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VIRGINIA COMMONWEALTH UNIVERSITY

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February 23, 1999
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AN EVALUATION OF THE
CITY OF DANVILLE-PITTSYLVANIA COUNTY
ANNEXATION

A thesis submitted in partial fulfillment of the
requirements for the degree of Master of Urban and Regional
Planning at Virginia Commonwealth University.

By

Gerald A. Craver
B.A., Virginia Commonwealth University, 1993

Virginia Commonwealth University
Richmond, Virginia
January, 1999

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Abstract

AN EVALUATION OF THE CITY OF DANVILLE-PITTSYLVANIA COUNTY ANNEXATION

By Gerald A. Craver, M.U.R.P.

A thesis submitted in partial fulfillment of the requirements for the degree of Master of Urban and Regional Planning at Virginia Commonwealth University.

Virginia Commonwealth University, 1999.

Thesis Director: John V. Moeser, Professor, Department of Urban Studies and Planning

An insufficient amount of evaluation research has been conducted on Virginia's annexations. This study helps to fill that void by evaluating the Danville-Pittsylvania County annexation. The thesis attempts to determine if the City of Danville benefited from the annexation and if Pittsylvania County was able to recover from the loss that it suffered as a result of the annexation.

In order to evaluate the annexation, data was collected and analyzed for seven research categories: urban services, planning, demographics, community leadership, local government cooperation, economic development, and public finance. In addition, government documents were reviewed to collect information that indicated the economic health of both jurisdictions and interviews were conducted to collect additional data.

The annexation was beneficial for both Danville and the annexed area. It offered Danville the chance to expand its boundaries and to extend urban services into the annexed area which improved the quality of life for many annexed residents. Although Pittsylvania County lost \$238,000,000 in tax base as a result of the annexation, by 1996, it surpassed its pre-annexation tax base, and housing subdivisions, commercial shopping centers, and small businesses were developing throughout the County.

CHAPTER I

INTRODUCTION

1.1. General Statement

Since the United States was founded, municipalities have used annexation to expand their borders by incorporating surrounding territory. In Virginia, however, municipal annexation has not been politically popular. This is primarily due to the fact that Virginia has independent cities. When a *city* annexes territory from an adjoining county, the annexation diminishes the size of the county. As a result of this unpopularity, the Virginia General Assembly placed a moratorium over all city-initiated annexations in 1987, but it did not prohibit *towns* from annexing county territory. Town annexations are less controversial than city annexations because they do not remove population and tax base from the county.

A review of the literature indicates that there has been an inadequate level of research that examines the long-term impact of city-initiated annexation on the jurisdictions involved and on the annexed areas. This study attempts to fill that void by examining the effects that the City of Danville-Pittsylvania County annexation had on both jurisdictions and on the annexed territory (Wilkinson 1998).

1.2. Statement of Purpose

The purpose of the current study is to evaluate the City of Danville-Pittsylvania County annexation that became effective on January 1, 1988. The intent is to determine the impact that the annexation had on Danville, Pittsylvania County, and the annexed territory during the 1989 to 1997 period.

1.3. Organization of the Study

The study is organized into six chapters. *Chapter I* is an introduction and explains the purpose of the thesis. *Chapter II* is a literature review that includes information on the history of annexation, the different types of annexation laws, the arguments for and against annexation, and a brief overview of Virginia's annexation policy. *Chapter III* is a description of the study's methodology and describes the research questions that are addressed in the data analysis chapter, the techniques used for collecting data, and the economic indicators that were selected for the study. *Chapter IV* presents a history of the Danville-Pittsylvania annexation. *Chapter V* is the data analysis chapter and is divided into seven sections that examine urban services, planning, demographics, community leadership, local government cooperation, economic development, and public finance. Each topic is analyzed to determine how the annexation affected Danville, Pittsylvania

County, and the annexed area. *Chapter VI* presents conclusions that were developed from the data analysis chapter.

Based on the research presented in these chapters, Pittsylvania County did not suffer any negative long-term consequences that resulted from the annexation. In fact, Pittsylvania County even stated in its 1996 Bond Prospectus that its current tax base had surpassed its pre-annexation tax base. It also appears that the annexation was a doubled edged sword for Danville because it cost millions of dollars to comply with the Annexation Court's order and to undertake additional improvements to the annexed area's infrastructure. On balance, however, the annexation provided Danville with additional land and a stronger tax base.

1.4. Geography

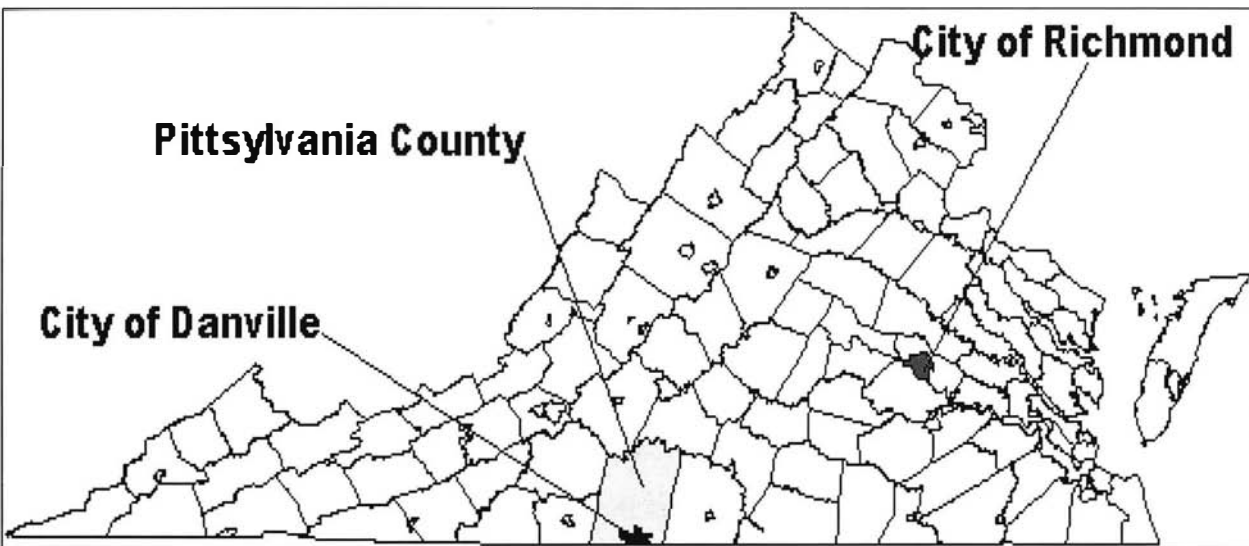
Danville is located on the Dan River in Virginia's Piedmont. It borders Pittsylvania County to the north, east, and west and Caswell County, North Carolina, to the south. Danville was first settled in 1793, incorporated in 1833, and gained city status in 1890. Prior to the annexation, the City was totally surrounded by Pittsylvania County.

Pittsylvania County was formed in 1767 from territory that was formerly part of Halifax County. Before the 1988

annexation, Pittsylvania County was Virginia's largest county, with 1,012 square miles of land area. The County has three incorporated towns: Chatham, Gretna and Hurt. Chatham is the County seat and is located 12 miles north of Danville (See Figure 1.1 below).

State of Virginia

Figure 1.1



CHAPTER II

LITERATURE REVIEW

2.1. Municipal Annexation: A Brief History

In the 19th Century, the Industrial Revolution facilitated the rapid growth of cities in the United States. As cities became over populated, they needed more land to accommodate their growth as well as additional tax payers to pay for increased levels of government services; consequently, cities used annexation to increase their boundaries and populations. During this time, most of America's largest cities achieved their present-day size by annexing the unincorporated territory that surrounded them. As time progressed, annexation prompted suburbs to incorporate, causing cities to become "land locked" and unable to grow (Aronson 1996, 52; Carpinello 1990, 3).

The United States has experienced three periods of municipal expansion. The *first period* occurred during the late 19th century when older cities such as Boston, New Orleans, Philadelphia, San Francisco, and New York added substantial populations and territory to their jurisdictions. This was accomplished by complete city-county consolidations or by partial mergers that allowed the county to continue to exist while the city provided the residents with government services. The *second period* of municipal expansion activity occurred during the first half

of the 20th century. It was characterized by a lack of municipal expansion activity between the large established cities and their surrounding suburbs; however, some smaller cities did expand their boundaries through annexation. Few annexations took place during this time because the country was preoccupied with the economic and social problems that occurred during the 1930s and 1940s. The *third period* of municipal expansion began at the end of World War II and has continued to the present time. It is characterized by frequent municipal annexations; in fact, since 1950, most cities with populations over 2,500 have annexed unincorporated territory. This trend reached a peak during the 1980s, when 150,000 to 240,000 people were annexed each year (Edwards 1992, 2-4).

Annexations increased after World War II because a large number of middle and upper-income families moved out of the cities and into the suburbs. This exodus encouraged businesses to move out of the cities, decreasing the number of central city jobs. As time passed, cities developed problems associated with population loss and economic decline, and encountered difficulties in raising money to fund services that were needed by their growing low-income populations. This prompted many city officials to implement annexation in an effort to recapture lost revenue sources. However, as more cities implemented annexation, increasing

numbers of state legislators came under pressure from their county constituencies to enact restrictive annexation laws to protect them from city-initiated annexations (Edwards 1992, 2-4).

Another more troubling reason why annexations were implemented after World War II was that the majority of the "out-migrants" from the cities were middle- and upper-income whites and a large percentage of the people moving into the cities were low-income blacks. The political status quo became threatened and the white power structure that controlled many cities looked for a strategy to prevent blacks from constituting a majority of the city's electorate. Annexation was the traditional strategy that cities used in the past for increasing their populations and many cities once again implemented this policy to obtain larger numbers of white residents (Carpinello 1990, 3; Moeser 1982, 1).

