

**Report on the
City of Bristol- County of Washington
Voluntary Settlement Agreement**



**Commission on Local Government
Commonwealth of Virginia**

March 1997

Prison on the
City of Bristol, County of Bristol, State of Massachusetts
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**REPORT ON THE
CITY OF BRISTOL - COUNTY OF WASHINGTON
VOLUNTARY SETTLEMENT AGREEMENT**

PROCEEDINGS OF THE COMMISSION

On September 3, 1996 the City of Bristol and the County of Washington jointly filed notice with the Commission on Local Government of a proposed agreement which the two jurisdictions had negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia. That notice was accompanied by data and materials supporting the proposed agreement.¹ Further, in accordance with statutory requirement, the two jurisdictions gave notice of the proposed agreement to 11 other local governments with which they were contiguous or with which they shared functions, revenue, or tax sources.² The proposed agreement contained provisions which would (1) allow Bristol to annex approximately 1,000 acres of territory in the County, (2) waive the City's authority to initiate annexation actions involving a designated segment of the County for a 15-year period, and (3) require the City to share with the County specified property tax revenues collected by the municipality from within the area proposed for annexation.³

¹County of Washington and City of Bristol, **Information, Data, and Factors Relative to Mandatory Commission Reviews Pursuant to Rules 3.7 and 4.8 of the Commission on Local Government Rules of Procedure** (hereinafter cited as **Joint Petition**).

²Sec. 15.1-945.7 (A), Code of Va.

³The agreement submitted to the Commission for review was dated December 21, 1995 as modified by an addendum dated August 27, 1996. A second addendum to the agreement regarding the City's taxation and condemnation authority with respect to a privately owned parcel (E. T. Withers estate property) in the area proposed for annexation was adopted by the parties in February 1997. Any citation in this report to the settlement agreement between the City and County refers to the agreement as modified by both addenda. See **Appendix A** for the complete text of the **Settlement Agreement**.

In conjunction with its review of the proposed settlement, on November 25, 1996 the Commission toured relevant sections of Washington County and the City of Bristol and met in Abingdon to receive oral testimony from the two jurisdictions in support of the agreement.⁴ Also, on the evening of November 25 the Commission conducted a public hearing in Bristol for the purpose of receiving citizen comment. The public hearing, which was advertised in accordance with Section 15.1-945.7 (B) of the Code of Virginia, was attended by 31 persons and produced testimony from three individuals. In order to afford the public an additional opportunity to submit comment, the Commission kept open its record for the receipt of written testimony through December 9, 1996.

SCOPE OF REVIEW

The Commission on Local Government is directed by statute to review proposed annexations, petitions for partial county immunity from annexation, other local boundary change and transition actions, and negotiated agreements proposing the settlement of such issues prior to their being presented to the courts for ultimate disposition. Upon receipt of notice of such a proposed action or agreement, the Commission is directed "to hold hearings, make investigations, analyze local needs" and to submit a report containing findings of fact and recommendations regarding the issue to the affected local governments.⁵ With respect to a proposed agreement negotiated under the authority of Section 15.1-1167.1 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."

⁴Commissioner Harold S. Atkinson was not present for the Commission's oral proceedings on November 25 due to medical concerns. As a consequence, he was not a participant in the discussions, deliberations, drafting, or approval of this report.

⁵Sec. 15.1-945.7(A), Code of Va.

As we have noted in other reports, it is evident that the General Assembly encourages local governments to attempt to negotiate settlements of their interlocal concerns. Indeed, 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 Bristol and Washington County, should be approached with respect and a presumption of their compatibility with applicable statutory standards. This Commission notes, however, that the General Assembly has also decreed that interlocal agreements negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia must be reviewed by this body prior to their final adoption by the local governing bodies. We are obliged to conclude, therefore, that while proposed 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 the affected localities requires more.

GENERAL CHARACTERISTICS OF THE CITY OF BRISTOL AND THE COUNTY OF WASHINGTON

CITY OF BRISTOL

Bristol was originally incorporated as the Town of Goodson in 1856 and became one of Virginia's cities in 1890.⁶ As of that date, the new independent city assumed the name "Bristol," thereby conforming its appellation to that of the contiguous municipality in Tennessee. Known as the "Twin Cities," the two Bristols share a common central business district, with the residents of the two jurisdictions benefitting from extensive

⁶Emily J. Salmon and Edward D. C. Campbell, Jr. (Editors), **The Hornbook of Virginia History** (Richmond: The Library of Virginia, 1994).

cooperation between the two localities in terms of public and semi-public services and organizations.⁷

The present-day City of Bristol, Virginia plays an important role in the corporate life of its general area.⁸ Located within the City's boundaries are Virginia Intermont College; a variety of federal, State, and local governmental offices; an array of entertainment and cultural facilities; and a broad spectrum of commercial and retail establishments. Bristol also provides a significant component of the employment opportunities in the region as a whole. Virginia Employment Commission data indicate that in 1995 the average number of nonagricultural employment positions in the City was 13,178, a figure nearly 45% greater than Bristol's total civilian labor force that year (9,116).⁹ In terms of its significance to its area, commuting data disclose that as of 1990 (the latest year for which such statistics are available) more than 6,000 nonresidents commuted to Bristol for employment, with 2,335 of that total coming from Washington County.¹⁰

⁷Bristol Planning Commission, **1995 Comprehensive Plan for the City of Bristol, Virginia** (hereinafter cited as **City Comprehensive Plan**). The Twin Cities share the City Library, the Bristol Wastewater Treatment Plant, and the Bristol Tennessee-Virginia Planning Commission. Additionally, the Cities jointly participate in and support the Bristol Tennessee-Virginia Metropolitan Planning Organization, several economic development organizations, the Chamber of Commerce, the United Way, and emergency medical services. Approximately one-third of the Twin Cities' total land area (32.3 square miles) and 44% of the two jurisdictions' overall 1990 population (41,847 persons) were in Bristol, Virginia. (**Ibid.**)

⁸All references to the City of Bristol in the following sections of this report refer to the Virginia municipality unless otherwise noted.

⁹Virginia Employment Commission, "ES-202 Average Annual Employment (Automated Labor Information on the Commonwealth's Economy)."

¹⁰Virginia Employment Commission, **Commuting Patterns of Virginia Workers: City and County Level for 1990**, Mar. 1993. It should be noted that the "commuting" statistic is based upon Bureau of the Census data using

While the statistics cited above reveal that the City of Bristol remains a significant element in the economic and social life of its region, various demographic and fiscal trends for the municipality are a source of concern. With respect to population, data indicate that between 1980 and 1990 Bristol's populace decreased from 19,042 to 18,426 persons, or by 3.2%.¹¹ Moreover, a provisional estimate for 1996 placed the City's populace at 17,300 persons, a further decline of 6.1% since the 1990 decennial census.¹² In terms of the nature of Bristol's population, the data disclose that the City's populace is older and less affluent than that of the State as a whole. The evidence reveals that, as of 1990 (the most recent year for which data are available), the median age of residents of the City was 37.6 years, a statistic significantly in excess of that for the State overall (32.6 years).¹³ Further, the percentage of the City's 1990 population age 65 or over was 18.8%, an elderly component substantially exceeding the comparable figure for the State generally (10.7%).¹⁴ With regard to income,

a broader and more encompassing definition of "employment" than that used by the Virginia Employment Commission.

¹¹U. S. Department of Commerce, Bureau of the Census, **1980 Census of Population, General Population Characteristics, Virginia**, Table 14; and **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 2. See **Appendix B** for a current statistical profile of the City of Bristol and Washington County and a map of the area proposed for annexation. **Appendix C** examines changes which occurred in the City of Bristol and Washington County during the prior decade on more than 50 demographic, social, economic, and fiscal dimensions of analysis.

¹²Weldon Cooper Center for Public Service, University of Virginia, "Population Estimates for Virginia Localities" (unpublished table from the UVA web site, Dec. 23, 1996). Bristol's last boundary expansion occurred in 1973, when it annexed 7.1 square miles of territory in Washington County containing approximately 5,300 persons.

¹³**1990 Census of Population and Housing, Summary Population and Housing Characteristics**, Table 2.

¹⁴**Ibid.**

State Department of Taxation statistics disclose that Bristol residents had a per capita adjusted gross income (AGI) in 1994 (the latest year for which such data are available) of \$10,522, an amount only 73% of that of the Commonwealth collectively (\$14,436).¹⁵

Other economic and fiscal trends also suggest that Bristol's relative position in its region has declined in recent years. Between 1990 and 1995 the estimated true value of real estate and public service corporation property in Bristol rose by 22.9%, a rate of growth approximately two-thirds that in Washington County (33.2%).¹⁶ In similar manner, over the same span of years the total value of taxable retail sales in the City grew by 16.4%, or approximately one-fourth the rate of increase in Washington County (63.8%).¹⁷ In terms of resident income, between 1990 and 1994 the per capita AGI of Bristol residents grew by 11.4%, substantially less than that for Washington County inhabitants (17.0%).¹⁸ These data reveal a marked

¹⁵Samuel R. Kaplan, **1994 Virginia AGI: Distribution of Virginia Adjusted Gross Income by Class and Locality** (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, 1996). While adjusted gross income, which is derived from State tax returns, encompasses most sources of personal income, it excludes some Social Security benefits and various other transfer payments, investment income retained by life insurance carriers and private uninsured pension funds, non-cash imputed income, tax-free interest and dividends, and the income received by "nonresident" military personnel stationed in Virginia. AGI also does not reflect the income of Virginia residents who are exempt from filing State tax returns.

¹⁶Virginia Department of Taxation, **Virginia Assessment/Sales Ratio Study, 1990**, Mar. 1992; and **Virginia Assessment/Sales Ratio Study, 1995**, (forthcoming).

¹⁷Virginia Department of Taxation, **Taxable Sales in Virginia Counties and Cities, Annual Report**, 1990 and 1995.

¹⁸Samuel R. Kaplan, **1990 Virginia AGI: Distribution of Virginia Adjusted Gross Income by Income Class and Locality** (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, 1993); and

disparity in the fiscal trends affecting Bristol and Washington County since 1990.

In addition, annual comparative analyses made by this agency also reflect a relative statewide decline in Bristol's fiscal status in recent years. In terms of its comparative standing among all Virginia's counties and cities, between the 1989/90 and 1994/95 fiscal periods, Bristol has experienced a significant decrease in statewide ranking relative to its per capita revenue generating capacity¹⁹ and an increase in its ranking with respect to revenue effort²⁰ and fiscal stress.²¹ Over the same interval of time, Washington County witnessed an increase in its comparative statewide ranking in per capita revenue capacity and a general pattern of improvement in its statewide standing in terms of its revenue effort and fiscal stress.²² As of the 1994/95 fiscal period (the latest for which the data are available), the City of Bristol ranked 19th in the State in terms of its "fiscal stress"

1994 Virginia AGI: Distribution of Virginia Adjusted Gross Income by Income Class and Locality.

¹⁹A locality's per capita "revenue capacity" is calculated by (a) multiplying each of six local resource-base indicators by an applicable statewide average yield rate, (b) adding the six resulting products, and (c) dividing the sum by the locality's population. This methodology establishes, on a per capita basis, the revenue which each locality would raise if it applied statewide average tax rates or license fees to its resource bases.

²⁰A locality's "revenue effort" is calculated by dividing the total of its actual collections and tax levies by the absolute value of its "revenue capacity." The resulting statistic expresses a jurisdiction's "effort" as a portion or percentage of its "capacity."

²¹A locality's "fiscal stress" statistic is a composite measure derived from consideration of its "revenue capacity," its "revenue effort," and the median AGI of its resident population.

²²See **Appendix D** for a statewide ranking of the City of Bristol and Washington County on measures of revenue capacity, revenue effort, and fiscal stress from 1989/90 through 1994/95.

measure, with only 18 of Virginia's 136 counties and cities recording a higher measure of fiscal pressure.

With respect to Bristol's physical development, 1994 land use data (the latest available) reveal that, as of that date, 34% of the City's total land area was devoted to residential usage, 6% to commercial enterprise, 6% to industrial activity, 20% to transportation, 6% to other public or semi-public purposes, with 28% (2.6 square miles) remaining vacant.²³ Portions of the vacant land within the City, however, are restricted in their development potential due to environmental constraints (e.g., steep slopes) or due to limitations imposed by locational concerns, parcel size, access to utilities or public roads, or other appropriate land use considerations.²⁴ Whatever the explanation (e.g., inadequate parcel size, poor road access, the nature of adjoining development), it is evident that property in the City has been at a competitive disadvantage with that in the County in recent years. Although the pattern over the years has not been linear, the number of nonresidential (industrial, office, bank, commercial, etc.) building permits issued by Bristol declined from 41 in 1984 to 23 in 1994, or by 43.9%, while the number of such permits issued by Washington County increased from 46 to 76, or by 65.2%.²⁵ As of the latter date (1994), the total value of the nonresidential

²³**Joint Petition**, Exhibit 16.

²⁴Data are not available regarding the percentage of the vacant land in Bristol affected by environmental constraints. However, since it is reported that approximately 29% of the municipality's total land area is located on slopes greater than 15%, it is reasonable to conclude that an even larger percentage of the property which remains undeveloped is situated on such terrain. (See **City Comprehensive Plan**.)

²⁵Michael A. Spar and Julia H. Martin, **Housing Units Authorized in Virginia's Planning Districts, Counties and Cities: Annual, 1984** (Charlottesville: Tayloe Murphy Institute, University of Virginia, Sep. 1985); and Michael A. Spar, **Housing Units Authorized in Virginia's Counties and Cities: Annual, 1994** (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, Apr. 1996.)

building permits issued by Bristol (\$1.4 million) was only 13.7% of the total value of those issued by Washington County (\$10.2 million).²⁶ While the Commission has been apprised by Bristol officials that two significant new commercial developments will be sited in the City in the near future, the evidence suggests that Bristol will confront increasing difficulty in competing for such development in its region.²⁷

COUNTY OF WASHINGTON

The County of Washington was created in 1777 from territory formerly a part of Fincastle and Montgomery Counties.²⁸ The County contains three incorporated towns (Abingdon, Damascus, and Glade Spring) and the major portion of a fourth (Saltville). Washington County's seat of government is located in the Town of Abingdon, approximately 15 miles from the City of Bristol.

Demographic data indicated that between 1980 and 1990 the County's population, like that of Bristol, decreased from 46,487 to 45,887 persons, or by 1.3%.²⁹ In contrast to its neighboring municipality, however, the

²⁶**Housing Units Authorized in Virginia's Counties and Cities: Annual, 1994.**

²⁷According to a City official, Boise Cascade Office Products Corporation will soon open a "customer call" center and Holiday Inn is currently constructing a convention center in the City. John Heffernan, Director of Development and Planning, City of Bristol, letter to staff of Commission on Local Government, Mar. 24, 1997.

²⁸J. Devereux Weeks, **Dates of Origin of Virginia Counties and Municipalities** (Charlottesville: Institute of Government, University of Virginia, 1967).

²⁹**1980 Census of Population, General Population Characteristics, Virginia**, Table 14; and **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 2. Between 1980

provisional population estimate for 1996 placed the County's populace at 49,900, an increase of 8.8% since the 1990 decennial census.³⁰ On the basis of its 1996 population estimate and an area of 564 square miles, the County has an overall population density of 88 persons per square mile.³¹

With respect to the characteristics of its population, various statistical indices disclose that the County's populace, like that of Bristol, is older and less affluent than that of the State generally. In 1990 the median age of residents of Washington County was 36.8 years, a statistic marginally less than that of the City (37.6 years), but greater than that of the State as a whole (32.6 years).³² Further, as of 1990, approximately 14.2% of the County's population was age 65 or over, an elderly component significantly less than that of the City (18.8%), but greater than that of the Commonwealth overall (10.7%).³³ In terms of income, in 1994 Washington County residents had a per capita AGI of \$10,764, a measure slightly exceeding that of Bristol (\$10,522), but only 75% of that of the State generally (\$14,436).³⁴

and 1990 the population of the unincorporated portion of Washington County decreased by 6.5%. (**Ibid., 1990; 1980 Census of Population, Number of Inhabitants, Virginia.**)

³⁰"Population Estimates for Virginia Localities," Dec. 23, 1996.

³¹In 1990 the density of the unincorporated portions of Washington County (i.e., exclusive of the population and land area of its four towns) was 66 persons per square miles.

³²**1990 Census of Population, Summary Population and Housing Characteristics, Virginia**, Table 1. Unless otherwise indicated, statistics for Washington County include data for the residents of the County's four incorporated towns.

