

REPORT  
ON THE  
CITY OF BUENA VISTA—COUNTY OF ROCKBRIDGE  
ANNEXATION AGREEMENT



COMMISSION ON LOCAL GOVERNMENT  
COMMONWEALTH OF VIRGINIA

JUNE 1983

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REPORT  
OF THE  
COMMISSION ON LOCAL GOVERNMENT

CITY OF BUENA VISTA -- COUNTY OF ROCKBRIDGE  
ANNEXATION AGREEMENT

PROCEEDINGS OF THE COMMISSION

On December 16, 1982 the City of Buena Vista 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 intention to petition the court for the annexation of approximately 3.63 square miles of territory in Rockbridge County. Consistent with the Commission's Rules of Procedure, the City's notice was accompanied by data supporting the annexation action.<sup>1</sup> Further, in accordance with statutory requirements, the City's concurrently gave notice of its annexation action to twelve other local governments with which it was contiguous or with which it shared functions, revenues, or tax sources.<sup>2</sup>

This proposed annexation is part of a comprehensive settlement between the City of Buena Vista and Rockbridge County which culminated on June 6, 1982 negotiations which had been begun several months previously. In addition to this proposed boundary expansion by the City of Buena Vista, the interlocal settlement included a number of utility provisions and an agreement by the City not to initiate other annexation proceedings against the County during the 20-year

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<sup>1</sup>City of Buena Vista, City of Buena Vista Annexation Proceeding, Annexation Notice (hereinafter cited as City Notice), December 1982.

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

period following the effective date of the agreed annexation.<sup>3</sup>

Following its receipt and review of materials submitted by the City in support of the proposed annexation, on March 7, 1983 members of the Commission toured the area proposed for annexation and relevant sites and facilities in the City and received oral presentations from the parties in support of the interlocal settlement. In addition to its receipt and consideration of materials and testimony from the City and the County, the Commission solicited comment from other potentially affected political subdivision and the public. Each political subdivision receiving notice of the proposed annexation from the City 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 March 7, 1983 in Buena Vista.<sup>4</sup> The public hearing was attended by approximately 35 persons and produced testimony from 6 individuals. In order to receive additional public comment, the Commission agreed to keep open its record for

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<sup>3</sup>At the time of the signing of the June 2, 1982 agreement, the City and County had not completed negotiations on compensation for loss of net tax revenue and assumption of County indebtedness. Under the provisions of the interlocal agreement, if the two jurisdictions could not resolve the financial settlement questions, the issue would be submitted to the Commission and the special three judge annexation court for final determination. On January 19, 1983 the City and County signed a supplemental agreement which established the terms of payment to Rockbridge County. See Appendix A for the complete text of the interlocal agreement.

<sup>4</sup>Sec. 15.1-945.7(B), Code of Virginia. By request of the Commission, copies of all materials submitted by the City of Buena Vista and Rockbridge County relative to the interlocal agreement were made available for public review

the receipt of written submissions through April 8, 1983.<sup>5</sup>

#### SCOPE OF REVIEW

The Commission on Local Government is directed by law to review proposed annexations and other local boundary change and governmental transition issues prior to their being presented to the courts for ultimate 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>6</sup> The Commission's report on each proposed action must be based upon "the criteria and standards established by law" for the determination of that issue.<sup>7</sup>

In this instance the Commission is presented with a proposed annexation which constitutes one part of a comprehensive intergovernmental agreement produced through negotiation. While the Commission is directed by law to review this proposed annexation on the basis of statutorily prescribed criteria, it does so with recognition of the fact that the General Assembly encourages interlocal negotiation and settlement of boundary change issues. Indeed, one of the legislatively prescribed responsibilities of the

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in the offices of the City Manager and the County Administrator.

<sup>5</sup>The City and County concurrently agreed to an extension of the Commission's reporting date to July 5, 1983.

<sup>6</sup>Sec. 15.1-945.7(A), Code of Virginia.

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

Commission is the mediation of these interlocal issues and the promotion of their settlement.<sup>8</sup> Accordingly, the Commission concludes that its review of such interlocal settlements should be guided by a presumption of their compatibility with the statutorily established standards and criteria. The Commission observes, however, that the General Assembly has elected not to exclude interlocal settlements from its review and holds, therefore, that no such presumption should render the Commission inattentive to relevant concerns expressed by other affected parties, nor reduce its review to a pro forma endorsement of any action.

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 our intention to leave questions of law for appropriate resolution in other forums. The Commission trusts that this report will be of assistance to local governments, the court and citizens of the area and to the Commonwealth generally.

#### GENERAL CHARACTERISTICS OF THE CITY, THE COUNTY AND THE AREA PROPOSED FOR ANNEXATION

##### CITY OF BUENA VISTA

The City of Buena Vista traces its founding to 1880 when the village of Green Forest was established on the site of the present day municipality. In 1890 the community was incorporated as the Town of Buena Vista, and two years later it was granted city status.<sup>9</sup> Although never having expanded its boundaries since its incorporation, the City

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<sup>8</sup>Secs. 15.1-945.3(C), and 15.1-945.7(A), (E), Code of Virginia.

<sup>9</sup>City Notice, pp. 44-45. See Appendix B for a statistical profile of the City, County and area proposed for annexation. See Appendix C for a map of the area proposed

has experienced growth in population during the Twentieth Century. By 1980, Buena Vista had a population of 6,717 with an area of 2.9 square miles, giving the City a population density of 2,316 persons per square mile.<sup>10</sup>

In terms of land use, 1979 data indicate that 30.5% of the City's total area was devoted to residential development, 2.5% to commercial enterprise, 8.0% to industrial activity, 3.6% to public and semi-public uses, with 35.9% of the City's total area remaining vacant.<sup>11</sup> The 35.9% of the City's area that was vacant represented 665 acres, of which approximately 362 acres had slopes in excess of 20% or were located within the flood plain of the Maury River. Exclusive of this land with physical limitations to development, the City had approximately 303 acres, or 16.3% of its total area, vacant and free from environmental constraints on development.<sup>12</sup>

The City of Buena Vista is one of several major employment centers for the area's work force. In 1980, the City had within its boundaries 2,062 positions in nonagri-

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for annexation.

<sup>10</sup>Julia H. Martin and Michael A. Spar, Growth in Virginia, 1970--1980 (Charlottesville: Tayloe Murphy Institute, University of Virginia, 1981), Table 1. The City's 1981 population has been estimated at 6,600 (Julia H. Martin and Michael A. Spar, Estimates of the Population of Virginia Counties and Cities: July 1, 1981 (Provisional) (Charlottesville: Tayloe Murphy Institute, University of Virginia, August 1982), Table 2.

<sup>11</sup>City of Buena Vista, Comprehensive Plan, 1980, September 11, 1980, p. II-21. The remaining acreage within the City (19.5% of total area) was street and railway rights-of-way or water areas.

<sup>12</sup>Ibid., p. II-26. Approximately 12% of the total vacant land in the City (222 acres) is publicly owned.

cultural wage and salary employment. This number of positions represented a 3.5% increase in the number of jobs since 1975. The data reveal, however, that in 1980 the City's civilian labor force exceeded the number of employment opportunities in Buena Vista by 32% which indicate that many of the City's residents were employed beyond the municipality's borders.<sup>13</sup>

In terms of fiscal conditions, there are several indices which merit note in this report. First, between 1970 and 1980 the true value of real and public service corporation property within the City increased from \$35.0 million to \$82.8 million, or by 136.2%. This percentage increase was significantly less than that experienced by the County (257.3%) during the same period. It should also be noted that in 1980 the per capita true value of real and public service corporation property in the City was \$12,320, or 51.3% of the County's per capita value of \$24,022.<sup>14</sup> Thus the data indicate that during the previous decade the City did not share proportionately in the area's increase in this major tax resource.

Second, it is apparent that the City of Buena Vista also did not share proportionately in the growth of the area's retail sales activity. The total value of taxable retail sales in Buena Vista increased between 1970 and 1980

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<sup>13</sup>Virginia Employment Commission, Population and Labor Force Data 1975 and 1980. The Virginia Employment Commission defines "civilian labor force" as the sum of those persons presently employed plus those individuals registered for unemployment compensation (R. Gary Tate, Research Analyst, Office of Research and Analysis, Virginia Employment Commission, communication with staff of Commission on Local Government, November 18, 1982).

<sup>14</sup>Virginia Department of Taxation, Estimated True (Full) Value of Locally Taxed Property in the Several Counties and Cities of Virginia -- 1970, June 1971; and



from \$9.1 million to \$17.1 million, or by 88.0%. During the same span of years, the total value of such sales in the County rose from \$10.6 million to \$37.0 million, or by 249.6%. Further, the City's share of the Rockbridge area's retail sales (comprised of the County and the Cities of Buena Vista and Lexington) decreased from 24.7% in 1970 to 20.6% by 1980.<sup>15</sup> The Commission notes that in terms of per capita taxable retail sales, the 1980 statistic for the City was \$2,539, while that for the County was \$2,068.<sup>16</sup>

Third, the data indicate that between 1971 and 1981 the City's long-term indebtedness decreased from \$1.36 million to \$1.04 million, or by 23.5%. By the latter date, the City's per capita net long-term debt was \$155, with only six of the State's cities then having a lower net per capita indebtedness.<sup>17</sup>

Finally, the Commission observes that as of 1980 the City's per capita personal income was \$6,545, or only 69.6% of that for the State as a whole (\$9,406).<sup>18</sup> These various

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Virginia Assessment/Sales Ratio Study, 1980, March, 1982.

