent may waive this provision when, in the judgment of the subdivision agent, extreme topographic conditions would cause undue hardship if the subdivider complied with this provision. Each cul-de-sac must be terminated by a turnaround of not less than one hundred (100) feet in right-of-way diameter.

6.13 Construction of roads and dead-end roads.

1. *Construction of roads.* The arrangement of streets shall provide for the continuation of principal streets between adjacent properties when the continuation is necessary for convenient movement of traffic, effective fire protection, the efficient provision of utilities, and where the continuation is in accordance with the comprehensive plan. If the adjacent property is undeveloped and the street must temporarily be a dead-end street, the right-of-way shall be extended to the property line. A temporary T- or L-shaped turnaround or cul-de-sac shall be provided on all temporary dead-end streets, with the notation on the subdivision plat that land outside the normal street is continued. The subdivision agent may limit the length of temporary dead-end streets in accordance with the design standards of these regulations.
2. *Dead-end roads (permanent).* Where a road does not extend beyond the boundary of the subdivision and its continuation is not required for access to adjoining property, its

terminus shall normally not be nearer to such boundary than 50 feet. However, the subdivision agent may require the reservation of an appropriate easement to accommodate drainage facilities, pedestrian traffic, or utilities. A cul-de-sac turnaround shall be provided at the end of a permanent dead-end street in accordance with VDOT standards and specifications. For greater convenience to traffic and more effective police and fire protection, permanent dead-end streets shall, in general, be limited in length in accordance with the design standards of these regulations.

6.14 Service drives.

Whenever a proposed subdivision contains or is adjacent to a limited access highway or expressway, provision shall be made for a service drive or marginal street approximately parallel to such right-of-way at a distance suitable for an appropriate use of the land between such highway and the proposed subdivision. Such distance shall be determined with due consideration of the minimum distance required for ingress and egress to the main thoroughfare. The right-of-way of any major highway or street projected across any railroad, limited access highway, or expressway shall be of adequate width to provide for the cuts or fills required for any future separation of grades.

6.15 Drainage easements.

1. Where existing topography or other conditions make it impractical for the inclusion of drainage facilities within road rights-of-way, perpetual, unobstructed easements, at least 20 feet in width, for drainage facilities shall be provided across property outside the road right-of-way limits. Easements shall be indicated on the plat. Drainage easements shall extend from the road to a natural watercourse or to other drainage facilities.
2. When a proposed drainage system will carry water across private land outside the subdivision, appropriate drainage rights must be secured and indicated on the plat.

DIVISION 3 - MINIMUM STREET IMPROVEMENTS

6.16 Generally.

The minimum design, construction, and material standards for all public street improvements for

Bedford County shall be prescribed by the requirements of the Virginia Department of Transportation unless otherwise specified by this ordinance.

6.17 Street names.

Proposed streets which are obviously in alignment with other already existing and named streets shall bear the names of the existing street. In no case shall the name of proposed streets duplicate or closely approximate existing street names in the County, nor shall they duplicate street names of adjoining jurisdictions if such name should conflict with the delivery services of the United States Postal Service in that location. The use of any suffix, such as street, avenue, boulevard, drive, way, place, lane, or court, to circumvent the intent of this paragraph is prohibited. Street names shall be indicated on the preliminary and final plats, and shall be approved by the subdivision agent. Names of

existing streets shall not be changed except by approval of the Board of Supervisors.

6.18 Street name signs.

A street name sign shall be required as a result of the creation of a new joint use driveway, new subdivision street, or the creation of three or more parcels being served by an existing joint use driveway. The developer shall be responsible for the cost of the sign. Installation will be provided by the County at the then existing rate. The developer shall make payment to the Planning Department prior to final plat approval being given. Street name signs shall be designed in accordance with County standards.

6.19 Street lights.

Installation of street lights shall be required in all multi-family and townhouse developments in accordance with design and specification standards approved by the Planning Director.

6.20 Reserve strips.

The creation of reserve strips shall not be permitted adjacent to a proposed street in such a manner as to deny access from adjacent property to the street.

6.21 Street extension notification signs. (reserved)

DIVISION 4 - PRIVATE STREETS AND ALLEYS

6.22 Allowance.

All subdivision streets shall be public streets and shall connect to public streets maintained by VDOT. Private streets and alleys are prohibited except as follows:

1. Any subdivision in existence through recordation in the office of the Clerk of the Circuit Court at the time of the adoption of this ordinance that contains any private streets, alleys or public roads not maintained by the Highway Department may continue to exist. Said private street or alley may be dedicated to the public and may be brought into the secondary system of VDOT in accordance with Section 33.1-72.1 of the Code of Virginia, (1950), as amended.
2. Townhouse developments shall be allowed to front on a private street according to Article IV of the Zoning Ordinance.
3. Notwithstanding any other provisions of this ordinance to the contrary, private streets within subdivisions which were platted, approved by the Bedford County Subdivision Agent, and recorded in the office of the Clerk of the Circuit Court of Bedford County, Virginia, pursuant to the 1975 Bedford County Subdivision Ordinance (adopted on April 29, 1975 and repealed effective October 1, 1989) may be dedicated by recordation of a subdivision plat approved in accordance with the requirements herein. The right-of-way must be a minimum of fifty (50) feet in width and must have a turnaround with

a minimum radius of fifty (50) feet. This dedication shall not be construed to create an obligation upon the County to construct or maintain said rights-of-way until the standards of VDOT are met. Maintenance shall remain the responsibility of the individual property owners until the road is taken into the secondary system, and a notation of this effect shall be made on the plat of dedication. Notwithstanding the provisions of Section 3.8(7)(b), a performance bond shall not be required for plats recorded pursuant to this section.

6.23 Requirements for alleys.

Alleys should be avoided wherever possible, but if alleys are unavoidable, the requirements for providing alleys within a subdivision are as follows:

1. No alley right-of-way shall be less than twenty (20) feet in width, or more than twenty-eight (28) feet in width.
2. Alleys may be provided in commercial and industrial areas, except where other definite and assured provision is made for service access, such as off-street parking, loading and unloading, consistent with and adequate for the uses proposed.
3. Alleys shall not be provided in residential subdivisions and developments unless the subdivider provides evidence satisfactory to the subdivision agent of the need for alleys.
4. Alley intersections and sharp changes in alignment shall be avoided but, where necessary, corners shall provide sufficient radius to permit safe vehicular movements.
5. Dead-end alleys shall be avoided where possible but, if unavoidable, shall be provided with adequate turn around facilities at the dead end, as determined by the subdivision agent.

DIVISION 5 - CURB, GUTTER AND SIDEWALKS

6.24 Sidewalks.

In all townhouse or multi-family developments or in any developments with a density of greater than three units per acre sidewalks are required on both sides of the road.

6.25 Curbs and gutters.

Curb and gutter shall be required in developments with a density greater than three units per acre or in multi-family or townhouse developments.

6.26 Street lights.

In all multi-family and townhouse developments street lights shall be required. Locations to be according to Article V of the Zoning Ordinance.

6.27 Pedestrian way.

The subdivision agent may approve the location of a pedestrian way other than in a street right-of-way in a subdivision where such pedestrian way shall be maintained by a homeowners association. The pedestrian way shall be located in a permanent easement at least eight (8) feet in width and all parts of such pedestrian way shall be visible from streets or other public areas.

EXHIBIT 10
**LIST OF PROPERTIES BY TAX PARCEL INCLUDED IN THE PHASE I
BOUNDARY ADJUSTMENT AREA**

PHASE I BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
109 A 39	City-County Line	5.20	I-2
109 A 39A	Lot 4 PB 2/50	41.31	I-2
110 A 17A	NR Bedford	10.08	R-1
110 A 17C	NR Bedford	2.96	R-1
127 A 62	LOT US 460 NR MOSELEYS BR	0.53	C-2
127 A 63	TRACT 1 PB 48/353	20.00	C-2
127A 3 4B	TNPK LT 4B	0.82	C-2
128 3 4	N & W RWY	4.22	C-2
128 A 1	TNPK	2.58	C-2
128 A 2	TNPK	0.82	C-2
128 A 5	TNPK	2.88	C-2
128 A 5A	TNPK	0.57	C-2
128 A 5B	Turnpike	4.23	C-2
128 A 6	Turnpike	0.97	C-2
128 A 7	NR BEDFORD LT 2A	3.09	C-2
128 A 8	N & W RWY	0.50	C-2
128 A 9	N & W RWY LOT	0.00	C-2
128 A 10	N & W RWY LOT	0.00	C-2
128 A 11		5.73	C-2
128 A 11A	OFF HWY 460N & W RWY & BA	1.03	C-2
128 A 11C	CITY/COUNTY LINE	1.31	C-2
128 A 11D		0.62	C-2
128 A 12	TURNPIKE	0.33	C-2
128 A 13	Turnpike	0.00	C-2
128 A 14	Turnpike	0.00	C-2
128 A 16	Turnpike	1.20	C-2
128 A 17	TURNPIKE PB 49/380	2.20	C-2
128 A 18	Turnpike	1.50	C-2
128 A 19	Lot Tnpk	1.00	C-2
128 A 20	Tnpk	1.49	C-2
128 A 21	Tnpk	0.00	C-2
128 A 22	Tnpk	0.91	C-2
128 A 24	TNPK RT 460 LOT	0.00	C-2
128 A 25	TNPK RT 460 LOT	4.24	C-2
128 A 26	Tnpk	2.88	C-2
128 A 27	TNPK TANK SITE	1.86	C-2
128 A 27A	Turnpike	0.88	C-2
128 A 28	Turnpike	12.50	C-2
128 A 29	Turnpike	23.64	C-2
128 A 30	TNPK OLD PLACE	1.50	C-2
128 A 30A	TNPK	2.92	C-2
128 A 30B	TNPK	3.61	C-2
128 A 30C	TNPK	1.44	C-2
128 A 30D	TNPK	2.30	C-2
128 A 30E	TNPK Lt 2	2.20	C-2
128 A 30F	TURNPIKE	0.72	C-2
128 A 30H	TNPK	2.00	C-2
128 A 30J	TURNPIKE	14.30	C-2

PHASE I BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128 A 30K	TURNPIKE	5.00	C-2
128 A 30M	TNPK- OLD PLACE	4.83	C-2
128 A 30P	TURNPIKE	1.68	C-2
128 A 30R	TURNPIKE	1.82	C-2
128 A 31	LT 6 PB 48/352	18.81	C-2
128 A 32	LT 7 PB 48/352	18.06	C-2
128 A 32A	LT 8 PB 48/352	19.73	C-2
128 A 33	NR BEDFORD PB 48/352	0.91	C-2
128 A 50	NR BEDFORD	1.34	A-R
128 A 50B	NR BEDFORD	3.73	A-R
129 A 5A	LOT OFF ROBERTS LANE	1.20	A-R
129 A 5C	CITY/COUNTY LINE	1.00	A-R
129 A 5G	PT NEW LOT A PB 46/196	0.56	C-2
129 A 6	NR BEDFORD	1.25	A-R
129 A 7	NR BEDFORD	0.00	A-R
129 A 8	NR BEDFORD	2.36	A-R
129 A 13	TNPK	38.37	PCD
129 A 14A	NR BEDFORD	1.87	PCD
129 A 15	NR BEDFORD	7.31	PCD
129 A 16	NR BEDFORD PB 36/162	11.68	PCD
129 A 16A	CITY/COUNTY LINE	1.10	PCD
129 A 16B	NR BEDFORD	1.02	PCD
129 A 16C	LOT 1 PB 40/311	0.66	PCD
129 A 16D	E LYNCHBURG SALEM TPKE PB 49/264	0.72	PCD
129 A 16E	LOT 1 PB 49/480	0.48	PCD
129 A 17	NR BEDFORD	0.80	PCD
129 A 18	NR BEDFORD	0.83	PCD
129 A 19	NR BEDFORD	0.28	PCD
130 2 1	JOHNS CR	81.91	PID
130 5 1	TNPK LT 1	0.00	PCD
130 5 2	TURNPIKE LT 2	0.00	PCD
130 5 3	TURNPIKE	27.66	PCD
130 A 2	TRINKLE SCHOOL LOT	1.31	PID
130 A 3	NR BELL TOWN	69.68	PID
130 A 4	LOT 1	10.62	PID
130 A 4A	LOT2	21.37	PID
130 A 8	TNPK	5.00	PCD
130 A 9	TURNPIKE WB 124 40	46.89	PCD
130 A 9B	TRACT A	21.42	PCD
130 A 9C	TRACT A1 PB 49/30	0.72	PCD
130 A 11	TURNPIKE	1.79	PCD
130 A 11A	TURNPIKE OB 50/47	3.76	PCD
130 A 13	TURNPIKE	3.38	PCD
130 A 13A	TURNPIKE	6.98	PCD
130 A 14	TURNPIKE	0.51	PCD
130 A 14A	TURNPIKE	5.00	PCD
130 A 14B	TURNPIKE	0.45	PCD
130 A 14C	TURNPIKE	29.25	PCD

PHASE I BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
130 A 15	TNPK	103.86	PCD
130 A 15B	PARCEL 1 PB 49/134	20.00	PCD
130 A 32	JOHNS CR	91.53	PCD
130 A 72		0.00	PCD
130 10 1	NEW HORIZON ESTATES LT 1	1.01	PID
130 10 2	NEW HORIZON ESTATES LT 2	1.01	PID
130 10 3	NEW HORIZON ESTATES LT 3	1.01	PID
130 10 4	NEW HORIZON ESTATES LT 4	1.13	PID
130 10 5	NEW HORIZON ESTATES LT 5	1.11	PID
130 10 6	NEW HORIZON ESTATES LT 6	1.13	PID
130 10 7	NEW HORIZON ESTATES LT 7	1.12	PID
130 10 8	NEW HORIZON ESTATES LT 8	1.01	PID
130B 1 1	LOWRY ADDPT LT 1	1.74	PCD
130B 1 2	LOWRY ADDPT LOTS 2 &3	0.81	PCD
130B 1 4	LOWRY ADDPT LT 4	0.41	PCD
130B 1 5	LOWRY ADDPT LT 5	0.39	PCD
130B 1 6	LOWRY ADDPT LT 6	0.48	PCD
130B 1 7	LOWRY ADDPT LOTS 7 &8	1.38	PCD
130B 1 9	LOWRY ADDPT LOT 9	1.41	PCD
130B 1 A	LOWRY ADD	1.06	PCD
130B 1 B	RT 460	0.70	PCD
130B 1 C	RT 460	11.87	PCD
130B 1 10		1.41	PCD
146 A 46	SIGN ROCK LOT	0.88	C-2
146 A 47	SIGN ROCK	1.65	C-2
146 A 48	SIGN ROCK SERVICE STAT	0.31	C-2
146 A 49	NR SIGN ROCK PB 36-25	1.67	C-2
146 A 49A	NR SIGN ROCK	1.00	C-2
146 A 87	DAVIS MILL RD LT 25	0.41	C-2
146 A 88	NR BEDFORD PB 36/7	8.51	C-2
146 A 88A	NR BEDFORD PB 36/7	10.83	C-2
146 A 88B	NR BEDFORD	0.50	C-2
146 A 88C	NR BEDFORD	21.00	C-2
146 A 88D	BEDFORD CITY/COUNTY LINE	3.79	C-2
146 A 89	NR BEDFORD	34.67	C-2
146B 1 1	LT 1	7.00	C-2
146B 1 2	LT PT 3	0.00	C-2
146B 1 4	NEW LOT 4 PB 52/39	0.34	C-2
146B 1 6	PT LT 5 & 6-7	0.00	C-2
146B 1 8	PT LTS 8,9 WB 128 701	3.17	C-2
146B 1 9A	DICKERSON MILL RD	2.53	C-2
146B 1 10A	DICKERSON MILL RD	2.98	C-2
146B A 1	LOT DICKERSON MILL RD	0.00	C-2
146B A 2	DICKERSON MILL RD	0.62	C-2
146B A A	DICKERSON MILL RD	0.98	C-2
148 A 1	TURNPIKE	133.32	PCD
148 A 1A	TURNPIKE	2.00	PCD
148 A 1B	SANITARY SEWER PUMPING STATION	0.10	PCD

PHASE I BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
144 parcels		1164.01	