³³**Ibid.**

³⁴**1994 Virginia AGI.**

Like many other Virginia counties, Washington County has experienced development and a diversification of its economy in recent years. Employment data reveal that, with respect to average annual employment, in 1995 there existed 18,496 positions of nonagricultural wage and salary employment within the County, an increase of 16.7% over the comparable measure in 1990.³⁵ This increase in total nonagricultural wage and salary employment in the County between 1990 and 1995 was more than six times that in Bristol (2.7%).³⁶

The rapidity of economic development in Washington County in the current decade is reflected in various other statistics. Between 1990 and 1995 the true value of real estate and public service corporation property in the County grew by 33.2%, an increase significantly in excess of that in Bristol (22.9%) and more than six times that in the State overall (5.0%).³⁷ Over the same period of time, the total value of taxable retail sales in the County rose by 63.8%, a growth rate nearly four times that of Bristol (16.4%) and two and one-half times that statewide (24.0%).³⁸ Consistent with these data, annual comparative calculations by this agency indicate that between fiscal periods 1989/90 and 1994/95 Washington County witnessed a rise in its statewide ranking in per capita revenue generating capacity and an overall improvement in its relative standing in terms of revenue effort and

³⁵"ES-202 Annual Average Employment (Automated Labor Information on the Commonwealth's Economy)."

³⁶**Ibid.** It is relevant to note that between 1990 and 1995, the County experienced an increase of 23.3% in employment in the manufacturing sector, while the City witnessed a decrease of employment in that category of 11.5%.

³⁷**Virginia Assessment/Sales Ratio Study**, for years 1990 and 1995 (forthcoming).

³⁸**Taxable Sales, Annual Report**, for years 1990 and 1995.

fiscal stress.³⁹ Reflecting this improving fiscal condition is the fact that from FY1989 to FY1995 the County's average annual increases in per capita property tax, non-property tax, and total local-source revenue collections exceeded those of the City of Bristol.⁴⁰ Only in the category of non-tax receipts (e. g., charges for services) did the average annual increase in Bristol exceed that in Washington County during the period in question.

Despite the significant growth in nonagricultural wage and salary employment in Washington County in recent years, farming and related activities continue to constitute an important element of the County's economic base. The evidence indicates that, as of 1992, there were 1,986 farms in the County occupying a total of 190,062 acres (297 square miles), with the average market value of their agricultural products being \$23,922.⁴¹ As of the same year, there were 189,398 acres of property (296 square miles) in Washington County classified as "timberland," with such property constituting just over one-half of the County's total land area.⁴²

³⁹See **Appendix D**.

⁴⁰**Appendix E** provides a per capita local-source revenue profile of the City of Bristol and Washington County in the three principal revenue categories (property taxes, non-property taxes, and non-tax sources) from FY1989 through FY1995. **Appendix F** offers a local-source revenue profile for the two jurisdictions in 28 distinct revenue categories for FY1995.

⁴¹U. S. Department of Commerce, Bureau of the Census, **1992 Census of Agriculture, Virginia**, Table 1, p. 166. The average market value of agricultural products sold by farms in the State collectively was \$48,694, or approximately double that for farms in Washington County. (*Ibid.*, Table 1, p. 162.)

⁴²U. S. Department of Agriculture, Forest Service, **Forest Statistics for the Northern Mountains of Virginia, 1991**, Table 1. The Forest Service defines "timberland" as property being at least 16.7% stocked by forest trees of any size, or formerly having had such tree cover and not currently developed for nonforest use, capable of producing 20 cubic feet of industrial wood per acre per year and not withdrawn from timber utilization by legislative action. Such property may also be included in the Census

While current land use statistics for Washington County are not available, such statistics would, consistent with the data cited above, reveal that the County has witnessed a significant increase during the past decade in land devoted to residential, commercial, and industrial usage, principally in the areas adjacent to the City of Bristol and in proximity to its incorporated towns, but they would also disclose that a major component of the jurisdiction retains its rural character.

STANDARDS FOR REVIEW

As indicated previously, the Commission on Local Government is charged with reviewing proposed interlocal agreements negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia for purposes of determining whether such agreements 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 (1) authorizes the City to annex approximately 1,000 acres of territory in the County, (2) requires the City to share with the County certain tax revenues derived from within the annexed area, and (3) requires Bristol to waive its authority to initiate annexation proceedings involving a portion of the County, formally identified as the "Immunity Area," for a 15-year period. A proper analysis of the proposed City of Bristol - Washington County agreement, as mandated by statute, requires consideration of the ramifications of these provisions with respect to the future viability of the two jurisdictions.

Bureau's definition of "farm land."

CITY OF BRISTOL

The proposed agreement authorizes the City of Bristol to annex five parcels of land in Washington County (formally identified as Tracts A, B, C, D, and E) constituting collectively 1.57 square miles of territory.⁴³ The total area proposed for annexation is currently uninhabited and embraces real estate which, as of 1996, had an assessed value of only \$944,340.⁴⁴ With the exception of Tract B, which is in private ownership and known as the E. T. Withers estate, and Tract E, all of the property subject to annexation is owned either by the City of Bristol or by the Tennessee Valley Authority (TVA). As a consequence of its predominant public ownership, Washington County collected only \$153 in local-source revenue from that area in FY1996.⁴⁵ The only significant development currently located in the entire area proposed for annexation is the Sugar Hollow Park, which is a City-operated recreational facility on land owned by the TVA in Tract A.⁴⁶

⁴³Tract A (416.0 acres) is composed of four parcels of land, three of which are owned by the City and one by the TVA; Tract B (98.0 acres) is a privately owned undeveloped parcel in agricultural use; Tract C (445.0 acres) is owned partly by the City and partly by TVA; Tract D (46.0 acres) is owned by the City; and Tract E (0.6 acres) consists totally of rights-of-way owned by the Virginia Department of Transportation and the Norfolk Southern Corporation.

⁴⁴**Joint Petition**, p. 7.

⁴⁵**Ibid.**, p. 8. As a result of the addendum to the proposed agreement adopted in February 1997, the City has agreed to continue to apply use value assessment to Tract B and to levy a reduced real property tax rate upon that parcel, as authorized by Section 15.1-1047.1 of the Code of Virginia, for a ten-year period, provided the property remains in agricultural use. (See the February 1997 addendum to the agreement in **Appendix A.**) Accordingly, absent a change in usage, Tract B will generate essentially no more revenue for the City over the course of the forthcoming decade than it has for Washington County.

⁴⁶The TVA has granted an easement to the City of Bristol for the operation of the municipal recreational facility on the parcel which it owns.

With respect to current plans for development in the area proposed for annexation, the City has previously committed itself to the construction of a public golf course and a residential subdivision of approximately 240 lots on Tract C, a 445-acre parcel owned in part by the municipality and in part by the TVA.⁴⁷ The proposed golf course and residential community, which will be constructed on that portion of Tract C owned by the City, constitute the only currently proposed development in the area subject to annexation. Other property within the area proposed for annexation is considered to have some development potential, including a parcel of approximately 75 acres in Tract A which City officials believe may be suitable for industrial activity.⁴⁸ However, it would appear that future development in the annexed area will be, in the main, residential in nature.

The proposed golf course and residential development in Tract C is being constructed at a site identified as the "Clear Creek Property." The City, proceeding on the basis of instruments negotiated entirely independent of the agreement currently under review, has entered a 32-year franchise arrangement with the Clear Creek Development Corporation for the construction and operation of the golf course and for the sale of residential lots on adjacent property.⁴⁹ The City of Bristol has issued \$4.5 million in bonds to be utilized for the construction of the golf course (\$3.8

⁴⁷**Joint Petition**, p. 2. The property owned by the TVA in Tract C is utilized as part of a flood control project.

⁴⁸G. Walt Bressler, City Attorney, City of Bristol, memorandum to staff of Commission on Local Government, Jan. 25, 1997. The 75-acre parcel is located on property owned by the TVA, but that federal agency has removed all restrictions which would bar industrial activity at that site.

⁴⁹See Clear Creek Golf Course Franchise Agreement between the City of Bristol, Virginia and Clear Creek Development Corporation (hereinafter cited as Golf Course Franchise Agreement) dated December 27, 1995 and the preceding agreement between those two entities dated October 16, 1995.

million) and to prepare the initial set of residential lots for sale (\$700 thousand).⁵⁰ Net income from the operation of the golf course and from the sale of the residential lots shall be segregated and initially dedicated to the retirement of the municipal debt incurred for the development of the Clear Creek Property.⁵¹ The Clear Creek Property complex is intended to be economically self-supporting and will, apparently, proceed irrespective of the disposition of this interlocal agreement.⁵²

The 240 residential lots contemplated for the Clear Creek Property are intended, at the present time, to accommodate homes ranging in price from \$150,000 to \$250,000.⁵³ The City has estimated that as of the fifth year following the area's annexation (assumed to be 2002), the Clear Creek Property will contain 120 houses having a total assessed valuation of approximately \$24.0 million (\$200,000 per lot/house), with the residents of those units possessing personal property (i. e., automobiles) valued at \$4.2 million (two cars per household at \$17,500/car).⁵⁴ Based upon those projected assessments and current City tax rates, the real estate and personal property located in the Clear Creek Property is expected to generate approximately \$344,400 in local property tax revenue during the

⁵⁰Paul D. Spangler, City Manager, City of Bristol, communication with staff of Commission on Local Government, Mar. 4, 1997.

⁵¹Golf Course Franchise Agreement, Sec. XI.

⁵²The proposed interlocal agreement under review in this report includes no provision referencing in any way the several agreements with the Clear Creek Development Corporation.

⁵³Joint Petition, p. 2.

⁵⁴Joint Petition, Exh. 4.

fifth year following annexation.⁵⁵ The prospective development in that area will also result in the City's receipt of a relatively modest amount of local-source revenue from other taxes (e.g., consumer utility) and revenue generating instruments (e.g., motor vehicle decals), estimated by the City to be approximately \$28,840 in the fifth year following annexation.⁵⁶ As the development of the Clear Creek Property approaches "build out," it will generate an increasing flow of local-source revenue.

While there appears to be no present prospect of other development in the area proposed for annexation, such could occur at some point in the future. In this regard, as noted previously, the City has identified a parcel of approximately 75 acres in the southwest corner of Tract A as having some potential for industrial development. However, beyond consideration of the 75-acre parcel in Tract A, any other development which occurs in the area proposed for annexation will likely be, as noted previously, residential in nature.⁵⁷

Whatever the revenue-generating potential of the area proposed for annexation, its fiscal significance to the City of Bristol is discounted by the revenue-sharing provisions in the interlocal agreement. The proposed agreement provides that the City's collections from the application of its real estate, personal property, and machinery and tools taxes within the annexed

⁵⁵**Appendix G** provides a 15-year projection of local-source revenue collections from the area proposed for annexation based upon the specified City assumptions.

⁵⁶Bressler, memorandum to staff Commission on Local Government, Jan. 25, 1997.

⁵⁷In addition to the development potential in the southwest corner of Tract A, the privately owned property constituting Tract B might be available for development at some point in the future. The topography of Tract B and other portions of the area proposed for annexation would likely render such property more suitable for residential development than for other uses.

area shall be shared with the County in perpetuity on a decreasing percentage basis over the years. During the first five years following the annexation, the County is due to receive 60% of the collections from the specified taxes within the annexed area, 40% over the ensuing five years, and 25% each year thereafter.⁵⁸ Thus, of the \$344,400 projected to be collected in real estate and personal property taxes by the City in the annexed area during the fifth year following its incorporation into the City, 60%, or \$206,640, would be paid to the County. Although the City would receive \$137,760 of the total receipts from the specified taxes for the year in question and larger amounts in succeeding years, the net revenue benefit to Bristol will be reduced by the cost of serving the population in that area. While the City anticipates eventually receiving a net positive local revenue flow from the Clear Creek Property, there is no shortage of research to indicate that residential development often fails to generate revenue sufficient to cover the cost of serving it.⁵⁹

With respect to the cost of serving the Clear Creek Property, the City of Bristol has indicated that its principal expenditures would be those associated with the extension of water, sewerage, refuse collection, law enforcement, and education.⁶⁰ Bristol has not ascribed any costs for other municipal services (fire suppression, libraries, judicial administration, etc.) to the area proposed for annexation, based on the judgment that the incremental costs associated with the extension of those services to that area are negligible.

⁵⁸**Settlement Agreement**, Sec. 2.04.

⁵⁹See, for example, American Farmland Trust, **Density-Related Public Costs** (Washington, D.C., 1986).

⁶⁰Heffernan, memorandum to Spangler, Nov. 27, 1996; and Bressler, memorandum to staff of Commission on Local Government, Jan. 25, 1997. A general discussion of Bristol's plans for the extension of services to the area proposed for annexation is presented in **Joint Petition**, pp. 9-19.

In terms of the provision of utilities to the Clear Creek Property, the City of Bristol has previously entered into several agreements with Washington County and the Washington County Service Authority (WCSA) to meet the needs of that area. Thus, any costs imposed on the City for the extension of water and sewerage to the Clear Creek Property are essentially fixed pursuant to the terms of those instruments. Accordingly, while Bristol will confront costs for the extension of utilities to the Clear Creek Property, such costs do not result from and will not be affected in any way by this agreement.⁶¹

The proposed agreement will place upon the municipality responsibility for the extension of emergency services to residents of the Clear Creek Property and of the other tracts in the annexed area. In terms of law enforcement and related crime prevention services, the City proposes to expend approximately \$80,000 for the extension of such services to the Clear Creek Property. Those funds would be utilized for the employment of two additional officers, the acquisition of a police vehicle, and incidental needs.⁶² As a result of the proposed increase in law enforcement personnel, Bristol anticipates being able to respond to emergency calls from the Clear Creek Property in a three to four-minute period.⁶³

⁶¹The WCSA has a 12-inch water line at the entrance of the Clear Creek Property and has agreed to sell water wholesale to the City to serve that development. With respect to sewerage, Bristol has previously issued bonds in the amount of \$1.4 million to construct a line to serve the Clear Creek Property and adjacent areas in Washington County. (Spangler, communication with staff of Commission on Local Government, Mar. 4, 1997.) Under the terms of an agreement entered into on July 31, 1996, by the City of Bristol, the WCSA, and Washington County, the latter entity will contribute \$500,000 to Bristol to assist in the construction of the sewerage line.

⁶²Heffernan, memorandum to Spangler, Nov. 27, 1996.

⁶³Bressler, letter to staff of Commission on Local Government, Nov. 12, 1996.

With regard to fire protection, the City does not propose any increased outlays to serve the annexed area and contends that its existing facilities and service levels are adequate to address its needs. The overall nature and quality of Bristol's current fire protection services are indicated by the fact that residential properties in the municipality have an Insurance Services Organization rating of "4," denoting a fire services capability of high caliber.⁶⁴ In terms of serving the Clear Creek Property, the municipal fire station which will have a "first call" responsibility to that area (Station No. 3) is staffed by four personnel on a 24-hour basis, with two pumpers available for use. The City estimates that the station in question is capable of responding to calls from the Clear Creek Property in a five to six-minute period.⁶⁵ The "first-call" service provided by Station No. 3 can be augmented by the staff and equipment from the main municipal station when such is required.

The provision of educational services to residents of the area proposed for annexation constitutes, it appears to this Commission, potentially the most significant expenditure for the City of Bristol. Projections indicate that by the year 2009 the Clear Creek Property will be fully developed and will contain 240 homes, approximately 840 residents, and an estimated 133 children enrolled in the City's public school system.⁶⁶ Based on such projections, the total enrollment in the Bristol system in school year 2009-10 would be 2,426 students, or 97 less than the number enrolled in 1995-96 (2,523).⁶⁷ Thus, the current spatial capacity of the municipal system

⁶⁴Joint Petition, p. 12.

⁶⁵Bressler, memorandum to staff of Commission on Local Government, Mar. 2, 1997.

⁶⁶Joint Petition, Exhs. 19, 20.

⁶⁷Ibid., Exh. 20.

should be adequate to accommodate the influx of students from the Clear Creek Property.⁶⁸

Nevertheless, the incorporation of students from the annexed area into the Bristol system will impose costs on the municipality for teachers' salaries and other educational services of an operational nature, if only by preventing a reduction in expenditures which otherwise would have occurred as a consequence of diminishing enrollment.⁶⁹ Based on the City's expenditure of \$2,094 in local funds per student for operational costs in 1995-96, the cost (or the unrealized savings) to Bristol for educating the projected 133 students from the annexed area during school year 2009-10 would be well in excess of \$200,000.⁷⁰ To the extent that residential development occurs in other portions of the annexed area, the educational cost to the City would increase. In brief, the proposed annexation has the potential of imposing significant costs on the City of Bristol, particularly in terms of education.

⁶⁸City officials have indicated that projected public school enrollment from the Clear Creek Property in 2009-10 will include 60 elementary students, 32 middle school students, and 41 high school students. (Bressler, letter to staff of the Commission on Local Government, Nov. 12, 1996.) City officials have advised that the facilities which will serve students from the Clear Creek Property (Van Pelt Elementary School, Virginia Middle School, and the Virginia High School) have the requisite capacity to accommodate the influx. (Spangler, communication with staff of the Commission on Local Government, Mar. 4, 1997.)