<sup>15</sup>Virginia Department of Taxation, Taxable Sales Annual Report, 1970 and 1980.

<sup>16</sup>Ibid., 1970 and 1980. Between 1980 and 1982 taxable retail sales in the City increased by 15.4% while those in the County grew by 20.6%

<sup>17</sup>Auditor of Public Accounts, Report of Auditor of Public Accounts of Commonwealth of Virginia on Comparative Cost of City Government, Year Ended June 30, 1971, 1973, Exhibit C; and Comparative Report of Local Government Revenue and Expenditures, Year Ended June 30, 1981, 1982, Exhibit G.

<sup>18</sup>John L. Knapp, Personal Income Estimates for

indices collectively provide a measure of the City's current fiscal condition.

COUNTY OF ROCKBRIDGE

The County of Rockbridge was created in 1778 from territory formerly a part of Augusta and Botetourt Counties.<sup>19</sup> While Rockbridge County has experienced some development in past years, its recent population growth has been significantly less than that experienced by the State as a whole. Between 1970 and 1980 the County's population increased from 16,637 to 17,911, or by 7.7%. During the same period, the State's population increased by 14.9%.<sup>20</sup> The County's 1980 population and its area of 602 square miles gave it a population density at that time of 29.8 persons per square mile.<sup>21</sup>

Employment data for recent years reveal that the County has also experienced an increase in its commercial and industrial base. Statistics indicate that between 1975 and 1980 the number of nonagricultural wage and salary positions in the County increased from 3,583 to 4,800, or by approximately 34%. Most of this increase was due to growth in the nonmanufacturing sector of the economy.<sup>22</sup>

Agricultural and forestal activities also are major components of the County's economic base. As of 1978 there

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Virginia Counties and Cities, 1980 (Charlottesville: Tayloe Murphy Institute, University of Virginia, 1982), Table 1.

<sup>19</sup>County of Rockbridge, Comprehensive Plan, Volume I, July, 1978, p. 3.

<sup>20</sup>Growth in Virginia, 1970--1980.

<sup>21</sup>Ibid. Within the County's borders are two incorporated towns with a 1980 total population of 1,393.

<sup>22</sup>Population and Labor Force Data, 1975 and 1980. Between 1975 and 1980, nonmanufacturing employment registered an increase of 933 positions or by 53.4%.

were 667 farms in Rockbridge County occupying a total of 159,321 acres, with the major agricultural operation centered on the raising of livestock.<sup>23</sup> In addition to its farming activity, 1977 data disclosed that 249,091 acres, or 64.2% of the County's total land area, was producing, or capable of producing wood for industrial usage.<sup>24</sup> The rural character of Rockbridge County is further revealed by the fact that as of 1976, approximately 95.3% of the County's land was classified as agricultural, wooded, or vacant.<sup>25</sup>

With respect to the County's current fiscal status, several indices should be noted. First, between 1970 and 1980 the true value of real estate and public service corporation property in the County increased from \$120.4 million to \$430.3 million, or by 257.3%. By the latter date the per capita true value of such property in the County was \$24,022, or almost twice the comparable figure for the City (\$12,320).<sup>26</sup> Thus, in terms of its primary revenue source, the County has experienced significant growth when compared to the City of Buena Vista. Second, during the decade of the 1970's the County also experienced an increase in retail sales activity with the total value of its taxable

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<sup>23</sup>U. S. Department of Agriculture, Bureau of the Census, 1978 Census of Agriculture, Virginia, Number AC78-A-46, May 1981, Table I, p. 587. Rockbridge County ranked thirteenth in the State in total inventory of cattle and calves.

<sup>24</sup>Virginia Division of Forestry, Forestry Resource Data, Central Shenandoah Planning District, 1977, Table 2. Land devoted to forestry is also included in the Bureau of the Census' definition of farmland.

<sup>25</sup>Comprehensive Plan, Volume I, p. 205.

<sup>26</sup>Estimated True (Full) Value of Locally Taxed Property in the Several Counties and Cities of Virginia -- 1970; and Virginia Assessment/Sales Ratio Study, 1980.

retail sales rising from \$10.6 million to \$37.0 million, or by 249.6%. While this growth in total taxable retail sales over the decade was considerably in excess of that experienced by the City, as of 1980 the per capita value of taxable retail sales in the County (\$2,068) remained less than the comparable figure for the City (\$2,539).<sup>27</sup> Third, between 1971 and 1981 the County's total net long-term debt increased from \$2.2 million to \$3.4 million, or by 54.5%. As of the latter date, the County's per capita net long-term debt was \$189.<sup>28</sup> Finally, the Commission notes that as of 1980 the County's per capita personal income was \$6,241, or 95% of that for the City but only 66.3% of the amount for the State.<sup>29</sup>

#### AREA PROPOSED FOR ANNEXATION

The area proposed for annexation in the agreement between the City of Buena Vista and Rockbridge County contains five tracts of land totaling 3.63 square miles, 214 persons, 45 students in average daily membership (ADM) and \$7.6 million in total assessed property values subject to local taxation. Thus, the proposed annexation would bring into Buena Vista 0.6% of the County's total land area, 1.2% of its population, 1.4% of its ADM and 2.0% of the total assessed property values subject to local taxation.<sup>30</sup>

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<sup>27</sup>Taxable Sales Annual Report, 1970 and 1980.

<sup>28</sup>Auditor of Public Accounts, Report of Auditor of Public Accounts of Commonwealth of Virginia on Comparative Cost of County Government, Year Ended June 30, 1971, 1973, Exhibit C; and Comparative Report of Local Government Revenues and Expenditures, Year Ended June 30, 1981, Exhibit G.

<sup>29</sup>Personal Income Estimates for Virginia Counties and Cities, 1980, Table 1.

<sup>30</sup>City Notice, pp. 47-48.

In terms of current development, the area proposed for annexation contains a portion of two residential subdivisions (Enderly Heights and Hillside) and two major industrial facilities (operated by Blue Bird Body Company and Reeves Brothers Company) and a part of another (Georgia Bonded Fibers Company). Further, it is significant to note that the area also contains a number of City-owned facilities including two wells, Enderly Heights Elementary School, Green Hill Cemetary, and the 315 acre Glen Maury Park. According to recent land use data 2.8% of the total area is devoted to residential development, 0.3% to commercial enterprise, 2.8% to industrial activity, 16.0% to public and semi-public uses, with 78.1% of the area remaining vacant or engaged in agricultural production.<sup>31</sup>

The gross vacant land in the area proposed for annexation constitutes 1,824 acres. Of this total approximately 675 acres, or 37% of the aggregate have environmental restrictions due to steep slopes or location in the flood plain.<sup>32</sup> Thus, the net vacant land in the area suitable for development is approximately 1,149 acres or 1.8 square miles.

#### STANDARDS AND FACTORS FOR CONSIDERATION

In this report, the Commission is required to review a proposed annexation which constitutes one part of an interlocal agreement approved the governing bodies of the City of Buena Vista and Rockbridge County. The agreement, as noted previously, is the product of a statutorily established mediation process and represents a reconciliation of the needs and interests of the City and County

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<sup>31</sup>Ibid., p. 128.

<sup>32</sup>Data provided by Sarah Hopkins Finley, Special Counsel, City of Buena Vista, letter to staff of Commission on Local Government, March 17, 1983.

endorsed by the elected leadership of both jurisdictions. With these conditions in mind, the Commission has not endeavored to analyze critically the relative merits of the agreement for each locality, but rather, it has focused its review on the general compatibility of the proposed annexation with statutory requirements and on the ramifications of the proposed boundary change for other parties and the State. The Commission is cognizant, moreover, of the fact that the proposed annexation is a part of a broader agreement and cannot be properly considered in isolation from other provisions in that agreement which condition and qualify it.

#### INTERESTS OF THE PEOPLE OF THE CITY

##### Land for Development

While the data indicate that the City of Buena Vista presently has within its boundaries 303 acres of net developable vacant land (16.3% of its total area), much of this acreage is limited in its development potential by parcel size, location, and appropriate land-use considerations.<sup>33</sup> In terms of land for industrial development, the City has approximately 6.9 acres of vacant land zoned for industrial activity. Of this amount, the evidence reveals that only 0.83 acre is suitable for industry based on its access to public utilities and major transportation arteries or compatibility with surrounding land uses.<sup>34</sup>

The proposed annexation, as indicated previously, will provide the City of Buena Vista with approximately 1,149 acres of vacant land suitable for development. The

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<sup>33</sup>Buena Vista Comprehensive Plan, p. II-26. Approximately 67.6 acres of net vacant land is publicly owned.

