

REPORT  
ON THE  
TOWN OF PULASKI—COUNTY OF PULASKI  
SETTLEMENT AGREEMENT



COMMISSION ON LOCAL GOVERNMENT  
COMMONWEALTH OF VIRGINIA

REPORT  
ON THE  
TOWN OF PULASKI - COUNTY OF PULASKI  
VOLUNTARY SETTLEMENT

TABLE OF CONTENTS

PROCEEDINGS OF THE COMMISSION . . . . . 1

SCOPE OF REVIEW . . . . . 2

GENERAL CHARACTERISTICS OF THE TOWN, THE COUNTY,  
AND THE AREA PROPOSED FOR ANNEXATION . . . . . 4

    Town of Pulaski . . . . . 4

    County of Pulaski . . . . . 6

    Area Proposed for Annexation . . . . . 8

STANDARD FOR REVIEW . . . . . 9

    Town of Pulaski . . . . . 10

    Area Proposed for Annexation . . . . . 14

INTERESTS OF THE PEOPLE OF THE COUNTY . . . . . 25

SUMMARY OF FINDINGS AND RECOMMENDATIONS . . . . . 26

APPENDIX A     Settlement Agreement between the Town of Pulaski and  
                  County of Pulaski.

APPENDIX B     Statistical Profile of the Town of Pulaski, County of  
                  Pulaski, and the Area Proposed for Annexation.

APPENDIX C     Map of the Town of Pulaski and the Area Proposed for  
                  Annexation.

REPORT OF THE  
COMMISSION ON LOCAL GOVERNMENT

TOWN OF PULASKI - COUNTY OF PULASKI  
VOLUNTARY SETTLEMENT AGREEMENT

PROCEEDINGS OF THE COMMISSION

On July 25, 1986 the Town of Pulaski and Pulaski County formally submitted to the Commission for review a proposed voluntary settlement agreement which had been negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia. Consistent with the Commission's Rules of Procedure, the notice was accompanied by data and materials supporting the proposed agreement.<sup>1</sup> Further, in accordance with statutory requirements, the Town and County concurrently gave notice of the proposed agreement to nine other localities with which they were contiguous or with which they shared functions, revenues, or tax sources.<sup>2</sup> The proposed agreement contains provisions which would (1) grant the Town an annexation of 3.3 square miles of territory in the County, (2) commit the Town to the construction of specified utility projects in the area proposed for annexation during the 15-year period following annexation, (3) preclude the Town from initiating or supporting additional annexation initiatives and from seeking city status for a 15-year period, and (4) require the Town's adoption and application of use value assessment for the taxation of real property during the 15-year period following annexation.<sup>3</sup> The proposed agreement represents the culmination of negotiations which had been conducted by the parties since August 1984.

Following its receipt of the notice filed by the Town and County the Commission met with representatives of the two jurisdictions on

---

<sup>1</sup>Town of Pulaski, Town of Pulaski - County of Pulaski Settlement Agreement (hereinafter cited as Town Submission), July 1986.

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

<sup>3</sup>See Appendix A for the full text of the proposed agreement.

September 23, 1986 for the purpose of establishing a schedule for its review of the proposed agreement.<sup>4</sup> Consistent with the schedule adopted at that meeting, the members of the Commission toured relevant sites and facilities in the area proposed for annexation and the Town and received oral presentations from the parties in support of the proposed agreement on November 3, 1986. In addition to its receipt and consideration of materials from the parties, the Commission solicited comment from other potentially affected political subdivisions and the public. Each political subdivision receiving notice of the proposed agreement from the parties was invited by this Commission to submit testimony on the agreement for consideration. Further, the Commission held a public hearing, advertised in accordance with requirements of Section 15.1-945.7(B) of the Code of Virginia, on the evening of November 3, 1986 in the Town.<sup>5</sup> The public hearing was attended by approximately 100 persons and produced testimony from five individuals. In order to receive additional public comment, the Commission agreed to keep open its record for the receipt of written submissions through December 3, 1986.

#### SCOPE OF REVIEW

The Commission on Local Government is directed by law to review proposed annexations, petitions for partial county immunity, other local boundary change and transition issues, and negotiated agreements settling such issues prior to their being presented to the courts for ultimate disposition. Upon receipt of notice of such a proposed action or agreement, the Commission is directed "to hold hearings, make investigations, analyze local needs" and to submit a report containing

---

<sup>4</sup>At the meeting on September 23, 1986 the Commission recognized the New Gulf River Investors, a partnership owning approximately 180 acres of property in the area proposed for annexation, as an interested party and accorded it an opportunity to participate in its proceedings.

<sup>5</sup>At the request of the Commission all materials which had been submitted to it by the parties relative to the proposed voluntary

findings of fact and recommendations regarding the issue to the affected local governments.<sup>6</sup> With respect to a proposed agreement negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia, the Commission is required to determine in its review "whether the proposed settlement is in the best interest of the Commonwealth."

As we have noted in other reports, it is evident that the General Assembly encourages local governments to attempt to negotiate settlement of their interlocal concerns. Indeed, one of the statutory responsibilities of this Commission is to assist local governments in such efforts. In view of this legislative intent, the Commission believes that proposed interlocal agreements, such as that negotiated by the Town of Pulaski and Pulaski County, should be approached with respect and a presumption of their compatibility with applicable statutory standards.

The Commission notes, however, that the General Assembly has decreed that interlocal agreements negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia be reviewed by this body prior to their final adoption by the local governing bodies. We are obliged to conclude, therefore, that while interlocal agreements negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia are due respect and should be approached with a presumption of their consistency with statutory standards, such respect and presumption cannot be permitted to render our review a pro forma endorsement of any proposed settlement. Our responsibility to the Commonwealth and to the affected localities requires more.

---

settlement agreement were made available for public review in the offices of both the Town Manager of the Town of Pulaski and the County Administrator of Pulaski County.

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

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

TOWN OF PULASKI

The Town of Pulaski was incorporated by the Virginia General Assembly in 1886, and much of its early history can be associated with the iron and zinc industries. The Town has been the seat of government for Pulaski County since 1895.<sup>7</sup>

Demographic data indicate that the Town of Pulaski experienced a modest population loss during the preceding decade, with its populace decreasing between 1970 and 1980 from 10,279 to 10,106 persons, or by 1.7%.<sup>8</sup> Moreover, population estimates for 1984 place the Town's populace at 9,611, a decline of nearly 5% since the preceding decennial census. Based on its land area of 4.6 square miles and the 1984 population estimate, the Town has a population density of 2,089 persons per square mile.<sup>9</sup>

With respect to the nature of its population, the evidence indicates that the Town's populace is significantly older and has a lower average income than that of the State overall. Data reveal that, as of 1980, the median age of Town residents was 34.5 years, a statistic markedly greater than that for the State overall (29.8 years).<sup>10</sup>

---

<sup>7</sup>Town Submission, pp. 36-37; and J. Deveareux Weeks, Dates of Origin of Virginia Counties and Municipalities (Charlottesville: Institute of Government, University of Virginia, 1967).

<sup>8</sup>Town Submission, pp. 38-39. See Appendix B for a statistical profile of the Town, the County, and the area proposed for annexation. See Appendix C for a map of the Town and the area proposed for annexation.

<sup>9</sup>Ibid. The last major annexation, which occurred in 1957, brought 2.0 square miles of territory within the Town's boundaries. (Anne Burgess, Assistant to Town Manager, Town of Pulaski, communication with staff of Commission on Local Government, Feb. 20, 1987.) A minor annexation occurred in 1966 when 23.3 acres were incorporated into the Town. (Ruth Harrell, Clerk of Council, Town of Pulaski, letter to staff of Commission on Local Government, Jan. 29, 1987.)