⁶⁹An official of the City of Bristol's school board has observed that students from the Clear Creek Property will merely offset a projected loss of City students and, as a consequence, not impose upon the municipality any net increase in cost. (King Tilley, Director of Business and Finance, Bristol Virginia School Board, cited in Heffernan, memorandum to Spangler, Nov. 27, 1996.)

⁷⁰See **Appendix H** for historical data on average daily membership and local expenditures per student in the City of Bristol school division.

While all projections are fraught with difficulty and uncertainty, they are instruments which must be used in an endeavor to evaluate the future. With that qualification fully understood, this Commission has endeavored to project the net impact of the proposed agreement on the City of Bristol over the course of the next decade and beyond. Excluding from consideration issues which are external to and independent of this agreement (i. e., the development and operation of the golf course and the related utility arrangements), and based upon data provided by the parties, the aggregate marginal impact on the City of Bristol during the course of the first five years following the proposed annexation is projected to be a net loss of approximately \$293,000.⁷¹ Over the succeeding five-year period, during which time Bristol's allocation of the shared revenue would be increased to 60%, projections indicate that the City will experience an aggregate net benefit from the annexation totaling approximately \$532,000. These projections of the net fiscal impact on the City of Bristol include consideration only, as suggested by the City, of the costs associated with the extension of education, law enforcement, and refuse collection services, and exclude from consideration all other governmental costs which might be attributed to that area. Impact projections based on the average cost of serving Bristol residents would present a more negative outlook.

Beyond consideration of the fiscal attributes of the agreement, City officials have properly noted that a beneficial consequence of the proposed annexation is the opportunity afforded Bristol to enlarge and diversify its housing stock. Specifically, data presented to the Commission indicate that Bristol has a relative shortage of houses for upper income residents. Statistics reveal that, as of 1990, Bristol had only 39 houses valued at more than \$200,000, or less than 1.0% of its housing units, while the incidence of

⁷¹**Appendix I** provides a projection of the net impact of the proposed annexation on the City of Bristol during the period 1998 through 2008 based City-identified marginal cost to serve the annexed area.

such housing in Virginia generally that year was 15.31%.⁷² The enlargement and diversification of housing stock in the City of Bristol, we agree, should benefit the municipality in numerous ways, including the increased availability of residents for the assumption of civic leadership.

The provision in the proposed agreement which would deny Bristol the authority to institute an annexation proceeding involving a major portion of the County requires comment in this report. That provision brings into consideration the general law restriction regarding the extent to which a grant of annexation immunity can be made applicable to cities of Bristol's size.⁷³ With respect to this issue, however, we note that the General Assembly established a moratorium on all city-initiated annexation in 1987 and by subsequent enactments has extended it until the year 2000.⁷⁴ The apparent continuing disposition of the legislature to bar city-initiated annexation, coupled with amendments to the proposed agreement which will be offered by this Commission, permits us to conclude that the annexation restrictions which would be applicable to the City of Bristol in the proposed instrument need not threaten the viability of the municipality.

In sum, the proposed annexation has the potential to strengthen the social viability of the City, but it concurrently poses the risk of increasing the

⁷²**Joint Petition**, p. 17. While the City has an evident shortage of housing for upper income residents, it has generously responded to the housing needs of the low and moderate income residents of the area. The City has reported having 1,087 units of publicly owned or federally assisted housing within its boundaries, a number constituting 36% of the rental units within the municipality as of 1990. (*Ibid.*)

⁷³Pursuant to the terms of Section 15.1-977.22:1, no grant of immunity should be awarded to a portion of a county which results in substantially foreclosing the authority of a city of less than 100,000 persons to annex.

⁷⁴Sec. 15.1-1032.2, Code of Va.

fiscal pressures on that locality. Since, according to analyses made by this Commission, the City of Bristol is already one of Virginia's "high stress" jurisdictions, the potential for added fiscal pressure on that municipality must be viewed with concern.

COUNTY OF WASHINGTON

As noted previously, the only significant component of the area proposed for annexation subject to taxation by Washington County is Tract B. Moreover, the entirety of the property in Tract B is subject to use value taxation and, as a consequence, has generated only a negligible amount of local-source revenue for the County in recent years.⁷⁵ Thus, given that situation, the proposed annexation will have essentially no negative fiscal impact on Washington County.

In contrast to imposing a fiscal loss on Washington County, the proposed agreement calls for the County to receive in perpetuity a percentage of all real estate, personal property, and machinery and tools taxes collected from the annexed area. Accordingly, the proposed agreement affords the County an opportunity to benefit from property which otherwise is of virtually no fiscal consequence to that jurisdiction. Estimates made by this Commission, predicated on data provided by the City, indicate that as a consequence of the revenue-sharing arrangement the County will receive approximately \$620,000 in revenues from the annexed area during the first five years following its incorporation into the City.⁷⁶ While the percentage of the specified revenues collected from the annexed area which will be paid the County are due to decrease to 40% after the fifth year and to 25% after the tenth year, the payment will remain substantial. Moreover,

⁷⁵**Joint Petition**, p. 22. The annual sum of revenue derived by the County from Tract B has been less than \$200.

⁷⁶See **Appendix G**.

these funds will accrue to the County without any offsetting cost for education or other services.

While the Commission notes that as a consequence of a corollary instrument, Washington County has agreed to contribute \$500,000 over a four-year period to assist Bristol in the installation of a sewerage line to serve the Clear Creek Property, that contribution is essentially intended to enable the municipality to route the line to the Clear Creek Property in a manner designed to serve prospective County development.⁷⁷ This expenditure, therefore, is not a cost imposed upon Washington County, but one designed to accommodate a County development interest. In brief, the proposed interlocal agreement currently under consideration imposes no foreseeable fiscal burden on Washington County, but, rather, provides it with a revenue flow which would otherwise be unavailable to it.

A second provision in the proposed agreement of immediate relevance to Washington County is that by which the City of Bristol agrees not to seek the annexation of certain property in the County for a 15-year period following the "execution" of the accord.⁷⁸ Specifically, the agreement states that the City shall waive its authority to initiate the annexation of that property in the County north of U. S. Route 11 and within one mile of the

⁷⁷See the July 31, 1996 utility agreement involving the City of Bristol, Washington County, and the WCSA. That agreement stated that the "availability of sewer service should enhance the economic development of property along the route . . . , thereby increasing property tax revenues to the political subdivision in which such property lies." The utility agreement acknowledged that "[s]ubstantially all of the property along which the . . . new main line would pass, after leaving the Complex [i.e., the Clear Creek Property], lies in the County, to whom the benefit of such increased tax revenue would inure."

⁷⁸Settlement Agreement, Sec. 4.02.

outer boundaries of the tracts subject to annexation.⁷⁹ The area which would be immunized from annexations initiated by the City pursuant to that provision encompasses approximately 10.5 square miles of territory and, based on 1995 data, contains in excess of 1,000 residents.⁸⁰ While more than 60% of the proposed immunity area is currently in "agricultural" usage, a significant percentage is devoted to residential and commercial/industrial activity.⁸¹

The two provisions cited above, which increase the flow of revenue available to Washington County and which protect a significant segment of its territory from adversarial City annexations, are beneficial to the immediate interests of that jurisdiction.

INTERESTS OF THE COMMONWEALTH

The paramount interest of the State in this proposed agreement and in the resolution of all other interlocal issues subject to the Commission's review is, in our judgement, the preservation and the promotion of the viability of the affected localities. Clearly, the proposed agreement will increase the flow of revenue to Washington County and will extend and diversify housing opportunities in the City of Bristol. However, it appears that the development currently planned and that most likely to occur in the future in the area proposed for annexation will be primarily, if not exclusively, residential. The prospect of that area generating revenue beyond its service costs is problematic. We assert that it is in the interest of the Commonwealth, the City of Bristol, and Washington County that the

⁷⁹**Ibid.**, Sec. 2.02.

⁸⁰**Joint Petition**, Exhs. 19, 29.

⁸¹**Ibid.**, Exh. 29.

municipality preserve its capacity to serve its residents and the general community.⁸²

The City of Bristol is currently classified as one of the Commonwealth's "high stress" localities, based upon a comparative analysis of its theoretical revenue generating capacity, the extent to which it is required to use that capacity, and the income level of its inhabitants. As of the 1994/95 fiscal period, only 18 of Virginia's 136 counties and cities recorded a higher degree of "fiscal stress" than the City of Bristol. Moreover, annual calculations made by this agency indicate that Bristol's comparative standing in the Commonwealth on the "fiscal stress" continuum has declined each year since the 1989/90 fiscal period. In sum, the various statistical measures suggest that Bristol should proceed with caution in its assumption of added public service responsibilities. While, beyond doubt, the proposed agreement can be of economic benefit to both jurisdictions, that result is not a certainty under its present terms.

FINDINGS AND RECOMMENDATIONS

In the preceding sections of this report the Commission has reviewed a proposed agreement which has been negotiated by the City of Bristol and Washington County encompassing provisions relative to an annexation by the City, the immunization of certain territory from annexation initiated by that municipality, and a revenue-sharing arrangement. As a consequence of that review, we acknowledge that the proposed agreement will augment the

⁸²Many of the expenditures made by the City of Bristol benefit not only municipal residents, but those of the general community. For example, the City of Bristol expended \$60.98 per capita for parks and recreation in FY1995, a level of investment more than eight times that of Washington County (\$7.26) and nearly twice that for all counties and cities in the Commonwealth considered collectively (\$32.92). **Appendix J** contains a profile of operating expenditures of the City of Bristol, Washington County, and all cities and counties in the Commonwealth in FY1995.

housing stock and civic leadership potential of the City of Bristol and will increase the flow of local-source revenue to Washington County. Further, we also note that ancillary interlocal instruments, related but legally distinct from the proposed agreement, will facilitate the extension of sewerage to other properties in the County in an expeditious and cost-effective manner and will provide residents of the general area with a significant new recreational facility. However, based on our review of the overall ramifications of the proposed interlocal agreement and our analysis of the demographic and fiscal trends in the area, we are unable to conclude that the proposed instrument, as presently drawn, is in the best interest of the Commonwealth. There are two elements of the proposed agreement which require amendment for our endorsement of the instrument.

APPLICATION OF AGREEMENT TO SUCCESSOR ENTITIES

Section 4.03 of the proposed agreement states that the instrument, following its affirmation by the reviewing court, shall be binding upon the governing bodies of the two jurisdictions and "upon their successors and assigns." We recommend that this provision be amended such that if the City of Bristol at some time in the future reverts to town status or to some other form of government similarly structured as a constituent element of Washington County, the revenue-sharing arrangement, the restriction on annexation by the municipality, and the immunity provisions be deleted.

If the City of Bristol opts at some point in the future to exercise its authority to revert to town status, or reconstitutes itself by virtue of other arrangements as a constituent element of Washington County, all of the property within that reconstituted jurisdiction would be placed on the tax rolls of Washington County and subject in full to the tax levies of that locality. Hence, the revenue-sharing provisions calling for a contribution by the reconstituted municipality of its own property tax collections to Washington

County would be inappropriate. Further, with respect to the annexation and immunity provisions, town annexations do not remove any property from a county's tax rolls, nor reduce its property tax receipts. In recognition of the fact, the legislature in Virginia has never imposed a moratorium on town annexations, nor has it made applicable to towns any of the annexation immunity provisions.⁸³ In our judgment, the interest of the Commonwealth requires that the proposed agreement be amended such that the revenue-sharing arrangement, the restrictions on annexation, and the annexation immunity provisions be inapplicable to Bristol in the event that it is reconstituted as a constituent element of Washington County. From our perspective, it is of paramount significance to the Commonwealth that the City of Bristol retain an unfettered option of reconstituting itself as an integral element of Washington County.

REVENUE-SHARING PROVISIONS

Section 2.04 of the proposed agreement calls for the City of Bristol to share with Washington County in perpetuity its collection of real estate, personal property, and machinery and tools taxes from within the annexed area. Under the terms of the proposed agreement, the City's payment to the County will constitute 60% of its collections from those tax sources during the first five years following the annexation, 40% during the ensuing five-year period, and 25% thereafter. Based upon data provided by the parties, our projections indicate that during the first five years following annexation Washington County would receive a total of approximately \$620,000 in revenue from the annexed area without any offsetting service costs, while during the same period the City of Bristol would experience a net loss of

⁸³Neither the statutory provisions granting annexation immunity to an entire county nor those which grant partial immunity to a county restrict the authority of a town to annex the "immunized" property. In both instances, the immunity provisions affect only the authority of cities. (See Chapter 21.2, Title 15.1, Code of Va.)

approximately \$293,000.⁸⁴ While projections beyond the initial five-year period do indicate that Bristol will be the recipient of net additional revenue from the Clear Creek Property, those projections rest solely on the marginal costs of selected services identified by the municipality, and not on an allocation of all municipal expenses to that area. Since it is generally agreed, as noted previously, that residential development often fails to generate sufficient local-source revenue to offset its costs, an expectation of a net positive flow of local-source revenue to Bristol from the annexed area should be viewed with caution.

In view of the fiscal conditions currently confronted by the City of Bristol, the proposed agreement should be structured to endeavor to avoid any intensification of the fiscal pressures currently borne by that municipality. To the extent that such an intensification occurs, the capacity of that jurisdiction to serve its residents will be diminished and the vitality of the general area will be adversely affected. In this regard, we note that in FY1995 the City of Bristol's total per capita local-source revenue collection (\$1,030.19) was more than twice that of Washington County (\$500.72), its total per capita operating expenditure (\$1,949.02) was 80% greater than that of the County (\$1,082.60), its per capita net debt (\$1,283) was more than double that of the County (\$595), and its effective true real estate tax rate (\$0.94) was approximately 65% greater than that of its neighboring jurisdiction (\$0.57).⁸⁵ Moreover, we fail to see evidence that these dramatic disparities will be substantially reduced in the foreseeable future. These

⁸⁴The estimate of receipts for Washington County and the projected net loss for Bristol are derived from **Appendices G** and **I**, respectively.

⁸⁵The local-source revenue and operating expenditure statistics are found in **Appendices E** and **H**, respectively. The debt statistics were drawn from Auditor of Public Accounts, **Comparative Report of Local Revenues and Expenditures, Year Ended June 30, 1995**, Exh. G. The effective true real estate tax rates were calculated from the 1995 nominal rates adopted by the localities and data which will be published by the Virginia Department of Taxation in the **1995 Assessment/Sales Ratio Study**, Table 3 (forthcoming).

comparative measures and trendlines suggest that some adaptation of the revenue-sharing provisions in the proposed agreement is in the benefit of all parties. Accordingly, we recommend (1) that the revenue-sharing component of the proposed agreement be amended to address the negative fiscal impact which its current provisions will have on Bristol during the initial years of its implementation and (2) that it be terminated within a specified period of time.

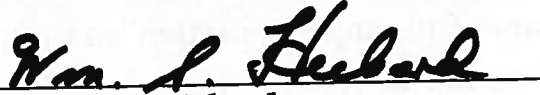
While there are numerous ways by which the revenue-sharing arrangement could be modified to protect the City of Bristol from any undue increase in fiscal pressure, we recommend that the initial allocation of revenues to the County be reduced to 25% or, alternatively, that the revenue-sharing arrangement be based upon the net local-source revenue derived from the annexed area, and not on the City's gross collections from that area. In any event, we recommend that the revenue-sharing arrangement be phased out within a specified period of time, not exceeding 10 years.

The adoption of the amendments effecting the changes proposed above would enable this Commission to find the agreement in the best interest of the Commonwealth and to recommend the court's approval of the instrument.

