

REPORT  
ON THE  
TOWN OF WARSAW—COUNTY OF RICHMOND  
AGREEMENT DEFINING ANNEXATION RIGHTS



COMMISSION ON LOCAL GOVERNMENT  
COMMONWEALTH OF VIRGINIA

REPORT ON THE  
TOWN OF WARSAW - COUNTY OF RICHMOND  
AGREEMENT DEFINING ANNEXATION RIGHTS

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REPORT  
ON THE  
TOWN OF WARSAW - COUNTY OF RICHMOND  
AGREEMENT DEFINING ANNEXATION RIGHTS

On May 13, 1986 the Town of Warsaw, with the concurrence of Richmond County, submitted to this Commission for review a proposed agreement defining the Town's future annexation rights which had been negotiated under the authority of Article 1.1, Chapter 25 of Title 15.1 of the Code of Virginia.<sup>1</sup> Consistent with the Commission's Rules of Procedure, the Town subsequently submitted additional material to assist this body in its review of the proposed agreement.<sup>2</sup>

Following its analysis of the above-mentioned materials, on July 21, 1986, the Commission toured the Town of Warsaw and relevant sections of Richmond County, received oral testimony from local officials regarding the agreement, and conducted a public hearing for the purpose of receiving citizen comment. The public hearing, which was advertised in accordance with the provisions of Section 15.1-1058.2 of the Code of Virginia, was attended by approximately 15 persons; however, no testimony was received from those individuals present at the public hearing. In order to allow additional opportunity for

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<sup>1</sup>W. Tayloe Murphy, Jr., Town Attorney, Town of Warsaw, submission of formal filing of Proposed Agreement Defining Annexation Rights with the Commission on Local Government, May 13, 1986. This submission included as attachments resolutions adopted by the Richmond County Board of Supervisors and by the Town Council of Warsaw on May 8, 1986 and May 9, 1986, respectively, which authorized the submission of the proposed agreement to the Commission for review.

<sup>2</sup>Town of Warsaw, Annexation Feasibility Plan and Agreement Defining Annexation Rights (hereinafter cited as Warsaw Submission), Nov. 1985.

public comment, the Commission agreed to keep open its record for the receipt of written testimony through August 21, 1986. Further, the Commission also solicited comment on the proposed agreement from other potentially affected local governments in the area.

#### SCOPE OF REVIEW

The proposed agreement submitted to the Commission by the Town of Warsaw and Richmond County is the fifth of its nature to be received by this body for review since the annexation laws of the State were amended in 1979 to authorize such. Under the authority granted by Article 1.1, Chapter 25 of Title 15.1 of the Code of Virginia, towns may negotiate agreements with their counties which permit them to annex, in accordance with conditions specified in such agreements, merely by the adoption of a municipal ordinance. Thus, where town annexations are pursued under such agreements, the State's general annexation process whereby proposed boundary adjustments are decided by the courts subsequent to Commission review is supplanted by the simple and direct process of annexation by town ordinance. The final and formal adoption of such an agreement by a town and county, however, divests the town permanently of its authority to seek city status.<sup>3</sup>

While the Code of Virginia grants broad authority to towns and

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<sup>3</sup>Sec. 15.1-1058.3, Code of Va.

counties to fashion such annexation agreements to meet their peculiar needs and circumstances, there are certain statutorily prescribed conditions which must be met in their development. The law specifies that these agreements must provide for the regular and orderly growth of the town in a manner which assures that municipality of an equitable sharing of the area's resources and liabilities.<sup>4</sup> Based in part upon this statutory requirement, the Commission is directed to determine in its review:

. . . whether the proposed agreement provides for the orderly and regular growth of the town and county together, for an equitable sharing of the resources and liabilities of the town and county, and whether the agreement is in the best interest of the community at large, . . .<sup>5</sup>

It should be noted here that whatever the findings and recommendations of the Commission regarding an agreement under review, the local governing bodies are free to adopt or reject the proposed agreement as they see fit. If, however, the Commission's review of an agreement is "unfavorable," the local governing bodies may not adopt the agreement until after they have jointly held an advertised public hearing on the issue.<sup>6</sup>

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<sup>4</sup>Sec. 15.1-1058.1, Code of Va.

<sup>5</sup>Sec. 15.1-1058.2, Code of Va.

<sup>6</sup>Sec. 15.1-1058.3, Code of Va. It should be observed that State law authorizes a town to proceed unilaterally to obtain an order defining its future annexation rights in instances where it is unable to reach an agreement with its county on the issue. (See Sec. 15.1-1058.4, Code of Va.)