<sup>34</sup>Ibid., p. II-25.

Commission notes that the area proposed for annexation will bring into the City additional frontage along U. S. Highways 60 and 301 and three potential industrial sites identified in an economic development study of Rockbridge County funded by the U. S. Department of Commerce.<sup>35</sup>

#### Tax Resources

Evidence previously cited reveals that the City of Buena Vista has not experienced growth in its tax base comparable to that of Rockbridge County. The data indicated that between 1970 and 1980 true property values in the County grew almost twice as rapidly as did those in the City; and by the latter date, the per capita true property values in the County exceed those in the City by 51%. Equally important are data relative to the total value of taxable retail sales in the City and County. Between 1970 and 1980 the total value of taxable retail sales in the County increased by almost 250%, while the similar statistic for the City reveal an increase of 88%. While the 1980 per capita value of retail sales in the County (\$2,068) was less than the comparable figure for the City (\$2,539), the disparity in growth rates and the scarcity of vacant land for development in the City should diminish this per capita differential.

The proposed annexation will bring into the City approximately \$7.6 million in assessed property values subject to local taxation. Thus, the annexation will increase the City's total assessed property values by approximately 8.3% based on 1982 assessment figures.<sup>36</sup> In terms of reve-

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<sup>35</sup>The Fantus Company, Inc., An Economic Development Study of the Rockbridge Area of Virginia, November, 1979; and Buena Vista Comprehensive Plan, pp. V-21, V-23--V-27. The Fantus Company report was funded under contract with the Economic Development Administration, U. S. Department of Commerce.

<sup>36</sup>City Notice, pp. 48, 50.

nue, the proposed annexation is expected to generate initially \$95,500, principally from property and other local taxes. These additional receipts represent 5.1% of the City's anticipated local tax revenues for fiscal year 1982-83.<sup>37</sup>

While the City of Buena Vista has not shared proportionately in the economic growth of its area in the past, the proposed annexation will strengthen the City's tax base and increase its capacity to serve its residents.

#### Other Considerations

In addition to the benefits of annexation mentioned above, the interlocal agreement contains other provisions which the Commission deems important to the City of Buena Vista. First, the agreement has a number of utility-related provisions which promote a cooperation between the City and County and enhances the delivery of services to residents of both jurisdictions. Among such utility-related sections are those which (a) call for joint participation in the construction water and sewer lines to the northwestern end of the new U. S. Highway 60 bridge over the Maury River to serve future development in that portion of the County,<sup>38</sup> (b) allow the Rockbridge County Public Service Authority (RCPSA) to purchase up to 0.2 million gallons per day (MGD) of potable water and sewage treatment capacity from the City,<sup>39</sup> and (c) prohibit the County or RCPSA from con-

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<sup>37</sup>Finley, letter to staff of Commission on Local Government, March 17, 1982; and City of Buena Vista, 1982-1983 Municipal Budget.

<sup>38</sup>Annexation Settlement Agreement (hereinafter cited as Agreement), June 2, 1982, Secs. 4.8 and 5.6.

<sup>39</sup>Ibid., Sec. 4.1. and 5.1.



necting other water sources to lines containing water purchased from the City.<sup>40</sup> Further, the utility-related portions of the agreement will continue from the effective date of the annexation to December 31, 2002 or, if the RCPSA issues bonds within four years after the U. S. Highway 60 connections are completed, until such bonds are paid in full.<sup>41</sup> These cooperative commitments promote the economical use of capital intensive utility facilities and clearly are of potential benefit to both jurisdictions.

INTERESTS OF THE PEOPLE IN THE AREA PROPOSED FOR ANNEXATION

The 3.63 square miles of territory proposed for annexation by City of Buena Vista are estimated to contain a population of 214, giving the area a population density of 59 persons per square mile. This population density of the area is approximately twice that of the County's overall density of 29.8 persons per square mile. While more than 78% of the area proposed for annexation is currently vacant or in agricultural use, the area does contain portions of two residential subdivisions, two major industrial operations and part of a third and a number of City facilities. In addition, the Commission notes that the adopted Rockbridge County Comprehensive Plan, which was based upon a comprehensive analysis of the County's needs and growth prospectus, calls for the continued development of that area.<sup>42</sup> Thus, the evidence indicates that the area proposed for annexation will experience future development and

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<sup>40</sup>Ibid., Sec. 4.6.

<sup>41</sup>Ibid., Sec. 4.7 and 5.5.

<sup>42</sup>County of Rockbridge, Comprehensive Plan, Volume II, March 12, 1979, pp. 116, 119-121.

will increasingly need and benefit from additional urban services.

#### Sewage Treatment

The City of Buena Vista provides the only public sewage treatment system currently available to the area proposed for annexation. Currently the City serves approximately 94% of the residents as well as the major industries in the proposed annexation area through its sewer lines in Parcels C, D, and E of the area.<sup>43</sup>

With the commencement of construction in the summer of 1983 of a new 2.25 million gallon per day (MGD) sewage treatment facility, the City will have sufficient excess capacity to serve the existing and future development in the area proposed for annexation.<sup>44</sup> The City also proposes to use a portion of the funds it receives for the new treatment facility to rehabilitate existing sewer lines to eliminate the infiltration of groundwater and inflow of stormwater, thus increasing the efficiency of the treatment operation.<sup>45</sup>

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<sup>43</sup>Finley, letter to staff of Commission on Local Government, March 17, 1983; and City Notice, p. B-1.

<sup>44</sup>City Notice pp. 58-59; the U. S. Environmental Protection Agency will provide 75% of the \$7.3 million cost of the wastewater treatment facility with the balance coming from a \$0.7 million U. S. Department of Housing and Urban Development Community Development Block Grant and proceeds of a previously levied surcharge on sewer service. Further, in November 1982, the citizens of Buena Vista approved a \$1.5 million bond referendum for use in construction of the new facility, if such is needed. [Testimony by Larry M. Foster, City Manager, City of Buena Vista, Hearing before the Commission on Local Government on Annexation Agreement between the City of Buena Vista and the County of Rockbridge (hereinafter cited as Hearings), March 7, 1983, pp. 32-33].

<sup>45</sup>City Notice, pp. 57-58.

Subsequent to the annexation the City proposes to extend sewage service to the area proposed for annexation as need requires. The City's annexation plans do not commit Buena Vista to any specific extension of sewer lines except for the joint construction with the County of a line to the northwestern end of the U. S. Highway 60 bridge.

Finally, the proposed annexation will result in a significant reduction in charges for City sewerage services in the area annexed. Since the charge for service to residential customers in the County is twice that for similar users in the City, the proposed annexation will result in a savings for residents in the area annexed.<sup>46</sup> Thus, 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 City of Buena Vista has as its water source four wells and one spring. Under a permit from the Virginia Department of Health the City is authorized to distribute 1.6 million gallons of water per day, a figure which is considerably less than the 2.3 MGD estimated safe yield from all of its sources. Further, since the City's present water distribution system requires 1 MGD, the system currently retains an unused reserve of approximately 0.6 MGD, or nearly 37.5% of its authorized capacity.<sup>47</sup>

With respect to the significance of the City's water system to the area proposed for annexation, the Commission notes that the City presently serves approximately 200 of

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<sup>46</sup>Foster, Hearings, p. 40. The City charges \$0.90 per 1,000 gallons of water used for both water and sewer service, with a 40% surcharge added to the total bill to offset the local cost of the new sewage treatment plant.

<sup>47</sup>City Notice, pp. 63-64. Storage is provided by 5 ground storage tanks with an aggregate capacity of 1.76

the 214 residents in the area through its water transmission mains in two of the five parcels it proposes to annex.<sup>48</sup>

While the City's annexation plans do not call for any extension of water lines to the proposed area other than the joint construction with the County of a line traversing the new Maury River bridge, the City proposes to extend water service as the need arises. Further, the proposed annexation will have the effect of substantially reducing the cost of City water to residential users in the area. Since the cost of service to residential connections in the County is double that for similar connections in the City, the annexation will have the effect of reducing by 50% costs for residential water services in the area annexed.<sup>49</sup> Thus, with respect to both the extension and cost of water service, the annexation will benefit the area proposed for annexation.

#### Solid Waste Collection and Disposal

The City of Buena Vista provides its residents with weekly solid waste collection and extends to its business concerns a schedule of collections dependent upon their needs. The cost of this service for residential collection is \$4.00 per month.<sup>50</sup> Residents of the area proposed for annexation currently have available for their solid waste disposal needs the County's "green box" system or private contractors who provide residential collection.<sup>51</sup> The

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million gallons (Ibid., p. 65).

<sup>48</sup>Ibid., p. B-5; and Finley, letter to staff of Commission on Local Government, March 17, 1983.

<sup>49</sup>Foster, Hearings, p. 40.

<sup>50</sup>City Notice, pp. 68-69.

<sup>51</sup>Ibid., p. 69. One of the County's "green boxes" is located in Parcel C southwest of the City on U. S.

