



Albemarle County

Legislation Text

File #: 17-493, **Version:** 1

AGENDA DATE: 8/9/2017

TITLE:

Revenue Sharing Agreement

SUBJECT/PROPOSAL/REQUEST: Presentation on Issues Pertaining to the Revenue Sharing Agreement

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Walker, Kamptner

PRESENTER (S): Greg Kamptner

LEGAL REVIEW: Yes

REVIEWED BY: Douglas C. Walker

BACKGROUND: One of the tools by which cities increase their tax base and generate additional revenue is to annex the lands of surrounding counties. The lawsuits that were part of the annexation process in Virginia were often bitter. At the end of a near decade-long statewide moratorium on annexations by cities, the City of Charlottesville approached the County in 1980 to consider an alternative approach to annexation. The negotiations between the City and the County over the next two years resulted in the Revenue Sharing Agreement (the "Agreement") (See Attachment A).

The City Council and the County Board of Supervisors agreed to the terms of the Agreement in early 1982. The voters of the County approved the Agreement in a referendum in May 1982, with 63% of the voters voting in favor of revenue sharing.

The Agreement prohibits the City from initiating any annexation proceedings against the County (with an exception in the Pen Park area), and requires the City to oppose any petitions by County residents or property owners seeking to have territory annexed to the City. In exchange, the County transfers revenue each year to the City under a formula in the Agreement. To date, the County has transferred \$311,803,547 to the City under the Agreement.

The Agreement continues to this day, even though the General Assembly imposed a moratorium on annexations by cities effective January 1, 1987. The moratorium has been extended multiple times since then and continues to this day.

STRATEGIC PLAN: Mission: To enhance the well-being and quality of life for all citizens through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: County residents have raised complaints about the Agreement over the past year. A primary complaint has been, in essence, that the County is not receiving any benefit from the Agreement because the State-imposed moratorium on annexation remains in place. This issue, along with others, will be part of the

presentation to the Board at its August 9, 2017 meeting. Attachment B is an analysis of the key sections of the Agreement.

BUDGET IMPACT: There is no budget impact related to this presentation.

RECOMMENDATION:

This presentation is for information only. No action is necessary.

ATTACHMENTS:

A - Revenue Sharing Agreement

B - Analysis of the Key Sections of the Revenue Sharing Agreement