<sup>10</sup>U. S. Department of Commerce, Bureau of the Census, 1980

Further, the percentage of the Town's 1980 population age 65 and over was 15.2%, while the comparable figure for the State generally was only 9.5%.<sup>11</sup> In terms of earnings, data reveal that, as of 1979, the median family income in the Town of Pulaski was \$14,512, or only 72.5% of the comparable statistic for the Commonwealth as a whole (\$20,018).<sup>12</sup>

With respect to the Town's physical development, 1984 data (the latest available) indicate that 30.3% of Pulaski's total area was then devoted to residential development, 2.2% to commercial enterprise, 3.6% to industrial activity, 35.7% to public and semi-public uses, with 28.3% (832 acres) remaining agricultural, wooded, or vacant.<sup>13</sup> Of the 832 undeveloped acres however, 594 were situated on extreme slopes, were located in the floodplain, or had soil characteristics which limited their development potential.<sup>14</sup> Exclusive of this land affected by environmental constraints, the Town retained approximately 168 acres, or only 5.7% of its total area, vacant and generally amenable to development.<sup>15</sup> Thus, the data indicate that the Town of

---

Census of Population, General Population Characteristics, Virginia, Table 14.

<sup>11</sup>Ibid.

<sup>12</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, General Social and Economic Characteristics, Virginia, Tables 61, 168.

<sup>13</sup>Town Submission, p. 39.

<sup>14</sup>Ibid., p. 40. Land with soils classified as being unsuitable for development contain sink-holes or do not have the density to support building weights. (D. E. McKeever, Town Manager, Town of Pulaski, Transcript of Presentations before the Commission on Local Government (hereinafter cited as Transcript, Nov. 3, 1986.) The Commission is unable to identify in this report the page(s) from which citations from the Transcript have been taken, due to the fact that the copy submitted to us lacked pagination.

<sup>15</sup>Town Submission, pp. 39-40.



Pulaski has an extremely limited amount of vacant property suitable for future development.

#### COUNTY OF PULASKI

The County of Pulaski was created in 1839 from territory formerly part of Wythe and Montgomery Counties.<sup>16</sup> In marked contrast to the Town, the County's population increased from 29,564 to 35,229 persons between 1970 and 1980, or by 19.2%.<sup>17</sup> The official population estimate for 1985, however, placed the County's population at 34,500 persons, a decrease of 2.1% since the preceding decennial census.<sup>18</sup> On the basis of the 1985 population estimate and an area of 327 square miles, the County has an overall population density of 105.5 persons per square mile.

With respect to the nature of its population, various statistical indices disclose that the County's populace, like that of the Town, is older and less affluent than that of the State generally. Data indicate that, as of 1980, the median age of residents of Pulaski County was 31.3 years, or slightly in excess of that of the State as a whole (29.8 years).<sup>19</sup> Further, statistics reveal that, as of 1980, approximately 11.3% of the County's population was age 65 or over, a statistic somewhat greater than that for the State generally

---

<sup>16</sup>County of Pulaski, Virginia. Review of Voluntary Settlement Agreement with Town of Pulaski, Virginia and Supporting Documents (hereinafter cited as County Submission), 1986, p. 34.

<sup>17</sup>U. S. Department of Commerce, Bureau of the Census, 1980 Census of Population, Number of Inhabitants, Virginia, Table 4. The only other incorporated town in Pulaski County is Dublin, which had a 1980 population of 2,368 persons.

<sup>18</sup>Julia H. Martin and Michael A. Spar, Estimates of the Population of Virginia Counties and Cities: 1984 and 1985 (Charlottesville: Tayloe Murphy Institute, University of Virginia, July 1986), Table 1.

<sup>19</sup>1980 Census of Population, General Population Characteristics, Virginia, Table 14. The data for Pulaski County include that for the residents of the incorporated jurisdictions in the County.

(9.5%).<sup>20</sup> In terms of earnings, the median family income for County residents in 1979 was \$16,247, or 81.2% of the comparable figure for the State overall (\$20,018).<sup>21</sup> While these data reflect a population older and less affluent than that of the Commonwealth generally, they also disclose that County variations from the statewide measures are not as pronounced as those for the Town.

With respect to the nature of its development, the data indicate that Pulaski County has experienced some growth in commercial and industrial activity during the preceding ten-year period. Statistics reveal that between 1975 and March 31, 1986 the number of nonagricultural wage and salary positions in the County grew from 11,980 to 13,251, or by only 10.6%.<sup>22</sup> Since the County's total civilian labor force averaged 17,516 persons in 1985, the evidence suggests that a significant component of the County's labor force was engaged in agricultural activity, was required to seek employment outside the County, or was unemployed.<sup>23</sup>

Agricultural and forestal activities remain significant components of the County's economic base. As of 1982 there were 367 farms in

---

<sup>20</sup>Ibid.

<sup>21</sup>1980 Census of Population, General Social and Economic Characteristics, Virginia, Tables 61, 180. By 1986 the estimated median family income in the County was reported to be \$25,877 while the similar statistic for the State collectively was \$31,148 (John L. Knapp and Robert W. Cox, Projected 1986 Median Family and Median Household Income in Virginia's Counties, Cities, MSAs, and Planning Districts (Charlottesville: Tayloe Murphy Institute, University of Virginia, June 1986). The statistics for the County include data on persons residing in the County's two incorporated towns.

<sup>22</sup>Virginia Employment Commission, Population and Labor Force Data, 1975; and Covered Employment and Wages in Virginia for Quarter Ending March 31, 1986 - Pulaski County. In 1986 the largest components of the County's economic base were manufacturing (6,616 employees), government (1,813 employees) and wholesale and retail trade (1,711 employees).

<sup>23</sup>U. S. Department of Labor, Bureau of Labor Statistics, Historical Report on Labor Force and Unemployment, Virginia, Apr. 1, 1986. In 1980, 5,116 County residents commuted to employment outside

Pulaski County occupying a total of 77,382 acres, with the value of the County's agricultural products then totaling approximately \$9.8 million.<sup>24</sup> Moreover, 1986 data disclose that 117,241 acres in Pulaski County, or 56.1% of the County's total land area, are considered "forest" land.<sup>25</sup> These statistics suggest the predominantly rural nature of the County. In sum, while Pulaski County did experience population growth during the decade of the 1970s, and while it has benefited from growth in nonagricultural wage and salary employment, it remains largely rural and sparsely populated.

#### AREA PROPOSED FOR ANNEXATION

The area proposed for annexation in the agreement between the Town of Pulaski and Pulaski County contains 3.3 square miles, 550 persons, and \$21.8 million in total assessed property values subject to local taxation.<sup>26</sup> Thus, the area proposed for annexation contains approximately 1.0% of the County's total land area, 1.4% of its population, and 2.8% of the total assessed property values subject to local taxation.<sup>27</sup>

In terms of current development, the area contains three major

---

of Pulaski County. [Michael A. Spar, Transportation and Commuting in Virginia, 1980 (Charlottesville: Tayloe Murphy Institute, University of Virginia), July 1984.]

<sup>24</sup>U. S. Department of Commerce, Bureau of the Census, 1982 Census of Agriculture, Virginia, Ch. 2, Tables 1, 3. In 1982 more than 187 (51%) of farm operators in the County were employed for 100 days or more in nonfarm related activities. (Ibid., Table 5.)

<sup>25</sup>U. S. Department of Agriculture, Forest Service, Forest Statistics for the Southern Mountains of Virginia, 1986. The Forest Service defines "forest" land as property being at least 16.7% stocked by forest trees of any size, or formerly having had such tree cover and not currently developed for nonforest use. Such property may also be included in the Census Bureau's definition of farm land.

<sup>26</sup>Town Submission, p. 38-41.

<sup>27</sup>Ibid., p. 40.

residential areas, the Pulaski Business Plaza, three major industrial firms, and a County elementary school.<sup>28</sup> According to recent land use data, 5.2% of the area proposed for annexation is devoted to residential development, 1.0% to commercial enterprise, 3.2% to industrial activity, 2.3% to public and semi-public uses, with 88.4% (1,866 acres) remaining vacant or engaged in agricultural production.<sup>29</sup> The limited development of the area is indicated by the fact that, based on its 1984 estimated population, the area has an overall population density of only 167 persons per square mile, not significantly different from the County generally (113 persons/square mile).<sup>30</sup>

#### STANDARD FOR REVIEW

As indicated previously, the Commission on Local Government is charged with reviewing proposed interlocal settlements negotiated under the authority of Section 15.1-1167.1 of the Code of Virginia for purposes of determining whether such settlements are "in the best interest of the Commonwealth." In our judgment, the State's interest in this and other proposed interlocal agreements is fundamentally the preservation and promotion of the general viability of the affected localities. In this instance the Commission is required to review an interlocal agreement which principally provides for (1) an annexation by the Town of 3.3 square miles of territory, (2) the extension of services and facilities to the annexed area in a prescribed manner, and (3) the waiver by the Town of its authority both to initiate succeeding annexation actions or to seek city status for a 15-year period.<sup>31</sup> A proper analysis of the proposed Town of Pulaski -

---

<sup>28</sup>Ibid., p. 95; and Carter Glass IV, Special Counsel, Town of Pulaski, letter to staff of Commission on Local Government, Oct. 29, 1986.