City proposes to extend solid waste collection and disposal services to the area to be annexed at the same level and in the same manner as those services are provided within the current City. The extension of these services to the area annexed will be of benefit to that area and its residents.

#### Crime Prevention and Detection

Law enforcement services to the residents of Rockbridge County are provided through the County's Sheriff's Department. To provide such services the Sheriff's department has a staff of 19 sworn law enforcement officers, 13 of whom are regularly assigned to patrol activity.<sup>52</sup> This results in a staffing level of one patrol officer for each 1,378 persons in the County with each officer having responsibility for approximately 46 square miles of County territory.

The proposed annexation should extend to the area annexed a more intense level of crime prevention and detection services than is currently being provided by the County. The City's Police Department has a total complement of 12 sworn law enforcement personnel, 7 of whom are patrol officers. While the intensity of patrol services in the City varies due to a number of factors, in the aggregate there is one police patrolman for each 960 persons in the City, with a geographic distribution of one officer per 0.41 square mile.<sup>53</sup> The current staffing level of the City's

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Highway 301.

<sup>52</sup>Data provided by Sylvia M. Reynolds, Sheriff, County of Rockbridge, communication with staff of Commission on Local Government, June 10, 1983. Law enforcement efforts in the County are also assisted by the Virginia State Police and one officer employed by the Town of Glasgow.

<sup>53</sup>City Notice, p. 80.

Police Department may, in part, have contributed to Buena Vista's low crime rate and high clearance rate.<sup>54</sup>

Given the intensity of law enforcement services in the City and the proximity of the businesses and residences in the annexation area to Buena Vista, the area proposed for annexation would clearly benefit, in our judgment, from the expansion of the City's boundaries.

#### Public Recreational Facilities

The City of Buena Vista, which established its Department of Parks and Recreation in 1971, currently employes 3 full-time personnel, 1 part-time recreation director, and approximately 8 seasonal employees.<sup>55</sup> The Department currently operates three playgrounds within its borders and supplements its facilities through the use of properties owned by the City School Board and two private owned athletic fields. Collectively, these sites offer a broad array of recreational facilities including football, baseball and softball fields, basketball courts, and playground areas.<sup>56</sup>

In addition, the City owns two recreational facilities in the area proposed for annexation. Glen Maury Park, a 315 acre facility located in Parcel D, provides residents of the general area with a wide variety of recreational opportunities. Facilities at the park include a swimming pool,

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<sup>54</sup>Virginia Department of State Police, Crime in Virginia, 1981. State Police records disclose that during calendar year 1981 the City had a crime rate of 2,576 per 100,000 population based on 173 reported major crimes compared to the County's rate of 2,965 and 513 crimes. The clearance rate for the City and County was 32.5% and 16.5% respectively.

<sup>55</sup>City Notice, p. 94.

<sup>56</sup>Finley, letter to staff of Commission on Local Government, March 17, 1983.

tennis courts, a pavilion, amphitheatre, picnic areas, ball fields, playground equipment, a skating rink, camping areas and a senior citizen center. Laurel Park, located in Parcel B, is also owned by the City, but is used primarily as a high school football practice field.<sup>57</sup>

The City's Department of Parks and Recreation also offers a number of programs and activities including organized athletic leagues for children and adults, instructional classes, and special events.<sup>58</sup> Participation in these programs as well as use of the City's facilities is open to the residents of the City or the general area for a minimal fee.

#### 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 Rockbridge 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.

Road Maintenance and Construction. All of the public roads and highways in Rockbridge County are part of the State's road system, with the Commonwealth being solely responsible for the construction and maintenance of those thoroughfares. The proposed annexation will place responsibility for all public roadways in the area annexed with the City of Buena Vista. While the City, like other

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<sup>57</sup>City Notice, pp. 95-97.

<sup>58</sup>Ibid., pp. 98-100.

Virginia municipalities, receives State financial assistance for its needs, the City expends local funds to improve and maintain its public streets. The data indicate that during fiscal year 1981-82 the City expended a total of \$123,000 in local funds for road improvements and maintenance.<sup>59</sup>

Responsibility for the City's road maintenance and improvement work resides with the Public Works Department. This department has a total staff of 26 persons with four having direct responsibility for street maintenance. The City has assigned 17 major pieces of equipment for the maintenance of its roadways.<sup>60</sup> The department also bears responsibility for the clearance of City streets during periods of snow and has available four plows and spreaders, and various other machines for snow removal purposes.

While the Commission does not have knowledge of any road improvement needs in the area proposed for annexation, the area should benefit from the local management and maintenance of public thoroughfares, and such benefit will increase in significance with the development of the area.

Curbs, Gutters and Storm Drains. The City of Buena Vista's subdivision ordinance requires the installation of curbs, gutters and storm drains in new developments. In terms of its policy applicable to existing subdivisions, the City will construct these facilities upon petition of property owners.<sup>61</sup> While the County's subdivision ordinance does require the installation of storm drainage facilities in new developments, it does not mandate the provisions of curbs and gutters. Although the City does not propose to

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<sup>59</sup>Ibid., p. 70.

<sup>60</sup>Ibid., pp. 67, 75.

<sup>61</sup>Ibid., p. 71. The cost of curbs and gutters installed at the request of property owners is \$8.00 per linear foot. The City will install storm drains if the



install curbs, gutters or storm drains in any specific areas following the annexation, its policies with respect to the future provision of such facilities should be of benefit as the area develops.

#### Education

According to information submitted by the City of Buena Vista, a total of 45 public school students in average daily membership (ADM) currently reside in the area proposed for annexation.<sup>62</sup> Of this amount, 15 students currently attend City schools for which the City charges \$400 tuition a year.<sup>63</sup> In an analysis of the proposed annexation, consideration must be given to the capacity of the City to meet the educational needs of these students. The City has submitted data indicating that its system can accommodate within existing facilities all the students to be transferred.<sup>64</sup>

In the Commission's judgment, the quality of an educational program is in large measure the product of the intellectual attainment, sensitivity, and character of individual teachers. These personal qualities are not amenable to quantification and comparative analysis. However, the statistical indices which are available support the contention that the City's school system can meet the educational needs of the students who would be affected by the proposed annexation. These indices reveal the following for the

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petitioners agree to bear the cost of the materials.

<sup>62</sup>Ibid., p. 47.

<sup>63</sup>Ibid., p. 144.

<sup>64</sup>Ibid., p. 111. During the 1982-83 school year, the City reported that it had an excess capacity of 344 spaces in its 4 schools. These were distributed as follows: grades K-5--195, grades 6-8--56, and grades 9-12--93. Further, the Commission notes that the City has made provisions for future expansion of its two elementary schools and has plans for the construction of a new middle school

1981-82 school year:<sup>65</sup>

	<u>City of Buena Vista</u>	<u>County of Rockbridge</u>
Pupil-teacher ratio		
Elementary	14.9:1	15.7:1
Secondary	13.6:1	13.2:1
Instructional personnel per 1,000 students in ADM	65.8	70.5
Local expenditures per pupil for operation	\$642	\$895
National percentile equivalents for the "Educational Ability Series Test"		
Grade 4	58	41
Grade 8	55	57
Grade 11	51	51

While the addition of the students from the area proposed for annexation could alter some of the statistics shown above, the City's plan to integrate these students into its school system does not reveal any likely diminution in the quality of its educational program.

#### General Considerations

The Commission notes that several major public services in the area proposed for annexation will not be affected by the incorporation of that area into the City of Buena Vista. In terms of fire prevention and protection and library services, the annexation will have little or no immediate impact on the residents of the area to be annexed. Buena Vista and Rockbridge County jointly support the Buena Vista Volunteer Fire Department which serves the City and all of the area proposed for annexation; and both jurisdictions jointly support a regional library system. While the

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(Ibid., pp. 111-112).

<sup>65</sup>Virginia Department of Education, Facing-Up 17, Statistical Data on Virginia Public Schools, March 1983, Tables 2, 3, 5 and 11.

annexation will assign to the City a continuing responsibility to meet these public service needs in the area annexed, the City does not propose any immediate modification of these services for the benefit of the residents of that area.

#### Summary of Service Benefits

While the Commission notes that the area proposed for annexation is sparsely populated with approximately 6% of the property therein devoted to residential, commercial, or industrial use, and while there is no pronounced need for additional services in the area, annexation will have beneficial consequences for the area's residents. In terms of utility charges, solid waste collection, law enforcement services, certain development controls and the local management and administration of public thoroughfares, the proposed annexation will be of benefit to the residents of the area.

#### INTEREST OF THE PEOPLE IN THE REMAINING PORTION OF THE COUNTY

The proposed annexation provided for in the agreement between the City and County will have a minor impact on Rockbridge County. The transfer of the territory to Buena Vista will result in the County's loss of 0.6% of its land area, 1.2% of its population, and 2.0% of its total assessed property values subject to local taxation. Further, to help mitigate any adverse financial impact, the City has agreed to pay the County \$400,000 during the five-year period following the annexation as compensation for its loss of net tax revenue and assumption of a just share of its existing bonded indebtedness.<sup>66</sup>

Furthermore, the agreement contains provisions by which the City agrees not to initiate any subsequent annexation for a 20-year period following the effective date of the currently proposed boundary change and to oppose and reject citizen-initiated annexations for the same period of time.<sup>67</sup> These aspects of the proposed annexation and

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<sup>66</sup>Supplemental Agreement, January 19, 1983, Sec. 1.