Respectfully submitted,


James J. Heston, Chairman


Gene B. Williams, Vice Chairman


William S. Hubard


Frank Raflo

Appendix A

**City of Bristol - County of Washington
Interlocal Agreement
with
Addenda**

Appendix A

Department of Health and Human Services
Division of Health Policy and Statistics
Washington, D.C. 20492

THIS AGREEMENT is made and entered into this the 21st day of December, 1995, by and between the VIRGINIA COUNTY OF WASHINGTON, a political subdivision of the Commonwealth of Virginia ("County"), acting by and through its governing body, the Washington County Board of Supervisors ("Board"), and the VIRGINIA CITY OF BRISTOL, a municipal corporation of the Commonwealth of Virginia ("City"), acting by and through its governing body, the Bristol City Council ("Council");

WITNESSETH:

PREMISES

WHEREAS, the Tennessee Valley Authority ("TVA") owns a certain tract or parcel of land situate and being in the Wilson Magisterial District of the County, commonly known as "Sugar Hollow Park," over which the City holds a long-term exclusive recreational easement, which tract adjoins the present corporate limits of the City; and the City owns three certain parcels of land adjoining said park property, all of said properties are collectively shown as Tract "A" on the map attached hereto and marked as Exhibit 1; and

WHEREAS, the City also owns an additional tract or parcel of land situate and being in the Wilson Magisterial District of the County, commonly known as the "Clear Creek Property," upon which the City proposes to create a public golf course and residential community, which together with land owned by TVA upon which the City holds a recreational easement is shown as Tract "C" on Exhibit 1; and

WHEREAS, the City also owns an additional tract or parcel of land situate and being in the Wilson Magisterial District of the County which adjoins the aforescribed Tract A, said parcel being shown as Tract "D" on Exhibit 1; and

WHEREAS, there is one tract or parcel of land lying and situate in the Wilson Magisterial District of the County which is not owned by the City or TVA, but which is assessed for tax purposes in the County under the name of the E.T. Withers Estate, which tract connects the parcels set forth as Tracts A and C, said parcel being shown as Tract "B" on Exhibit 1; and

WHEREAS, the parcels of property described in Tracts A, B, C and D taken together are contiguous to the City's boundary; and

WHEREAS, this overall parcel or tract of land is mostly owned or controlled by the City and all of it is best served with services to be provided by the City; and

WHEREAS, the County does not currently receive any tax revenues from that portion of the aforescribed properties belonging to the City or TVA (Tracts A, C and D). The County does receive tax revenue from that portion of the aforescribed property which does not belong to either the City or TVA (Tract B); and

WHEREAS, the City and County have entered into negotiations pursuant to Title 15.1, Chapters 26.1:1 and 19.1 of the 1950 Code of Virginia, as amended, and have reached this Voluntary Settlement Agreement to an adjustment of their common boundary by the inclusion of the aforescribed properties into the corporate limits of the City upon the terms and conditions, including without limitation, the revenue sharing agreements hereinafter set forth; and

WHEREAS, this Agreement is in the best interests of the City, County and Commonwealth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City and County agree with each other as follows:

SECTION 1.00 DEFINITIONS

1.01 *City* shall mean the City of Bristol.

1.02 *Code* shall mean the 1950 Code of Virginia, as amended. Reference to Code provisions shall mean those particular Code provisions, or similar Code provisions if the Code is amended after the execution of this Agreement.

1.03 *Commission* shall mean the Commission on Local Government.

1.04 *County* shall mean the County of Washington.

1.05 *Court* shall mean the special three judge court appointed by the Supreme Court of Virginia pursuant to Title 15.1, Chapter 26.2 of the Code.

1.06 *Section or subsection* refers to parts of this Agreement, unless the context provides that "section" refers to parts of the Code.

SECTION 2.00 ANNEXATION, IMMUNITY AND REVENUE SHARING RIGHTS DEFINED

2.01 The County agrees to the annexation by the City of the tracts or parcels of land described as Tracts A, B, C and D on Exhibit 1 attached hereto on the terms and conditions provided in this Agreement ("Annexation Area"). A metes and bounds description of the Annexation Area is set forth in detail in Exhibit 2 attached hereto. The effective date of annexation shall be December 31, 1996, as provided elsewhere in this Agreement.

2.02 The City waives in whole all statutory rights for its benefit under and agrees not to initiate or institute any proceedings pursuant to Title 15.1, Chapter 25 (§15.1-1032 et seq.) of the Code to annex all or any portion of the County north of U.S. Highway Route 11 and within one (1) mile of the outer boundaries of the tracts described in Section 2.01 for the term provided in Subsection 4.02("Immunity Area"). This waiver does not affect the rights of property owners and voters contiguous to the City pursuant to §15.1-1034 of the Code. The Immunity Area is designated

on Exhibit 3 attached hereto.

2.03 The City agrees not to suggest, encourage or coerce any property owner(s) or qualified voters to institute annexation proceedings pursuant to §15.1-1034 of the Code, or any statute similar thereto, of those portions of the County designated as the Immunity Area.

2.04 Upon and from the effective date of the annexation as set forth in Subsection 2.01, the City shall impose in the Annexation Area the same tax rate as it imposes for real estate, personal property and machinery and tools taxes throughout the remainder of the City, shall segregate the receipts from said taxes in said area and, from said segregated tax receipts, shall share the income from those three categories of taxes with the County on the following basis:

Years 1 - 5	60%
Years 6 - 10	40%
Years 11 and beyond	25%

The above-mentioned percentages shall apply to the City's effective tax rates for the above-mentioned taxes in the years levied, regardless if said rates differ from the rates as they exist on the effective date of the annexation.

SECTION 3.00 COMMISSION REVIEW AND COURT APPROVAL

3.01 The City and County agree to initiate the steps necessary and required by Title 15.1, Chapters 19.1 and 26.1:1 of the Code to obtain affirmation of this Agreement by the Commission and Court.

3.02 The City and County agree that recommendations by the Commission which differ from the terms of this Agreement shall not bind the City and County, unless any such

recommendation is agreed to by both the City and County.

3.03 The City and County agree that if the Court does not affirm this Agreement without modification this Agreement shall immediately terminate. However, the City and County may waive termination by mutually agreeing to the recommended modifications.

SECTION 4.00 MISCELLANEOUS PROVISIONS

4.01 This Agreement shall become effective when it has been affirmed and given full force and effect by the Court appointed pursuant to Title 15.1, Chapter 26.2 of the Code. The effective date of the boundary relocation shall be midnight December 31, 1996.

4.02 The term for immunity from annexation agreed upon in Subsections 2.02 and 2.03 shall begin with the execution of this Agreement and continue for a period of fifteen (15) years.

4.03 This Agreement, when affirmed by the Court, shall be binding: (i) upon the City and County, (ii) upon the future governing bodies of the City and County, (iii) upon their successors and assigns and (iv) have full force and effect, all as provided pursuant to Title 15.1, Chapter 26.1:1 of the Code.

4.04 The City and County, by mutual agreement, may amend, modify or supplement this Agreement in whole or in part by written document of equal formality and dignity duly executed by authorized representatives of the City and County and affirmed pursuant to Title 15.1, Chapter 26.1:1 of the Code.

4.05 The City and County agree that they shall continue good faith discussions on other issues of mutual interest and will conduct themselves toward one another in the responsible and cooperative manner befitting sovereign jurisdictions in the Commonwealth.

4.06 This agreement shall be enforceable in any court of competent jurisdiction, by any of the parties hereto by an appropriate action at law or suit in equity to secure the performance of the covenants herein contained.

Pursuant to the authority granted by Title 15.1, Chapter 26.1:1 of the Code, the governing bodies of the County and City execute this Agreement pursuant to resolution duly adopted on the 16th day of October, 1995 by the City Council and on the 26th day of September 1995 by the County Board.

WITNESS the following signatures and seals:

CITY OF BRISTOL

BY: Cern Allen Walsh
MAYOR

ATTEST:

James T. Osborne

COUNTY OF WASHINGTON

BY: James T. Osborne
CHAIRMAN

ATTEST:

Mark R. [Signature]

ADDENDUM TO VOLUNTARY SETTLEMENT OF ANNEXATION AGREEMENT

This Addendum entered into this 27th day of August, 1996, by and between the Virginia County of Washington, a political subdivision of the Commonwealth of Virginia (hereinafter "County") and the City of Bristol, Virginia, a municipal corporation of the Commonwealth of Virginia (hereinafter "City");

WITNESSETH:

WHEREAS, City and County have entered into an Voluntary Settlement of Annexation Agreement dated December 21, 1995, whereby it was agreed that City should annex four certain tracts or parcels of land designated A, B, C and D from Washington County, Virginia, and including other provisions including revenue sharing between the County and City in the annexed area, and

WHEREAS, in the process of creating the submittal to be made to the Commission on Local Government pursuant to the statutes made for the same, it was determined that Tract B and Tract C in said Agreement needed to be connected as the two abutted Route 645 and the Norfolk & Western Railroad track but did not cross the same to touch each other, and

WHEREAS, the parties believe it is proper to create a connector between Tract B and Tract C so that the area to be annexed is one contiguous tract of property.

NOW THEREFORE, for and in consideration of the mutual benefits to be derived from the covenants and agreements herein contained, the parties do covenant and agree as follows:

1. The Voluntary Settlement of Annexation Agreement of December 21, 1995 shall be and hereby is amended to add Tract E to the properties to be annexed, Tract E being a strip of land 100 feet in width, crossing from east to west from the westerly property line of Tract B to the easterly property line of Tract C in the original agreement, said tract being more particularly described as

BEGINNING at a point in the westerly right of way line of Tract B, which point is N 00 73 W 967 feet from a point common corner to the westerly property line of Tract B with the northwesterly corner of property now or formerly belonging to Watson; thence from said point of beginning N 88 25 W 268 feet to a point; thence in a northerly direction 100 feet to a point; thence S 88 31 E 260 feet to a point; thence S 00 73 E 100 feet to the point of BEGINNING,

as track is shown on a plat by Frank Holbrook as a connecting corridor between Tracts B and C of the property to be annexed by the City of Bristol, Virginia pursuant to the original Agreement.

2. All other provisions of the original Voluntary Settlement of Annexation Agreement shall remain in full force and effect unamended, and all other provisions of the original Voluntary Settlement of Annexation Agreement as applicable shall be applicable to the aforescribed tract or parcel of land.

CITY OF BRISTOL, VIRGINIA

By Jerry Allen Wolfe
Mayor

Attest:

Samuel D. Stone
Clerk

COUNTY OF WASHINGTON

By Joe W. Brantley

Attest:

Sandra H. Stappell

ADDENDUM TO BOUNDARY
ADJUSTMENT AGREEMENT

This agreement made and entered into this 12th day of November, 1996 by and between VIRGINIA COUNTY OF WASHINGTON, a political subdivision of the Commonwealth of Virginia ("County") acting by and through its governing body, the Washington County Board of Supervisors ("Board") and the CITY OF BRISTOL, VIRGINIA, a municipal corporation chartered under the laws of the Commonwealth of Virginia ("City"), acting through its governing body, THE BRISTOL VIRGINIA CITY COUNCIL ("Council");

WITNESSETH:

PREMISES

The County and City entered into an agreement to adjust their borders, share revenue and matters of mutual interest to them.

While most of the property which will be brought into the city if the agreed boundary adjustment is approved is property that now belongs to the City and is recreational property, a tract of approximately 98 acres is held in private ownership and is known as the E. T. Withers estate property.

That property is currently assessed as agricultural property which is its present use (which use is distinct from the use of any of the other property being brought into the city by this agreement), is taxed at the County tax rate which is

approximately one-half of the tax rate for real estate in the City and the owners have no present plan to change the use of said property.

The owners of the E. T. Withers estate are also concerned that their property will be more likely susceptible to being condemned for public use if it is in the City rather than in the county

Section 15.1-1047.1 permits the City to tax property added to its territory which because of its nonurban character requires less nonrevenue producing city services at a different tax rate for ten years.

Section 15.1-1167.1 provides that an agreement between the parties which ultimately receives Court approval will bind the governing bodies of both political subdivisions.

The parties agree that it is equitable and proper to address the needs of the owners of the E. T. Withers Estate by entering into this addendum to the parties boundary adjustment agreement so that property will continue to be taxed at the same rate as it would have been taxed in the County so long as its use remains agricultural and to provide immunity to the property from involuntary condemnation for a period of ten years.

WHEREUPON for and in consideration of the mutual benefits to be derived by the parties from the hereinafter set out terms and conditions, the parties do covenant and agree as follows:

1. That City will, if the territory including the E. T. Withers Estate property is approved for inclusion in the City, Council will cause it to be classified as

agricultural property for tax purposes and tax that property from year to year at the same rate as it would be taxed if it had remained in the County for a period of ten years, so long as the use of the property remains agricultural.

2. That City will not exercise any power of eminent domain to condemn any of that property known as the E. T. Withers Estate for public use for a period of ten years.

3. That the parties will submit this with its other agreements to the appropriate Commissions and courts for approval, to be binding upon the parties for its stated term.

Witness the signature and seal of each party on the stated date.

WASHINGTON COUNTY, VIRGINIA

ATTEST:

Cecile M. Rosenbaum

BY James T. Osborne
CHAIRMAN

DATE: Feb. 28, 1997.

ATTEST:

Samuel L. Johnson

CITY OF BRISTOL, VIRGINIA

BY Jerry Allen Wolfe
Mayor

DATE: February 20, 1997

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Appendix B

**Statistical Profile of the City of Bristol,
the County of Washington, the Area
Proposed for Annexation and the Area
Proposed for Immunity
and
Map of the Area Proposed
for Annexation**

**STATISTICAL PROFILE OF THE CITY OF BRISTOL,
THE COUNTY OF WASHINGTON, THE AREA PROPOSED FOR ANNEXATION, AND
THE AREA PROPOSED FOR IMMUNITY**

	<u>City of Bristol</u>	<u>County of Washington</u>	<u>Area Proposed for Annexation</u>	<u>Area Proposed for Immunity</u>
Population (1995)	17,800	48,800	0	1,020
Land Area (Square Miles)	11.37	572.78	1.57	10.53
Total Assessed Values (FY1995)	\$517,871,457	\$1,632,313,314	N/A	N/A
Real Estate Values	\$464,847,700	\$1,248,195,010	\$944,340	N/A
Public Service Corporation Values	\$13,443,883	\$76,760,617	N/A	N/A
Personal Property Values	\$23,615,762	\$182,143,121	N/A	N/A
Machinery and Tools Values	\$15,964,112	\$125,214,566	N/A	N/A
Merchants' Capital Values	N/A	N/A	N/A	N/A
Existing Land Use (Acres)				
Residential	2,468	166,468	0	2,035
Commercial	446	8,762	0	401*
Industrial	457	1,289	0	N/A
Public and Semi-Public	408	N/A	416	195
Transportation	1,482	N/A	0.6	N/A
Agricultural, Wooded, or Vacant	2,015	190,062	589	4,110

NOTES:

N/A = Not Available

* = Includes Industrial Land Use

Population Data for the City and County are Provisional Estimates

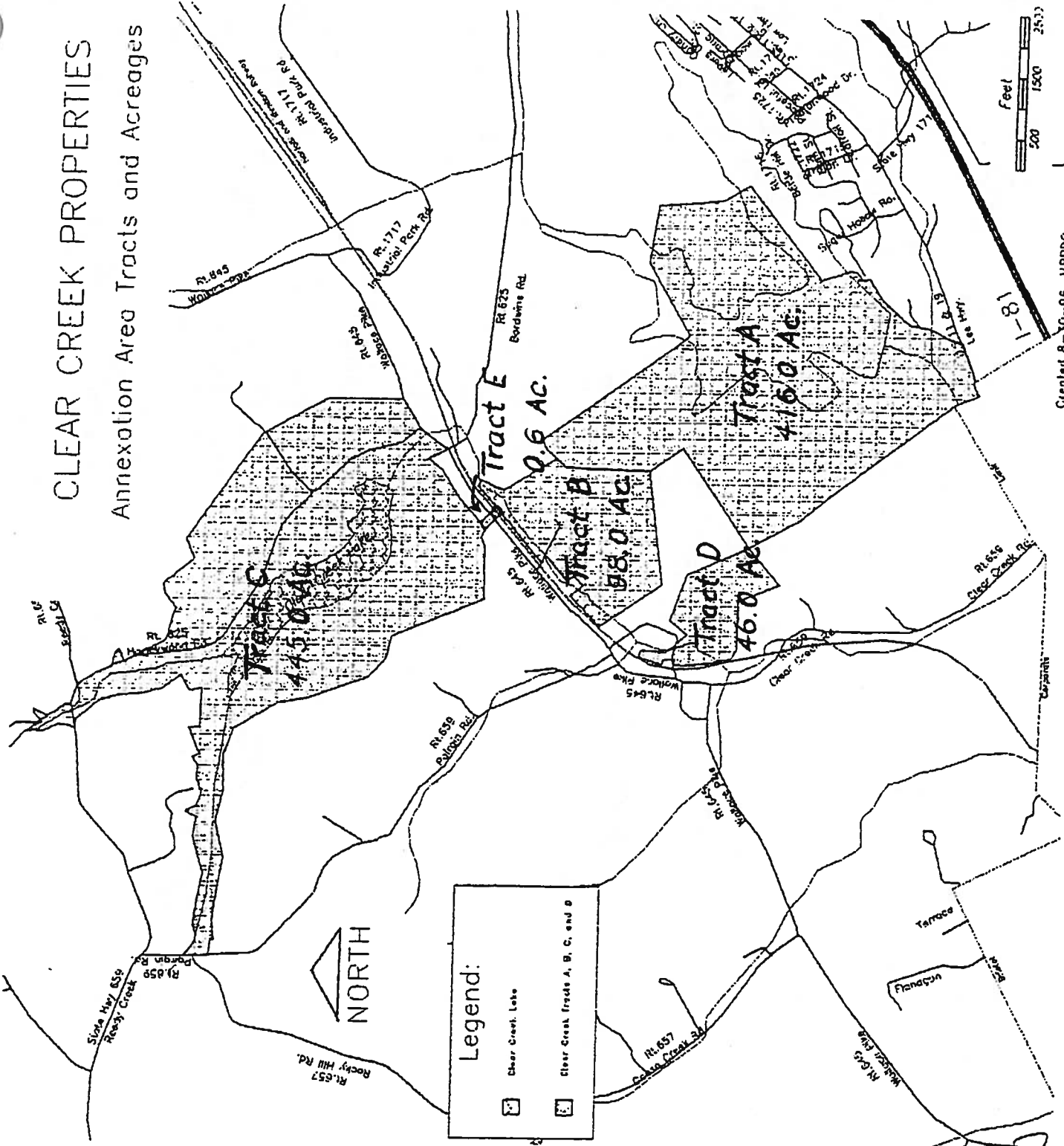
SOURCES:

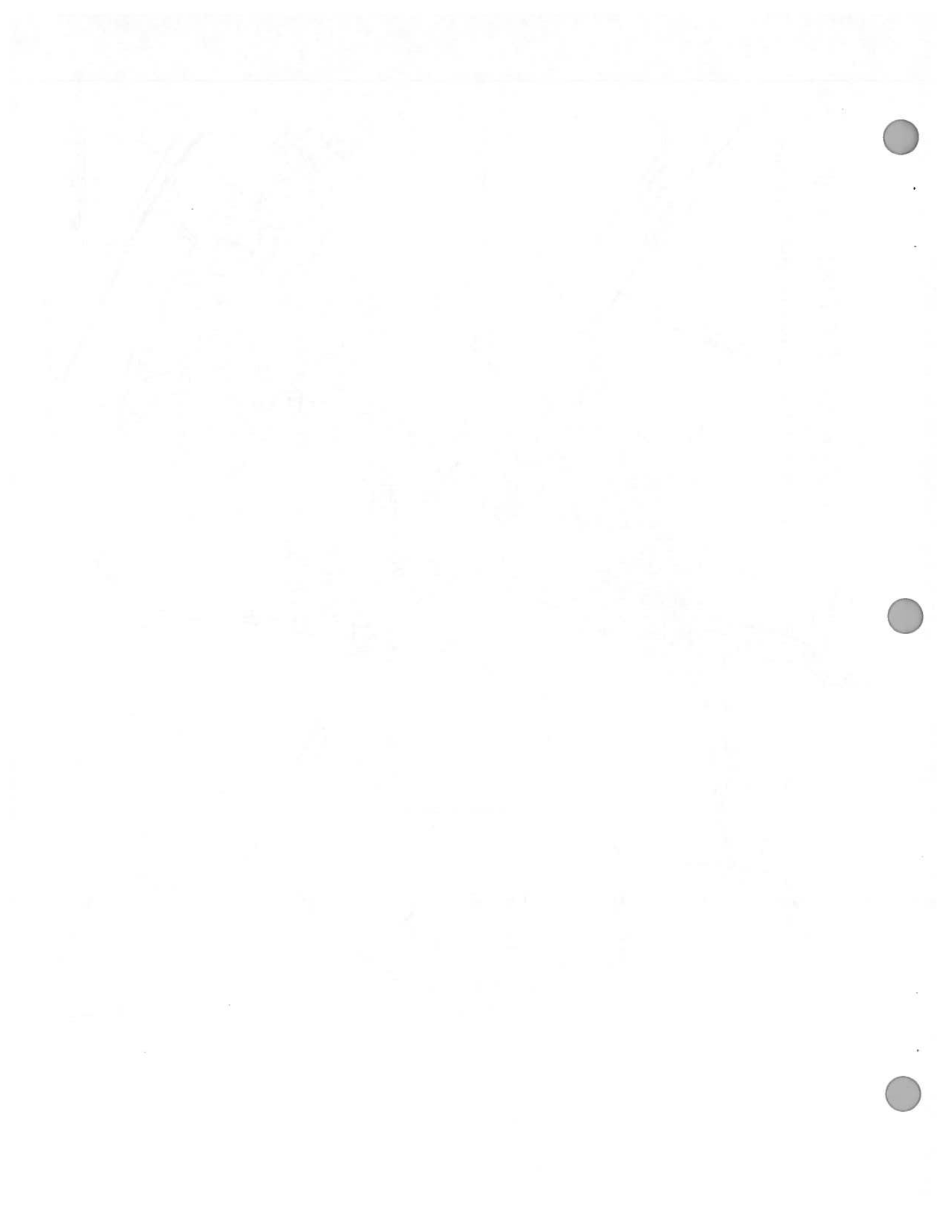
County of Washington and City of Bristol, Information, Data, and Factors Relative to Mandatory Commission Reviews Pursuant to Rules 3.7 and 4.8 of the Commission on Local Government Rules of Procedure.

Julia H. Martin and Donna J. Tolson, Virginia's Population: 1995 Estimates (Charlottesville: Weldon Cooper Center for Public Service, University of Virginia, June 1996).

CLEAR CREEK PROPERTIES

Annexation Area Tracts and Acreages





Appendix C

**Demographic, Social, Economic, and
Fiscal Profile of the City of Bristol and
Washington County, 1980-90**

Change in the Commonwealth: The City/County Experience in Virginia During the 1980s

Washington County

Status and Ranking on Selected

Demographic, Social, Economic, and Fiscal Variables

(1 = low; 136 = high)

	<u>STATUS</u>	<u>RANK</u>		<u>STATUS</u>	<u>RANK</u>
<u>Characteristics of Population</u>			<u>Characteristics of Housing (cont'd)</u>		
Population ('90):	45,887	105	Median Value Owner-Occupied Housing Units ('90):	\$52,500	46
% Change ('80-90):	-1.3%	41	% Change ('80-90):	45.4%	13
Percent Population under 18 Years ('90):	22.3%	39	Median Contract Rent ('90):	\$224	51
% Change ('80-90):	-20.9%	13	% Change ('80-90):	79.2%	20
Percent Population 65 Years and Over ('90):	14.2%	74	Percent Occupied Housing Units Substandard-Overcrowded ('90):	1.3%	20
% Change ('80-90):	22.4%	87	% Change ('80-90):	-66.7%	8
Median Age ('90):	36.8	99	Percent Occupied Housing Units Substandard-Incomplete Plumbing ('90):	3.6%	84
% Change ('80-90):	17.2%	124	% Change ('80-90):	-59.5%	79
<u>Characteristics of Households</u>			<u>Crime & Vital Statistics</u>		
Percent Family Households ('90):	77.1%	93	Crime Rate Per 100,000 in General Population ('90):	1,772	54
% Change ('80-90):	-6.0%	61	% Change ('80-90):	-7.9%	67
Percent Non-Family Households ('90):	22.9%	44	Teenage Pregnancies Per 1,000 Females Age 10 to 19 ('90):	38.6	45
% Change ('80-90):	27.4%	105	% Change ('80-90):	24.4%	104
Percent of Families with Children under 18 years Headed By Female ('90):	12.0%	39	Live Births Per 1,000 in General Population ('90):	11.5	29
% Change ('80-90):	36.0%	98	% Change ('80-90):	-4.3%	46
<u>Characteristics of Housing</u>			Infant Deaths Per 1,000 Live Births ('90):	5.7	42
Percent Occupied Housing Units Owner Occupied ('90):	77.1%	80	% Change ('80-90):	-60.2%	41
% Change ('80-90):	-2.1%	44			
Vacant Housing Units as a Percent of Total Units ('90):	8.9%	76			
% Change ('80-90):	-13.0%	28			

Change in the Commonwealth: The City/County Experience in Virginia During the 1980s

Washington County

	<u>STATUS</u>	<u>RANK</u>		<u>STATUS</u>	<u>RANK</u>
<u>Income and Poverty</u>			<u>Employment Profile (cont'd)</u>		
Per Capita Income ('89):	\$11,057	42	Percent in Trade ('90):	25.8%	98
% Change ('79-89):	92.5%	47	% Change ('80-90):	11.1%	59
Percent Families below Poverty Level ('89):	12.8%	98	Percent in Finance, Insurance, and Real Estate ('90):	2.2%	41
% Change ('79-89):	5.0%	97	% Change ('80-90):	-5.5%	56
<u>Education</u>					
Average Annual Salary All Classroom Teaching Positions ('89-90):	\$27,548	66	Percent in Services ('90):	15.7%	66
% Change ('80-81 to '89-90):	103.4%	78	% Change ('80-90):	6.6%	28
Pupil-Teacher Ratio ('89-90):	14.1	72	Percent in Government ('90):	15.6%	45
% Change ('80-81 to '89-90):	-16.7%	32	% Change ('80-90):	-26.0%	19
			<u>Composition of Total Local Revenue</u>		
Percent Population with Minimum Education ('90):	60.5%	49	Local-Source Revenue Contribution Per Capita (FY90):	\$383	28
% Change ('80-90):	36.6%	97	% Change (FY81-90):	137.5%	98
<u>Employment Profile</u>					
Average Annual Total Covered Positions ('90):	15,854	100	Local-Source Revenue Contribution as Percent of Total Local Revenue (FY90):	40.6%	33
% Change ('80-90):	42.9%	104	% Change (FY81-90):	23.0%	124
Percent in Agriculture, Forestry, and Fishing ('90):	1.6%	96	State Revenue Contribution Per Capita (FY90):	\$497	64
% Change ('80-90):	65.5%	71	% Change (FY81-90):	106.7%	64
Percent in Mining ('90):	0.2%	93	State Revenue Contribution as Percent of Total Local Revenue (FY90):	52.6%	106
% Change ('80-90):	-60.9%	23	% Change (FY81-90):	7.1%	73
Percent in Construction ('90):	4.2%	42	Federal Revenue Contribution Per Capita (FY90):	\$64	56
% Change ('80-90):	-22.2%	23	% Change (FY81-90):	-26.5%	17
Percent in Manufacturing ('90):	30.9%	98	Federal Revenue Contribution as Percent of Total Local Revenue (FY90):	6.8%	80
% Change ('80-90):	12.6%	120	% Change (FY81-90):	-61.9%	22
Percent in Transportation, Communication, and Public Utilities ('90):	3.8%	81			
% Change ('80-90):	-9.2%	61			

Change in the Commonwealth: The City/County Experience in Virginia During the 1980s

Washington County

	<u>STATUS</u>	<u>RANK</u>		<u>STATUS</u>	<u>RANK</u>
<u>Expenditures</u>			<u>Expenditures (cont'd)</u>		
General Government Administration Expenditure Per Capita (FY90):	\$23	2	Health & Welfare Expenditure Per Capita (FY90):	\$59	21
% Change (FY81-90):	11.9%	6	% Change (FY81-90):	88.6%	24
General Government Administration Expenditure as Percent of Total (FY90):	2.6%	7	Health & Welfare Expenditure as Percent of Total (FY90):	6.7%	46
% Change (FY81-90):	-43.3%	7	% Change (FY81-90):	-4.3%	26
Community Development Expenditure Per Capita (FY90):	\$7	26	Parks, Recreation, and Cultural Expenditure Per Capita (FY90):	\$15	56
% Change (FY81-90):	159.5%	77	% Change (FY81-90):	106.5%	59
Community Development Expenditure as Percent of Total (FY90):	0.8%	34	Parks, Recreation, and Cultural Expenditure as Percent of Total (FY90):	1.7%	60
% Change (FY81-90):	31.6%	81	% Change (FY81-90):	4.7%	63
Public Works Expenditure Per Capita (FY90):	\$39	58	<u>Debt & Taxes</u>		
% Change (FY81-90):	256.8%	128	Net Debt Per Capita (FY90):	\$234	41
Public Works Expenditure as Percent of Total (FY90):	4.4%	72	% Change (FY81-90):	-30.4%	10
% Change (FY81-90):	81.0%	129	Average Effective True Real Estate Tax Rate ('90):	\$0.63	81
Public Safety Expenditure Per Capita (FY90):	\$47	7	% Change ('80-90):	26.0%	91
% Change (FY81-90):	93.6%	28	General Property Taxes Per Capita (FY90):	\$232	30
Public Safety Expenditure as Percent of Total (FY90):	5.3%	17	% Change (FY81-90):	116.8%	78
% Change (FY81-90):	-1.8%	30	True Real Estate & Public Service Corporation Assessed Value Per Capita ('89):	\$27,498	33
Education Expenditure Per Capita (FY90):	\$681	48	% Change ('80-89):	67.2%	64
% Change (FY81-90):	95.6%	73	Total Taxable Retail Sales Per Capita ('90):	\$4,355	65
Education Expenditure as Percent of Total (FY90):	77.0%	127	% Change ('80-90):	94.8%	97
% Change (FY81-90):	-0.8%	90			

Change in the Commonwealth: The City/County Experience in Virginia During the 1980s

Bristol City

Status and Ranking on Selected

Demographic, Social, Economic, and Fiscal Variables

(1 = low; 136 = high)

	<u>STATUS</u>	<u>RANK</u>		<u>STATUS</u>	<u>RANK</u>
<u>Characteristics of Population</u>			<u>Characteristics of Housing (cont'd)</u>		
Population ('90):	18,426	63	Median Value Owner-Occupied Housing Units ('90):	\$48,400	29
% Change ('80-90):	-3.2%	31	% Change ('80-90):	46.7%	14
Percent Population under 18 Years ('90):	21.6%	27	Median Contract Rent ('90):	\$232	56
% Change ('80-90):	-12.7%	79	% Change ('80-90):	87.1%	33
Percent Population 65 Years and Over ('90):	18.8%	121	Percent Occupied Housing Units Substandard-Overcrowded ('90):	1.4%	25
% Change ('80-90):	25.8%	102	% Change ('80-90):	-46.8%	53
Median Age ('90):	37.6	112	Percent Occupied Housing Units Substandard-Incomplete Plumbing ('90):	0.4%	26
% Change ('80-90):	10.3%	59	% Change ('80-90):	-65.6%	53
<u>Characteristics of Households</u>			<u>Crime & Vital Statistics</u>		
Percent Family Households ('90):	67.4%	24	Crime Rate Per 100,000 in General Population ('90):	6,133	123
% Change ('80-90):	-7.0%	35	% Change ('80-90):	37.2%	121
Percent Non-Family Households ('90):	32.6%	113	Teenage Pregnancies Per 1,000 Females Age 10 to 19 ('90):	35.1	27
% Change ('80-90):	18.5%	57	% Change ('80-90):	1.4%	66
Percent of Families with Children under 18 years Headed By Female ('90):	23.8%	111	Live Births Per 1,000 in General Population ('90):	11.6	31
% Change ('80-90):	23.2%	79	% Change ('80-90):	-0.3%	54
<u>Characteristics of Housing</u>			Infant Deaths Per 1,000 Live Births ('90):	14.1	108
Percent Occupied Housing Units Owner Occupied ('90):	63.1%	31	% Change ('80-90):	-48.0%	56
% Change ('80-90):	-5.3%	19			
Vacant Housing Units as a Percent of Total Units ('90):	7.1%	46			
% Change ('80-90):	10.7%	60			

Change in the Commonwealth: The City/County Experience in Virginia During the 1980s

Bristol City

	<u>STATUS</u>	<u>RANK</u>		<u>STATUS</u>	<u>RANK</u>
<u>Income and Poverty</u>			<u>Employment Profile (cont'd)</u>		
Per Capita Income ('89):	\$10,290	26	Percent in Trade ('90):	30.0%	117
% Change ('79-89):	65.6%	7	% Change ('80-90):	15.4%	68
Percent Families below Poverty Level ('89):	16.7%	122	Percent in Finance, Insurance, and Real Estate ('90):	5.1%	120
% Change ('79-89):	32.7%	123	% Change ('80-90):	28.2%	106
<u>Education</u>			<u>Composition of Total Local Revenue</u>		
Average Annual Salary All Classroom Teaching Positions ('89-90):	\$30,268	110	Percent in Services ('90):	12.9%	44
% Change ('80-81 to '89-90):	108.7%	94	% Change ('80-90):	51.9%	92
Pupil-Teacher Ratio ('89-90):	12.6	18	Percent in Government ('90):	11.9%	23
% Change ('80-81 to '89-90):	-12.3%	58	% Change ('80-90):	-12.7%	57
Percent Population with Minimum Education ('90):	60.8%	50	Local-Source Revenue Contribution		
% Change ('80-90):	19.2%	30	Per Capita (FY90):	\$716	90
<u>Employment Profile</u>			% Change (FY81-90):	92.4%	36
Average Annual Total Covered Positions ('90):	12,837	89	Local-Source Revenue Contribution as Percent of Total Local Revenue (FY90):		
% Change ('80-90):	4.5%	25	Local Revenue (FY90):	51.5%	77
Percent in Agriculture, Forestry, and Fishing ('90):	0.2%	25	% Change (FY81-90):	11.5%	79
% Change ('80-90):	43.5%	59	State Revenue Contribution		
Percent in Mining ('90):	0.1%	73	Per Capita (FY90):	\$589	108
% Change ('80-90):	-66.7%	19	% Change (FY81-90):	92.7%	34
Percent in Construction ('90):	2.2%	9	State Revenue Contribution as Percent of Total Local Revenue (FY90):		
% Change ('80-90):	-28.8%	14	Local Revenue (FY90):	42.3%	61
Percent in Manufacturing ('90):	32.7%	104	% Change (FY81-90):	11.7%	91
% Change ('80-90):	-19.8%	52	Federal Revenue Contribution		
Percent in Transportation, Communication, and Public Utilities ('90):	4.9%	104	Per Capita (FY90):	\$86	94
% Change ('80-90):	31.7%	93	% Change (FY81-90):	-32.9%	10
			Federal Revenue Contribution as Percent of Total Local Revenue (FY90):		
			Local Revenue (FY90):	6.2%	68
			% Change (FY81-90):	-61.1%	27