<sup>29</sup>Town Submission, p. 39.

<sup>30</sup>Ibid., p. 38.

<sup>31</sup>The agreement also commits the Town to decline to accept annexation awards resulting from citizen-initiated petitions without

County of Pulaski settlement agreement, as mandated by statute, requires consideration of the ramifications of these provisions with respect to the future viability of the two jurisdictions.

#### TOWN OF PULASKI

##### Land for Development

As noted earlier, the Town of Pulaski currently contains approximately 832 acres of undeveloped property, constituting 28.3% of its total land area.<sup>32</sup> Excluding from this total, however, property situated on extreme slopes, lying in the floodplain, or having soils unsuitable for development (594 acres), the Town has only 168 acres (5.7% of its total area) of vacant land generally suited for development.<sup>33</sup> Town officials contend that only 12 acres of that total are suitable for industrial or commercial purposes, with the remaining vacant 156 acres appropriate only for residential development due to adjacent land uses and zoning restrictions.<sup>34</sup>

It is relevant to note that the Town of Pulaski experienced virtually no industrial, commercial and residential growth during the past decade. Much of the recent commercial and industrial development in the Town's environs has occurred in areas adjacent to the municipality, with some of the growth in those areas resulting from businesses leaving the municipality.<sup>35</sup> The Commission notes that within the past five years at least five businesses have moved from within the municipality to the area proposed for annexation and nine other com-

---

the consent of the County. (Sec. 2.6, Agreement.)

<sup>32</sup>Town Submission, p. 39.

<sup>33</sup>Ibid.

<sup>34</sup>Ibid., p. 40. The Commission notes that the Town has only one vacant tract of land, containing 10 acres, zoned for industry. (McKeever, communication with staff of Commission on Local Government, Mar. 2, 1987.)

<sup>35</sup>Glass, letter to staff of Commission on Local Government, Oct. 29, 1986. The only industrial activity in the Town within the past five years was the result of the reactivation by the Renfro

mercial firms have terminated operations within the Town.<sup>36</sup> Further, in recent years at least five industrial entities have ceased their operation in the Town due to economic conditions.<sup>37</sup> In our judgment, the Town requires additional land to increase its opportunity to share in the commercial and industrial growth in the general area.

Finally, with respect to the Town's need for land for development, the Commission considers it important to note that the general viability of all localities rests in part upon the capacity of a community to attract and retain a heterogeneous population. Given the scarcity of vacant land suitable for development in the Town, it is unlikely that Pulaski will be able to offer sufficient housing opportunities to younger families.<sup>38</sup> In support of this concern are data indicating that between 1970 and 1980 the percentage of the Town's total population age 65 and over increased from 10.8% to 15.2%, while during the same period the percentage of such population in Pulaski County rose only from 9.0% to 11.3%.<sup>39</sup> Moreover, during the decade from 1970 to 1980 the number of married couple families with children under age

---

Corporation of the facility formerly owned by the Old Virginia Maid Hosiery. By February 1987 approximately 25 persons were employed at the reactivated facility. Projected employment at the facility is 250. (McKeever, communication with staff, Commission on Local Government, Feb. 18, 1987; and Virginia Department of Economic Development, Industrial Developments, Economic Developments 1986, Statistical Summary).

<sup>36</sup>Town Submission, p. 94.

<sup>37</sup>Ibid., pp. 94, 95.

<sup>38</sup>The Town's principal planning document reports that the municipality experienced only a 1.1% growth in housing between 1970 to 1980. Further, the same document lists the median value of owner-occupied in the Town, as of 1980, to be \$26,000, while the median value of such property in the entirety of the New River Planning District was reported as \$36,000 (Town of Pulaski, Town of Pulaski Comprehensive Plan, Mar. 1984, p. 5.)

<sup>39</sup>U. S. Department of Commerce, Bureau of the Census, 1970 Census of Population, Characteristics of the Population, Virginia,

18 decreased in the Town by 21%, while the number of such families in the County overall increased by 11.6% during the same period.<sup>40</sup>

The proposed annexation would bring within the Town approximately 1,866 acres of vacant land generally suited for development, with significant portions served by U. S. Route 11 and State Route 99.<sup>41</sup> The development potential of the area proposed for annexation is suggested by its proximity to the growth currently occurring north and east of the Town. The proposed annexation will provide the Town with a significant amount of vacant land with considerable development potential.

#### Fiscal Assets and Public Service Liabilities

While the Commission notes that the Town of Pulaski is one of the principal service and employment centers in Pulaski County, the evidence suggests that the Town is experiencing growth in its fiscal base somewhat less than that of its parent County. Between 1980 and 1986 the total assessed value of real estate within the Town increased by 38.1%, slightly less than that in the County generally (42.6%).<sup>42</sup> With respect to all forms of property subject to local taxation, the same modest disparity in growth is evident. Between 1980 and 1986 the assessed value of all property subject to local taxation increased in

---

Table 31; and 1980 Census of Population, General Population Characteristics, Table 14.

<sup>40</sup>1970 Census of Population, Characteristics of the Population, Virginia, Tables 29, 36; and 1980 Census of Population, General Population Characteristics, Virginia, Tables 36, 49.

<sup>41</sup>Town Submission, Map. Exh. 1. Between 1981 and 1986 there were 64 residential lots recorded within the area proposed for annexation. (Michael Z. Jenkins, Assistant to County Administrator for Operations, County of Pulaski, communication with staff of Commission on Local Government, Feb. 25, 1987.)

<sup>42</sup>Town Submission, pp. 43-44. The assessed value of real property in the Town and County reflects use value assessment.

the Town by 36.7%, while that in the County as a whole grew by 42.0%.<sup>43</sup> While the variance in growth rates is not pronounced, the data reveal that the fiscal resources of the Town have been growing more slowly than those of the County generally in recent years.

In terms of local revenue derived from properties subject to local taxation, however, the data disclose that between FY1982-83 and FY1984-85, the Town's receipts increased by 25.6%, while those of the County from the same classes of property grew by only 8.8%.<sup>44</sup> Given the more modest growth in the Town's property assessables, the greater increase in municipal receipts appears to be attributable to changes in tax rates. Indeed, the evidence indicates that the Town's real property rate was increased by more than 17% during the period in question.<sup>45</sup>

The proposed agreement will permit the Town to annex an area containing approximately \$21.8 million in real and personal property assessed values subject to local taxation, which, based on 1986 assessment data, will increase the Town's total assessed property values by approximately 12.1%.<sup>46</sup> The annexation area is expected initially to generate approximately \$230,000 in additional revenue annually for the Town. These additional receipts would represent

---

<sup>43</sup>Ibid., pp. 43-44. The County's assessed values for merchants capital were not included in the comparison with the Town, since the Town does not tax this classification of property. In 1986 merchants capital assessed values comprised less than 1% of the County's total assessed values. (Ibid., p. 43.)

<sup>44</sup>Ibid., p. 45; and Virginia Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, Years Ended June 30, 1983 and June 30, 1985, Exh. B.

<sup>45</sup>Town Submission, p. 42. The Town's real property rate increased by more than 43% between 1980 and 1985. During the same period of time the Town's tax rate on personal property and machinery and tools increased by 10%. The County's tax rates on these categories of property did not change during the period 1980-1985. (Ibid.)

<sup>46</sup>Ibid., p. 40. Public service corporation assessed values were not estimated for the area proposed for annexation nor included in the area's assessables.