<sup>67</sup>Agreement, Secs. 2.1 and 2.2.

interlocal agreement clearly mitigate the effect of the annexation on Rockbridge County and can be cited as beneficial to the interest of the remaining residents of the County.

In addition to the provisions of the agreement dealing specifically with annexation, there are other elements in the interlocal settlement which are of considerable value to Rockbridge County. The agreement contains provisions which authorize the County to purchase up to 0.2 MGD of sewage treatment capacity and potable water from the City, and call for the City and County to share equally in the cost of constructing an 8-inch water main and a like-size sewer line from a point within the present City boundaries to the northwestern end of the new U. S. Highway 60 bridge in the County. These provisions provide Rockbridge County with a means for the extension of water and sewerage services by which it can promote and direct the future development of a portion of its territory.<sup>68</sup> These various provisions in the interlocal agreement, coupled with the relatively modest impact of the proposed annexation, are features of the settlement which are, in our judgment, in the interest of the people of the remaining portion of the County.

#### INTERESTS OF THE STATE

As noted throughout the preceeding sections of this report, the proposed annexation is part of an intergovernmental agreement resulting from negotiations between the City of Buena Vista and Rockbridge County. Such negotiations with respect to annexation and other boundary change issues are encouraged by the State, which has statutorily endorsed the process and has assigned this Commission a role in the promotion and facilitation of interlocal negotiations. This agreement, which constitutes a locally effected reconciliation of the needs and interests of the City and the County, is consistent with the interests of the Commonwealth in the promotion of negotiated settlements.

The primary interest of the State, in our judgment, is the resolution of this and all other local boundary change

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<sup>68</sup>Ibid., Secs. 4.1, 4.8, 5.1 and 5.6.

issues is the continued viability of the local governments affected. As previous sections of this report have indicated, the annexation proposed in this instance will add to the City's current tax base and will afford the City vacant land for future development while not impairing the current viability and growth potential of Rockbridge County. In sum, the interlocal agreement, fashioned and sanctioned by the governing bodies of the City and the County, is consistent with the interest of the Commonwealth in the promotion and preservation of the viability of Virginia's local governments.

## ANNEXATIONS PROVISIONS

### BASIS FOR ANNEXATION

#### Community of Interest

A statutorily prescribed consideration in annexation issues is the strength of the community of interest which joins the City with the area proposed for annexation. In this case the evidence suggests that there are tangible ties which create a significant community of interest between the City of Buena Vista and the area it proposes to annex.

First, the evidence reveals that a substantial majority of the residents in the area proposed for annexation live in close proximity to the current City's boundaries, reside in areas that are extensions of subdivisions within the City, and receive water and sewage treatment services from Buena Vista. Further, approximately 30% of the students in the area proposed for annexation annually pay \$400 tuition to attend City schools.

Second, the presence of a number of City facilities in the area proposed for annexation establishes a close tie between that area and the City. These include Glen Maury Park, Enderly Heights Elementary School, water and sewer lines, and two wells.

Third, the data disclose that Buena Vista is a focal point of retail trade in the east-central portion of Rockbridge County. In 1981 sales by food stores in the City totalled \$8.1 million while similar operations in the County recorded sales of \$5.8 million. In terms of drug and

propriety stores, 1981 data reveal that the total value of sales in the City (\$0.9 million) was two and one-half times greater than that in the whole of Rockbridge County (\$0.34 million).<sup>69</sup> Further, in 1980 the recorded value of purchases of general merchandise, apparel, furniture and appliances in Buena Vista (\$3.6 million) exceeded that of the County by \$1 million.<sup>70</sup> Furthermore, the Commission notes the absence of wholesale, retail and service activities in the area proposed for annexation and the surrounding County. This would suggest that the residents of the general area rely, at least in part, on enterprises within the City to meet their needs for such activities.

The above referenced data point to a broad and significant community of interest between the City and the area it seeks to annex. The strength of this community of interest can be cited to support the proposed annexation.

#### Compliance with State Policies

Another factor which is statutorily prescribed for consideration in annexation issues is the extent to which the affected localities have made efforts to comply with State policies with respect to environmental protection, public planning, housing, and other applicable service policies promulgated by the General Assembly. There are several State service policies which are applicable to the City of Buena Vista and Rockbridge County which merit comment in this report.

Public Planning. The evidence indicates that, consistent with State requirements, both the City and County have established planning commissions, have approved subdivision ordinances, and have formally adopted comprehensive plans. In addition, both jurisdictions have adopted zoning ordinances to assist in the regulation of their development. Thus, the record discloses that both Buena Vista and Rockbridge County have adopted a broad array of planning instruments which should enable them to respond effectively to the

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<sup>69</sup>Survey of Buying Power, 1982, July 26, 1982 edition of Sales and Marketing Management, pp. C-200--C-201.

<sup>70</sup>Eleanor G. May, Retail Sales in Virginia, 1980 (Charlottesville: Tayloe Murphy Institute, University of Virginia, 1981), p. 47.

State's concern for appropriate local public planning.<sup>71</sup> Agricultural Land Preservation. The General Assembly has declared it to be a policy of the Commonwealth to protect the State's agricultural properties.<sup>72</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. In 1980 the County adopted a program of use value assessment with the intent of reducing the tax burden on such property and, thereby, lessening the economic pressure for their conversion. During the 1981-82 tax year such method of assessment served to reduce, in the aggregate, the taxable value of qualifying properties in Rockbridge County by \$31.9 million.<sup>73</sup> The County's adoption and continued utilization of use value assessment constitutes an effort which is in compliance with the State's concern for the preservation of agricultural lands. Capacity of the City to Finance the Annexation

Whatever the ultimate benefits of annexation to a city in Virginia, the years immediately following an annexation can be a period of fiscal difficulty. Under Virginia law the annexing city is generally required to pay the affected county for the value of county-owned and financed public improvements which become property of the city, to assume a just proportion of the county's existing debt, and to reimburse the county for its loss of prospective net tax revenue for as much as a five-year period.<sup>74</sup> In addition, a city is expected to identify the service needs of the area to be annexed and to develop a plan to provide the facilities and services to meet the needs of that area.<sup>75</sup> The total

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<sup>71</sup>City Notice, pp. 77-79; and County of Rockbridge, Land Development Regulations, November 22, 1982.

<sup>72</sup>Sec. 15.1-1507, Code of Virginia.

<sup>73</sup>Virginia Department of Taxation, Annual Report, 1981-1982, Table 5.4.

<sup>74</sup>Sec. 15.1-1042, Code of Virginia.

<sup>75</sup>Ibid.

impact of such fiscal requirements can be substantial.

In this instance the City of Buena Vista does not propose to acquire any property owned by Rockbridge County which would require reimbursement. The interlocal agreement does require the City to assume a portion of the County's outstanding indebtedness and to reimburse the County for its prospective loss of net tax revenue. Under the terms of the agreement the City will compensate the County \$80,000 annually for a five-year period for both its loss of net tax revenues and assumption of a just share of its existing bonded indebtedness.<sup>76</sup> In terms of extending services to the area proposed for annexation, the City contemplates that it initially will be required to expend an additional \$134,600 annually for general governmental services, and, in addition, it proposes to expend \$142,000 for its share of the cost of constructing the water and sewer line along the west side of the U. S. Highway 60 bridge.<sup>77</sup>

The data indicate that the proposed annexation should not place upon the City of Buena Vista an inordinate fiscal burden. The Commission notes that in 1982 the City had a nominal real property tax rate of \$0.91 per hundred dollars of assessed value, while the comparable statistic for all Virginia cities considered collectively was \$1.07.<sup>78</sup> Further, in terms of total local tax burden, the data reveal that as of 1980 the City's total local taxes constituted only 3.3% of its total personal income, while the comparable statistic for all of Virginia's counties and cities was 3.62%.<sup>79</sup> Furthermore, it is significant to note that as of 1981 the City's net debt per capita was only \$155, while the similar figure for all of Virginia's cities was

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<sup>76</sup>Supplemental Agreement.

<sup>77</sup>City Notice, pp. 149-151.

<sup>78</sup>Virginia Department of Taxation, Local Tax Rates, Tax Year--1982, Table 2.

<sup>79</sup>Percentages derived from revenue data reported in City of Buena Vista, Financial Statements as of June 30, 1980 and 1979, September 10, 1980, Exhibit B-3; Report of Auditor of Public Accounts of the Commonwealth of Virginia on Comparative Cost of City Government, Year Ended June 30,



\$647.80

It should also be observed that the proposed annexation is expected to generate initially approximately \$210,880 annually in additional local and State revenues.<sup>81</sup> These additional resources will substantially assist the City in meeting the obligations imposed by the annexation. Moreover, following the annexation the City of Buena Vista will have a legal debt limit of approximately \$8 million.<sup>82</sup> Data support the conclusion that the City of Buena Vista has the requisite fiscal resources to finance the proposed annexation.

