

City To Give County Annexation Data

By CHARLES GIAMETTA
of The Progress Staff

Charlottesville officials plan to provide Albemarle County negotiators with financial details of the city's need for money and land Tuesday.

City officials say the presentation also will support its push to consolidate the local governments.

The county board of supervisors requested the information a month ago, during the first meeting between the localities since Charlottesville made its

annexation and consolidation proposal in November.

Supervisors have questioned the city's claims about its financial troubles. They also challenge claims that a short-term remedy is the annexation of 11 square miles of Albemarle, or a share in millions of dollars in new tax revenue from a 32-square mile area of Albemarle.

County officials say they need details of the city's present and anticipated financial status. They also

requested a picture of the urban services the city would provide to an annexed area, the financial effect of annexation on the county and how the city feels its needs will be met by consolidation.

In keeping with the strict confidentiality that has marked previous negotiation efforts, the city will not release their answers before the supervisors get them. The assistant city manager said, however, that data released at Tuesday's 3 p.m. public session in the city hall basement conference room will include charts and maps.

driver of the bus,
7, blamed brake

Albemarle County Information Request
City/County Negotiations
January 20, 1981

At the last meeting of the negotiating teams representing the City Council and County Board of Supervisors, the County negotiators made a number of requests for additional information. Included in this request were questions concerning:

1. the specific needs of the city related to the proposals presented to the county,
2. a more detailed explanation of the revenue sharing proposal, and
3. statistical information related to the boundary change proposal.

The City Council has reviewed this request and is prepared today to present information in response which it hopes will answer the Board of Supervisors' questions and contribute to an expeditious resolution of the negotiations.

Need

The City Council continues to believe that the question of need is one that affects both jurisdictions. That is the primary reason that consolidation is our preferred solution to our mutual problems. Consolidation will eliminate the necessity of deciding which jurisdiction's need is greater and will eliminate the conflicts created by separate tax bases. With this in mind we renew our request for the immediate appointment of a joint committee to study and make recommendations on the consolidation proposal. We do not believe that additional data are needed to decide whether to study consolidation.

We also do not feel that the city's need is the only criterion by which our proposals should be judged. Among the other issues which must be considered are:

1. the community of interest that exists between the city and the urban area of the county.
2. the level of services now provided in the urban area.
3. the need for additional urban services in the urban area of the county.
4. the ability of each jurisdiction to provide urban services.
5. the efforts made by both jurisdictions to comply with applicable state policies.
6. the disproportionate assistance provided the county by the State government compared to that provided the city.

We are prepared today to define more clearly the city's needs. Needs can be defined and evaluated in a number of ways. Although we have defined our need in financial and geographic terms, we believe that we should identify certain social conditions which contribute to the creation of the city's greater need.

Like most urban areas, Charlottesville must cope with the special circumstances of urban life. State laws which limit our ability to alter the urban environment aggravate these circumstances. The primary circumstance which inhibits our ability to solve our growing problems are the lack of vacant developable land and the resulting increase in density within our boundaries. Increased density causes increased service costs in programs such as fire and police protection, solid waste collection, transportation, and recreation. The city has established levels of service in these and other programs which we believe address the special characteristics of urban life. More rural areas can afford lower manning levels and longer response times for fire service when only one or at most a few buildings are at stake. Urban areas must provide higher levels of fire protection for intensley developed areas where a fire in one building can quickly spread to many others. The more crowded urban environment creates added tensions and opportunities requiring special efforts in law enforcement. The

close proximity of neighbors places added demands on solid waste collection services. Heavily traveled urban streets require an extra maintenance effort and public transportation is needed to lower congestion.

We are proud of the service level the city provides its citizens and believe that quality services in the urban area add to the attractiveness of the overall region. We have accepted and met the challenge of an urban setting, but forces beyond the city's control now threaten the solid base that has been established.

Not only is the city forced to provide more costly service levels for its own residents, but we also find the city providing free services to some non-residents. Charlottesville remains the financial, legal, medical, commercial, and governmental center of the region. People from all over the region come to the city to earn their living; they use the city transportation network, public safety services, recreation facilities and other services on a daily basis. The state tax system does not, however, allow the city to charge for services rendered or collect an income tax from county people who work in the city. The city is also experiencing the loss of its major means of supporting the increased service level requirements. Without sufficient land within which to expand, commercial and industrial concerns are moving out of the city and taking with them the revenues needed to support urban services.

Even as the city loses its tax base, lower income people continue to be attracted to the city in order to be close to the urban services vital to their existence (i.e. public transportation, affordable housing, medical services). The combination of a tax base which does not grow sufficiently to match inflation, a disproportionate share of lower income citizens who cannot pay the true cost of services provided and the need to provide services to people who do not pay city taxes because they reside outside the city has required a higher level of taxation for the city than for the county. This disparity in the tax rate encourages the most affluent and mobile city residents to relocate to the county, further decreasing the city's tax base.

The impact of these factors is illustrated in the following exhibits.

1. Exhibit 1 shows the relative density of the three areas being discussed. The Charlottesville area is over fifty times as densely populated as Albemarle County and has over five times as many people per acre as the urban area of the county. Density creates additional service level demands for many government services.
2. Exhibit 2 shows the relative availability of buildable commercially or industrially zoned property in the urban area of Albemarle County compared to that in Charlottesville. There is almost eight times as much such property in Albemarle County and only two parcels containing over ten acres remain in the city. Facing no buildable commercial and industrial land, existing businesses relocate and new businesses locate in the county.
3. The trend of new development and its impact on the tax bases of the two jurisdictions is shown in Exhibit 3. Since 1976 the county has acquired almost seven times more new development than the city. Much of this new county development has been commercial, with its associated higher net tax revenues. The effect of this development disparity on local budgets is shown in later exhibits.
4. As the density of Charlottesville's population has risen and the tax base increase has leveled off, the growth in median income of Charlottesville families has not kept pace with the increases for Albemarle County families. In 1969 Charlottesville's median income was 3% above the county's; in 1978 it was 3% below that of the county. Lower income groups do not have the resources to pay their share of service costs.
5. The relative economic status of city and county residents is most graphically shown in welfare statistics. The city has almost twice the number of Aid to Dependent Children cases per thousand population

(Exhibit 5), almost twice the number of food stamp cases (Exhibit 6) and almost twice the number of medicaid cases (Exhibit 7).

6. The financial impact of the increased welfare burden is shown in Exhibit 8. The city's local share of the welfare budget is 63 percent higher than that of the county, and the trend (as shown in Exhibit 9) is toward a greater disparity.

The urban burden carried by Charlottesville is increased by an in migration of those most in need of services because of a lack of services such as assisted housing and public transportation. Exhibit 10 shows the housing needs identified in the Area Housing Opportunity Plan and Exhibit 11 shows how the city and county have responded to this need. Despite a relatively equal need, Albemarle County has provided an effort only half as great as the city's, and much of the county's effort has been devoted to rehabilitation of owner occupied property rather than rental property for the most economically disadvantaged citizens. A cursory review of the city's budget will reveal its projected local outlays of over \$250,000 for public transportation in FY 1981. When \$1.7 million for street maintenance traffic controls, and street lighting is added, it is evident that the city bears an unfair burden.