10.8% of the Town's 1985 realized revenue.<sup>47</sup>

The annexation will present the Town of Pulaski with certain public service responsibilities. The proposed agreement would require the Town to provide general public services to the citizens in the annexation area at the same level as currently provided within the present Town. In addition, the Town has identified specific capital needs in the area to be annexed and has developed a plan to provide facilities to meet those needs. In terms of extending services to the area proposed for annexation, the Town contemplates that it will be required to expend \$126,000 annually for operational purposes and an additional \$89,510 annually for water and sewer system improvements in the area proposed for annexation.<sup>48</sup> In order to undertake the capital expenditures needed in the area proposed for annexation, the Town proposes to issue bonds or obtain a loan from the Virginia Resources Authority.<sup>49</sup>

Based upon the data cited previously, the Commission finds that the proposed annexation would bring within the Town's boundaries a reasonable balance of fiscal assets and public service liabilities.

#### AREA PROPOSED FOR ANNEXATION

##### Community of Interest

One of the factors appropriate for consideration in annexation issues is the strength of the community of interest which joins an area proposed for annexation to the adjacent municipality. In this case the evidence suggests that the area proposed for annexation has significant ties to the Town of Pulaski.

First, the data reveal that the Town of Pulaski is the source of

---

<sup>47</sup>Ibid., p. 48.

<sup>48</sup>Ibid., p. 112. Under the terms of the agreement the Town will undertake a 15-year water and sewerage extension program in the area proposed for annexation estimated to cost in excess of \$1.3 million. (Ibid., pp. 105-06.)

<sup>49</sup>Ibid., p. 110. Based on its outstanding debt as of July 1, 1985 (\$233,130), the Town had a per capita net debt of only \$23.07.

certain services to the area proposed for annexation. The Commission notes that the Town is presently providing water and sewer services to much of the annexation area's population. Further, the Town's fire department serves virtually all of the proposed annexation area.<sup>50</sup> Furthermore, Pulaski contains a number of recreational facilities, which serve the residents of the general area.<sup>51</sup>

Second, the Town is a focal point of economic activity in Pulaski County. Employment statistics indicate that, as of 1980, more County residents were employed within the Town (4,949) than were employed in the remaining portion of Pulaski County.<sup>52</sup> Further, the evidence reveals that, as of 1982 (the latest year for which such data are available), the Town contained 54.9% of the County's retail businesses, 60.2% of its service establishments, and 75.0% of its wholesale firms.<sup>53</sup>

Third, the presence of over 70 public and semi-public facilities in the Town and area proposed for annexation increases the relationship between the municipality and the area on its periphery. Those facilities include five County schools, five public parks, four banks, the Pulaski Business Plaza, and more than fifteen churches. Finally, geographical considerations foster the community of interest between the Town and adjacent areas and diminish relationships with

---

(Ibid., p. 114.)

<sup>50</sup>Ibid., p. 78. The Town's fire department currently services all of the annexation area except for one small sector along Route 611.

<sup>51</sup>Ibid., pp. 85-87.

<sup>52</sup>Transportation and Commuting in Virginia, Appendix 2.

<sup>53</sup>U. S. Department of Commerce, Bureau of the Census, 1982 Census of Retail Trade, Virginia, Nov. 1984, Table 8; 1982 Census of Service Industries, Virginia, Nov. 1984, Table 8; and 1982 Census of Wholesale Trade, Virginia, Oct. 1984, Table 8. The Bureau of the Census defines "retail" trade as those establishments engaged in selling merchandise for personal or household consumption and in rendering services incidental to the sale of those goods. "Service" industries are defined by the Bureau of the Census as those primarily engaged in rendering a wide variety of services to individuals and

outlying communities.<sup>54</sup>

For the reasons cited previously, the Commission finds that the area proposed for annexation has a strong and pervasive community of interest with the Town. Such a community of interest supports the proposed annexation.

#### Need for Urban Services

The 3.3 square miles of territory proposed for annexation by the Town of Pulaski are estimated to contain a population of 550, giving the area a population density of 167 persons per square mile. While more than 88% of the area proposed for annexation is currently vacant or in agricultural use, the area does contain three residential concentrations, a major commercial area, and a number of public and semi-public sites. In addition, forecasts by the Town, with which we concur, predict continued development in areas adjacent to the municipality, with commercial activity expected to occur along State Route 611 (Bob White Boulevard) and along State Route 99, which connects the Town to Interstate Highway 81.<sup>55</sup> Thus, the evidence indicates that the area proposed for annexation will experience future development and will increasingly need additional urban services.

Water Supply and Distribution. The Town of Pulaski is the only source of treated water available to the area proposed for annexation. The Town currently serves directly approximately 630 connections in

---

business establishments (e. g., hotels and motels and personal, business, legal and repair services). Wholesale establishments are defined as those which are primarily engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm, or professional users; or to other wholesalers.

<sup>54</sup>The nearest significant concentration of development to the Town of Pulaski is in the Town of Dublin. The size of the latter municipality (2,368 persons) and its distance from the area proposed for annexation suggest the interdependence of the Town of Pulaski and the areas to be annexed.

<sup>55</sup>Town of Pulaski Comprehensive Plan, 1984, p. 18.

the area proposed for annexation and other areas adjacent to the municipal boundary.<sup>56</sup> The Town's water treatment plant, according to its rated capacity, can receive and treat 3.0 million gallons per day (MGD), with Gatewood Reservoir constituting its primary source of raw water.<sup>57</sup> Since the Town's distribution system currently delivers between 1.8 and 2.5 MGD, the system retains a minimum unused reserve of 0.5 MGD.<sup>58</sup> In terms of storage capacity, the Town has 14 tanks which collectively hold approximately 3.9 million gallons (MG) of treated water.<sup>59</sup>

As noted previously in this report, the settlement agreement requires the Town to adhere to a five-phase, 15-year program for the construction of utility facilities to serve the annexed areas, with the first water project providing for the extension of water lines to the Peakland Subdivision.<sup>60</sup> This capital program will extend the Town water to all areas having a need for such.<sup>61</sup>

Sewage Treatment. The Town currently provides sewage collection and treatment services to approximately 30 connections within a small

---

<sup>56</sup>Town Submission, p. 51. In the area proposed for annexation the Town provides water service to the Twin Oaks subdivision, the Cool Springs area, property adjacent to State Route 611, State Route 699, and other areas.

<sup>57</sup>Ibid., p. 50. The Gatewood Reservoir was built in 1960 and has a capacity of 11 billion gallons. Hogans Reservoir with a capacity of 330 million gallons is the Town's secondary source of water. The Gatewood Reservoir is fed from Peak Creek and mountain streams. Hogans Reservoir receives its water from mountain streams and run off.

<sup>58</sup>Ibid., p. 50. The Town is currently in the process of expanding its water treatment plant to 4.5 MGD. (Testimony of McKeever, Transcript, Nov. 3, 1986.)

<sup>59</sup>Town Submission., p. 51.

<sup>60</sup>Under present plans, this initial water project is not scheduled to begin prior to the fourth year after annexation. (Art. IV, Agreement.)

<sup>61</sup>It should be noted that the proposed annexation will have the immediate effect of reducing by 50% water rates for all connections currently served in the annexation area. Town Submission, pp.

portion of the annexation area.<sup>62</sup> The Town's sewage treatment plant, which was constructed in 1960, has a rated capacity of 2.0 MGD and presently receives a daily flow between 0.80 and 1.75 MGD.<sup>63</sup> While the current daily flow leaves little excess capacity at the Town's plant, the Peppers Ferry Regional Wastewater Treatment Authority (PFRWTA) will assume responsibility for treating the Town's effluent in the immediate future. The Town's share (2.74 MGD) of the treatment capacity at the regional facility should meet its needs for several decades.<sup>64</sup>

Under the utility commitments in the proposed agreement, the Town will extend its sewer lines to serve the annexation area in phases during the 15-year period following the annexation. The initial sewerage project will result in the extension of sewer lines through the Twin Oaks area during the first three years after the effective date of the annexation.<sup>65</sup> The Town's plans to extend sewerage to the area proposed for annexation will, in our judgment, address the current and prospective needs of that area.<sup>66</sup>

---

52-53.) Billing rates for Town water range from a minimum of \$3.50 for the first 3,000 gallons to \$.40 per 1,000 gallons for usage in excess of 1 MG. For customers outside the Town's corporate limits, the rates are equivalent to 200% of those within the municipality.