## EVALUATION OF THE AGREEMENT

Briefly stated, the principal provisions of the agreement negotiated by the Town of Warsaw and Richmond County would:

1. require the Town to renounce permanently its authority to become a city;
2. authorize the Town to annex by municipal ordinance specified areas in the County, designated collectively as the Immediate Annexation Area (IAA), on December 31, 1986, or as soon thereafter as practicable;
3. authorize the Town to annex periodically additional contiguous land in specified areas covered by the agreement, designated collectively as the Future Annexation Area (FAA);
4. equalize the rates charged annexed residents and business for water and sewerage service to those which apply to other utility users within the Town;
5. commit the Town to extend water and sewer services into any area annexed within five years from the effective date of annexation if such is needed or if such is requested by the property owners;
6. commit the Town not to annex land which is principally and actively devoted to agricultural production unless such land is largely embraced by property appropriate for annexation or which, in the judgment of the Town, cannot be excluded from annexation;
7. commit the Town to establish measures to protect such lands by zoning and other land use procedures; and
8. reserve to the County the right to adopt Town ordinances regulating the use of land within the Future Annexation Area that has not been annexed by the Town.<sup>7</sup>

As indicated previously, the Commission is required to determine in its review whether a proposed town-county annexation agreement (1)

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<sup>7</sup>See Appendix A for the complete text of the proposed Agreement Defining Annexation Rights between the Town of Warsaw and

provides for the orderly and regular growth of the town and county together, (2) permits an equitable sharing of the area's resources and liabilities, and (3) is in the best interest of the community at large. In the following sections of this report the Commission endeavors to analyze the proposed Town of Warsaw - Richmond County agreement on the basis of these general criteria.

#### ORDERLY AND REGULAR GROWTH OF TOWN AND COUNTY

Demographic data indicate that during the decade of the 1970s, the rate of population growth in the Town of Warsaw far exceeded that in Richmond County generally. Between 1970 and 1980 the population of the Town increased from 511 to 771 persons, or by 50.9%. During the same period, the total population of Richmond County increased from 6,504 to 6,952 persons, or by 6.9%.<sup>8</sup> The disparity in growth rates of the two jurisdictions is largely a result of an annexation in 1975 that added approximately 200 persons to the Town's population.<sup>9</sup> Recent population estimates do reveal, however, that since 1980 the County has experienced a decline in its population, while there has

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Richmond County.

<sup>8</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, Number of Inhabitants, Virginia, Table 4. See Appendix B for a statistical profile of the Town, the County, and the areas of the County covered by the agreements.

<sup>9</sup>Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986.

been an increase in the number of persons residing in the Town. According to these estimates, between 1980 and 1983 the County's population decreased by 1.4%, while Warsaw's populace increased by 21.3%.<sup>10</sup>

With respect to fiscal resources, recent property assessment data reveal that growth within the Town has been slightly in excess of that experienced by the County. Between 1980 and 1985 the total assessed value of property subject to local taxation in the Town increased from \$24.5 million to \$37.1 million, or by 50.9%, while such values in the County grew during the same period from \$132 million to \$192 million, or by 45.6%.<sup>11</sup> While both the Town and the County have other sources of revenue to support their governmental functions, property taxes are by far the largest component of revenue available to support their general governmental activities.

The prospects for further economic growth within the present boundaries of the Town of Warsaw appear to be limited. There are 336 acres of property (approximately 40% of the Town's total land area) classified as vacant, agricultural or wooded/open space. The Town contends, however, that only 28 acres of that total may be considered as suitable for development. The evidence submitted to the Commission indicates that the remaining 308 acres are indeed restricted in their

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<sup>10</sup>Warsaw Submission, Table I.

<sup>11</sup>Ibid., Tables VII-A, VII-B. The assessed values for Richmond County include those in the Town. (Stephen K. Whiteway, County Administrator, Richmond County, communication with staff of Commission on Local Government, Sep. 30, 1986.)

development potential because of adjacent land uses.<sup>12</sup> Warsaw has only approximately 40 acres (5% of the Town's total area) zoned for commercial purposes, reflecting the judgment of Town officials that such property is best suited for that type of development.<sup>13</sup>

Further, the limited development potential of the Town is also evidenced by the fact that no new industry has located in the Town since 1953. Furthermore, has been no residential subdivision of property within Warsaw since 1974.<sup>14</sup>

Under the terms of the proposed agreement the Town would be permitted to annex immediately three separate areas, collectively identified as the Immediate Annexation Area (IAA), comprising 131 acres (0.20 square mile) and containing, as of 1985, 20 persons and \$3.6 million in estimated assessed real estate values.<sup>15</sup> The addition of this area to the Town will increase Warsaw's population by 2.2% and its real estate assessed values by 14.3%. The annexation of the IAA will also bring within the Town commercial development which has occurred west of the existing corporate limits and, in addition, offer

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<sup>12</sup>Warsaw Submission, Table XII. The total land area in the Town is 852 acres. Of this amount, 504 acres were added to Warsaw as a result of the 1975 annexation. (Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986.)

<sup>13</sup>Robert W. Lowery, Mayor, Town of Warsaw, communication with staff of Commission on Local Government, Sep. 17, 1986.

<sup>14</sup>Ibid., Sep. 10, 1986.

<sup>15</sup>Warsaw Submission, Table VI. As of 1985 the IAA also contained \$510,250 in personal property and \$2,540 in machinery and tools assessed values.

a limited amount of vacant land suitable for future development.<sup>16</sup> Furthermore, the agreement also authorizes Warsaw to annex additional areas, collectively identified as the Future Annexation Area (FAA), any time after the adoption of the agreement. The FAA contains approximately 1,500 acres (2.3 square miles) and, as of 1985, 162 persons and \$2.2 million in estimated real estate assessed values.<sup>17</sup> The FAA area also offers Warsaw substantial amounts of vacant land suitable for future development.