Provision of Services

The City of Buena Vista through various submittals and testimony to the Commission has presented its plans to extend services and development policies to the area proposed for annexation. In order to insure that residents of the annexed area have access to City services at the same level as that enjoyed by current Buena Vista residents, the City proposes to hire 1 or 2 additional police patrolmen, 3 street maintenance personnel, 1 refuse collector, and to expend approximately \$135,000 annually for general governmental operations. With the exception of participating in the construction of the water and sewer lines across the new U. S. Highway 60 bridge, the City does not propose to make any

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1980; Report of Auditor of Public Accounts of the Commonwealth of Virginia on Comparative Cost of County Government, Year Ended June 30, 1980; and personal income data reported in Personal Income Estimates for Virginia's Counties and Cities, 1980. Local taxes include property and all other local taxes and motor vehicle and business, professional and occupational license taxes.

<sup>80</sup>Comparative Report of Local Government Revenues and Expenditures, Year Ended June 30, 1981, Exhibit G.

<sup>81</sup>Finley, letter to staff of Commission on Local Government, March 17, 1983.

<sup>82</sup>City Notice, p. 152.

major capital improvements in the area proposed for annexation nor does it anticipate having to purchase additional pieces of equipment to serve the area.<sup>83</sup> While the area proposed for annexation is not extensively developed and does not exhibit a marked need of additional urban services, it is the judgment of this Commission that the extension of City services and urban development policies will benefit the area's current residents and increase in significance with the future development of the annexed territory.

### RECOMMENDATIONS

#### Boundary Line

The Commission finds no basis for recommending any adaptation in the proposed boundary line adopted by the governing bodies of the City of Buena Vista and Rockbridge County, and recommends that the proposed annexation included in the interlocal agreement of June 2, 1982 be approved by the court.

#### Services and Policies

As previously indicated, as substantial majority of the residents of the area proposed for annexation receive services either directly from the City (water and sewer) or from agencies located within its current boundaries (volunteer fire department and a branch of the regional library system). Additionally, the City's proposed service plans for the area to be annexed provides for the extension of other public services to the enlarged City. Given the presence or availability of existing City 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 City adopt a program of land use assessment for 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 agri-

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<sup>83</sup>Ibid., pp. 138-145.

cultural production.<sup>84</sup> Adoption of a land-use assessment program would reduce the impact of the incorporation of this land into the City.

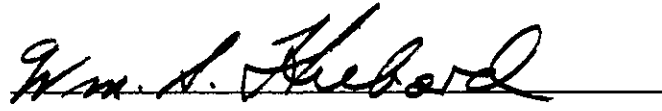
#### CONCLUDING COMMENT

In this report the Commission has reviewed an annexation agreed to by the governing bodies of the City of Buena Vista and Rockbridge County as one part of a comprehensive interlocal agreement between those jurisdictions. The Commission has examined the proposed annexation as an element of that general interlocal accord, and, thus, conditioned and supported by the other provisions thereof. The Commission has not sought to analyze critically the annexation as a separate action, and nothing in this report should be construed as an endorsement of the annexation distinct from the agreement of which it is a part. Finally, although elements in the interlocal agreement may not be totally in keeping with what members of the Commission might have recommended had this issue been presented to them in adversarial fashion, their endorsement by the Commission without comment in this report rests upon our recognition that such elements have been deemed appropriate by the local governing bodies of the two jurisdictions.

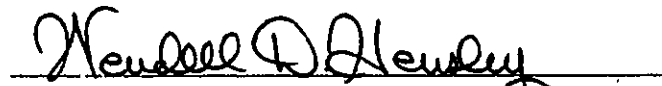
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<sup>84</sup>Ibid., p. 128. Approximately 78% of the area proposed for annexation is classified as agricultural, wooded, or vacant.

Respectfully submitted,

A handwritten signature in cursive script, reading "Wm. S. Hubbard", written over a horizontal line.

William S. Hubbard, Chairman

A handwritten signature in cursive script, reading "Wendell D. Hensley", written over a horizontal line.

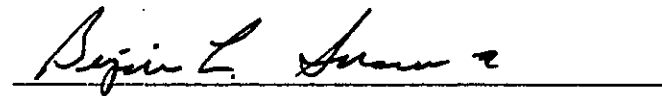
Wendell D. Hensley, Vice-Chairman

A handwritten signature in cursive script, reading "Harold S. Atkinson", written over a horizontal line.

Harold S. Atkinson

A handwritten signature in cursive script, reading "Edward A. Beck", written over a horizontal line.

Edward A. Beck

A handwritten signature in cursive script, reading "Benjamin L. Susman, III", written over a horizontal line.

Benjamin L. Susman, III

APPENDIX A

INTERGOVERNMENTAL AGREEMENT BETWEEN THE  
CITY OF BUENA VISTA AND COUNTY OF ROCKBRIDGE

THIS AGREEMENT is made and entered into this 2nd day of June, 1982, by and between the City of Buena Vista ("City"), a municipal corporation of the Commonwealth of Virginia, Rockbridge County ("County"), a political subdivision of the Commonwealth of Virginia, and the Rockbridge County Public Service Authority ("Authority"), a public body politic and corporate created under Chapter 28 of Title 15.1 of the Code of Virginia, 1950, as amended.

WHEREAS, the Council of the City of Buena Vista adopted on February 25, 1982, a resolution authorizing the initiation of procedures for the annexation of certain areas of the County, and

WHEREAS, the City and the County entered into negotiations to seek an amicable settlement of the proposed annexation without a contested legal proceeding,

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

#### ARTICLE I

##### AREAS TO BE ANNEXED; INSTITUTION OF ANNEXATION PROCEEDINGS

Section 1.1. Areas to be Annexed. The City and the County agree that it is both necessary and expedient for

the City to annex into its corporate limits certain areas within the County identified as Parcels A, B, C, D and E and shown on the map attached hereto as Exhibit A. A general metes and bounds description for these parcels is attached hereto as Exhibit B. The five parcels contain a total of approximately 3.75 square miles.

Section 1.2. Effective Date of Annexation. The effective date for this annexation shall be midnight, December 31, 1982 or midnight, December 31 of any subsequent year in which the final order of annexation is entered by a special three-judge Annexation Court appointed pursuant to Title 15.1, Chapter 26.2 of the Code of Virginia, 1950, as amended.

Section 1.3. Institution of Annexation Proceedings. The City of Buena Vista shall take any and all actions necessary to implement the annexation of the five parcels of land described or shown on Exhibits A and B. After all parties have executed this agreement, the City shall pass an annexation ordinance and shall initiate all other steps before the Commission on Local Government and a special three-judge Annexation Court necessary to accomplish said annexation. The County shall cooperate in every

reasonable way to expedite the annexation proceedings. The City and the County, by their respective counsel, shall present to the Commission on Local Government ("Commission") and the Annexation Court ("Court"), a sketch of a final order of annexation to be entered by said Court setting forth the terms and conditions of annexation as agreed herein.

Section 1.4. Court Modifications of this Agreement. The parties agree to oppose any changes recommended by the Commission or ordered by the Court with respect to the areas agreed to be annexed, the other terms and conditions set forth in this agreement, and any agreement that may be subsequently reached as to the financial adjustments to be made pursuant to Section 3.1, unless the City and County mutually agree to such changes. In the event there is a change to any of the terms of this agreement, the County or the City may reject the changes recommended by the Commission or ordered by the Court. If said rejection is initiated by the County, then the City shall not be responsible for any of the costs incurred by the County and 15.1-1055 of the Code of Virginia, 1950, as amended, is hereby waived by the County. In the event the City rejects the recommendations of the Commission or the order of the Court, therefore, Code Sections 15.1-1044



and 15.1-1055 of the Code of Virginia, 1950, as amended, shall apply.

## ARTICLE II

### LIMITATIONS ON FUTURE ANNEXATION

Section 2.1. Future City Annexation Proceedings. The City will not institute any annexation proceedings against the County during the twenty (20) years following the effective date of this annexation pursuant to the order of a Special Annexation Court.

Section 2.2. Annexation Petitions by Qualified Voters or Landowners. If any petition for annexation of any portion of the County is initiated during the twenty (20) years following the effective date of annexation of Section 2.1 above, the City agrees to oppose such petition and to reject such annexation as provided in Section 15.1-1034 of the Code of Virginia, 1950, as amended.

Section 2.3. Sponsoring of Legislation. The City agrees to request its legislative delegation in the General Assembly to sponsor and support legislation assuring the validity and binding effect of the provisions of Sections 2.1 and 2.2 above.

## ARTICLE III

### FINANCIAL ADJUSTMENTS

Section 3.1. Assumption of Debt and Compensation for Lost Revenues. The City agrees to assume a just proportion of any County debt existing on the effective date of annexation, as provided in Section 15.1-1042(b) of the Code of Virginia, 1950, as amended, and to compensate the County for its prospective loss of net tax revenues during the five years following the effective date of annexation because of the annexation of taxable values to the City, as provided in Section 15.1-1042(c) of the Code of Virginia, 1950, as amended.