EXHIBIT 11
**LIST OF PROPERTIES BY TAX PARCEL INCLUDED IN THE PHASE II
BOUNDARY ADJUSTMENT AREA**

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
109 3 F	NR BEDFORD	44.32	AR
109 3 F1	LITTLE OTTER	15.00	AR
109 3 F2	NR BEDFORD	3.81	AR
109 3 F3	NR BEDFORD	2.70	AR
109 A 31	LITTLE OTTER	0.99	R-1
109 A 32	LITTLE OTTER LT 1	2.98	R-1
109 A 33	LITTLE OTTER LT2	2.55	R-1
109 A 34	LITTLE OTTER LT3	2.63	R-1
109 A 35	LITTLE OTTER LT 4	3.17	R-1
109 A 35A		0.00	
109 A 36	LITTLE OTTER WB 133 610	372.70	R-1
109 A 38	LITTLE OTTER 109-3-G	96.39	AR
109 A 41	NR BEDFORD	174.88	AR
109 A 45	N & W RWYCOMBINED WITH 128(2)A & B	35.41	I-2
110 1 1	NORTHWOOD HGTS LT 1	0.00	R-1
110 1 2	NORTHWOOD HGTS LT 2 PT 3	0.00	R-1
110 1 3A	NORTHWOOD HGTS LT 4 PT 3	0.00	R-1
110 1 5	NORTHWOOD HGTS LT 5	0.00	R-1
110 1 6	LT 6 NORTHWOOD HGTS	0.00	R-1
110 1 7	NORTHWOOD HGTS PT. LT 7	1.72	R-1
110 1 7A	NORTHWOOD HGTS	0.98	R-1
110 1 8	NORTHWOOD HTS LT 8	0.00	R-1
110 1 9	NORTHWOOD HTS LT 9	0.00	R-1
110 1 10	NORTHWOOD HTS LT10	0.00	R-1
110 1 11	NORTHWOOD HTS LT 11	0.00	R-1
110 1 12	NORTHWOOD HTS LT 12	0.00	R-1
110 1 13	NORTHWOOD HTS LT 13	0.00	R-1
110 1 TR1	RT 1 NORTHWOOD HTS	16.40	R-1
110 1 TR2	TR 2 NORTHWOOD HTS	5.00	R-1
110 1 TR3	HIGH AC RD PT TR 3	4.41	R-1
110 1 TR3A	PT TR 3 NORWOOD HGTS	4.17	R-1
110 2 1E	PEAKS RD LT 1 EAST	5.66	R-1
110 2 1W	PEAKS RD LT 1 WEST	5.61	R-1
110 3 2	110-3-2&3A EAST & WEST	0.96	R-1
110 3 2B	WHEELER LTS 2B &3B EAST	1.11	R-1
110 3 2E	HIGH ACRE ROAD PB 49/308	6.41	R-1
110 3 2W	VISTARAMA LANE PB 49/308	1.00	R-1
110 4 1	LOT 1 PB 52/47	0.00	R-1
110 4 2	NR BEDFORD	70.32	R-1
110 4 2A	NR BEDFORD	27.69	R-1
110 4 3A	NORTH HILLS	1.46	R-1
110 4 3B	NR BEDFORD	1.43	R-1
110 4 3C	NEAR BEDFORD	1.38	R-1
110 4 4	NORTH HILLS LT 4 SC 10	0.60	R-1
110 4 5	NORTH HILLS LT 5 SC 10	0.60	R-1
110 5 A	LITTLE OTTER	46.17	R-1
110 5 A2	LITTLE OTTER	1.01	R-1
110 5 B	LITTLE OTTER	46.17	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110 5 B1	LITTLE OTTER	1.21	R-1
110 5 C	LITTLE OTTER	46.17	R-1
110 5 C1	LITTLE OTTER	4.65	R-1
110 6 1	LITTLE OTTER	10.05	R-1
110 6 1A	LITTLE OTTER	16.49	R-1
110 6 3A	LITTLE OTTER	2.15	R-1
110 6 3B	LITTLE OTTER	8.88	R-1
110 6 3C	LITTLE OTTER	12.26	R-1
110 6 3D	TRACT 3D PB 43/383	2.02	R-1
110 6 4	LITTLE OTTER	65.41	AR
110 6 4A	LITTLE OTTER	15.00	AR
110 6 5	LITTLE OTTER	1.14	R-1
110 7 1	MORGAN DEV	3.53	R-1
110 7 2	MORGAN	4.10	R-1
110 7 3	MORGAN LT 3	0.00	R-1
110 7 3A	MORGAN PT LT 3	0.00	R-1
110 7 4	LITTLE OTTER LT 4	4.87	R-1
110 7 5	MORGAN DEV LT 5	7.78	R-1
110 8 1	NORTH HILLS LT 1 SC 10	5.35	R-1
110 8 2	NORTH HILLS LT 2 SC 10	0.92	R-1
110 8 3	NORTH HILLS LT 3 SC 10	1.06	R-1
110 9 6	NORTH HILLS LT 6 SC 10	0.80	R-1
110 9 7	NORTH HILLS LT 7 SC 10	0.89	R-1
110 9 8	NORTH HILLS LT 8 SC 10	0.82	R-1
110 9 9	NORTH HILLS LT 9 SC 10	0.84	R-1
110 9 10	NORTH HILLS LT 10 SC 10	1.26	R-1
110 9 11	NORTH HILLS LT 11 SC 10	1.20	R-1
110 9 12	NORTH HILLS LT 12 SC 10	1.12	R-1
110 9 13	NORTH HILLS LT 13 SC 10	1.02	R-1
110 9 14	NORTH HILLS LT 14 SC 10	1.19	R-1
110 9 15	NORTH HILLS LT 15 SC 10	0.97	R-1
110 9 16	NORTH HILLS LT 16 SC 10	1.13	R-1
110 9 17	NORTH HILLS LT 17 SC 10	1.21	R-1
110 9 18	NORTH HILLS LT 18 SC 10	1.02	R-1
110 9 19	NORTH HILLS LT 19 SC 10	1.14	R-1
110 9 20	NORTH HILLS LT 20 SC 10	0.99	R-1
110 9 21	NORTH HILLS LT 21 SC 10	0.99	R-1
110 A 1	LITTLE OTTER WB 133 610	90.20	R-1
110 A 2	PEAKS RD	5.01	R-1
110 A 2A	NORTH HILLS	0.44	R-1
110 A 3	PEAKS RD	2.25	R-1
110 A 3A	NORTH HILLS REVISED TRACT 5 PB 45/320	2.05	R-1
110 A 4	PEAKS RD	1.76	R-1
110 A 5	NEW TRACT 3 PB 44/147	1.59	R-1
110 A 6	PEAKS RD PB 44/147	3.97	R-1
110 A 7	PEAKS RD	2.01	R-1
110 A 8	HIGH ACRE ROAD	0.00	R-1
110 A 9	PEAKS RD	0.84	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110 A 10	PEAKS RD LT A	0.73	R-1
110 A 11	PEAKS RD	0.73	R-1
110 A 12	PEAKS RD	0.85	R-1
110 A 12A	PEAKS RD	0.82	R-1
110 A 13	PEAKS RD	0.96	R-1
110 A 14	LT 13	0.98	R-1
110 A 15	PT LT 8, 9	2.18	R-1
110 A 17B	NORTH HILLS TR 1	6.03	R-1
110 A 17D	NORTH HILLS TR 2	7.46	R-1
110 A 18	LITTLE OTTER	9.81	R-1
110 A 19	NR BEDFORD	41.00	R-1
110 A 20	NR BEDFORD PB 51/111	17.00	R-1
110 A 20A	NR BEDFORD	17.61	R-1
110 A 20B	NR BEDFORD	5.00	R-1
110 A 22A	LITTLE OTTER	8.08	R-1
110 A 23	LITTLE OTTER	24.07	R-1
110 A 24	CENTERVILLE	1.07	R-1
110 10 1	PEAKLAND LT 1	1.89	R-1
110 10 2	PEAKLAND LT 2	1.60	R-1
110 10 3	PEAKLAND LT 3	1.88	R-1
110 10 4	PEAKLAND LT 4	1.90	R-1
110 10 5	PEAKLAND LT 5	2.53	R-1
110 10 6	PEAKLAND LT 6	2.75	R-1
110 10 7	PEAKLAND LT 7	3.65	R-1
110 10 8	PEAKLAND LT 8	2.98	R-1
110 10 9	PEAKLAND LT 9	2.89	R-1
110 10 10	PEAKLAND LT 10	2.56	R-1
110 10 11	PEAKLAND LT 11	2.32	R-1
110 10 12	PEAKLAND LT 12	1.62	R-1
110 10 13	PEAKLAND LT 13	1.67	R-1
110 10 14A	PEAKLAND LT 14A	1.29	R-1
110 10 15	PEAKLAND LT 15	1.01	R-1
110 10 16	PEAKLAND LT 16	1.60	R-1
110 10 17	PEAKLAND LT 17	1.10	R-1
110 10 18	PEAKLAND LT 18	1.01	R-1
110 10 19	PEAKLAND LT 19 PB 48/67	1.00	R-1
110 10 20	PEAKLAND LT 20 PB 48/67	1.02	R-1
110 10 21	PEAKLAND LT 21 PB 48/67	1.01	R-1
110 10 22	PEAKLAND LT 22	1.53	R-1
110 10 23	PEAKLAND LT 23	1.27	R-1
110 10 24	PEAKLAND LT 24	1.02	R-1
110 11 1	LT 1	1.17	R-1
110 11 2	LT 2	1.01	R-1
110 11 3	LT 3	1.01	R-1
110 11 4	LT 4	1.01	R-1
110 11 5	LT 5	1.01	R-1
110 11 6	LT 6	1.01	R-1
110 12 1	LIBERTY HEIGHTS LT 1	1.23	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110 12 2	LIBERTY HEIGHTS LT 2	1.01	R-1
110 12 3	LIBERTY HEIGHTS LT 3	1.02	R-1
110 12 4	LIBERTY HEIGHTS LT 4	1.02	R-1
110 12 5	LIBERTY HEIGHTS LT 5 PB 35/329	1.03	R-1
110 12 6	LIBERTY HEIGHTS LT 6	1.14	R-1
110 12 7	LIBERTY HEIGHTS LT 7	1.04	R-1
110 12 8	LIBERTY HEIGHTS LT 8	0.98	R-1
110 12 9	LIBERTY HEIGHTS LT 9	1.01	R-1
110 12 10	LIBERTY HEIGHTS LT 10	1.01	R-1
110A 1 98	NORTH HILLS LOT 98 SC 5	0.89	R-1
110A 1 99	NORTH HILLS LOT 99 SC 5	0.00	R-1
110A 1 100	NORTH HILLS LOT 100 SC 5	0.69	R-1
110A 1 101	NORTH HILLS LOT 101 SC 5	0.67	R-1
110A 1 102	NORTH HILLS LOT 102 SC 5	0.78	R-1
110A 1 103	NORTH HILLS AMENDED LT 103 SEC 5 PB 49/337	0.90	R-1
110A 1 104	NORTH HILLS LT 104 SC 5	0.81	R-1
110A 1 105	NORTH HILLS LT 105 SC 5	0.80	R-1
110A 1 106	NORTH HILLS LT 106 SC 5	0.69	R-1
110A 1 107	NORTH HILLS LT 107 SC 5	0.69	R-1
110A 1 111	NORTH HILLS LT 111 SC 5	1.61	R-1
110A 1 111A	NORTH HILLS LT 111 S-5	1.07	R-1
110A 1 112	NORTH HILLS LT 112 B SC 5	0.77	R-1
110A 1 112A	NORTH HILLS LT 112 A SC 5	1.00	R-1
110A 1 113	NORTH HILLS LT 113 B SC 5	0.92	R-1
110A 1 113A	NORTH HILLS LT 113 A	0.92	R-1
110A 1 114	NORTH HILLS LT 114 SC 5	0.00	R-1
110A 1 115	NORTH HILLS LT 115 SC 5	0.79	R-1
110A 1 116	NORTH HILLS LT 116 SC 5	0.75	R-1
110A 1 117	NORTH HILLS LT 117 SC 5	0.69	R-1
110A 1 118	NORTH HILLS LT 118 SC 5	0.69	R-1
110A 1 119	NORTH HILLS LT 119 SC 5	0.69	R-1
110A 1 120	NORTH HILLS LT 120 SC 5	0.69	R-1
110A 1 121	NORTH HILLS LT 121 SC 5	0.66	R-1
110A 1 122	NORTH HILLS LT 122 SC 5	0.80	R-1
110A 1 123	NORTH HILLS LT 123 SC 5	0.84	R-1
110A 1 124	NORTH HILLS	0.72	R-1
110A 1 125	NORTH HILLS LT 125 SC 5	0.72	R-1
110A 1 126	NORTH HILLS LT 126 SC 5	0.63	R-1
110A 1 127	NORTH HILLS LT 127 SC 5	0.70	R-1
110A 1 128	NORTH HILLS LT 128 SC 5	4.26	R-1
110A 1 129	NORTH HILLS LT 129 SC 5	0.70	R-1
110A 1 130	NORTH HILLS LT 130 SC 5	0.97	R-1
110A 1 131	NORTH HILLS LT 131 SC 5	0.72	R-1
110A 1 132	NORTH HILLS LT 132 SC 5	0.62	R-1
110A 1 133	NORTH HILLS LT 133 SC 5	0.70	R-1
110A 1 133A	NORTH HILLS	2.53	R-1
110A 1 134	NORTH HILLS LT 134 SC 5	0.82	R-1
110A 1 136	NORTH HILLS LT 136 SC 5	0.91	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110A 1 137	NORTH HILLS LT 137 SC 5	0.67	R-1
110A 1 138	NORTH HILLS LT 138 SC 5	0.69	R-1
110A 1 139	NORTH HILLS LT 139 SC 5	2.89	R-1
110A 2 83A	NORTH HILLS LT 83 SC 4	0.72	R-1
110A 2 84	NORTH HILLS LT 84 SC 4	0.57	R-1
110A 2 85	NORTH HILLS LT 85 SC 4	0.57	R-1
110A 2 86	NORTH HILLS LT 86 SC 4	0.64	R-1
110A 2 87	NORTH HILLS LT 87 SC 4	0.69	R-1
110A 2 88	NORTH HILLS LT 88 SC 4	0.56	R-1
110A 2 89	NORTH HILLS LT 89 SC 4	0.57	R-1
110A 2 90	NORTH HILLS LT 90 SC 4	0.57	R-1
110A 2 91	NORTH HILLS LT 91 SC 4	0.57	R-1
110A 2 92	NORTH HILLS LT 92 SC 4	0.57	R-1
110A 2 93	NORTH HILLS LT 93 SC 4	0.69	R-1
110A 2 94	NORTH HILLS LT 94 SC 4	0.80	R-1
110A 2 95	NORTH HILLS LT 95 SC 4	0.78	R-1
110A 2 96	NORTH HILLS LT 96 SC 4	0.00	R-1
110A 2 97	NORTH HILLS LT 97 SC 4	0.69	R-1
110A 3 41	NORTH HILLS LT 41 SC 3	0.57	R-1
110A 3 42	NORTH HILLS LT 42 SC 3	1.03	R-1
110A 3 43	NORTH HILLS LT 43 SC 3	0.57	R-1
110A 3 44	NORTH HILLS LT 44 SC 3	0.57	R-1
110A 3 45	NORTH HILLS LT 45 SC 3	0.57	R-1
110A 3 46	NORTH HILLS LT 46 SC 3	0.57	R-1
110A 3 47	NORTH HILLS LT 47 SC 3	0.57	R-1
110A 3 48	NORTH HILLS LT 48 SC 3	0.57	R-1
110A 3 49	NORTH HILLS LT 49 SC 3	0.57	R-1
110A 3 50	NORTH HILLS LT 50 SC 3	0.57	R-1
110A 3 51	NORTH HILLS LOT 51 SC 3	0.00	R-1
110A 3 52	NORTH HILLS LT 52 SC 3	0.57	R-1
110A 3 53	NORTH HILLS LT 53 SC 3	0.54	R-1
110A 3 54	NORTH HILLS LT 54 SC 3	0.54	R-1
110A 3 55	NORTH HILLS LT 55 SC 3	0.57	R-1
110A 3 56	NORTH HILLS LT 56 SC 3	0.81	R-1
110A 3 57	NORTH HILLS LT 57 SC 3	0.53	R-1
110A 3 58	NORTH HILLS LT 58 SC 3	0.52	R-1
110A 3 59	NORTH HILLS LT 59 SC 3	0.52	R-1
110A 3 60	NORTH HILLS LT 60 SC 3	0.53	R-1
110A 3 61	NORTH HILLS LT 61 SC 3	0.53	R-1
110A 3 62	NORTH HILLS LT 62	0.53	R-1
110A 3 63	NORTH HILLS LT 63	0.50	R-1
110A 3 64	NORTH HILLS LT 64	0.53	R-1
110A 3 65	NORTH HILLS LT 65	0.53	R-1
110A 3 66	NORTH HILLS LT 66	0.53	R-1
110A 3 67	NORTH HILLS LT 67	0.53	R-1
110A 3 68	NORTH HILLS LT 68	0.00	R-1
110A 3 69	NORTH HILLS LT 69	0.53	R-1
110A 3 70	NORTH HILLS LT 70	0.53	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110A 3 71	NORTH HILLS LT 71	0.53	R-1
110A 3 72	NORTH HILLS LT 72	0.53	R-1
110A 3 73	NORTH HILLS LT 73	0.53	R-1
110A 3 74	NORTH HILLS LT 74	0.53	R-1
110A 3 75	LT 75 SC 3 NORTH HILLS	0.00	R-1
110A 3 76	NORTH HILLS LT 76	0.52	R-1
110A 3 77	NORTH HILLS LT 77	0.52	R-1
110A 3 78	NORTH HILLS LT 78	0.53	R-1
110A 3 79	NORTH HILLS LT 79	0.55	R-1
110A 3 80	NORTH HILLS LT 80	1.14	R-1
110A 3 81	NORTH HILLS LT 81	1.59	R-1
110A 3 82	NORTH HILLS LT 82	0.95	R-1
110A 4 37A	NORTH HILLS PT LT 37	0.00	R-1
110A 4 39	NORTH HILLS LT 39	0.00	R-1
110A 4 40A	NORTH HILLS DR 1/2 LT 40	0.00	R-1
110A 5 130A	NORTH HILLS LT 130A SC 5	0.94	R-1
110A 6 1	NORTH HILLS ESTATESLT 1	1.18	R-1
110A 6 2	NORTH HILLS ESTATESLT 2	0.99	R-1
110A 6 3	NORTH HILLS ESTATESLT 3	0.71	R-1
110A 6 4	NORTH HILLS ESTATESLT 4	0.64	R-1
110A 6 5	NORTH HILLS ESTATESLT 5	1.12	R-1
110A 6 6	NORTH HILLS ESTATESLT 6	0.94	R-1
110A 6 7	NORTH HILLS ESTATESLT 7	0.78	R-1
110A 6 8	NORTH HILLS ESTATESLT 8	0.78	R-1
110A 6 9	NORTH HILLS ESTATESLT 9	0.70	R-1
110A 6 35A	LT 35A	0.52	R-1
110A 6 69A	LT 69A	1.12	R-1
110B 1 140	NORTH HILLS LT 140 SC 6	0.63	R-1
110B 1 141	NORTH HILLS LT 141 SC 6	0.64	R-1
110B 1 142	NORTH HILLS LT 142 SC 6	0.76	R-1
110B 1 143	NORTH HILLS LT 143 SC 6	0.78	R-1
110B 1 144	NORTH HILLS AMENDED LT 144 SC 6 PB 49/337	0.76	R-1
110B 1 145	NORTH HILLS LT 145 SC 6	0.77	R-1
110B 1 146	NORTH HILLS LT 146 SC 6	0.64	R-1
110B 1 147	NORTH HILLS LT 147 SC 6	0.68	R-1
110B 1 148	NORTH HILLS LT 148 SC 6	0.92	R-1
110B 1 149	NORTH HILLS LT 149 SC 6	1.00	R-1
110B 1 149A	NORTH HILLS LT 149A SC 6	0.53	R-1
110B 1 150	NORTH HILLS LT 150 SC 6	0.81	R-1
110B 1 151	NORTH HILLS LT 151 SC 6	0.64	R-1
110B 1 152	NORTH HILLS LT 152 SC 6	0.53	R-1
110B 1 153	NORTH HILLS LT 153 SC 6	0.53	R-1
110B 1 154	NORTH HILLS LT 154 SC 6	0.53	R-1
110B 1 155	NORTH HILLS LT 155 SC 6	0.53	R-1
110B 1 156	NORTH HILLS LT 156 SC 6	0.53	R-1
110B 1 157	NORTH HILLS LT 157 SC 6	0.64	R-1
110B 1 158	NORTH HILLS LT 158 SC 6	0.59	R-1
110B 1 159	NORTH HILLS LT 159 SC 6	0.61	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110B 1 160	NORTH HILLS LT 160 SC 6	0.61	R-1
110B 1 161	NORTH HILLS LT 161 SC 6	0.85	R-1
110B 1 162	NORTH HILLS LT 162 SC 6	0.85	R-1
110B 1 163	NORTH HILLS LT 163 SC 6	0.91	R-1
110B 1 164	NORTH HILLS LT 164 SC 6	0.78	R-1
110B 1 165	NORTH HILLS LT 165 SC 6	0.86	R-1
110B 1 166	NORTH HILLS LT 166 SC 6	0.63	R-1
110B 1 167	NORTH HILLS LT 167 SC 6	0.53	R-1
110B 1 168	NORTH HILLS LT 168 SC 6	0.60	R-1
110B 1 169	NORTH HILLS LT 169 SC 6	0.72	R-1
110B 1 170	NORTH HILLS LT 170 SC 6	0.72	R-1
110B 1 171	NORTH HILLS LT 171 SC 6	0.76	R-1
110B 1 172	NORTH HILLS LT 172 SC 6	0.74	R-1
110B 1 173	NORTH HILLS LT 173 SC 6	0.64	R-1
110B 1 174	NORTH HILLS LT 174 SC 6	0.53	R-1
110B 1 175	NORTH HILLS LT 175 SC 6	0.66	R-1
110B 2 176	NORTH HILLS LT 176 SC 7	0.60	R-1
110B 2 177	NORTH HILLS LT 177 SC 7	0.66	R-1
110B 2 178	NORTH HILLS LT 178 SC 7	0.77	R-1
110B 2 179	NORTH HILLS LT 179 SC 7	0.74	R-1
110B 2 180	NORTH HILLS LT 180 SC 7	0.64	R-1
110B 2 181	NORTH HILLS LT 181 SC 7	0.66	R-1
110B 2 182A	NORTH HILLS LT 182A SC 7	0.50	R-1
110B 2 182B	NORTH HILLS LT 182B SC 7	0.50	R-1
110B 2 183	NORTH HILLS LT 183 SC 7	2.62	R-1
110B 2 188	NORTH HILLS LT 188 SC 7	6.55	R-1
110B 2 189	NORTH HILLS LT 189 SC 7	0.83	R-1
110B 2 190	NORTH HILLS LT 190 SC 7	0.66	R-1
110B 2 191	NORTH HILLS LT 191 SC 7	0.58	R-1
110B 2 193	NORTH HILLS LT 193 SC 7	0.92	R-1
110B 2 194	NORTH HILLS LT 194 SC 7	1.03	R-1
110B 2 195	NORTH HILLS LT 195 SC 7	0.81	R-1
110B 2 196	NORTH HILLS LT 196 SC 7	0.61	R-1
110B 2 197	NORTH HILLS LT 197 SC 7	0.65	R-1
110B 2 198	NORTH HILLS LT 198 SC 7	0.66	R-1
110B 2 199	NORTH HILLS LT 199 SC 7	0.58	R-1
110B 2 200	NORTH HILLS LT 200 SC 7	0.76	R-1
110B 2 201	NORTH HILLS LT 201 SC 7	1.06	R-1
110B 2 202	NORTH HILLS LT 202 SC 7	0.91	R-1
110B 3 28	HIGH ACRE ESTATES LT 28	0.99	R-1
110B 3 29	HIGH ACRE ESTATES LT 29	1.20	R-1
110B 3 30	HIGH ACRE ESTATES LT 30	6.16	R-1
110B 3 31	HIGH ACRE ESTATES LT 31	2.09	R-1
110B 3 32	HIGH ACRE ESTATES LT 32	2.04	R-1
110B 3 33	HIGH ACRE ESTATES LT 33	0.85	R-1
110C 1 10	NORTH HILLS ESTATES LT 10 SEC 3	0.88	R-1
110C 1 11	NORTH HILLS ESTATES LT 11 SEC 3	0.83	R-1
110C 1 12	NORTH HILLS ESTATES LT 12 SEC 3	0.85	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110C 1 13	NORTH HILLS ESTATES LT 13 SEC 3	0.76	R-1
110C 1 14	NORTH HILLS ESTATES LT 14 SEC 3	0.73	R-1
110C 1 15	NORTH HILLS ESTATES LT 15 SEC 3	0.94	R-1
110C 1 16	NORTH HILLS ESTATES LT 16 SEC 3	0.95	R-1
110C 1 17	NORTH HILLS ESTATES LT 17 SEC 3	1.93	R-1
110C 1 18	NORTH HILLS ESTATES LT 18 SEC 3	0.78	R-1
110C 1 19	NORTH HILLS ESTATES LT 19 SEC 3 PB 36/326	1.08	R-1
110C 1 21	NORTH HILLS ESTATES LT 21 SEC 3 PB 36/326	1.20	R-1
110C 1 22	NORTH HILLS ESTATES LT 22 SEC 3	0.70	R-1
110C 1 23	NORTH HILLS ESTATES LT 23 SEC 3	0.79	R-1
110C 1 26	NORTH HILLS ESTATES LT 26 SEC 3	1.21	R-1
110C 1 27	NORTH HILLS ESTATES LT 27 SEC 3	1.08	R-1
110C 1 28	NORTH HILLS ESTATES LT 28 SEC 3	1.40	R-1
110C 1 29	NORTH HILLS ESTATES LT 29 SEC 3	0.83	R-1
110C 1 30	NORTH HILLS ESTATES LT 30 SEC 3	0.69	R-1
110C 1 31	NORTH HILLS ESTATES LT 31 SEC 3	0.72	R-1
110C 1 32	NORTH HILLS ESTATES LT 32 SEC 3	1.02	R-1
110C 1 33	NORTH HILLS ESTATES REVISED LT 33 SEC 3	3.31	R-1
110C 1 34	NORTH HILLS ESTATES LT 34 SEC 3	0.88	R-1
110C 1 43	NORTH HILLS ESTATES LT 43 SEC 3	0.00	R-1
110C 1 44	NORTH HILLS ESTATES LT 44 SEC 3	0.00	R-1
110C 1 45	NORTH HILLS ESTATES LT 45 SEC 3	0.00	R-1
110C 2 24	NORTH HILLS ESTATES LT 24 SEC 2	1.34	R-1
110C 2 25	NORTH HILLS ESTATES LT 25 SEC 2	1.28	R-1
110C 2 46	NORTH HILLS ESTATES LT 46 SEC 2	0.00	R-1
111 3 1	LITTLE OTTER	16.52	AR
111 6 1	LITTLE OTTER ESTS	2.74	AR
111 6 2	LITTLE OTTER ESTATES	2.14	AR
111 6 3	LITTLE OTTER ESTATES	2.33	AR
111 6 4	LITTLE OTTER EST LT 4	4.58	AR
111 6 5	LITTLE OTTER ESTATES	4.87	AR
111 7 1	HERGUETER TR 1	5.06	AR
111 7 2	HERGUETER TR 2	29.33	AR
111 7 3	HERGUETER TRACT 3	30.94	AR
111 7 4	HERGUETER TR 4	26.37	AR
111 7 5	HERGUETER TR 5	5.25	AR
111 A 4	LITTLE OTTER	94.00	AR
111 A 6	NR BEDFORD	27.13	AR
111 A 6A	NR BEDFORD	8.96	AR
111 A 7	NR BEDFORD	4.72	AR
111 A 7A	RT 221	4.15	AR
111 A 8		0.00	AR
111 A 8A	NR BEDFORD	2.86	AR
111 A 9	NR BEDFORD	0.74	AR
111 A 10	NR BEDFORD	0.84	AR
111 A 10A	NR BEDFORD PAR A	0.16	AR
111 A 11	NR BEDFORD	0.50	AR
111 A 12	NR BEDFORD	3.76	AR

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
111 A 13	NR BEDFORD	0.00	AR
111 A 14	NR BEDFORD	4.00	AR
111 A 15	LOT 1	0.18	AR
111 A 16	NR BEDFORD	3.50	AR
111 A 16B	FOREST RD PAR B	8.07	AR
111 A 17	LOT 3	0.51	AR
111 A 17A	LOT 2	0.39	AR
111 A 18A	FOREST RD PAR A	3.86	AR
111 A 19	NR BEDFORD LT 2	0.61	AR
111 A 20	NR BEDFORD	5.23	AR
111 A 21	NR BEDFORD LT 3	0.61	AR
111 A 22	NR BEDFORD	2.35	AR
111 A 23	NR BEDFORD	1.00	AR
111 A 24	NR BEDFORD	1.00	AR
111 A 25	NR BEDFORD	1.67	AR
111 A 26	LITTLE OTTER PB 48/380	3.21	AR
111 A 27	LITTLE OTTER	1.45	AR
111 A 28	LITTLE OTTER	0.89	AR
111 A 29	LITTLE OTTER	2.41	AR
111 A 30	LITTLE OTTER	1.50	AR
111 A 31	LITTLE OTTER	2.00	AR
111 A 32	LITTLE OTTER	0.50	AR
111 A 33	LITTLE OTTER PB 45/10	6.71	AR
111 A 34	LITTLE OTTER PB 45/10	54.31	AR
111 A 34A	NR BEDFORD	1.00	AR
111 A 35	LITTLE OTTER	72.03	I-2
111 A 36	LITTLE OTTER PAR 2A LT 1	0.00	AR
111 A 37	LITTLE OTTER LT 2	0.00	AR
111 A 38	LT 3 LITTLE OTTER	0.00	AR
111 A 39	LITTLE OTTER LT 4	0.00	AR
111 A 40	LITTLE OTTER LT 1	2.98	AR
111 A 41	LITTLE OTTER	1.83	AR
111 A 42	NR BEDFORD	0.38	AR
111 A 43	NR BEDFORD	1.59	AR
111 A 44	NR BEDFORD	8.53	AR
111 A 45	NR BEDFORD	8.71	AR
111 A 45A	MCGHEE ST PB 50/420	1.80	AR
111 A 45B	MCGHEE ST	0.90	AR
111 A 45C	LOT 1 PB 45/117	1.56	AR
111 A 47	NR BEDFORD	8.40	AR
111 A 48	NR BEDFORD	0.64	AR
111 A 51	LITTLE OTTER	72.93	I-2
111 A 51B	LITTLE OTTER	1.87	AR
111 A 51C	LITTLE OTTER	1.00	AR
111 A 51D	LITTLE OTTER	1.19	AR
111 A 52	LITTLE OTTER	0.00	AR
111 A 53	LITTLE OTTER	0.99	AR
111 A 53A	LITTLE OTTER	0.65	AR

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
111A 1 5	MTN VIEW PK LTS5-14 63-72	0.00	AR
111A 1 A	FOREST RD	1.21	AR
111A 1 B	FOREST RD	1.48	AR
111A 1 21	FOREST RD LTS 21-26 WB 116 257	0.00	AR
111A 1 51	FOREST RD LTS 51-56 WB 116 257	0.00	AR
111A 2 1	NR BEDFORD	1.67	AR
111A 2 2	NR BEDFORD	1.74	AR
111A 2 3	NR BEDFORD LTS 3-5	3.80	AR
111A 2 6	LOT 6	1.86	AR
111A 2 7	NR BEDFORD LT 7	1.89	AR
111A 2 8	NR BEDFORD LT 8	1.84	AR
128 3 1	N & W RWY	4.81	I-2
128 3 2	N & W RWY	1.68	I-2
128 3 2A	N & W RWY	1.00	I-2
128 3 2B	N & W RWY LT A	2.10	I-2
128 3 3	N & W RWY	3.36	I-2
128 3 3A	LOT 1 PB 39/97	1.73	I-2
128 A 35	NR BEDFORD	0.80	AR
128 A 36	NR BEDFORD	4.78	AR
128 A 37	NR BEDFORD	153.68	AR
128 A 47	NR BEDFORD PB 32/297	3.55	AR
128 A 47A	NR BEDFORD	0.45	AR
128 A 47B	TOWN & COUNTRY PT LT 35 SEC 4	0.28	AR
128 A 51	NR BEDFORD	4.87	C-2
128A 1 A	T & C LAKE PROP	0.88	AR
128A 1 A1		0.88	AR
128A 1 A 8	LOT TOWN & COUNTRY LT 10 BK A	0.00	AR
128A 1 A 10	TOWN & COUNTRY LT 10 BK A	0.00	AR
128A 1 A 11	TOWN & COUNTRY LT 11 BKA	0.00	AR
128A 1 A 12	T&c LT 12 BK A	0.00	AR
128A 1 A 13	TOWN & COUNTRY LT 13 BK A	0.00	AR
128A 1 A 14	T&C LT 14 BK A	0.00	AR
128A 1 A 15	T&C LT 15 BK A	0.00	AR
128A 1 A 16	T&C LT 16 BK A	0.00	AR
128A 1 B 25	T&C PT LT 25 BLK B	0.25	AR
128A 1 B 26	T&C PT LT 26 BLK B	0.00	AR
128A 1 B 27	T&C PT LT 27	0.00	AR
128A 1 B 28	T&C LT 28 BLK B	0.00	AR
128A 1 B 29	T&C LT 29 BLK B	0.00	AR
128A 1 D 44	T&C LT 44 BLK D	0.00	AR
128A 1 D 45	T&C LT 45 DK D	0.00	AR
128A 1 D 46	T&C LT 46 BK D	0.00	AR
128A 1 D 47	TOWN & COUNTRY LT 47 BK D	0.00	AR
128A 1 D 48	T&C LT 48 BK D	0.00	AR
128A 1 D 49	TOWN & COUNTRY LT 49 BK D	0.00	AR
128A 1 D 50	T&C LT 50 BK D	0.00	AR
128A 1 E 58	T&C LT 58 BK D	0.00	AR
128A 1 E 59	T&C LT 59 BK D	0.00	AR

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128A 1 E 60A	T&C LT PT 60A	0.00	AR
128A 1 E 60B	T&C LT 60B BK E	0.00	AR
128A 1 E 61	TOWN & COUNTRY LT 61 BK E	0.00	AR
128A 1 E 62	TOWN & COUNTRY LT 62 BK E	0.00	AR
128A 1 E 63	TOWN & COUNTRY LT 63 BK E	0.00	AR
128A 1 E 64	TOWN & COUNTRY LT 64 BK E	0.00	AR
128A 1 F 65	T&C LT 65 BLK F	0.00	AR
128A 1 F 66	T&C LT 66 BLK F	0.00	AR
128A 1 F 67	T&C LT 67 BK F	0.00	AR
128A 1 F 68A	T&C PT LT 68 AB	0.00	AR
128A 1 F 69	TOWN & COUNTRY LT 69 BK F	0.74	AR
128A 1 F 70B	BLK F TOWN & COUNTRY LT 71 PT 70B	0.00	AR
128A 2 C 30	T&C LT 30 BK C	0.00	AR
128A 2 C 31	T&C LT 31 BK C	0.00	AR
128A 2 C 32	T&C LT 32 BK C	0.00	AR
128A 2 C 33	T&C LT 33 BK C	0.00	AR
128A 2 C 34	T&C LT 34 BK C	0.00	AR
128A 2 C 35	T&C LT 35 BK C	0.00	AR
128A 2 C 36	T&C LT 36 BK C	0.00	AR
128A 2 C 37	T&C LT 37 BK C	0.00	AR
128A 2 C 38	TOWN & COUNTRY LT 38 BK C	0.00	AR
128A 2 C 39	T&C LT 39 BK C	0.00	AR
128A 2 C 40	T&C LT 40 BK C	0.00	AR
128A 2 C 41	TOWN & COUNTRY LT 41 BK C	0.00	AR
128A 2 C 42	T&C LT 42 BK C	0.00	AR
128A 2 C 43	T&C LT 43 BK C	0.00	AR
128A 3 A 17	TOWN & COUNTRY LT 17 BK A	0.00	AR
128A 3 A 18	TOWN & COUNTRY LT 18 BK A	0.00	AR
128A 3 A 19	T&C LT 19 BK A	0.00	AR
128A 3 A 20	T&C LT 20 BK A	0.00	AR
128A 3 A 21	T&C LT 21 BK A	0.00	AR
128A 3 A 22	T&C LT 22 BLK A	0.00	AR
128A 3 A 23	T&C LT 23 BLK A	0.00	AR
128A 3 A 24	T&C LT 24 BLK A	0.00	AR
128A 3 E 51	TOWN & COUNTRY BLK E PT LT 52 & 51	0.00	AR
128A 3 E 52B	T&C LT 52B BLK E	0.00	AR
128A 3 E 53	T&C LT 53 BLK E	0.00	AR
128A 3 E 54	T&C LT 54 BLK E	0.00	AR
128A 3 E 55	T&C LT 55 BLK E	0.00	AR
128A 3 E 56	T&C LT 56 BK E	0.00	AR
128A 3 E 57	T&C LT 57 BLK E	0.00	AR
128A 4 G 25	T&C LT 25 BLK 6	0.00	AR
128A 4 G 26	T&C LT 26 BLK G	0.00	AR
128A 4 G 27	T&C LT 27 BLK G	1.01	AR
128A 4 G 29	T&C LT 29 BLK G	0.58	AR
128A 4 G 30	T&C LT 30 BLK G	0.00	AR
128A 4 G 31	T&C LT 31 BLK G	0.00	AR
128A 4 G 32	T&C LT 32 BLK G	0.00	AR