When studying annexation, it is important to note that most states differ in the amount of boundary-expansion authority that they give to their municipalities. For example, in New England, cities are prohibited from implementing annexation. In Pennsylvania, cities may expand only when they negotiate mergers with their surrounding boroughs. Other states, such as North Carolina, have liberal annexation laws that give cities both the power and

the obligation to annex surrounding urbanizing areas regardless of the wishes of the county property owners. In Texas, state law allows cities to annex unincorporated land by simply passing a unilateral city-council action. Arizona authorizes its cities to annex land by obtaining the unanimous approval of the affected property owners. Despite these legal differences, the common element of law that all states share is that one city cannot annex land from another city (Rusk 1995, 20-21)¹.

2.2. Annexation Laws

Annexation law can be classified into five general categories. The first category is *legislative determination*. States that use this style of annexation law normally have their legislatures to review each annexation request. Many state legislators favor this technique because it requires citizens to obtain their support in order to achieve the annexation. The negative aspect of legislative determination is that it can be difficult for citizens to get busy legislators to concentrate on local boundary issues.

The second category of annexation law is *municipal determination*, which is a method that cities and towns use to extend their boundaries by implementing a unilateral action. Some states authorize cities and towns to annex

¹ In Virginia, cities can annex territory from towns.

land by approving an ordinance that contains the terms and conditions of the annexation. The area targeted for annexation does not play a role in the annexation process. Municipal determination is most favorable to municipalities, but it fails to bring the contesting parties together to discuss their differences and it does not constrain cities that want to annex as much unincorporated land as possible.

The third category of annexation law is *popular determination*, which allows annexation decisions to be made by the local residents through either a referendum or a petition. Under this process, people who are affected by the city's municipal expansion have the chance to approve or disapprove the annexation. Even though the public's input on annexation has a long history in this country, there are some critics who do not believe that allowing the public to decide annexation cases represents sound policy. They feel that only the city and county officials should meet and discuss the issues behind the proposed annexation.

Judicial determination is the fourth category of annexation law. It allows a state's judiciary to determine whether or not a proposed annexation should be authorized. Supporters of judicial determination believe that it is a rational, deliberate, and unbiased means for solving an annexation issue; however, there has been considerable debate among academic observers over whether this process is

adequate for resolving boundary disputes. It should be noted that Virginia ultimately relies on judicial determination for solving its boundary disputes.

Administrative determination is the final category of annexation law. It is characterized by independent non-judicial state boards or commissions that are created to decide annexation disputes. It is used very infrequently since there is some question as to the legal authority of a state agency to change municipal boundaries (Edwards 1992, 6-9; Galloway 1986, 25-26).

Annexation is an important municipal policy option that has affected more people and urban land area than any other form of governmental reorganization. In fact, without annexation there would have been little population growth in the nation's 243 central cities between 1960 and 1970. Annexation has occurred extensively across the United States with the exception of the Northeast. Although annexation statutes vary from state to state, annexation disputes have usually been determined at the local level by the governments and populations affected by their implementation (Campbell 1976, 25-39).

2.3 Arguments for Annexation

Jack Edwards, a professor at William and Mary who has studied Virginia annexations, succinctly classifies *pro-annexation* arguments into six categories: (1) urban

services, (2) planning, (3) space, (4) composition of the population, (5) recapturing the tax payers, and (6) financial gain for the city (Edwards 1992).

Edwards' first category of pro-annexation arguments is *urban services*. Annexation supporters believe that most annexation laws in the US are based on the assumption that cities should provide the municipal services that are required and demanded by urban populations. Supporters of the urban services argument claim that annexation allows the target area to obtain needed services from professionally staffed city departments, and this eliminates the duplication of services that exist between the city and its surrounding suburbs. Supporters of annexation argue that urban services which are unified under one local government prevent municipal fragmentation, inadequate service delivery, insufficient area-wide planning, and financial inequities. Supporters also claim that annexation allows municipal services such as sewer, water, ambulance, transit, and drainage control to become available to residents in the annexed area.

Planning is Edwards' second category of pro-annexation arguments. Advocates claim that the city should be able to plan for its entire surrounding area before it becomes too densely populated. When the city and its suburbs plan separately, each jurisdiction develops different policies

for a single economic and social area. Since most cities and their surrounding suburbs have close ties, unified planning and zoning are required to prevent urban sprawl, environmental degradation, and incompatible land uses. Annexation allows a city's zoning ordinance to be extended to newly obtained suburban areas in a logical manner that ensures orderly growth. This coordinated action is easier to achieve if the suburbs become part of the city since the political boundaries will then closely reflect the city's true sociological, economic, cultural, and physical characteristics.

Edwards' third category of pro-annexation arguments is *space*. Annexation supporters believe that a city needs space to develop. Many city officials argue that the land contained within their city's boundaries is almost entirely developed with residential and commercial establishments which prevents them from attracting new growth. As a result, both new business and residential development fail to occur in the jurisdiction. Local government officials have long known that improperly planned and controlled urban growth can lead to sprawl, congestion, and a poor quality of life for the area's residents. Annexation is seen by the city as a way to control future growth and development.

Composition of the population is Edwards' fourth category of pro-annexation arguments. Municipal officials

usually become concerned if their city contains a high concentration of either young or old residents. If a city contains a large segment of young people, then it may have to spend a greater proportion of its revenue on education. If a majority of a city's population consists of elderly residents, then the city may have to spend a greater proportion of its revenue on social and welfare services for them. Supporters believe that annexation can be used to diversify a city's population and raise its political influence, prestige, and ability to attract desirable commercial development as well as federal grant assistance.

Recapturing the taxpayers is Edwards' fifth category of pro-annexation arguments. Supporters claim that a fiscally-stressed city can increase its tax base by annexing industrial and commercial land as well as upper- and middle-income populations that fled the city in search of less crowded living conditions and lower taxes that were found in the suburbs. Supporters argue that under these conditions, annexation allows the city to recapture its lost tax base. In addition, many city-supporters believe that suburbanites should pay their fair share to maintain the municipal services that they consume, and they believe that annexation is the best way to achieve that result.

Financial gain for the city is Edwards' final category of pro-annexation arguments. When a city expands, it

essentially obtains an "annual profit" in the form of new taxpayers and commercial and residential property. Edwards claims that the financial motive for annexation is very powerful and that it outweighs all other annexation arguments. The significance of municipal finance has increased as cities become fiscally stressed, and this has resulted in annexations becoming less about achieving equitable service delivery and more about the distribution of costs and benefits between the city and its suburbs. Annexation may not only increase a city's tax base, but it may raise its bonding capacity. Annexation has been used to encourage the development of new industry in the city which, in turn, creates additional jobs, revenues, and commercial opportunities. In addition, annexation lowers utility rates because surcharges to unincorporated territory are lifted for utility services. Supporters point out that annexation leads to the reduction of fire insurance premiums as improvements to water utilities are made available in the target area. It is also claimed that annexation improves the area's real estate values which increases its marketability (Blair 1995, 294; Campbell 1976, 39; Edwards 1992, 51-60; Moeser 1982, 2; Southern Growth Policies Board 1980, 3).

David Rusk, the former mayor of Albuquerque, New Mexico, is one of the leading proponents of central city

expansion and he believes that annexation is one strategy, among several, that central cities can use to reduce their urban problems. Rusk classifies cities that are able to expand their borders and increase their economic growth as "elastic" and cities that are unable to expand their borders as "inelastic." In order to support his hypothesis, Rusk studied several hundred cities and collected evidence that elastic cities were more successful economically than inelastic cities. As a result of his research, Rusk believes that state governments should loosen their restrictions on annexation in order to improve cities' fiscal well-being (Aronson 1996, 52-53; Rusk 1995, 9-20).

Still another argument for annexation pertains to community leadership. City officials often view annexation as a means to contribute to a city's leadership cadre (MRSC 1995, 6-9).

Since suburbanites benefit from municipal parks, recreational facilities, and other urban amenities, local officials argue that annexation is necessary to preserve a growing urban area as a unified body by allowing the central city to unite with the suburbs both socially and economically. Proper annexation facilitates the use of existing municipal resources and allows municipal administrators to address the suburban area's needs in a manner that is consistent with the city's policies. It is

preferable to the incorporation of new cities because incorporation in urban areas may cause conflicts of authority to develop and an imbalance between taxable resources and municipal needs to occur (MRSC 1995, 6-9).

2.4. Arguments against Annexation

A review of the literature revealed several arguments against annexation. The Metropolitan Research and Services Center (MRSC) of Washington notes some of the arguments against annexation. According to MRSC, critics claim that the majority of American cities are surrounded by incorporated suburbs. Since municipalities are prohibited from annexing incorporated land, the policy should be abandoned. MRSC also noted that annexation critics argue that many suburban residents moved out of the city to escape its urban problems and do not wish to return. They desire the convenience provided by the suburbs and do not want to pay for and use expensive municipal services that a city would impose upon them. Another argument against annexation is that since there are only a limited number of suburban residents who actually support it, annexation should be abandoned.

The last argument against annexation noted by MRSC is that many cities are not able to finance the additional services that the unincorporated area's residents expect if annexed by a municipality. As a result, the provision of

urban services in the annexed area proves to be a financial drain on cities that may last for years. Critics say that, in the long run, extending the city's services will cost more than what the city originally planned (MRSC 1995, 6-9).

Another argument against annexation deals with the concept of community. Many times suburbanites develop a sense of community by having a city or county government that is small enough to be controlled by a homogeneous group of people. According to the critics, suburbanites do not have strong physical, economical, or social ties to the annexing city and feel no sense of community with it.

Chester Bain, a political scientist who studied annexation in the 1960s, argued that the concept of community is a basic reason why people resist annexation because they fear losing their community identity if annexed by a large city (Bain 1967, 98).

A city's per capita income level has been used to argue against annexation. Some critics claim that even though annexing wealthy suburban land may increase a city's per capita income, the new wealth is not distributed to all the city's residents. They claim that increasing a city's annual per capita income through annexation does not mean that the city's low-income inner-city population will economically benefit from this action.

Other opponents of annexation feel that municipal ordinances, regulations, and license requirements may not be appropriate for the annexed suburban area. Still other critics contend that since most annexations are small, they do not satisfactorily address both community and regional issues and should not be used for these reasons (Knapp 1992; Orman, date unknown).