Recreation may be seen by many as a frill, but adequate open space and well managed recreation programs contribute to every locality's quality of life. Public recreation programs are especially important to low income residents, the elderly, and the handicapped. Charlottesville has set aside over ten percent of its available land for public open space; Albemarle County only three-tenths of one percent. Charlottesville meets national recreation standards in almost every category, Albemarle County in almost none. Charlottesville has twenty four public tennis courts to Albemarle County's ten, four swimming pools to Albemarle County's two lakes, twenty-seven outdoor basketball courts to Albemarle County's seven, and over six times as many football, soccer, softball and baseball fields. Recreation-seeking residents of the region can and do ignore political

boundaries; urban county residents do not suffer because of the County's limited public recreation services, city taxpayers do.

These exhibits do not reflect the indirect costs of a socially and economically disadvantaged population. Poverty and environment do contribute to crime and educational deficiencies and create a need for higher service levels in public safety, education and other government programs.

For the most part the statistics shown are only an indication of need. The more disturbing fact is the projected trend of the city's financial condition. We have attempted to evaluate objectively the historical direction of the two jurisdictions and offer in Exhibit 12 some projections of what the two budgets will look like in the years ahead. Even without decreases in existing tax rates or increases in new debt, the city is headed toward a future of deficits. With a substantially lower local tax effort, the county will enjoy a future of surpluses. These projections include the assumption that the city must continue to rely heavily on federal General Revenue Sharing funds in its operating budget, a risky proposition at best.

Revenue Sharing

A more detailed explanation of our revenue sharing proposal is attached for your reference. Included is a map of the urban area as defined in that proposal.

Boundary Change

Additional information is attached supporting the boundary change alternative. The University of Virginia has been given copies of our proposals and will be kept informed of progress in the negotiations. There is no specific information available at this time which shows the effect of University property alone on the boundary change alternative.

Summary

Despite Charlottesville's problems, the City Council believes that Charlottesville as the community's urban center makes a valuable contribution to the entire region. Urban centers provide an environment for accessibility, energy efficiency, and cultural and social activities. Our urban area is unusually beautiful compared to many central cities and plays an important role in attracting new, clean industry to the surrounding jurisdictions. Our concern is that without positive action, the urban area will deteriorate physically and socially, leaving an unattractive urban core which encourages suburban sprawl.

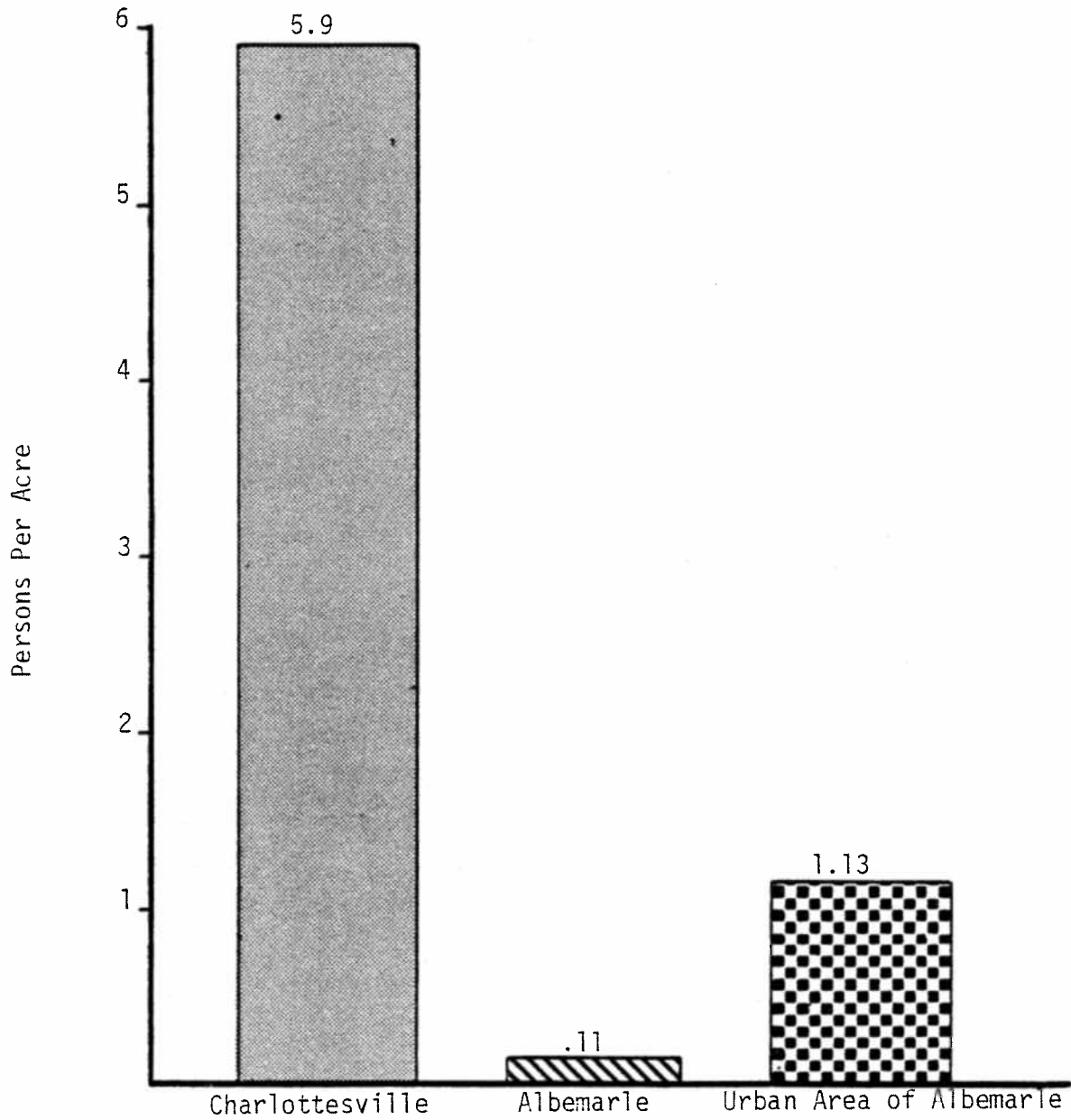
The City Council hopes that the information presented today will assist the Board of Supervisors in its efforts to evaluate and reply to our proposals, and that we can address our problems now, before it's too late.

We would like to renew our request for the immediate appointment of a commission to study the consolidation alternative, and can think of no compelling reason why such an effort cannot and should not move forward at once. The city offers the information just presented in good faith and hopes for expeditious action on the county's part regarding the consolidation commission.