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128A 4 G 33	T&C LT 33 BLK G	0.00	AR
128A 4 G 35	T&C LT 35 BLK G	0.00	AR
128A 4 G 36	T&C LT 36 BLK G	0.00	AR
128A 4 G 37	T&C LT 37 BLK G	0.00	AR
128A 4 G 38	TOWN & COUNTRY LT 38 BK G	0.00	AR
128A 4 G 39	T&C LT 39 BLK G	0.00	AR
128A 4 G 40	TOWN & COUNTRY LT 40 BK G	0.00	AR
128A 4 G 41	T&C LT 41 BK G	0.00	AR
128A 4 G 42	TOWN & COUNTRY LTY 42 B-G	0.00	AR
128A 4 G 43	T&C LT 43 BK G	0.00	AR
128A 4 H 58	WOODHAVEN DR LT 58 BK H	0.56	AR
128A 4 H 59	TOWN & COUNTRY LT 59 BK H	0.00	AR
128A 4 H 60	T&C LT 60 BK H	0.00	AR
128A 4 H 61	TOWN & COUNTRY LT 61 BK H	0.00	AR
128A 4 H 62	T&C LT 62 BK H	0.00	AR
128A 4 H 63	TOWN & COUNTRY LT 63 BK H	0.00	AR
128A 4 H 64	T&C LT 64 BK H	0.00	AR
128A 4 H 65	T&C LT 65 BK H	0.00	AR
128A 4 H 66	T&C LT 66 BK H	0.00	AR
128A 4 H 67	LT 67 BK H T & C	0.00	AR
128A 4 H 68	T&C LT 68 BK H	0.00	AR
128A 4 H 69	T&C LT 69 BK H	0.00	AR
128A 4 H 70	TOWN & COUNTRY LT 70 BK H	0.00	AR
128A 4 H 71	T&C LT 71 BLK H	0.00	AR
128A 4 H 72	TOWN & COUNTRY LT 72 BK H	0.00	AR
128A 4 H 73	T&C LT 73 BK H	0.00	AR
128A 4 H 74	TOWN & COUNTRY LT 74 BK H	0.00	AR
128A 4 H 75	T&C LT 75 BK H	0.00	AR
128A 4 H 76	TOWN & COUNTRY LT 76 BK H	0.00	AR
128A 4 I B	TOWN & COUNTRY LTS 78 & 95 BLK I	0.93	AR
128A 4 I 77	TOWN & COUNTRY LT 77 BK I	0.00	AR
128A 4 I 79	T&C LT 79 BK I	0.00	AR
128A 4 I 80	T&C LT 80 BLK I	0.00	AR
128A 4 I 81	LT 81 BK I TOWN & COUNTRY	0.00	AR
128A 4 I 82	T&C LT 82 BK I	0.00	AR
128A 4 I 83	T&C LT 83 BK I	0.00	AR
128A 4 I 84	TOWN & COUNTRY LT 84 BK I	0.00	AR
128A 4 I 85	T&C LT 85 BK I	0.00	AR
128A 4 I 86	T&C LT 86 BK I	0.00	AR
128A 5 87	TOWN & COUNTRY	0.73	AR
128A 5 88	T&C LT 88	0.00	AR
128A 5 89	TOWN & COUNTRY LT 89	0.00	AR
128A 5 90	T&C LT 90	0.00	AR
128A 5 91	TOWN & COUNTRY LT 91	0.00	AR
128A 5 92	TOWN & COUNTRY LT 92	0.37	AR
128A 5 93	TOWN COUNTRY LT 93	0.00	AR
128A 5 94	T&C LOT 94	0.00	AR
128A 5 96	TOWN & COUNTRY LT 96	0.00	AR

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128A 5 97	T&C LT 97	0.00	AR
128A 5 98	T&C LT 98	0.00	AR
128A 5 99	T&C LT 99	0.00	AR
128A 5 100	TOWN & COUNTRY LT 100	0.00	AR
128A 5 101	T&C LT 101	0.00	AR
128A 5 102	TOWN & COUNTRY LT 102	0.00	AR
128A 5 103	TOWN & COUNTRY LOT 103	0.00	AR
128A 5 105	TOWN & COUNTRY LOT 105	0.00	AR
128A 5 106	T&C LT 106	0.00	AR
128A 5 107	T&C LT 107	0.00	AR
128A 5 108	TOWN & COUNTRY LT 108	0.00	AR
128A 5 109	T&C LT 109	0.00	AR
128A 5 110	T&C LT 110	0.00	AR
128A 5 111	TOWN & COUNTRY LT 111	0.00	AR
128A 5 112	T&C LT 112	0.00	AR
128A 5 113	T&C LT 113	0.00	AR
128A 5 114	T&C LT 114	0.00	AR
128A 5 115	T&C LT 115	0.00	AR
128A 5 116	T&C LT 116	0.00	AR
128A 5 117	LT 117	0.00	AR
128A 5 118	TOWN & COUNTRY LT 118	0.00	AR
128A 5 119	TOWN & COUNTRY LT 119	0.00	AR
128A 5 120	TOWN & COUNTRY LT 120	0.00	AR
128A 5 121	TOWN & COUNTRY LT 121	0.00	AR
128A 5 121A	T&C LT 122	0.00	AR
128A 5 122	T&C LT 122	0.00	AR
128A 5 125	LT 125 TOWN & COUNTRY	0.00	AR
128A 5 126	TOWN & COUNTRY LT 126	0.00	AR
128A 5 127	TOWN & COUNTRY LT 127	0.00	AR
128A 5 128	T&C LT 128	0.00	AR
128A 5 129	T&C LT 129	0.00	AR
128A 5 130	T&C LT 130	0.00	AR
129 2 1	SMITHFIELD SEC 4 LT 1 PB 49/123	0.46	R-1
129 2 2	SMITHFIELD SEC 4 LT 2 PB 49/123	0.47	R-1
129 2 3	SMITHFIELD SEC 4 LT 3 PB 49/123	0.50	R-1
129 2 4	SMITHFIELD SEC 4 LT 4 PB 49/123	0.45	R-1
129 A 12	NR BEDFORD WB 154/421	35.93	A-P
130 2 2A	JOHNS CR	0.81	PID
130 2 2B	JOHNS CR	0.76	PID
130 2 3A	JOHNS CR	2.26	PID
147 5 5	SMITHFIELD SEC 4 LT 5 PB 49/123	0.45	R-1
147 5 6	SMITHFIELD SEC 4 LT 6 PB 49/123	0.45	R-1
147 5 7	SMITHFIELD SEC 4 LT 7 PB 49/123	0.42	R-1
147 5 8	SMITHFIELD SEC 4 LT 8 PB 49/123	2.16	R-1
147 A 7B	NR BEDFORD	20.82	A-P
147B 1 1	SMITHFIELD PT LT 1 SC 3	0.00	A-P
147B 1 2	SMITHFIELD PT LT 2 SC 3	0.00	A-P
147B 1 3	SMITHFIELD PT LT 3 SC 3	0.00	R-1

PHASE II BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
147B 1 4	SMITHFIELD PT LT 4	0.00	R-1
147B 1 5	SMITHFIELD PT LT 5 SC 3	0.00	R-1
147B 1 6	SMITHFIELD PT LTS 6 & 7 SEC 3	0.00	R-1
147B 1 8	SMITHFIELD PT LT 8 SC 3 PB 38/392	0.00	R-1
147B 1 10	SMITHFIELD PT LT 10 SC 3 PB 38/392	0.00	R-1
147B 1 11	SMITHFIELD PT LT 11 SC 3	0.00	R-1
147B 1 12	SMITHFIELD LT 12 SC 3	0.58	R-1
147B 1 13	SMITHFIELD PT LT 13 SC 3	0.00	R-1
147B 1 14	SMITHFIELD PT LT 14 SC 3	0.00	R-1
147B 1 15	SMITHFIELD LT 15 SC 3	0.46	R-1
147B 1 16	SMITHFIELD LT 16 SC 3	0.49	R-1
147B 1 17	SMITHFIELD LT 17 SC 3	0.00	R-1
147B 1 18	SMITHFIELD LT 18 SC 3	0.46	R-1
147B 1 19	SMITHFIELD LT 19 SC 3	0.46	R-1
147B 1 20	SMITHFIELD LT 20 SC 3	0.46	R-1
147B 1 21	SMITHFIELD LT 21 SC 3	2.02	R-1
147B 1 22	SMITHFIELD LT 22 SC 3	2.22	R-1
147B 1 23	SMITHFIELD LT 23 SC 3	1.33	R-1
147B 1 24	SMITHFIELD LT 24 SC 3	1.18	R-1
147B 1 25	SMITHFIELD LT 25 SC 3	1.11	R-1
147B 1 26	SMITHFIELD LT 26 SC 3	0.95	R-1
147B 1 27	SMITHFIELD LT 27 SC 3	0.75	R-1
147B 1 28	SMITHFIELD LT 28 SC 3	0.79	R-1
147B 1 31	SMITHFIELD LT 31 SC 3	0.46	R-1
147B 1 32	SMITHFIELD LT 32 SC 3	0.46	R-1
147B 1 33	SMITHFIELD LT 33 SC 3	0.46	R-1
93 A 40	CENTERVILLE	0.00	R-1
93 A 41	CENTERVILLE	1.55	R-1
652 parcels		1772.97	

EXHIBIT 12
**LIST OF PROPERTIES BY TAX PARCEL INCLUDED IN THE PHASE III
BOUNDARY ADJUSTMENT AREA**

PHASE III BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	SUBSECTOR	OWNER (AS OF OCTOBER 1, 2010)	ACREAGE	ZONING
109 5 2D	A	REYNOLDS BRIAN M & KIM	1.42	R-1
109 5 2C1	A	MORCK GARTH M & LAURA A	1.03	R-1
109 5 2C2	A	CARSON BOBBY L & BETTY JO	0.70	R-1
109 5 2C3	A	BABB GARY W & BRENDA C	0.58	R-1
109 5 2C4	A	MORCK GARTH M & LAURA A	0.52	R-1
109 5 2C5	A	WITT WAYNE D & FAYE P	1.89	R-1
109 5 2C6	A	REYNOLDS ROSE MARIE	1.01	R-1
109A 1 1	A	POFF WILLIAM & POFF ESSIE MARIE	0.00	R-1
109A 1 2A	A	POFF WILLIAM & POFF ESSIE MARIE	0.00	R-1
109A 1 2B	A	FALCONE RALPH G & BARBARA S	0.76	R-1
109A 1 2B1	A	POFF WILLIAM & POFF ESSIE MARIE	0.00	R-1
109A 2 6A	A	TAYLOR KATHERINE C	0.33	R-1
109A 2 6B	A	POFF WILLIAM & POFF ESSIE MARIE	0.17	R-1
109A 2 7	A	TAYLOR KATHERINE C	0.00	R-1
109A 2 8A	A	TAYLOR KATHERINE C	0.32	R-1
109A 2 8B	A	MARKHAM HOBART F & MARY L	0.32	R-1
109A 2 9	A	MARKHAM HOBART F & MARY L	0.00	R-1
109A 2 10	A	GOODE NORRIS E & BETTY T	0.00	R-1
109A 2 11	A	GILES CHARLES W & EVELYN W	0.00	R-1
109A 3 4A	A	ROWE DONALD M & MARILYN R	0.41	R-1
109A 3 5A	A	OLIVER TRUST THE	0.29	R-1
109A 3 12	A	SMITH LOUISE C TRUSTEE	0.89	R-1
109A 3 13	A	COYLE EDWARD S & COYLE LORNA MARIE	0.94	R-1
109A 3 14	A	MARKHAM MARY PARKS	0.76	R-1
109A 3 15	A	ANDERSON MARGARET M	1.17	R-1
109A 3 16	A	ANDERSON MARGARET M	0.67	R-1
109A 3 17	A	JENSEN A PETER & MAYMIE	0.65	R-1
109A 3 18	A	JOHNSON PATRICIA C TR	0.00	R-1
109A 3 19	A	PICKERING DIANNE K	0.65	R-1
109A 3 20	A	PARSHALL RICHARD E & PARSHALL ANABEL	0.64	R-1
109A 3 20A	A	MARKHAM MARY PARKS	0.00	R-1
109A 4 5	A	OLIVER TRUST THE	0.00	R-1
109A 4 5A	A	OLIVER TRUST THE	0.00	R-1
109A 4 5B	A	OLIVER TRUST THE	0.11	R-1
93 A 24	A	BURROWS DOROTHY M	9.90	R-1
93 A 25	A	REYNOLDS T E	2.80	R-1
93 A 26	A	REYNOLDS T E	234.14	R-1
93 A 27A	A	HURT KENNETH L	1.49	R-1
93 A 28	A	NOELL O S JR, WILLIAM &	150.00	R-1
93 A 39	A	CITY OF BEDFORD	0.00	R-1
111 A 51A	B	THE BEDFORD WILLIAMS-JOHNSON PARTNE	30.00	I-2
130 1 1	B	JOHNSON ISABELL CRAIG	64.00	AR
130 1 1A	B	JOHNSON PHILLIP W & JOHNSON TAMMY C	0.62	AR
130 1 1C	B	JOHNSON PHILLIP W & TAMMY	1.38	AR
130 1 2A	B	FIELDER EUBA T	0.75	AR
130 1 5A	B	NORTH ROSA DALE	2.55	AR
130 1 5B	B	WOOD DENNIS E & ALICE W	3.19	AR
130 1 2A1	B	ARRINGTON RAYMOND & ARRINGTON CYNTH	0.43	AR
130 1 2A2	B	ZIMMERMAN CHRISTOPHER WEST &	0.00	AR
130 2 2A	B	BURTON JACK E	0.81	PID
130 2 2B	B	BURTON JACK E	0.76	PID

PHASE III BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	SUBSECTOR	OWNER (AS OF OCTOBER 1, 2010)	ACREAGE	ZONING
130 2 3A	B	BURTON TONY DEAN & CYNTHIA A	2.26	PID
130 3 1	B	FIELDS CALVIN R & BETTY R	71.71	AR
130 3 1A	B	JACKSON ALONZA B & AUDREY	1.09	AR
130 3 1B	B	ARTHUR DENNIS ALAN &	0.25	AR
130 3 1C	B	HECK PAUL W	2.00	AR
130 3 1D	B	FLOOD MARY ELIZABETH	1.14	AR
130 3 1E	B	MURPHY WILLIE O	1.14	AR
130 3 1F	B	HURT ELIZABETH ANN	1.14	AR
130 3 1G	B	MARTIN LEWIS E & DORIS B	0.53	AR
130 3 1H	B	WESTROM ALICE MARIE	0.69	AR
130 3 2A	B	BRYANT DAVID L & MADELINE W TRUST	49.90	AR
130 4 1	B	SKIPPER DORIS HILDA	5.56	AR
130 4 2A	B	CALLOWAY MAURICE A E &	2.68	AR
130 4 2B	B	MANLEY KELLY B	2.68	AR
130 4 3	B	TUTTLE JON P & LORRAIN K	5.56	AR
130 6 1	B	FLOOD JOHN W & CYNTHIA D CALLOWAY	0.54	AR
130 6 2	B	LACKS JOSPEH D & SKEEN-LACKS ANOURI	0.78	AR
130 6 3	B	HURT STEVEN L & GLORIA R	0.89	AR
130 6 4	B	WRIGHT CLARA S	0.62	AR
130 6 5	B	HENRY LINDA C	0.55	AR
130 6 6	B	PAYNE ANDREW L	0.59	AR
130 6 7	B	ANDERSON MELVIN R &	0.55	AR
130 A 6	B	BLANKENSHIP J E JR	3.07	PID
130 A 16	B	DALTON DONALD W & EDITH H	57.29	PID/AR
130 A 16A	B	DALTON DONALD W & EDITH H	2.71	AR
130 A 17	B	RICE TURURA & RICE KEVIN C	12.51	AR
130 A 18A	B	GRIFFIN DORIS C	3.05	AR
130 A 19	B	BASHAM WAYNE L	8.64	AR
130 A 20	B	BOWYER CARLTON EDDIE & SHARON	1.68	AR
130 A 21	B	WRIGHT WILLIAM R & MABLE	1.01	AR
130 A 22	B	RTB PROPERTIES LLC	1.30	AR
130 A 22A	B	PAYNE JAMES L & EMILY S	1.13	AR
130 A 22B	B	SPINNER ERICK M & SPINNER FELICIA	1.46	AR
130 A 22C	B	PAYNE BOBBY L & BOBBY N	1.79	AR
130 A 23	B	BANKS OTEA LINCOLN & ALMA	0.00	AR
130 A 24	B	HALLMAN MARY E	1.71	AR
130 A 24A	B	BROWLEY THELMA ELAINE ROBERTSON & RO	2.59	AR
130 A 25	B	ANDERSON FREDDIE ROSE	15.91	AR
130 A 26	B	ANDERSON TRUST	3.00	AR
130 A 27	B	GETER PELTON	2.00	AR
130 A 28	B	HUNTER SALLIE D	39.73	AR
130 A 28A	B	HUFF-WILLIAMS ROSLYN	1.38	AR
130 A 28B	B	GETER PELTON & GETER FURNELL	0.65	PID
130 A 30	B	ARRINGTON RAYMOND P JR & CYNTHIA G	2.43	PID
130 A 31	B	MOSELEY RUPERT	2.35	PID
130 A 32A	B	HYATT WILLIAM B	25.36	PID
130 A 32B	B	HYATT WILLIAM B	25.36	AR
130 A 33	B	SHELTON STORMIE NECOLE	43.75	AR
130 A 36	B	ARTHUR DENNIS ALAN &	16.20	AR
130 A 37	B	BRYANT DAVID L & MADELINE W TRUST	3.90	AR
130 A 38	B	BRYANT DAVID L & MADELINE W TRUST	8.50	AR

PHASE III BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	SUBSECTOR	OWNER (AS OF OCTOBER 1, 2010)	ACREAGE	ZONING
130 A 39	B	BRYANT DAVID L & MADELINE W TRUST	12.80	AR
130 A 39A	B	BRYANT DAVID L & MADELINE W TRUST	7.70	AR
130 A 41	B	BRYANT DAVID L & MADELINE W TRUST	71.40	AR
130 A 42	B	JONES DOROTHY A, HELEN L ANTHONY & JO	123.00	AR
130 A 42	B	JONES DOROTHY A, HELEN L ANTHONY & JO	123.00	AR
130 A 45	B	WILLOUGHBY SANDRA D	29.77	AR
130 A 45A	B	FIELDS CALVIN R & BETTY R	27.74	AR
130 A 47	B	MACKEY SUSAN J BASSETT JONES	48.93	AR
130 A 47A	B	BOGGESS DONALD RAY & LISA GAIL	1.07	AR
130 A 48	B	PULLEN MILDRED H	1.36	AR
130 A 49	B	MANNS LACY	11.88	AR
130 A 49A	B	MOSS RALPH	2.00	AR
130 A 58	B	CLEMENTS W C REV	1.50	AR
130 A 59	B	WATTS FAITH R	1.72	AR
130 A 59A	B	SOCHOR DANIEL C	1.01	PID
130B 1 11A	B	CHEEK BOBBY R	6.25	PID
130B 1 12	B	GOAD ROBERT W & JAMES D	31.51	PID
130B 1 13	B	GOAD ROBERT W & JAMES D	31.51	PID
130B 1 13A	B	BLANKENSHIP HOWARD S & GOAD ROBERT W	10.00	PID
130B 1 14	B	GOAD ROBERT W & JAMES D	31.51	PID
130B 1 15	B	TLM LLC	10.61	PID
130B 1 16	B	TLM LLC	7.20	PID
130B 1 17	B	TLM LLC	27.92	PID
130B 2 1	B	HURT NELSON REED &	0.21	PID
130B 2 2	B	HURT NELSON R & DOROTHEA	0.55	PID
130B 2 3	B	JONES JAMES T & HALLIE	0.00	PID
130B 2 4	B	STARKS JACK H & LENA M	0.59	PID
130B 2 5	B	NEW HORIZON BUILDERS INC	0.61	PID
130B 2 6	B	BRAWLEY HELEN E	0.62	PID
130B 2 7	B	DREW WILLIAM LEROY	0.60	PID
130B 2 8	B	COLES LORENZA	0.51	PID
130B 2 9	B	STAPLES KIMBERLY FELICIA	0.47	PID
130B 3 1	B	DOTSON JOHNATHAN L & JAMIE D	0.53	PID
130B 3 2	B	STARKS MONA J	0.49	PID
130B 3 3	B	BRAWLEY BRIAN EUGENE	0.50	PID
130B 3 4	B	PAYNTER CLARA SEREINA	0.58	PID
130B 3 5	B	NELLUM AMY Y	0.55	PID
130B 3 6	B	CALLOWAY LORRAINE JANETTE	0.55	PID
130B 3 7	B	TLM LLC	0.56	PID
130C 1 1	B	HICKMAN CHESTER LEE & PATRICIA	0.00	AR
130C 1 2	B	MALLETTE FERNANDO L	0.00	AR
130C 1 3	B	CARTER JOHNNY LEROY &	0.00	AR
130C 1 4	B	STUMP JOHN H JR & STUMP SHARON ANDRE	0.00	AR
130C 1 5	B	REDMOND RANDOLPH ALLEN JR & CULVER	0.00	AR
130C 1 6	B	DILLON CARY L & BARBARA G	0.00	AR
130C 1 7	B	DILLON CARY L & BARBARA G	0.00	AR
130C 1 8	B	ANDREWS ERCHEL P	1.01	AR
130C 1 8A	B	PARRISH JENNIFER A	1.07	AR
130C 1 9	B	ANDREWS ERCHEL P	1.01	AR
130C 1 10	B	ANDREWS JOHN WILLIAM &	2.45	AR
130C 1 12A	B	MUSGRAVE MICHAEL J & LANA	0.78	AR

PHASE III BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	SUBSECTOR	OWNER (AS OF OCTOBER 1, 2010)	ACREAGE	ZONING
130C 1 13A	B	ANDREWS KENNETH W	1.01	AR
130C 1 14	B	ZIMMERMAN CHRISTOPHER WEST &	0.00	AR
130C 2 10	B	OVERSTREET ROGER DALE &	1.01	AR
130C 2 11	B	OVERSTREET ROGER DALE &	0.54	AR
130C 2 12	B	BRADS TIMOTHY A	0.00	AR
130C 2 13	B	ANDREWS FRANK	0.78	AR
130C 2 14	B	LYNCH WILLIE R & LAURIE S	0.74	AR
130C 2 15	B	LYNCH WILLIE R & LAURIE S	0.00	AR
130C 2 16	B	LYNCH WILLIE R & LAURIE S	1.02	AR
130C 2 17	B	KENNEDY GLENN F	0.00	AR
130C 2 18	B	KENNEDY GLENN F	0.85	AR
130C 2 19	B	GRISHAW BRENDA M LAUGHLIN	0.92	AR
130C 2 20	B	JOHNSON MARK K JR & HALE APRIL L	1.80	AR
130C 2 21	B	JOHNSON MARK K JR & HALE APRIL L	1.80	AR
130C 2 22	B	WOOD MAURICE H & ELSIE M	1.04	AR
130C 2 23	B	BLANKENSHIP CARL N &	1.13	AR
130C 2 24	B	BOWYER CHRISTOPHER E & GINA W	1.23	AR
130C 2 25	B	WOOD BRIAN MICHAEL	1.25	AR
130C 2 26	B	WOOD BRIAN M	1.18	AR
130C 2 27	B	ARTHUR RICKY LEE	1.12	AR
130C 2 28	B	COMMON VISION LLC	1.06	AR
130C 2 29	B	COMMON VISION LLC	1.00	AR
130C 2 30	B	ARTHUR RICKY LEE	1.00	AR
130C 3 3	B	DRAPER ANTHONY E	4.44	AR
130C 3 3A	B	ARTHUR RICKY LEE	2.00	AR
130C 3 4	B	DRAPER ANTHONY E	1.43	AR
130C 3 4A	B	ARTHUR RICKY LEE	2.00	AR
130C 3 5	B	CARTER JAMES MORRIS &	3.02	AR
130C 3 6	B	CARTER DOUGLAS W JR & MAYHEW SUZANN	2.15	AR
130C 3 7	B	RIGGS BRETT MITCHELL & RHONDA M	0.00	AR
130C 3 8	B	PARKER GARY DALE	0.00	AR
130C 3 9	B	PARKER GARY DALE	0.00	AR
131 A 21B	B	HOLMES WARREN	2.00	AR
131 A 21C	B	BUSH ROBERT L	6.00	AR
131 A 21D	B	BUSH ROBERT L	10.00	AR
129 1 3	C	CLAYTOR VERA W	5.07	AR
129 1 4	C	TATE JONGE & LYNNEA	5.07	AR
129 1 5	C	BELKNAP CLIFTON C &	5.06	AR
129 1 6	C	REISINGER JOHN CHRIS & REISINGER JANE C	5.20	AR
129 1 A	C	CLAYTOR VERA W	0.86	AR
129 A 1A	C	KRZYZANOWSKI PETER R & KRZYZANOWSKI	5.44	AR
129 A 1B	C	MURRAY EDNA N	5.84	AR
129 A 4	C	BARTON CARL E	1.02	AP
129 A 5	C	BIBLE TRUTH TABERNACLE	1.50	AP/AR
129 A 5E	C	SLUSHER DONNIE W & NANCY	0.70	AR
129 A 5F	C	FLOYD CURTIS L & WANDA L	1.56	AR
129 A 9	C	DINWIDDIE BENJAMIN D	42.94	AR
129 A 9B	C	DINWIDDIE ROBERT J & JULIE K	1.00	AR
129 A 9C	C	DINWIDDIE ROBERT JAMES	4.90	AR
129 A 10	C	FARISS R SMITH	1.70	AR
129 A 11	C	SHELOR ALLAN	5.05	AR

