

REPORT  
ON THE  
TOWN OF LURAY—COUNTY OF PAGE  
ANNEXATION ACTION



COMMISSION ON LOCAL GOVERNMENT  
COMMONWEALTH OF VIRGINIA

AUGUST 1983

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REPORT OF THE  
COMMISSION ON LOCAL GOVERNMENT

TOWN OF LURAY -- COUNTY OF PAGE  
ANNEXATION CASE

PROCEEDINGS OF THE COMMISSION

On January 20, 1983 the Town of Luray filed notice with the Commission on Local Government, pursuant to the provisions of Section 15.1-945.7(A) of the Code of Virginia, of its intentions to petition the court for the annexation of approximately 1.97 square miles of territory in Page County. Consistent with the Commission's Rules of Procedure, the Town's notice was accompanied by data supporting the annexation action.<sup>1</sup> Further, in accordance with statutory requirements, the Town concurrently gave notice of its annexation action to fifty-two other local governments with which it was contiguous or with which it shared functions, revenues, or tax sources.<sup>2</sup>

On March 8, 1983 the Commission met with representatives of the Town of Luray and Page County for the purpose of establishing a schedule for its review of the annexation issue. At that meeting the Commission established a schedule which called for the submission of the County's materials in response to the annexation action by April 1, 1983, for public presentation and hearings on April 8, and for submission of the Commission's report by July 20,

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<sup>1</sup>Town of Luray, Annexation Notice to the Commission on Local Government (hereinafter cited as Notice), January 1983.

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

1983.<sup>3</sup>

Following its receipt and review of materials submitted by the Town in support of the proposed annexation, on April 8, 1983 members of the Commission toured the area proposed for annexation and relevant sites and facilities in the Town and the County and received oral presentations from the parties in support of the annexation.<sup>4</sup> In addition to its receipt and consideration of materials and testimony from the Town and the County, the Commission solicited comment from other potentially affected political subdivisions and the public. Each jurisdiction receiving notice of the proposed annexation from the Town under the provisions of Section 15.1-945.7(A) of the Code of Virginia was invited by the Commission to submit testimony on the proposed action. Further, the Commission held a public hearing, advertised in accordance with statutory requirements, on the evening of April 8, 1983 in Luray.<sup>5</sup> The public hearing was attended by approximately 35 persons and produced testimony from 12 individuals.<sup>6</sup> In order to receive additional public com-

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<sup>3</sup>At the request of the Commission, the Town and the County agreed to extend the date for the submission of the Commission's report to August 22, 1983.

<sup>4</sup>Chairman William S. Hubbard and Vice Chairman Wendell D. Hensley were not present for the tour, the oral presentations, or the public hearing due to previous commitments.

<sup>5</sup>By request of the Commission, copies of all material submitted by the Town of Luray relative to the proposed annexation were made available for public review in the office of the Town Manager and the Page County Administrator.

<sup>6</sup>During the course of the oral presentations and the public hearing the Page County Administrator read a statement prepared by the Board of Supervisors indicating that the Board desired to leave the determination of the question of extending the Town's boundaries to ". . . the governmental units, being in the form of commissions, courts

ment, the Commission agreed to keep open its record for the receipt of written submissions through May 9, 1983.

#### SCOPE OF REVIEW

The Commission on Local Government is directed by statute to review proposed annexation and other local boundary change issues prior to their being presented to the courts for final disposition. Upon receipt of notice of such a proposed action, the Commission is directed "to hold hearings, make investigations, analyze local needs" and to submit a report containing findings of fact and recommendations to the affected local governments.<sup>7</sup> The Commission's report on each proposed action must be based upon, as required by Section 15.1-945.7(B) of the Code of Virginia, "the criteria and standards established by law" for consideration in such cases.

The criteria and standards prescribed for consideration in annexation cases are set forth in Chapter 25 of Title 15.1 of the Code of Virginia, principally in Section 15.1-1041. This section of the law directs the annexation court, and thus the Commission, to determine "the necessity for and expediency of annexation." As a guide for determining such "necessity and expediency" Section 15.1-1041 requires consideration of the interest of the people of the

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and state legislative bodies, which should have the facilities to best evaluate the present and future situation" [Testimony of E. E. Burge, County Administrator, Page County, Hearings Held Before the Commission on Local Government (hereinafter cited as Hearings), April 8, 1983, pp. 9-10].

<sup>7</sup>Sec. 15.1-945.7(A), Code of Virginia.

county and city or town, services rendered and needs of the people of the area proposed for annexation, the interests of the people in the remaining portion of the county, and the best interests of the State in promoting viable units of government. Further, Section 15.1-1041 specifies a number of fiscal concerns, public service functions, community of interest factors and State policies which are to be examined in considering the best interests of the affected jurisdictions and the State.

The analysis and recommendations which follow in this report are based upon the Commission's collective experience in local government administration and operations. It is the intention of the Commission to leave questions of law for appropriate resolution elsewhere. The Commission trusts that this report will be of assistance to the parties, the court, and the citizens of the area and the Commonwealth generally.

GENERAL CHARACTERISTICS OF THE TOWN, THE COUNTY,  
AND THE AREA PROPOSED FOR ANNEXATION

TOWN OF LURAY

The Town of Luray was incorporated by the Virginia General Assembly in 1812. Located in the geographic center of the Page Valley formed by the Blue Ridge Mountains on the east and the Massanutten Mountains on the west, Luray became the governmental center of Page County soon after the County was created in 1831.<sup>8</sup> Located within the Town's current boundaries is Luray Caverns, one of Virginia's major

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<sup>8</sup>Town of Luray, 1977 Luray Land Use Plan Update (hereinafter cited as Land Use Plan), March 1977, p. 1.

tourist attractions. As of 1980 the Town of Luray had a population of 3,584 and an area of 2.77 square miles, giving the municipality a population density of 1,294 persons per square mile.<sup>9</sup> Luray, whose last boundary expansion occurred in 1963, lost population during the previous decade, experiencing a slight population decline of approximately 1% between 1970 and 1980.<sup>10</sup>

Luray constitutes a major center of economic activity in Page County. Due to its various public, commercial and industrial facilities, the Town provides significant employment opportunities within its boundaries. The evidence also suggests that the Town is the locus of employment for many residents of the surrounding area. In 1982, the Town had within its borders approximately 2,500 positions in nonagricultural wage and salary employment, with the number of such employment positions in the Town exceeding Luray's 1980 civilian labor force (1,574) by 58.8%.<sup>11</sup>

In terms of the Town's land use, 1972 data indicate that 48.2% of Luray's total area was devoted to residential development, 7.0% to commercial enterprise, 3.3% to industrial activity, 8.3% to public and semi-public uses, and 17.8% was

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<sup>9</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, Number of Inhabitants, Virginia, Number PC80-1-A48, Table 4, p. 15; and Notice, p. 10.

<sup>10</sup>Ibid.

<sup>11</sup>Virginia Employment Commission, Special Area by Industry Listing for Quarter, 1-82, Area 139 -- Page County; and 1980 Census of Population, Number of Inhabitants, Virginia, Table 3, p. 14. The data indicate that in 1982 there were approximately 500 employment positions in whole-sale and retail trade within the Town. In addition, there were 600 positions in the service sector and 800 persons employed in manufacturing.

vacant.<sup>12</sup> The Town contends that only 283 acres of vacant land is suitable for future commercial or industrial development due to its location in tracts of five acres or greater. Of this vacant land suitable for such development, however, approximately 106 acres had slopes exceeding 15% or were located in the 100-year flood plain of Hawksbill Creek. The exclusion of acreage on steep slopes and in the flood plain leaves the Town with approximately 177 acres of vacant land suitable for development and situated in parcels of five acres or more.<sup>13</sup>

#### COUNTY OF PAGE

Established in 1831 from territory formerly part of Rockingham and Shenandoah Counties, Page County is the site of one of the first colonial settlements in the Shenandoah Valley which occurred in 1726.<sup>14</sup> Between 1970 and 1980 the County's population increased from 16,581 to 19,401, or by 17.0%.<sup>15</sup> The County's 1980 population and its land area of 316 square miles gave it a population density of 61 persons per square mile.<sup>16</sup>

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<sup>12</sup>Land Use Plan, Table 2, p. 7. Approximately 15.4% of the Town's land was devoted to streets, utility rights-of-way, and waterworks facilities.