<sup>62</sup>Town Submission, p. 56; and Glass, letter to staff of Commission on Local Government, Oct. 30, 1986.

<sup>63</sup>Ibid., p. 54. The Town's sewage treatment plant is located approximately one mile outside the municipal boundary within the area proposed for annexation.

<sup>64</sup>Ibid., p. 55. The Town of Pulaski will be entitled to 46% of the plant's capacity. The PFRWTA will own and operate the plant, while participating jurisdictions will own and maintain pump stations and interceptor sewage lines. Under the terms of a separate agreement with the County, the Town has agreed to sell percentages of its line capacity to Pulaski County.

<sup>65</sup>Ibid., pp. 15-16. The proposed annexation will result immediately in a 50% reduction in the rate paid for sewerage service by residents in the annexed area. (Ibid., pp. 52-53.)

<sup>66</sup>Victor B. Marcussen, Sanitation Supervisor, Virginia

Solid Waste Collection and Disposal. Under the terms of an agreement between the Town and the Pulaski County Service Authority (PCSA), the latter entity assumed responsibility in August 1986 for solid waste collection and disposal services in the municipality.<sup>67</sup> The Authority provides once weekly refuse collection service to the residents and business firms in the Town.<sup>68</sup> All residential fees are \$4.00 per month, with the charge to businesses subject to negotiation between the firms and the Authority.<sup>69</sup> The Town of Pulaski will continue to provide its residents with leaf and brush collection services through its own equipment and personnel at no charge.<sup>70</sup> Residents of the area proposed for annexation should benefit from the Town's extension of this leaf and brush collection service.

Crime Prevention and Detection. Since the law enforcement activities of Virginia towns augment those provided by county sheriff's departments, the proposed annexation by the Town of Pulaski will have the effect of providing additional and more intensive law enforcement services to residents of the areas annexed. The Town presently has 33 full-time sworn law enforcement personnel, of which 15 are assigned patrol responsibility.<sup>71</sup> This staffing level is sufficient to give the Town one patrol officer per 674 municipal residents, to maintain on duty a minimum of three patrol officers per eight-hour shift, and

---

Department of Health, New River Health District, communication with staff of Commission on Local Government, Feb. 5, 1987.

<sup>67</sup>Prior to the agreement with the PCSA, the Town provided refuse collection services directly to its residents and businesses. (Town Submission, pp. 59-60.)

<sup>68</sup>The PCSA serves a total of 5,100 customers in the Town and County. (County Submission, p. 46.)

<sup>70</sup>Town Submission, p. 60. The PCSA disposes of its refuse at the County-owned Cloyd's Mountain Landfill. (County Submission, pp. 46-48.)

<sup>71</sup>Town Submission, p. 73.

to permit an average response time to emergency calls of 1-5 minutes.<sup>72</sup> The Town's criminal justice efforts are also assisted through Pulaski County's provision of jail facilities as well as by the activities of the County Sheriff's Department with its total personnel complement of 52 positions.<sup>73</sup> It should also be noted that the Town maintains organized crime prevention programs, although no officer is assigned to those programs on a full-time basis.<sup>74</sup>

While the Town has expressed the view that it can currently serve the area proposed for annexation with its existing staff, it has indicated it will re-evaluate the adequacy of its personnel levels in its Police Department subsequent to the annexation.<sup>75</sup> The Town does contemplate, however, an additional expenditure of \$9,000 annually for the extension of law enforcement services to the areas annexed.<sup>76</sup> Although the Commission has not been informed of any major crime problems in the area proposed for annexation, the anticipated growth of the area can be expected to result in a need for more intensified law enforcement services in the future. In our judgment, the Town of Pulaski should be expected to meet that need.

---

<sup>72</sup>Ibid., p. 75. The Town is currently divided into three patrol districts which are patrolled by Town officers throughout the day through three eight-hour shifts. In 1985 the Town police responded to 6,121 calls for service. (Glass, letter to staff of Commission on Local Government, Oct. 30, 1986.)

<sup>73</sup>Town Submission, p. 75; and County Submission, p. 76. Included in the staff of the Sheriff's Department are 29 law enforcement personnel, 16 of whom are patrol deputies.

<sup>74</sup>Town Submission, p. 76. The Town's crime prevention activities focus on the National Safety Council and the Family Information Services Programs and various other activities designed to protect children, senior citizens, and the visually handicapped. (Glass, letter to staff of Commission on Local Government, Oct. 30, 1986.)

<sup>75</sup>Town Submission, p. 107.

<sup>76</sup>Ibid., p. 112.

Public Works. The proposed annexation will result in the application of the Town's policies and procedures for the construction and maintenance of various public works in the areas annexed. The Town's policies and procedures are, in the Commission's judgment, properly designed to meet the needs of urbanizing areas and should be increasingly beneficial to the areas annexed.

First, the Town of Pulaski will assume responsibility for the construction and maintenance of roads in the annexed areas. In our judgment, the ability of the Town to schedule and administer the maintenance of its public thoroughfares, as well as its apparent willingness to appropriate and expend local funds for that purpose, will benefit the annexed area. With respect to the latter point, the data indicate that between Fiscal Years 1982-83 and 1984-85, the Town of Pulaski expended over \$36,000 of local funds to improve and maintain the approximately 119 lane-miles of public roadway within its corporate boundaries.<sup>77</sup>

The proposed annexation will add approximately 18.6 lane-miles of public thoroughfares to the Town's road network.<sup>78</sup> Data concerning the condition of the thoroughfares in the area proposed for annexation, however, reveal that there are 1.6 lane-miles of roadway in that area which do not qualify for State maintenance payments. The Town has indicated that it will assume responsibility for the maintenance of that roadway despite the absence of State assistance.<sup>79</sup>

Second, the Town of Pulaski will also assume responsibility for snow removal in the annexed area. According to Town officials, the municipality adheres to a policy that snow be removed promptly by snow plows from public thoroughfares and that chemicals be spread on the

---

<sup>77</sup>Glass, letter to staff of Commission on Local Government, Oct. 30, 1986; and Town Submission, p. 57.

<sup>78</sup>Town Submission, p. 58.

<sup>79</sup>Glass, letter to staff of Commission on Local Government, Oct. 30, 1986. The Town has also indicated that it will examine the feasibility of widening a one-mile segment of State Route 699 (Dora Highway) subsequent to annexation.



streets to prevent ice build-up.<sup>80</sup> Town officials have stated that upon annexation Pulaski can extend appropriate snow removal services to the area annexed.<sup>81</sup>

Third, the Town of Pulaski adheres to a policy by which it will install, maintain, and operate streetlights at public expense.<sup>82</sup> As of October 1986, this policy had resulted in the installation of 935 publicly funded streetlights within Pulaski's corporate limits.<sup>83</sup> In order to extend appropriate service to the area proposed for annexation, the Town proposes to install at public expense approximately 35 streetlights at appropriate locations.<sup>84</sup> In our judgment, the area proposed for annexation will benefit from the application of the Town's policy regarding in installation and operation of these facilities.

Planning, Zoning and Subdivision Regulation. The Town of Pulaski established its first planning commission in 1951 and currently operates under a comprehensive plan adopted in 1984. Further, the Town has subdivision and zoning ordinances to manage its development.<sup>85</sup> In our judgment, the Town has an effective set of instruments for

---

<sup>80</sup>Town Submission, p. 61.

<sup>81</sup>Ibid.

<sup>82</sup>The Town considers requests from residents for the installation of new streetlights and, upon a determination of the need for such, approves their installation. (Ibid., pp. 58-59.)

<sup>83</sup>Glass, letter to Commission on Local Government, Oct. 30, 1986. It is estimated the Town expended \$63,000 for streetlighting in FY1985-86. (Town Submission, p. 59.)