PHASE III BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	SUBSECTOR	OWNER (AS OF OCTOBER 1, 2010)	ACREAGE	ZONING
147 3 7	C	MORROW SIDNEY R & SHIRLEY	10.32	AR
147 A 2	C	BOOTHE DANNY R	9.37	AP/AR
128 A 46	D	PPRR LLC	83.49	AR
128 A 46A	D	CARRIAGE HILL RETIREMENT LLC	2.31	AR
146 A 40	D	STEVENS RUSSELL M, SAMUEL	10.00	AR
128 1 1	E	CRAIG LARRY A & CAROLYN C	0.50	AR
128 1 2	E	CUNDIFF MATTHEW R & ROBIN F	0.46	AR
128 1 3	E	CREASEY BILLY J	0.46	AR
128 1 4	E	WATSON GILMORE GLENN & JANET SCOTT	0.51	AR
128 1 5	E	BENNETT EMILY WILKERSON	0.51	AR
128 1 6	E	BIBLE LLOYD F JR &	0.46	AR
128 1 7	E	ABBOTT BETHANY E & ABBOTT CHRISTOPHE	0.46	AR
128 1 8	E	OSTRANDER JASON R & CASSANDRA A	0.46	AR
128 1 9	E	THOMAS ROY L & GALE C	0.46	AR
128 1 10	E	SHOALES MATTHEW C & SHOALES SARA J	0.46	AR
128 1 11	E	JOHNSON DONNA M	0.46	AR
128 1 12	E	WARE DARRYLE M & SHARON E	0.46	AR
128 1 13	E	MORGAN DEV CORP	0.46	AR
128 1 14	E	SNEAD RACHEL T	0.46	AR
128 5 1	E	LYNTON ANNIE JOHNSON	0.00	AR
128 5 2	E	BRIDGEMAN ALBERT J &	0.00	AR
128 6 1	E	BROADWATER CHARLES E &	0.50	AR
128 6 2	E	BROWN JASON L & BROWN REBEKAH A	0.50	AR
128 6 3	E	SLOSS BERTRAND LEE JR & CHARLOTTE	0.50	AR
128 6 4	E	CHISOM ANNE O	0.50	AR
128 6 5	E	LOVE HENRY A & TERESA J	0.50	AR
128 6 6	E	BLACK T RAY	0.50	AR
128 6 7	E	OVERSTREET BRIAN L & HEATHER M	0.50	AR
128 6 8	E	TUCKER JAROD T	0.50	AR
128 6 9	E	PAYNE CYNTHIA M	0.50	AR
128 6 10	E	OVERSTREET JASON ALAN	1.14	AR
128 6 11	E	MULLINS ARLIE E & BEATRICE	0.87	AR
128 6 12	E	MOSS RUTH E	0.46	AR
128 6 13	E	PENDLETON TRAVIS & PENDLETON LESLIE	3.04	AR
128 A 31	E	B A INVESTORS LLC	18.81	AR
128 A 31A	E	B & A INVESTORS LLC	1.48	AR
128 A 31B	E	B & A INVESTORS LLC	1.55	AR
128 A 31C	E	B & A INVESTORS LLC	1.55	AR
128 A 31D	E	B & A INVESTORS LLC	1.55	AR
128 A 31E	E	B & A INVESTORS LLC	1.55	AR
128 A 30M	E	LONG MEADOWS INC	4.83	C-2
128 B 1 111	E	LATIMER ANNA M	0.03	C-2
128 B 1 112	E	BIBB MILTON EARL	0.03	C-2
128 B 1 113	E	JONES LAVEDIA A	0.03	C-2
128 B 1 114	E	MCCABE DAVID J & SANDRA L	0.03	C-2
128 B 1 115	E	HANKINS JUDY F	0.03	C-2
128 B 1 116	E	MCCABE DAVID J & SANDRA L	0.03	C-2
128 B 1 121	E	RUSH STEPHEN D & JUDY K	0.03	C-2
128 B 1 122	E	MCCABE DAVID J & SANDRA L	0.03	C-2
128 B 1 123	E	MORRIS CHARLES L	0.03	C-2
128 B 1 124	E	MOSS CHRISTY ELAINE	0.03	C-2

PHASE III BOUNDARY ADJUSTMENT PARCEL LISTING

TAX PARCEL	SUBSECTOR	OWNER (AS OF OCTOBER 1, 2010)	ACREAGE	ZONING
128 B 1 125	E	MORRIS CHARLES L	0.03	C-2
128 B 1 126	E	WUERGLER REBECCA E	0.03	C-2
128 B 1 131	E	ESPOSITO GENARO J & MARIE	0.03	C-2
128 B 1 132	E	CLAYTOR TONY A	0.03	C-2
128 B 1 133	E	MORRIS CHARLES L	0.03	C-2
128 B 1 134	E	MCCABE CHRISTOPHER D & CHASTITY	0.03	C-2
128 B 1 135	E	MCCABE DAVID J & SANDRA L	0.03	C-2
128 B 1 136	E	ESPOSITO GENARO III & LINDA L	0.03	C-2
128 B 1 A	E	CP BEDFORD HOMEOWNERS	1.28	C-2
128 B 2 1	E	MCCABE DAVID J & SANDRA L	0.06	C-2
128 B 2 10	E	LONG MEADOWS INC	0.06	C-2
128 B 2 11	E	LONG MEADOWS INC	0.06	C-2
128 B 2 12	E	JAMISON LORI L	0.06	C-2
128 B 2 13	E	MORALES DOUGLAS A & CAROL	0.06	C-2
128 B 2 14	E	MORALES DOUGLAS A & CAROL	0.06	C-2
128 B 2 15	E	MORALES DOUGLAS A & CAROL	0.06	C-2
128 B 2 2	E	ROWLETT DAVID J	0.06	C-2
128 B 2 3	E	MCCABE DAVID J & SANDRA L	0.06	C-2
128 B 2 4	E	EPPES KATHERINE ANNE	0.06	C-2
128 B 2 5	E	MCCABE DAVID J & SANDRA L	0.06	C-2
128 B 2 6	E	COX FRANCES M	0.06	C-2
128 B 2 7	E	MORALES DOUGLAS A & CAROL	0.06	C-2
128 B 2 8	E	MORALES DOUGLAS A & CAROL	0.06	C-2
128 B 2 9	E	LONG MEADOWS INC	0.06	C-2
128 B 2 A	E	MUSTANG RIDGE HOMEOWNERS	0.00	C-2
109 A 44	F	EDWARDS FRANK A & RUBY	100.59	I-2
128 2 B	F	ASCENT	35.41	I-2
283 total parcels			2,046.54	

EXHIBIT 13
EXAMPLE OF PHASE II BOUNDARY ADJUSTMENT

Example of Phase II Boundary Adjustment

An area in the Phase II Boundary Adjustment Areas designated for a boundary adjustment by the Town would be eligible for incorporation prior to the automatic boundary adjustment occurring ten years after the Phase I Boundary Adjustment, if it is contiguous to the existing Town boundary and if it consists of parcels of land that have an average size of three acres or less based on subdivision plats or deeds recorded after the effective date of Town status. An example of an area designated by the Town that would satisfy these criteria would be as follows:

The Town proposes to incorporate 100 acres of land, a portion of which physically adjoins the then existing Town corporate boundaries. Of the designated area, 75 acres consists of individual parcels of land as shown on recorded subdivision plats or deeds, including one vacant 10-acre parcel; ten 2-acre parcels, each with a house; a 5-acre parcel with 25 apartments; ten 3-acre parcels, each with a house; five 1-acre parcels, each with a duplex; and one 5-acre parcel with a grocery store. That portion of the designated area is eligible for a boundary adjustment because it has an average of 2.7 acres per lot (75 acres divided by 28 lots, equals 2.7).

The other 25 acres of the area designated by the Town lie within a County zoning district that requires a connection to public water and sewer facilities. Hence, the designated area satisfies the eligibility criteria, because 75 acres meet the lot size requirement and 25 acres meet to public utility requirement.

EXHIBIT 14
EXAMPLE OF PHASE III BOUNDARY ADJUSTMENT

Example of Phase III Boundary Adjustment

An area designated for a boundary adjustment by the Town in the Phase III Boundary Adjustment Areas would be eligible for incorporation if it is contiguous to the existing Town boundary and has a minimum width of 500 feet where it connects with the existing Town boundary line. In addition, the area to be incorporated into the Town must be an urban or urbanizing area based on satisfying any one or more of the following criteria: (i) the area consists of parcels of land that have an average size of three acres or less (the "lot size requirement"), (ii) the area as a whole has a density of at least two dwellings or more per acre (the "density requirement"), or (iii) the area includes parcels of land that are used for commercial or industrial uses (the "business use requirement"). A designated area that satisfies these criteria is illustrated by the following example:

The Town proposes to incorporate 140 acres of land, a portion of which physically adjoins the then existing Town corporate boundaries along a line at least 500 feet in width. Of the designated area, 75 acres consists of individual parcels of land as shown on recorded subdivision plats or deeds, including one vacant 10-acre parcel; ten 2-acre parcels, each with a house; a 5-acre parcel with 25 apartments; ten 3-acre parcels, each with a house; five 1-acre parcels, each with a duplex; and one 5-acre parcel with a grocery store. That portion of the designated area is eligible for a boundary adjustment because it has an average of 2.7 acres per lot (75 acres divided by 28 lots, equals 2.7).

Another portion of the designated area includes 15 acres with two parcels, one with 10 acres and one with 5 acres. It would not satisfy the lot size requirement with an average lot size of 7.5 acres. However, the 10-acre parcel includes 30 apartments, and the 5-acre parcel has four duplexes, which results in a density of 2.3 dwellings per acre (38 dwellings divided by 15 acres, equals 2.5), or more than the minimum density of two dwellings per acre.

Another portion of the designated area includes 40 acres with a strip shopping center on 25 acres; one 5-acre lot with a doctor's office building and single-family home; one 5-acre lot with a County office building; and one 5-acre lot with a machine repair shop and a horticulture operation. It would not meet the lot size requirement or the density requirement, but it would meet the business use requirement. The shopping center, office building, Post Office, and County office building are commercial development. The lot with the home is a commercial lot, because a portion of the lot is used for the doctor's office building. The lot with the horticulture operation also is a commercial lot, because a portion of the lot is used for the machine repair shop.

The final portion of the designated area includes 10 acres used for public roads and public rights-of-way. Those acres can be excluded altogether in applying

the eligibility requirements. Hence, the area designated by the Town can be incorporated because each portion meets at least one of the alternative criteria for a boundary adjustment.

EXHIBIT 15
**EXAMPLE OF PHASE III BOUNDARY ADJUSTMENT FOR REMAINING
PARCELS BASED ON 60% DEVELOPMENT**

Example of Phase III Boundary Adjustment for Remaining Parcels
based on 60% Development

Those parcels of land within a Phase III Boundary Adjustment Area that have not been incorporated into the Town based on the criteria in Section 10.2 shall be eligible for incorporation at such time as 60% of the remaining parcels within any identified subsector have been developed. An example illustrating this type of boundary adjustment is as follows:

One of the six Phase III Boundary Adjustment Areas consists of 200 acres. Of that total area, 100 acres have been incorporated into the Town by ordinance based on the Phase III criteria in Section 10.2. The remaining 100 acres consist of 30 parcels of varying sizes. Of those 30 parcels, 20 have been developed. Some have single-family homes with three acres or less; some have apartments on larger parcels but with a density of two or more dwellings per acre; and some have retail stores, office buildings, or manufacturing operations – all of which constitute “development” for purposes of Section 10.8. The 20 developed parcels include 40 acres of the total 100-acre area. The remaining portions of this Phase III Boundary Adjustment Area include certain public roads and rights -of-way, but they are disregarded for this purpose.

These remaining parcels meet the 60% requirement and are eligible for a boundary adjustment, because 20 of the 30 remaining parcels, or 67%, have been developed. While the 20 parcels include only 40% of the remaining 100 acres , eligibility is based on the number of parcels, not the land area of the parcels.

EXHIBIT 16

**LIST OF PARCELS INCLUDING BISON PRINTING PROPERTY, NORTH
HILLS SUBDIVISION, AND TOWN & COUNTRY SUBDIVISION**

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
109 A 45	N & W RWYCOMBINED WITH 128(2)A & B	35.41	I-2
110 1 1	NORTHWOOD HGTS LT 1	0.00	R-1
110 1 2	NORTHWOOD HGTS LT 2 PT 3	0.00	R-1
110 1 3A	NORTHWOOD HGTS LT 4 PT 3	0.00	R-1
110 1 5	NORTHWOOD HGTS LT 5	0.00	R-1
110 1 6	LT 6 NORTHWOOD HGTS	0.00	R-1
110 1 7	NORTHWOOD HGTS PT LT 7	1.72	R-1
110 1 7A	NORTHWOOD HGTS	0.98	R-1
110 1 8	NORTHWOOD HTS LT 8	0.00	R-1
110 1 9	NORTHWOOD HTS LT 9	0.00	R-1
110 1 10	NORTHWOOD HTS LT10	0.00	R-1
110 1 11	NORTHWOOD HTS LT 11	0.00	R-1
110 1 12	NORTHWOOD HTS LT 12	0.00	R-1
110 1 13	NORTHWOOD HTS LT 13	0.00	R-1
110 1 TR1	RT 1 NORTHWOOD HTS	16.40	R-1
110 1 TR2	TR 2 NORTHWOOD HTS	5.00	R-1
110 1 TR3	HIGH AC RD PT TR 3	4.41	R-1
110 1 TR3A	PT TR 3 NORWOOD HGTS	4.17	R-1
110 2 1E	PEAKS RD LT 1 EAST	5.66	R-1
110 2 1W	PEAKS RD LT 1 WEST	5.61	R-1
110 3 2	110-3-2&3A EAST & WEST	0.96	R-1
110 3 2B	WHEELER LTS 2B &3B EAST	1.11	R-1
110 3 2E	HIGH ACRE ROAD PB 49/308	6.41	R-1
110 3 2W	VISTARAMA LANE PB 49/308	1.00	R-1
110 4 1	LOT 1 PB 52/47	0.00	R-1
110 4 2	NR BEDFORD	70.32	R-1
110 4 2A	NR BEDFORD	27.69	R-1
110 4 3A	NORTH HILLS	1.46	R-1
110 4 3B	NR BEDFORD	1.43	R-1
110 4 3C	NEAR BEDFORD	1.38	R-1
110 4 4	NORTH HILLS LT 4 SC 10	0.60	R-1
110 4 5	NORTH HILLS LT 5 SC 10	0.60	R-1
110 5 A	LITTLE OTTER	46.17	R-1
110 5 A2	LITTLE OTTER	1.01	R-1
110 5 B	LITTLE OTTER	46.17	R-1
110 5 B1	LITTLE OTTER	1.21	R-1
110 5 C	LITTLE OTTER	46.17	R-1
110 5 C1	LITTLE OTTER	4.65	R-1
110 6 1	LITTLE OTTER	10.05	R-1
110 6 1A	LITTLE OTTER	16.49	R-1
110 6 3A	LITTLE OTTER	2.15	R-1
110 6 3B	LITTLE OTTER	8.88	R-1
110 6 3C	LITTLE OTTER	12.26	R-1
110 6 3D	TRACT 3D PB 43/383	2.02	R-1
110 6 4	LITTLE OTTER	65.41	AR
110 6 4A	LITTLE OTTER	15.00	AR
110 8 1	NORTH HILLS LT 1 SC 10	5.35	R-1
110 8 2	NORTH HILLS LT 2 SC 10	0.92	R-1

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110 8 3	NORTH HILLS LT 3 SC 10	1.06	R-1
110 9 6	NORTH HILLS LT 6 SC 10	0.80	R-1
110 9 7	NORTH HILLS LT 7 SC 10	0.89	R-1
110 9 8	NORTH HILLS LT 8 SC 10	0.82	R-1
110 9 9	NORTH HILLS LT 9 SC 10	0.84	R-1
110 9 10	NORTH HILLS LT 10 SC 10	1.26	R-1
110 9 11	NORTH HILLS LT 11 SC 10	1.20	R-1
110 9 12	NORTH HILLS LT 12 SC 10	1.12	R-1
110 9 13	NORTH HILLS LT 13 SC 10	1.02	R-1
110 9 14	NORTH HILLS LT 14 SC 10	1.19	R-1
110 9 15	NORTH HILLS LT 15 SC 10	0.97	R-1
110 9 16	NORTH HILLS LT 16 SC 10	1.13	R-1
110 9 17	NORTH HILLS LT 17 SC 10	1.21	R-1
110 9 18	NORTH HILLS LT 18 SC 10	1.02	R-1
110 9 19	NORTH HILLS LT 19 SC 10	1.14	R-1
110 9 20	NORTH HILLS LT 20 SC 10	0.99	R-1
110 9 21	NORTH HILLS LT 21 SC 10	0.99	R-1
110 A 1	LITTLE OTTER WB 133 610	90.20	R-1
110 A 2	PEAKS RD	5.01	R-1
110 A 2A	NORTH HILLS	0.44	R-1
110 A 3	PEAKS RD	2.25	R-1
110 A 3A	NORTH HILLS REVISED TRACT 5 PB 45/320	2.05	R-1
110 A 4	PEAKS RD	1.76	R-1
110 A 5	NEW TRACT 3 PB 44/147	1.59	R-1
110 A 6	PEAKS RD PB 44/147	3.97	R-1
110 A 7	PEAKS RD	2.01	R-1
110 A 8	HIGH ACRE ROAD	0.00	R-1
110 A 9	PEAKS RD	0.84	R-1
110 A 10	PEAKS RD LT A	0.73	R-1
110 A 11	PEAKS RD	0.73	R-1
110 A 12	PEAKS RD	0.85	R-1
110 A 12A	PEAKS RD	0.82	R-1
110 A 13	PEAKS RD	0.96	R-1
110 A 14	LT 13	0.98	R-1
110 A 15	PT LT 8, 9	2.18	R-1
110 A 17B	NORTH HILLS TR 1	6.03	R-1
110 A 17D	NORTH HILLS TR 2	7.46	R-1
110 A 18	LITTLE OTTER	9.81	R-1
110 A 19	NR BEDFORD	41.00	R-1
110 A 20	NR BEDFORD PB 51/111	17.00	R-1
110 A 20A	NR BEDFORD	17.61	R-1
110 A 20B	NR BEDFORD	5.00	R-1
110 A 22A	LITTLE OTTER	8.08	R-1
110 A 23	LITTLE OTTER	24.07	R-1
110 A 24	CENTERVILLE	1.07	R-1
110 10 1	PEAKLAND LT 1	1.89	R-1
110 10 2	PEAKLAND LT 2	1.60	R-1
110 10 3	PEAKLAND LT 3	1.88	R-1

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110 10 4	PEAKLAND LT 4	1.90	R-1
110 10 5	PEAKLAND LT 5	2.53	R-1
110 10 6	PEAKLAND LT 6	2.75	R-1
110 10 7	PEAKLAND LT 7	3.65	R-1
110 10 8	PEAKLAND LT 8	2.98	R-1
110 10 9	PEAKLAND LT 9	2.89	R-1
110 10 10	PEAKLAND LT 10	2.56	R-1
110 10 11	PEAKLAND LT 11	2.32	R-1
110 10 12	PEAKLAND LT 12	1.62	R-1
110 10 13	PEAKLAND LT 13	1.67	R-1
110 10 14A	PEAKLAND LT 14A	1.29	R-1
110 10 15	PEAKLAND LT 15	1.01	R-1
110 10 16	PEAKLAND LT 16	1.60	R-1
110 10 17	PEAKLAND LT 17	1.10	R-1
110 10 18	PEAKLAND LT 18	1.01	R-1
110 10 19	PEAKLAND LT 19 PB 48/67	1.00	R-1
110 10 20	PEAKLAND LT 20 PB 48/67	1.02	R-1
110 10 21	PEAKLAND LT 21 PB 48/67	1.01	R-1
110 10 22	PEAKLAND LT 22	1.53	R-1
110 10 23	PEAKLAND LT 23	1.27	R-1
110 10 24	PEAKLAND LT 24	1.02	R-1
110A 1 98	NORTH HILLS LOT 98 SC 5	0.89	R-1
110A 1 99	NORTH HILLS LOT 99 SC 5	0.00	R-1
110A 1 100	NORTH HILLS LOT 100 SC 5	0.69	R-1
110A 1 101	NORTH HILLS LOT 101 SC 5	0.67	R-1
110A 1 102	NORTH HILLS LOT 102 SC 5	0.78	R-1
110A 1 103	NORTH HILLS AMENDED LT 103 SEC 5 PB 49/337	0.90	R-1
110A 1 104	NORTH HILLS LT 104 SC 5	0.81	R-1
110A 1 105	NORTH HILLS LT 105 SC 5	0.80	R-1
110A 1 106	NORTH HILLS LT 106 SC 5	0.69	R-1
110A 1 107	NORTH HILLS LT 107 SC 5	0.69	R-1
110A 1 111	NORTH HILLS LT 111 SC 5	1.61	R-1
110A 1 111A	NORTH HILLS LT 111 S-5	1.07	R-1
110A 1 112	NORTH HILLS LT 112 B SC 5	0.77	R-1
110A 1 112A	NORTH HILLS LT 112 A SC 5	1.00	R-1
110A 1 113	NORTH HILLS LT 113 B SC 5	0.92	R-1
110A 1 113A	NORTH HILLS LT 113 A	0.92	R-1
110A 1 114	NORTH HILLS LT 114 SC 5	0.00	R-1
110A 1 115	NORTH HILLS LT 115 SC 5	0.79	R-1
110A 1 116	NORTH HILLS LT 116 SC 5	0.75	R-1
110A 1 117	NORTH HILLS LT 117 SC 5	0.69	R-1
110A 1 118	NORTH HILLS LT 118 SC 5	0.69	R-1
110A 1 119	NORTH HILLS LT 119 SC 5	0.69	R-1
110A 1 120	NORTH HILLS LT 120 SC 5	0.69	R-1
110A 1 121	NORTH HILLS LT 121 SC 5	0.66	R-1
110A 1 122	NORTH HILLS LT 122 SC 5	0.80	R-1
110A 1 123	NORTH HILLS LT 123 SC 5	0.84	R-1
110A 1 124	NORTH HILLS	0.72	R-1

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110A 1 125	NORTH HILLS LT 125 SC 5	0.72	R-1
110A 1 126	NORTH HILLS LT 126 SC 5	0.63	R-1
110A 1 127	NORTH HILLS LT 127 SC 5	0.70	R-1
110A 1 128	NORTH HILLS LT 128 SC 5	4.26	R-1
110A 1 129	NORTH HILLS LT 129 SC 5	0.70	R-1
110A 1 130	NORTH HILLS LT 130 SC 5	0.97	R-1
110A 1 131	NORTH HILLS LT 131 SC 5	0.72	R-1
110A 1 132	NORTH HILLS LT 132 SC 5	0.62	R-1
110A 1 133	NORTH HILLS LT 133 SC 5	0.70	R-1
110A 1 133A	NORTH HILLS	2.53	R-1
110A 1 134	NORTH HILLS LT 134 SC 5	0.82	R-1
110A 1 136	NORTH HILLS LT 136 SC 5	0.91	R-1
110A 1 137	NORTH HILLS LT 137 SC 5	0.67	R-1
110A 1 138	NORTH HILLS LT 138 SC 5	0.69	R-1
110A 1 139	NORTH HILLS LT 139 SC 5	2.89	R-1
110A 2 83A	NORTH HILLS LT 83 SC 4	0.72	R-1
110A 2 84	NORTH HILLS LT 84 SC 4	0.57	R-1
110A 2 85	NORTH HILLS LT 85 SC 4	0.57	R-1
110A 2 86	NORTH HILLS LT 86 SC 4	0.64	R-1
110A 2 87	NORTH HILLS LT 87 SC 4	0.69	R-1
110A 2 88	NORTH HILLS LT 88 SC 4	0.56	R-1
110A 2 89	NORTH HILLS LT 89 SC 4	0.57	R-1
110A 2 90	NORTH HILLS LT 90 SC 4	0.57	R-1
110A 2 91	NORTH HILLS LT 91 SC 4	0.57	R-1
110A 2 92	NORTH HILLS LT 92 SC 4	0.57	R-1
110A 2 93	NORTH HILLS LT 93 SC 4	0.69	R-1
110A 2 94	NORTH HILLS LT 94 SC 4	0.80	R-1
110A 2 95	NORTH HILLS LT 95 SC 4	0.78	R-1
110A 2 96	NORTH HILLS LT 96 SC 4	0.00	R-1
110A 2 97	NORTH HILLS LT 97 SC 4	0.69	R-1
110A 3 41	NORTH HILLS LT 41 SC 3	0.57	R-1
110A 3 42	NORTH HILLS LT 42 SC 3	1.03	R-1
110A 3 43	NORTH HILLS LT 43 SC 3	0.57	R-1
110A 3 44	NORTH HILLS LT 44 SC 3	0.57	R-1
110A 3 45	NORTH HILLS LT 45 SC 3	0.57	R-1
110A 3 46	NORTH HILLS LT 46 SC 3	0.57	R-1
110A 3 47	NORTH HILLS LT 47 SC 3	0.57	R-1
110A 3 48	NORTH HILLS LT 48 SC 3	0.57	R-1
110A 3 49	NORTH HILLS LT 49 SC 3	0.57	R-1
110A 3 50	NORTH HILLS LT 50 SC 3	0.57	R-1
110A 3 51	NORTH HILLS LOT 51 SC 3	0.00	R-1
110A 3 52	NORTH HILLS LT 52 SC 3	0.57	R-1
110A 3 53	NORTH HILLS LT 53 SC 3	0.54	R-1
110A 3 54	NORTH HILLS LT 54 SC 3	0.54	R-1
110A 3 55	NORTH HILLS LT 55 SC 3	0.57	R-1
110A 3 56	NORTH HILLS LT 56 SC 3	0.81	R-1
110A 3 57	NORTH HILLS LT 57 SC 3	0.53	R-1
110A 3 58	NORTH HILLS LT 58 SC 3	0.52	R-1

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110A 3 59	NORTH HILLS LT 59 SC 3	0.52	R-1
110A 3 60	NORTH HILLS LT 60 SC 3	0.53	R-1
110A 3 61	NORTH HILLS LT 61 SC 3	0.53	R-1
110A 3 62	NORTH HILLS LT 62	0.53	R-1
110A 3 63	NORTH HILLS LT 63	0.50	R-1
110A 3 64	NORTH HILLS LT 64	0.53	R-1
110A 3 65	NORTH HILLS LT 65	0.53	R-1
110A 3 66	NORTH HILLS LT 66	0.53	R-1
110A 3 67	NORTH HILLS LT 67	0.53	R-1
110A 3 68	NORTH HILLS LT 68	0.00	R-1
110A 3 69	NORTH HILLS LT 69	0.53	R-1
110A 3 70	NORTH HILLS LT 70	0.53	R-1
110A 3 71	NORTH HILLS LT 71	0.53	R-1
110A 3 72	NORTH HILLS LT 72	0.53	R-1
110A 3 73	NORTH HILLS LT 73	0.53	R-1
110A 3 74	NORTH HILLS LT 74	0.53	R-1
110A 3 75	LT 75 SC 3 NORTH HILLS	0.00	R-1
110A 3 76	NORTH HILLS LT 76	0.52	R-1
110A 3 77	NORTH HILLS LT 77	0.52	R-1
110A 3 78	NORTH HILLS LT 78	0.53	R-1
110A 3 79	NORTH HILLS LT 79	0.55	R-1
110A 3 80	NORTH HILLS LT 80	1.14	R-1
110A 3 81	NORTH HILLS LT 81	1.59	R-1
110A 3 82	NORTH HILLS LT 82	0.95	R-1
110A 4 37A	NORTH HILLS PT LT 37	0.00	R-1
110A 4 39	NORTH HILLS LT 39	0.00	R-1
110A 4 40A	NORTH HILLS DR 1/2 LT 40	0.00	R-1
110A 5 130A	NORTH HILLS LT 130A SC 5	0.94	R-1
110A 6 1	NORTH HILLS ESTATESLT 1	1.18	R-1
110A 6 2	NORTH HILLS ESTATESLT 2	0.99	R-1
110A 6 3	NORTH HILLS ESTATESLT 3	0.71	R-1
110A 6 4	NORTH HILLS ESTATESLT 4	0.64	R-1
110A 6 5	NORTH HILLS ESTATESLT 5	1.12	R-1
110A 6 6	NORTH HILLS ESTATESLT 6	0.94	R-1
110A 6 7	NORTH HILLS ESTATESLT 7	0.78	R-1
110A 6 8	NORTH HILLS ESTATESLT 8	0.78	R-1
110A 6 9	NORTH HILLS ESTATESLT 9	0.70	R-1
110A 6 35A	LT 35A	0.52	R-1
110A 6 69A	LT 69A	1.12	R-1
110B 1 140	NORTH HILLS LT 140 SC 6	0.63	R-1
110B 1 141	NORTH HILLS LT 141 SC 6	0.64	R-1
110B 1 142	NORTH HILLS LT 142 SC 6	0.76	R-1
110B 1 143	NORTH HILLS LT 143 SC 6	0.78	R-1
110B 1 144	NORTH HILLS AMENDED LT 144 SC 6 PB 49/337	0.76	R-1
110B 1 145	NORTH HILLS LT 145 SC 6	0.77	R-1
110B 1 146	NORTH HILLS LT 146 SC 6	0.64	R-1
110B 1 147	NORTH HILLS LT 147 SC 6	0.68	R-1
110B 1 148	NORTH HILLS LT 148 SC 6	0.92	R-1