Attachment

Exhibit 1

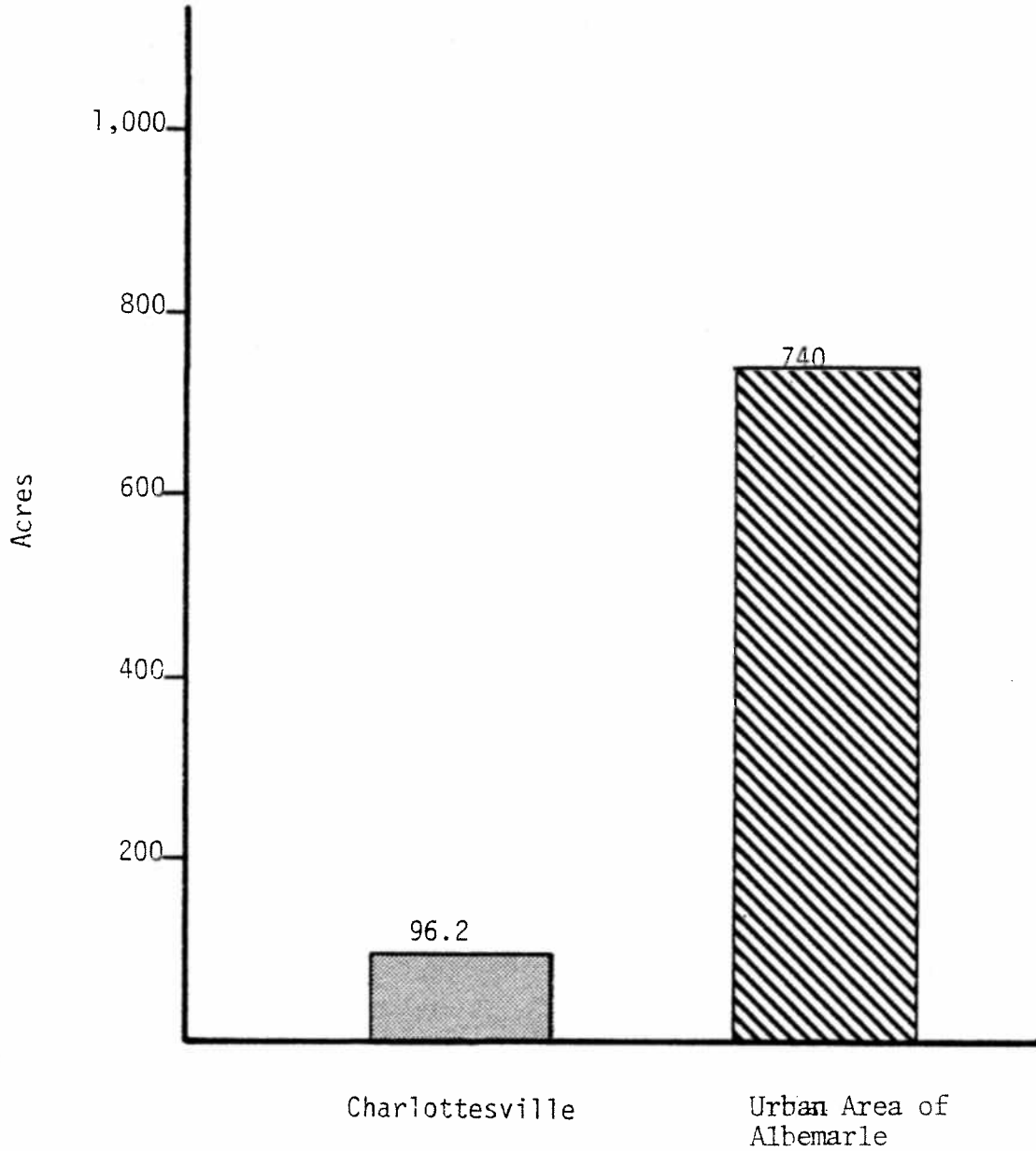
DENSITY
1980



Sources: 1980 Census and respective comprehensive plans

Exhibit 2

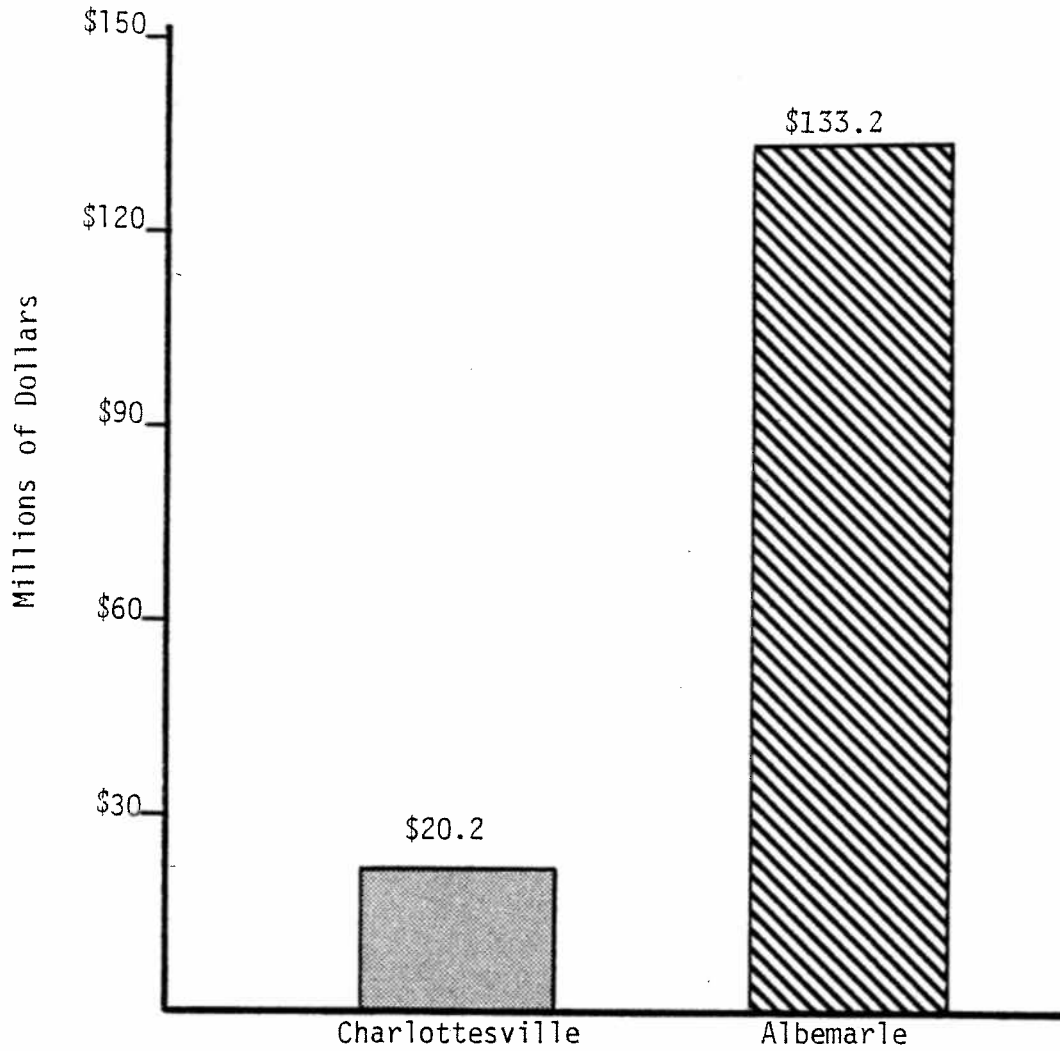
BUILDABLE VACANT LAND ZONED COMMERCIAL AND INDUSTRIAL
1980



Sources: Charlottesville Department of Community Development-
Land Use Data, June 1980
Albemarle County Comprehensive Plan, 1977