<sup>13</sup>Notice, Table 1, p. 9.

<sup>14</sup>Virginia Division of State Planning and Community Affairs, Data Summary, Page County, May 1975, p. 5; and County of Page, Page County Comprehensive Plan, 1980, October 1980, p. 22.

<sup>15</sup>1980 Census of Population, Number of Inhabitants, Virginia, Table 4, p. 15. In addition to Luray, there are two other incorporated towns in Page County. The 1980 population of persons residing in the County's three towns was 6,649. Between 1970 and 1980 the population residing in the unincorporated portions of Page County increased by 26.9% (Ibid.).

<sup>16</sup>Virginia Department of Highways and

Despite the County's population growth in the decade of the 1970's, the data suggest that the County remains largely rural with agricultural and forestal activities continuing as major components of the County's economic base. According to a 1980 survey, only 6% of the County's land was devoted to residential, commercial, industrial or similar uses.<sup>17</sup> Further, the County has within its borders portions of the Shenandoah National Park and George Washington National Forest which collectively occupy over 63,000 acres (approximately 100 square miles).<sup>18</sup> In addition, 1977 data disclosed that 85,840 acres of the County's total land area was producing, or capable of producing, wood for industrial usage.<sup>19</sup> Furthermore, as of 1978 there were 448 farms in Page County occupying a total of 66,317 acres, with the major agricultural operations centered on the raising of livestock and poultry.<sup>20</sup>

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Transportation, Area in Square Miles of Virginia's Counties and Incorporated Towns. Exclusive of the land area of the three incorporated towns and the population residing therein, the County's 1980 population density was 41 persons per square mile.

<sup>17</sup>Page County Comprehensive Plan, 1980, p. 97. Land use statistics include properties within the three incorporated towns.

<sup>18</sup>Ibid.

<sup>19</sup>Virginia Division of Forestry, Forest Resource Data, Loud Fairfax Planning District, 1977, Table 2. Approximately 29% of the land suitable for commercial wood production was located within the boundaries of federal preserves.

<sup>20</sup>U. S. Department of Commerce, Bureau of the Census, 1978 Census of Agriculture, Virginia, Number AC78-A-46, May 1981, Table 1, p. 532. Land devoted to forestry is included in the Bureau of the Census' definition of farmland.

Commercial and industrial activities in Page County do, however, play an important role in the County's economic base. Statistics indicate that between 1975 and 1982 the number of nonagricultural wage and salary positions in the County did increase modestly from 4,369 to 4,647, or by approximately 6%.<sup>21</sup> Most of the employment opportunities in the County, however, are located in one of the three incorporated towns within its borders.<sup>22</sup>

#### AREA PROPOSED FOR ANNEXATION

The area proposed for annexation by the Town of Luray contains five tracts of land totaling 1.97 square miles (1,263 acres), 693 persons, and \$12.9 million in total assessed real property values subject to local taxation. Thus, the area embraces 0.62% of the County's total land area, 3.6% of its population, and 4.1% of the total assessed real property values subject to local taxation.<sup>23</sup>

In terms of current development, the area proposed for annexation contains six residential subdivisions, one major industrial operation (Wallace Business Forms), a motel (Holiday Inn), the Page County school bus garage and Town utility lines and pump stations. According to recent land

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<sup>21</sup>Virginia Employment Commission, Population and Labor Force Data, 1975 and 1982. During the same period employment in the nonmanufacturing sector increased by approximately 16% while that in the manufactured sector decreased by nearly 6%.

<sup>22</sup>In 1982, approximately 47% of the County's nonagricultural wage and salary employment was located within the Town of Luray.

<sup>23</sup>Notice, Tables 1-3, pp. 9-11. The assessed value of real property in the area proposed for annexation reflects use value assessment. See Appendix A for a statistical profile of the Town, the County and the area proposed for annexation.

use data, 12% of the total area is devoted to residential development, 1.2% to commercial enterprise, 1.4% to industrial activity, 0.4% to public and semi-public uses, with 85% of the area remaining vacant or engaged in agricultural production.<sup>24</sup>

According to data presented by the Town of Luray, approximately 874 acres of the vacant land in the area proposed for annexation is located in tracts of five acres or more. Of this acreage, 106 acres, or 12.1% of the aggregate, have environmental restrictions due to steep slopes or location in the flood plain.<sup>25</sup> Thus, the net vacant land in the area on tracts of five or more acres and suitable for development is approximately 768 acres.

#### STANDARDS AND FACTORS FOR ANNEXATION

As previous sections have indicated, the Code of Virginia directs this Commission, and ultimately the court, to consider the best interests of the municipality, the area proposed for annexation, and the remaining portion of the county, in addition to the best interests of the State in the review of each annexation issue. Further, the statutes prescribe a series of factors for consideration in the evaluation of the best interest of each of the parties. The sections which follow in this report constitute the Commission's analysis of these various factors.

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<sup>24</sup>Data provided by Rodger J. Daniels, Consultant, Town of Luray, letter to staff of Commission on Local Government, July 7, 1983. See Appendix B for a map of the area proposed for annexation.

<sup>25</sup>Notice, Table 1, p. 9.

NEED OF THE TOWN FOR LAND FOR DEVELOPMENT

While the data indicate that the Town of Luray currently has within its borders 177 acres of net developable vacant land in tracts of five acres or more (10% of its total area), much of this acreage is limited in its development potential by locational concerns, access to utilities or appropriate land use considerations. In terms of land suitable for commercial or industrial development, there are only two small parcels of vacant land zoned for such activity within the present corporate boundaries.<sup>26</sup>

The proposed annexation, as indicated previously, would add to the Town approximately 768 acres of vacant or agricultural properties in parcels of five acres or more and unfettered by environmental constraints. A significant portion of this vacant land suitable for development has direct access to either the U. S. Highway 211 By-pass, the Norfolk and Western Railway line or both.<sup>27</sup>

The data suggest that an expansion of the Town's boundaries may be appropriate to promote the continued viability of Luray and thus Page County. Evidence presented by the Town indicate that no new industry has located within the corporate boundaries of Luray since the 1940's.<sup>28</sup> Further, much of the recent development in the Luray environs has occurred in the area proposed for annexation since the Town's last boundary expansion in 1963.<sup>29</sup>

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<sup>26</sup>Notice, Map 7, p. 40; Map 12, p. 76; and Testimony of Peyton B. Baughan, Chairman, Luray Planning Commission, Hearings, pp. 191-193.

<sup>27</sup>Notice, Map 12, p. 76.

<sup>28</sup>Data provided by Jeffrey L. McNair, Consultant, Town of Luray, letter to staff of Commission on Local Government, April 20, 1983.

<sup>29</sup>Ibid. Wallace Business Forms located within the area proposed for annexation in 1967. Five of the six resi-

Furthermore, testimony by local officials disclose that one of the three major industrial operations in the Town has curtailed its operations in recent years due to economic conditions and environmental concerns.<sup>30</sup>

Finally, with respect to the Town's need for land for development, this Commission considers it important to note that the general viability of all localities rests in part upon the capacity of a community to attract and retain a heterogeneous population. Given the scarcity of vacant land in the Town, it is unlikely that Luray can grow in the future and offer sufficient housing opportunities to younger families. In support of this concern are data indicating that between 1970 and 1980 the percentage of the Town's total population age 65 or over increased from 14.3% to 20.3%. During that same period, the similar statistic for the State as a whole increased from only 7.9% to 9.5%.<sup>31</sup>

In summary, the evidence suggests that the Town does need land for industrial, commercial and residential development. Although Luray is presently a viable community, the limited amount of vacant land suitable for development in the Town and historic development patterns lead this Commission to conclude that an annexation by the Town is appropriate to preserve its general viability.