It is the Commission's judgment that the proposed agreement does facilitate the orderly and regular growth of the Town and County together. The agreement will permit the Town to benefit from an immediate increase in population and fiscal resources, and it will provide Warsaw, particularly in the FAA, with significant land for future development which will help ensure its continued viability. Moreover, the viability of the Town and its expanded fiscal resources will facilitate the continued economic development of the general area which will redound to the benefit of all citizens of Richmond County. Finally, the proposed agreement includes a provision permitting the Town and County to modify the annexation accord by joint consent, if such is subsequently deemed appropriate.<sup>18</sup> This provision constitu-

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<sup>16</sup>Ibid., pp. 26, 43; and Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986. The IAA west of the Town contains 93 acres of which 80 acres are devoted to commercial uses.

<sup>17</sup>Warsaw Submission, pp. 31, 33, 47. The FAA also contained, as of 1985, \$368,000 in personal property and \$187,070 in machinery and tools assessed values.

<sup>18</sup>Agreement Defining Annexation Rights, Article XII.

tes recognition by both jurisdictions that the agreement may require future adaptation to meet circumstances and needs which cannot now be foreseen.

#### EQUITABLE SHARING OF RESOURCES AND LIABILITIES

An equitable sharing of resources and liabilities within the context of this agreement requires, in our view, an opportunity for both the Town and County to benefit from the growth in the area sufficient for each to meet the needs of its residents and commensurate with the contribution each makes to the social and economic viability of the general area. The following paragraphs consider these concerns.

#### Resources

Statistics cited earlier in this report indicate that, unlike some other Virginia municipalities, the Town of Warsaw did not experience a decline in its population or local tax base during the decade of the 1970s. Indeed, on both demographic and fiscal bases the data disclose that in recent years the Town has experienced growth surpassing that of the County generally. In brief, the evidence suggests that Warsaw has been and remains an important commercial and manufacturing center in Richmond County. While Warsaw supports with its utility services development outside its present boundaries, the limited amount of vacant land in the Town appropriate for commercial and industrial development would, in time, constrict Warsaw's ability to continue to

share in the growth of its area.

Consistent with the terms of the proposed agreement, and as previously noted, Warsaw has indicated its intention to annex immediately the IAA, which contains 131 acres, 20 persons, and substantial amounts of developed commercial property. With respect to fiscal resources, the annexation of these areas will initially provide the Town approximately \$3,674 annually in real property tax revenues based on 1985 assessed values and Warsaw's 1985 tax rate. Additionally, the IAA area will initially provide approximately \$20,000 annually in miscellaneous revenues (e. g., consumer utility taxes, vehicle license fees, and merchants licenses).<sup>19</sup> These fiscal benefits to the Town will increase with the future growth and development of the areas annexed. Further, the proposed agreement will permit Warsaw to annex additional territory, designated as the FAA, after the adoption of the agreement and when the Town determines such to be appropriate.

It is important to note here that town annexations in Virginia, unlike those initiated by cities, do not remove property from a county's tax rolls. Thus, the major tax sources of Richmond County will be unaffected by annexations by the Town of Warsaw. Town annexations do constrict, however, some of a county's more modest revenue sources (e. g., automobile license taxes, consumer utility taxes, and sales taxes). Such revenue losses to Richmond County should be more than

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<sup>19</sup>Warsaw Submission, Tables VI, VIII. The Town will also receive about \$2,564 in personal property and machinery and tools revenues. It should be noted that approximately \$11,000 of estimated revenue from miscellaneous sources will come from water and sewer connection charges. These are one-time payments and not recurring sour-

offset, however, by future development facilitated by the extension of Warsaw's services to annexed areas. All future development in the area will accrue to the benefit of both the County and the Town. On the basis of these considerations, the Commission concludes that the proposed agreement should provide the Town of Warsaw and Richmond County with an equitable share of the area's resources.

#### Liabilities for Services

The Town of Warsaw plays a prominent role in the provision of public services in the western section of Richmond County. The Town not only offers its residents a significant array of urban services, it also extends a number of such services to firms and residents beyond its boundaries. The availability of Town services has been instrumental in the economic development of areas adjacent to Warsaw.

Annexation by the Town under the terms of the proposed agreement will, however, place additional service responsibilities upon Warsaw. While this expanded responsibility for urban services constitutes a liability to be borne by the Town, the extension of such services to areas of need represents, at the same time, a consequence of the agreement which is in the general interest of the community at large. The sections which follow address these public service concerns.

Water. The Town of Warsaw owns and operates a public water storage and distribution system that serves the Town and the IAA.

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ces of revenue.

Water for the system is obtained from two municipally-owned wells located in the Town. Current consumption by all users averages approximately 120,000 gallons per day (GPD).<sup>20</sup> Water storage is provided in two elevated tanks having a total capacity of 275,000 gallons.<sup>21</sup>

It is important to observe that at the present time the Town is the only source of treated water available to serve residents and business and industrial firms in the Warsaw area. The Town's water distribution system, which consists of 12.2 miles of lines within the Town and 0.88 miles of line in the IAA, serves 458 customers within Warsaw and 35 connections in the proposed annexation areas.<sup>22</sup> Thus, the data reveal that the Town of Warsaw is already providing treated water to areas beyond its current boundaries.<sup>23</sup> Further, as development occurs in the areas annexed under the terms of the proposed agreement, the Town is capable, in the Commission's judgment, of meeting the prospective need for treated water.<sup>24</sup>

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<sup>20</sup>One well has a capacity of 144,000 GPD, and the other well has a capacity of 230,000 GPD. (Warsaw Submission, pp. 2, 3.)