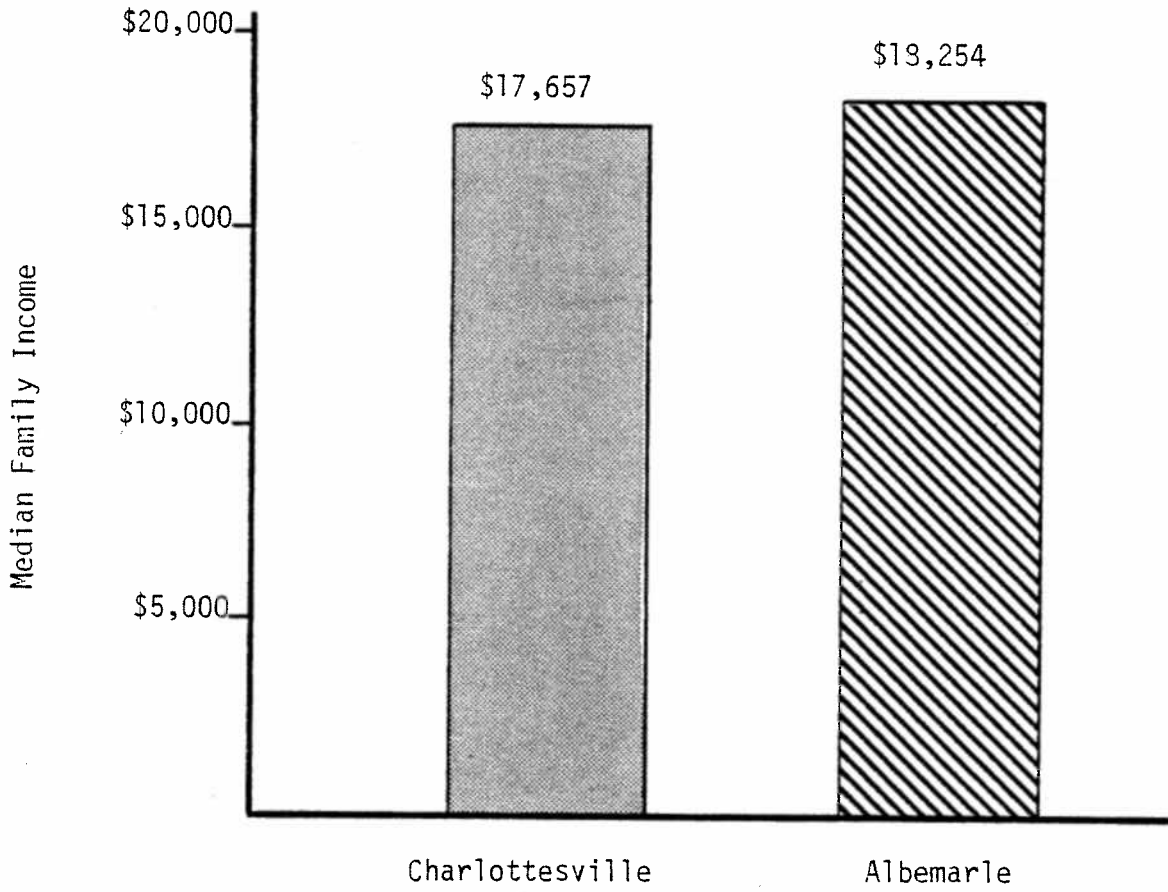
Exhibit 3

ADDITIONS TO TAX ROLLS FROM NEW DEVELOPMENT
1976-1980



Sources: City of Charlottesville Tax Assessor's records
and County of Albemarle Real Estate and Land
Use records

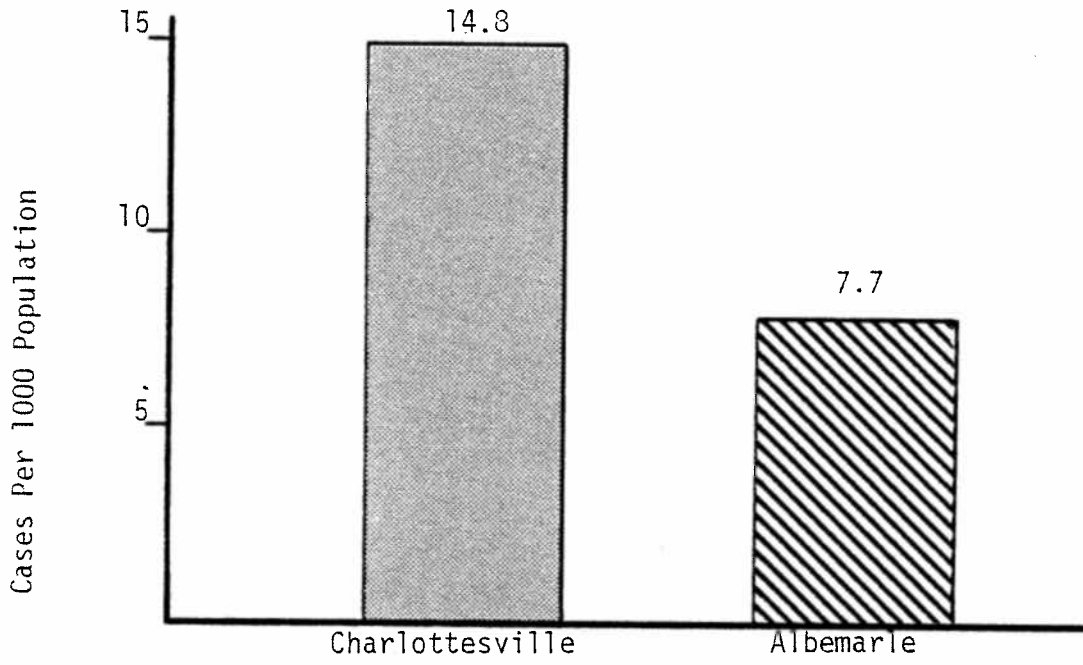
MEDIAN FAMILY INCOME
1978



Source: State Bureau of Research and Reporting.