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dential subdivisions in the area were platted after 1963.

<sup>30</sup>Virginia Oak Tannery, located within the Town, has partially closed its operation (Baughan, Hearings, p. 193).

<sup>31</sup>U. S. Department of Commerce, Bureau of the Census, 1970 Census of Population, Characteristics of the Population, Virginia, Part 48, March 1973, Table 20, p. 49 and Table 35, p. 137; and 1980 Census of Population and Housing, Summary Characteristics for Governmental Units and Standard Metropolitan Statistical Areas, PHC80-3-48, October 1982, Table 1, pp. 1, 4.

NEED OF THE TOWN TO EXPAND TAX RESOURCES

While the Commission notes that the Town of Luray is the service, employment and governmental center of Page County, there is evidence to suggest that the Town is not experiencing growth commensurate with that in its parent county. Between 1979 and 1982 the total assessed value of property subject to local taxation increased by 12.0% in Page County, but only by 10.6% within the Town of Luray.<sup>32</sup> During the same period the total assessed value of real property, Luray's principal source of tax revenue, increased by 1.6% while similar values in the County rose by 2.2%.<sup>33</sup>

In terms of the local revenue derived from all properties subject to local taxation between 1979 and 1982, Page County's receipts increased by 27.0% while those for the Town increased by only 1.62%.<sup>34</sup> The Commission recognizes that the tax receipts from property subject to local taxation are, in part, a function of the tax rates established by the governing bodies of the Town and the County, however, the data suggest that Luray's local tax base as assessed by Page County has not increased in proportion with that of the County.

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<sup>32</sup>Notice, Table 3, p. 11. Assessed values for the Town and the County reflect use value assesment. Properties included are real estate, personal property, machinery and tools, merchants capital, farm equipment, mobile homes and public service corporation real and personal property.

<sup>33</sup>Ibid.

<sup>34</sup>Ibid. Table 5, p. 13.

### IMPACT ON THE COUNTY

The annexation proposed by the Town of Luray, if granted by the court in its entirety, would have minimal adverse impact on Page County. While the proposed annexation would reduce initially some minor County revenue sources, all properties annexed by the Town would remain subject to local taxation by Page County.<sup>35</sup> Further, upon annexation the Town will assume the responsibility for certain services, such as law enforcement, that are currently being provided by the County.

Finally, the proposed annexation would permit the Town to benefit from an immediate infusion of fiscal resources, would assure it of land for future development, and would promote its continued viability. Moreover, the viability of the Town and its expanded fiscal resources will facilitate the economic development of the Luray area which will redound to the economic benefit of the citizens of Page County generally.

### COMMUNITY OF INTEREST

Another of the factors that is statutorily prescribed for consideration in annexation issues is the strength of the community of interest which joins the municipality with the area it seeks to annex. In this case the evidence clearly indicates that there are tangible ties between the Town of Luray and the area proposed for annexation.

First, the data reveal that the Town is the center of much of the community's public life, containing governmental offices and other public facilities serving the general

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<sup>35</sup>County revenues affected by town annexations include those from sales, consumer utility, wine, and bank franchise taxes, motor vehicle and business licenses, ABC profit distribution and federal revenue sharing.

area. The Town is the seat of Page County government and within Luray's corporate limits the County maintains its courts, health, welfare, law enforcement and general governmental offices, two schools and other educational facilities. In addition, the Town is the center of the area's medical and dental services with the Page Memorial Hospital and the Montvue Nursing Home.<sup>36</sup>

Second, the Town of Luray is the major focal point of the area's economic life. Employment statistics indicate that as of 1982 approximately 47% of Page County's nonagricultural wage and salary employment was located within the Town's boundaries.<sup>37</sup> Further, 1977 Census data reveal that the Town contained 59.1% of the County's retail businesses, 63.5% of its service industries, and 76.9% of its wholesale establishments.<sup>38</sup>

Third, Luray is the center for the provision of urban-type services to the area proposed for annexation. The

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<sup>36</sup>Page County Comprehensive Plan, 1980, p. 137. In 1980, the 54-bed Page Memorial Hospital had a staff of 6 physicians, 1 dentist, 39 nurses and 9 consulting physicians.

<sup>37</sup>Special Area by Industry Listing for Quarter 1-82.

<sup>38</sup>U. S. Department of Commerce, Bureau of the Census, 1977 Census of Retail Trade, Virginia, Number RC77-A-47, October 1980, Table 7, p. 50; 1977 Census of Service Industries, Virginia, Number SC77-A-47, April 1980, Table 7, p. 50; and 1977 Census of Wholesale Trade, Virginia, Number WC77-A-47, May 1980, Table 7, p. 37. The Bureau of the Census defines retail trade as those establishments engaged in selling merchandise for personal or household consumption and in rendering services incidental to the sale of those goods. Service industries are defined as those primarily engaged in rendering a wide variety of services to individuals and business establishments (e. g., hotels and motels and personal, business, legal and repair services). Wholesale establishments are defined as those which do not sell to the general public.

Commission notes that the Town is presently providing water and sewerage services to a predominant portion of the area's population. The Town is also the headquarters for the volunteer fire department and rescue squad serving the proposed annexation area. Further, testimony by Town officials indicate that Luray's recreational facilities and programs are used by the residents of the area proposed for annexation and surrounding County.<sup>39</sup>

Finally, the Commission notes that the area proposed for annexation has a population density of approximately 352 persons per square mile, considerably in excess of the County's overall population density (approximately 61 persons per square mile) even including the residents of the three incorporated towns. This density of population gives the area proposed for annexation an urban nature and service needs which more closely parallel those of the Town than those of the County generally.

In sum, recognizing the general character of the area proposed for annexation and considering the data which indicate the importance of Luray as the center of government, employment, and commerce in Page County, the Commission has no difficulty concluding that there exists a strong and varied community of interest between the Town and the area it seeks to annex.

#### URBAN SERVICE CONSIDERATIONS

Another set of factors statutorily prescribed for consideration in annexation issues is the urban service needs of the area proposed for annexation, the relative level of

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<sup>39</sup>Testimony of Donald A. Smith, Town Manager, Town of Luray, Hearings, p. 218.

service provided by the municipality proposing to annex and the affected county, and the ability of the two jurisdictions to serve the area in question. In this case the area proposed for annexation contains 1.97 square miles and an estimated population of 693 persons.<sup>40</sup> These figures give the area a population density of 352 persons per square mile. According to Town estimates, approximately 15% of the property within the area proposed for annexation is developed, with 85% remaining vacant or engaged in agricultural production. Development in the area is primarily residential, consisting of 243 units of single-family housing, most of which are located in one of six residential subdivisions in the area. The topography of the area and the general availability of water and sewerage service can be expected to promote its further development.

#### Sewage Treatment

The Town's sewage treatment plant, which was constructed in 1982, has a rated capacity of 0.8 million gallons per day (MGD). Since the plant currently treats an average daily flow of 0.65 MGD, its excess capacity is approximately 0.15 MGD.<sup>41</sup> The plant was designed and constructed so that its capacity can be doubled as future conditions warrant.<sup>42</sup>

The Town's present sewage collection system consists of 32 miles of lines and five pumping stations which are located within and beyond Luray's corporate boundaries.<sup>43</sup>

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<sup>40</sup>Notice, Table 1, p. 9.

<sup>41</sup>Ibid., p. 20. The Town's sewage treatment plant experiences higher than expected average daily flow due to industrial users.

<sup>42</sup>Smith, Hearings, p. 119. Town officials have indicated that such an expansion would be beyond the Town's present fiscal capabilities.

<sup>43</sup>Town of Luray, Luray Sewer System Evaluation

The Commission notes that the Town's sewerage system is confronted with an infiltration and inflow problem created, in part, by the location of collection lines and manholes in the flood plain of Hawksbill Creek and the illegal connection of roof drains to the sanitary sewer lines. Town officials have informed the Commission that studies have been completed which identify the problem areas and that the Town has an ongoing program to address these problems.<sup>44</sup>

The Town's annexation plans do not commit Luray to any specific extension of sewer lines, but the Town has indicated that it will provide sewage service to the area proposed for annexation as the need requires.<sup>45</sup> Further, the data indicate that the two pumping stations and the main collection lines in the area proposed for annexation were designed to receive additional sewage as the area develops.<sup>46</sup>

Finally, the proposed annexation will result in a significant reduction in charges for Town sewerage service in the

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Survey, Final Report, Vol. 1, January 1979, Table 2, p. 11; and Notice, p. 22.