Change in the Commonwealth: The City/County Experience in Virginia During the 1980s

Bristol City

	<u>STATUS</u>	<u>RANK</u>		<u>STATUS</u>	<u>RANK</u>
Expenditures			Expenditures (cont'd)		
General Government Administration Expenditure Per Capita (FY90):	\$70	98	Health & Welfare Expenditure Per Capita (FY90):	\$78	57
% Change (FY81-90):	277.9%	131	% Change (FY81-90):	99.1%	39
General Government Administration Expenditure as Percent of Total (FY90):	5.1%	74	Health & Welfare Expenditure as Percent of Total (FY90):	5.7%	23
% Change (FY81-90):	91.3%	132	% Change (FY81-90):	0.8%	33
Community Development Expenditure Per Capita (FY90):	\$34	115	Parks, Recreation, and Cultural Expenditure Per Capita (FY90):	\$58	114
% Change (FY81-90):	-25.9%	11	% Change (FY81-90):	96.5%	51
Community Development Expenditure as Percent of Total (FY90):	2.4%	115	Parks, Recreation, and Cultural Expenditure as Percent of Total (FY90):	4.2%	112
% Change (FY81-90):	-62.5%	11	% Change (FY81-90):	-0.5%	56
Public Works Expenditure Per Capita (FY90):	\$181	118	Debt & Taxes		
% Change (FY81-90):	131.1%	90	Net Debt Per Capita (FY90):	\$724	95
Public Works Expenditure as Percent of Total (FY90):	13.1%	123	% Change (FY81-90):	1.1%	23
% Change (FY81-90):	17.0%	95	Average Effective True Real Estate Tax Rate ('90):	\$1.03	120
Public Safety Expenditure Per Capita (FY90):	\$228	117	% Change ('80-90):	12.0%	66
% Change (FY81-90):	91.9%	25	General Property Taxes Per Capita (FY90):	\$341	69
Public Safety Expenditure as Percent of Total (FY90):	16.5%	124	% Change (FY81-90):	86.3%	32
% Change (FY81-90):	-2.9%	28	True Real Estate & Public Service Corporation Assessed Value Per Capita ('89):	\$26,299	23
Education Expenditure Per Capita (FY90):	\$697	57	% Change ('80-89):	52.2%	37
% Change (FY81-90):	90.8%	61	Total Taxable Retail Sales Per Capita ('90):	\$11,975	124
Education Expenditure as Percent of Total (FY90):	50.4%	18	% Change ('80-90):	68.8%	57
% Change (FY81-90):	-3.4%	71			

Locality Data Sheet

NOTES:

- (1) These notes are applicable to the entire set of Locality Data Sheets (136), except where otherwise indicated.
- (2) Rankings are in relation to the Commonwealth's 136 cities and counties.
- (3) The "% Change" statistic has been calculated, in each instance, on the basis of the decennial change in the variable under consideration. Thus, if the variable is reported as a percentage measure (i. e., Percent Population under 18 Years), then the statistic is a percent change in that percentage measure.
- (4) When "###" is displayed as the value of the variable there was no reported value.
- (5) When "###" is displayed as the percent change over time for the variable no data were reported or the number could not be calculated due to division by zero.

Housing

- (1) "Substandard housing-overcrowded" is defined as housing occupied by 1.01 or more persons per room.
- (2) "Substandard housing-incomplete plumbing" is defined as housing lacking complete plumbing for exclusive use. "Complete plumbing" is hot and cold piped water, a flush toilet, and a bathtub or shower inside the housing unit. "Exclusive use" means the occupants of the unit have exclusive use of the facilities.

Poverty

The federal government determines the poverty status of families by comparing family income in the year preceding the decennial census to an established matrix of family incomes based on family size and the presence and number of children under 18 years.

Education

- (1) For "Average Annual Salary" and "Total Pupil-Teacher Ratio" the data are for the 1980-81 and 1989-90 school years. The variations in the data for the following systems should be noted:

Clifton Forge City and Alleghany County school systems completed a merger in 1984 to form the Alleghany Highlands system.

Bedford County data include that for the City of Bedford.

Fairfax County data include that for the City of Fairfax.

Greensville County data include that for the City of Emporia.

Halifax County data for the secondary system include that for the City of South Boston.

Williamsburg City data include that for James City County.

Roanoke County data for 1980-81 include that for the City of Salem.

Grayson County data for 1989-90 include that for the Town of Fries which discontinued its separate system in 1987-88.

Northampton County data for 1989-90 include that for the Town of Cape Charles which discontinued its separate system in 1988-89.

Rockbridge County data for 1989-90 include that for the City of Lexington's secondary pupils.

(2) The "Percent of Population with Minimum Education" data are for 1980 and 1990. These data are by place of residence and are based on that portion of the population 25 years of age and older. A "minimum education level" is considered, for the purpose of this report, to be a high school education or its equivalent.

Employment

The term "Covered Positions" includes those positions which are covered by the Virginia unemployment compensation laws.

SOURCES:

Population, Age, Minimum Education Level, Households, Housing, Income, and Poverty:

U. S. Bureau of the Census, 1980 Census of Housing, General Characteristics, Virginia (HC80-1-A48), August 1982.

U. S. Bureau of the Census, 1980 Census of Population, General Population Characteristics, Virginia (PC80-1-B48), August 1982.

U. S. Bureau of the Census, 1980 Census of Population and Housing, Summary Characteristics for Government Units and Standard Metropolitan Statistical Areas, Virginia (PHC80-3-48), October 1982.

U. S. Bureau of the Census, 1980 Census of Population, General Social and Economic Characteristics, Virginia (PC80-1-C48), July 1983.

U. S. Bureau of the Census, 1990 Census of Population, unpublished data from Summary Tape File 1A, Virginia.

U. S. Bureau of the Census, 1990 Census of Population and Housing, unpublished data from Summary Tape File 3A, Virginia.

Crime:

Commonwealth of Virginia, Department of State Police, Crime in Virginia, 1980; and 1990.

Teenage Pregnancies, Live Births, and Infant Mortality:

Commonwealth of Virginia, Department of Health, Virginia Vital Statistics 1980 Annual Report.

Commonwealth of Virginia, Department of Health, unpublished data from Virginia Vital Statistics 1990 Annual Report.

Education (Average Annual Salary and Total Pupil-Teacher Ratio):

Commonwealth of Virginia, Department of Education, Facing Up-16: Statistical Data on Virginia's Public Schools, 1980-81 School Year, March 1982.

Commonwealth of Virginia, Department of Education, A New Vision for Education: Superintendent's Annual Report for Virginia, 1989-90.

Employment:

Commonwealth of Virginia, Virginia Employment Commission, ES-202 Covered Employment and Wages File, Annual Average Employment (Unpublished data for 1980 and 1990), April 1992.

Revenue, Expenditures, and Net Debt:

Commonwealth of Virginia, Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, Year Ended June 30, 1981, July 1982; and Year Ended June 30, 1990, May 1991.

Locally Taxed Assessables:

Commonwealth of Virginia, Department of Taxation, Virginia Assessment/Sales Ratio Study 1980, March 1982; and 1989, March 1991.

Taxable Retail Sales:

Commonwealth of Virginia, Department of Taxation, Taxable Sales Annual Report 1980; and 1990.

Appendix D

**Statewide Ranking on Revenue Capacity,
Revenue Effort, and Fiscal Stress of
City of Bristol and Washington County,
1989/90 — 1994/95**

Statewide Ranking on Revenue Capacity, Revenue Effort, and Fiscal Stress

	Bristol				Washington County				
	Revenue Capacity Per Capita	Revenue Effort	Composite Fiscal Stress Index	Revenue Capacity Per Capita	Revenue Effort	Composite Fiscal Stress Index	Revenue Capacity Per Capita	Revenue Effort	Composite Fiscal Stress Index
1989/90*	62	37	28	27	87	69			
1990/91	48	36	27	32	96	71			
1991/92	53	33	25	36	92	75			
1992/93	56	30	22	36	93	71			
1993/94	44	23	20	38	95	74			
1994/95	48	21	19	39	105	77			

Revenue Capacity Per Capita:
1=Lowest Capacity
136=Highest Capacity

Revenue Effort:
1=Highest Effort
136=Lowest Effort

Fiscal Stress Index:
1=Highest Stress
136=Lowest Stress

NOTE: *As a result of a change in the basic data collection methodology by the Department of Taxation, the 1991/92 Report gave revised revenue capacity and revenue effort data for the two jurisdictions for 1989/90.

SOURCES: Commission on Local Government, Report on the Comparative Revenue Capacity, Revenue Effort, and Fiscal Stress of Virginia's Counties and Cities, 1989/90, June 1992, Tables 1.2, 3.2, and 6.2.
 Ibid., 1990/91, June 1993.
 Ibid., 1991/92, June 1994.
 Ibid., 1992/93, July 1995.
 Ibid., 1993/94, August 1996.
 Ibid., 1994/95, Forthcoming.

Appendix E

**Per Capita Local-Source Revenue Profile
of the City of Bristol and Washington
County by Principal Category,
FY1989-FY1995**

Per Capita Distribution of Local-Source Revenue by Category¹
for
Washington County, Bristol City, and the State at Large²
FY 1989-95

Fiscal Year and Jurisdictional Profile	Property Tax Revenue Per Capita	Rank Score/3	All Other Tax Revenue Per Capita	Rank Score/3	Non-Tax Revenue Per Capita	Rank Score/3	Total Local-Source Revenue Per Capita ⁴	Rank Score/3
FY 1989								
Washington County	\$191.59	115.0	\$66.16	103.0	\$49.73	109.0	\$307.48	115.0
Bristol City	\$314.60	70.0	\$260.87	22.0	\$98.95	35.0	\$674.42	45.0
All Counties and Cities	\$373.62	—	\$150.03	—	\$78.18	—	\$601.83	—
FY 1990								
Washington County	\$230.07	108.0	\$87.96	83.0	\$53.76	118.0	\$371.79	110.0
Bristol City	\$346.80	70.0	\$274.26	22.0	\$89.64	51.0	\$710.69	47.0
All Counties and Cities	\$411.47	—	\$161.83	—	\$89.15	—	\$662.45	—
FY 1991								
Washington County	\$237.30	113.0	\$86.38	91.0	\$66.01	113.0	\$389.69	112.0
Bristol City	\$351.27	73.0	\$269.41	22.0	\$118.55	37.0	\$739.24	49.0
All Counties and Cities	\$440.36	—	\$165.98	—	\$103.74	—	\$710.07	—
FY 1992								
Washington County	\$250.79	110.0	\$95.92	80.0	\$67.38	118.0	\$414.09	111.0
Bristol City	\$399.50	64.0	\$282.77	22.0	\$116.39	42.0	\$798.67	44.0
All Counties and Cities	\$453.63	—	\$171.97	—	\$108.67	—	\$734.27	—
FY 1993								
Washington County	\$260.11	111.0	\$98.84	82.0	\$73.88	105.0	\$432.83	112.0
Bristol City	\$396.79	74.0	\$306.21	21.0	\$158.05	21.0	\$861.05	43.0
All Counties and Cities	\$472.35	—	\$180.79	—	\$115.61	—	\$768.75	—
FY 1994								
Washington County	\$280.58	111.0	\$100.79	85.0	\$88.64	95.0	\$470.01	113.0
Bristol City	\$406.89	74.0	\$321.38	22.0	\$159.61	32.0	\$887.88	46.0
All Counties and Cities	\$495.20	—	\$193.99	—	\$129.16	—	\$818.36	—
FY 1995								
Washington County	\$287.05	114.0	\$108.69	83.0	\$104.99	93.0	\$500.72	112.0
Bristol City	\$429.66	78.0	\$370.73	19.0	\$229.81	15.0	\$1,030.19	39.0
All Counties and Cities	\$523.22	—	\$203.93	—	\$147.70	—	\$874.85	—

¹ As measured by the Commission, "own-source revenue" excludes payments in lieu of taxes by enterprise activities (whether externally controlled or internally managed), certain compensatory collections generated through the settlement of city-county annexation issues, and funds transferred across community lines under general revenue-sharing agreements.

² With respect to each revenue dimension, the statewide value for a designated fiscal year indicates the mean, or average, per capita level of receipts across all counties and cities.

³ In relation to all other localities, any given jurisdiction can attain a rank score ranging from 1 (highest per capita revenue) to 136 (lowest per capita revenue).

⁴ In certain cases the sum of the component values may vary slightly from the total per capita level of local-source revenue because of statistical rounding.

Sources: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1989-95 annual volumes, Exhibit B; Center for Public Service, University of Virginia, "Census Counts and Estimates" (unpublished table), March, 1991; U.S. Department of Commerce, 1990 Census of Population and Housing: Summary Population and Housing Characteristics—Virginia (Washington, D.C.: U.S. Government Printing Office, 1991), Table 2; and Weldon Cooper Center for Public Service, University of Virginia, "Population Estimates for Virginia Localities" (unpublished table), December 23, 1996. [It should be noted that the 1990 demographic figures underlying the Commission's FY 1991 per capita statistics encompass any post-publication corrections made by the U.S. Census Bureau through March 20, 1997.]

Rates of Change in Local-Source Revenue Per Capita by Category¹
for
Washington County, Bristol City, and the State at Large²
FY 1989-95

Revenue Category and Jurisdictional Profile	Percentage Change from FY 1989 to FY 1990	Rank Score/3	Percentage Change from FY 1990 to FY 1991	Rank Score/3	Percentage Change from FY 1991 to FY 1992	Rank Score/3	Percentage Change from FY 1992 to FY 1993	Rank Score/3	Percentage Change from FY 1993 to FY 1994	Rank Score/3	Percentage Change from FY 1994 to FY 1995	Rank Score/3	Average Annual Percentage Change, FY 1989-95	Rank Score/3
Property Tax Revenue Per Capita														
Washington County	20.09%	9.0	3.14%	103.0	5.69%	34.0	3.71%	69.0	7.87%	41.0	2.30%	107.0	7.13%	50.0
Bristol City	10.23%	57.0	1.29%	119.0	-0.68%	6.0	-0.68%	117.0	2.55%	89.0	5.59%	64.0	5.45%	86.0
All Counties and Cities	9.93%	---	7.57%	---	3.06%	---	5.03%	---	5.81%	---	6.39%	---	6.30%	---
All Other Tax Revenue Per Capita														
Washington County	32.84%	5.0	-1.79%	108.0	11.05%	19.0	3.04%	82.0	1.97%	112.0	7.84%	40.0	9.18%	18.0
Bristol City	5.13%	77.0	-1.77%	105.0	4.96%	44.0	8.29%	32.0	4.95%	92.0	15.35%	8.0	6.15%	50.0
All Counties and Cities	8.05%	---	2.98%	---	3.75%	---	6.20%	---	7.55%	---	5.56%	---	5.68%	---
Non-Tax Revenue Per Capita														
Washington County	8.10%	82.0	22.77%	42.0	2.08%	76.0	9.65%	43.0	19.97%	51.0	18.44%	51.0	13.50%	55.0
Bristol City	-9.41%	124.0	32.26%	27.0	-1.82%	86.0	35.79%	7.0	0.98%	103.0	43.98%	18.0	16.96%	38.0
All Counties and Cities	17.37%	---	18.85%	---	4.95%	---	6.22%	---	15.52%	---	18.41%	---	13.55%	---
Total Local-Source Revenue Per Capita														
Washington County	20.91%	7.0	4.81%	92.0	8.28%	33.0	4.53%	67.0	8.59%	54.0	6.54%	74.0	8.81%	29.0
Bristol City	5.38%	111.0	4.02%	99.0	8.04%	21.0	7.81%	35.0	3.12%	104.0	16.03%	8.0	7.40%	64.0
All Counties and Cities	10.41%	---	8.08%	---	3.47%	---	5.05%	---	7.35%	---	8.02%	---	7.07%	---

¹ As measured by the Commission, "own-source revenue" excludes payments in lieu of taxes by enterprise activities (whether externally controlled or internally managed), certain compensatory collections generated through the settlement of city-county annexation issues, and funds transferred across community lines under general revenue-sharing agreements.