Exhibit 5

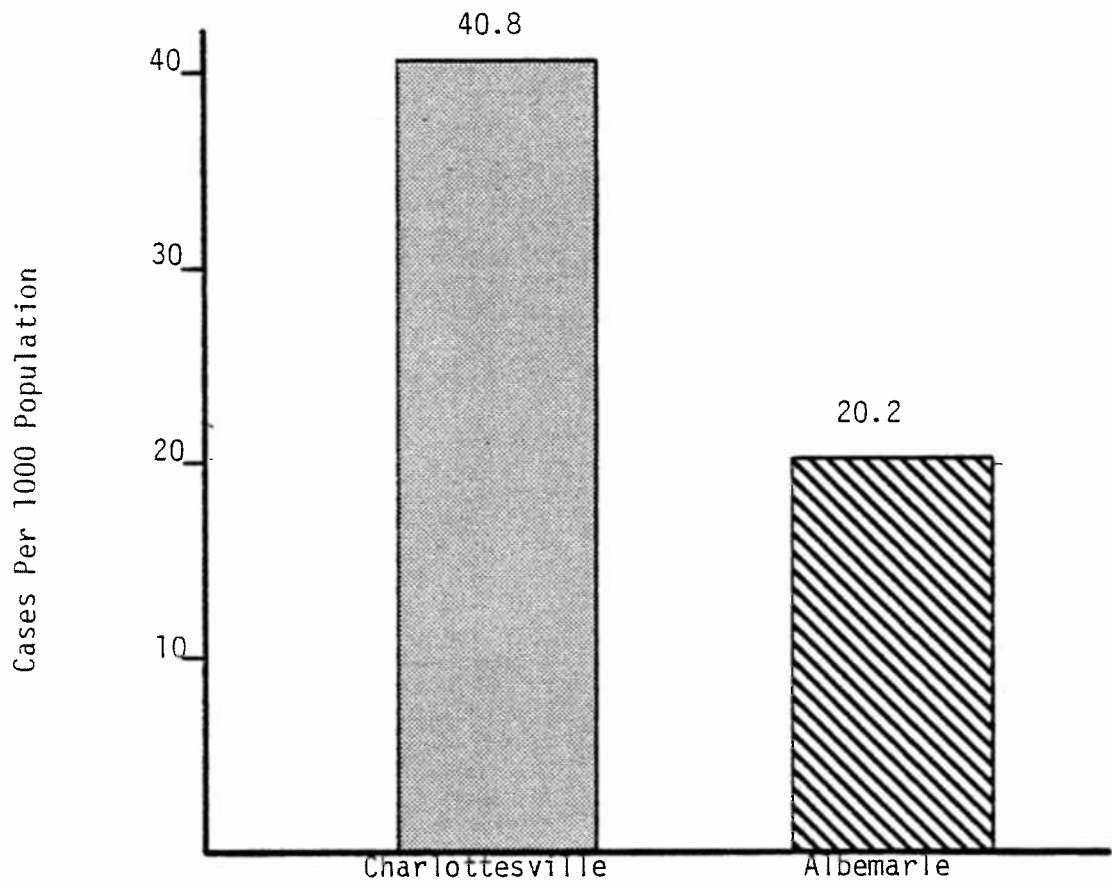
AID TO DEPENDENT CHILDREN
1980



Source: State Bureau of Research and Reporting

Exhibit 6

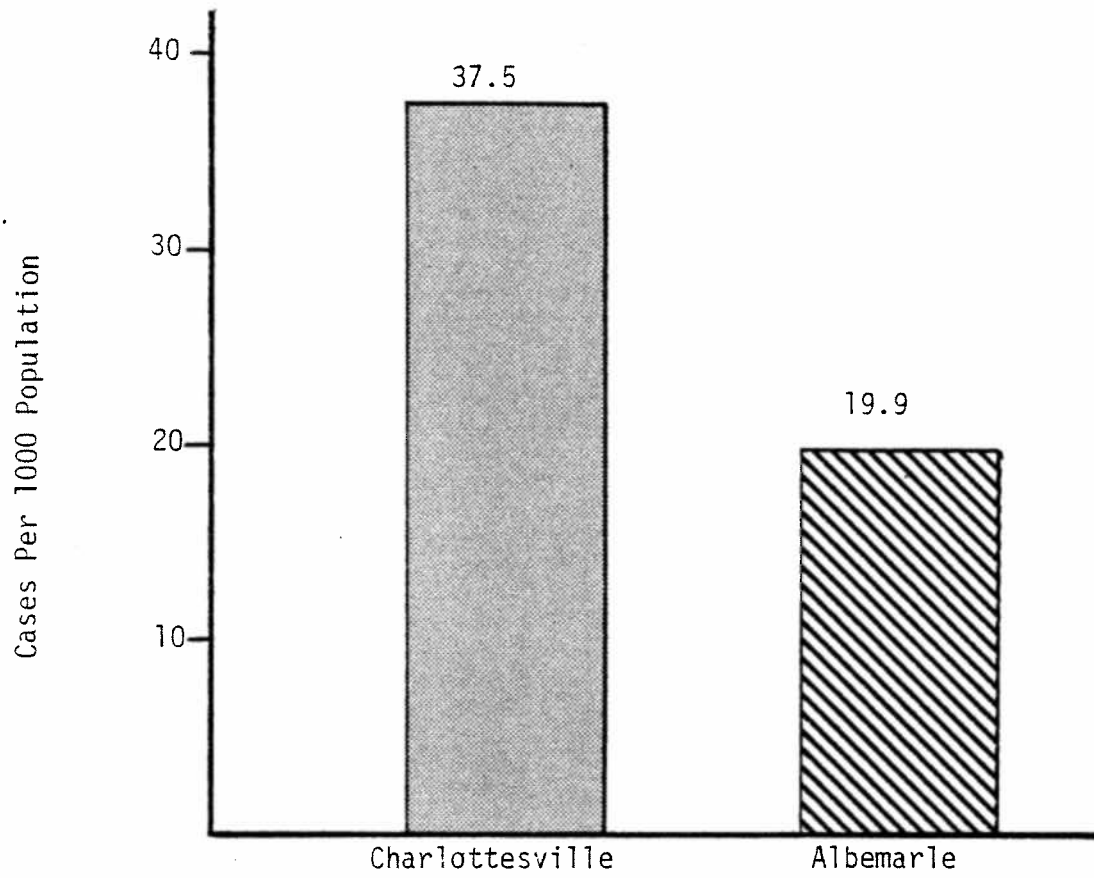
FOOD STAMP RECIPIENTS
1980



Source: State Bureau of Research and Reporting

Exhibit 7

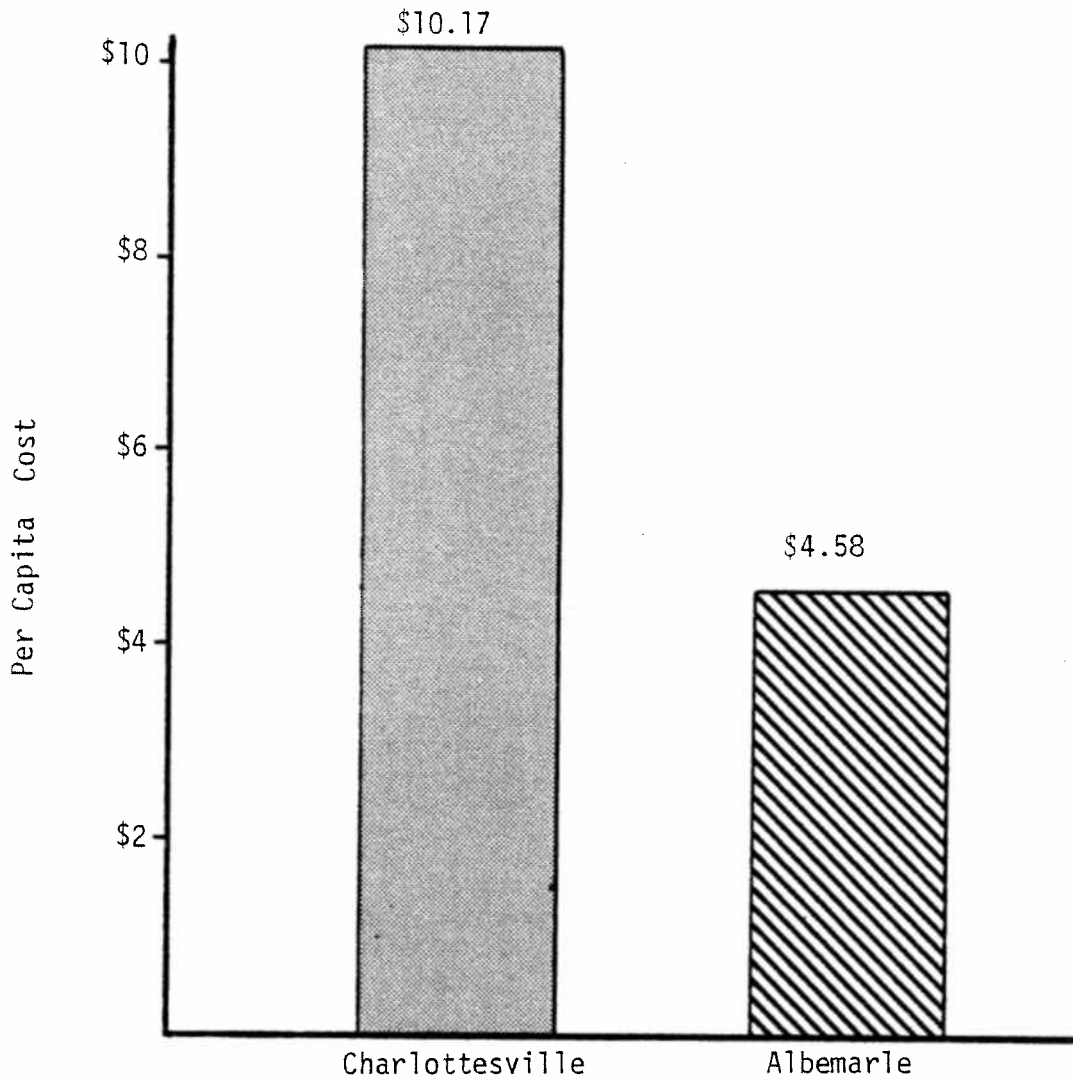
MEDICAID RECIPIENTS
1980



Sources: State Bureau of Research and Reporting