Section 3.2. Submission to the Commission and the Court. The City and the County shall make every effort to agree upon the amount of debt to be assumed and the amount of compensation to be paid for lost revenues under Section 3.1, as well as all other terms and conditions concerning such payments, within a period of 30 days after the execution of this agreement. In the event the City and County are unable to agree within 30 days on the amounts of such payments and other terms and conditions thereof, then they agree (a) to submit such unresolved issues regarding said payments to

the Commission and the Court to be determined pursuant to Section 15.1-1042 of the Code of Virginia, 1950, as amended, and (b) to be bound by the final determination of the Annexation Court as to such matters.

#### ARTICLE IV

##### BULK SALES OF WATER

Section 4.1. The City agrees to sell to the Authority bulk potable water in a quantity not to exceed 200,000 gallons per day unless the City has unused capacity to supply such additional amounts as may be required. It is understood that City customers shall have priority in the event of shortages.

Section 4.2. Delivery Points. The City shall deliver such bulk potable water to the Authority at such locations along its existing and future water transmission lines as will provide suitable water quantity and pressure and which will be agreeable to the City on the basis of sound engineering considerations. The City shall permit the Authority or the County to construct transmission lines at such delivery points, but insofar as such lines lie within the existing or enlarged corporate boundaries of the City, the Authority

or the County shall convey ownership of such portions of the lines to the City.

Section 4.3. Master Water Meters. At each delivery point established under Section 4.2., a master water metering station shall be constructed either by the City, or by the County in accordance with specifications acceptable to the City, for the purpose of measuring the sales of bulk potable water. All expenses of construction shall be paid by the County and thereafter such metering stations shall become the property of the City and shall be operated and maintained by the City.

Section 4.4. Water Rates. The City shall bill the Authority for bulk potable water sales on the basis of master meter readings at a rate not to exceed the weighted average rate fixed by the City at the effective date of annexation for customers inside the corporate limits of the City. Should costs of production of water increase, a proportionate share of such increased production costs may be added to the rate after a full accounting is made by the City to the Authority illustrating such increased costs. However, in no event, shall the rate charged the Authority exceed the weighted average rate charged City users. The

Authority shall promptly pay all charges for the purchase of bulk water.

Section 4.5. Construction Standards. All water facilities constructed by the Authority or the County and connected to the City water system shall be designed by competent professional engineers and shall be constructed in accordance with generally accepted standards. The City reserves the right to inspect and approve the installation of such facilities throughout the period of construction.

Section 4.6. Connections to Other Water Sources. Neither the Authority nor the County shall connect any line containing water from any other source to any water line containing water purchased from the City.

Section 4.7. Duration of Agreement. The City agrees to sell bulk potable water pursuant to the terms of this agreement from the effective date of annexation to December 31, 2002. Should the Authority issue bonds within a four year period after the water connection is available on the northwestern end of the U. S. Route 60 Bridge, the City will provide water to the County until such bonds are paid in full. Bonds issued by the Authority to finance facilities using

City water shall not exceed a thirty year term. In no event, shall the City terminate the sale of water hereunder without at least a three-year written notice given to the Authority subsequent to December 31, 2002.

Section 4.8. Installation of Water Lines. The City agrees to participate in the construction of an eight (8) inch water line with adequate pounds per square inch water pressure from a point beginning at the eastern end of the Bonded Fibers property and then along U. S. Route 60 to the northwestern end of the U. S. Route 60 Bridge. Further, the water line shall be constructed within a period four years from the date of this agreement if the bridge is completed by that date. All costs associated with its design and construction based on the lowest acceptable bid shall be shared equally by the City and the County. It shall be the City's responsibility to oversee the design and construction of this line.

Section 4.9. Water Service Outside City. The City agrees that it will not sell or distribute water to others within the County without the consent of the County other than those customers already served.

ARTICLE V

SEWAGE TRANSMISSION AND TREATMENT

Section 5.1. Maximum Gallonage. The City agrees to accept and treat residential, commercial and industrial wastewater of average domestic strength received in bulk from the Authority in a quantity up to 200,000 gallons per day unless the City has the uncommitted capacity to treat such additional influent as may be required, unless restrictions on treatment capacity are imposed by the Virginia State Water Control Board or other regulatory agencies. Further, the City agrees that by 1986 or such date as the receipt of Federal or State funds make possible the construction of the City's sewage treatment facility, it will accept and treat all residential, commercial and industrial wastewater received in bulk from the Authority in a quantity up to 200,000 gallons per day unless the City has the uncommitted capacity to treat such additional influent as may be required. It is agreed that the Authority shall not allow any wastewater to enter the City's system which would be detrimental to the treatment process or increase treatment costs. The County, Authority or user will bear all necessary costs

involved with testing in order to determine if the sewage is acceptable to the City's system. The City and the County agree to mutually approach the State Water Control Board or other regulatory agencies for necessary phased utilization and permits to allow the County to avail itself of the City's sewage treatment facilities on a limited basis until such time as the City's new treatment plant is constructed.

Section 5.2. Delivery Points. The City shall receive such bulk wastewater from the Authority' at such locations along its existing and future wastewater lines as will provide adequate capacity and which will be agreeable to the City on the basis of sound engineering considerations. The City shall permit the Authority or the County to construct wastewater transmission lines at such delivery points, but insofar as such lines lie within the existing or enlarged corporate boundaries of the City, the Authority or the County shall convey ownership of such portions of the lines to the City.

Section 5.3. Wastewater Transmission and Treatment Rates. The City shall bill the Authority for bulk wastewater transported from the County connection points to the City treatment plant and treated by the City. The rate for



treatment shall be established by the City and agreed to by the Authority and the County. In the event that the three parties do not agree to a rate, the City, the County and the Authority will abide by the decision of a board of arbitration. The arbitration board will consist of three members to be appointed as follows: one member appointed by the City, one member by the County, and one member by the Judge of the Circuit Court, this member not to reside within the boundaries of Rockbridge County or any municipality within the geographic confines of the County. Should costs of sewage increase, a proportionate share of such increased treatment costs may be added to the established rate after a full accounting is made by the City to the Authority showing such increased costs. However, in no event shall the rate charged the County exceed the rate charged City users.

Section 5.4. Construction Standards. All wastewater facilities constructed by the Authority or the County and connected to the City wastewater system shall be designed by competent professional engineers and shall be constructed in accordance with generally accepted standards. The City reserves the right to inspect and approve the installation of such facilities throughout the period of construction.

Section 5.5. Duration of Agreement. The City agrees to transmit and treat wastewater pursuant to the terms of this agreement from the effective date of annexation to December 31, 2002. Should the Authority issue bonds within a four year period after the sewer connection is available on the northwestern end of the U. S. Route 60 Bridge, the City will transport and treat wastewater until such bonds are paid in full. Bonds issued by the Authority to finance facilities using City wastewater treatment facilities shall not exceed a thirty (30) year term. In no event shall the City terminate the acceptance of wastewater hereunder without at least a three year written notice given to the Authority subsequent to December 31, 2002.

Section 5.6. Installation of Sewer Line. The City agrees to participate in the construction of an eight (8) inch sewer line with adequate capacity to accept wastewater from the County's twelve (12) inch sewer line beginning at the eastern end of the Bonded Fibers property and then along U. S. Route 60 to the northwestern end of the U. S. Route 60 Bridge proposed to be constructed over the Maury River at which time and location the County may avail itself of wastewater treatment for 200,000 gallons per day or portions thereof. Further, the sewer line shall be constructed within a period of four years from the date of this agreement, if

the bridge is completed by that date and all costs associated with its design and construction based on the lowest acceptable bid, shall be shared equally by the City and County. It shall be the responsibility of the City to oversee the design and construction of this line.

Section 5.7. The City agrees that it will not accept wastewater customers within the County without the consent of the County other than those already served.

#### ARTICLE VI

##### MISCELLANEOUS PROVISIONS

Section 6.01. Miscellaneous. The rights and obligations of this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 6.02. Miscellaneous. In the event the annexation contemplated by this agreement does not become effective on or before December 31, 1983 the obligations assumed by the parties under this agreement shall be null, void and of no binding effect.

IN WITNESS WHEREOF, the governing bodies of the parties have each by ordinance or resolution caused this Agreement to be duly executed in several counterparts, each

of which shall constitute an original, by their respective  
mayor or chairman and attested by their respective clerks.

L. Franklin Hogan, Jr. /s/  
Mayor, City of Buena Vista

ATTEST::

Mary Ann Shaner /s/  
Clerk of Council

Wm. E. Edwards /s/  
Chairman, Board of Supervisors  
of Rockbridge County

ATTEST:

D. G. Austin /s/  
Clerk of the Board

C. Eugene Cox /s/  
Chairman, Rockbridge County  
Public Service Authority

ATTEST:

Ray V. Bowers, III /s/  
Clerk of the Authority

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT is made and entered into this 19 day of January, 1983, by and between the City of Buena Vista ("City"), a municipal corporation of the Commonwealth of Virginia, and Rockbridge County ("County"), a political subdivision of the Commonwealth of Virginia.