<sup>84</sup>Town Submission, p. 59. As of July 1986 there were reported to be only two streetlights in the area proposed for annexation.

<sup>85</sup>Ibid., pp. 64-65. Pulaski County also has a planning commission and a comprehensive plan that was prepared in 1975 and is currently undergoing revision. Zoning in the County is limited to an Airport Zoning Ordinance affecting property in the glide slope path of the New River Valley Airport located near Dublin (County Submission, pp. 66-78, 72.)

planning and directing growth in the areas on its periphery.<sup>86</sup> The Town's public planning, zoning and subdivision instruments should benefit the area proposed for annexation.<sup>87</sup>

Other Service Considerations. The Commission notes that with respect to certain public services provided by the Town residents of the area proposed for annexation will not experience any immediate change in service level as a result of their incorporation into the municipality. In terms of fire prevention and protection, recreational services, and housing, the proposed annexation will have little immediate impact on the area to be annexed.

First, virtually all of the area proposed for annexation is currently served by the Town's Fire Department.<sup>88</sup> The Town's fire suppression capabilities are such that properties within the corporate limits of the municipality, as well as those portions of the annexation area which are located within 1,000 feet of a Town fire hydrant are rated "5" by the Insurance Services Office (ISO) of Virginia in terms of their exposure to fire loss. Other properties in the area proposed for annexation situated more distant from a fire hydrant have higher ISO ratings.<sup>89</sup> Future plans of the Town to install additional fire hydrants in the annexed area and to make other improve-

---

<sup>86</sup>The Town's subdivision ordinance requires the construction of curbs and gutters in new developments and prohibits the construction of private streets. (Town of Pulaski, Pulaski Town Code, Subdivisions, Secs. 25-28 and 25-54.)

<sup>87</sup>The Town has already initiated efforts to revise its land use plan, zoning and subdivision ordinances, and other planning instruments in order to serve property in the area proposed for annexation. (John I. Cofer, Consultant, Town of Pulaski, Transcript.

<sup>88</sup>Town Submission, pp. 78-80. The Pulaski Fire Department is staffed by a full-time fire chief, 10 paid full-time firefighters, and 30 volunteer firefighters. One firefighter is assigned full-time to fire prevention work. The only portion of the area proposed for annexation not presently served by the Town's Fire Department is a segment of property adjacent to State Route 611.

<sup>89</sup>Glass, letter to staff Commission on Local Government, Oct. 30, 1986. The ISO rating is based on a scale of "1" to "10" for com-

ments in its water flow system should result in an improved ISO classification for additional residents in the areas annexed.<sup>90</sup> The improved ISO classification can result in reduced fire insurance premiums.

Second, with respect to public recreational services, residents of the area proposed for annexation currently participate on an equal basis, in the recreational programs sponsored by the Town of Pulaski on the same basis as municipal residents.<sup>91</sup> Similarly, residents of the area proposed for annexation currently utilize the Town's park and recreational facilities.<sup>92</sup> In regard to such facilities, the Town owns eight parks with a total of 804 acres, of which 730 acres are located at the Gatewood Reservoir and Campground which is situated approximately five miles west of the present corporate boundary.<sup>93</sup>

Third, in terms of housing concerns, the Pulaski County Housing

---

parison with other municipal fire protection systems and represents an indication of a system's ability to defend against the major fire which may be expected in any given community. Where protection class "10" is assigned, there is usually no or minimal protection. Protection class "1" represents a fire protection system of extreme capability. The principal features used by ISO in grading a community's fire system are water supply, fire department, fire communications and fire safety control. [John L. Bryan and Raymond C. Picard, Managing Fire Services (Washington, D. C.: International City Management Association, 1979), p. 102]. Residential properties located more than five road miles from a fire station are automatically assigned a protection class of "10" by the ISO.

<sup>90</sup>There are currently 36 Town fire hydrants within the proposed annexation area.

<sup>91</sup>Town Submission, p. 67. The Town has the only public recreation department in the County. The County does provide an annual appropriation of \$30,000 to support the Town's recreational activities. (Ibid., p. 71.)

<sup>92</sup>Ibid., p. 68.

<sup>93</sup>Glass, letter to staff of Commission on Local Government, Oct. 30, 1986.

Office currently administers all publicly assisted dwelling units in the County, including the 142 units located within the Town of Pulaski.<sup>94</sup> The Town's former housing authority is, however, being reactivated to assist in a rehabilitation project. The Town anticipates maintaining its housing authority and assuming a more active role in addressing the housing concerns of its residents.<sup>95</sup>

While the proposed annexation will not immediately affect the level of fire suppression, recreation, and housing programs in the area annexed, the Town's commitment to such services and programs will increasingly benefit that area and its residents.

#### Summary of Service Needs

In the preceding sections of this report the Commission has endeavored to analyze the existing and prospective urban service needs of the area proposed for annexation and the ability of the Town of Pulaski to meet those needs. On the basis of the data cited in those sections, the Commission finds that the area proposed for annexation by the Town under the terms of the intergovernmental agreement will benefit from the extension of the Town's services and policies. Further, the Town is capable of meeting the future needs of that area as it develops.

#### INTERESTS OF THE PEOPLE OF THE COUNTY

The annexation proposed in the agreement negotiated by the Town of Pulaski and Pulaski County would have minimal adverse impact on the County. While the proposed annexation would reduce initially some of the County's minor revenue sources, all properties annexed by the Town would remain subject to taxation by Pulaski County.<sup>96</sup> Further, the

---

<sup>94</sup>County Submission, p. 72.

<sup>95</sup>Town Submission, p. 83. The Town has indicated its desire to maintain its housing authority in order that it might undertake additional rehabilitative work.

<sup>96</sup>County revenues affected by town annexations include those

Town of Pulaski will assume the responsibility for the provision of certain services in the areas annexed, such as law enforcement, planning, and development controls, that are currently being provided by County staff and resources. Furthermore, the proposed annexation will permit the Town to benefit from an immediate infusion of fiscal resources, will assure it of land for future development, and will, accordingly, increase its ability to serve the general area. The increased viability of the Town can be a positive factor in the promotion of the area's economy, with economic benefits accruing to the citizens of Pulaski County generally.

Aside from the proposed annexation, there are other elements of the settlement which affect the interests of Pulaski County. First, the agreement includes a provision by which the Town waives its authority to seek city status for a period of 15 years. This provision assures Pulaski County that the Town will remain a constituent element of that jurisdiction for an extended period of time and support with its resources the needs of the County generally. Second, the agreement contains a provision which commits the Town to assess and tax real estate within its boundaries under a program of "land use assessment" for a minimum of 15 years. This provision will help to preserve any active agricultural lands brought within the municipality as a result of the proposed annexation. These various provisions in the proposed agreement, coupled with the general benefits of the proposed annexation, are features of the settlement which are, in our judgment, in the best interest of Pulaski County.

#### SUMMARY OF FINDINGS AND RECOMMENDATIONS

During the Commission's review of this proposed agreement an issue was raised concerning the Town's extension of utility services to 180

---

from sales, consumer utility, wine, and bank franchise taxes, motor vehicle and business licenses, and ABC profit distribution.

acres of property located within the proposed annexation area which is owned by the New River Gulf Investors (the Huff Farm).<sup>97</sup> Under the terms of the proposed agreement, water lines would be extended adjacent to that property sometime between the 13th and 15th years after the effective date of the annexation.<sup>98</sup> According to testimony received by the Commission from representatives for New River Gulf Investors, the firm desires to subdivide the Huff Farm into 200 residential lots and contends that the provisions in the proposed agreement regarding the extension of utility services preclude the timely development of this property. The New River Gulf Investors desire to have the Town be required to provide water and sewer lines to this property within five years after annexation or, alternatively, have the property removed from the area proposed for annexation.<sup>99</sup>

The Town of Pulaski does not have a written policy regarding extensions of utility lines to existing subdivisions located within its corporate boundaries. The unwritten policy which is followed by the Town requires the owners of property to pay one-half of the cost of extending utility lines to a subdivision, with the Town bearing the rest of the expense.<sup>100</sup> With respect to its policy of requiring property owners to bear a portion of the cost for the extension of utility lines to serve subdivisions, the Town has cited an order by an earlier annexation court as providing judicial sanction. The prior court order stated:

Sewer facilities will be extended to individual lots or subdivisions under the Town's policy then existing and generally

---

<sup>97</sup>Testimony of James W. Jennings, Counsel, New River Gulf Investors, Transcript.