Exhibit 8

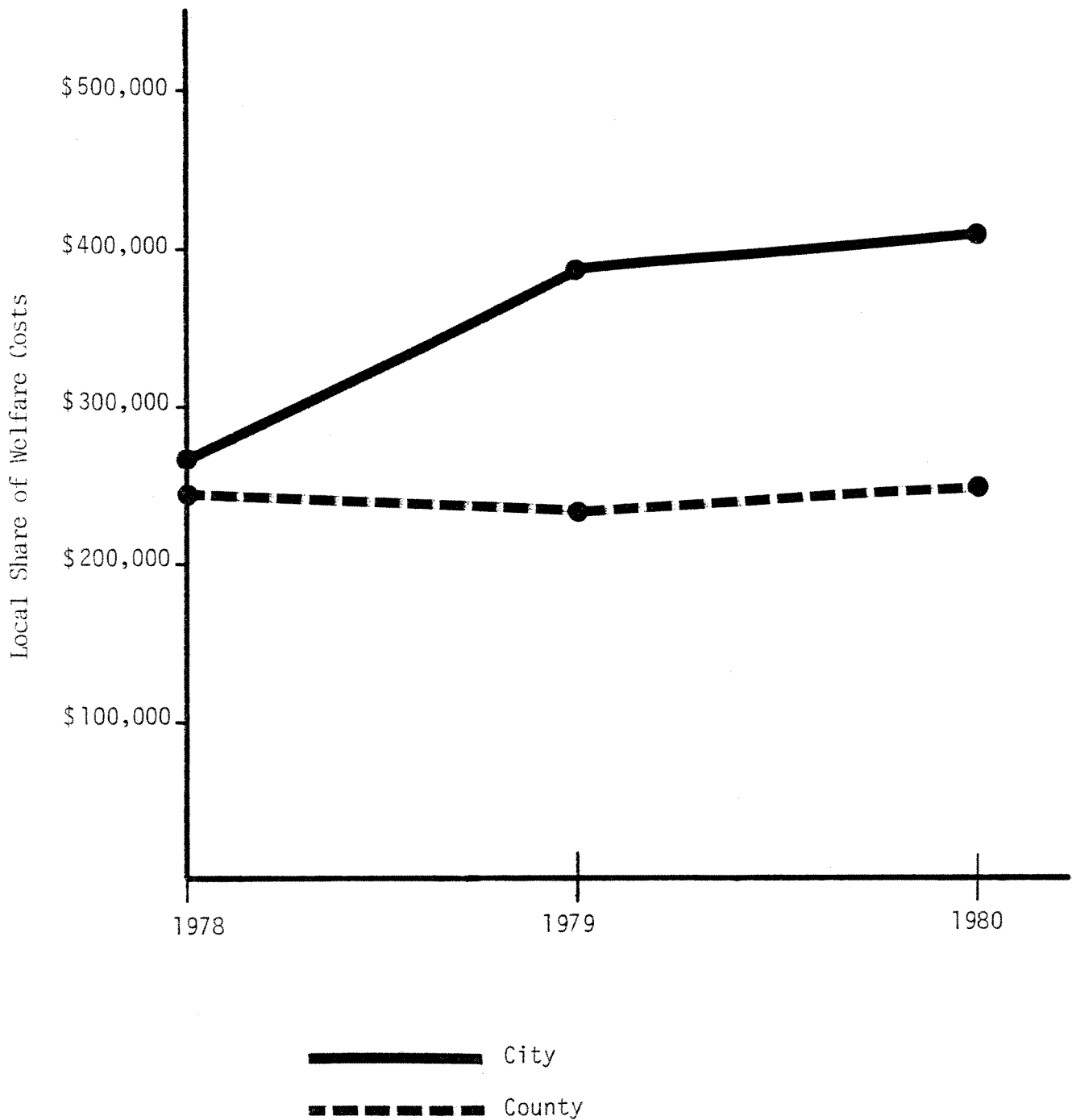
LOCAL SHARE OF WELFARE COSTS PER CAPITA
1980



Sources: City of Charlottesville and Albemarle County
Financial Reports

Exhibit 9

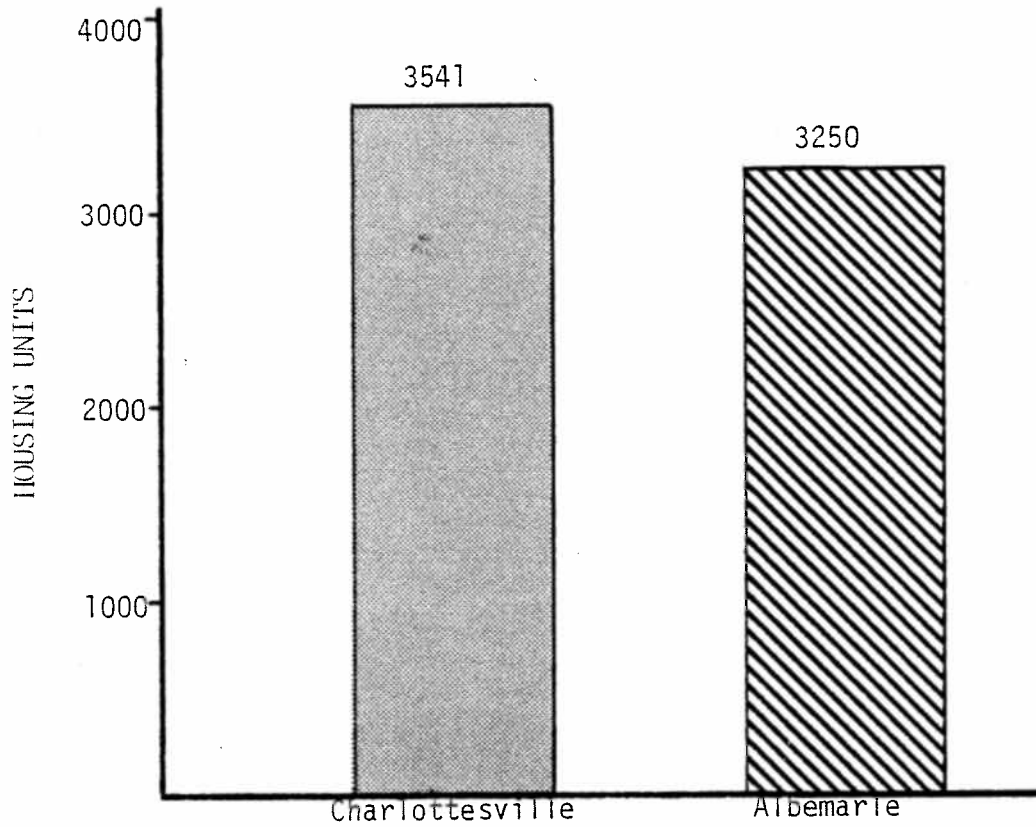
LOCAL SHARE OF WELFARE COSTS
1978-1980



	<u>City</u>	<u>County</u>
1978	\$ 268,888	\$ 244,560
1979	\$ 385,842	\$ 232,126
1980	\$ 404,734	\$ 247,741