<sup>44</sup>Smith, Hearings, pp. 121-122.

<sup>45</sup>Notice, pp. 23-25.

<sup>46</sup>Smith, Hearings, p. 129. The Town contends that it has sufficient capacity in its sewage treatment plant to serve approximately 1,500 additional persons (Testimony of William L. Judy, Consultant, Town of Luray, Hearings, pp. 113-114). The Commission notes, however, that the Town's plant has been in violation of its permitted discharge levels in recent months. Further, the amount of infiltration and inflow in the Town's sewerage collection system consumes the excess hydraulic capacity currently in the plant. The Commission has been informed that the Town has contracted for studies to identify the problem areas and recommend corrective measures (Data provided by Larry M. Simmons, Valley Regional Office, State Water Control Board, communication with staff of Commission on Local Government, August 1, 1983).

area annexed. Since the charge for service to residential customers and connection fees in the County is twice that for similar users in the Town, the proposed annexation will result in a savings for residents in the area incorporated into the Town.<sup>47</sup>

Since the only central sewage treatment facilities available to the residents of Page County are those provided by the three incorporated towns, and considering the current ability of Luray to provide such service to the area proposed for annexation, the Commission concludes the proposed annexation will be beneficial to the people of the area annexed in terms of the future extension of sewerage services and their cost.

#### Water Supply and Distribution

The Town of Luray has as its water source two springs with an aggregate capacity of 1.21 MGD. Since the Town's present water distribution system requires approximately 0.424 MGD, the system currently retains an unused reserve of 0.786 MGD, or nearly 65% of its rated capacity.<sup>48</sup> Although the Town does not have a water treatment plant, it does chlorinate the water in accordance with Virginia Department of Health Regulations. In term of storage capacity, the Town has two elevated tanks and a ground storage reservoir which are capable of storing collectively 5.6

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<sup>47</sup>Notice, p. 23. The Town's sewer charges are \$6.38 a month for the first 4,000 gallons of metered water. Connection fees for service within Luray are \$500.

<sup>48</sup>Ibid., p. 27. Lake Arrowhead, a flood control facility developed by the U. S. Department of Agriculture, Soil Conservation Service, is also available to the Town as a raw water source. In order to use the estimated 72 MGD available from the lake, however, State regulations would require the Town to construct a water treatment plant to filter the water. Studies have estimated the cost of such a plant to be approximately \$3.5 million (Smith, Hearings, pp. 152-153).

million gallons (MG) of water.<sup>49</sup> The reservoir, located approximately 2.6 miles southeast of the Town's current boundaries, is not currently used to store drinking water but serves to provide the necessary water pressure for the Town's fire flow system.<sup>50</sup> The Town has received a Farmers Home Administration loan to line and cover the reservoir, thus making it safe to store drinking water.<sup>51</sup> Part of the funds received from the loan will also be used to upgrade portions of the Town's water distribution system for the purpose of improving fire flow in the lines.<sup>52</sup>

With respect to the significance of the Town's water system to the area proposed for annexation, the Commission notes that Luray presently serves 221 of the 243 dwellings in the area, as well as Wallace Business Forms and Holiday Inn, through its water transmission lines in 4 of the 5 parcels it proposes to annex.<sup>53</sup> Inasmuch as Page County does not currently operate a public water system, service by the Town is the only source of potable water, other than individual wells, available to the residents of the area proposed for annexation.

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<sup>49</sup>Notice, p. 30. An additional 0.06 MG storage tank, owned by an industrial operation within the Town, is connected to the distribution system for fire flow purposes (Smith, Hearings, p. 149).

<sup>50</sup>Smith, Hearings, p. 151.

<sup>51</sup>Ibid., p. 152. The estimated cost of the improvement to the reservoir is \$600,000. Construction is expected to begin in the fall of 1983.

<sup>52</sup>Ibid. Portions of the area within the current Town boundaries are served by undersized water mains and thus do not have sufficient fire flow (Notice, p. 29).

<sup>53</sup>Notice, Table 1, p. 9; Map 6, p. 28.

Although the Town's post-annexation plans do not call for any extension of water lines to the proposed area, Luray proposes to install approximately 13 fire hydrants at various locations to increase the level of fire protection in the area.<sup>54</sup> Further, the Town proposes to make improvements to its existing system and extend water lines within the area proposed for annexation as the need arises. Furthermore, the proposed annexation will have the effect of reducing the cost of Town water to residential users in the area proposed for annexation. Since the cost for service and connection fees to residential connections in the County is double that for similar connections in the Town, the annexation will reduce by 50% the cost for such services in the area annexed.<sup>55</sup>

In sum, the area proposed for annexation is heavily dependent upon the Town of Luray for its water supply. The Town's water system, which is the only currently available source of central water in the general area, has the capacity to serve the area proposed for annexation.

#### Solid Waste Collection and Disposal

The Town of Luray provides solid waste collection services to its residents and business establishments on a weekly basis by contract with a private collector.<sup>56</sup> The Town is charged an annual rate by the contractor based on

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<sup>54</sup>Ibid, pp. 32-35.

<sup>55</sup>Ibid., pp. 31, 36. The Town charges water users within its present boundaries \$3.00 a month for up to 2,000 gallons of water. Connection charges for in-Town service are \$300.

<sup>56</sup>Ibid., p. 37. The Town also provides an annual spring clean-up service using Town equipment and personnel.

the number of customers served, and the Town bills its residents and businesses directly.<sup>57</sup> Data submitted by the Town indicate that this solid waste collection service is currently provided to 1,432 residential customers and 207 commercial concerns. Luray disposes of these solid waste collections at the County's landfill, with the contractor paying for the use of that facility.<sup>58</sup>

At the present time Page County does not provide solid waste collection services within the area proposed for annexation. County residents, including those of Luray, can dispose of their household waste at the County's landfill for no charge.<sup>59</sup> In addition, residents and firms in the area proposed for annexation do have available private contractors for solid waste collection services. The Commission has been advised that the firm providing solid waste collection service to the Town also serves approximately 75% of the residences in the area for a charge of \$7.00 per month for once weekly collection.<sup>60</sup>

Subsequent to the proposed annexation, the Town proposes to extend immediately its solid waste collection services to the area annexed. The Town has indicated that a renegotiation of its solid waste collection contract with the private disposal firm to include the residents of the area proposed for annexation will not substantially increase the

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<sup>57</sup>Ibid. The Town is currently charged a monthly rate of \$3.25 per customer for solid waste service.

<sup>58</sup>Ibid.

<sup>59</sup>Ibid., p. 38. The Page County landfill is located approximately 5 miles outside of the Town of Stanley, south of Luray.

<sup>60</sup>Ibid.

cost to the Town as a whole. Further, inclusion of the proposed area as part of the Town's contract will result in a lower monthly charge for collection service to the residents of the area.<sup>61</sup> In the Commission's judgment, the extension of these services to the area annexed will be of benefit to that area and its residents. The general availability of publicly-financed solid waste collection services promotes use of the services, reduces the incidence of illegal disposal, and has a salutary effect generally on a community.

#### Crime Prevention and Detection

Since the law enforcement activities of Virginia towns augment those provided by county sheriff's departments, the proposed annexation by Luray will have the effect of extending supplemental law enforcement services to the area's residents. The Town of Luray presently has 11 full-time sworn law enforcement personnel of which 7 are assigned patrol responsibility. Three of the department's supervisory personnel also patrol on a regular basis.<sup>62</sup> This staffing level is sufficient to provide an average of 2.5 to 3.0 patrol officers per eight-hour shift, an average response time to all calls for service of 5 to 7 minutes and 1 patrol officer for each 358 Town residents.<sup>63</sup> The Town's criminal justice efforts are also assisted by Page

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<sup>61</sup>Ibid. The increased cost to the contractor of serving additional Town customers after the annexation will be offset, in part, by a reduction in the contractor's administrative cost involved in billing individual residences (McNair, Hearings, p. 226).