Race has been used to argue against annexation. It should be noted that based on interviews with several eye witnesses, race was not considered to be a factor in the Danville-Pittsylvania County annexation, but since race can be an important aspect of annexation, it will be briefly examined. In some cities, annexation has been used as a tactic to dilute minority influence by annexing white suburban residents. In fact, there is a wealth of research dating back to the 1970s that provides evidence that annexations were frequently used to accomplish this goal. Interestingly, the US Supreme Court has not consistently struck down annexations for violating the 1965 Voting Rights Act. For example, the Court allowed Richmond, Virginia, to annex a large land area from Chesterfield County that effectively reduced its black population from a majority to approximately 42 percent of the city's population. However, the US Department of Justice has intervened in annexations if they appeared to have been racially motivated. In 1979,

it prevented an annexation from occurring in Houston, Texas, that would have diluted both the black and Hispanic populations (Campbell 1976, 39; Harrigan 1993, 139-140; Moeser 1982).

John P. Blair, an urban economist, Samuel R. Stanley, Vice President for Research at the Buckeye Institute of Public Policy, and Zhongcai Zhang, a doctoral candidate at Cleveland State University, examined Rusk's elasticity argument to determine if elasticity enhanced the economic growth of a city and its surrounding region. These researchers did not believe that annexation caused cities to become economically prosperous; instead, they argued that elastic cities seemed to be wealthier than inelastic cities because they incorporated rich suburbs that raised the cities' urban welfare indicators. Blair, Stanley, and Zhang believed that there was a lack of strong empirical evidence to suggest that increasing a city's annexation powers increased its economic prospects, but they did admit that there was some support for annexation in Rusk's argument. By expanding municipal borders, cities could become less segregated and have higher rates of population growth; but Blair, Stanley, and Zhang claimed that Rusk failed to show that a connection existed between a city's elasticity and its economic prospects. Instead, they believed that many suburbs are economically independent of their central

cities. In addition, Blair, Stanley, and Zhang argued that Rusk did not take into account urban redevelopment because Rusk assumed that the only way for cities to be economically successful was to annex and develop vacant land rather than to develop land that the city already controlled (AICP 1997, 2; Blair 1996, 345-347).

Finally, critics contend that annexation may mean a loss of land for the unit of government being annexed, which is the case in Virginia where city-county separation is practiced. Under these circumstances, a county will lose a source of tax revenue if the land is transferred to a city. In addition, critics say that there is often no guarantee that the annexed residents will receive the urban services promised to them by the annexing city (Reynolds 1992, 257).

2.5 Virginia

Before 1904, annexation disputes in Virginia were determined by the General Assembly, but during the 1904 legislative session, a general law was passed that placed "the determination of annexation entirely in the hands of the courts" (Morris 1990, 300). The law authorized the Chief Justice of the Virginia Supreme Court to appoint three circuit court judges to review and decide annexation cases. This special court only came into existence when a city or town petitioned to annex unincorporated land. In Virginia, if a city was allowed to annex county land, then the

territory was transferred from the county to the city, thereby diminishing the county in both land area and population. Since Virginia's *towns* are considered to be a part of a county, town-initiated annexations do not remove land area and population from the county's tax base and are less controversial (Morris 1990, 300).

In the 1960s, Virginia began to experience lengthy annexation court battles that were expensive and produced hostile feelings between the jurisdictions that were involved. The urbanization that began to occur in Virginia in the 1960s presented an entirely different scenario from that which existed in 1904 when the annexation statute was enacted. The 1904 annexation act was based on the assumption that population growth would spread outward from a city's limits in concentric circles. In actuality, population growth occurred in spot developments that were separated by rural areas throughout Virginia's metropolitan areas (Morris 1990, 300).

There is one salient aspect of Virginia's governmental system that influences all annexation in the Commonwealth. Virginia has a unique statewide system of city-county separation. When an annexation occurs, the land and population in the target area are transferred to the city which results in population, territory, and tax revenue losses for the county. However, Virginia's *towns* are not

independent from counties, and when they annex, the county does not lose its population, territory, and tax base. This does not prevent counties from objecting to town annexations because if a town annexed enough land and population, then it could become large enough to obtain city status (Edwards 1992, 170-171; Michie 1979, 41).

By 1966, it was obvious that the 1904 statute needed to be reformed, and Governor Mills E. Godwin Jr. established the Metropolitan Area Study Commission to develop solutions for problems that plagued urban governments, including annexation. The commission was known as the Hahn Commission, after its chairman, T. Marshall Hahn, and it spent 18 months studying Virginia metropolitan governments. The Hahn Commission presented its results in 1968 and one of its controversial recommendations was the formation of a commission on local government that would assume the decision-making power from the courts in annexation cases involving jurisdictions that were located inside metropolitan statistical areas (MSAs). Although the Hahn Commission's recommendations were not approved during the 1968 General Assembly session, the concept of a commission on local government continued to be discussed throughout the 1970s. (Morris 1990, 301-302).

From 1971 to mid-1980, a statutory moratorium was imposed that halted all city-initiated annexations in

Virginia. Initially, the moratorium applied to cities with populations above 125,000, but it was later extended to all cities regardless of their population size (Michie 1971, 42).

Between 1975 and 1979, legislative advocates of change sought to make a major revision in annexation policy that would allow a referendum procedure to determine annexations. The state legislature examined this proposal but rejected it because the General Assembly felt that it was a responsibility of the state to resolve local boundary issues. The General Assembly reasoned that leaving the decision-making responsibility in the hands of the Court insured that annexation would occur in accordance with clearly articulated standards that would best serve the interests of the Commonwealth (Carpinello 1990, 12).

In 1979, the General Assembly enacted a new annexation law to replace the 1904 statute, and it became effective in 1980. The 1979 statute created the Commission on Local Government (CLG) and provided a local government financial aid package. CLG was established to review annexation petitions and proposals, voluntary jurisdictional boundary adjustment proposals, the incorporation of towns, and the transition of towns and counties to city status (Edwards 1992, 198; Morris 1990, 302).

The 1979 statute established a set of criteria that allowed qualifying counties to obtain permanent immunity from annexation². In addition, counties that were adjacent to cities could seek partial immunity from annexation if they provided urban services that were comparable to those offered by the city that petitioned for annexation. As a result of these measures, the stage was set for new annexation battles that could be waged between the 25 cities that retained annexation power and the 24 counties that did not have immunity (Morris 1990, 302).

The 1979 statute had four goals. Its first goal was to end annexation in areas of the state where it was considered inappropriate, and by 1980, annexation had become irrelevant in all of Virginia's major metropolitan jurisdictions. A second goal of the 1979 statute was to reduce the financial pressures that forced cities to seek annexation proceedings. As a result, two bills were approved in 1979 that offered cities financial aid. The third goal of the 1979 statute was to provide mechanisms for negotiation and cooperation between the jurisdictions that were involved in annexation disputes. During most annexation proceedings, the jurisdictions were suspicious of each other, but the 1979 statute encouraged the disputing parties to sit down at the bargaining table to discuss their grievances. The statute

² Under the 1979 statute, nine counties qualified for permanent immunity from annexation: Arlington,

authorized CLG to provide mediation assistance to the jurisdictions and to delay making any decisions pending the outcome of all efforts to get the parties to settle out of court. The result was that extended negotiations were conducted between the jurisdictions, and according to Edwards, this produced outcomes that sometimes resolved other local issues in addition to the boundary controversy. The fourth goal of the 1979 statute was to develop alternatives to annexation by allowing local governments to enter into revenue-sharing agreements (Edwards 1992, 190-196).

As Edwards sees it, the 1979 statute's major negative effect was that the process was long and expensive. It drained the time and attention of both staff and elected officials. Under the 1979 statute, the process from annexation petition to the Annexation Court's decision was a long drawn-out affair that poisoned the atmosphere and produced a considerable amount of strain on any type of intergovernmental cooperation (Edwards 1992, 208).

In 1983, the General Assembly added a new section to the 1979 statute that allowed a locality to waive all rights related to annexation provided that the modification or waiver did not conflict with the state constitution. In addition, another section was added that allowed a locality

to refuse citizen-initiated annexations. In 1985, an additional section was added that allowed CLG to review citizen-initiated annexations (Edwards 1992, 208-211).

In 1986, the General Assembly established another commission to study local government issues, including annexation. Delegate George Grayson, was elected chairman of the commission. The Grayson Commission, as it was called, studied the economic and demographic changes that affected Virginia as well as the possible future needs of the state and local governments. In 1987, the General Assembly passed a bill that placed a moratorium over all city-initiated annexations (Morris 1990, 303).

In January 1990, the Grayson Commission issued its recommendations to the General Assembly. The Commission proposed an end to city-county annexation disputes and recommended that the Annexation Court be replaced by CLG. The Commission also recommended that only cities that agreed to relinquish their independent status be eligible to annex unincorporated land. The Commission maintained that dependent cities would not remove tax revenue from counties since the residents would pay both city and county taxes. It also urged that only after securing a two-thirds vote by both houses of the General Assembly could new cities be created with populations under 25,000. However, the 1990 session of the General Assembly did not approve the Grayson

Commission's recommendations, and so the 1987 moratorium on city-initiated annexation remains in place (Edwards 1992, 215-226, Morris 1990, 303).

As of January 1, 1990, 16 cities were permanently prohibited from annexing land because they were surrounded by other cities, immune counties, or water. An additional 14 cities could not annex land because they had negotiated moratoriums or were under a statutory waiting period. Only 8 cities (Newport News, Suffolk, Bedford, Bristol, Clifton Forge, Galax, Norton, and South Boston) were still eligible to file for annexation under the 1979 statute. For the most part, these cities are small and the adjoining counties are poor. The cities are also located in parts of the state where the local economies are weak (Edwards 1992, 227-228).