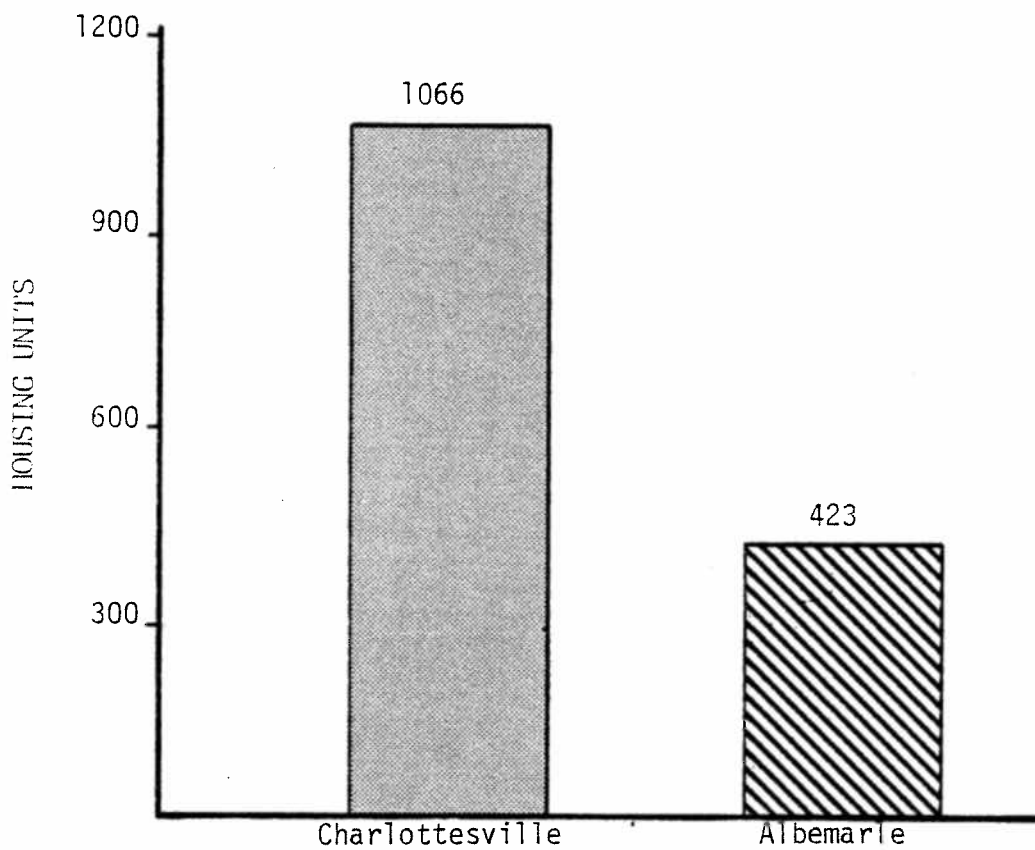
Sources: City of Charlottesville and Albemarle County Financial Reports

HOUSING ASSISTANCE NEEDS-AREAWIDE OPPORTUNITY PLAN - 1979 HOUSEHOLDS



Source: Areawide Housing Opportunity Plan

ASSISTED HOUSING UNITS-EXISTING AND AWARDED



Source: Areawide Housing Opportunity Plan

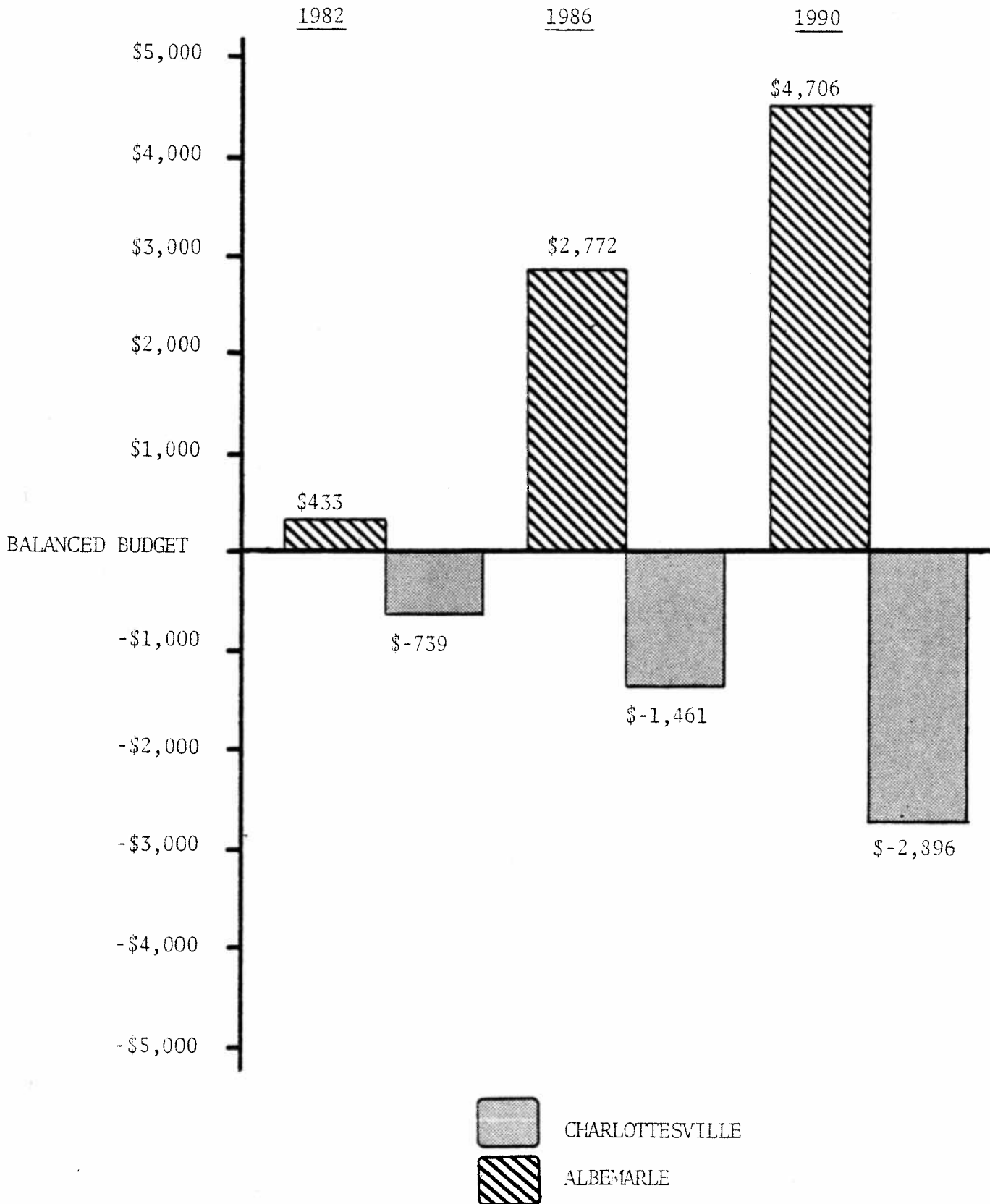
Exhibit 12

General Fund Projections
1980-1990

City of Charlottesville and Albemarle County

EXHIBIT 12
 GENERAL FUND PROJECTIONS
 PROJECTED SURPLUS/DEFICIT
 FY 1981 - FY 1990

THOUSANDS OF DOLLARS



PROJECTED GENERAL FUND REVENUES AND EXPENDITURES: 1980-1990

Charlottesville, Virginia

(\$1,000)