<sup>62</sup>Testimony of Jerry M. Schiro, Chief of Police, Town of Luray, Hearings, p. 209.

<sup>63</sup>Notice, pp. 42-43.

County's provision of dispatch services, jail facilities, prosecutorial assistance, as well as by the activities of the County Sheriff's Department with its complement of 24 personnel.<sup>64</sup> The Town has an organized crime prevention program although no officer is assigned to that program on a full-time basis.<sup>65</sup>

In terms of the effectiveness of the Town's crime prevention and detection activities, the Commission notes that in 1981 Luray had a crime rate of 2,539 major crimes per 100,000 population, while the similar rate for the unincorporated portion of the County was 1,576 per 100,000 population. State records indicate that the Town's clearance rate for the 91 major crimes committed within its borders during 1981 was 19.7%, while the County's clearance rate was 22.8% for the 201 major crimes reported from the areas not covered by municipal law enforcement activities.<sup>66</sup> Town officials have testified that the influx of tourists to Luray during the spring and summer months adds to its incidence of major

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<sup>64</sup>Data provided by Ray M. Dodson, Sheriff, Page County, communication with staff of Commission on Local Government, July 18, 1982. The County has 10 patrol deputies, and this staffing level provides 1 patrol deputy for each 1,275 County residents, exclusive of the population residing in the three incorporated towns. In addition to the police force in Luray, the County's law enforcement efforts are supplemented by a total of 7 officers in the Towns of Stanley and Shenandoah, as well as the Virginia State Police and the National Park Service.

<sup>65</sup>Schiro, Hearings, p. 211.

<sup>66</sup>Virginia Department of State Police, Crime in Virginia, 1981. Reported crimes reflect only the number of crimes in seven major categories of criminal activity (murder/nonnegligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft).

crimes.<sup>67</sup>

Since the Town does not propose to add initially any additional personnel for purposes of extending law enforcement services to the area proposed for annexation, the incorporation of that area into Luray will result in an intensity of service in the enlarged Town of 1 patrol officer for each 428 Town residents. Testimony presented to the Commission indicates that the Town Police Department currently patrols the area proposed for annexation on an irregular basis and that its officers assist the County's Sheriff's Department in answering calls for service when requested to do so.<sup>68</sup> The extension of the Town's law enforcement services should be of benefit to residents of the area proposed for annexation.

#### Planning, Zoning and Subdivision Regulation

The Town of Luray, which established its planning commission in 1967, has adopted a land use plan and subdivision and zoning ordinances.<sup>69</sup> Although Page County has recently adopted a comprehensive plan and subdivision ordinance formulated by its planning commission, the Commission asserts that the Town currently has a broader array and more effective set of instruments for planning and directing future growth than does the County. As the area proposed for annexation develops, the Town can fully meet the public planning, zoning and subdivision regulatory needs of that area.

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<sup>67</sup>Testimony of Joseph M. Cross, Jr., Consultant, Town of Luray, Hearings, pp. 73-74.

<sup>68</sup>Schiro, Hearings, p. 213.

<sup>69</sup>Notice, p. 39. The Town's land use plan contains the elements required for local comprehensive plans under Article 4, Chapter 11, Title 15.1, Code of Virginia.

### Public Works

The proposed annexation will result in changes in the policies and procedures by which various public works are provided in the area to be annexed. The new policies and procedures are, in the Commission's judgment, better designed to meet the needs of urbanizing areas than are those which have applied generally in Page County. These changes governing the nature and extension of public works in the area proposed for annexation should be increasingly beneficial to that area as it develops.

Street Maintenance and Construction and Snow Removal. The proposed annexation will result in the Town of Luray assuming responsibility for the construction and maintenance of public thoroughfares in the annexed area. While Luray receives a significant contribution from the State for the improvement and maintenance of roads within its corporate limits, it has shown a willingness to invest additional local funds to address its thoroughfare needs. The data reveal that between fiscal years 1978-79 and 1981-82 the Town contributed nearly \$437,800 of local revenue to improve and maintain the 63.48 lane miles of roadway within its corporate boundaries.<sup>70</sup> In fiscal year 1981-82, the Town of Luray expended \$4,161 per lane mile for the maintenance and improvement of its streets and roads, while during the same period the Virginia Department of Highways and Transportation expended \$2,121 per lane mile for the primary and secondary thoroughfares in the unincorporated portions of Page County.<sup>71</sup>

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<sup>70</sup>Notice, Table 10, p. 54. There are currently located within the Town 10.48 lane miles of primary roads and 53.0 of secondary thoroughfares. Approximately 9 lane miles of secondary roads do not qualify for receipt of State maintenance payments because of insufficient width (Smith, Hearings, p. 179).

<sup>71</sup>Ibid., pp. 54; Table 13, p. 56. There are approxi-

The proposed annexation will add 3.1 lane miles of primary roads and 13.2 lane miles of secondary roads to the Town's road network.<sup>72</sup> The data concerning the conditions of these thoroughfares reveal that there are significant road improvement needs in the area. Approximately 2.3 lane miles of secondary roads located in the area proposed for annexation currently are not maintained by the State. Further, although the State has responsibility for maintaining State Route 655, the road will not qualify for State maintenance payments after it is annexed by the Town.<sup>73</sup>

In terms of these additional roads, Luray will assume responsibility for all of the roads in the area proposed for annexation.<sup>74</sup> Further, the Town proposed to make the necessary improvements to bring the nonqualifying secondary roads up to the standards for receipt of State maintenance payments.<sup>75</sup> The Town estimates that the cost of such improvements will be approximately \$170,000.<sup>76</sup> Furthermore, Luray proposes to maintain State Route 655 even though it will receive no funds from the State for such efforts.

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mately 656.7 lane miles (53.1 primary and 603.6 secondary) located in the unincorporated portions of Page County.

<sup>72</sup>Ibid. Table 12, p. 56.

<sup>73</sup>Ibid., Tables 14-16, pp. 57-59. State Route 655 will not qualify for State maintenance payments due to insufficient width and surface treatment.

<sup>74</sup>Smith, Hearings, pp. 78-79.

<sup>75</sup>Notice, pp. 78-79.

<sup>76</sup>Town of Luray, Annexation Notice to the Commission on Local Government, Supplemental Data (hereinafter cited as Supplemental Notice), April 8, 1983, p. 2. The cost for the necessary road improvements can be reduced if the Town uses its equipment and personnel for the improvements.

The Town of Luray will also become responsible for the snow removal needs of the area proposed for annexation. Currently, the Town has three snow plows and various other pieces of equipment assigned for snow removal purposes.<sup>77</sup> Upon annexation, the Town will extend this service to the proposed area, and it will acquire an additional snow plow and salt spreader to augment its current equipment inventory.<sup>78</sup>

In the Commission's judgment, the area to be annexed will benefit, both in terms of immediate and prospective needs, from the management of public thoroughfares by the Town of Luray.

Street Lighting. While the record discloses that there are approximately 12 street lights in the area proposed for annexation, the Town contends that these lights do not meet the needs of the area. Subsequent to annexation the Town proposes to install and operate at municipal expense 68 street lights, principally located along major thoroughfares and at intersections.<sup>79</sup> In addition to these lights, the installation of which will begin during the first year following annexation, the Town will extend to the area its current policy of installing other needed lights upon citizen request and justification of need.<sup>80</sup> It is our

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<sup>77</sup>Notice, p. 55.

<sup>78</sup>Ibid., p. 79.

<sup>79</sup>McNair, letter to staff of Commission on Local Government, April 20, 1983; and Supplemental Notice, p. 2. Installation cost for the street lights will be borne by the electric company.