Even though *city*-initiated annexations in Virginia have been prohibited since January 1, 1987, *town* annexations are still allowed. Despite the moratorium over city-initiated annexations, there have been agreements made between counties and cities that allow annexations to occur. In addition, citizens may still make requests for annexations. Town annexations are less controversial than city annexations because they do not transfer property from the county's to the city's tax role. As a result, there is no strong economic reason to prohibit town annexations, and towns have been very active in initiating annexations since

1987. The towns of Farmville, Orange, Bolling Green, Abingdon, Christiansburg, and South Boston have all annexed land since 1987, but counties still fight to prevent town annexations for political reasons (Wilkinson 1998).

2.6 Summary

The Industrial Revolution caused many cities to become over-populated and forced to provide increased levels of government services to their residents. City officials sought to implement policies that would remedy this situation and many turned to annexation. As a result, the United States experienced three periods of municipal expansion activity. The first period occurred during the late 1800s. The second period occurred during the first half of the 20th century and the third period began at the end of World War II and has continued to the present. During this time, almost all municipalities with populations over 2,500 annexed unincorporated land.

When studying annexation, it is important to note that states differ in the amount of boundary-expansion authority they give to their municipalities. Annexation laws developed into five general categories: legislative determination, municipal determination, popular determination, judicial determination, and administrative determination. Virginia relies on judicial determination to settle its boundary disputes.

A variety of arguments have been used to support annexation. For example, supporters claim that annexation allows municipal services such as sewer, water, ambulance, police, transit, and drainage control to become available to residents who live in the annexed area. Supporters also claim that a fiscally-stressed city can recapture its lost tax base by annexing industrial and commercial land as well as the upper- and middle-income populations that fled the city.

Critics have developed several arguments against annexation. Some critics claim that annexation should be prohibited because the majority of American cities are surrounded by incorporated suburbs and cannot annex territory. Other critics contend that annexation represents a loss of land for the jurisdiction that is being annexed and should therefore be prohibited. This occurs in Virginia where city-county separation is practiced.

The 1904 Virginia General Assembly placed annexation entirely in the hands of the courts. By the 1960s, Virginia was experiencing expensive litigation that produced hostile feelings between jurisdictions. This presented a different scenario than what existed in 1904 and the General Assembly began to consider revising the 1904 statute.

The General Assembly imposed a statutory moratorium that halted all city-initiated annexations in Virginia between

1971 to mid-1980. In 1979, the General Assembly enacted a new annexation law that replaced the 1904 statute. The 1979 statute created the Commission on Local Government and provided a local government financial aid package to ease the fiscal burdens that many of Virginia's localities were encountering.

Under the 1979 statute, nine counties received permanent immunity from city-initiated annexation. In addition, the statute allowed counties that were adjacent to cities to seek partial immunity from annexation if they provided urban services that were comparable to those offered by the city.

In 1987, the General Assembly once again placed a moratorium over all city-initiated annexations and it has remained in place; however, town annexations are still allowed in Virginia. They are less controversial than city annexations because they do not transfer property and population from the county to the city.

CHAPTER III

METHODOLOGY

3.1. Overall Approach and Strategy

The current study was designed to answer two fundamental research questions. First, what effect did the annexation have on the annexed area, the City of Danville, and Pittsylvania County? Second, what generalizations can be made about annexations for Virginia policy makers? In order to answer these two questions, the thesis examined both the positive and the negative aspects of the City of Danville-Pittsylvania County annexation and developed conclusions about Virginia's annexation policy.

A qualitative case study approach was used to examine seven research categories:

- urban services,
- planning,
- demographics,
- community leadership,
- local government cooperation,
- economic development, and
- public finance.

These seven categories were studied from the perspective of Pittsylvania County, the City of Danville, and the annexed area. The period of time studied was from 1981 through 1997. Data from both jurisdictions and the annexed area were analyzed to determine the impact of the 1988 annexation.

3.2. Data Collection

The data were collected by conducting interviews and reviewing government documents. Interviewing was a critical aspect of the data collection process since it provided valuable information that was important to the analysis of the issues involved in the study. Both in-person and telephone interviews were conducted with individuals who held positions of responsibility in the community, government, universities, and the private sector. These individuals were either familiar with the annexation, the events that occurred afterwards, or with local government issues that were relevant to the analysis of the seven research categories. A list of these individuals is provided in the bibliography.

Government documents were reviewed to obtain information on the condition of the localities' economies before and after the annexation. These documents were selected for the study because they provided a good overview of the activities that occurred in both jurisdictions during the 1981-1997 study period.

In order to gauge the financial and economic impact of the annexation, the following 12 indicators were selected for analysis:

- adjusted gross income;
- total revenues;

- total local revenues;
- per capita revenues;
- total expenditures;
- public safety, public works, health and welfare, education, parks recreation and cultural resources, and community development per capita expenditures;
- population;
- residential building permits;
- property tax revenues;
- employment;
- bonded debt; and
- fiscal stress capacity.

3.3. Research Categories

This section contains a description of the research categories that were analyzed in the thesis. Each research category is defined and then the questions that it sought to answer are presented.

The *urban services* category was defined as police and fire protection, recreation, library services, sewer, water, gas, and road services. This category was evaluated by answering the following questions:

- Did Danville comply with the annexation order?
- Did the City upgrade the annexed area's infrastructure and facilities?
- Did Danville provide additional services beyond those required in the Annexation Court's order?
- Did the public works and public safety per capita expenditures increase or decrease for the City and County after the annexation?
- How did the annexed residents view the annexation?
- What were the County's level of urban services before and after the annexation?

Planning was defined as comprehensive planning and it was evaluated by answering the following set of questions:

- Did Danville plan for the annexation in its 1987 Comprehensive Plan?
- Did the City achieve its planning objectives in the annexed area?
- Was municipal zoning provided by the City for the annexed area?
- Did the City's and County's community development per capita expenditures increase or decrease after the annexation?
- Has the County improved its planning services since the annexation?

Demographics was defined as the study of the City and County population characteristics. It was evaluated by answering the following questions:

- How did the populations of both jurisdictions change after the annexation?
- Did the annexation have any effect on the median age of the population of Danville and Pittsylvania County?
- Did the jurisdictions' under 18 and over 65 populations increase or decrease after the annexation?
- Did the annexation cause both jurisdictions' labor forces to increase or decrease?
- How did the annexation affect the per capita income, median family income, median household income, per capita AGI, and the number of persons below the poverty line in the respective jurisdictions?

Community leadership was defined as the level of involvement in community affairs by individuals who resided in the annexed area. It was evaluated by answering the following questions.

- Are there any City residents who live in the annexed area and serve on one of the City's boards and commissions?
- What boards and commissions do annexed residents serve on?
- Have annexed residents been elected to serve on Danville's City Council or to serve as the City's Mayor?

Local government cooperation was defined as any cooperative activity between Pittsylvania County and Danville to achieve a common goal. It was evaluated by answering the following questions:

- Have the City and County cooperated together since the annexation?
- In what ways have the two jurisdictions cooperated on public policy issues?

Economic development was defined as the creation of businesses and the diversification of the economic base for both jurisdictions. It was evaluated by answering the following questions:

- What is the state of the Danville-Pittsylvania economy?
- Has the annexation increased or decreased the number of businesses in the City and County?
- What kind of economic development has occurred in each jurisdiction since the annexation?

Public Finance was defined as the revenues, expenditures, property tax revenues, and fiscal stress of Danville and Pittsylvania County. The public finances of both jurisdictions were evaluated by answering the following questions:

- Have total revenues, total local revenues, and per capita revenues increased or decreased for each jurisdiction since the annexation?
- Have total expenditures and per capita expenditures increased or decreased for each jurisdiction since the annexation?
- Have residential building permits increased or decreased since the annexation?
- Did the property tax revenues of either jurisdiction increase or decrease after the annexation?

- Has the bonded debt increased or decreased for each jurisdiction since the annexation?
- Has the fiscal stress classification changed for each jurisdiction since the annexation?

3.4. Data Analysis

Data were collected to answer the questions posed under each of the seven research categories identified in the previous section. The 1981-1997 time period was split into two parts: 1981-1987 and 1989-1997. This was done in order to measure the economic health of both jurisdictions. Data were collected between 1981-1987 to determine the economic health of each jurisdiction before the annexation. Data were collected between 1989-1997, to determine if the same economic conditions improved, remained the same, or deteriorated after the annexation.

Data were collected beginning with the year 1981. Economic data were not collected for 1988 because the annexation occurred in January of that year and the financial figures that were collected for that fiscal year do not reflect the change. Thus, for the second study period, data were collected beginning in 1989. All indicators were analyzed using either the percent change formula or the annualized rate of growth formula (McLean 1992,34). The percent change formula was used to compare changes that occurred over a 10 year period. The annualized rate of growth formula was used to compare the economic

indicators' 1981-1987 growth against their 1989-1997 growth to determine the impact of the annexation.

Graphs were prepared to visually illustrate the changes that occurred in Danville and Pittsylvania County during the total 1981-1997 study period. Financial data were not adjusted for inflation due to methodological problems that arise with price deflators that are determined through calculations that use nationally derived economic figures. By applying a nationally derived price deflator to a local economy, one would have to assume that the local economy is a microcosm of the national economy, but such an assumption is flawed. To accurately adjust for inflation when analyzing local economic indicators, a local price deflator would have to be calculated, and this is beyond the scope of the present study. Thus, due to methodological problems encountered with price deflators, financial data were not adjusted for inflation (Knapp 1998; Wilkinson 1998; Ziony, 1998).

3.5. Summary

This chapter explains the methodology that was used in this thesis. Since the thesis is primarily a qualitative analysis, interviews were vital to the collection of data because they provided first-hand accounts of the annexation and the events that occurred afterwards. In addition,

government documents were reviewed to obtain financial data that would indicate the jurisdictions' economic health.

To better understand the effects that the annexation had on Danville and Pittsylvania County, data were collected and analyzed for seven research categories: urban services, planning, demographics, local government cooperation, community leadership, economic development, and public finance.

Financial data were collected for the 1981-1997 time period and were divided into two parts: 1981-1987 and 1989-1997. Simple calculations were performed on the financial data to provide an in-depth understanding of the changes that occurred in both jurisdictions before and after the annexation. Graphs were used to visually depict these changes.