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110B 1 149	NORTH HILLS LT 149 SC 6	1.00	R-1
110B 1 149A	NORTH HILLS LT 149A SC 6	0.53	R-1
110B 1 150	NORTH HILLS LT 150 SC 6	0.81	R-1
110B 1 151	NORTH HILLS LT 151 SC 6	0.64	R-1
110B 1 152	NORTH HILLS LT 152 SC 6	0.53	R-1
110B 1 153	NORTH HILLS LT 153 SC 6	0.53	R-1
110B 1 154	NORTH HILLS LT 154 SC 6	0.53	R-1
110B 1 155	NORTH HILLS LT 155 SC 6	0.53	R-1
110B 1 156	NORTH HILLS LT 156 SC 6	0.53	R-1
110B 1 157	NORTH HILLS LT 157 SC 6	0.64	R-1
110B 1 158	NORTH HILLS LT 158 SC 6	0.59	R-1
110B 1 159	NORTH HILLS LT 159 SC 6	0.61	R-1
110B 1 160	NORTH HILLS LT 160 SC 6	0.61	R-1
110B 1 161	NORTH HILLS LT 161 SC 6	0.85	R-1
110B 1 162	NORTH HILLS LT 162 SC 6	0.85	R-1
110B 1 163	NORTH HILLS LT 163 SC 6	0.91	R-1
110B 1 164	NORTH HILLS LT 164 SC 6	0.78	R-1
110B 1 165	NORTH HILLS LT 165 SC 6	0.86	R-1
110B 1 166	NORTH HILLS LT 166 SC 6	0.63	R-1
110B 1 167	NORTH HILLS LT 167 SC 6	0.53	R-1
110B 1 168	NORTH HILLS LT 168 SC 6	0.60	R-1
110B 1 169	NORTH HILLS LT 169 SC 6	0.72	R-1
110B 1 170	NORTH HILLS LT 170 SC 6	0.72	R-1
110B 1 171	NORTH HILLS LT 171 SC 6	0.76	R-1
110B 1 172	NORTH HILLS LT 172 SC 6	0.74	R-1
110B 1 173	NORTH HILLS LT 173 SC 6	0.64	R-1
110B 1 174	NORTH HILLS LT 174 SC 6	0.53	R-1
110B 1 175	NORTH HILLS LT 175 SC 6	0.66	R-1
110B 2 176	NORTH HILLS LT 176 SC 7	0.60	R-1
110B 2 177	NORTH HILLS LT 177 SC 7	0.66	R-1
110B 2 178	NORTH HILLS LT 178 SC 7	0.77	R-1
110B 2 179	NORTH HILLS LT 179 SC 7	0.74	R-1
110B 2 180	NORTH HILLS LT 180 SC 7	0.64	R-1
110B 2 181	NORTH HILLS LT 181 SC 7	0.66	R-1
110B 2 182A	NORTH HILLS LT 182A SC 7	0.50	R-1
110B 2 182B	NORTH HILLS LT 182B SC 7	0.50	R-1
110B 2 183	NORTH HILLS LT 183 SC 7	2.62	R-1
110B 2 188	NORTH HILLS LT 188 SC 7	6.55	R-1
110B 2 189	NORTH HILLS LT 189 SC 7	0.83	R-1
110B 2 190	NORTH HILLS LT 190 SC 7	0.66	R-1
110B 2 191	NORTH HILLS LT 191 SC 7	0.58	R-1
110B 2 193	NORTH HILLS LT 193 SC 7	0.92	R-1
110B 2 194	NORTH HILLS LT 194 SC 7	1.03	R-1
110B 2 195	NORTH HILLS LT 195 SC 7	0.81	R-1
110B 2 196	NORTH HILLS LT 196 SC 7	0.61	R-1
110B 2 197	NORTH HILLS LT 197 SC 7	0.65	R-1
110B 2 198	NORTH HILLS LT 198 SC 7	0.66	R-1
110B 2 199	NORTH HILLS LT 199 SC 7	0.58	R-1

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
110B 2 200	NORTH HILLS LT 200 SC 7	0.76	R-1
110B 2 201	NORTH HILLS LT 201 SC 7	1.06	R-1
110B 2 202	NORTH HILLS LT 202 SC 7	0.91	R-1
110B 3 28	HIGH ACRE ESTATES LT 28	0.99	R-1
110B 3 29	HIGH ACRE ESTATES LT 29	1.20	R-1
110B 3 30	HIGH ACRE ESTATES LT 30	6.16	R-1
110B 3 31	HIGH ACRE ESTATES LT 31	2.09	R-1
110B 3 32	HIGH ACRE ESTATES LT 32	2.04	R-1
110B 3 33	HIGH ACRE ESTATES LT 33	0.85	R-1
110C 1 10	NORTH HILLS ESTATES LT 10 SEC 3	0.88	R-1
110C 1 11	NORTH HILLS ESTATES LT 11 SEC 3	0.83	R-1
110C 1 12	NORTH HILLS ESTATES LT 12 SEC 3	0.85	R-1
110C 1 13	NORTH HILLS ESTATES LT 13 SEC 3	0.76	R-1
110C 1 14	NORTH HILLS ESTATES LT 14 SEC 3	0.73	R-1
110C 1 15	NORTH HILLS ESTATES LT 15 SEC 3	0.94	R-1
110C 1 16	NORTH HILLS ESTATES LT 16 SEC 3	0.95	R-1
110C 1 17	NORTH HILLS ESTATES LT 17 SEC 3	1.93	R-1
110C 1 18	NORTH HILLS ESTATES LT 18 SEC 3	0.78	R-1
110C 1 19	NORTH HILLS ESTATES LT 19 SEC 3 PB 36/326	1.08	R-1
110C 1 21	NORTH HILLS ESTATES LT 21 SEC 3 PB 36/326	1.20	R-1
110C 1 22	NORTH HILLS ESTATES LT 22 SEC 3	0.70	R-1
110C 1 23	NORTH HILLS ESTATES LT 23 SEC 3	0.79	R-1
110C 1 26	NORTH HILLS ESTATES LT 26 SEC 3	1.21	R-1
110C 1 27	NORTH HILLS ESTATES LT 27 SEC 3	1.08	R-1
110C 1 28	NORTH HILLS ESTATES LT 28 SEC 3	1.40	R-1
110C 1 29	NORTH HILLS ESTATES LT 29 SEC 3	0.83	R-1
110C 1 30	NORTH HILLS ESTATES LT 30 SEC 3	0.69	R-1
110C 1 31	NORTH HILLS ESTATES LT 31 SEC 3	0.72	R-1
110C 1 32	NORTH HILLS ESTATES LT 32 SEC 3	1.02	R-1
110C 1 33	NORTH HILLS ESTATES REVISED LT 33 SEC 3	3.31	R-1
110C 1 34	NORTH HILLS ESTATES LT 34 SEC 3	0.88	R-1
110C 1 43	NORTH HILLS ESTATES LT 43 SEC 3	0.00	R-1
110C 1 44	NORTH HILLS ESTATES LT 44 SEC 3	0.00	R-1
110C 1 45	NORTH HILLS ESTATES LT 45 SEC 3	0.00	R-1
110C 2 24	NORTH HILLS ESTATES LT 24 SEC 2	1.34	R-1
110C 2 25	NORTH HILLS ESTATES LT 25 SEC 2	1.28	R-1
110C 2 46	NORTH HILLS ESTATES LT 46 SEC 2	0.00	R-1
128 A 47B	TOWN & COUNTRY PT LT 35 SEC 4	0.28	AR
128A 1 A	T & C LAKE PROP	0.88	AR
128A 1 A1		0.88	AR
128A 1 A 8	LOT TOWN & COUNTRY LT 10 BK A	0.00	AR
128A 1 A 10	TOWN & COUNTRY LT 10 BK A	0.00	AR
128A 1 A 11	TOWN & COUNTRY LT 11 BKA	0.00	AR
128A 1 A 12	T&c LT 12 BK A	0.00	AR
128A 1 A 13	TOWN & COUNTRY LT 13 BK A	0.00	AR
128A 1 A 14	T&C LT 14 BK A	0.00	AR
128A 1 A 15	T&C LT 15 BK A	0.00	AR
128A 1 A 16	T&C LT 16 BK A	0.00	AR

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128A 1 B 25	T&C PT LT 25 BLK B	0.25	AR
128A 1 B 26	T&C PT LT 26 BLK B	0.00	AR
128A 1 B 27	T&C PT LT 27	0.00	AR
128A 1 B 28	T&C LT 28 BLK B	0.00	AR
128A 1 B 29	T&C LT 29 BLK B	0.00	AR
128A 1 D 44	T&C LT 44 BLK D	0.00	AR
128A 1 D 45	T&C LT 45 DK D	0.00	AR
128A 1 D 46	T&C LT 46 BK D	0.00	AR
128A 1 D 47	TOWN & COUNTRY LT 47 BK D	0.00	AR
128A 1 D 48	T&C LT 48 BK D	0.00	AR
128A 1 D 49	TOWN & COUNTRY LT 49 BK D	0.00	AR
128A 1 D 50	T&C LT 50 BK D	0.00	AR
128A 1 E 58	T&C LT 58 BK D	0.00	AR
128A 1 E 59	T&C LT 59 BK D	0.00	AR
128A 1 E 60A	T&C LT PT 60A	0.00	AR
128A 1 E 60B	T&C LT 60B BK E	0.00	AR
128A 1 E 61	TOWN & COUNTRY LT 61 BK E	0.00	AR
128A 1 E 62	TOWN & COUNTRY LT 62 BK E	0.00	AR
128A 1 E 63	TOWN & COUNTRY LT 63 BK E	0.00	AR
128A 1 E 64	TOWN & COUNTRY LT 64 BK E	0.00	AR
128A 1 F 65	T&C LT 65 BLK F	0.00	AR
128A 1 F 66	T&C LT 66 BLK F	0.00	AR
128A 1 F 67	T&C LT 67 BK F	0.00	AR
128A 1 F 68A	T&C PT LT 68 AB	0.00	AR
128A 1 F 69	TOWN & COUNTRY LT 69 BK F	0.74	AR
128A 1 F 70B	BLK F TOWN & COUNTRY LT 71 PT 70B	0.00	AR
128A 2 C 30	T&C LT 30 BK C	0.00	AR
128A 2 C 31	T&C LT 31 BK C	0.00	AR
128A 2 C 32	T&C LT 32 BK C	0.00	AR
128A 2 C 33	T&C LT 33 BK C	0.00	AR
128A 2 C 34	T&C LT 34 BK C	0.00	AR
128A 2 C 35	T&C LT 35 BK C	0.00	AR
128A 2 C 36	T&C LT 36 BK C	0.00	AR
128A 2 C 37	T&C LT 37 BK C	0.00	AR
128A 2 C 38	TOWN & COUNTRY LT 38 BK C	0.00	AR
128A 2 C 39	T&C LT 39 BK C	0.00	AR
128A 2 C 40	T&C LT 40 BK C	0.00	AR
128A 2 C 41	TOWN & COUNTRY LT 41 BK C	0.00	AR
128A 2 C 42	T&C LT 42 BK C	0.00	AR
128A 2 C 43	T&C LT 43 BK C	0.00	AR
128A 3 A 17	TOWN & COUNTRY LT 17 BK A	0.00	AR
128A 3 A 18	TOWN & COUNTRY LT 18 BK A	0.00	AR
128A 3 A 19	T&C LT 19 BK A	0.00	AR
128A 3 A 20	T&C LT 20 BK A	0.00	AR
128A 3 A 21	T&C LT 21 BK A	0.00	AR
128A 3 A 22	T&C LT 22 BLK A	0.00	AR
128A 3 A 23	T&C LT 23 BLK A	0.00	AR
128A 3 A 24	T&C LT 24 BLK A	0.00	AR

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128A 3 E 51	TOWN & COUNTRY BLK E PT LT 52 & 51	0.00	AR
128A 3 E 52B	T&C LT 52B BLK E	0.00	AR
128A 3 E 53	T&C LT 53 BLK E	0.00	AR
128A 3 E 54	T&C LT 54 BLK E	0.00	AR
128A 3 E 55	T&C LT 55 BLK E	0.00	AR
128A 3 E 56	T&C LT 56 BK E	0.00	AR
128A 3 E 57	T&C LT 57 BLK E	0.00	AR
128A 4 G 25	T&C LT 25 BLK 6	0.00	AR
128A 4 G 26	T&C LT 26 BLK G	0.00	AR
128A 4 G 27	T&C LT 27 BLK G	1.01	AR
128A 4 G 29	T&C LT 29 BLK G	0.58	AR
128A 4 G 30	T&C LT 30 BLK G	0.00	AR
128A 4 G 31	T&C LT 31 BLK G	0.00	AR
128A 4 G 32	T&C LT 32 BLK G	0.00	AR
128A 4 G 33	T&C LT 33 BLK G	0.00	AR
128A 4 G 35	T&C LT 35 BLK G	0.00	AR
128A 4 G 36	T&C LT 36 BLK G	0.00	AR
128A 4 G 37	T&C LT 37 BLK G	0.00	AR
128A 4 G 38	TOWN & COUNTRY LT 38 BK G	0.00	AR
128A 4 G 39	T&C LT 39 BLK G	0.00	AR
128A 4 G 40	TOWN & COUNTRY LT 40 BK G	0.00	AR
128A 4 G 41	T&C LT 41 BK G	0.00	AR
128A 4 G 42	TOWN & COUNTRY LTY 42 B-G	0.00	AR
128A 4 G 43	T&C LT 43 BK G	0.00	AR
128A 4 H 58	WOODHAVEN DR LT 58 BK H	0.56	AR
128A 4 H 59	TOWN & COUNTRY LT 59 BK H	0.00	AR
128A 4 H 60	T&C LT 60 BK H	0.00	AR
128A 4 H 61	TOWN & COUNTRY LT 61 BK H	0.00	AR
128A 4 H 62	T&C LT 62 BK H	0.00	AR
128A 4 H 63	TOWN & COUNTRY LT 63 BK H	0.00	AR
128A 4 H 64	T&C LT 64 BK H	0.00	AR
128A 4 H 65	T&C LT 65 BK H	0.00	AR
128A 4 H 66	T&C LT 66 BK H	0.00	AR
128A 4 H 67	LT 67 BK H T & C	0.00	AR
128A 4 H 68	T&C LT 68 BK H	0.00	AR
128A 4 H 69	T&C LT 69 BK H	0.00	AR
128A 4 H 70	TOWN & COUNTRY LT 70 BK H	0.00	AR
128A 4 H 71	T&C LT 71 BLK H	0.00	AR
128A 4 H 72	TOWN & COUNTRY LT 72 BK H	0.00	AR
128A 4 H 73	T&C LT 73 BK H	0.00	AR
128A 4 H 74	TOWN & COUNTRY LT 74 BK H	0.00	AR
128A 4 H 75	T&C LT 75 BK H	0.00	AR
128A 4 H 76	TOWN & COUNTRY LT 76 BK H	0.00	AR
128A 4 I B	TOWN & COUNTRY LTS 78 & 95 BLK I	0.93	AR
128A 4 I 77	TOWN & COUNTRY LT 77 BK I	0.00	AR
128A 4 I 79	T&C LT 79 BK I	0.00	AR
128A 4 I 80	T&C LT 80 BLK I	0.00	AR
128A 4 I 81	LT 81 BK I TOWN & COUNTRY	0.00	AR

BISON PRINTING, NORTH HILLS, AND TOWN COUNTRY

TAX PARCEL	LEGAL DESCRIPTION	acreage	ZONING
128A 4 I 82	T&C LT 82 BK I	0.00	AR
128A 4 I 83	T&C LT 83 BK I	0.00	AR
128A 4 I 84	TOWN & COUNTRY LT 84 BK I	0.00	AR
128A 4 I 85	T&C LT 85 BK I	0.00	AR
128A 4 I 86	T&C LT 86 BK I	0.00	AR
128A 5 87	TOWN & COUNTRY	0.73	AR
128A 5 88	T&C LT 88	0.00	AR
128A 5 89	TOWN & COUNTRY LT 89	0.00	AR
128A 5 90	T&C LT 90	0.00	AR
128A 5 91	TOWN & COUNTRY LT 91	0.00	AR
128A 5 92	TOWN & COUNTRY LT 92	0.37	AR
128A 5 93	TOWN COUNTRY LT 93	0.00	AR
128A 5 94	T&C LOT 94	0.00	AR
128A 5 96	TOWN & COUNTRY LT 96	0.00	AR
128A 5 97	T&C LT 97	0.00	AR
128A 5 98	T&C LT 98	0.00	AR
128A 5 99	T&C LT 99	0.00	AR
128A 5 100	TOWN & COUNTRY LT 100	0.00	AR
128A 5 101	T&C LT 101	0.00	AR
128A 5 102	TOWN & COUNTRY LT 102	0.00	AR
128A 5 103	TOWN & COUNTRY LOT 103	0.00	AR
128A 5 105	TOWN & COUNTRY LOT 105	0.00	AR
128A 5 106	T&C LT 106	0.00	AR
128A 5 107	T&C LT 107	0.00	AR
128A 5 108	TOWN & COUNTRY LT 108	0.00	AR
128A 5 109	T&C LT 109	0.00	AR
128A 5 110	T&C LT 110	0.00	AR
128A 5 111	TOWN & COUNTRY LT 111	0.00	AR
128A 5 112	T&C LT 112	0.00	AR
128A 5 113	T&C LT 113	0.00	AR
128A 5 114	T&C LT 114	0.00	AR
128A 5 115	T&C LT 115	0.00	AR
128A 5 116	T&C LT 116	0.00	AR
128A 5 117	LT 117	0.00	AR
128A 5 118	TOWN & COUNTRY LT 118	0.00	AR
128A 5 119	TOWN & COUNTRY LT 119	0.00	AR
128A 5 120	TOWN & COUNTRY LT 120	0.00	AR
128A 5 121	TOWN & COUNTRY LT 121	0.00	AR
128A 5 121A	T&C LT 122	0.00	AR
128A 5 122	T&C LT 122	0.00	AR
128A 5 125	LT 125 TOWN & COUNTRY	0.00	AR
128A 5 126	TOWN & COUNTRY LT 126	0.00	AR
128A 5 127	TOWN & COUNTRY LT 127	0.00	AR
128A 5 128	T&C LT 128	0.00	AR
128A 5 129	T&C LT 129	0.00	AR
128A 5 130	T&C LT 130	0.00	AR
478 total parcels		970.36	

**Appendix B: Statistical Profile of the City of Bedford, Bedford County
and the Proposed Annexation Areas**

Statistical Profile of the City of Bedford, County of Bedford, Annexation Areas, and Post-Action Jurisdictions

	City of Bedford	County of Bedford	Phase I Annex. Area	Phase II & III Annex. Area	Post-Reversion County of Bedford	Post-Reversion & Post-Annexation Town of Bedford (Phase I only)
Population (2010)	6,222	68,676	535	1,422	74,898	6,757
Land Area (Square Miles)	6.88	753.02	1.88	7.26	759.9	766.78
Schools Avg. Daily Membership (March 31, 2010)	828	9,728			10,556	
Dept.of Education Composite Index of Local Ability-to-Pay (2012-2014)	0.3132	0.4268			0.3132*	
Total Assessed Values (2011)*	\$517,131,230	\$8,697,912,754	\$53,712,400	N/A	\$9,215,043,984	\$570,843,630
Real Estate Values	\$426,408,500	\$7,473,327,590	\$44,194,400	N/A	\$7,899,736,090	\$470,602,900
Public Service Corporation Values	\$8,896,880	\$258,730,617		N/A	\$267,627,497	\$8,896,880
Personal Property Values	\$46,608,260	\$730,187,099	\$9,518,000	N/A	\$776,795,359	\$56,126,260
Machinery & Tools Values	\$34,809,690	\$208,715,506		N/A	\$243,525,196	\$34,809,690
Mobile Homes	\$407,900	\$26,951,942		N/A	\$27,359,842	\$407,900
Total Taxable Sales (2011)	\$78,451,376	\$339,632,471	N/A	N/A	\$418,083,847	N/A
Existing Land Use (Acres)						
Residential	1,134.26	N/A	83.76	986.39	N/A	1,218.02
Commercial	525.50	N/A	317.66	86.46	N/A	843.16
Industrial	651.88	N/A	4.22	88.22	N/A	656.10
Public/Semi-Public	272.56	N/A	313.26	2.15	N/A	585.82
Streets/Rights-of-Way	546.44	N/A			N/A	546.44
Agricultural, Wooded, or Vacant	1,234.16	N/A	481.11	3,482.47	N/A	1,715.27
Without Environmental Constraints	274.16	N/A	358.45	2,223.62	N/A	632.61

Notes:

Assessed Values for the City of Bedford are for FY2011-2012. Values for Bedford County are for Calendar Year 2011.

Post-Reversion Composite Index is based upon the lowest consolidating school division, and locked at that rate for 15 years

Sources:

Joint Submittal, Tab "Best Interests of the Parties"

Virginia Department of Education, Composite Index of Local Ability to Pay, 2012-2014

Weldon Cooper Center for Public Service, University of Virginia, Taxable Sales Report, 2011

US Census Bureau, Census 2010

Appendix C: Financial Data for the City of Bedford

Table 1

City of Bedford
Statement of Net Assets

Government-wide	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Common-Size Statements</u>				
Assets										
Current Assets										
Cash and cash equivalents	\$9,193,540	\$9,300,183	\$9,983,333	\$9,175,398	\$8,553,936	11.8%	12.4%	12.8%	11.5%	11.4%
Investments				176,782	229,205	0.0%	0.0%	0.0%	0.2%	0.3%
Receivables	3,549,453	3,518,835	3,536,451	3,940,488	3,501,458	4.5%	4.7%	4.5%	4.9%	4.6%
Due from other governmental units	948,615	547,215	553,030	788,631	515,437	1.2%	0.7%	0.7%	1.0%	0.7%
Inventories	1,052,181	921,839	1,017,139	1,105,130	956,444	1.3%	1.2%	1.3%	1.4%	1.3%
Deferred expenses	521,331	517,937	452,808	490,375	496,466	0.7%	0.7%	0.6%	0.6%	0.7%
Total Current	15,265,120	14,806,009	15,542,761	15,676,804	14,252,946	19.5%	19.7%	20.0%	19.6%	18.9%
Noncurrent Assets										
Cash and cash equivalents, restricted	6,190,354	3,537,401	4,667,507	6,790,466	4,878,756	7.9%	4.7%	6.0%	8.5%	6.5%
Note receivable	139,538					0.2%	0.0%	0.0%	0.0%	0.0%
Net investment in direct financing lease	2,443,499	2,464,445	2,482,750	2,498,747	2,512,726	3.1%	3.3%	3.2%	3.1%	3.3%
Capital assets:										
Nondepreciable	5,312,437	4,482,699	7,074,816	4,700,022	3,550,992	6.8%	6.0%	9.1%	5.9%	4.7%
Depreciable, net	48,813,678	49,733,756	47,977,918	50,422,309	50,110,283	62.4%	66.3%	61.7%	63.0%	66.5%
Total Noncurrent	62,899,506	60,218,301	62,202,991	64,411,544	61,052,757	80.5%	80.3%	80.0%	80.4%	81.1%
Total Assets	78,164,626	75,024,310	77,745,752	80,088,348	75,305,703	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities										
Current Liabilities										
Accounts payable and accrued expenses	1,821,694	2,006,694	1,669,151	1,507,177	1,439,258	2.3%	2.7%	2.1%	1.9%	1.9%
Accrued payroll and related liabilities	307,687	269,055	309,988	324,982	294,394	0.4%	0.4%	0.4%	0.4%	0.4%
Accrued interest payable	205,718	177,797	197,046	286,052	227,151	0.3%	0.2%	0.3%	0.4%	0.3%
Due to other governmental units	506,627	714,613	910,477	777,516	813,954	0.6%	1.0%	1.2%	1.0%	1.1%
Customer security deposits	308,501	253,971	252,870	210,881	194,735	0.4%	0.3%	0.3%	0.3%	0.3%
General obligation bonds - within one year	3,589,750	3,714,221	4,195,720	5,232,258	3,289,274	4.6%	5.0%	5.4%	6.5%	4.4%
Total Current	6,739,977	7,136,351	7,535,252	8,338,866	6,258,766	8.6%	9.5%	9.7%	10.4%	8.3%
Noncurrent Liabilities										
General obligation bonds - more than one year	33,733,993	30,675,492	32,494,008	34,831,704	33,564,587	43.2%	40.9%	41.8%	43.5%	44.6%
Total Noncurrent	33,733,993	30,675,492	32,494,008	34,831,704	33,564,587	43.2%	40.9%	41.8%	43.5%	44.6%
Total Liabilities	40,473,970	37,811,843	40,029,260	43,170,570	39,823,353	51.8%	50.4%	51.5%	53.9%	52.9%
Net Assets										
Invested in capital assets, net of related debt	30,239,501	29,636,840	29,172,249	28,382,705	26,558,837	38.7%	39.5%	37.5%	35.4%	35.3%
Restricted	1,275,857					1.6%	0.0%	0.0%	0.0%	0.0%
Unrestricted	6,175,298	7,575,627	8,544,243	8,535,073	8,923,513	7.9%	10.1%	11.0%	10.7%	11.8%
Total Net Assets	37,690,656	37,212,467	37,716,492	36,917,778	35,482,350	48.2%	49.6%	48.5%	46.1%	47.1%
Liabilities and Net Assets	\$78,164,626	\$75,024,310	\$77,745,752	\$80,088,348	\$75,305,703	100.0%	100.0%	100.0%	100.0%	100.0%

Source:

City of Bedford, [Comprehensive Annual Financial Report](#), 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 2