<sup>80</sup>Notice, p. 63. The Town currently pays for the operation of 557 street lights within its boundaries.

judgment that the additional street lights proposed for the annexed area and the Town's policy of extending street service upon citizen request will meet the needs of the citizens of the area proposed for annexation.

Curbs, Gutters and Sidewalks. The County's subdivision ordinance does not specifically require the installation of curbs, gutters, and sidewalks in new subdivisions.<sup>81</sup> In terms of the present existence of such facilities in the area proposed for annexation, the evidence indicates that sidewalks are nonexistent on the public thoroughfares and that curbs and gutters are limited to areas adjacent to certain business establishments. The Commission notes that while the Town's subdivision ordinance does not normally require the installation of curbs, gutters and sidewalks, the Town can direct the construction of these facilities in instances where the street in question is an extension of a thoroughfare having such appurtenances.<sup>82</sup> Moreover, the Town also has a policy by which it will install curbs, gutters and sidewalks in older sections of the Town upon citizen request and agreement to bear 50% of the cost.<sup>83</sup> Data submitted to the Commission indicate that the Town budgets approximately \$5,000 annually for such extension of sidewalks.<sup>84</sup> While the Town does not propose to install curbs, gutters or sidewalks in any specific areas following annexation, its policies with respect to the future pro-

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<sup>81</sup>Page County, Subdivision Ordinance, July 1982.

<sup>82</sup>Town of Luray, Subdivision Regulations, June 1977, p. 27.

<sup>83</sup>Notice, p. 60.

<sup>84</sup>Ibid. The Town has installed sidewalks on most of the main thoroughfares in the central business district (Smith, Hearings, p. 218).

vision of such facilities will be of increasing benefit to the area annexed.

Storm Drainage. Until the County revised its subdivision ordinance in 1982, new developments were not required to install storm drains except as required by the Virginia Department of Highways and Transportation for the acceptance of secondary roads for State maintenance. The Town of Luray, however, requires the installation of storm drainage facilities in all new developments if the stormwater runoff from the proposed subdivision cannot be contained within the pavement of the street.<sup>85</sup> In existing developments, the Town will install storm drains upon citizen request as funds are available.<sup>86</sup> The Commission notes that during the past five fiscal years Luray has expended approximately \$40,000 for storm drainage improvements.<sup>87</sup> As part of the Town's plans to serve the area proposed for annexation, Luray will extend its policy with respect to the installation of storm drains in existing developments and correct existing deficiencies along certain roads in the area.<sup>88</sup> In sum, the attention of the Town to the existing storm drainage needs of the area to be annexed, and the extension of the policy relative to the provision of such facilities will clearly benefit the residents of the area proposed for annexation.

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<sup>85</sup>Subdivision Regulations, p. 25.

<sup>86</sup>Smith, Hearings, p. 219. The Town will bear the full cost for the installation of approved storm drainage facilities.

<sup>87</sup>Ibid.

<sup>88</sup>Ibid.; and Notice, pp. 78-79.

### Public Recreational Facilities

With the exception of sites which are the property of the Page County School Board, the County does not own any public park facilities. Within its borders, however, there are numerous facilities in the Shenandoah National Park and George Washington National Forest, as well as private recreation sites, that are available to the residents of the general area.<sup>89</sup> In terms of organized recreational programs, the County relies on the activities offered by civic groups or the three incorporated towns.<sup>90</sup>

The Town of Luray provides the only public recreational facilities and programs available to the area proposed for annexation. The Town owns five parks with a total of 152 acres available for recreational use.<sup>91</sup> In addition, the Town uses certain facilities at Luray High School and leases a private swimming and tennis club during the summer months to supplement its activities.<sup>92</sup> Collectively, the sites offer a broad array of recreational facilities including tennis and basketball courts, an olympic-sized swimming pool, a community center, football, baseball, and softball fields, and picnic areas.<sup>93</sup> The Town also employs two full-time personnel and approximately ten seasonal employees to maintain its facilities and direct the recreational

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<sup>89</sup>Page County Comprehensive Plan, 1980, p. 140.

<sup>90</sup>Burge, Hearings, p. 221.

<sup>91</sup>Notice, p. 51. Approximately 20 acres of parkland are located within the Town.

<sup>92</sup>Ibid., p. 50. Luray has made repairs to the pool and maintains the site at the Luray High School.

<sup>93</sup>Ibid., pp. 51-52.

programs.<sup>94</sup>

The most notable of the Town's facilities is Lake Arrowhead, located southeast of Luray. This 132 acre park provides residents of the general area with a wide variety of recreational opportunities. Facilities at the park include a 34-acre lake for boating and fishing, hiking trails, a softball field, an archery range and picnic pavilions. In 1979, the Town won an award from the Virginia Municipal League for its development of the park.<sup>95</sup>

The Town also offers a number of recreational programs and activities including organized athletic leagues for children and adults, instructional classes, and special events. Participation in these programs as well as use of the Town's facilities is open to the residents of the Town and the general area.<sup>96</sup>

#### General Considerations

The Commission notes that two major public services in the area proposed for annexation will not be affected by the incorporation of that area into the Town of Luray. In terms of fire prevention and protection, the annexation will have little or no immediate impact on the residents of the area to be annexed. Luray and Page County jointly support the Luray Volunteer Fire Department (VFD) which serves the Town, the area proposed for annexation and the northern portion of the County. Currently, the Luray VFD's fire suppression capabilities are such that properties within the Town are

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<sup>94</sup>Ibid., p. 50; and Smith, Hearings, p. 221.

<sup>95</sup>Notice, p. 49.

<sup>96</sup>Ibid., p. 50. Swimming and tennis lessons are provided free by the Town.

rated "7" by the Insurance Services Office (ISO) of Virginia in terms of their exposure to fire loss, whereas similar properties in the area proposed for annexation have a "9" rating.<sup>97</sup> Future plans of the Town to install fire hydrants in the area and make other improvements to the Town's fire flow system should result in the ISO rating for the area proposed for annexation being reduced to that presently assigned to properties in Luray and, thus, should decrease the fire insurance premiums charged residents of the area.

Luray and Page County also jointly support the Page County Library which is located in the Town. In addition to the financial support provided by the Town, Luray also maintains the grounds of the facility.<sup>98</sup>

While the annexation will assign to the Town the continuing responsibility to meet the fire suppression and library needs in the area annexed, the Town does not propose

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<sup>97</sup>Ibid., p. 45; and McNair, letter to staff of Commission on Local Government, April 20, 1983. The ISO rating is based on a scale of "1" to "10" for comparison with other municipal fire protection systems and represents an indication of a system's ability to defend against the major fire which may be expected in any given community. Where protection class "10" is assigned, there is usually no or minimal protection. Protection class "1" represents a fire protection system of extreme capability. The principal features used by ISO in grading a community's fire system are water supply, fire department, fire communications and fire safety control [John L. Bryan and Raymond C. Picard, Managing Fire Services (Washington, D. C.: International City Management Association, 1979), p. 102]. Residential properties located more than four road miles from a fire station are automatically assigned a protection class of "10" by the ISO.

<sup>98</sup>Notice, p. 52. The Page County Library is a branch of the Rockingham County Regional Library system.

any modification of these services as a result of the proposed annexation.

#### Summary of Service Considerations

In the preceding sections of this report the Commission has endeavored to analyze the urban service needs of the area proposed for annexation and the relative ability of the Town and County to meet those needs. Although the Commission has examined the statistical data which it considers appropriate, this analysis has been conditioned by our direct experience in local government. On the basis of information presented in the preceding sections the Commission finds that portions of the area proposed for annexation have a need for additional urban services and will benefit by the extension of the Town's services and policies.

#### INTERESTS OF THE STATE

One of the factors prescribed by the Code of Virginia for consideration in local boundary change issues is the "... best interest of the State in promoting strong and viable units of government."<sup>99</sup> In the judgment of this Commission, the preservation and promotion of the viability of Virginia's local government is the State's paramount concern. As previous sections of this report have indicated, the annexation proposed by Luray will provide the Town with additional tax assessables as well as a considerable amount of vacant land which can accommodate significant future development. Further, the infusion of present and prospective tax resources into the Town's fiscal base should not have any major adverse effect upon Page County. While the

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<sup>99</sup>Sec. 15.1-1041(b), Code of Virginia.