CHAPTER IV

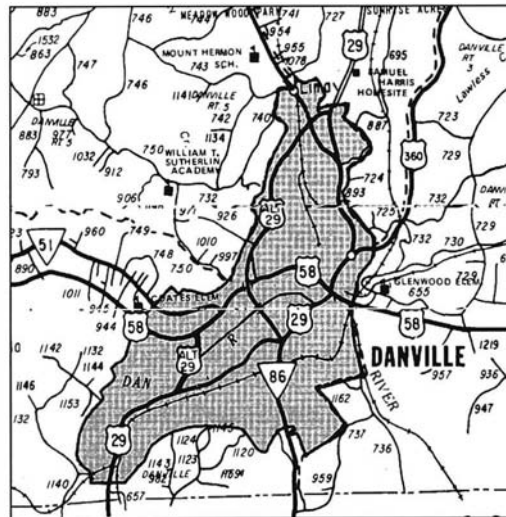
DANVILLE-PITTSYLVANIA COUNTY ANNEXATION

4.1. Annexation Background

Prior to 1988, Danville's last major annexation occurred in 1951 when it annexed 9.69 square miles of territory from Pittsylvania County. Between 1955 and 1978, the City initiated 11 small annexations that totaled 1.09 square miles of territory. In 1983, when Danville initiated its last annexation, the City consisted of 17.07 square miles. Danville's 1983 boundary is pictured below in figure 4.1 (Report on the City of Danville Annexation Action 1984, 8).

1983 Map of Danville

Figure 4.1



By 1980, Danville was faced with a dwindling supply of developable land, increasing tax rates, declining commercial and residential development, and a growing low-income population. Due to these circumstances, many commercial developments located outside the City limits in Pittsylvania County where vacant land was plentiful and the tax rates were low. Since a growing number of industries and residential developments had located outside Danville, the County's territory that surrounded the City was urbanizing and becoming densely populated. Pittsylvania County was not able to furnish a suitable level of services for the businesses and residents who moved into this area. In order to attract commercial development, Danville itself provided this area with its urban services; however, this was not desirable for the City because it could not collect property taxes from the businesses or residents in the County who used its services (Glass 1998).

The annexation issue was first raised between the City and the County at a meeting that was held in January 1980 to discuss the development of a joint industrial park. Once Danville raised the annexation issue, the meeting became heated and little else was resolved. At first, Danville was only interested in obtaining five square miles of County territory, but following more meetings that were held between 1980 and 1983, the City increased the size of the

land area that it wanted to annex to 29.66 square miles (Sleeper 1998).

Danville felt that an annexation was the best way to improve its fiscal situation, and toward this end it hired the following: Wiley and Wilson, an engineering and planning consulting firm; the law firm of Mays and Valentine; and Dr. Thomas Muller, an economist. Wiley and Wilson studied the proposed annexation from an urban service delivery standpoint and Mays and Valentine provided the City with legal advice. Muller studied the possible situations that Danville would face if it failed to annex land from Pittsylvania and concluded that annexation was necessary for the City to maintain its tax base. (Church 1998, Glass 1998).

4.2. Annexation Petition

On March 1, 1983, the City of Danville issued its annexation notice to the Commission on Local Government (CLG). Danville sought to annex 29.66 square miles of territory, 10,669 people, 1,987 public school students, and \$259.3 million in total property values from Pittsylvania County. To counter Danville's annexation request, Pittsylvania County filed for partial immunity for 23.41 square miles of the proposed annexation area which included the major industries that the City was interested in annexing. The City offered to negotiate a settlement with

Pittsylvania County and asked for assistance from CLG (which designated Richard Collins, a University of Virginia professor, to serve as an independent mediator to negotiate a settlement), but the negotiation efforts failed.

The area that Danville sought to annex contained suburbs, publicly-owned facilities, and a major percentage of the County's industrial base. The City owned an airport, prison farm, landfill, two sewage treatment plants, and utility lines in the area proposed for annexation. The County's assets that were located in this area included three elementary schools, a branch library, several refuse receptacles and compactor stations, water lines that were owned by the Pittsylvania County Service Authority (PCSA)³, and two volunteer fire stations. In addition, there were several private businesses in this area that contributed to Pittsylvania County's tax base. These included the Goodyear Tire and Rubber Company, Dibrell Brothers, Brockway Glass Containers, Inc., and Lorillard. The area that the City proposed to annex contained a significant amount of the County's industrial base, was densely populated, and contained vacant land that was suitable for industrial development (Report on the City of Danville Annexation Action 1984, 1-16).

³ The Pittsylvania County Service Authority (PCSA) is governed by a seven-member Board of Commissioners who are appointed by the County Board of Supervisors. The PCSA operates independently of the County and provides utility services to County residents.

4.3. Review of the City's Annexation Petition

CLG considered the County's immunity petition first and found that it did not offer the target area a similar level of services that the City provided to its citizens. In fact, the County did not even provide water to the proposed annexation area, but the City did provide the area with water and treated all of the County's sewage waste. The County lacked a zoning ordinance, a planning staff, and a professional fire department. Danville, on the other hand, had 90 full-time fire personnel, spent four times as much money on law enforcement as the County did, and had a zoning ordinance and a planning department. In addition, Pittsylvania lacked recreational facilities and employed no full-time recreational staff, but Danville provided its residents with these services (Edwards 1992, 129; Glass 1998).

In reviewing the immunity petition, CLG followed the Code of Virginia, which required that a grant of immunity rest upon whether or not a targeted jurisdiction provided appropriate services that were comparable to those offered by the petitioning jurisdiction. As a result, CLG looked at water supply and distribution; sewage collection and treatment; solid waste collection and disposal; public planning, zoning and subdivision regulations; crime prevention and protection; fire prevention and protection;

public recreation facilities; library facilities; curbs, gutters, sidewalks, and storm drains; street lighting; street maintenance, and snow removal. These County services were reviewed to determine if they were comparable to those that were offered by Danville.

Some of the County's services provided in the proposed annexation area were comparable to those found in Danville, but CLG was unable to find that such comparability existed for the majority of urban services. Specifically, CLG found that public water distribution, sewage collection, crime prevention and detection, fire prevention and protection, public planning, recreation, library, solid waste collection, street lighting, and curbs, gutters, sidewalks, and storm drainage were not provided on a comparable level by the County (Report on the City of Danville Annexation Action 1984, 23-83).

After reviewing Pittsylvania County's request for immunity, CLG was unable to recommend that the County receive immunity from annexation. Turning to the City's annexation petition, CLG found that Danville needed to annex additional land in order to share equitably in the region's resources. CLG concluded that, even though Danville's annexation would deprive Pittsylvania County of a large percentage of its industrial base, it would recover from the annexation. Thus, CLG recommended that Danville annex

10,100 people instead of 10,669, and that it receive \$196.8 million instead of \$259.3 million in taxable property.

CLG also identified an additional area for the City to annex that it did not mention in its original annexation petition: the Bradley Road area which was a poor neighborhood with substantial housing and urban service requirements. CLG did not include the large Goodyear Tire plant that the City wanted to annex because it felt that the annexation would offer Danville new opportunities for residential and industrial development. CLG determined that the County would prosper in spite of the annexation because it had a low real estate property tax and could recover its tax base (Edwards 1992, 129-133).

In CLG's 1984 report, it found no compelling evidence that either jurisdiction had refused to cooperate on local issues, but it reasoned that the annexation would allow Danville to exercise better control over the surrounding area to prevent incompatible development from occurring. The annexation would also allow Danville to strengthen and diversify its industrial base. CLG asserted that the annexation of the urbanizing areas would transfer to the City a significant percentage of the County's fiscal base. This would relieve Pittsylvania of the burden of providing a higher level of public service to its residents who lived adjacent to the City. It would also allow the County to

focus its resources on other issues. CLG recommended that the County keep its most prominent industries such as the US Gypsum Company, Brockway Glass Inc., and the Goodyear Tire and Rubber Company (Report on the City of Danville Annexation Action 1984, 149-150).

4.4 Annexation Order

The annexation trial began on December 2, 1985, and concluded 10 days later. The Court's determination of the territory to be annexed differed from the City's request because the Court decided to add the Westover Hills and Bradley Road neighborhoods to Danville's annexation award and to delete the Mt. Hermon residential area and the Disston and Brockway Glass companies from it.

The exclusion of Mt. Herman and the addition of the Westover Hills and Bradley Road areas were at odds with the City's request, but the Court reasoned that the City could provide a better level of urban services to these low-income residential areas than what the County was capable of providing. The Court also recognized that the exclusion of the Disston Company and the inclusion of USG Industries and Goodyear were contrary to CLG's recommendations, but it held that it was not necessary for the City to annex the Mt. Hermon area which was a middle-class residential suburb. The Court also found that USG Industries, the Goodyear Tire and Rubber Company, Ringgold Industries of P. Lorillard,

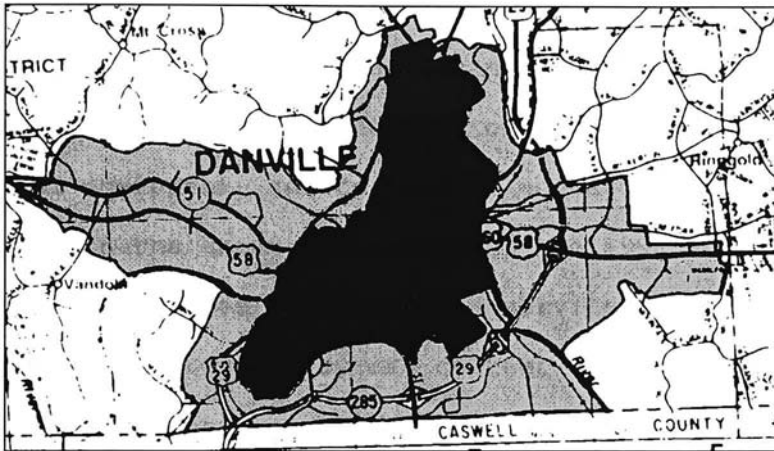
Southern Processors, Dibrell Brothers, Corning Glass, and the remaining land corridor between the southern limits of Danville and the North Carolina line, were required for inclusion in the annexation. It was felt that these industries and territory would increase the City's tax base so it could finance the urban services that were needed in the annexed territory. The Court concluded that Danville should annex the County's major industries because there was a strong community of interest among these industries, their employees, and the City of Danville (Court Opinion 1986, 5-23).