<sup>21</sup>Ibid., pp. 2 and 3.

<sup>22</sup>Of the 35 connections in the proposed annexation areas, 17 are in the IAA. (Lowery, communication with staff of Commission on Local Government, Sep. 10, 1986; and Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986.)

<sup>23</sup>Warsaw Submission, p. 5. Since Warsaw places a \$1.00 per month surcharge on its water rates for nonresident users, annexation will result in a reduction in water rate charges for customers brought within the Town's corporate boundaries. (Ibid.)

<sup>24</sup>It should be noted that the Town's extension of water lines into annexed areas will facilitate the provision of fire hydrants and,

Sewerage. The Town of Warsaw also provides the only public sewage treatment system in Richmond County. The sewage treatment plant, which was constructed in 1974, has a rated capacity of 300,000 GPD. Since this plant receives an average daily flow of 60,000 GPD for treatment, it currently retains an unutilized treatment capability of 240,000 GPD, or 80% of the plant's capacity.<sup>25</sup> The Town reports that there have been no significant infiltration and inflow problems affecting the treatment facility.<sup>26</sup>

The Town presently operates approximately 9.9 miles of collection lines within the Town and 0.94 miles of lines beyond the Town limits.<sup>27</sup> The Town's collection system currently serves 458 connections within the Town of Warsaw and 18 in the proposed annexation areas.<sup>28</sup>

As in the case of water service, the Town places a \$1.00 per month surcharge on sewerage service charges for nonresidents.<sup>29</sup> Thus,

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thereby, improved fire protection.

<sup>25</sup>Ibid., p. 6.

<sup>26</sup>Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986.

<sup>27</sup>Lowery, communication with staff of Commission on Local Government, Sep. 10, 1986.

<sup>28</sup>Murphy, communication with staff of Commission on Local Government, Aug. 18, 1986. Of the 18 connections in the proposed annexation areas, 14 are in the IAA.

<sup>29</sup>Warsaw Submission, p. 7. The Town sewer service charge for each connection is 100 percent of its water service charge. For those few isolated structures not served by the Town's water system, the minimum monthly charge for sewage service is \$6.00 per single family unit.

annexation by the Town will result in a slight reduction in the cost of sewerage service to all nonresident users who are brought within municipal boundaries, as well as to others subsequently connected to the system in annexed areas.

In our judgment, the Town of Warsaw should assume responsibility for sewerage services in the areas covered by the agreement and, by further development of its system, can properly serve those areas and its residents.

Solid Waste Collection. The Town of Warsaw offers its residents and commercial concerns solid waste collection and disposal services through its own public works department.<sup>30</sup> Residential collections are made twice a week, while commercial establishments have their refuse collected at least three times weekly. The cost of this public service is borne by general tax receipts and not supported by user charges. The Town disposes its refuse in a sanitary landfill jointly owned by Richmond County and two adjoining counties.<sup>31</sup> The Town does not pick up trash or garbage outside the Town limits except in a few special cases.<sup>32</sup> For customers outside the corporate limits

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<sup>30</sup>Ibid., p. 8. The Department has two employees and two collection vehicles.

<sup>31</sup>Ibid. The landfill is located in Lana, in Northumberland County, which is approximately 20 miles southeast of Warsaw. (Whiteway, communication with staff of Commission on Local Government, Sep. 17, 1986.)

<sup>32</sup>Ibid., p. 9. The special cases occur when the Town is requested to provide the service. (Lowery, communication with staff of Commission on Local Government, Sep. 17, 1986.)

receiving this service, the Town charges \$7.00 per month for residential garbage collection services and \$50.00 per month for commercial collections.<sup>33</sup> Residents of Richmond County dispose of their refuse in containers located throughout the County which are serviced by a private contractor.<sup>34</sup> Businesses and industries in the County also can contract with a private contractor for containerized disposal services.<sup>35</sup> As the areas adjacent to Warsaw continue to grow in population and commercial activity, the need for public solid waste collection services will increase accordingly. The Town of Warsaw can and should be expected to meet this need.

Law Enforcement. Law enforcement services in Warsaw are provided by the Town's police department which is staffed by two full-time officers, a police chief and one additional officer.<sup>36</sup> The department functions with two shifts daily, from 8:00 a. m. to 4:00 p. m. and from 4:00 p. m. to midnight.<sup>37</sup> The Town's police department has available two vehicles to assist in its law enforcement responsi-

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<sup>33</sup>Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986.

<sup>34</sup>Warsaw Submission, p. 9. The County maintains five sites, within about four miles of Warsaw, on which the County has placed 20 six-cubic yard containers. These sites are available also for use by Town residents. (Whiteway, communication with staff of Commission on Local Government, Sep. 17, 1986.)

<sup>35</sup>Warsaw Submission, p. 9.

<sup>36</sup>Ibid.