County will experience a modest reduction in some revenue categories by virtue of the proposed annexation, any future development occurring in the enlarged Town will also benefit Page County. In sum, the Commission finds that the proposed annexation by the Town of Luray is consistent with the interests of the State in promoting strong and viable units of government.

#### COMPLIANCE WITH STATE POLICIES

An additional factor prescribed for consideration in annexation issues is the extent to which the affected jurisdictions have made efforts to comply with applicable State policies with respect to environmental protection, public planning, education, public transportation, housing, or other State service policies promulgated by the General Assembly. In this instance, there are several State service policies which are applicable to the Town of Luray and Page County which merit comment in this report.<sup>100</sup>

#### Public Planning

The evidence indicates that, consistent with State requirements, both the Town and the County have established planning commissions, have approved subdivisions ordinances, and have formally adopted comprehensive plans.<sup>101</sup>

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<sup>100</sup>Due to the fact that the Town and County are served by the same school division, the County's educational system is not at issue in this case. The Commission notes, however, that the Page County school system is in full compliance with the State's standards of quality guidelines. (S. Barry Morris, Director of Administrative Review Services, Virginia Department of Education, communication with staff of Commission on Local Government, August 2, 1983).

<sup>101</sup>The County adopted its first subdivision ordinance in 1977.

Further, since 1965 properties in the Town have been governed by zoning regulations.<sup>102</sup> Thus, the record discloses that both Luray and Page County have adopted a broad array of planning instruments which should enable them to respond effectively to the State's concern for local public planning.

#### Agricultural Land Preservation

By various enactments the General Assembly has declared that it is a policy of the Commonwealth to protect and preserve the State's agricultural properties.<sup>103</sup> One method authorized by statute in the promotion of this goal is use value assessment. Such a system permits property to be assessed for taxation at its "use" value rather than at its "fair market" value. Page County instituted such a program in the 1979 tax year for agricultural, horticultural, forestal and open space properties.<sup>104</sup> During the 1981 tax year this method of assessment served to reduce, in the aggregate, the taxable value of qualifying properties in Page County by \$64.5 million.<sup>105</sup> The County's adoption

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<sup>102</sup>Notice, p. 39.

<sup>103</sup>Sec. 15.1-1507, Code of Virginia.

<sup>104</sup>Data provided by Charles L. Campbell, Commissioner of Revenue, Page County, communication with staff of Commission on Local Government, July 29, 1983. Since the County is responsible for assessing properties within Luray, land qualifying for the County's use value program is also taxed at their reduced value by the Town. Data indicate that for tax year 1981, the application of use value taxation by the Town reduced the value of properties covered by the program by over \$960,000 (Notice, Table 3, p. 11; and McNair letter to staff of Commission on Local Government, August 1, 1983).

<sup>105</sup>Virginia Department of Taxation, Annual Report, 1981-1982, Table 5.4.

and continued utilization of use value assessment constitutes an effort which is in compliance with the State's concerns for the preservation of agricultural lands.

ARBITRARY REFUSAL TO COOPERATE

A further consideration in reviewing annexation cases is the issue of whether the affected localities have arbitrarily refused to cooperate in ". . . providing for joint activities which would have benefited citizens of both political subdivisions; . . ."106 In this case the Commission has no knowledge of any action by either party which it would consider to be an arbitrary refusal to cooperate. Indeed, the Commission notes significant cooperation between the Town of Luray and Page County in the provision of services to their residents. The record indicates that in addition to those areas of cooperation authorized or mandated by statute, the Town and County cooperate in the joint funding of an airport and the maintenance of certain public facilities within the Town's boundaries.<sup>107</sup> Such cooperation between the Town and County is to be commended.

RECOMMENDATIONS

FINANCIAL SETTLEMENT

Annexations by towns in Virginia, unlike those initiated by cities, do not require an assumption of county debt, the purchase of county facilities (unless the town becomes a

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<sup>106</sup>Sec. 15.1-1041(b)(1)(v), Code of Virginia.

<sup>107</sup>Notice, p. 74.

city within five years after the effective date of annexation), nor payment to the county for the prospective loss of net tax revenue.<sup>108</sup> In this case there are no County-owned public improvements which will become the property of the Town of Luray.<sup>109</sup>

#### AREA PROPOSED FOR ANNEXATION

For the reasons set forth in previous sections of this report -- the Town's need for land for development, its need to expand its tax resources, the adverse effect of the proposed annexation on Page County, the urban service needs of the area proposed for annexation and the current level of services provided by the Town and the County, the efforts by the two jurisdictions to comply with applicable State policies, and the interest of the State in the preservation and promotion of strong and viable units of local government -- the Commission recommends that the Town of Luray be granted the entire area requested in its petition for annexation with the exception of two minor modifications to the boundary line of that area (See Appendix B).

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<sup>108</sup>Town of Christiansburg v. Montgomery County, 216 Va. 654 (1976). The Virginia Supreme Court stated that ". . . in the area of financial adjustments, the court upon ordering annexation may require a city to compensate a county for its prospective loss of net tax revenues; but where a town is the entity awarded annexation such compensation may be required only if later the town becomes a city within the prescribed period." The Supreme Court also held that since taxpayers of a town subsequent to an annexation continue to contribute a proportionate part to payment of a county's existing debt and a town annexation removes no assessed values from a county ". . . it would be unjust to require [a town] to assume any portion of the [county's] debt."

<sup>109</sup>The County school bus garage is located in the area proposed for annexation but it will remain the property of Page County.

First, the Commission recommends that the northeastern boundary of Annexation Area 5 be extended along the southern right-of-way line of U. S. Highway 211 By-pass to encompass a small tract of land located between the highway and the present Town corporate limits. This area, which is traversed by a portion of State Route 675, contains approximately seven acres and is predominantly vacant or used for agricultural purposes. Although Luray did not originally include this territory in the area proposed for annexation, the Town indicated in documents submitted to the Commission that the tract was inadvertently left out of the proposed area.<sup>110</sup> The inclusion of this tract in the recommended award would provide the Town with additional frontage along the U. S. Highway 211 By-pass which could be used for future commercial or industrial development. Further, the Commission notes that Town water and sewer lines are located in close proximity to the area. Finally, the annexation of this territory would contribute to the compactness of the enlarged Town's boundaries.

The second recommended modification involves the eastern boundary of Annexation Area 3. The Commission has been apprised of the mutual desire of the Town and a property owner in that area to exclude from the proposed annexation two parcels of land located in the extreme eastern portion of Area 3.<sup>111</sup> The properties in question are not reasonably adapted to urban services and would not benefit in the

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<sup>110</sup>John R. Bushy, Jr., Attorney, Town of Luray, letter to staff of Commission on Local Government, July 27, 1983.

<sup>111</sup>Ibid. The parcels in question are located on both sides of State Route 655 and are owned by Charles A. Atkins.

foreseeable future from annexation by the Town. The Commission, therefore, can find no basis for including these parcels in the area proposed for annexation and recommends the boundaries of Annexation Area 3 be adjusted accordingly.

#### Other Considerations

At the public hearing held in Luray on April 8, 1983, the Commission was urged to recommend the exclusion of certain parcels of land from the area proposed for annexation.<sup>112</sup> The requests for the exclusion of these properties rest upon the contention that the individual tracts were not suitable for inclusion into the Town by virtue of their agricultural nature and would derive no immediate benefit from the extension of Town services and policies. After extensive consideration of these objections, the Commission is unable to find any appropriate basis for proposing the exclusion of these properties from the area to be annexed. The Commission notes that the proposed annexation boundaries constitute a rational basis for corporate lines and embrace a reasonably compact body of land. Further, the inclusion of the properties in question in the area to be annexed does not appear to be arbitrary in light of the proposed improvements contemplated by Luray to serve the general area. Furthermore, the properties which would be brought into the Town by the proposed annexation have no unique features which would distinguish them from properties historically annexed by Virginia municipalities.