The Court granted Danville 26.83 square miles of Pittsylvania County and 10,300 residents (see Figure 4.2 for the City's new boundaries after the annexation). The City was required to pay the County \$9,500,000 over a 5 year period to compensate it for the loss of net tax revenue. Danville was ordered to assume payment for 23.5 percent of the County's debt. In addition, Danville was required to compensate the County for the Coates Elementary School and the Glenwood Elementary School, including the school equipment, library books and textbooks that were transferred to the City from these schools. Danville also had to compensate the County for each school bus that was transferred to it (Court Order 1986, 4-31).

Furthermore, the Court ordered the City to compensate the County for \$4,380 in rental payments which the County was obligated to make for its solid waste compactor sites that were located within the annexed area. Danville was ordered to reimburse the County for providing school accommodations, instruction, and transportation to all students who resided in the annexed area during the school year for which the annexation became effective. Danville was ordered to extend its services to the annexed area in order to govern, manage and control it under the terms and provisions of its charter. The Court required Danville to make capital improvements to the annexed area's sewers, water lines, fire protection, park and recreational facilities, library facilities, roads and streets, street lighting, and schools. Finally, the Court required the City to adopt an ordinance to provide a use value assessment and taxation of real estate (Court Order 1986,4-31).

1998 Map of Danville⁴

Figure 4.2



4.5 Summary

Between 1955 and 1978, Danville annexed 1.09 square miles of territory from Pittsylvania County. By 1980, the City consisted of 17.07 square miles of territory and was faced with increasing tax rates, a growing low-income population, and a limited amount of land that was suitable for development. In 1983, Danville filed an annexation petition to CLG requesting to annex 29.66 square miles of territory from Pittsylvania County and 10,669 residents. After reviewing the petition and CLG's recommendations, the Annexation Court awarded the City 26.83 square miles of territory and 10,300 people. The annexation became effective on January 1, 1988.

⁴ The City's pre-annexation boundary is shown in black and the City's post-annexation boundary is shown in gray.

The Annexation Court required Danville to pay the County a total of \$9,500,000 over a five year period as compensation for its lost tax base. The City was required to assume 23.5 percent of Pittsylvania County's debt and to compensate the County for the loss of two elementary schools and school equipment, and to provide educational services for pupils in the annexed area during the 1988 school year. The City was required to extend its services into the annexed area as provided by its charter, to make numerous capital improvements, and to adopt an ordinance that provided for the assessment and taxation of real estate.

CHAPTER V

DATA ANALYSIS

5.1. Urban Services

a. Introduction

Chapter V is divided into seven sections to analyze the data that were collected for this study. These seven sections are "Urban Services", "Planning", "Demographics", "Community Leadership", "Local Government Cooperation", "Economic Development", and "Public Finance". In order to examine the effects that the annexation had on Danville, Pittsylvania County, and the annexed area, each section is subdivided into smaller sections.

Supporters of annexation argue that cities are able to provide the type and level of services that are demanded by the population that lives on the city's fringe. As a result, urban services was selected as a category to evaluate the annexation's impact on the annexed area. This section examines the extension of Danville's urban services into the annexed area during the past 10 years. The section begins by determining if Danville complied with the Annexation Court's order and if the City improved the annexed area's infrastructure. Public opinion is then reviewed to identify how some annexed residents felt about the annexation. Next, the infrastructure improvements that were made beyond the Court order are examined. Then, both

the City and County public works and public safety per capita expenditures are presented to determine if each jurisdiction increased or decreased its expenses after the annexation. The urban services section also examines Pittsylvania County's municipal services that it provided before and after the annexation to identify if the County improved its level of urban services after 1988.

b. Compliance with the Annexation Court Order

In 1986, the Annexation Court authorized the City of Danville to annex land from Pittsylvania County, but implementation of the order was delayed for almost two years because the City and County were engaged in a series of boundary adjustment negotiations. According to several City officials, the boundaries that the Court set for the annexed territory were not drawn up in a logical manner that would facilitate the delivery of urban services to all annexed residents. As a result, the boundaries had to be adjusted before Danville could annex County territory. In addition to the boundary negotiations, the County considered appealing the Annexation Court's ruling because many County residents were upset over the annexation. However, the two jurisdictions reached an agreement on the boundaries and the County did not appeal the Court's decision. The annexation became effective on January 1, 1988 (Edwards 1992, 133).

Danville sought to make the transition from County jurisdiction to City jurisdiction in the annexed area in an orderly manner so as not to be too disruptive for the residents who lived there. Accordingly, Danville carefully planned and managed the transition process which resulted in the City's compliance with the terms and conditions of the annexation order by 1998. In fact, according to Ray Griffin, Danville City Manager, the City fulfilled most of the annexation order by 1993 (Annual Budget 1993-94: Proposed Capital Improvement Plan, 2, Church 1998).

To meet the stipulations set forth in the annexation order, Danville annexed 26.83 square miles of territory and approximately 10,300 residents from Pittsylvania County. Danville paid Pittsylvania County a total of \$9,500,000 over a five year period to compensate it for its lost tax base. The City assumed 23.5 percent of Pittsylvania County's existing indebtedness because the annexation had limited the County's ability to repay its debt. Based on a debt analysis that was prepared by the Commission on Local Government (CLG), the Court determined that 23.5 percent of the County's debt represented a fair amount for the City to pay. Danville compensated the County for \$4,380 in rental payments that it was obligated to make for its solid waste compactor sites that were located in the annexed area (Dodson 1998, Griffin 1998, Turner 1998).

In addition, Danville paid Pittsylvania County for both the Coates Elementary School and the Glenwood Elementary School, including classroom and cafeteria equipment and library books and textbooks. The Court ordered Pittsylvania County to transfer 20 school buses to Danville, and the City was required to pay the County for these buses. This transfer did not occur, however, because both Danville and Pittsylvania County had their own school bus fleets and were not interested in exchanging buses. Eventually, an agreement was reached between the City and the County that allowed Pittsylvania to keep its school buses, but the exact stipulations of the agreement are difficult, if not impossible, to determine⁵ (Cocke 1998; Haskins 1998; Overstreet 1998).

The City complied with the Court's directive to allow all annexed school-aged residents to attend County schools during the first full year after the annexation became effective. Danville also reimbursed Pittsylvania County for providing school accommodations, instruction, and transportation to annexed students who elected to complete the 1987-1988 academic year at County schools. The Court ordered this reimbursement because the annexed citizens were no longer County tax payers, but they still used County

⁵ Dr. Overstreet, Danville School Superintendent, Dr. Stan Cocke, Danville School Budget Supervisor, and Bob Haskins, a Danville school principle, were all questioned about this agreement, but they were not

educational facilities and services (Cocke 1998, Haskins 1998, Overstreet 1998).

Beginning on January 1, 1988, Danville extended its judicial, public safety, community planning, welfare, sanitary, and public education services into the annexed area in order to govern, manage and control it under the terms and provisions of the City's charter. In addition, over the next decade, the City completed all specific Court mandated capital improvements to the annexed area's water, sewer, gas lines, and streets (Annual Budget 1988-89: Proposed Capital Improvement Plan, 1-5, Drazenovich 1998, Griffin 1998, Johnson 1998, Shelton 1998, Turner 1998, Wright 1998).

c. Infrastructure Improvements

Starting in January 1988, the City of Danville began to improve the annexed area's infrastructure. In order to carry out these improvements, the City developed an implementation strategy that outlined its approach for extending urban services into the annexed area. To demonstrate its commitment for improving the annexed area, Danville officials held a series of general information meetings and topic-specific meetings with annexed residents. These meetings allowed the City to discuss its plan for extending services to the annexed residents and to identify

familiar with its stipulations. In fact, no school representative was located who was familiar with the

annexed areas that required special attention from Danville. According to Charles Church, a former Danville City Manager, four or five general information meetings were held that gave residents the opportunity to meet City department directors and to learn about the services that the City offered. After the general information meetings were completed, the City held three special meetings that focused on specific topics. The meetings were used to determine the areas that required immediate attention from the City and to assist Danville's planners in developing the implementation strategy (Church 1998).

The cost of extending urban services and of upgrading the annexed area's infrastructure was a very expensive undertaking for Danville. For example, in the annexation order, the City originally planned to spend approximately \$2.2 million on sewer improvements and \$1.3 million on water lines, but by 1998, it had spent over \$7 million on these projects because the City extended or repaired more sewer and water lines than what was required in the Court's order⁶. In fact, the cost of the annexation was so high that the City could not provide service improvements for all the residents in the annexed area in a timely manner. This caused Danville to develop a waiting list for annexed residents who required urban service improvements.

agreement.

Sometimes the City had to readjust the priorities on its waiting list because it was forced to upgrade urban services on a funds-available basis and it selected the most cost effective locations first (Griffin 1998).

Over the ten year period from 1988 to 1998, as part of its infrastructure improvements, the City added or replaced storm drains and leveled, paved, and added shoulder stones to many annexed streets. In addition, Danville conducted a City-wide sewer study in 1989 that identified additional sewer lines that needed to be repaired that were not mentioned in the Annexation Court's order. Danville also constructed water, sewer, electrical, and gas line extensions in the annexed area. Due to the deterioration, or absence of utility lines not covered in the Court order, the City continued to improve and install utility lines in the annexed area (Annual Budget 1993-94: Proposed Capital Improvement Plan, , 41-48, 73 and Map #9, #10, #11).

To provide the annexed area with professional fire protection, on January 1, 1988, two temporary fire stations were established, one at the Danville Regional Airport and the other in the Westover Hills neighborhood. These temporary fire stations were located in mobile homes until permanent quarters were built. In 1990, a permanent fire station was constructed at the Danville Regional Airport and

⁶ The Annexation Court Order is found in Appendix 1.

in 1991, a second permanent fire station was constructed in the Westover Hills neighborhood. In addition, in 1992, the City located its older West Main Street fire station closer to the annexed area to provide it with greater fire protection. The City hired 30 firemen and assigned 12 firemen to each new station and located the remaining six firemen in stations around the City (Lewis, 1998).