WHEREAS, on June 2, 1982, the City, the County, and the Rockbridge County Public Service Authority executed an Agreement ("June 2, 1982 Agreement") by which, among other provisions, the County consented to the annexation of certain areas adjoining Buena Vista and the City agreed to assume a just proportion of County debt and to compensate the County for its net loss of tax revenues, and

WHEREAS, the City and County have now reached agreement upon the amount of debt to be assumed and the amount of compensation to be paid for lost revenues,

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the City and the County agree to supplement the June 2, 1982 Agreement as follows:

1. The City agrees to pay the County five annual installments of \$80,000.00 each as compensation for the

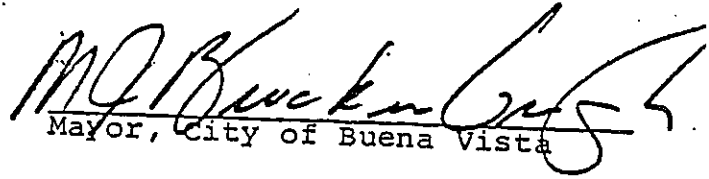
loss of territory resulting from the annexation. The parties agree that said sums are intended both to compensate the County for its net loss of tax revenues and to reimburse the County for a just share of its existing bonded indebtedness. The first installment will be payable on January 1 following the first full year after the effective date of the annexation and the other installments will be payable on January 1 of the four succeeding years, making a total payment to the County of \$400,000.00.

2. The rights and obligations of this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

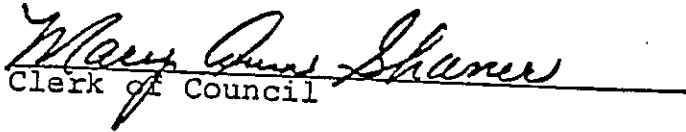
3. The covenants contained herein constitute an integral part of the June 2, 1982 Agreement and are subject to all of its provisions which are not inconsistent with the terms of this supplemental agreement.

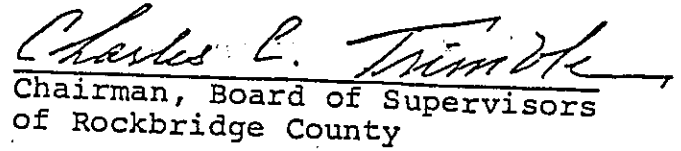
IN WITNESS WHEREOF, the governing bodies of the parties have each by ordinance or resolution caused this agreement to be duly executed in several counterparts, each

of which shall constitute an original, by their respective  
mayor or chairman and attested by their respective clerks.


  
Mayor, City of Buena Vista

ATTEST:

  
Clerk of Council

  
Chairman, Board of Supervisors  
of Rockbridge County

ATTEST:

  
Clerk of the Board



APPENDIX B

Statistical Profile of the City of Buena Vista,  
County of Rockbridge, and the Area Proposed for  
Annexation

	<u>City of Buena Vista</u>	<u>County of Rockbridge</u>	<u>Area Proposed for Annexation</u>
Population (1980)	6,717	17,911	214
Land Area (Square Miles)	2.90	601.62	3.63
School Average Daily Membership (1982)	1,352	3,224	45
Total Taxable Values (1982)	\$91,445,689	\$386,519,143	\$7,626,766
Real Estate Values (1982)	\$76,998,200	\$352,912,170	\$7,036,600
Personal Property Values (1982)	\$6,461,370	\$22,672,431	\$276,830
Machinery and Tools Values (1982)	\$3,306,838	\$3,517,000	\$73,180
Public Service Corporation Values (1982)	\$4,679,281	\$34,417,442	\$240,156
Taxable Sales (1982)	\$19,688,738	\$44,650,902	N/A
Existing Land Use (Acres) <sup>2</sup>			
Residential	567	2,114	64
Commercial	45	3,896	6
Industrial	149	6,688	64
Public and Semi-public	68	N/A	371
Streets and Rights-of-way	316	N/A	N/A
Agricultural, Wooded, Vacant or other	712	372,339	1,818

NOTES

- N/A = Not Available  
 1 = Estimated  
 2 = Land use estimates were calculated for the City in 1979, in 1978 for the County and in 1982 for the area proposed for annexation.

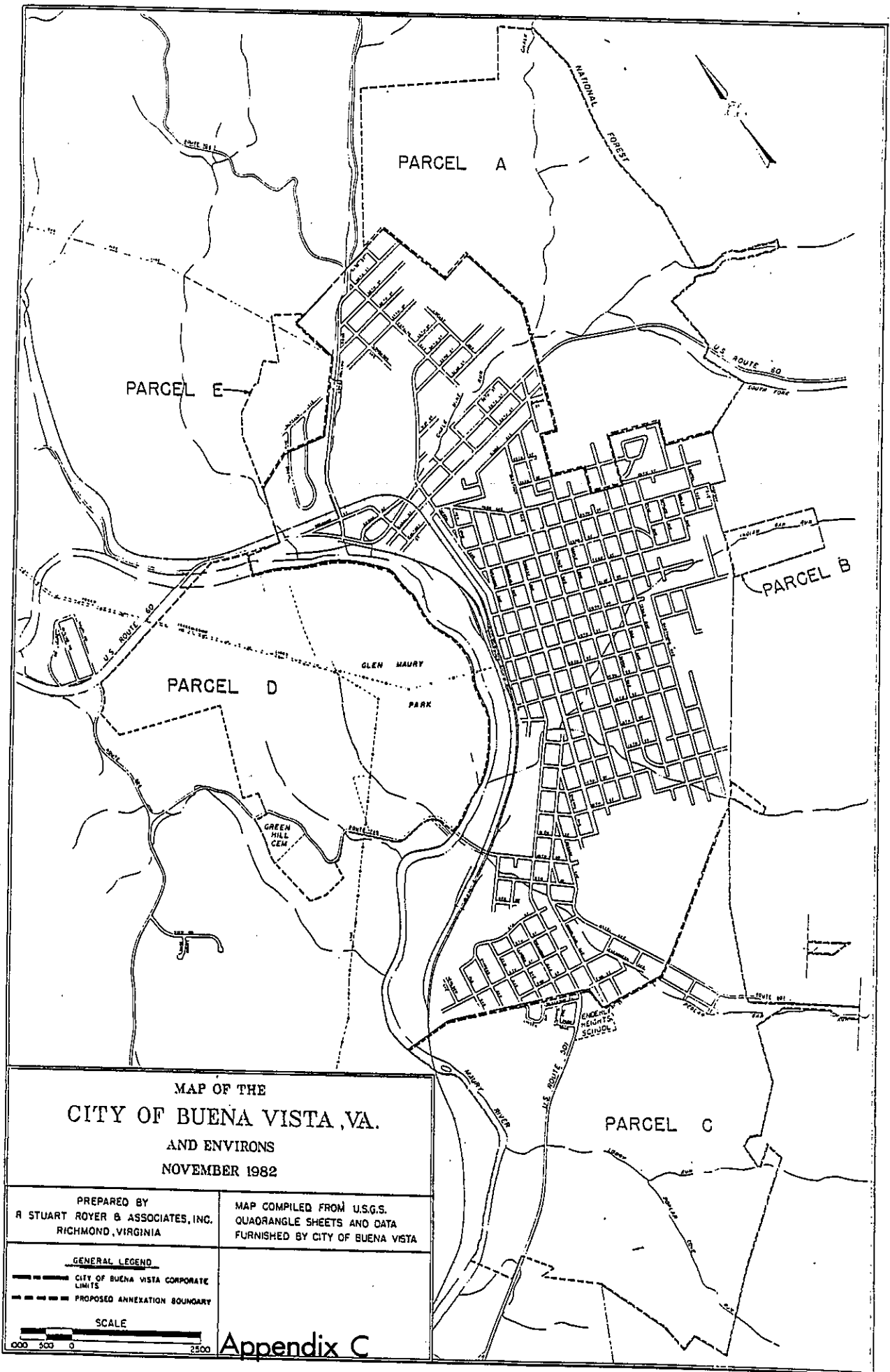
SOURCES

City of Buena Vista, City of Buena Vista Annexation Proceeding, Annexation Notice, December 1982.

City of Buena Vista, Comprehensive Plan. September 1980.

County of Rockbridge, Comprehensive Plan, Volume 1, July 1978.

Virginia Department of Taxation, Taxable Sales Annual Report, 1982



MAP OF THE  
 CITY OF BUENA VISTA, VA.  
 AND ENVIRONS  
 NOVEMBER 1982

PREPARED BY  
 R STUART ROYER & ASSOCIATES, INC.  
 RICHMOND, VIRGINIA

MAP COMPILED FROM U.S.G.S.  
 QUADRANGLE SHEETS AND DATA  
 FURNISHED BY CITY OF BUENA VISTA

GENERAL LEGEND

- CITY OF BUENA VISTA CORPORATE LIMITS
- - - - PROPOSED ANNEXATION BOUNDARY

SCALE



Appendix C