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<sup>112</sup>The parcels in Annexation Area 2 are located at the intersection of State Routes 676 and 677 (owned by David B. Nichols), at the intersection of Fairview Road and Eden Road north and west of the current Town boundaries (owned by Rena Baker), and south of the intersection of State Route 669 and Charles Street in the Fairview subdivision (owned by Herbert F. Griffith). One parcel is located in the western portion of Annexation Area 3 between the U. S. Highway 211 By-pass and the Norfolk and Western Railway line (owned by Clyde E. Dofflemyer).

SERVICES AND POLICIES

As previously indicated, a significant majority of the residents in the area proposed for annexation receive services either directly from the Town of Luray (water and sewer) or from agencies located within its present boundaries (volunteer fire department and a branch of the regional library system). Additionally, the Town's proposed service plans for the area to be annexed provides for the extension of other public services to the enlarged Town. Given the presence or availability of existing Town services and facilities in the area proposed for annexation, the service plans appear to be appropriate to meet the needs of the area's residents.

With respect to policies which shall be applicable to the annexed area, the Commission recommends that the Town of Luray in its submissions to the special three-judge annexation court adopt a program of land use assessment for the four categories of qualifying properties. Exhibits presented to the Commission indicate that a substantial amount of land in the area proposed for annexation is wooded, vacant or engaged in active agricultural production.<sup>113</sup> Adoption of a land-use assessment program would reduce the impact of the incorporation of this land into the Town.

## CONCLUDING STATEMENT

The findings and recommendations contained in this report do not totally reflect the views of any one

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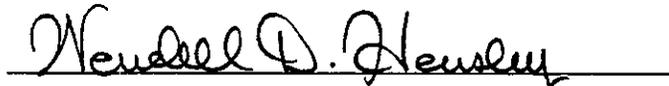
<sup>113</sup>Daniels, letter to staff of Commission on Local Government, July 7, 1983. Approximately 85% of the area proposed for annexation is vacant or engaged in agricultural production.

Commission member. They do, however, represent a synthesis of varying perspectives and constitute the collective judgment of the Commission. With recognition of the contending values and concerns presented in annexation issues and with full appreciation of the ramifications of these issues for the affected local governments and their residents, the Commission has endeavored to offer recommendations which will ultimately benefit the region as a whole and the Commonwealth generally.

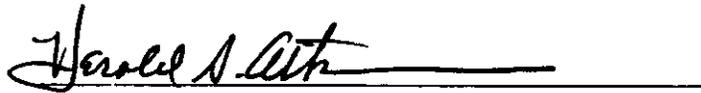
Respectfully submitted,



William S. Hubbard, Chairman



Wendell D. Hensley, Vice-Chairman



Harold S. Atkinson



Edward A. Beck



Benjamin L. Susman, III

APPENDIX A

Statistical Profile of the Town of Luray, County of Page  
and the Area Proposed for Annexation

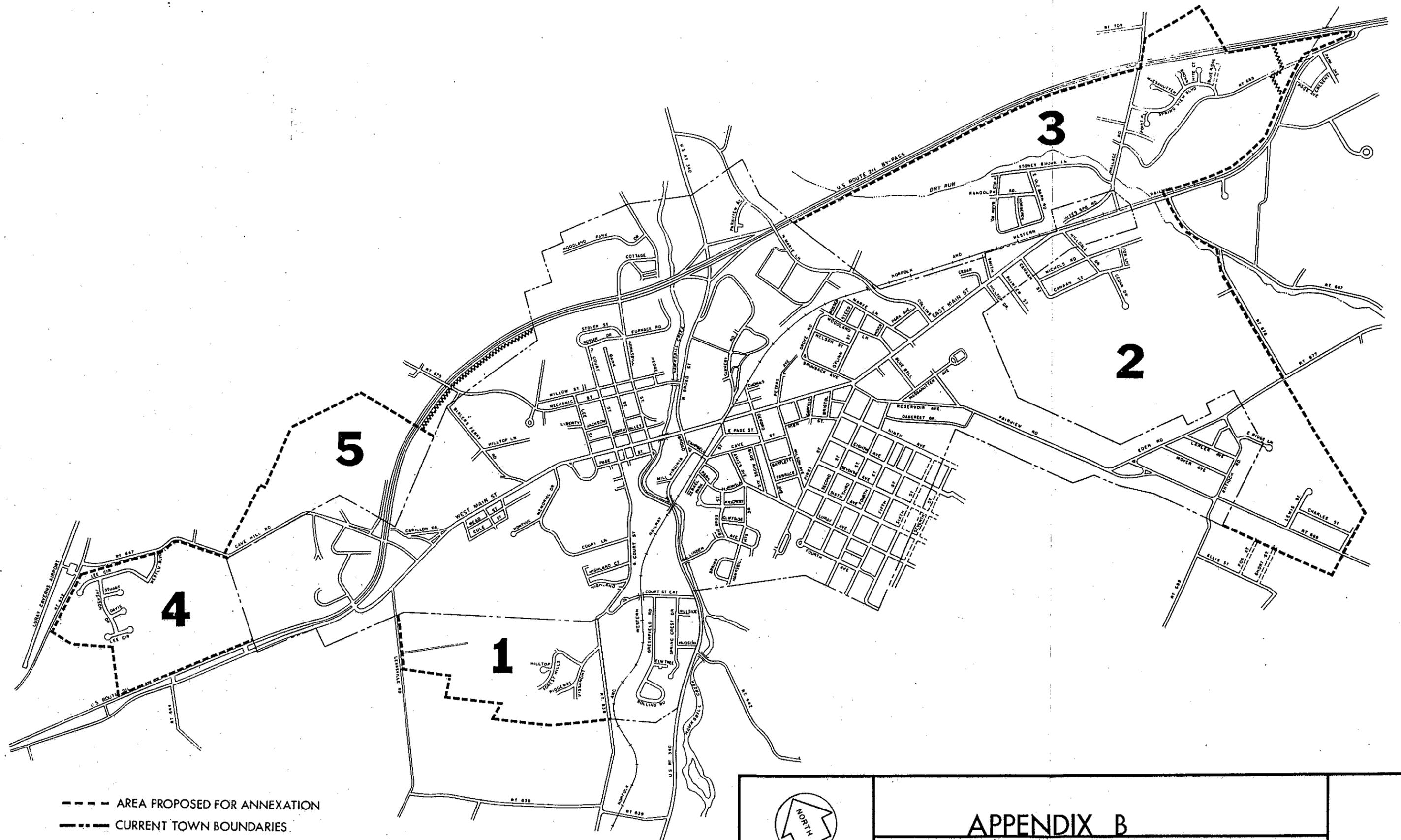
	<u>Town of Luray</u>	<u>County of Page</u>	<u>Area Proposed<sup>1</sup> for Annexation</u>
Population (1980)	3,584	19,401	693
Land Area (Square Miles)	2.77	316.00	1.97
Total Taxable Values (1980) <sup>2</sup>	\$65,531,920	\$314,435,400	\$12,924,070
Existing Land Use (Acres) <sup>3</sup>			
Residential	854	6,188	151
Commercial	124	230	15
Industrial	58	140	17
Public & Semi-Public	147	63,642	5
Streets & Rights-of-Way	273	3,663	N/A
Vacant, Agricultural, or Other	317	128,377	1,075

NOTES:

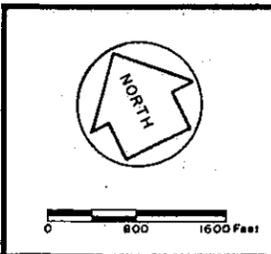
1 - As estimated by the Town of Luray

2 - Reflects use-value taxation

3 - Land use data for the Town was collected in 1977, for the County in 1980, and for the area proposed for annexation in 1982.



- AREA PROPOSED FOR ANNEXATION
- CURRENT TOWN BOUNDARIES
- ~~~~~ RECOMMENDED MODIFICATIONS



## APPENDIX B

# TOWN OF LURAY ANNEXATION

John McNair and Associates

Planning Management Associates