In order to furnish the annexed area with library services, a branch of the Danville City Library was opened in a leased building that was located in the Westover Hills neighborhood in July 1988. By 1998, the City was renovating the Coates Elementary School, which had been closed after the annexation because it required extensive repairs, to use as its new branch library. Two multi-use recreation centers were located at both annexed elementary schools in order to provide residents who lived in the annexed eastern and western sections of the City with recreational services. The Glenwood Recreation Center was built in 1992 and the Coates Recreation Center was built in 1993.

The Danville City Police Department hired an additional 21 police officers after the annexation, but the City did not build any new police stations in the annexed area; instead, vehicular and foot patrols were established on a regular basis throughout this area after January 1, 1988. A community policing program was initiated in the Bradley Road

neighborhood which was the only annexed area that received special police protection. Community policing is a collaborative effort between the police department and the community to search for solutions to local crime problems. In this instance, several Bradley Road citizens worked with police officers to identify the most pressing problems that faced the community and to devise solutions to those problems. At the time of the annexation, the Bradley Road neighborhood was plagued with rampant drug activity, but after the City implemented a community policing program, this activity was significantly reduced (Brown 1998).

The Bradley Road neighborhood was one community that the Court ordered the City to annex because it was a distressed crime-ridden, low-income neighborhood that needed municipal services. Initially, the City did not want to annex the Bradley neighborhood because of the expense of upgrading its poor physical condition, but after the annexation, Danville improved this community's sewer, water, and gas services. According to Gerald Fischer, Danville City Community Development Director, "In the end, it all worked out. The City is glad to have the Bradley Road community and the residents are glad to be in the City (Fischer 1998)."

After the annexation, Danville determined that there were 75 private roads in the annexed area that did not meet

the public road standards of the Virginia Department of Transportation (VDOT). Many annexed roads were not paved and lacked adequate shoulders and ditches. In order to remedy this problem, the City began to upgrade all private roads in the annexed area so that they complied with VDOT standards. By 1998, the City had improved 30 annexed roads. These roads have either been paved, widened, or had shoulders and ditches constructed so they could meet VDOT standards. It is important to note that this activity was not mandated in the Annexation Court's 1986 order. (Annual Budget 1993-94: Proposed Capital Improvement Plan, 39; Jackson 1998; Shelton 1998).

Before January 1, 1988, Danville was not classified as an entitlement city because it had under 50,000 inhabitants, and in order to receive federal Community Development Block Grant (CDBG) funds it had to compete with other non-entitlement cities. At the time of the annexation, the CDBG program gave grants directly to states and large communities in accordance with three national objectives: to provide aid to low- and moderate-income persons, to prevent or to eliminate slums and urban blight, and to address urgent community development issues. CDBG funds were allocated to entitlement communities as long as they complied with the program's basic performance criteria. Due to the annexation, Danville increased to over 50,000 inhabitants

and was re-classified as an entitlement city by the federal government. This allowed Danville to receive CDBG funds on a non-competitive basis and it used these funds to initiate a community policing program and to undertake street, water, sewer, gas, and electrical line improvements in the annexed area (Turner 1998; Wright 1998).

Shortly after the annexation, Danville closed the Coates Elementary School because of its poor state of repair, but it is now being reopened as a branch of the City's public library. As of April 1998, consideration was being given to closing the Glenwood Elementary School because of its high maintenance costs. According to some observers, Pittsylvania County had a history of providing inadequate maintenance to its schools and the County stopped repairing the two elementary schools that were located in the proposed annexation area when it appeared that the City was going to win the annexation case. Once the annexation became effective, the City built community centers at both annexed elementary schools, but no additional schools were constructed in the annexed area (Harris, 1998; Overstreet 1998).

e. Services Provided Beyond the Court Order

The City made many improvements to the annexed area that the Court did not require in the 1986 annexation order. According to Danville City Manager Ray Griffin, road

improvements, water and sewer extensions, housing improvements, and gas and electrical line extensions were made throughout the annexed area that were not specifically mandated in the 1986 annexation order. Griffin pointed out that there were only a limited number of street upgrades and utility line extensions required by the Court, but after 1988, the City spent millions of dollars beyond the original projected costs to extend urban services into the annexed area (Griffin, 1998; Mayhew, 1998).

There were many private streets in the annexed area that failed to meet VDOT standards, and the City was very active in upgrading these roads. Once the streets were brought into compliance with VDOT's standards, the City then began to maintain the roads on a regular basis (Turner, 1988).

Before the annexation occurred, businesses were located in residential areas because the County had no zoning ordinance. After the annexation, however, the City quickly instituted zoning regulations, but businesses were still located in residential areas due to the unregulated development that occurred when the County controlled the area. After the initial zoning, the annexed area was rezoned a second time by the City in an attempt to correct this problem. In addition, the City upgraded the Glenwood

Elementary School which the Court did not require it to do (Mayhew, 1998).

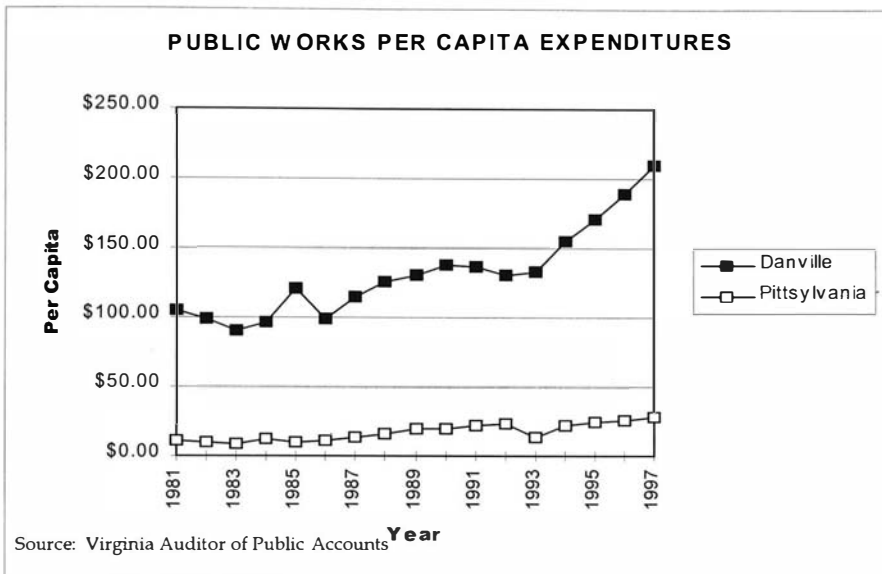
One of the most expensive projects that the City undertook in 1991, after the annexation, was the purchase of property owned by the Pittsylvania County Service Authority (PCSA) for \$6.4 million. The annexed PCSA property lacked water, sewer, gas and electrical lines, but in 1991, the City began to install those utility lines. It should be noted that Danville was not required by the Court to construct sewer facilities in those annexed areas that were owned and serviced by PCSA. A sewer capacity study that was not mandated by the Court was performed by the City in 1989 and it identified deficiencies that needed to be addressed in the annexed area. As a result of this study, additional sewer lines were extended throughout the area that were not mentioned in the Court order. (Annual Budget 1988-89: Proposed Capital Improvement Plan, 1-5, 70; Shelton, 1998; Annual Budget 1993-94: Proposed Capital Improvement Plan, 39; Drazenovich 1998; Griffin 1998; Jackson 1998; Wright 1998).

f. Per Capita Expenditures

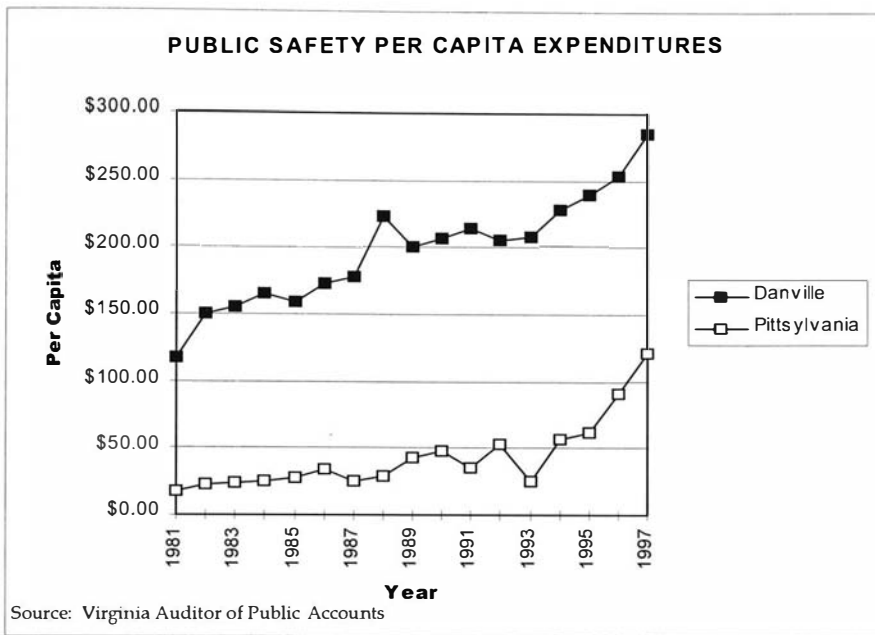
Figure 5.1 below depicts Danville's and Pittsylvania County's public works per capita expenditures for 1981-1997⁷. This data shows that Danville's public works per

⁷ It should be noted that this financial data were not adjusted for inflation.

capita expenditures grew by 1.5 percent and the County's grew by 2.6 percent between 1981-1987. Between 1989-1997, the City's public works per capita expenditures grew by 6.1 percent and the County's grew by 4.9 percent which shows that after the annexation, Danville spent more money per capita on public works than did the County. The increase in public works spending by the City during 1989-1997 could suggest that the City was upgrading the annexed area's infrastructure. After the annexation, Pittsylvania County increased the amount of money that it spent on public works which suggests that the County was able to recover from the annexation because it increased its per capita spending levels. It may also indicate that the County shifted revenue from other categories so it could increase public work expenditures.