	BUDGETED				PROJECTED (FISCAL YEARS)					
	1980-1981	1981-1982	1982-1983	1983-1984	1984-1985	1985-1986	1986-1987	1987-1988	1988-1989	1989-1990
Revenues										
Local Sources										
Taxes										
Real Property	\$ 8,152	\$ 8,804	\$ 9,508	\$10,269	\$11,090	\$11,921	\$12,816	\$13,777	\$14,810	\$15,921
Personal Property	1,800	1,944	2,100	2,268	2,448	2,631	2,829	3,041	3,269	3,514
Sales & Use	2,970	2,832	3,018	3,231	3,479	3,722	3,983	4,262	4,560	4,879
Utility	2,400	2,628	2,878	3,151	3,450	3,760	4,099	4,468	4,870	5,308
Other	467	488	510	532	557	580	602	627	652	678
Licenses, Fees, Permits	1,586	1,704	1,832	1,970	2,118	2,266	2,425	2,595	2,776	2,970
User Charges & Misc.	2,604	2,773	2,953	3,146	3,350	3,551	3,764	3,990	4,229	4,483
Total	19,979	21,173	22,799	24,567	26,492	28,431	30,518	32,760	35,166	37,753
State Aid	2,205	2,385	2,581	2,793	3,022	3,254	3,505	3,775	4,066	4,379
Federal Revenue										
Sharing	1,285	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total	3,490	3,385	3,581	3,793	4,022	4,254	4,505	4,775	5,066	5,379
Total Revenue	\$23,469	\$24,558	\$26,380	\$28,360	\$30,514	\$32,685	\$35,023	\$37,535	\$40,232	\$43,132
Expenditures										
General Fund-Less Debt	\$22,242	\$24,133	\$26,183	\$28,409	\$30,824	\$33,290	\$35,953	\$38,829	\$41,936	\$45,291
Service Cost	1,228	1,164	1,127	1,093	884	856	826	797	767	737
Debt Service										
General Fund-Total	23,470	25,297	27,310	29,502	31,708	34,146	36,779	39,626	42,703	46,028
Surplus (Deficit)	-	(739)	(930)	(1,142)	(1,194)	(1,461)	(1,756)	(2,091)	(2,471)	(2,896)

PROJECTED GENERAL FUND REVENUES AND EXPENDITURES: 1980-1990

Albemarle County, Virginia
1980

(\$1000)

	BUDGETED			PROJECTED						
	1980-1981	1981-1982	1982-1983	1983-1984	1984-1985	1985-1986	1986-1987	1987-1988	1988-1989	1989-1990
Revenues										
Local Sources:										
Property Taxes	\$11,730	\$13,020	\$14,452	\$16,042	\$17,806	\$19,586	\$21,545	\$23,700	\$26,069	\$28,677
Retail Sales Taxes	1,783	2,021	2,407	2,797	3,251	3,780	4,120	4,491	4,895	5,335
Utility Taxes	1,950	2,184	2,446	2,740	3,068	3,405	3,708	4,196	4,657	5,170
Other	5,209	5,652	6,132	6,653	7,219	7,760	8,342	8,968	9,640	10,363
Total	20,672	22,877	25,437	28,232	31,344	34,531	37,787	41,355	45,261	49,545
State Sources	9,245	10,077	10,983	11,972	13,050	14,094	15,221	16,439	17,754	19,160
Federal Sources	1,221	1,250	1,280	1,311	1,342	1,365	1,388	1,412	1,436	1,460
Total	31,138	34,204	37,700	41,515	45,736	49,990	54,396	59,206	64,451	70,174

Expenditures										
General Government	\$11,377	\$12,203	\$13,192	\$14,287	\$15,496	\$16,830	\$18,303	\$19,929	\$21,722	\$23,700
Schools	18,779	20,563	22,516	24,655	26,997	29,291	31,782	34,483	37,414	40,594
Federal Programs	982	1,005	1,030	1,054	1,079	1,097	1,115	1,135	1,153	1,174
Total	31,138	33,771	36,738	39,996	43,572	47,218	51,200	55,547	60,289	65,468

Surplus	-	\$ 433	\$ 962	\$ 1,519	\$ 2,164	\$ 2,772	\$ 3,196	\$ 3,659	\$ 4,162	\$ 4,706
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Albemarle County Budget Projections: 1980-1990

Assumptions:

Local Revenues - projected to increase by 11 percent during the first five years, and 10 percent during the second five year period. This growth rate includes inflation of 8.5 and 8.0 during the first and second forecast periods, respectively. These growth rates were actually exceeded in 5 of the past 6 fiscal years.

. Sales Tax Receipts

.1980-1985: 16.2 % annually. This high growth rate results from the low base and shift of sales to Fashion Mall.

.1985-1990: 10% annually. Includes inflation and modest growth associated with population gains.

.Property Taxes

1980-1985: 11% annually. Includes inflation and growth associated with rate by population increase.

1985-1990: 10% annually. Reflects reduced rate of inflation and population growth.

.Utility Taxes

1980-1985: 12% annually. Higher inflation in the area of energy services should increase this source at a faster rate.

1985-1990: 11% annually. Assumes a lower rate of inflation and population growth.

State Revenue Sources:

1980-1985: 9% annually. The State has expressed an intention to increase resources at a rate to keep up with inflating road construction costs. This rate assumes that this commitment will be met and that moderate expansion of the road network will be necessary. The second five year period is assumed to have a lower inflation rate.

Federal Revenue Sources:

1980-1985: 2.4 percent annually.

1985-1990: 1.7 percent annually.

This estimate is based on recent trends and uncertainty concerning the availability of funds from Federal sources.

Expenditures

3.

General Government: Projected to increase at 10 percent annually during the 1980-1985 period and 9.0 percent during the following five years. The 10 percent includes inflation of 8.5 percent and the remainder is real growth.

Schools: 9.5% annually - 1980-1985
8.5% annually - 1985-1990

The above rates assume inflation of 8.5 percent in the first period, declining to 8.0 percent in the later period. Real school costs are expected to rise at a lower rate because of the relative smaller number of school age children in the total population increase.

Federal Programs: These costs are projected to increase at the same rate as receipts from Federal sources.

Total Expenditures: Average annual increases of 9.3 percent are projected between 1980 and 1985. This rate is reduced to 8.3 percent during the last half of the decade to account for reduced inflation and population growth. These rates of expenditure growth were exceeded in only one of the past six years.