<sup>37</sup>Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986. On Friday and Saturday nights the second shift is extended to 2:00 a. m.

bilities.<sup>38</sup> All dispatching services for the Town's law enforcement activities are provided by the Richmond County Sheriff's Department.<sup>39</sup> During 1985 the Town police department received approximately 500 calls for service and responded to approximately 350 of these calls, with the remainder being answered by the Richmond County Sheriff's Department. Of the 350 calls answered by the Warsaw Police Department, approximately 132 came from areas beyond the current Town boundaries.<sup>40</sup>

The County Sheriff's Department, which is located in the Town of Warsaw, assists the Town in meeting its law enforcement needs. Close cooperation exists among the two departments, with each agency responding to calls to the other if units of that department are not readily available.<sup>41</sup>

The Commission has no knowledge of any extraordinary law enforcement problems in the areas to be annexed under the terms of the proposed agreement, and the addition of those areas to the Town is not expected to add substantially to the law enforcement burden carried by Warsaw's police department.

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<sup>38</sup>Ibid.

<sup>39</sup>Ibid.

<sup>40</sup>Ibid. Legal jurisdiction of the Town's police department extends one mile beyond the municipal boundary. (Warsaw Submission, p. 9.)

<sup>41</sup>Whiteway, communication with staff of Commission on Local Government, Sep. 30, 1986; and Lowery, communication with staff of Commission on Local Government, Sep. 17, 1986.

Streetlighting. Streetlighting in Warsaw is provided by the Town under contractual arrangements with Virginia Power Company and the Northern Neck Electric Cooperative, Inc.<sup>42</sup> There are currently 159 publicly-funded streetlights in Warsaw, while none are in the areas proposed for annexation. The Town has advised, however, that it plans to install streetlights in areas annexed.<sup>43</sup> Sites for the installation of streetlights will be selected by the Town's Council based upon need and requests from residents.<sup>44</sup>

Streetlighting can be a factor in crime prevention, the reduction of traffic related accidents, and the enhancement of public areas. The Town's policy of providing this lighting at municipal expense constitutes a service which can benefit the developing areas adjacent to Warsaw's boundaries.

Planning, Zoning, and Subdivision Regulation. The Town of Warsaw conducts its public planning efforts with the assistance of a planning commission and a comprehensive plan which was formally adopted in November 1981. The comprehensive plan meets the requirements established by the Code of Virginia for such basic planning instruments. Warsaw also has adopted zoning and subdivision ordinances,

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<sup>42</sup>Warsaw Submission, p. 11.

<sup>43</sup>Murphy, letter to staff of Commission on Local Government, Aug. 18, 1986.

<sup>44</sup>Ibid.

both of which were last amended in February 1975.<sup>45</sup> Thus, the Town has established all of the modern planning instruments necessary to guide its future growth and development.

While Richmond County has a planning commission, a comprehensive plan, and a subdivision ordinance, it does not have a zoning ordinance. Thus, there is no land use control ordinance which can be used to guide the direction and intensity of growth in the areas adjacent to Warsaw and the County generally. Warsaw's planning instruments will become increasingly more appropriate for the areas adjacent to the Town as those areas continue to experience development.

#### Summary

The Town of Warsaw will benefit from an immediate infusion of additional revenue as a result of the annexation of the Immediate Annexation Area. Moreover, that area and the territory in the Future Annexation Area which might subsequently be annexed under the agreement will provide the Town with an extraordinary opportunity for future economic growth. Warsaw's future expansion in the FAA will permit the Town to share appropriately in the growth of its area and will provide it with the resources required to extend its services to areas of need. From our perspective, the proposed agreement does allow an equitable sharing of both the area's resources and liabilities.

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<sup>45</sup>Ibid.

BEST INTEREST OF THE COMMUNITY AT LARGE

The third criterion prescribed by law for Commission consideration in reviewing an agreement defining a town's annexation rights is whether the agreement is in "the best interest of the community at large."<sup>46</sup> As indicated previously, the Commission considers the proposed Town of Warsaw - Richmond County agreement as providing for the orderly and regular growth of the Town and County together and facilitating an equitable sharing of the area's public resources and liabilities. These attributes of the proposed agreement are clearly promotive of the best interest of the community at large. There are, however, additional aspects and ramifications of the agreement which are in the best interest of the general community and which merit comment in this report.

Relinquishment of Authority to Seek City Status

A fundamental element of the proposed agreement is the provision which calls for the Town of Warsaw to relinquish permanently its authority to seek city status. To be sure, the Town does not have the requisite population (5,000) at this time to be eligible for city status, nor will any annexation under the terms of the proposed agreement result in Warsaw's immediately reaching such a population threshold. Further, while growth and development in and around Warsaw are unlikely to produce such a population level in the foreseeable

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<sup>46</sup>Sec. 15.1-1058.2., Code of Va:

future, economic and demographic conditions might significantly alter that situation. If the Town of Warsaw were to exercise at a later date its current legal prerogative to seek city status, such an event would totally remove the Town's population and tax resources from County authority, with the consequence that remaining County residents would be confronted with bearing a greater local tax burden for the provision of public services. With the adoption of this agreement, the Town commits itself to remaining permanently a part of Richmond County and supporting with its people and resources the needs of the County generally. Unless a variance in political values and service needs create irreconcilable differences, the best interest of the community at large is served by Warsaw remaining a part of Richmond County.