² With respect to each measure of change, the statewide value for a given revenue category denotes the mean, or average, rate of variation in per capita receipts across all counties and cities.

³ In relation to all other localities, any specified jurisdiction can attain a rank score ranging from 1 (strongest change in per capita revenue) to 136 (weakest change in per capita revenue).

Sources: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1989-95 annual volumes, Exhibit B, Center for Public Service, University of Virginia, "Census Counts and Estimates" (unpublished table), March, 1991; U.S. Department of Commerce, 1990 Census of Population and Housing: Summary Population and Housing Characteristics--Virginia (Washington, D.C.: U.S. Government Printing Office, 1991), Table 2; and Weldon Cooper Center for Public Service, University of Virginia, "Population Estimates for Virginia Localities" (unpublished table), December 23, 1998. (It should be noted that the 1990 demographic figures underlying the Commission's FY 1991 per capita statistics encompass any post-publication corrections made by the U.S. Census Bureau through March 20, 1997.)

Percentage Distribution of Local-Source Revenue by Category/1
for
Washington County, Bristol City, and the State at Large/2
FY 1989-95

Fiscal Year and Jurisdictional Profile	Property Tax Revenue Per Capita	Rank Score/3	All Other Tax Revenue Per Capita	Rank Score/3	Non-Tax Revenue Per Capita	Rank Score/3	Total Percentage/4
FY 1989							
Washington County	62.31%	73.0	21.52%	63.0	16.17%	31.0	100.00%
Bristol City	46.65%	126.0	38.68%	14.0	14.67%	50.0	100.00%
All Counties and Cities	62.17%	—	23.87%	—	13.96%	—	100.00%
FY 1990							
Washington County	61.88%	72.0	23.66%	60.0	14.46%	65.0	100.00%
Bristol City	48.80%	123.0	38.59%	13.0	12.61%	91.0	100.00%
All Counties and Cities	61.92%	—	23.50%	—	14.58%	—	100.00%
FY 1991							
Washington County	60.89%	76.0	22.17%	60.0	16.94%	46.0	100.00%
Bristol City	47.52%	124.0	36.44%	15.0	16.04%	57.0	100.00%
All Counties and Cities	61.69%	—	22.45%	—	15.86%	—	100.00%
FY 1992							
Washington County	60.56%	81.0	23.16%	54.0	16.27%	50.0	100.00%
Bristol City	50.02%	116.0	35.41%	16.0	14.57%	70.0	100.00%
All Counties and Cities	61.55%	—	22.47%	—	15.98%	—	100.00%
FY 1993							
Washington County	60.09%	81.0	22.84%	56.0	17.07%	44.0	100.00%
Bristol City	46.08%	126.0	35.56%	15.0	18.36%	35.0	100.00%
All Counties and Cities	61.51%	—	22.63%	—	15.85%	—	100.00%
FY 1994							
Washington County	59.70%	79.0	21.44%	69.0	18.86%	43.0	100.00%
Bristol City	45.83%	118.0	36.20%	14.0	17.98%	50.0	100.00%
All Counties and Cities	60.71%	—	22.64%	—	16.64%	—	100.00%
FY 1995							
Washington County	57.33%	83.0	21.71%	60.0	20.97%	34.0	100.00%
Bristol City	41.71%	128.0	35.99%	14.0	22.31%	27.0	100.00%
All Counties and Cities	59.91%	—	22.22%	—	17.87%	—	100.00%

1

As measured by the Commission, "own-source revenue" excludes payments in lieu of taxes by enterprise activities (whether externally controlled or internally managed), certain compensatory collections generated through the settlement of city-county annexation issues, and funds transferred across community lines under general revenue-sharing agreements.

2

With respect to each revenue dimension, the statewide value for a designated fiscal year indicates the mean, or average, percentage of total local-source revenue attributable to that category across all counties and cities.

3

In relation to all other localities, any given jurisdiction can attain a rank score ranging from 1 (highest percentage) to 136 (lowest percentage).

4

In certain cases the sum of the component values may vary slightly from the aggregate percentage of local-source revenue because of statistical rounding.

Source: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1989-95 annual volumes, Exhibit B.

Staff, Commission on Local Government

Category	Revenue Source	Amount	Percentage of Total Revenue
Real Estate	Property Taxes	100.00	85.00%
	Sales Tax	20.00	17.00%
	Income Tax	10.00	8.50%
	Lottery	5.00	4.25%
	Other	2.00	1.70%
Business	Licenses	5.00	4.25%
	Fees	3.00	2.55%
	Other	1.00	0.85%
Gifts and Donations	Gifts	1.00	0.85%
	Donations	1.00	0.85%
Grants	State	0.50	0.43%
	Federal	0.50	0.43%
Other	Interest	0.50	0.43%
	Other	0.50	0.43%
Total		118.00	100.00%

Appendix F

**Local-Source Revenue Profile of the City of
Bristol and Washington County by
Detailed Category, FY1995**

Absolute Distribution
of
Local-Source Revenue by Category/1
for
Washington County, Bristol City, and the State at Large
FY 1995

Revenue Category	Washington County	Bristol City	All Counties and Cities
Property Tax Revenue			
Real Property Tax	\$8,473,604	\$5,178,827	\$3,126,730,844
Public Service Corporation Property Taxes	\$523,964	\$150,565	\$204,633,478
Personal Property Taxes	\$2,700,389	\$1,330,136	\$1,046,315,749
Machinery and Tools Tax	\$1,964,093	\$899,165	\$140,241,810
Merchants' Capital Tax	-	-	\$7,862,967
Property Tax Penalties and Interest	\$231,050	\$89,175	\$57,157,871
Sub-Total	\$13,893,100	\$7,647,868	\$4,582,942,719
All Other Tax Revenue			
Local Sales and Use Taxes	\$2,899,467	\$3,048,431	\$550,627,441
Consumers' Utility Taxes	\$1,285,144	\$209,709	\$344,073,357
Business License Taxes	-	\$928,211	\$315,773,694
Franchise License Taxes	\$156,211	\$108,160	\$28,417,971
Motor Vehicle License Taxes	\$591,746	\$193,443	\$97,782,666
Bank Stock Tax	\$33,463	\$124,432	\$23,969,679
Taxes on Recordation and Wills	\$97,561	\$93,437	\$28,454,350
Tobacco Taxes	-	\$182,798	\$31,436,879
Admission and Amusement Taxes	-	-	\$8,571,833
Transient Occupancy Tax	\$22,526	\$205,196	\$48,011,474
Restaurant Food Tax	-	\$1,438,783	\$146,416,978
Coal, Oil, and Gas Severance Taxes	-	-	\$9,914,581
Coal Road Improvement Tax	-	-	\$7,589,639
Coalfield Econ. Development Authority Tax	-	-	\$1,684,504
E-911 Service Tax	\$162,546	\$66,435	\$38,643,036
Other Non-Property Taxes	\$11,949	-	\$5,057,019
Sub-Total	\$5,260,613	\$6,599,036	\$1,686,426,101
Non-Tax Revenue			
Permits, Fees, and Licenses	\$79,424	\$71,534	\$93,017,808
Fines and Forfeitures	\$8,962	\$142,284	\$45,592,813
Charges for Services	\$3,828,883	\$3,218,678	\$692,929,826
Investment of Funds	\$419,779	\$40,025	\$143,271,646
Rental of Property	\$21,343	\$114,257	\$46,688,718
Miscellaneous Non-Tax Sources	\$722,883	\$503,768	\$102,107,946
Sub-Total	\$5,081,274	\$4,090,546	\$1,123,608,757
Grand Total	\$24,234,987	\$18,337,449	\$7,392,976,577

1

As measured by the Commission, "own-source revenue" excludes payments in lieu of taxes by enterprise activities (whether externally controlled or internally managed), certain compensatory collections generated through the settlement of city-county annexation issues, and funds transferred across community lines under general revenue-sharing agreements.

Source: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1995, Exhibits B and B-2.

Staff, Commission on Local Government

Per Capita Distribution
of
Local-Source Revenue by Category/1
for
Washington County, Bristol City, and the State at Large
FY 1995

Revenue Category	Washington County/2	Bristol City/2	All Counties and Cities/2
Property Tax Revenue			
Real Property Tax	\$175.07	\$290.95	\$477.26
Public Service Corporation Property Taxes	\$10.83	\$8.46	\$31.24
Personal Property Taxes	\$55.79	\$74.73	\$159.71
Machinery and Tools Tax	\$40.58	\$50.51	\$21.41
Merchants' Capital Tax	--	--	\$1.20
Property Tax Penalties and Interest	\$4.77	\$5.01	\$8.72
Sub-Total	\$287.06	\$429.66	\$699.54
All Other Tax Revenue			
Local Sales and Use Taxes	\$59.91	\$171.26	\$84.05
Consumers' Utility Taxes	\$26.55	\$11.78	\$52.52
Business License Taxes	--	\$52.15	\$48.20
Franchise License Taxes	\$3.23	\$6.08	\$4.34
Motor Vehicle License Taxes	\$12.23	\$10.87	\$14.93
Bank Stock Tax	\$0.69	\$6.99	\$3.66
Taxes on Recordation and Wills	\$2.02	\$5.25	\$4.34
Tobacco Taxes	--	\$10.27	\$4.80
Admission and Amusement Taxes	--	--	\$1.31
Transient Occupancy Tax	\$0.47	\$11.53	\$7.33
Restaurant Food Tax	--	\$80.83	\$22.35
Coal, Oil, and Gas Severance Taxes	--	--	\$1.51
Coal Road Improvement Tax	--	--	\$1.16
Coalfield Econ. Development Authority Tax	--	--	\$0.26
E-911 Service Tax	\$3.36	\$3.73	\$5.90
Other Non-Property Taxes	\$0.25	--	\$0.77
Sub-Total	\$108.69	\$370.73	\$257.41
Non-Tax Revenue			
Permits, Fees, and Licenses	\$1.64	\$4.02	\$14.20
Fines and Forfeitures	\$0.19	\$7.99	\$6.96
Charges for Services	\$79.11	\$180.82	\$105.77
Investment of Funds	\$8.67	\$2.25	\$21.87
Rental of Property	\$0.44	\$6.42	\$7.13
Miscellaneous Non-Tax Sources	\$14.94	\$28.30	\$15.59
Sub-Total	\$104.99	\$229.81	\$171.51
Grand Total	\$500.72	\$1,030.19	\$1,128.46

1

As measured by the Commission, "own-source revenue" excludes payments in lieu of taxes by enterprise activities (whether externally controlled or internally managed), certain compensatory collections generated through the settlement of city-county annexation issues, and funds transferred across community lines under general revenue-sharing agreements.

2

The sum of the categorical amounts differs slightly from the listed grand total because of statistical rounding.

Sources: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1995, Exhibits B and B-2; and Weldon Cooper Center for Public Service, University of Virginia, "Population Estimates for Virginia Localities" (unpublished table), December 23, 1996.

Percentage Distribution
of
Local-Source Revenue by Category/1
for
Washington County, Bristol City, and the State at Large
FY 1995

Revenue Category	Washington County/2	Bristol City/2	All Counties and Cities/2
Property Tax Revenue			
Real Property Tax	34.96%	28.24%	42.29%
Public Service Corporation Property Taxes	2.16%	0.82%	2.77%
Personal Property Taxes	11.14%	7.25%	14.15%
Machinery and Tools Tax	8.10%	4.90%	1.90%
Merchants' Capital Tax	—	—	0.11%
Property Tax Penalties and Interest	0.95%	0.49%	0.77%
Sub-Total	57.33%	41.71%	61.99%
All Other Tax Revenue			
Local Sales and Use Taxes	11.96%	16.62%	7.45%
Consumers' Utility Taxes	5.30%	1.14%	4.65%
Business License Taxes	—	5.06%	4.27%
Franchise License Taxes	0.64%	0.59%	0.38%
Motor Vehicle License Taxes	2.44%	1.05%	1.32%
Bank Stock Tax	0.14%	0.68%	0.32%
Taxes on Recordation and Wills	0.40%	0.51%	0.38%
Tobacco Taxes	—	1.00%	0.43%
Admission and Amusement Taxes	—	—	0.12%
Transient Occupancy Tax	0.09%	1.12%	0.65%
Restaurant Food Tax	—	7.85%	1.98%
Coal, Oil, and Gas Severance Taxes	—	—	0.13%
Coal Road Improvement Tax	—	—	0.10%
Coalfield Econ. Development Authority Tax	—	—	0.02%
E-911 Service Tax	0.67%	0.36%	0.52%
Other Non-Property Taxes	0.05%	—	0.07%
Sub-Total	21.71%	35.99%	22.81%
Non-Tax Revenue			
Permits, Fees, and Licenses	0.33%	0.39%	1.26%
Fines and Forfeitures	0.04%	0.78%	0.62%
Charges for Services	15.80%	17.55%	9.37%
Investment of Funds	1.73%	0.22%	1.94%
Rental of Property	0.09%	0.62%	0.63%
Miscellaneous Non-Tax Sources	2.98%	2.75%	1.38%
Sub-Total	20.97%	22.31%	15.20%
Grand Total	100.00%	100.00%	100.00%

1

As measured by the Commission, "own-source revenue" excludes payments in lieu of taxes by enterprise activities (whether externally controlled or internally managed), certain compensatory collections generated through the settlement of city-county annexation issues, and funds transferred across community lines under general revenue-sharing agreements.

2

The sum of the categorical percentages differs slightly from 100 because of statistical rounding.

Source: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1995, Exhibits B and B-2.

Staff, Commission on Local Government

Appendix G

City of Bristol — Washington County Revenue-Sharing Receipts, 1998-2008

Clear Creek Property

City - County Revenue Sharing

(Constant Dollars)

Real Property Tax Receipts

Personal Property Tax Receipts

Projected Housing Units	Value	Real Estate Tax Revenue	Bristol's Share	Washington County's Share	Cars	Value	Personal Property Tax Revenue	Bristol's Share	Washington County's Share
1998	\$4,800,000	\$53,760	\$21,504	\$32,256	48	\$840,000	\$15,120	\$6,048	\$9,072
1999	\$9,600,000	\$107,520	\$43,008	\$64,512	96	\$1,680,000	\$30,240	\$12,096	\$18,144
2000	\$14,400,000	\$161,280	\$64,512	\$96,768	144	\$2,520,000	\$45,360	\$18,144	\$27,216
2001	\$19,200,000	\$215,040	\$86,016	\$129,024	192	\$3,360,000	\$60,480	\$24,192	\$36,288
2002	\$24,000,000	\$268,800	\$107,520	\$161,280	240	\$4,200,000	\$75,600	\$30,240	\$45,360
Total Years 1 - 5:		\$806,400	\$322,560	\$483,840			\$226,800	\$90,720	\$136,080

(In Years 1 - 5 Bristol Retains 40%, Washington County Receives 60%, of Local Property Tax Revenue)

(In Years 6 - 10 Bristol Retains 60%, Washington County Receives 40%, of Local Property Tax Revenue)

2003	\$28,800,000	\$322,560	\$193,536	\$129,024	288	\$5,040,000	\$90,720	\$54,432	\$36,288
2004	\$33,600,000	\$376,320	\$225,792	\$150,528	336	\$5,880,000	\$105,840	\$63,504	\$42,336
2005	\$38,400,000	\$430,080	\$258,048	\$172,032	384	\$6,720,000	\$120,960	\$72,576	\$48,384
2006	\$43,200,000	\$483,840	\$290,304	\$193,536	432	\$7,560,000	\$136,080	\$81,648	\$54,432
2007	\$48,000,000	\$537,600	\$322,560	\$215,040	480	\$8,400,000	\$151,200	\$90,720	\$60,480
Total Years 6 - 10:		\$2,150,400	\$1,290,240	\$860,160			\$604,800	\$362,880	\$241,920

(After 10 Years Bristol Retains 75%, Washington County Receives 25%, of Local Property Tax Revenue)

2008	\$48,000,000	\$537,600	\$403,200	\$134,400	480	\$8,400,000	\$151,200	\$113,400	\$37,800
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Appendix H

**Average Daily Membership and
Expenditures for Operation, City of
Bristol School Division, 1985-86 —
1994-95**

Average Daily Membership (ADM) and Expenditures

Bristol, Virginia School Division

School Year	End-of-Year ADM	Percent Change	Per Pupil Local Expenditures for Operation	Percent Change	Per Pupil Total Expenditures for Operation	Percent Change	Per Pupil Local Expenditures as a Percentage of Total Expenditures
1985-86	3,029	N/A	\$1,340	N/A	\$3,289	N/A	40.7%
1986-87	2,979	-1.7%	\$1,454	8.5%	\$3,530	7.3%	41.2%
1987-88	2,899	-2.7%	\$1,451	-0.2%	\$3,715	5.2%	39.1%
1988-89	2,845	-1.9%	\$1,706	17.6%	\$4,160	12.0%	41.0%
1989-90	2,749	-3.4%	\$2,087	22.3%	\$4,700	13.0%	44.4%
1990-91	2,697	-1.9%	\$2,175	4.2%	\$5,080	8.1%	42.8%
1991-92	2,613	-3.1%	\$2,022	-7.0%	\$5,091	0.2%	39.7%
1992-93	2,582	-1.2%	\$2,177	7.7%	\$5,191	2.0%	41.9%
1993-94	2,490	-3.6%	\$2,418	11.1%	\$5,676	9.3%	42.6%
1994-95	2,506	0.6%	\$2,281	-5.7%	\$5,731	1.0%	39.8%

Change:

1985-86 to
1994-95

-523 -17.3% \$941 70.2% \$2,442 74.2%

NOTE:

Beginning in 1987-88 school year, expenditures made by the local school divisions on behalf of state operated education programs (hospitals, clinics, and detention homes) located within the local school divisions are no longer included in total expenditures for operations for the local school division.