<sup>98</sup>Sec. 4.6, Agreement. The agreement permits the Town to alter its priorities for the extension of utilities to the properties annexed. (Sec. 4.4, Agreement.)

<sup>99</sup>Testimony of Jennings, Transcript.

<sup>100</sup>Glass, letter to staff, Commission on Local Government, Nov. 13, 1986.

obtaining throughout the Town as to the practical feasibility, in the Town's discretion, of extending the service and as to the portion of the cost to be assumed by the property owner.<sup>101</sup>

The Town asserts that this court order remains a suitable basis for a policy in regard to the extension of both water and sewerage.

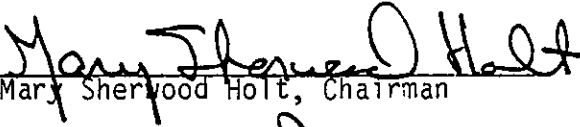
With respect to the concerns of the New River Gulf Investors, we find no basis for recommending a modification of the proposed agreement. We fail to see suitable grounds for distinguishing between the vacant property owned by the New River Gulf Investors and other undeveloped property in the area proposed for annexation. Indeed, the New River Gulf Investors have announced their desire to have utilities extended to their property for purposes of facilitating its development. Under existing circumstances those utilities can only be provided by the Town of Pulaski. The property proposed for development by the New River Gulf Investors should be within the Town of Pulaski, and, in our view, the Town's policies with respect to utility extensions provide an equitable basis for the extension of water and sewerage to that property.

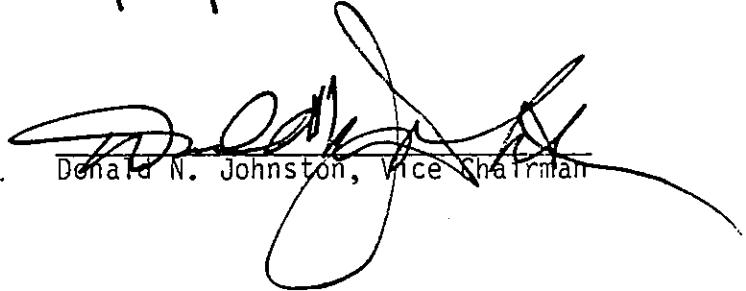
Based upon the data previously reviewed in this report, the Commission finds that the proposed agreement between the Town of Pulaski and Pulaski County preserves and promotes the viability of both jurisdictions and, accordingly, is consistent with the best interests of the Commonwealth. We recommend the court's approval of the proposed interlocal agreement as presented to this Commission.

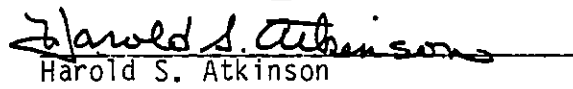
---

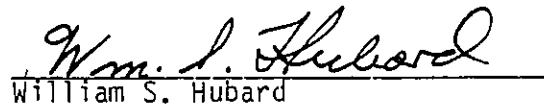
<sup>101</sup>Town of Pulaski v. Pulaski County, Circuit Court of Pulaski County (1957), slip opinion, p. 10.

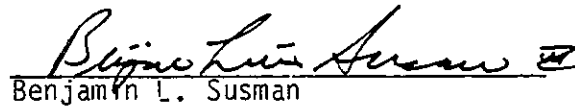
Respectfully submitted,

  
Mary Sherwood Holt, Chairman

  
Donald N. Johnston, Vice Chairman

  
Harold S. Atkinson

  
William S. Hubbard

  
Benjamin L. Susman



APPENDIX A

SETTLEMENT AGREEMENT BETWEEN THE  
TOWN OF PULASKI AND COUNTY OF PULASKI

This Agreement is made and entered into this 20th day of June, 1986, by and between the TOWN OF PULASKI, a political subdivision of the Commonwealth of Virginia, and the COUNTY OF PULASKI, a county of the Commonwealth of Virginia.

WHEREAS, the Town of Pulaski has determined that to maintain its economic health it needs to expand its boundaries to include additional territory within Pulaski County; and

WHEREAS, the pursuit of an annexation suit would involve great expenditures of time and money and would also introduce an element of uncertainty into the political and governmental processes of both jurisdictions which the Council of the Town and the Board of Supervisors of the County would prefer to avoid; and

WHEREAS, the Town Council and the County Board of Supervisors have sought through negotiations to find an amicable solution to this controversy; and

WHEREAS, the Town and County, pursuant to Chapters 25 and 26.1:1 of Title 15.1 of the Code of Virginia (1950), as amended, have reached this voluntary Agreement which provides for the annexation of certain territory, the waiver of certain

annexation and city status rights, the adoption of land use assessment in valuing real estate, and the construction by the Town of certain capital improvements in the area to be annexed;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Town and the County agree as follows:

#### ARTICLE I

##### Definitions

Section 1.1. The parties hereto agree that the following words, terms, and abbreviations as used in this Agreement shall have the following defined meanings, unless the context clearly provides otherwise:

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

"Commission" shall mean the Commission on Local Government.

"County" shall mean the County of Pulaski.

"Court" shall mean a special three-judge Court appointed by the Supreme Court of Virginia pursuant to Title 15.1, Chapters 25, 26.1:1 and 26.2 of the Code.

"Town" shall mean the Town of Pulaski.

## ARTICLE II

### Voluntary Annexation and Waiver of Annexation Rights and of City Status Rights

Section 2.1. The County agrees to the annexation by the Town of certain territory depicted on the map attached hereto as Exhibit A. A metes and bounds description of the annexation area is attached hereto as Exhibit B.

Section 2.2. The annexation of said area shall be effective at midnight on December 31, 1986. If the Court, pursuant to Section 15.1-1167.1 of the Code, has not entered an order prior to December 31, 1986 approving and affirming this Agreement, then the annexation shall be effective at midnight on the 30th day of June or at midnight on the 31st day of December following the date of entry of such order, which ever date is earlier.

Section 2.6. In the event annexation proceedings are instituted by property owners or qualified voters, pursuant to Section 15.1-1034 of the Code, or any statute similar thereto, the Town agrees that it will not support such proceedings and will not accept such annexation to the Town without consent of the County. The Town specifically agrees not to provide any legal assistance, engineering assistance, financial aid, or any other aid or assistance to the property owners or qualified voters petitioning for annexation.

Section 2.7. The Town agrees that for a period of fifteen (15) years following the effective date of annexation occurring pursuant to Article II of this Agreement, it will not institute any proceedings pursuant to Chapter 22 (Section 15.1-982.1 et seq.) of Title 15.1 of the Code, or any statute similar thereto, to obtain "city status" for the Town.

### ARTICLE III

#### Town Adoption of Land Use Assessment

Section 3.1. On the effective date of the annexation occurring pursuant to Article II of this Agreement, the Town agrees to assess and tax real estate within its boundaries pursuant to Article 4 of Chapter 32 of Title 58.1 of the Code. Such method of assessment is known as "land use assessment".

Section 2.3. On or before the effective date of the annexation of said area, the County shall pay to the Town the sum of \$25,000.00 to compensate the Town for the loss of certain tax revenues by reason of the parties' inability to have the annexation made effective on December 31, 1985 as was originally contemplated by them.

Section 2.4. The Town, for a period of fifteen (15) years following the effective date of the annexation occurring pursuant to Article II of this Agreement, except as herein specifically provided, waives in whole all statutory rights to annex the County territory under Article I of Chapter 25 (Section 15.1-1032 et. seq.) of Title 15.1 of the code or any statute similar thereto, as such rights pertain to the County and not as they pertain to any other political subdivision of the Commonwealth.

Section 2.5. The Town, for a period of fifteen (15) years following the effective date of the annexation occurring pursuant to Article II of this Agreement, agrees that it will not initiate, institute, or support any proceedings to annex territory of the County, except as herein specifically provided.