#### Simplification of Annexation Process

The proposed agreement would permit the growth of the Town by a simple process which would avoid long and costly adversarial annexation proceedings. While the State's traditional annexation process has many commendable features, the resolution of cases by that process can be costly in terms of legal fees, consultants' charges, administrative time, and other expenses incidental to litigation. Besides such tangible costs, contested annexation cases have often resulted in strained interlocal relations which can inhibit cooperative effort and collaboration on mutual problems and long-range planning. The pro-

posed agreement will permit the growth of Warsaw in a simple, nonadversarial manner with a minimum of attendant costs. This provision in the proposed agreement can serve the best interest of the community at large.

#### Economic Development of the Warsaw Area

The proposed agreement facilitates the growth of the Town of Warsaw which, in turn, will provide that municipality with additional fiscal resources which can be used to extend and improve its public services. The Town's increased capability for the provision of public services can be a positive factor in the attraction of desirable development in the area. Any such development which does occur will redound to the benefit of both the Town and Richmond County. This ramification of the proposed agreement is clearly in the best interest of the general community.

#### Protection of Agricultural Properties

The proposed agreement contains several provisions designed to protect agricultural properties.<sup>47</sup> First, the proposed agreement states:

The Town agrees not to annex land which is principally and actively devoted to agricultural production unless such land is largely embraced by property appropriate for annexation or is so situated in relation to the orderly growth of the Town that it cannot, in the judgment of the Town, be reasonably excluded from annexation. In the event that the Town annexes land which is principally and actively devoted to

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<sup>47</sup>Agreement Defining Annexation Rights, Article VIII.

agricultural production, it agrees that it will, as soon as reasonably possible, establish means by which to protect such agricultural lands from involuntary conversion through the use of zoning and land use procedures.

While this provision would allow the incidental annexation of agricultural properties which might be embraced by developed areas, it is intended to prevent any large and indiscriminate incorporation of such properties into the Town. Further, the proposed agreement would protect any active agricultural properties which might be incidentally annexed by requiring the Town not to implement any procedures which will place undue restrictions and hardships on land devoted to agricultural production.<sup>48</sup> The Commission wishes to state here its recognition of the State's strong concern for the preservation of agricultural properties, as well as our view that such preservation is vital to the well-being of this Commonwealth and our nation. The Commission considers these provisions in the proposed agreement fully consistent with the best interest of the community at large.

#### FINDINGS AND RECOMMENDATIONS

The Commission finds that the proposed agreement appropriately provides concurrently for the orderly and regular growth of the Town of Warsaw and Richmond County, facilitates an equitable sharing of the area's public resources and liabilities, and is in the best interest

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<sup>48</sup>Ibid.

of the community. While the Commission has reviewed the proposed agreement and reports it "favorably," we offer the recommendations set forth below.

#### Future Annexation Rights

The Commission recommends that the agreement be modified to preserve explicitly the authority of the Town to utilize the traditional annexation provisions authorized by Chapter 25, Title 15.1 of the Code of Virginia for those properties not covered by the proposed agreement. Further, the Commission recommends that the proposed agreement be modified to express recognition of the authority for citizen petitions for annexation granted by Section 15.1-1034 of the Code of Virginia.

#### Filing of Agreement and Maps

The Commission recommends that the agreement be amended to state expressly that the original, or certified copy of the agreement as finally adopted by the governing bodies, with maps delineating all areas referenced by the agreement, be filed with the circuit court.

#### Application of Mandatory Connection Policy

The data indicate that the Town of Warsaw's application of its mandatory connection policy for water and sewerage service in areas annexed under the proposed agreement might pose a financial hardship to certain residents in those areas. Our research indicates that in 1980, the latest year for which such data are available, 107 of the

968 units of year-round housing located in the Marshall Magisterial District, which contains the Town of Warsaw, lacked complete plumbing facilities for the exclusive use of their residents.<sup>49</sup> Thus, 11.1% of the total number of year-round housing units in the Marshall Magisterial District apparently lacked, at that time, proper plumbing for their residents. Moreover, 1979 data published by the U. S. Bureau of the Census revealed that, as of that date, 11.75% of all of the families in Richmond County had an income below the official poverty level.<sup>50</sup> These statistics suggest that the areas which are subject to annexation may well contain residents who are financially unprepared to meet the cost which would result from the application of Warsaw's mandatory connection policy.

The Commission recommends that the Town of Warsaw consider making appropriate exemptions from its mandatory connection policy in instances where residencies are served by properly functioning and sanitary private water and sewerage systems. In addition, the Commission also recommends that officials of the Town of Warsaw contact the Virginia Water Project, whose offices are located in Roanoke, Virginia, in an endeavor to have that entity financially assist residents of the annexed areas obtain needed utility service. The Virginia Water

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<sup>49</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Housing, General Housing Characteristics, Virginia, Table 45.

<sup>50</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, General Social and Economic Characteristics, Virginia, Table 181.

Project has played a major role throughout the State of Virginia in assisting needy residents to obtain public water and sewerage service.