SOURCES:

Virginia Department of Education, Facing Up: Statistical Data on Virginia's Public Schools, 1985-86 through 1988-89, Table 11; and, Superintendent's Annual Report for Virginia, 1989-90 through 1994-95, Table 15.

Appendix I

**Impact on the City of Bristol of
Annexation of the Clear Creek Property
1998-2008**

Clear Creek Property

Impact on the City of Bristol

Projection of Estimated Marginal Revenues and Marginal Costs
(Constant Dollars)

Fiscal Year	Projected Housing Units	Local Property Tax Revenue	Bristol's Share Other Tax Revenue	Projected Cost Education	Projected Cost Police	Projected Cost Refuse Collection	Impact
(In Years 1 - 5 Bristol Retains 40% of Local Property Tax Revenue, 100% of Other Tax Revenue)							
1998	24	\$27,552	\$7,449	\$23,040	\$80,000	\$1,200	(\$69,239)
1999	48	\$55,104	\$13,376	\$46,080	\$54,500	\$1,200	(\$33,300)
2000	72	\$82,656	\$19,027	\$69,120	\$54,500	\$1,200	(\$23,137)
2001	96	\$110,208	\$24,732	\$92,160	\$54,500	\$1,200	(\$12,920)
2002	120	\$137,760	\$28,840	\$115,200	\$54,500	\$151,200	(\$154,300)
Total Years 1 - 5:							
	120	\$413,280	\$93,424	\$345,600	\$298,000	\$156,000	(\$292,896)
(In Years 6 - 10 Bristol Retains 60% of Local Property Tax Revenue, 100% of Other Tax Revenue)							
2003	144	\$247,968	\$34,926	\$138,240	\$54,500	\$31,200	\$58,954
2004	168	\$289,296	\$40,340	\$161,280	\$54,500	\$31,200	\$82,656
2005	192	\$330,624	\$45,753	\$184,320	\$54,500	\$31,200	\$106,357
2006	216	\$371,952	\$51,167	\$207,360	\$54,500	\$31,200	\$130,059
2007	240	\$413,280	\$56,581	\$230,400	\$54,500	\$31,200	\$153,761
Total Years 6 - 10:							
	240	\$1,653,120	\$228,767	\$921,601	\$272,500	\$156,000	\$531,787
(After 10 Years Bristol Retains 75% of Local Property Tax Revenue, 100% of Other Tax Revenue)							
2008	240	\$516,600	\$56,581	\$230,400	\$54,500	\$30,000	\$258,281

NOTES:

"Projected Housing Units" data for years 1998 through 2002 were supplied by the City of Bristol. The projection is detailed in Exhibit 4 of the **Joint Petition** of the City and the County of Washington. The Commission used a regression analysis methodology to extend that projection for housing units for the period 2003 through 2013.

Basic data for developing revenue receipts from real and personal property taxes were supplied by Bristol. The City based its calculations upon assumptions that (a) each "housing unit" (i. e., real property) would be valued at \$200,000 and would be taxed at a rate of \$1.12 per \$100 of assessed value and (b) that each housing unit would be accompanied by two automobiles (i.e., personal property) valued at \$17,500 and taxed at a rate of \$6.00 per \$100 of assessed value, with 30% of that assessed value being subject to taxation. Those values and tax structures were held constant by the Commission over the period examined. For each year of the period in question, the City's property tax revenue from the Clear Creek Properties was based on the number of housing units projected for that year.

Basic data for developing revenue receipts from "other taxes" were supplied by Bristol. "Other Taxes" include consumer utility, sales, and meals taxes. With regard to consumer utility taxes, Bristol assumed that each housing unit would yield \$72 per year. The Commission used this rate to project the revenue receipts by the City from these taxes in the area under consideration over the study period. Sales and meals taxes were estimated by the City for the 1998 to 2002 period. The Commission again used a regression analysis methodology to extend the projection for those tax receipts for the period 2003 through 2013.

The City of Bristol also provided the data used by the Commission to develop projections of marginal costs for the extension of City services in the Clear Creek Properties. With respect to education costs, the Commission notes that the Commonwealth's Superintendent of Public Instruction reported that Bristol expended \$2,094 per pupil in local money in school year 1995-96 as operational costs to educate its school children. Using a housing projection scenario for 1998 through 2002 and the attendant projection of students as provided by Bristol, the Commission calculated an average "student generator" of 0.4585 students per housing unit. These data were used to project the operational cost of education over the period 1998 through 2013 in the area of development. These factors--students per housing unit and local cost per pupil--were held constant over the period.

Regarding the additional cost of providing police services to the area, Bristol determined that approximately \$80,000 would be required for the start-up of patrol in the area. Policing costs include the cost of one vehicle and accessories, officers' salaries and benefits, and weapons and clothing in the first year. Officers' salaries and benefits and additional costs were

identified by the Commission for each subsequent year. These costs were held constant over the period.

Projected public works costs were developed by the Commission using information provided by the City. Public works costs include the cost of a new truck (\$120,000), a driver's salary and benefits (\$30,000), and trash cans for each new housing unit (\$50 per can). While the City did not specify in which year a new truck and driver would be needed, the Commission placed those costs in the fifth year of the development of the Clear Creek Properties.

Data were supplied for these three basic services only (the City projected no additional costs for fire protection in the proposed annexation area).

Bristol's share of all local property tax receipts from the annexation area were calculated based on the revenue-sharing component of the agreement. "Other Tax" revenue is not affected by the agreement, and Bristol would retain 100% of all such revenue receipts. The revenue-sharing component of the agreement (see Section 2.04 of the agreement at Exhibit 1 of the **Joint Petition**) stipulates that the City shall share with the County the income from real and personal property and machinery and tools taxes imposed in the annexation area on the following schedule:

years 1 - 5	60%
years 6 -10	40%
years 11 and beyond	25%

SOURCES:

City of Bristol, **Joint Petition**, Exhibits 1, 4, and 20.

G. Walter Bressler, City Attorney, City of Bristol, memorandum to staff of Commission on Local Government, January 25, 1997.

Paul D. Spangler, City Manager, City of Bristol, letter to staff of Commission on Local Government, December 3, 1996.

Virginia Department of Education, Unpublished data from the forthcoming **1995-96 Superintendent's Annual Report for Virginia**, Table 15.

Appendix J

**Operating Expenditure Profile of the City
of Bristol and Washington County
FY1995**

Absolute Distribution
of
Operating Expenditures by Category
for
Washington County, Bristol City, and the State at Large
FY 1995

Expenditure Category	Washington County	Bristol City	All Counties and Cities
General Government Administration			
Legislative	\$82,187	\$33,589	\$25,303,552
General and Financial Administration	\$981,875	\$1,199,043	\$409,191,987
Board of Elections	\$92,697	\$82,720	\$15,387,649
Sub-Total	\$1,156,759	\$1,315,352	\$449,883,188
Judicial Administration			
Courts	\$492,065	\$650,496	\$121,629,664
Commonwealth's Attorney	\$208,344	\$197,947	\$43,221,151
Sub-Total	\$700,409	\$848,443	\$164,850,815
Public Safety			
Law Enforcement and Traffic Control	\$1,239,214	\$2,778,329	\$644,417,414
Fire and Rescue Services	\$898,030	\$2,137,422	\$437,234,316
Correction and Detention	\$786,673	\$1,559,219	\$230,276,323
Inspections	\$49,415	\$76,669	\$56,811,440
Other Protection	\$344,967	\$158,762	\$55,076,136
Sub-Total	\$3,318,299	\$6,710,401	\$1,423,815,629
Public Works			
Maintenance of Highways, Streets, Bridges, and Sidewalks	\$6,071	\$2,003,244	\$265,401,240
Sanitation and Waste Removal	\$1,747,529	\$2,458,046	\$332,011,822
Maintenance of General Buildings and Grounds	\$362,398	\$249,639	\$162,725,483
Sub-Total	\$2,115,998	\$4,710,929	\$760,138,545
Health and Welfare			
Health	\$370,214	\$221,621	\$99,051,222
Mental Health and Mental Retardation	\$3,013,152	\$1,976,898	\$377,759,100
Welfare/Social Services	\$3,243,159	\$1,802,529	\$666,200,866
Sub-Total	\$6,626,525	\$4,001,048	\$1,143,011,188
Education			
Instruction	\$27,575,630	\$11,882,872	\$4,511,723,317
Administration, Attendance, and Health	\$1,176,530	\$760,831	\$260,919,230
Pupil Transportation Services	\$2,290,674	\$394,712	\$280,995,716
Operation and Maintenance Services	\$4,007,067	\$1,360,235	\$624,298,680
School Food Services and Other Non-Instructional Operations	\$2,037,847	\$631,591	\$275,331,959
Contributions to Community Colleges	\$47,170	\$10,913	\$1,968,871
Sub-Total	\$37,134,918	\$15,041,164	\$5,955,237,773
Parks, Recreation, and Cultural			
Parks and Recreation	\$351,328	\$1,085,530	\$215,701,240
Cultural Enrichment	\$122,998	\$5,000	\$40,543,019
Public Libraries	\$552,488	\$337,397	\$128,059,620
Sub-Total	\$1,026,814	\$1,427,927	\$384,303,879
Community Development			
Planning and Community Development	\$237,809	\$603,878	\$274,800,013
Environmental Management	\$10,300	\$33,484	\$5,558,799
Cooperative Extension Program	\$69,851	--	\$8,916,600
Sub-Total	\$317,960	\$637,362	\$289,275,412
Nondepartmental/1			
Sub-Total	--	--	\$2,861,584
Grand Total	\$52,397,682	\$34,692,616	\$10,573,378,023

1
Nondepartmental outlays subsume residual operating expenditures (e.g., annexation costs and out-of-court settlements of tort claims).

Source: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1995, Exhibits C through C-8.

Staff, Commission on Local Government

Per Capita Distribution
of
Operating Expenditures by Category
for
Washington County, Bristol City, and the State at Large
FY 1995

Expenditure Category	Washington County	Bristol City/2	All Counties and Cities/2
General Government Administration			
Legislative	\$1.70	\$1.89	\$3.86
General and Financial Administration	\$20.29	\$67.36	\$62.46
Board of Elections	\$1.92	\$4.65	\$2.35
Sub-Total	\$23.90	\$73.90	\$68.67
Judicial Administration			
Courts	\$10.17	\$36.54	\$18.57
Commonwealth's Attorney	\$4.30	\$11.12	\$6.60
Sub-Total	\$14.47	\$47.67	\$25.16
Public Safety			
Law Enforcement and Traffic Control	\$25.60	\$156.09	\$98.36
Fire and Rescue Services	\$18.55	\$120.08	\$66.74
Correction and Detention	\$16.25	\$87.60	\$35.15
Inspections	\$1.02	\$4.31	\$8.67
Other Protection	\$7.13	\$8.92	\$8.41
Sub-Total	\$68.56	\$376.99	\$217.33
Public Works			
Maintenance of Highways, Streets, Bridges, and Sidewalks	\$0.13	\$112.54	\$40.51
Sanitation and Waste Removal	\$36.11	\$138.09	\$50.68
Maintenance of General Buildings and Grounds	\$7.49	\$14.02	\$24.84
Sub-Total	\$43.72	\$264.66	\$116.03
Health and Welfare			
Health	\$7.65	\$12.45	\$15.12
Mental Health and Mental Retardation	\$62.26	\$111.06	\$57.66
Welfare/Social Services	\$67.01	\$101.27	\$101.69
Sub-Total	\$136.91	\$224.78	\$174.47
Education			
Instruction	\$569.74	\$667.58	\$688.67
Administration, Attendance, and Health	\$24.31	\$42.74	\$39.83
Pupil Transportation Services	\$47.33	\$22.17	\$42.89
Operation and Maintenance Services	\$82.79	\$76.42	\$95.29
School Food Services and Other Non-Instructional Operations	\$42.10	\$35.48	\$42.03
Contributions to Community Colleges	\$0.97	\$0.61	\$0.30
Sub-Total	\$767.25	\$845.01	\$909.00
Parks, Recreation, and Cultural			
Parks and Recreation	\$7.26	\$60.98	\$32.92
Cultural Enrichment	\$2.54	\$0.28	\$6.19
Public Libraries	\$11.42	\$18.95	\$19.55
Sub-Total	\$21.22	\$80.22	\$58.66
Community Development			
Planning and Community Development	\$4.91	\$33.93	\$41.95
Environmental Management	\$0.21	\$1.88	\$0.85
Cooperative Extension Program	\$1.44	--	\$1.36
Sub-Total	\$6.57	\$35.81	\$44.16
Nondepartmental/1			
Sub-Total	--	--	\$0.44
Grand Total	\$1,082.60	\$1,949.02	\$1,613.91

1
Nondepartmental outlays subsume residual operating expenditures (e.g., annexation costs and out-of-court settlements of tort claims).

2
The sum of the categorical amounts differs slightly from the listed grand total because of statistical rounding.

Sources: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY1995, Exhibits C through C-8; and Weldon Cooper Center for Public Service, University of Virginia, "Population Estimates for Virginia Localities" (unpublished table), December 23, 1996.

Percentage Distribution
of
Operating Expenditures by Category
for
Washington County, Bristol City, and the State at Large
FY 1995

Expenditure Category	Washington County	Bristol City/2	All Counties and Cities
General Government Administration			
Legislative	0.16%	0.10%	0.24%
General and Financial Administration	1.87%	3.46%	3.87%
Board of Elections	0.18%	0.24%	0.15%
Sub-Total	2.21%	3.79%	4.25%
Judicial Administration			
Courts	0.94%	1.88%	1.15%
Commonwealth's Attorney	0.40%	0.57%	0.41%
Sub-Total	1.34%	2.45%	1.56%
Public Safety			
Law Enforcement and Traffic Control	2.37%	8.01%	6.09%
Fire and Rescue Services	1.71%	6.16%	4.14%
Correction and Detention	1.50%	4.49%	2.18%
Inspections	0.09%	0.22%	0.54%
Other Protection	0.66%	0.46%	0.52%
Sub-Total	6.33%	19.34%	13.47%
Public Works			
Maintenance of Highways, Streets, Bridges, and Sidewalks	0.01%	5.77%	2.51%
Sanitation and Waste Removal	3.34%	7.09%	3.14%
Maintenance of General Buildings and Grounds	0.69%	0.72%	1.54%
Sub-Total	4.04%	13.58%	7.19%
Health and Welfare			
Health	0.71%	0.64%	0.94%
Mental Health and Mental Retardation	5.75%	5.70%	3.57%
Welfare/Social Services	6.19%	5.20%	6.30%
Sub-Total	12.65%	11.53%	10.81%
Education			
Instruction	52.63%	34.25%	42.67%
Administration, Attendance, and Health	2.25%	2.19%	2.47%
Pupil Transportation Services	4.37%	1.14%	2.66%
Operation and Maintenance Services	7.65%	3.92%	5.90%
School Food Services and Other Non-Instructional Operations	3.89%	1.82%	2.60%
Contributions to Community Colleges	0.09%	0.03%	0.02%
Sub-Total	70.87%	43.36%	56.32%
Parks, Recreation, and Cultural			
Parks and Recreation	0.67%	3.13%	2.04%
Cultural Enrichment	0.23%	0.01%	0.38%
Public Libraries	1.05%	0.97%	1.21%
Sub-Total	1.96%	4.12%	3.63%
Community Development			
Planning and Community Development	0.45%	1.74%	2.60%
Environmental Management	0.02%	0.10%	0.05%
Cooperative Extension Program	0.13%	--	0.08%
Sub-Total	0.61%	1.84%	2.74%
Nondepartmental/1			
Sub-Total	--	--	0.03%
Grand Total	100.00%	100.00%	100.00%

1
Nondepartmental outlays subsume residual operating expenditures (e.g., annexation costs and out-of-court settlements of tort claims).

2
The sum of the categorical percentages differs slightly from 100 because of statistical rounding.

Source: Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, FY 1995, Exhibits C through C-8.