Section 3.2. Recognizing that the preservation of agricultural land is in the public interest, the Town intends to maintain such a program of land use assessment for an indefinite period of time. However, during the fifteen (15) year period following the effective date of the annexation occurring pursuant to Article II of this Agreement, the "land use assessment" program may be repealed if the Town and the County, by appropriate resolution or ordinance, jointly approve such repeal; it being the intention of the parties hereto to provide specifically for the joint exercise of the power of repeal of such program as is authorized by Section 15.1-1167.1, subparagraph 2, of the Code. Furthermore, the Town shall retain the unconditional right to repeal the "land use assessment" program at any time after a fifteen (15) year period following the effective date of said annexation.

#### ARTICLE IV

##### Terms and Conditions of Annexation

Section 4.1. Following the effective date of the annexation occurring pursuant to Article II of this Agreement, the Town agrees that, as a term and condition of the annexation, it will construct the following water and sewer lines to serve

areas which have an immediate need for such utility improvements by reason of high density population, septic tank failures, or rejections of applications for septic tank permits:

Phase I - Years 1-3: Sewer lines from Critzer Pump Station through Twin Oaks.

Phase II - Years 4-7: Sewer lines for Cool Springs Area and water and sewer lines for Peakland Subdivision (behind Akers Cabinet Shop).

Section 4.2. Such utility improvements described in Section 4.1, which are also depicted on the map attached hereto as Exhibit C, shall be constructed in accordance with the phased schedule set forth above and the installation of all such facilities shall be completed by the end of the seven (7) year period following the effective date of annexation.

Section 4.3. Following the effective date of the annexation occurring pursuant to Article II of this Agreement, the Town further agrees to and will construct the following additional water and sewer lines to serve areas which do not have an immediate need for such utility improvements, but which will need the services in the reasonably near future as more development occurs:

Phase III - Years 8-9: Sewer line to 2nd Ward Lane. Water and sewer lines along Rt. 99 to Va. Block Plant Road with pump station and force main.

Phase IV - Years 10-12: Water lines along portions of Rt. 611 and Peppers Ferry Road. Sewer lines along Old Newbern Road loop and portion of Rt. 611 and Peppers Ferry Road.

Phase V - Years 13-15: Water line for Rt. 11 loop from corporate limits to Peppers Ferry Road.

Section 4.4. Such utility improvements described in Section 4.3, which are also depicted on the map attached hereto as Exhibit C, shall be constructed in accordance with the phased schedule set forth above. Notwithstanding the time periods so listed, the Town may reorder the phases of construction for the facilities listed in Section 4.3 based upon a reasonable consideration of the following factors: (a) the frequency and magnitude of septic tank failures or contaminated wells within an area; (b) the declaration of health hazard conditions or other public health concerns; (c) the receipt of specific requests for such services; (d) changes in the anticipated development trends within an area; (e) the lack of an adequate customer base to support utility improvements; and (f) cost savings or engineering efficiencies in the design and construction of such utility systems. Under any and all



circumstances, however, the installation of such facilities shall be completed by the Town by the end of the fifteen (15) year period following the effective date of the annexation occurring pursuant to Article II of this Agreement.

Section 4.5. Following the effective date of the annexation occurring pursuant to Article II of this Agreement, the Town agrees to extend to the area annexed all its municipal services, on the same basis as such services are hereafter provided to the area presently within the corporate limits.

ARTICLE V

Commission and Court Approval

Section 5.1. The Town and County agree to initiate promptly the steps necessary and required by Chapter 26.1:1 of Title 15.1 of the Code to obtain affirmation of this Agreement by the Commission and the court. In order to provide for the enforcement of the terms and conditions of the annexation agreed upon herein pursuant to Section 15.1-1047 of the Code, the Town and County agree to initiate simultaneously the steps necessary and required by Chapter 25 of Title 15.1 of the Code to obtain an order granting the annexation upon the terms and conditions set forth in Article IV of this Agreement.

Section 5.2. The Town and County agree that regardless of the action taken by the Commission, they will, following the issuance of the Commission's report, petition the Court pursuant to Chapter 26.1:1 of Title 15.1 of the Code to affirm and approve this Agreement and to give it full force and effect. They further agree that the Town shall simultaneously petition the Court pursuant to Chapter 25 of Title 15.1 of the Code to grant the annexation provided herein. Such court actions shall proceed concurrently and the Town and County shall file a motion

requesting that they be consolidated for hearing and for final disposition.

Section 5.3. In the event the Court does not affirm and approve this Agreement pursuant to Chapter 26.1:1 of Title 15.1 of the Code, it shall be null and void and of no further force and effect. Furthermore, in the event the Court, in the action pursuant to Chapter 25 of Title 15.1 of the Code, does grant the annexation provided for in Article II herein, this Agreement shall be null and void and of no further force and effect.

## ARTICLE VI

### Miscellaneous Provisions

Section 6.1. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their assigns, and any successors of the Town and/or County.

Section 6.2. This Agreement may be amended, modified, or supplemented, in whole or in part, by mutual consent of the Town and the County by a written document of equal formality and dignity, duly executed by the authorized representatives of the Town and the County.

Section 6.3. This Agreement shall be enforceable in a duly designated special court reconvened or appointed pursuant to Chapters 25, 26.1:1 and 26.2 of Title 15.1 of the code or any successor provision of law, or in any other court of competent jurisdiction if such a special court cannot be constituted for such purposes. The terms and conditions of the annexation, as described in Article IV herein, shall be enforceable pursuant to Section 15.1-1047 of the Code or any statute similar thereto.

IN WITNESS WHEREOF, the governing bodies of the Town and the County 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.

TOWN OF PULASKI

By \_\_\_\_\_ -s-  
Mayor

ATTEST:

\_\_\_\_\_-s-\_\_\_\_\_  
City Clerk

COUNTY OF PULASKI

By \_\_\_\_\_<sup>-s-</sup>  
Chairman, Board of Supervisors

ATTEST:

\_\_\_\_\_<sup>-s-</sup>  
Board Clerk

APPENDIX B

STATISTICAL PROFILE OF THE TOWN OF PULASKI,  
COUNTY OF PULASKI, AND THE AREA PROPOSED FOR ANNEXATION

	<u>Town of Pulaski</u>	<u>County of Pulaski</u>	<u>Area Proposed For Annexation<sup>1</sup></u>
Population (1980)	10,106	35,229	550
Land Area (Square Miles)	4.6	327	3.3
Total Taxable Values (1983)	\$181,305,279	\$776,574,091	\$21,849,930
Real Estate Values (1983)	\$163,403,100	\$681,850,300	\$20,099,889
Public Service Corporation Values (1983)	\$8,167,109	\$41,427,431	N/A
Personal Property Values (1983)	\$5,305,220	\$21,175,980	\$430,185
Machinery and Tools Values (1983)	\$3,855,190	\$14,646,180	\$1,002,985
Merchants Capital Values <sup>2</sup> (1983)	N/A	\$3,452,770	\$252,143
Mobile Homes	\$574,560	\$14,021,430	\$63,728
Existing Land Use (Acres)			
Residential	891	3,972	109
Commercial	64	155	21
Industrial	107	5,357	67
Public and Semi-Public	1,050	3,295	49
Agricultural, Wooded or Vacant	832	196,501	1,866

NOTES

N/A = Not Available

1 = As estimated by the Town of Pulaski in 1986

2 = Town of Pulaski does not levy a merchants'  
capital tax.

SOURCE

Town of Pulaski, Town of Pulaski-County of Pulaski Settlement Agreement,  
July 1986, pp. 38-40.



PREPARED BY  
**THE DEPARTMENT OF ENGINEERING**  
 JOHN J. HAWLEY, P.E., TOWN ENGINEER  
 P.O. BOX 660 PULASKI, VA 24301

MAP OF THE  
**TOWN OF PULASKI, VA.**  
 AND ENVIRONS

PROPOSED  
 ANNEXATION AREA

SCALE  
 1000' 0 1000' 2000'



— PULASKI CORPORATE LIMITS  
 - - - PROPOSED ANNEXATION BOUNDARY

APPENDIX C