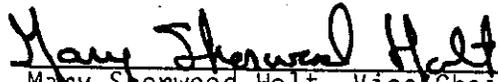
#### CONCLUDING COMMENT

As this Commission has noted previously, agreements defining a town's annexation rights are significant documents containing major grants and concessions of legal authority by the two jurisdictions which are parties to them. Accordingly, the proposed Town of Warsaw - Richmond County agreement has merited and has received careful review by this body. While this Commission strongly recommends the adoption of the amendments herein proposed, we find the agreement consistent with statutory standards and hereby report it "favorably."

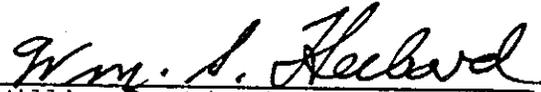
Respectfully submitted,



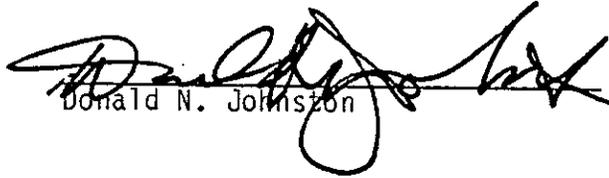
Harold S. Atkinson, Chairman



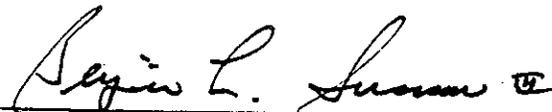
Mary Sherwood Holt, Vice Chairman



William S. Hubbard



Donald N. Johnston



Benjamin L. Susman, III

AGREEMENT DEFINING ANNEXATION RIGHTS

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 1986, between the TOWN OF WARSAW, a municipal corporation chartered by the General Assembly of Virginia (herein called "the Town"), and the COUNTY OF RICHMOND, VIRGINIA (herein called "the County"), provides:

## ARTICLE I

Recitals

The Administrative Staffs of the Town and the County, assisted by counsel for the Town, have completed a report to support the feasibility of annexing certain lands located in the County adjacent to the corporate limits of the Town. Such report entitled "Town of Warsaw Annexation Feasibility Plan" (hereinafter called "the Report") identifies two areas called "Immediate Annexation Area" and "Future Annexation Area". The Immediate Annexation Area consists of three separate areas designated as Annexation Areas I, II and III. Each is fully described on Exhibit "A" attached hereto as a part hereof. The Future Annexation Area is fully described on Exhibit "B" attached hereto as a part hereof. The parties propose that the Town will annex the Immediate Annexation Area without delay. Thereafter, from time to time the Town may annex all or portions of the Future

Annexation Area. The Town and the County are willing to enter into an agreement to provide for the regular and orderly expansion of the Town and in consideration of the mutual covenants and undertakings of the parties hereto, the Town will give up its right to become a city.

## ARTICLE II

### Renunciation by the Town

The Town permanently renounces its right to become a city pursuant to the requirements of Section 15.1-1058.1 of the Code of Virginia (1950), as amended (herein called "the Code"), effective upon the adoption of this Agreement in accordance with Section 15.1-1058.3 of the Code.

## ARTICLE III

### Immediate Annexation Area

The parties agree that the Town will annex the Immediate Annexation Area by the adoption of an ordinance of annexation as soon as practicable after the Town shall have acquired the right to enact such an ordinance pursuant to the provisions of Article 1.1 of Chapter 25 of Title 15.1 of the Code. The effective date of such annexation shall be

December 31st next following the date of adoption of the ordinance of annexation.

#### ARTICLE IV

##### Future Annexation Area

The Town shall have the right to annex all or any portion of the lands lying within the Future Annexation Area by enacting an ordinance of annexation at any time after the parties have executed this Agreement and it has been finally approved as provided by law. Any such annexation ordinance adopted pursuant to this Agreement and the provisions of Article 1.1 of Chapter 25 of Title 15.1 of the Code shall meet all requirements of law, and this Agreement. Whether required by law or not, the Town agrees to hold a public hearing and advertise such hearing for two consecutive weeks in a newspaper of general circulation in the Town before adopting any annexation ordinance pursuant to this Article. The Town further agrees to give written notice to the County of the time and place of the meeting at which the governing body of the Town proposes to adopt such ordinance. Any annexation ordinance adopted pursuant to the terms of this Article shall provide that the effective date of annexation shall be December 31st next following the date of adoption

of the ordinance of annexation. A certified copy of any such annexation ordinance shall be filed or recorded where required by law, and all state and federal agencies entitled by law to receive notice of any such annexation shall be furnished a certified copy of such ordinance. Whether required by law or not, a certified copy of such ordinance shall be filed with the Clerk of the Circuit Court of Richmond County, Virginia, and the Secretary of the Commonwealth of Virginia. Notwithstanding the provisions of this Article, failure to file a certified copy of such annexation ordinance with any local, state or federal agency, or failure to record such a copy in any local, state or federal office shall not affect the validity of any such ordinance.

#### ARTICLE V

##### Revenues Not Reimbursable

Each party to this Agreement shall be entitled to keep whatever revenues flow to it by reason of any annexation pursuant hereto without any reimbursement of revenues by the Town to the County. The reason for this provision is that no substantial loss of revenues to the County is anticipated

as the result of any annexation accomplished pursuant to the terms of this Agreement.