**City of Bedford
Balance Sheet**

General Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
						Common-Size Statements				
Assets										
Cash and cash equivalents	\$3,651,523	\$3,231,307	\$2,506,489	\$1,990,693	\$1,891,677	71.6%	65.8%	61.1%	47.6%	44.5%
Receivables	321,491	295,960	188,790	251,888	305,611	6.3%	6.0%	4.6%	6.0%	7.2%
Investments				176,782	229,205	0.0%	0.0%	0.0%	4.2%	5.4%
Due from other governmental units	460,226	491,112	500,891	743,950	475,468	9.0%	10.0%	12.2%	17.8%	11.2%
Due from other funds					437,366	0.0%	0.0%	0.0%	0.0%	10.3%
Restricted cash and cash equivalents	668,163	892,420	905,392	1,021,976	907,395	13.1%	18.2%	22.1%	24.4%	21.4%
Total Assets	5,101,403	4,910,799	4,101,562	4,185,289	4,246,722	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities										
Accounts payable	182,087	150,573	104,336	81,995	133,255	3.6%	3.1%	2.5%	2.0%	3.1%
Accrued payroll	181,151	160,822	189,216	197,964	181,708	3.6%	3.3%	4.6%	4.7%	4.3%
Due to other governmental units	506,627	714,613	861,188	734,759	760,619	9.9%	14.6%	21.0%	17.6%	17.9%
Deferred revenue	227,869	198,597	106,460	115,333	128,286	4.5%	4.0%	2.6%	2.8%	3.0%
Long term debt service payments due				249,653		0.0%	0.0%	0.0%	6.0%	0.0%
Total Liabilities	1,097,734	1,224,605	1,261,200	1,379,704	1,203,868	21.5%	24.9%	30.7%	33.0%	28.3%
Fund Balance										
Reserved	1,732,874	1,966,581	1,840,352	2,352,425	2,431,433	34.0%	40.0%	44.9%	56.2%	57.3%
Unreserved:						0.0%	0.0%	0.0%	0.0%	0.0%
Designated	354,146	8,008	13,772	13,539	58,894	6.9%	0.2%	0.3%	0.3%	1.4%
Undesignated	1,916,649	1,711,605	986,238	439,621	552,527	37.6%	34.9%	24.0%	10.5%	13.0%
Total Fund Balance	4,003,669	3,686,194	2,840,362	2,805,585	3,042,854	78.5%	75.1%	69.3%	67.0%	71.7%
Liabilities and Fund Balance	\$5,101,403	\$4,910,799	\$4,101,562	\$4,185,289	\$4,246,722	100.0%	100.0%	100.0%	100.0%	100.0%

Source:

City of Bedford, Comprehensive Annual Financial Report, 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 3

City of Bedford
Statement of Revenues, Expenditures, and Changes in Fund Balance

General Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues					
General property taxes	\$4,837,673	\$4,770,869	\$4,501,103	\$4,313,698	\$4,251,913
Other local taxes	2,578,465	2,487,808	2,596,439	2,876,292	2,756,452
Permits, privilege fees and regulatory licenses	23,359	23,261	38,843	36,827	33,833
Fines and forfeitures	77,935	65,813	65,802	88,201	91,148
Investment earnings	55,553	23,447	143,365	247,573	398,003
Charges for services	155,067	175,270	212,939	260,756	278,926
Other	21,963	37,691	27,374	2,767	8,832
Recovered costs	161,620	204,177	188,910	134,466	130,710
Intergovernmental	6,577,499	6,566,791	7,676,383	7,492,240	7,126,435
Total revenues	<u>14,489,134</u>	<u>14,355,127</u>	<u>15,451,158</u>	<u>15,452,820</u>	<u>15,076,252</u>
Expenditures					
General government administration	1,151,035	1,156,296	1,176,391	1,095,027	1,041,035
Judicial administration	69,749	73,925	54,638	45,844	20,269
Public safety	3,021,780	3,034,104	3,374,816	4,529,012	3,199,801
Public works	2,900,284	2,273,460	2,313,259	2,186,661	2,039,525
Health and welfare	684,699	615,447	679,222	859,833	675,828
Education	6,189,655	5,923,094	6,950,962	7,142,290	6,849,211
Parks, recreation, and cultural	381,331	436,653	663,122	906,368	980,295
Community development	260,011	330,515	617,783	443,771	381,138
Non-departmental			3,578	10,923	1,208
Debt service:					
Principal retirement	681,164	664,029	879,780	736,949	735,419
Interest and other fiscal charges	132,314	153,843	173,994	185,569	127,022
Issuance costs	12,533			7,178	
Total expenditures	<u>15,484,555</u>	<u>14,661,366</u>	<u>16,887,545</u>	<u>18,149,425</u>	<u>16,050,751</u>
Excess (deficiency) of revenues over expenditures	<u>(995,421)</u>	<u>(306,239)</u>	<u>(1,436,387)</u>	<u>(2,696,605)</u>	<u>(974,499)</u>
Other Financing Sources (Uses)					
Transfers in	1,300,000	1,138,949	1,467,000	1,467,000	1,904,366
Transfers out					(277,264)
Proceeds from sale of capital assets	24,224	13,122	4,164	45,562	4,621
Proceeds from bond issuances				946,774	
Issuance of refunding bonds	1,282,911				
Payments to escrow account	(1,270,378)				
Total other financing sources (uses)	<u>1,336,757</u>	<u>1,152,071</u>	<u>1,471,164</u>	<u>2,459,336</u>	<u>1,631,723</u>
Changes in fund balances	341,336	845,832	34,777	(237,269)	657,224
Restatement		(23,861)			
Fund balances at beginning of year	<u>3,662,333</u>	<u>2,840,362</u>	<u>2,805,585</u>	<u>3,042,854</u>	<u>2,385,630</u>
Fund balances at end of year	<u>\$4,003,669</u>	<u>\$3,662,333</u>	<u>\$2,840,362</u>	<u>\$2,805,585</u>	<u>\$3,042,854</u>

Source:

City of Bedford, [Comprehensive Annual Financial Report](#), 5 editions (2007-2011)

Table 4

City of Bedford
Statement of Net Assets

Enterprise Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	Common-Size Statements				
Assets										
Current Assets										
Cash and cash equivalents	\$5,542,017	\$6,068,876	\$7,476,844	\$7,184,705	\$6,225,866	9.6%	11.3%	13.0%	12.1%	10.9%
Accounts receivable	3,227,962	3,222,875	3,347,661	3,688,600	3,194,874	5.6%	6.0%	5.8%	6.2%	5.6%
Due from other funds	1,294,582	573,911	1,292,770	1,457,357	2,900,075	2.2%	1.1%	2.3%	2.5%	5.1%
Due from other governmental units	488,389	56,103	52,139	44,681	39,969	0.8%	0.1%	0.1%	0.1%	0.1%
Note receivable	139,538					0.2%	0.0%	0.0%	0.0%	0.0%
Inventories	1,052,181	921,839	1,017,139	1,105,130	956,444	1.8%	1.7%	1.8%	1.9%	1.7%
Total Current	11,744,669	10,843,604	13,186,553	13,480,473	13,317,228	20.3%	20.1%	23.0%	22.8%	23.4%
Noncurrent Assets										
Restricted cash and cash equivalents	5,522,191	2,644,981	3,762,115	5,768,490	3,971,361	9.6%	4.9%	6.6%	9.7%	7.0%
Deferred expenses	451,611	471,576	400,743	437,077	442,686	0.8%	0.9%	0.7%	0.7%	0.8%
Net investment in direct financing lease	2,443,499	2,464,445	2,482,750	2,498,747	2,512,726	4.2%	4.6%	4.3%	4.2%	4.4%
Capital assets:										
Nondepreciable	3,036,170	2,050,876	4,361,948	2,214,610	1,441,376	5.3%	3.8%	7.6%	3.7%	2.5%
Depreciable, net	34,585,189	35,430,914	33,225,564	34,780,570	35,229,521	59.9%	65.7%	57.9%	58.8%	61.9%
Total Noncurrent	46,038,660	43,062,792	44,233,120	45,699,494	43,597,670	79.7%	79.9%	77.0%	77.2%	76.6%
Total Assets	57,783,329	53,906,396	57,419,673	59,179,967	56,914,898	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities										
Current Liabilities										
Accounts payable and accrued expenses	1,639,607	1,856,121	1,564,815	1,425,182	1,306,003	2.8%	3.4%	2.7%	2.4%	2.3%
Accrued payroll and related liabilities	126,536	108,233	120,772	127,018	112,686	0.2%	0.2%	0.2%	0.2%	0.2%
Accrued interest payable	173,929	127,076	137,138	176,711	186,229	0.3%	0.2%	0.2%	0.3%	0.3%
Due to other funds	1,294,582	573,911	1,292,770	1,457,357	2,900,075	2.2%	1.1%	2.3%	2.5%	5.1%
Customer security deposits	308,501	253,971	252,870	210,881	194,735	0.5%	0.5%	0.4%	0.4%	0.3%
Due to other governmental units			49,289	42,757	53,335	0.0%	0.0%	0.1%	0.1%	0.1%
Noncurrent liabilities due within one year	2,748,248	2,658,573	2,154,893	2,587,215	2,501,019	4.8%	4.9%	3.8%	4.4%	4.4%
Total Current	6,291,403	5,577,885	5,572,547	6,027,121	7,254,082	10.9%	10.3%	9.7%	10.2%	12.7%
Noncurrent Liabilities										
Due in more than one year	29,208,474	25,744,031	27,975,631	29,546,446	30,966,117	50.5%	47.8%	48.7%	49.9%	54.4%
Total Noncurrent	29,208,474	25,744,031	27,975,631	29,546,446	30,966,117	50.5%	47.8%	48.7%	49.9%	54.4%
Total Liabilities	35,499,877	31,321,916	33,548,178	35,573,567	38,220,199	61.4%	58.1%	58.4%	60.1%	67.2%
Net Assets										
Invested in capital assets, net of related debt	16,310,638	14,469,590	13,809,254	13,137,264	11,813,722	28.2%	26.8%	24.0%	22.2%	20.8%
Unrestricted	5,972,814	8,114,890	10,062,241	10,469,136	6,880,977	10.3%	15.1%	17.5%	17.7%	12.1%
Total Net Assets	22,283,452	22,584,480	23,871,495	23,606,400	18,694,699	38.6%	41.9%	41.6%	39.9%	32.8%
Liabilities and Net Assets	\$57,783,329	\$53,906,396	\$57,419,673	\$59,179,967	\$56,914,898	100.0%	100.0%	100.0%	100.0%	100.0%

Source:

City of Bedford, [Comprehensive Annual Financial Report](#), 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 5

City of Bedford
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Enterprise Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Revenues					
Charges for services	\$26,734,407	\$25,870,422	\$28,352,820	\$24,801,551	\$23,640,530
Total operating revenues	<u>26,734,407</u>	<u>25,870,422</u>	<u>28,352,820</u>	<u>24,801,551</u>	<u>23,640,530</u>
Operating Expenses					
Refuse collection	215,252	178,258	185,413	190,579	204,330
Refuse disposal	362,622	328,133	368,382	476,791	355,593
Recycling	55,545	63,780	41,282	11,376	24,489
Supply and purification	496,026	495,921	543,996	506,850	505,901
Wastewater treatment	1,093,255	1,130,359	1,042,299	1,037,319	993,398
Wastewater pre-treatment	70,972	70,569	68,838	77,599	79,690
Transmission and distribution	842,836	991,084	1,217,293	1,159,494	1,221,763
Power generation	198,834	127,125	138,832	148,111	87,983
Purchased power	18,625,496	19,246,224	19,189,084	14,981,393	14,611,381
Meter reading	29,748	30,349	30,354	50,213	41,535
Landfill closure/postclosure	147,000	90,000	94,131	181,000	692,956
Administration	1,343,623	1,248,393	1,456,403	1,641,854	1,782,630
Maintenance and repair	285,434	260,687	267,852	281,070	311,569
Depreciation	1,534,022	1,574,035	1,706,195	1,542,879	1,478,216
Amortization	140,646	130,541	36,333	37,431	38,339
Total operating expenses	<u>25,441,311</u>	<u>25,965,458</u>	<u>26,386,687</u>	<u>22,323,959</u>	<u>22,429,773</u>
Operating income (loss)	<u>1,293,096</u>	<u>(95,036)</u>	<u>1,966,133</u>	<u>2,477,592</u>	<u>1,210,757</u>
Nonoperating Revenues (Expenses)					
Interest income	340,479	349,024	467,022	631,292	685,764
Generating station contract	(1,081,697)				
Intergovernmental revenue		136,236	23,000		
Contribution to joint IDA			(49,289)	(42,757)	(32,341)
Revenue sharing	397,679	389,336	381,015	333,872	330,314
Capital contributions	840,092		34,500	102,100	
Interest expense	(966,305)	(927,626)	(1,090,286)	(1,102,482)	(1,200,206)
Total nonoperating revenues (expenses)	<u>(469,752)</u>	<u>(53,030)</u>	<u>(234,038)</u>	<u>(77,975)</u>	<u>(216,469)</u>
Income (loss) before contributions and transfers	<u>823,344</u>	<u>(148,066)</u>	<u>1,732,095</u>	<u>2,399,617</u>	<u>994,288</u>
Gain (loss) on disposal of capital assets				168,323	
Transfers					
Transfers (out)	(1,300,000)	(1,138,949)	(1,467,000)	2,343,761	(1,189,736)
Total transfers	<u>(1,300,000)</u>	<u>(1,138,949)</u>	<u>(1,467,000)</u>	<u>2,343,761</u>	<u>(1,189,736)</u>
Change in net assets	<u>(476,656)</u>	<u>(1,287,015)</u>	<u>265,095</u>	<u>4,911,701</u>	<u>(195,448)</u>
Restatement		175,628			
Net assets at beginning of year	<u>22,760,108</u>	<u>23,871,495</u>	<u>23,606,400</u>	<u>18,694,699</u>	<u>18,890,147</u>
Net assets at end of year	<u>\$22,283,452</u>	<u>\$22,760,108</u>	<u>\$23,871,495</u>	<u>\$23,606,400</u>	<u>\$18,694,699</u>

Source:

City of Bedford, Comprehensive Annual Financial Report, 5 editions (2007-2011)

Table 6

City of Bedford
Statement of Net Assets

Solid Waste Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
						Common-Size Statements				
Assets										
Current Assets										
Accounts receivable	193,190	194,742	230,348	228,857	218,981	6.7%	6.3%	6.8%	6.3%	4.1%
Total Current	193,190	194,742	230,348	228,857	218,981	6.7%	6.3%	6.8%	6.3%	4.1%
Noncurrent Assets										
Restricted cash and cash equivalents	1,120,059	1,117,174	1,192,127	1,171,686	2,703,488	38.9%	36.2%	35.2%	32.1%	50.2%
Deferred expenses	13,247	25,370	30,377	35,287	41,620	0.5%	0.8%	0.9%	1.0%	0.8%
Capital assets:										
Nondepreciable	506,831	506,831	506,831	506,831	869,531	17.6%	16.4%	15.0%	13.9%	16.1%
Depreciable, net	1,043,418	1,242,001	1,429,243	1,712,597	1,555,279	36.3%	40.2%	42.2%	46.9%	28.9%
Total Noncurrent	2,683,555	2,891,376	3,158,578	3,426,401	5,169,918	93.3%	93.7%	93.2%	93.7%	95.9%
Total Assets	2,876,745	3,086,118	3,388,926	3,655,258	5,388,899	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities										
Current Liabilities										
Accounts payable and accrued expenses	47,589	12,298	3,292	38,133	20,910	1.7%	0.4%	0.1%	1.0%	0.4%
Accrued payroll and related liabilities	12,541	10,289	14,713	14,907	10,241	0.4%	0.3%	0.4%	0.4%	0.2%
Accrued interest payable	14,048	24,024	26,517	51,493	62,288	0.5%	0.8%	0.8%	1.4%	1.2%
Due to other funds	42,639	123,358	348,416	345,302	1,808,459	1.5%	4.0%	10.3%	9.4%	33.6%
Noncurrent liabilities due within one year	220,347	219,696	222,490	247,832	694,246	7.7%	7.1%	6.6%	6.8%	12.9%
Total Current	337,164	389,665	615,428	697,667	2,596,144	11.7%	12.6%	18.2%	19.1%	48.2%
Noncurrent Liabilities										
Due in more than one year	3,529,447	3,584,383	3,686,708	3,789,909	7,424,502	122.7%	116.1%	108.8%	103.7%	137.8%
Total Noncurrent	3,529,447	3,584,383	3,686,708	3,789,909	7,424,502	122.7%	116.1%	108.8%	103.7%	137.8%
Total Liabilities	3,866,611	3,974,048	4,302,136	4,487,576	10,020,646	134.4%	128.8%	126.9%	122.8%	185.9%
Net Assets										
Invested in capital assets, net of related debt	1,237,053	1,244,278	1,318,210	1,345,932	1,119,077	43.0%	40.3%	38.9%	36.8%	20.8%
Unrestricted	(2,226,919)	(2,132,208)	(2,231,420)	(2,178,250)	(5,750,824)	-77.4%	-69.1%	-65.8%	-59.6%	-106.7%
Total Net Assets	(989,866)	(887,930)	(913,210)	(832,318)	(4,631,747)	-34.4%	-28.8%	-26.9%	-22.8%	-85.9%
Liabilities and Net Assets	\$2,876,745	\$3,086,118	\$3,388,926	\$3,655,258	\$5,388,899	100.0%	100.0%	100.0%	100.0%	100.0%

Source:

City of Bedford, Comprehensive Annual Financial Report, 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 7**City of Bedford**

Ratios	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>From Government-wide Statements:</u>					
Current (Current Assets/Current Liabilities)	2.26	2.07	2.06	1.88	2.28
Cash (Cash and Equivalents/Current Assets)	60.2%	62.8%	64.2%	58.5%	60.0%
Debt-to-assets (Total Liabilities/Total Assets)	0.5178	0.5040	0.5149	0.5390	0.5288
LTD-to-assets (Noncurrent Liabilities/Total Assets)	0.4316	0.4089	0.4180	0.4349	0.4457
Debt per \$100 of Assessed Property Value	9.312	9.118	9.710	10.629	9.877
Unrestricted (Unrestricted Net Assets/Total Assets)	0.0790	0.1010	0.1099	0.1066	0.1185
Financial Position (Net Assets/Total Expenses)	0.8847	0.8922	0.8590	0.9198	0.8937
<u>From General Fund Statements:</u>					
GF Undesignated (Undesignated Fund Balance/Total GF Expenditures)	0.1238	0.1167	0.0584	0.0242	0.0344
<u>From Enterprise Fund Statements:</u>					
Ent Unrestricted (Unrestricted Net Assets/Operating Expenses)	0.2348	0.3125	0.3813	0.4690	0.3068

Appendix D: Financial Data for the County of Bedford

Table 1

County of Bedford
Statement of Net Assets

Government-wide	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
						Common-Size Statements				
Assets										
Current Assets										
Cash and cash equivalents	\$65,709,053	\$61,442,712	\$53,799,322	\$52,684,937	\$50,189,288	24.4%	22.8%	19.9%	19.2%	18.8%
Receivables	26,876,210	28,334,661	27,903,658	27,755,365	25,978,631	10.0%	10.5%	10.3%	10.1%	9.7%
Inventories	8,401,013	8,435,416	8,548,219	8,490,805	8,440,704	3.1%	3.1%	3.2%	3.1%	3.2%
Due from primary government	8,213,878	8,437,224	9,738,374	11,963,758	13,331,627	3.0%	3.1%	3.6%	4.4%	5.0%
Prepaid expenses	890,157	880,884	827,659	711,229	718,096	0.3%	0.3%	0.3%	0.3%	0.3%
Total Current	110,090,311	107,530,897	100,817,232	101,606,094	98,658,346	40.9%	39.8%	37.3%	37.1%	37.0%
Noncurrent Assets										
Restricted assets:										
Cash and cash equivalents	211,671	461,824	3,518,071	12,992,267	26,242,426	0.1%	0.2%	1.3%	4.7%	9.8%
Capital assets:										
Nondepreciable	9,065,125	11,708,064	12,013,322	31,633,083	31,790,180	3.4%	4.3%	4.4%	11.5%	11.9%
Depreciable, net	150,100,855	150,348,879	154,219,937	127,740,922	110,189,074	55.7%	55.7%	57.0%	46.6%	41.3%
Total Noncurrent	159,377,651	162,518,767	169,751,330	172,366,272	168,221,680	59.1%	60.2%	62.7%	62.9%	63.0%
Total Assets	269,467,962	270,049,664	270,568,562	273,972,366	266,880,026	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities										
Current Liabilities										
Accounts payable and accrued expenses	2,746,646	2,260,412	4,004,719	7,117,893	9,491,079	1.0%	0.8%	1.5%	2.6%	3.6%
Accrued payroll and related liabilities	9,358,269	10,809,889	10,378,059	10,159,351	9,869,688	3.5%	4.0%	3.8%	3.7%	3.7%
Accrued interest payable	1,135,539	1,096,617	1,199,573	1,191,811	1,213,791	0.4%	0.4%	0.4%	0.4%	0.5%
Incentives and performance grants payable		290,868	301,208			0.0%	0.1%	0.1%	0.0%	0.0%
Unearned revenue	18,435,423	19,154,931	19,011,040	18,706,305	16,915,959	6.8%	7.1%	7.0%	6.8%	6.3%
Liabilities payable from restricted assets	46,734	53,318	39,995	30,907	30,885	0.0%	0.0%	0.0%	0.0%	0.0%
Due to component units	8,213,878	8,437,224	9,738,374	11,963,758	13,331,627	3.0%	3.1%	3.6%	4.4%	5.0%
General obligation bonds - within one year	9,727,829	9,504,247	9,875,640	10,161,290	9,753,435	3.6%	3.5%	3.6%	3.7%	3.7%
Total Current	49,664,318	51,607,506	54,548,608	59,331,315	60,606,464	18.4%	19.1%	20.2%	21.7%	22.7%
Noncurrent Liabilities										
General obligation bonds - more than one year	80,015,041	86,330,303	92,105,291	97,797,324	97,599,090	29.7%	32.0%	34.0%	35.7%	36.6%
Total Noncurrent	80,015,041	86,330,303	92,105,291	97,797,324	97,599,090	29.7%	32.0%	34.0%	35.7%	36.6%
Total Liabilities	129,679,359	137,937,809	146,653,899	157,128,639	158,205,554	48.1%	51.1%	54.2%	57.4%	59.3%
Net Assets										
Invested in capital assets, net of related debt	80,930,246	78,047,633	78,273,783	72,210,333	118,456,972	30.0%	28.9%	28.9%	26.4%	44.4%
Restricted	163,857	164,527	162,285	166,284	20,673,642	0.1%	0.1%	0.1%	0.1%	7.7%
Unrestricted	58,694,500	53,899,695	45,478,595	44,467,110	(30,456,142)	21.8%	20.0%	16.8%	16.2%	-11.4%
Total Net Assets	139,788,603	132,111,855	123,914,663	116,843,727	108,674,472	51.9%	48.9%	45.8%	42.6%	40.7%
Liabilities and Net Assets	\$269,467,962	\$270,049,664	\$270,568,562	\$273,972,366	\$266,880,026	100.0%	100.0%	100.0%	100.0%	100.0%

Source:

County of Bedford, [Comprehensive Annual Financial Report](#), 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 2

**County of Bedford
Balance Sheet**

General Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	Common-Size Statements	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets											
Cash and cash equivalents	\$50,128,754	\$46,803,991	\$40,381,218	\$36,365,385	\$32,879,210		68.8%	66.9%	60.6%	50.0%	40.4%
Receivables	22,480,350	22,849,171	22,878,530	23,419,496	22,347,796		30.8%	32.6%	34.3%	32.2%	27.5%
Inventories	47,759	45,399	20,394	24,276	21,564		0.1%	0.1%	0.0%	0.0%	0.0%
Due from other funds	51,332	126,332	176,332				0.1%	0.2%	0.3%	0.0%	0.0%
Prepaid expenses	163,271	146,926	134,787	121,896	113,243		0.2%	0.2%	0.2%	0.2%	0.1%
Restricted cash and cash equivalents	10,902	16,793	3,073,465	12,800,418	26,034,584		0.0%	0.0%	4.6%	17.6%	32.0%
Total Assets	72,882,368	69,988,612	66,664,726	72,731,471	81,396,397		100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities											
Accounts payable	1,290,041	1,380,816	1,546,798	1,852,521	1,745,441		1.8%	2.0%	2.3%	2.5%	2.1%
Accrued liabilities	99,710	94,661	101,494	116,869	86,861		0.1%	0.1%	0.2%	0.2%	0.1%
Due to other funds	141,660	142,893	147,169	117,874	163,055		0.2%	0.2%	0.2%	0.2%	0.2%
Deferred revenue	20,578,898	20,653,831	20,069,970	20,373,005	19,551,066		28.2%	29.5%	30.1%	28.0%	24.0%
Due to component unit	6,083,496	7,224,017	8,002,707	10,926,000	12,450,197		8.3%	10.3%	12.0%	15.0%	15.3%
Total Liabilities	28,193,805	29,496,218	29,868,138	33,386,269	33,996,620		38.7%	42.1%	44.8%	45.9%	41.8%
Fund Balance											
Reserved	943,628	1,679,228	3,415,163	10,665,247	21,884,243		1.3%	2.4%	5.1%	14.7%	26.9%
Unreserved:											
Designated	25,709,928	27,221,104	25,694,083	23,139,738	23,669,632		35.3%	38.9%	38.5%	31.8%	29.1%
Undesignated	18,035,007	11,592,062	7,687,342	5,540,217	1,845,902		24.7%	16.6%	11.5%	7.6%	2.3%
Total Fund Balance	44,688,563	40,492,394	36,796,588	39,345,202	47,399,777		61.3%	57.9%	55.2%	54.1%	58.2%
Liabilities and Fund Balance	\$72,882,368	\$69,988,612	\$66,664,726	\$72,731,471	\$81,396,397		100.0%	100.0%	100.0%	100.0%	100.0%

Source:

County of Bedford, Comprehensive Annual Financial Report, 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 3

County of Bedford
Statement of Revenues, Expenditures, and Changes in Fund Balance

General Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues					
General property taxes	\$51,542,750	\$51,970,906	\$53,224,141	\$50,435,680	\$46,534,525
Other local taxes	10,212,720	10,023,749	9,931,350	12,429,090	11,538,775
Permits, privilege fees and regulatory licenses	520,504	469,212	502,972	752,110	911,748
Fines and forfeitures	175,543	206,289	149,258	125,643	156,098
Revenue from use of money and property	323,446	227,479	783,989	1,983,920	3,455,870
Charges for services	1,612,856	1,736,611	1,945,017	3,297,142	2,019,517
Miscellaneous	836,223	586,216	504,790	975,822	815,087
Recovered costs	1,785,592	1,858,219	2,091,841	1,893,579	1,756,255
Intergovernmental:	18,508,921	18,633,912	20,549,462	20,221,553	19,305,784
Total revenues	<u>85,518,555</u>	<u>85,712,593</u>	<u>89,682,820</u>	<u>92,114,539</u>	<u>86,493,659</u>
Expenditures					
General government administration	3,804,248	3,368,948	3,167,848	3,012,437	3,692,154
Judicial administration	1,945,473	1,968,828	2,116,953	1,889,969	1,633,882
Public safety	13,974,585	14,135,048	14,098,374	13,082,577	11,895,295
Public works	4,128,287	4,124,046	4,199,905	4,317,006	4,691,966
Health and welfare	10,293,677	10,293,539	10,706,610	12,592,205	11,910,543
Education	27,926,157	27,758,039	29,893,180	29,281,512	28,189,811
Parks, recreation, and cultural	2,524,712	2,729,488	2,766,085	2,568,142	2,523,411
Community development	2,911,920	2,942,518	3,269,112	3,151,955	4,631,435
Debt service:					
Principal retirement	5,988,946	6,138,045	6,203,703	6,327,234	5,551,341
Interest and other fiscal charges	3,794,573	4,089,102	4,779,182	4,597,358	4,510,107
Capital projects - education		723,952	6,821,591	18,303,413	18,747,891
Other governmental activities	4,029,808	3,745,234	4,470,814	6,859,741	7,896,593
Total expenditures	<u>81,322,386</u>	<u>82,016,787</u>	<u>92,493,357</u>	<u>105,983,549</u>	<u>105,874,429</u>
Excess (deficiency) of revenues over expenditures	<u>4,196,169</u>	<u>3,695,806</u>	<u>(2,810,537)</u>	<u>(13,869,010)</u>	<u>(19,380,770)</u>
Other Financing Sources (Uses)					
Transfers in			261,923		20,215
Bond issuance				5,420,000	
Premium on bonds issued				394,435	
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>261,923</u>	<u>5,814,435</u>	<u>20,215</u>
Changes in fund balances	4,196,169	3,695,806	(2,548,614)	(8,054,575)	(19,360,555)
Fund balances at beginning of year	40,492,394	36,796,588	39,345,202	47,399,777	66,760,332
Fund balances at end of year	<u>\$44,688,563</u>	<u>\$40,492,394</u>	<u>\$36,796,588</u>	<u>\$39,345,202</u>	<u>\$47,399,777</u>

Source:

County of Bedford, Comprehensive Annual Financial Report, 5 editions (2007-2011)

Table 4

County of Bedford
Statement of Net Assets

Enterprise Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	Common-Size Statements				
Assets										
Current Assets										
Cash and cash equivalents	\$8,403,704	\$7,869,708	\$7,903,325	\$11,341,494	\$11,005,503	30.1%	28.3%	28.0%	47.5%	47.3%
Accounts receivable	564,876	707,830	665,504	870,385	327,735	2.0%	2.5%	2.4%	3.6%	1.4%
Due from other funds	141,660	142,893	147,169	117,874	163,055	0.5%	0.5%	0.5%	0.5%	0.7%
Prepaid expenses	53,407	47,364	44,726	29,752	28,987	0.2%	0.2%	0.2%	0.1%	0.1%
Total Current	<u>9,163,647</u>	<u>8,767,795</u>	<u>8,760,724</u>	<u>12,359,505</u>	<u>11,525,280</u>	<u>32.8%</u>	<u>31.5%</u>	<u>31.0%</u>	<u>51.7%</u>	<u>49.5%</u>
Noncurrent Assets										
Restricted cash and cash equivalents	35,839	36,564	40,043	30,907	30,885	0.1%	0.1%	0.1%	0.1%	0.1%
Capital assets (net of depreciation):	18,721,828	19,033,038	19,438,536	11,508,123	11,709,546	67.1%	68.4%	68.8%	48.2%	50.3%
Total Noncurrent	<u>18,757,667</u>	<u>19,069,602</u>	<u>19,478,579</u>	<u>11,539,030</u>	<u>11,740,431</u>	<u>67.2%</u>	<u>68.5%</u>	<u>69.0%</u>	<u>48.3%</u>	<u>50.5%</u>
Total Assets	<u>27,921,314</u>	<u>27,837,397</u>	<u>28,239,303</u>	<u>23,898,535</u>	<u>23,265,711</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Liabilities										
Current Liabilities										
Accounts payable and accrued expenses	262,195	150,001	605,326	176,662	252,199	0.9%	0.5%	2.1%	0.7%	1.1%
Accrued payroll and related liabilities	103,439	219,101	211,701	157,647	122,412	0.4%	0.8%	0.7%	0.7%	0.5%
Accrued interest payable	19,640	20,973	22,273			0.1%	0.1%	0.1%	0.0%	0.0%
Due to other funds	51,332	126,332	176,332			0.2%	0.5%	0.6%	0.0%	0.0%
Assets held in agency capacity	35,835	36,545	39,995	30,907	30,885	0.1%	0.1%	0.1%	0.1%	0.1%
Compensated absences	238,263	239,391	228,111	153,726	154,190	0.9%	0.9%	0.8%	0.6%	0.7%
Capital lease obligations	111,127	42,369	69,819	66,421	63,188	0.4%	0.2%	0.2%	0.3%	0.3%
Lease revenue bonds	210,795	200,795	195,795			0.8%	0.7%	0.7%	0.0%	0.0%
Landfill closure/post closure	159,091	186,244	212,780	193,354	188,822	0.6%	0.7%	0.8%	0.8%	0.8%
Total Current	<u>1,191,717</u>	<u>1,221,751</u>	<u>1,762,132</u>	<u>778,717</u>	<u>811,696</u>	<u>4.3%</u>	<u>4.4%</u>	<u>6.2%</u>	<u>3.3%</u>	<u>3.5%</u>
Noncurrent Liabilities										
Compensated balances	34,154	25,658	43,663			0.1%	0.1%	0.2%	0.0%	0.0%
Other post-employment benefits	31,833	15,997	15,174			0.1%	0.1%	0.1%	0.0%	0.0%
Capital lease obligations	410,370		42,370	112,189	178,612	1.5%	0.0%	0.2%	0.5%	0.8%
Lease revenue bonds	2,372,154	2,582,949	2,783,743			8.5%	9.3%	9.9%	0.0%	0.0%
Landfill closure/postclosure	5,111,550	5,227,088	5,097,251	5,915,438	5,525,193	18.3%	18.8%	18.1%	24.8%	23.7%
Total Noncurrent	<u>7,960,061</u>	<u>7,851,692</u>	<u>7,982,201</u>	<u>6,027,627</u>	<u>5,703,805</u>	<u>28.5%</u>	<u>28.2%</u>	<u>28.3%</u>	<u>25.2%</u>	<u>24.5%</u>
Total Liabilities	<u>9,151,778</u>	<u>9,073,443</u>	<u>9,744,333</u>	<u>6,806,344</u>	<u>6,515,501</u>	<u>32.8%</u>	<u>32.6%</u>	<u>34.5%</u>	<u>28.5%</u>	<u>28.0%</u>
Net Assets										
Invested in capital assets, net of related debt	15,617,382	16,206,925	16,346,809	11,329,513	11,467,746	55.9%	58.2%	57.9%	47.4%	49.3%
Restricted	4	19	48			0.0%	0.0%	0.0%	0.0%	0.0%
Unrestricted	3,152,150	2,557,010	2,148,113	5,762,678	5,282,464	11.3%	9.2%	7.6%	24.1%	22.7%
Total Net Assets	<u>18,769,536</u>	<u>18,763,954</u>	<u>18,494,970</u>	<u>17,092,191</u>	<u>16,750,210</u>	<u>67.2%</u>	<u>67.4%</u>	<u>65.5%</u>	<u>71.5%</u>	<u>72.0%</u>
Liabilities and Net Assets	<u>\$27,921,314</u>	<u>\$27,837,397</u>	<u>\$28,239,303</u>	<u>\$23,898,535</u>	<u>\$23,265,711</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source:

County of Bedford, [Comprehensive Annual Financial Report](#), 5 editions (2007-2011)

Note: Common-Size Statements allow the reader to analyze the proportion that an individual asset or liability represents as a percentage of total assets.

Table 5

County of Bedford
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Enterprise Fund	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Revenues					
Charges for services	\$9,239,416	\$9,179,931	\$9,297,118	\$6,633,256	\$5,334,134
Other	540,807	401,302	324,405	360,639	235,702
Total operating revenues	<u>9,780,223</u>	<u>9,581,233</u>	<u>9,621,523</u>	<u>6,993,895</u>	<u>5,569,836</u>
Operating Expenses					
Personal services	4,358,489	4,274,784	4,326,891	2,751,826	2,192,252
Employee benefits	1,383,824	1,303,453	1,262,965	861,742	628,899
Purchased services	874,149	776,310	770,555	784,281	643,658
Continuous charges	1,040,147	955,645	921,706	694,481	652,684
Supplies and materials	941,625	810,964	988,380	739,135	1,084,171
Equipment, property, and improvements	246,322	44,776	124,252	83,391	39,794
Landfill closure/postclosure	(142,691)	103,301	(798,761)	394,777	151,451
Depreciation	974,145	929,331	977,313	826,518	681,213
Total operating expenses	<u>9,676,010</u>	<u>9,198,564</u>	<u>8,573,301</u>	<u>7,136,151</u>	<u>6,074,122</u>
Operating income (loss)	<u>104,213</u>	<u>382,669</u>	<u>1,048,222</u>	<u>(142,256)</u>	<u>(504,286)</u>
Nonoperating Revenues (Expenses)					
Interest income	23,637	25,082	190,527	498,046	603,720
Contribution expense		(3,200)		(741)	(618,413)
Capital contributions			592,795		
Interest expense	(135,766)	(135,567)	(146,432)	(10,654)	(14,137)
Total nonoperating revenues (expenses)	<u>(112,129)</u>	<u>(113,685)</u>	<u>636,890</u>	<u>486,651</u>	<u>(28,830)</u>
Income (loss) before contributions and transfers	<u>(7,916)</u>	<u>268,984</u>	<u>1,685,112</u>	<u>344,395</u>	<u>(533,116)</u>
Gain (loss) on disposal of capital assets	13,498		(20,410)	(2,414)	(2,750)
Transfers					
Transfers (out)			(261,923)		(20,215)
Total transfers	<u>0</u>	<u>0</u>	<u>(261,923)</u>	<u>0</u>	<u>(20,215)</u>
Change in net assets	5,582	268,984	1,402,779	341,981	(556,081)
Net assets at beginning of year	18,763,954	18,494,970	17,092,191	16,750,210	17,306,291
Net assets at end of year	<u>\$18,769,536</u>	<u>\$18,763,954</u>	<u>\$18,494,970</u>	<u>\$17,092,191</u>	<u>\$16,750,210</u>

Source:

County of Bedford, Comprehensive Annual Financial Report, 5 editions (2007-2011)

Table 6**County of Bedford**

Ratios	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>From Government-wide Statements:</u>					
Current (Current Assets/Current Liabilities)	2.22	2.08	1.85	1.71	1.63
Cash (Cash and Equivalents/Current Assets)	59.7%	57.1%	53.4%	51.9%	50.9%
Debt-to-assets (Total Liabilities/Total Assets)	0.4812	0.5108	0.5420	0.5735	0.5928
LTD-to-assets (Noncurrent Liabilities/Total Assets)	0.2969	0.3197	0.3404	0.3570	0.3657
Debt per \$100 of Assessed Property Value	1.491	1.723	1.846	2.019	2.078
Unrestricted (Unrestricted Net Assets/Total Assets)	0.2178	0.1996	0.1681	0.1623	-0.1141
Financial Position (Net Assets/Total Expenses)	0.7742	0.7094	0.6153	0.5609	0.5421
<u>From General Fund Statements:</u>					
GF Undesignated (Undesignated Fund Balance/Total GF Expenditures)	0.2218	0.1413	0.0831	0.0523	0.0174
<u>From Enterprise Fund Statements:</u>					
Ent Unrestricted (Unrestricted Net Assets/Operating Expenses)	0.3258	0.2780	0.2506	0.8075	0.8697

Appendix E: Post-Reversion Fiscal Stress Tables

Table 1

Hypothetical 2010 Revenue Capacity per Capita After Reversion

Locality	Revenue	
	Capacity	Rank
Accomack County	\$1,789.24	81
Albemarle County	\$2,665.92	117
Alleghany County	\$1,265.67	24
Amelia County	\$1,695.54	66
Amherst County	\$1,419.18	43
Appomattox County	\$1,430.32	46
Arlington County	\$3,831.98	131
Augusta County	\$1,732.38	72
Bath County	\$5,226.81	133
Bedford County	\$1,956.42	95
Bland County	\$1,456.65	48
Botetourt County	\$1,813.87	86
Brunswick County	\$1,268.97	25
Buchanan County	\$1,549.91	58
Buckingham County	\$1,347.48	34
Campbell County	\$1,309.03	31
Caroline County	\$1,535.35	56
Carroll County	\$1,358.38	39
Charles City County	\$1,947.12	94
Charlotte County	\$1,299.46	30
Chesterfield County	\$1,810.50	83
Clarke County	\$2,399.95	112
Craig County	\$1,519.85	53
Culpeper County	\$1,724.77	70
Cumberland County	\$1,464.67	49
Dickenson County	\$1,351.84	36
Dinwiddie County	\$1,526.81	55
Essex County	\$1,989.18	101
Fairfax County	\$2,951.33	122
Fauquier County	\$2,703.83	119
Floyd County	\$1,642.92	63
Fluvanna County	\$1,851.04	88
Franklin County	\$1,867.24	90
Frederick County	\$1,722.69	69
Giles County	\$1,274.50	27
Gloucester County	\$1,882.87	91
Goochland County	\$3,693.28	129
Grayson County	\$1,598.88	62
Greene County	\$1,769.81	77
Greensville County	\$1,032.20	5
Halifax County	\$1,465.74	50
Hanover County	\$2,162.14	110
Henrico County	\$1,932.03	93
Henry County	\$1,127.69	10
Highland County	\$3,713.27	130
Isle of Wight County	\$2,010.37	104
James City County	\$2,447.91	114
King and Queen County	\$1,812.09	84
King George County	\$1,898.08	92
King William County	\$1,782.45	80
Lancaster County	\$3,264.92	123
Lee County	\$838.57	1
Loudoun County	\$2,816.61	120

Table 1

Hypothetical 2010 Revenue Capacity per Capita After Reversion

Locality	Revenue	
	Capacity	Rank
Louisa County	\$2,596.83	115
Lunenburg County	\$1,143.22	13
Madison County	\$2,030.72	105
Mathews County	\$2,678.05	118
Mecklenburg County	\$1,741.18	74
Middlesex County	\$2,940.94	121
Montgomery County	\$1,256.50	23
Nelson County	\$2,635.26	116
New Kent County	\$2,092.32	108
Northampton County	\$2,405.67	113
Northumberland County	\$3,418.69	126
Nottoway County	\$1,100.96	9
Orange County	\$1,827.88	87
Page County	\$1,525.42	54
Patrick County	\$1,469.04	51
Pittsylvania County	\$1,211.11	17
Powhatan County	\$2,007.44	103
Prince Edward County	\$1,130.86	11
Prince George County	\$1,353.01	37
Prince William County	\$1,861.61	89
Pulaski County	\$1,346.04	33
Rappahannock County	\$3,598.67	127
Richmond County	\$1,782.45	79
Roanoke County	\$1,692.52	65
Rockbridge County	\$1,960.36	97
Rockingham County	\$1,774.19	78
Russell County	\$1,160.86	14
Scott County	\$979.64	3
Shenandoah County	\$1,739.05	73
Smyth County	\$1,064.78	7
Southampton County	\$1,584.72	61
Spotsylvania County	\$1,713.92	68
Stafford County	\$1,761.46	76
Surry County	\$3,358.18	124
Sussex County	\$1,270.42	26
Tazewell County	\$1,218.05	18
Warren County	\$1,727.96	71
Washington County	\$1,543.39	57
Westmoreland County	\$1,998.57	102
Wise County	\$1,034.91	6
Wythe County	\$1,498.60	52
York County	\$2,082.82	107
Alexandria City	\$3,386.16	125
Bristol City	\$1,375.79	40
Buena Vista City	\$1,003.28	4
Charlottesville City	\$1,964.23	98
Chesapeake City	\$1,813.19	85
Colonial Heights City	\$1,957.40	96
Covington City	\$1,165.33	15
Danville City	\$1,175.50	16
Emporia City	\$1,252.51	22
Fairfax City	\$3,629.91	128
Falls Church City	\$3,921.93	132

Table 1

Hypothetical 2010 Revenue Capacity per Capita After Reversion

Locality	Revenue	
	Capacity	Rank
Franklin City	\$1,383.51	42
Fredericksburg City	\$2,265.49	111
Galax City	\$1,349.82	35
Hampton City	\$1,355.47	38
Harrisonburg City	\$1,245.70	21
Hopewell City	\$1,241.06	20
Lexington City	\$1,449.91	47
Lynchburg City	\$1,298.77	29
Manassas City	\$1,792.72	82
Manassas Park City	\$1,223.02	19
Martinsville City	\$1,143.17	12
Newport News City	\$1,383.13	41
Norfolk City	\$1,322.30	32
Norton City	\$1,551.14	59
Petersburg City	\$1,076.03	8
Poquoson City	\$2,082.32	106
Portsmouth City	\$1,290.31	28
Radford City	\$870.13	2
Richmond City	\$1,697.99	67
Roanoke City	\$1,427.70	45
Salem City	\$1,655.80	64
Staunton City	\$1,420.94	44
Suffolk City	\$1,745.24	75
Virginia Beach City	\$1,970.72	99
Waynesboro City	\$1,581.76	60
Williamsburg City	\$2,142.49	109
Winchester City	\$1,978.09	100

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Table 2

Hypothetical 2010 Revenue Effort After Reversion

Locality	Revenue	
	Effort	Rank
Accomack County	0.7373	83
Albemarle County	0.7479	79
Alleghany County	1.1598	30
Amelia County	0.6378	105
Amherst County	0.6982	92
Appomattox County	0.6172	112
Arlington County	1.1122	37
Augusta County	0.5479	126
Bath County	0.4809	131
Bedford County	0.5531	125
Bland County	0.7537	77
Botetourt County	0.6373	106
Brunswick County	0.6356	109
Buchanan County	1.2839	23
Buckingham County	0.6930	93
Campbell County	0.7048	91
Caroline County	0.8157	64
Carroll County	0.8393	60
Charles City County	0.7574	76
Charlotte County	0.7413	80
Chesterfield County	0.8794	57
Clarke County	0.6361	108
Craig County	0.6196	110
Culpeper County	0.7661	73
Cumberland County	0.7910	68
Dickenson County	0.9927	45
Dinwiddie County	0.7655	74
Essex County	0.6548	104
Fairfax County	1.0469	42
Fauquier County	0.8229	61
Floyd County	0.5615	123
Fluvanna County	0.6071	114
Franklin County	0.5710	121
Frederick County	0.8152	65
Giles County	0.9868	47
Gloucester County	0.6796	98
Goochland County	0.4577	132
Grayson County	0.5835	118
Greene County	0.7617	75
Greensville County	0.9085	53
Halifax County	0.7491	78
Hanover County	0.7943	67
Henrico County	0.9085	53
Henry County	0.7091	89
Highland County	0.4516	133
Isle of Wight County	0.7259	84
James City County	0.8852	55
King and Queen County	0.9282	51
King George County	0.7676	72
King William County	0.7258	85
Lancaster County	0.5087	128
Lee County	0.6571	103
Loudoun County	1.1030	38

Table 2

Hypothetical 2010 Revenue Effort After Reversion

Locality	Revenue	
	Effort	Rank
Louisa County	0.6824	97
Lunenburg County	0.6688	101
Madison County	0.5934	116
Mathews County	0.5633	122
Mecklenburg County	0.5600	124
Middlesex County	0.4995	129
Montgomery County	0.7157	88
Nelson County	0.6185	111
New Kent County	0.7384	82
Northampton County	0.7086	90
Northumberland County	0.4844	130
Nottoway County	0.6847	96
Orange County	0.7197	86
Page County	0.6783	99
Patrick County	0.5790	119
Pittsylvania County	0.5999	115
Powhatan County	0.6897	94
Prince Edward County	0.6894	95
Prince George County	0.8394	59
Prince William County	1.0837	39
Pulaski County	0.9523	49
Rappahannock County	0.5128	127
Richmond County	0.5783	120
Roanoke County	0.9586	48
Rockbridge County	0.7704	71
Rockingham County	0.6658	102
Russell County	0.7872	70
Scott County	0.7894	69
Shenandoah County	0.5877	117
Smyth County	0.8833	56
Southampton County	0.6720	100
Spotsylvania County	0.9119	52
Stafford County	0.9905	46
Surry County	0.8117	66
Sussex County	1.1159	36
Tazewell County	0.8184	63
Warren County	0.7187	87
Washington County	0.6371	107
Westmoreland County	0.6101	113
Wise County	0.9379	50
Wythe County	0.7405	81
York County	0.8752	58
Alexandria City	1.0173	44
Bristol City	1.4273	12
Buena Vista City	1.3673	19
Charlottesville City	1.3724	18
Chesapeake City	1.1227	35
Colonial Heights City	1.2943	22
Covington City	1.8199	1
Danville City	1.1562	31
Emporia City	1.7548	2
Fairfax City	1.1703	29
Falls Church City	1.1536	32

Table 2

Hypothetical 2010 Revenue Effort After Reversion

Locality	Revenue	
	Effort	Rank
Franklin City	1.4925	8
Fredericksburg City	1.2803	24
Galax City	1.3967	15
Hampton City	1.4502	11
Harrisonburg City	1.1825	28
Hopewell City	1.4806	10
Lexington City	1.2089	25
Lynchburg City	1.5088	7
Manassas City	1.3105	21
Manassas Park City	1.5415	5
Martinsville City	1.3874	16
Newport News City	1.5551	4
Norfolk City	1.4916	9
Norton City	1.3625	20
Petersburg City	1.5238	6
Poquoson City	0.8195	62
Portsmouth City	1.5983	3
Radford City	1.1457	33
Richmond City	1.4079	13
Roanoke City	1.3760	17
Salem City	1.3969	14
Staunton City	1.1869	27
Suffolk City	1.0731	41
Virginia Beach City	1.0426	43
Waynesboro City	1.1256	34
Williamsburg City	1.0753	40
Winchester City	1.2053	26

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Table 3

Hypothetical 2010 Median Household Income After Reversion

Locality	Median Household Income	
	Income	Rank
Accomack County	\$36,512	37
Albemarle County	\$63,669	110
Alleghany County	\$43,230	65
Amelia County	\$47,971	80
Amherst County	\$42,117	58
Appomattox County	\$42,354	59
Arlington County	\$92,703	130
Augusta County	\$50,401	87
Bath County	\$42,619	62
Bedford County	\$51,465	89
Bland County	\$39,512	46
Botetourt County	\$59,441	104
Brunswick County	\$35,757	27
Buchanan County	\$30,005	4
Buckingham County	\$36,414	36
Campbell County	\$44,983	71
Caroline County	\$57,352	100
Carroll County	\$34,240	19
Charles City County	\$48,096	81
Charlotte County	\$33,334	17
Chesterfield County	\$70,055	116
Clarke County	\$65,636	111
Craig County	\$45,125	73
Culpeper County	\$61,217	108
Cumberland County	\$39,141	43
Dickenson County	\$31,877	7
Dinwiddie County	\$49,595	86
Essex County	\$48,296	83
Fairfax County	\$102,325	131
Fauquier County	\$83,330	126
Floyd County	\$36,664	38
Fluvanna County	\$68,521	113
Franklin County	\$45,105	72
Frederick County	\$60,806	107
Giles County	\$39,421	45
Gloucester County	\$55,335	94
Goochland County	\$76,772	123
Grayson County	\$32,813	12
Greene County	\$58,123	101
Greensville County	\$35,866	31
Halifax County	\$35,458	25
Hanover County	\$74,645	120
Henrico County	\$57,318	99
Henry County	\$35,826	29
Highland County	\$35,892	32
Isle of Wight County	\$59,463	105
James City County	\$72,902	118
King and Queen County	\$42,022	57
King George County	\$68,846	115
King William County	\$59,984	106
Lancaster County	\$43,434	66
Lee County	\$29,376	2

Table 3

Hypothetical 2010 Median Household Income After Reversion

Locality	Median Household Income	
	Income	Rank
Loudoun County	\$114,200	133
Louisa County	\$52,396	90
Lunenburg County	\$32,930	13
Madison County	\$50,565	88
Mathews County	\$53,177	91
Mecklenburg County	\$34,885	21
Middlesex County	\$45,695	74
Montgomery County	\$42,785	64
Nelson County	\$44,615	70
New Kent County	\$68,570	114
Northampton County	\$34,501	20
Northumberland County	\$53,856	92
Nottoway County	\$36,381	35
Orange County	\$54,231	93
Page County	\$39,299	44
Patrick County	\$33,059	14
Pittsylvania County	\$39,531	47
Powhatan County	\$73,940	119
Prince Edward County	\$35,988	33
Prince George County	\$59,349	103
Prince William County	\$88,823	129
Pulaski County	\$40,239	49
Rappahannock County	\$56,250	95
Richmond County	\$40,620	50
Roanoke County	\$56,508	97
Rockbridge County	\$43,916	67
Rockingham County	\$47,965	79
Russell County	\$33,221	15
Scott County	\$33,893	18
Shenandoah County	\$47,748	78
Smyth County	\$35,614	26
Southampton County	\$42,751	63
Spotsylvania County	\$75,609	121
Stafford County	\$88,179	128
Surry County	\$46,651	76
Sussex County	\$37,684	40
Tazewell County	\$36,143	34
Warren County	\$56,946	98
Washington County	\$40,638	51
Westmoreland County	\$48,523	84
Wise County	\$35,053	23
Wythe County	\$40,927	55
York County	\$77,662	124
Alexandria City	\$76,293	122
Bristol City	\$30,663	5
Buena Vista City	\$40,802	53
Charlottesville City	\$39,030	42
Chesapeake City	\$63,532	109
Colonial Heights City	\$47,614	77
Covington City	\$33,301	16
Danville City	\$29,466	3
Emporia City	\$32,178	10

Table 3

Hypothetical 2010 Median Household Income After Reversion

Locality	Median Household Income	
	Income	Rank
Fairfax City	\$82,342	125
Falls Church City	\$106,042	132
Franklin City	\$35,855	30
Fredericksburg City	\$44,211	68
Galax City	\$32,313	11
Hampton City	\$46,175	75
Harrisonburg City	\$34,967	22
Hopewell City	\$35,815	28
Lexington City	\$40,825	54
Lynchburg City	\$38,005	41
Manassas City	\$66,876	112
Manassas Park City	\$70,852	117
Martinsville City	\$28,298	1
Newport News City	\$48,285	82
Norfolk City	\$41,161	56
Norton City	\$31,247	6
Petersburg City	\$31,926	8
Poquoson City	\$84,347	127
Portsmouth City	\$42,404	61
Radford City	\$31,999	9
Richmond City	\$37,115	39
Roanoke City	\$35,088	24
Salem City	\$49,086	85
Staunton City	\$40,717	52
Suffolk City	\$56,300	96
Virginia Beach City	\$59,174	102
Waynesboro City	\$39,846	48
Williamsburg City	\$44,380	69
Winchester City	\$42,399	60