#### ARTICLE VI

##### Equalization of Utility Charges

The Town agrees that as of the effective date of any ordinance of annexation adopted pursuant hereto, it will equalize the rates it charges for water and sewer customers whose property is located within the Town and those whose property lies within the annexed area to the end that such rates will be the same for all customers whose property lies within the corporate boundaries of the Town as from time to time expanded under the provisions of this Agreement.

#### ARTICLE VII

##### Extension of Water, Sewer and Other Municipal Services

The Town commits itself to extend water and sewer services into any annexed area to the property lines of all property owners, including residential, commercial and industrial, in accordance with existing policies and ordinances of the Town, such extension of utility services to be concluded within five (5) years from the effective date of annexation if the same are needed or if they are

requested by the property owners. Other municipal services, exclusive of water and sewer, will be extended by the Town into all annexed areas on the effective date of each annexation. All such services will be at the same level and quality as is available generally within the boundaries of the Town.

#### ARTICLE VIII

##### Agricultural Land

The Town agrees not to annex land which is principally and actively devoted to agricultural production unless such land is largely embraced by property appropriate for annexation or is so situated in relation to the orderly growth of the Town that it cannot, in the judgment of the Town, be reasonably excluded from annexation. In the event that the Town annexes land which is principally and actively devoted to agricultural production, it agrees that it will, as soon as reasonably possible, establish means by which to protect such agricultural lands from involuntary conversion through the use of zoning and land use procedures. The Town represents that it is its intention to allow the continued use of any annexed farm land for agricultural purposes, and the Town further represents that it does not propose to

implement any procedures which will place undue restrictions or hardships on land devoted to agricultural production.

## ARTICLE IX

### Land Use Ordinances

The County reserves the right to adopt ordinances regulating the use of land within the future annexation area that has not been annexed by the Town. All land use ordinances and land use regulations affecting areas that shall have been annexed by the Town within such area shall be ordinances and regulations of the Town. The parties agree that the purpose of this Agreement is to provide for the orderly development of the land within the Future Annexation Area and to serve the needs thereof as and when they arise. The County agrees that as to any unannexed lands within the Future Annexation Area it will consult with the Town before approving any zoning, rezoning or subdivision request, or any application for a conditional use permit, special use permit or other similar permit. The County's obligation to consult shall be deemed to have been satisfied if any such request or application shall have been referred to the planning commissions of the County and the Town for a joint review and recommendation. In the event of

any such referral, the respective planning commissions shall meet jointly and make their recommendations jointly or severally, as each such commission may determine, to the County Board of Supervisors and the Town Council, as provided by law. The Town shall be under no obligation to annex any lands within the Future Annexation Area; however, it agrees to use its best efforts to accommodate growth within such area insofar as it is dependent upon the resources of the Town.

#### ARTICLE X

##### Severability

In the event any provision of this Agreement is found to be illegal or unenforceable by a court of competent jurisdiction, such finding shall apply only to such provision and all other provisions shall remain in full force and effect, except that if the Town's renunciation of its right to seek city status is held to be illegal or unenforceable, the County shall have the right to withdraw its consent to further annexation within the Future Annexation Area.

ARTICLE XI

Costs and Attorneys' Fees

Each party to this Agreement shall pay its own attorneys' fees; however, all other costs of any annexation proceedings hereunder shall be paid by the Town.

ARTICLE XII

Modification or Amendment

The Town and the County reserve the right to modify this Agreement by their joint consent whenever it is felt that the needs of the Town and the County and of the citizens of each require such modification or amendment, or if required by law.

WITNESS the following signatures and seals:

TOWN OF WARSAW

By \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

COUNTY OF RICHMOND

By \_\_\_\_\_  
Chairman, Board of Supervisors

Attest:

\_\_\_\_\_  
County Administrator

APPENDIX B

STATISTICAL PROFILE OF THE TOWN OF WARSAW, RICHMOND COUNTY AND THE  
AREAS COVERED UNDER THE AGREEMENT DEFINING ANNEXATION RIGHTS

	<u>Town of Warsaw</u>	<u>County of Richmond</u>	<u>Immediate Annexation Area</u>	<u>Future Annexation Area</u>
Population (1983)	940	6,900	20	162
Land Area (Sq. Mi.)	1.33	203.0	0.20	2.3
Total Assessed Values (1985)	\$37,100,931	\$192,441,040	\$4,186,806	\$2,752,554
Real Estate Values	25,191,450	156,292,056	3,674,016	2,197,424
Personal Property Values	2,504,070	17,165,440	510,250	368,060
Machinery and Tools	991,950	1,937,390	2,540	187,070
Merchants Capital	-----	1,226,360	-----	-----
Public Service Corporation Values	8,413,461	15,819,794	-----	-----
Land Use (Acres)				
Residential	203	N/A	N/A	N/A
Commercial	48	N/A	N/A	N/A
Industrial	17	N/A	N/A	N/A
Public and Semi-Public	178	N/A	N/A	N/A
Streets or Rights-of-Way	70	N/A	N/A	N/A
Vacant, Wooded or Agriculture	336	N/A	N/A	N/A

Note: N/A = Not Available

SOURCES

Town of Warsaw Submission, Tables I, VI, VII A & B, XII, pp. 31 and 47.