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Table 4

Hypothetical 2010 Fiscal Stress Scores by Locality After Reversion

Locality	Stress	Rank	Class
Accomack County	166.29	64	Above Average
Albemarle County	152.56	117	Low
Alleghany County	174.58	27	Above Average
Amelia County	162.04	83	Below Average
Amherst County	166.59	61	Above Average
Appomattox County	165.16	68	Above Average
Arlington County	141.88	130	Low
Augusta County	159.66	94	Below Average
Bath County	136.91	133	Low
Bedford County	157.90	102	Below Average
Bland County	167.96	53	Above Average
Botetourt County	157.89	103	Below Average
Brunswick County	168.48	52	Above Average
Buchanan County	178.43	18	High
Buckingham County	168.65	50	Above Average
Campbell County	166.61	60	Above Average
Caroline County	163.22	79	Below Average
Carroll County	171.51	40	Above Average
Charles City County	162.16	82	Below Average
Charlotte County	170.64	44	Above Average
Chesterfield County	158.64	98	Below Average
Clarke County	152.05	118	Low
Craig County	163.78	76	Below Average
Culpeper County	160.01	93	Below Average
Cumberland County	168.60	51	Above Average
Dickenson County	174.66	26	Above Average
Dinwiddie County	164.74	70	Below Average
Essex County	160.20	92	Below Average
Fairfax County	144.09	128	Low
Fauquier County	147.77	124	Low
Floyd County	164.48	72	Below Average
Fluvanna County	154.52	110	Below Average
Franklin County	160.64	88	Below Average
Frederick County	160.92	87	Below Average
Giles County	172.91	34	Above Average
Gloucester County	159.27	97	Below Average
Goochland County	137.14	132	Low
Grayson County	166.25	65	Above Average
Greene County	160.53	90	Below Average
Greensville County	174.37	28	Above Average
Halifax County	169.00	49	Above Average
Hanover County	153.56	113	Low
Henrico County	161.97	84	Below Average
Henry County	170.58	45	Above Average
Highland County	148.78	122	Low
Isle of Wight County	157.93	101	Below Average
James City County	153.54	114	Low
King and Queen County	167.54	55	Above Average
King George County	156.63	104	Below Average
King William County	159.34	96	Below Average
Lancaster County	150.56	121	Low
Lee County	173.62	32	Above Average
Loudoun County	142.45	129	Low
Louisa County	155.28	108	Below Average

Table 4

Hypothetical 2010 Fiscal Stress Scores by Locality After Reversion

Locality	Stress	Rank	Class
Lunenburg County	170.68	42	Above Average
Madison County	158.29	99	Below Average
Mathews County	152.62	116	Low
Mecklenburg County	164.30	74	Below Average
Middlesex County	151.98	119	Low
Montgomery County	167.78	54	Above Average
Nelson County	156.27	105	Below Average
New Kent County	154.92	109	Below Average
Northampton County	162.20	81	Below Average
Northumberland County	146.10	126	Low
Nottoway County	170.22	46	Above Average
Orange County	160.60	89	Below Average
Page County	166.36	63	Above Average
Patrick County	167.00	58	Above Average
Pittsylvania County	167.21	56	Above Average
Powhatan County	153.18	115	Low
Prince Edward County	170.20	47	Above Average
Prince George County	164.26	75	Below Average
Prince William County	156.06	106	Below Average
Pulaski County	171.64	38	Above Average
Rappahannock County	144.62	127	Low
Richmond County	162.64	80	Below Average
Roanoke County	164.63	71	Below Average
Rockbridge County	163.49	77	Below Average
Rockingham County	161.94	85	Below Average
Russell County	172.34	37	Above Average
Scott County	173.42	33	Above Average
Shenandoah County	161.02	86	Below Average
Smyth County	173.82	31	Above Average
Southampton County	164.85	69	Below Average
Spotsylvania County	158.21	100	Below Average
Stafford County	155.47	107	Below Average
Surry County	153.76	112	Low
Sussex County	175.47	22	Above Average
Tazewell County	171.59	39	Above Average
Warren County	160.49	91	Below Average
Washington County	165.20	67	Above Average
Westmoreland County	159.36	95	Below Average
Wise County	175.05	23	Above Average
Wythe County	167.05	57	Above Average
York County	154.50	111	Below Average
Alexandria City	148.20	123	Low
Bristol City	181.70	6	High
Buena Vista City	180.36	11	High
Charlottesville City	174.37	29	Above Average
Chesapeake City	164.35	73	Below Average
Colonial Heights City	170.69	41	Above Average
Covington City	188.56	1	High
Danville City	179.15	16	High
Emporia City	187.26	2	High
Fairfax City	147.19	125	Low
Falls Church City	138.04	131	Low
Franklin City	181.16	9	High
Fredericksburg City	169.35	48	Above Average

Table 4

Hypothetical 2010 Fiscal Stress Scores by Locality After Reversion

Locality	Stress	Rank	Class
Galax City	180.91	10	High
Hampton City	177.69	19	High
Harrisonburg City	177.48	20	High
Hopewell City	181.96	5	High
Lexington City	174.80	24	Above Average
Lynchburg City	181.38	8	High
Manassas City	166.48	62	Above Average
Manassas Park City	172.87	35	Above Average
Martinsville City	183.35	4	High
Newport News City	178.54	17	High
Norfolk City	180.03	13	High
Norton City	179.30	14	High
Petersburg City	184.90	3	High
Poquoson City	151.69	120	Low
Portsmouth City	181.57	7	High
Radford City	180.34	12	High
Richmond City	177.31	21	High
Roanoke City	179.25	15	High
Salem City	173.95	30	Above Average
Staunton City	174.68	25	Above Average
Suffolk City	166.14	66	Above Average
Virginia Beach City	163.28	78	Below Average
Waynesboro City	172.86	36	Above Average
Williamsburg City	166.91	59	Above Average
Winchester City	170.66	43	Above Average

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Appendix F: 2010 Fiscal Stress Tables

Table 1

2010 Revenue Capacity per Capita

Locality	Revenue	
	Capacity	Rank
Accomack County	\$1,789.27	82
Albemarle County	\$2,665.94	118
Alleghany County	\$1,265.69	24
Amelia County	\$1,695.56	67
Amherst County	\$1,419.20	44
Appomattox County	\$1,430.35	47
Arlington County	\$3,831.99	132
Augusta County	\$1,732.40	73
Bath County	\$5,226.85	134
Bedford County	\$2,012.70	105
Bland County	\$1,456.68	49
Botetourt County	\$1,813.90	87
Brunswick County	\$1,268.99	25
Buchanan County	\$1,549.93	59
Buckingham County	\$1,347.50	35
Campbell County	\$1,309.06	31
Caroline County	\$1,535.37	57
Carroll County	\$1,358.41	40
Charles City County	\$1,947.15	95
Charlotte County	\$1,299.49	30
Chesterfield County	\$1,810.52	84
Clarke County	\$2,399.98	113
Craig County	\$1,519.88	54
Culpeper County	\$1,724.79	71
Cumberland County	\$1,464.69	50
Dickenson County	\$1,351.86	37
Dinwiddie County	\$1,526.84	56
Essex County	\$1,989.21	101
Fairfax County	\$2,951.35	123
Fauquier County	\$2,703.85	120
Floyd County	\$1,642.94	64
Fluvanna County	\$1,851.07	89
Franklin County	\$1,867.27	91
Frederick County	\$1,722.72	70
Giles County	\$1,274.52	27
Gloucester County	\$1,882.89	92
Goochland County	\$3,693.31	130
Grayson County	\$1,598.91	63
Greene County	\$1,769.83	78
Greensville County	\$1,032.22	5
Halifax County	\$1,465.76	51
Hanover County	\$2,162.16	111
Henrico County	\$1,932.05	94
Henry County	\$1,127.71	10
Highland County	\$3,713.31	131
Isle of Wight County	\$2,010.39	104
James City County	\$2,447.92	115
King and Queen County	\$1,812.12	85
King George County	\$1,898.10	93
King William County	\$1,782.48	81
Lancaster County	\$3,264.95	124
Lee County	\$838.59	1
Loudoun County	\$2,816.62	121

Table 1

2010 Revenue Capacity per Capita

Locality	Revenue	
	Capacity	Rank
Louisa County	\$2,596.85	116
Lunenburg County	\$1,143.24	13
Madison County	\$2,030.74	106
Mathews County	\$2,678.08	119
Mecklenburg County	\$1,741.20	75
Middlesex County	\$2,940.97	122
Montgomery County	\$1,256.51	23
Nelson County	\$2,635.29	117
New Kent County	\$2,092.35	109
Northampton County	\$2,405.69	114
Northumberland County	\$3,418.72	127
Nottoway County	\$1,100.98	9
Orange County	\$1,827.90	88
Page County	\$1,525.45	55
Patrick County	\$1,469.06	52
Pittsylvania County	\$1,211.14	17
Powhatan County	\$2,007.46	103
Prince Edward County	\$1,130.88	11
Prince George County	\$1,353.03	38
Prince William County	\$1,861.62	90
Pulaski County	\$1,346.07	34
Rappahannock County	\$3,598.70	128
Richmond County	\$1,782.47	80
Roanoke County	\$1,692.55	66
Rockbridge County	\$1,960.38	97
Rockingham County	\$1,774.22	79
Russell County	\$1,160.89	14
Scott County	\$979.66	3
Shenandoah County	\$1,739.07	74
Smyth County	\$1,064.80	7
Southampton County	\$1,584.74	62
Spotsylvania County	\$1,713.94	69
Stafford County	\$1,761.48	77
Surry County	\$3,358.21	125
Sussex County	\$1,270.44	26
Tazewell County	\$1,218.08	18
Warren County	\$1,727.98	72
Washington County	\$1,543.41	58
Westmoreland County	\$1,998.60	102
Wise County	\$1,034.93	6
Wythe County	\$1,498.62	53
York County	\$2,082.84	108
Alexandria City	\$3,386.18	126
Bedford City	\$1,335.57	33
Bristol City	\$1,375.81	41
Buena Vista City	\$1,003.29	4
Charlottesville City	\$1,964.24	98
Chesapeake City	\$1,813.21	86
Colonial Heights City	\$1,957.42	96
Covington City	\$1,165.35	15
Danville City	\$1,175.52	16
Emporia City	\$1,252.53	22
Fairfax City	\$3,629.93	129

Table 1

2010 Revenue Capacity per Capita

Locality	Revenue	
	Capacity	Rank
Falls Church City	\$3,921.96	133
Franklin City	\$1,383.53	43
Fredericksburg City	\$2,265.51	112
Galax City	\$1,349.84	36
Hampton City	\$1,355.48	39
Harrisonburg City	\$1,245.71	21
Hopewell City	\$1,241.07	20
Lexington City	\$1,449.92	48
Lynchburg City	\$1,298.79	29
Manassas City	\$1,792.73	83
Manassas Park City	\$1,223.04	19
Martinsville City	\$1,143.19	12
Newport News City	\$1,383.15	42
Norfolk City	\$1,322.32	32
Norton City	\$1,551.16	60
Petersburg City	\$1,076.05	8
Poquoson City	\$2,082.35	107
Portsmouth City	\$1,290.32	28
Radford City	\$870.14	2
Richmond City	\$1,698.01	68
Roanoke City	\$1,427.72	46
Salem City	\$1,655.82	65
Staunton City	\$1,420.95	45
Suffolk City	\$1,745.26	76
Virginia Beach City	\$1,970.73	99
Waynesboro City	\$1,581.78	61
Williamsburg City	\$2,142.51	110
Winchester City	\$1,978.10	100

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Table 2

2010 Revenue Effort

Locality	Revenue	
	Effort	Rank
Accomack County	0.7372	84
Albemarle County	0.7479	80
Alleghany County	1.1598	29
Amelia County	0.6378	106
Amherst County	0.6982	93
Appomattox County	0.6172	113
Arlington County	1.1122	36
Augusta County	0.5479	126
Bath County	0.4809	132
Bedford County	0.5380	127
Bland County	0.7537	78
Botetourt County	0.6373	107
Brunswick County	0.6356	110
Buchanan County	1.2839	23
Buckingham County	0.6929	94
Campbell County	0.7048	92
Caroline County	0.8157	65
Carroll County	0.8392	61
Charles City County	0.7573	77
Charlotte County	0.7413	81
Chesterfield County	0.8794	58
Clarke County	0.6361	109
Craig County	0.6195	111
Culpeper County	0.7661	74
Cumberland County	0.7909	69
Dickenson County	0.9927	46
Dinwiddie County	0.7655	75
Essex County	0.6547	105
Fairfax County	1.0469	42
Fauquier County	0.8228	62
Floyd County	0.5615	124
Fluvanna County	0.6071	115
Franklin County	0.5710	122
Frederick County	0.8152	66
Giles County	0.9868	48
Gloucester County	0.6796	99
Goochland County	0.4577	133
Grayson County	0.5835	119
Greene County	0.7617	76
Greensville County	0.9085	54
Halifax County	0.7491	79
Hanover County	0.7943	68
Henrico County	0.9085	54
Henry County	0.7091	90
Highland County	0.4516	134
Isle of Wight County	0.7259	85
James City County	0.8852	56
King and Queen County	0.9281	52
King George County	0.7676	73
King William County	0.7258	86
Lancaster County	0.5087	129
Lee County	0.6570	104
Loudoun County	1.1030	37

Table 2

2010 Revenue Effort

Locality	Revenue	
	Effort	Rank
Louisa County	0.6824	98
Lunenburg County	0.6688	102
Madison County	0.5934	117
Mathews County	0.5633	123
Mecklenburg County	0.5600	125
Middlesex County	0.4995	130
Montgomery County	0.7157	89
Nelson County	0.6185	112
New Kent County	0.7384	83
Northampton County	0.7086	91
Northumberland County	0.4844	131
Nottoway County	0.6847	97
Orange County	0.7197	87
Page County	0.6783	100
Patrick County	0.5790	120
Pittsylvania County	0.5998	116
Powhatan County	0.6897	95
Prince Edward County	0.6894	96
Prince George County	0.8394	60
Prince William County	1.0837	38
Pulaski County	0.9523	50
Rappahannock County	0.5128	128
Richmond County	0.5783	121
Roanoke County	0.9585	49
Rockbridge County	0.7704	72
Rockingham County	0.6658	103
Russell County	0.7872	71
Scott County	0.7894	70
Shenandoah County	0.5877	118
Smyth County	0.8832	57
Southampton County	0.6720	101
Spotsylvania County	0.9119	53
Stafford County	0.9905	47
Surry County	0.8117	67
Sussex County	1.1159	35
Tazewell County	0.8183	64
Warren County	0.7187	88
Washington County	0.6371	108
Westmoreland County	0.6101	114
Wise County	0.9379	51
Wythe County	0.7404	82
York County	0.8752	59
Alexandria City	1.0173	45
Bedford City	1.0550	41
Bristol City	1.4273	12
Buena Vista City	1.3673	19
Charlottesville City	1.3724	18
Chesapeake City	1.1227	34
Colonial Heights City	1.2942	22
Covington City	1.8198	1
Danville City	1.1562	30
Emporia City	1.7548	2
Fairfax City	1.1703	28

Table 2

2010 Revenue Effort

Locality	Revenue	
	Effort	Rank
Falls Church City	1.1536	31
Franklin City	1.4925	8
Fredericksburg City	1.2803	24
Galax City	1.3966	15
Hampton City	1.4502	11
Harrisonburg City	1.1825	27
Hopewell City	1.4806	10
Lexington City	1.0396	44
Lynchburg City	1.5088	7
Manassas City	1.3104	21
Manassas Park City	1.5415	5
Martinsville City	1.3874	16
Newport News City	1.5551	4
Norfolk City	1.4916	9
Norton City	1.3625	20
Petersburg City	1.5238	6
Poquoson City	0.8195	63
Portsmouth City	1.5983	3
Radford City	1.1457	32
Richmond City	1.4079	13
Roanoke City	1.3760	17
Salem City	1.3969	14
Staunton City	1.1869	26
Suffolk City	1.0731	40
Virginia Beach City	1.0426	43
Waynesboro City	1.1256	33
Williamsburg City	1.0753	39
Winchester City	1.2053	25

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Table 3

2010 Median Household Income

Locality	Median Household Income	
	Income	Rank
Accomack County	\$36,512	38
Albemarle County	\$63,669	111
Alleghany County	\$43,230	66
Amelia County	\$47,971	81
Amherst County	\$42,117	59
Appomattox County	\$42,354	60
Arlington County	\$92,703	131
Augusta County	\$50,401	88
Bath County	\$42,619	63
Bedford County	\$53,003	91
Bland County	\$39,512	47
Botetourt County	\$59,441	105
Brunswick County	\$35,757	28
Buchanan County	\$30,005	4
Buckingham County	\$36,414	37
Campbell County	\$44,983	72
Caroline County	\$57,352	101
Carroll County	\$34,240	19
Charles City County	\$48,096	82
Charlotte County	\$33,334	17
Chesterfield County	\$70,055	117
Clarke County	\$65,636	112
Craig County	\$45,125	74
Culpeper County	\$61,217	109
Cumberland County	\$39,141	44
Dickenson County	\$31,877	7
Dinwiddie County	\$49,595	87
Essex County	\$48,296	84
Fairfax County	\$102,325	132
Fauquier County	\$83,330	127
Floyd County	\$36,664	39
Fluvanna County	\$68,521	114
Franklin County	\$45,105	73
Frederick County	\$60,806	108
Giles County	\$39,421	46
Gloucester County	\$55,335	95
Goochland County	\$76,772	124
Grayson County	\$32,813	12
Greene County	\$58,123	102
Greensville County	\$35,866	32
Halifax County	\$35,458	26
Hanover County	\$74,645	121
Henrico County	\$57,318	100
Henry County	\$35,826	30
Highland County	\$35,892	33
Isle of Wight County	\$59,463	106
James City County	\$72,902	119
King and Queen County	\$42,022	58
King George County	\$68,846	116
King William County	\$59,984	107
Lancaster County	\$43,434	67
Lee County	\$29,376	2

Table 3

2010 Median Household Income

Locality	Median Household Income	
	Income	Rank
Loudoun County	\$114,200	134
Louisa County	\$52,396	90
Lunenburg County	\$32,930	13
Madison County	\$50,565	89
Mathews County	\$53,177	92
Mecklenburg County	\$34,885	22
Middlesex County	\$45,695	75
Montgomery County	\$42,785	65
Nelson County	\$44,615	71
New Kent County	\$68,570	115
Northampton County	\$34,501	21
Northumberland County	\$53,856	93
Nottoway County	\$36,381	36
Orange County	\$54,231	94
Page County	\$39,299	45
Patrick County	\$33,059	14
Pittsylvania County	\$39,531	48
Powhatan County	\$73,940	120
Prince Edward County	\$35,988	34
Prince George County	\$59,349	104
Prince William County	\$88,823	130
Pulaski County	\$40,239	50
Rappahannock County	\$56,250	96
Richmond County	\$40,620	51
Roanoke County	\$56,508	98
Rockbridge County	\$43,916	68
Rockingham County	\$47,965	80
Russell County	\$33,221	15
Scott County	\$33,893	18
Shenandoah County	\$47,748	79
Smyth County	\$35,614	27
Southampton County	\$42,751	64
Spotsylvania County	\$75,609	122
Stafford County	\$88,179	129
Surry County	\$46,651	77
Sussex County	\$37,684	41
Tazewell County	\$36,143	35
Warren County	\$56,946	99
Washington County	\$40,638	52
Westmoreland County	\$48,523	85
Wise County	\$35,053	24
Wythe County	\$40,927	56
York County	\$77,662	125
Alexandria City	\$76,293	123
Bedford City	\$34,485	20
Bristol City	\$30,663	5
Buena Vista City	\$40,802	54
Charlottesville City	\$39,030	43
Chesapeake City	\$63,532	110
Colonial Heights City	\$47,614	78
Covington City	\$33,301	16
Danville City	\$29,466	3

Table 3

2010 Median Household Income

Locality	Median Household Income	
	Income	Rank
Emporia City	\$32,178	10
Fairfax City	\$82,342	126
Falls Church City	\$106,042	133
Franklin City	\$35,855	31
Fredericksburg City	\$44,211	69
Galax City	\$32,313	11
Hampton City	\$46,175	76
Harrisonburg City	\$34,967	23
Hopewell City	\$35,815	29
Lexington City	\$40,825	55
Lynchburg City	\$38,005	42
Manassas City	\$66,876	113
Manassas Park City	\$70,852	118
Martinsville City	\$28,298	1
Newport News City	\$48,285	83
Norfolk City	\$41,161	57
Norton City	\$31,247	6
Petersburg City	\$31,926	8
Poquoson City	\$84,347	128
Portsmouth City	\$42,404	62
Radford City	\$31,999	9
Richmond City	\$37,115	40
Roanoke City	\$35,088	25
Salem City	\$49,086	86
Staunton City	\$40,717	53
Suffolk City	\$56,300	97
Virginia Beach City	\$59,174	103
Waynesboro City	\$39,846	49
Williamsburg City	\$44,380	70
Winchester City	\$42,399	61

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress

Table 4

2010 Fiscal Stress Scores by Locality

Locality	Stress	Rank	Class
Accomack County	166.23	65	Above Average
Albemarle County	152.49	118	Low
Alleghany County	174.58	27	Above Average
Amelia County	161.97	84	Below Average
Amherst County	166.53	62	Above Average
Appomattox County	165.10	69	Above Average
Arlington County	141.81	131	Low
Augusta County	159.59	95	Below Average
Bath County	136.79	134	Low
Bedford County	156.75	104	Below Average
Bland County	167.91	54	Above Average
Botetourt County	157.82	103	Below Average
Brunswick County	168.42	53	Above Average
Buchanan County	178.43	18	High
Buckingham County	168.59	51	Above Average
Campbell County	166.56	61	Above Average
Caroline County	163.16	80	Below Average
Carroll County	171.47	41	Above Average
Charles City County	162.10	83	Below Average
Charlotte County	170.59	45	Above Average
Chesterfield County	158.59	99	Below Average
Clarke County	151.97	119	Low
Craig County	163.72	77	Below Average
Culpeper County	159.95	94	Below Average
Cumberland County	168.55	52	Above Average
Dickenson County	174.63	26	Above Average
Dinwiddie County	164.68	71	Below Average
Essex County	160.13	93	Below Average
Fairfax County	144.03	129	Low
Fauquier County	147.70	125	Low
Floyd County	164.41	73	Below Average
Fluvanna County	154.45	111	Below Average
Franklin County	160.57	89	Below Average
Frederick County	160.86	88	Below Average
Giles County	172.88	35	Above Average
Gloucester County	159.21	98	Below Average
Goochland County	137.03	133	Low
Grayson County	166.18	66	Above Average
Greene County	160.47	91	Below Average
Greensville County	174.33	29	Above Average
Halifax County	168.95	50	Above Average
Hanover County	153.49	114	Low
Henrico County	161.92	85	Below Average
Henry County	170.53	46	Above Average
Highland County	148.67	123	Low
Isle of Wight County	157.86	102	Below Average
James City County	153.48	115	Low
King and Queen County	167.50	56	Above Average
King George County	156.57	105	Below Average
King William County	159.28	97	Below Average
Lancaster County	150.47	122	Low
Lee County	173.57	32	Above Average
Loudoun County	142.39	130	Low
Louisa County	155.20	109	Below Average

Table 4

2010 Fiscal Stress Scores by Locality

Locality	Stress	Rank	Class
Lunenburg County	170.63	44	Above Average
Madison County	158.21	100	Below Average
Mathews County	152.53	117	Low
Mecklenburg County	164.23	75	Below Average
Middlesex County	151.89	120	Low
Montgomery County	167.73	55	Above Average
Nelson County	156.19	106	Below Average
New Kent County	154.85	110	Below Average
Northampton County	162.13	82	Below Average
Northumberland County	146.00	127	Low
Nottoway County	170.17	47	Above Average
Orange County	160.54	90	Below Average
Page County	166.30	64	Above Average
Patrick County	166.93	59	Above Average
Pittsylvania County	167.15	57	Above Average
Powhatan County	153.10	116	Low
Prince Edward County	170.15	48	Above Average
Prince George County	164.21	76	Below Average
Prince William County	156.02	107	Below Average
Pulaski County	171.60	39	Above Average
Rappahannock County	144.51	128	Low
Richmond County	162.57	81	Below Average
Roanoke County	164.59	72	Below Average
Rockbridge County	163.43	78	Below Average
Rockingham County	161.88	86	Below Average
Russell County	172.30	37	Above Average
Scott County	173.38	33	Above Average
Shenandoah County	160.94	87	Below Average
Smyth County	173.78	31	Above Average
Southampton County	164.79	70	Below Average
Spotsylvania County	158.15	101	Below Average
Stafford County	155.42	108	Below Average
Surry County	153.69	113	Low
Sussex County	175.45	22	Above Average
Tazewell County	171.55	40	Above Average
Warren County	160.42	92	Below Average
Washington County	165.14	68	Above Average
Westmoreland County	159.29	96	Below Average
Wise County	175.02	23	Above Average
Wythe County	167.00	58	Above Average
York County	154.44	112	Below Average
Alexandria City	148.14	124	Low
Bedford City	174.97	24	Above Average
Bristol City	181.70	6	High
Buena Vista City	180.36	11	High
Charlottesville City	174.36	28	Above Average
Chesapeake City	164.32	74	Below Average
Colonial Heights City	170.67	42	Above Average
Covington City	188.60	1	High
Danville City	179.13	16	High
Emporia City	187.30	2	High
Fairfax City	147.13	126	Low
Falls Church City	137.97	132	Low
Franklin City	181.17	9	High

Table 4

2010 Fiscal Stress Scores by Locality

Locality	Stress	Rank	Class
Fredericksburg City	169.33	49	Above Average
Galax City	180.92	10	High
Hampton City	177.70	19	High
Harrisonburg City	177.47	20	High
Hopewell City	181.97	5	High
Lexington City	172.10	38	Above Average
Lynchburg City	181.39	8	High
Manassas City	166.46	63	Above Average
Manassas Park City	172.88	34	Above Average
Martinsville City	183.36	4	High
Newport News City	178.55	17	High
Norfolk City	180.04	13	High
Norton City	179.30	14	High
Petersburg City	184.92	3	High
Poquoson City	151.62	121	Low
Portsmouth City	181.59	7	High
Radford City	180.33	12	High
Richmond City	177.31	21	High
Roanoke City	179.25	15	High
Salem City	173.94	30	Above Average
Staunton City	174.66	25	Above Average
Suffolk City	166.10	67	Above Average
Virginia Beach City	163.24	79	Below Average
Waynesboro City	172.84	36	Above Average
Williamsburg City	166.87	60	Above Average
Winchester City	170.64	43	Above Average

Rank Scores: 1 = Highest Stress, 134 = Lowest Stress