Figure 5.1

Danville's and Pittsylvania County's 1981-1997 per capita public safety expenditures are depicted in Figure 5.2. The data show that the City's public safety per capita expenditures grew by 7.1 percent and the County's grew by 5.8 percent between 1981-1987. Between 1989-1997, the City's per capita public safety expenditures increased by 4.5 percent and the County's increased by 14.0 percent. This dramatic growth in public safety expenditures may indicate that the County recovered from the annexation, but it could also indicate that the County merely shifted its funding priorities toward public safety.

Figure 5.2

g. Public Opinion

According to Mayor Wright of Danville, the majority of annexed residents were positive toward the annexation, but there were some residents who were not supportive. Residents who received urban services such as public safety protection and utilities from the City were the most satisfied with the annexation. Dissatisfaction occurred among people who received little or no municipal services due to the City's infrastructure upgrade schedule. Areas were selected for infrastructure improvements based on need and available funds. As a result, most complaints came from annexed residents who did not receive water and sewer services. It should be noted that as of this writing, there

were still residents living in the annexed area who have not received City water and sewer services (Wright 1998).

According to a former member of the Danville City Council, the City made every effort to provide water and sewer services to the annexed residents who had the greatest need to receive them; however, residents were not *required* to connect to City utility lines because they could choose to purchase these services from the Pittsylvania County Service Authority (PCSA). Danville only allows its residents to receive gas and electricity from the City. By 1998, Danville was extending, free of cost, up to 200 feet of water or sewer line for any resident who lived in the annexed area and had a condemned septic tank or well (Turner 1998).

It should be noted that the City was criticized for undertaking certain urban service improvements in the annexed area. In particular, the City received complaints from people who charged that it was a waste of money for Danville to install street lights along selected portions of Route 58 because most of it was open land where nobody lived (Mayhew, 1998).

Problems that surrounded sewer and water line extensions arose when a property owner delayed a project by refusing to grant a right-of-way after the majority of owners on the street had donated them to the City so it

could lay the utility lines. In order to deal with this type of obstacle and to obtain the required land, the City either negotiated with the resident, used neighborhood pressure, or exercised eminent domain to obtain the land. In the majority of cases though, annexed residents willingly donated the land to the City. In return for the right-of-way, Danville instituted a policy that for every "x" feet of land donated by a property owner, it provided that owner with a reduced service fee. According to Mayor Wright of Danville, there have been less than 100 annexed residents over the past 10 years who tried to prevent the City from carrying out its infrastructure improvements. For the most part, people have been receptive to the City's efforts because it was in their best interests to improve the annexed area (Wright 1998).

According to one annexed resident, the annexation improved the area's quality of life because Danville took an active role in improving living conditions for residents in the annexed area. For example, each year in the spring, City staff and residents walked together through the Bradley Road neighborhood and identified areas that needed to be repaired. As one annexed resident said, "The City put forth a lot of effort and we are very grateful (Edwards 1998)." The Danville police patrols that are conducted throughout the annexed area reduced crime and increased public safety.

Traffic and street lights were installed by the City to make the annexed roads safer at night and many people have appreciated this service. As one observer noted, "the annexed area has improved so much, but the City still has more to do (Edwards 1998)."

h. County Services Before and After the Annexation

At the time of the annexation, the level of services provided by the City to its residents far surpassed those that were offered by the County. While reviewing the annexation petition, the Commission on Local Government (CLG) asserted that Pittsylvania County did not provide an adequate level of services to its residents who lived in the proposed annexation area. The Annexation Court later came to a similar conclusion.

Two municipal services that the County did not provide to most of its residents were water and sewer services. PCSA provided these services to a limited number of County residents who lived in the proposed annexation area, but it did not have the ability to provide the services to the majority of these residents. As a result, PCSA contracted with the City to provide water and sewer services to most of the residents who lived near the City (Supensky 1998). During the annexation case, the County made an effort to strengthen its request for partial immunity by attempting to provide water and sewer services to a greater number of its

residents, but CLG felt that this effort was inadequate to meet the growing needs of the residents in the targeted area (Report on the City of Danville Annexation Action 1984).

By 1997, however, PCSA owned and operated five well systems and provided water and sewer services to all areas of the County that were outside Danville, including the County's incorporated towns. PCSA also built and financed water distribution lines and sewer collection systems throughout the County, and it contracted with Danville to provide water and sewer services to the Ringgold Industrial Park and to the Owens Brockway plant (West Piedmont Planning District Commission's 1997 Annual Report, 3-41).

Before the annexation occurred, the County did not have a garbage collection service and its residents had to take their trash to solid waste collection points. By 1998, the County still did not offer this service, and its residents continued to haul their garbage to solid waste collection points. It should be noted that the City provided all of its residents, including those in the annexed area, with garbage collection, but charged them for the service regardless of whether they used it. This caused negative feelings to develop among some annexed residents who preferred to use solid waste collection points.

In addition, prior to the annexation, the level of public safety protection provided by the County was not

sufficient. Pittsylvania only had a sheriff's office and a volunteer fire department to provide public safety protection to the County's residents (Supensky 1998). Since 1988, Pittsylvania County's public safety provisions improved considerably. By 1997, it could draw on the services of 77 law enforcement personnel who were employed by three entities: the County Sheriff's Office, the Virginia State Police, and the police departments located in the County's three incorporated towns. As of 1998, the County Sheriff's Office still served as the principal source of public safety protection in Pittsylvania. It was charged with a number of major responsibilities, including investigating criminal activities, providing highway safety enforcement, and responding to various complaints and calls for service. The Sheriff's Office also contained an Emergency Services/Civil Defense Office that was responsible for coordinating resources during a disaster (West Piedmont Planning District Commission's 1997 Annual Report, 3-64).

By 1997, the County's fire protection was provided by 500 volunteers who were organized into 19 volunteer fire departments that were on call 24 hours a day. In addition to fire-fighting, these volunteers provided fire inspection and education services to Country residents. The County still relied on volunteer firemen, but its fire and rescue association built a training center to provide professional

training to its part-time fire-fighters (West Piedmont Planning District Commission's 1997 Annual Report, 3-64).

When CLG first reviewed the annexation petition, it noted that the County needed to increase its level of library services that it provided to its residents. Before the annexation, there were many County residents who lived in the proposed annexation area and used the City's library because the County's library services were inadequate. By 1994, Pittsylvania County operated a public library system that employed six full-time staff members, several part-time employees, and had three branch offices located in Chatham, Brosville Cascade, and Gretna (Report on the City of Danville Annexation Action and County of Pittsylvania Partial Immunity Action 1984, 164; West Piedmont Planning District Commission's 1997 Annual Report, 3-64).

By 1998, Pittsylvania County's water and sewer systems were owned and operated by either private developers, PCSA, Danville, or the three incorporated towns. The County operated a solid waste recycling system and had solid waste recycling centers located throughout its jurisdiction. Pittsylvania also operated a solid waste landfill that served its citizens and industries that contracted with the County for the service. It should be noted that in 1994, Pittsylvania County received an excellent rating from the Virginia Department of Environmental Quality on its landfill

operations (Pittsylvania County, Virginia, General Obligation Improvement Bonds, Series 1994, 8-10).

5.2 Urban Planning

a. Introduction

The objective of this section is to evaluate Danville's comprehensive planning and zoning activities that occurred in the annexed area. The Urban Planning section determines if the City established and achieved planning objectives for the annexed area, and it reviews Pittsylvania County's planning efforts before and after the annexation.

In order to evaluate both City and County planning, this section examines the level and type of comprehensive planning that Danville provided to the entire City. The section then analyzes the City's planning objectives to determine if they were achieved in the annexed area. Next, the City's zoning activities that took place in the annexed area are evaluated. Finally, the section examines the County's planning activities that took place before and after the annexation.

b. Comprehensive Planning for the Annexed Area

The City of Danville began planning for the annexation in the early 1980s, and by 1987, it developed a comprehensive plan that included provisions for the annexed area. The City hired a consulting firm, Planning Management Associates of Newport News, Virginia, to assist its planning

staff with updating the comprehensive plan. This contract ended in 1986, when the City's planning staff assumed full responsibility for completing the comprehensive plan. The area studied for the 1987 plan consisted of 100 square miles of territory that covered the City of Danville, the proposed annexation area, and parts of Caswell County, North Carolina, that bordered Virginia.

In order to update the comprehensive plan, the consultants and the City's planning staff collected information on population, growth trends, history, past annexations, utility growth, residential subdivision development, and the area's economic base and retail markets. The City believed this information would indicate its current economic and physical state and show how future development could shape the area between 1987-2000.

According to Charles Church, a former Danville City Manager, during the development of the 1987 Comprehensive Plan, the City's planning staff and consultants ensured that the document contained provisions for the annexed territory. In order for residents to participate in the planning process, nine citizen committees were formed to assist Danville's planners and consultants to develop the comprehensive plan. Each committee was organized around one of the following: economic development, land use, housing, transportation, utilities and public buildings, recreation,

school facilities, zoning and sign ordinance. However, no records were kept that indicated if residents living in the annexed area served on these committees. The City held several public meetings that allowed City officials to obtain input from residents who lived in the annexed area. City planners were then able to use this information to determine the most critical issues that the City needed to plan for in the annexed area (1987 Comprehensive Plan of the City of Danville, Executive Summary, Church 1998, Jackson 1998, Turner 1998).

Danville's 1987 Comprehensive Plan consisted of 11 chapters, but only five chapters addressed specific objectives that the City sought to achieve in the annexed territory. In Chapter V of the comprehensive plan, the City said it would provide urban services in accordance with the Court's annexation order. In Chapter VIII, the City stated that it would acquire all of the facilities of the Pittsylvania County Service Authority (PCSA) that were located in the annexed area. The City affirmed in Chapter IX that the annexed territory would receive two new fire stations and a third fire station would be relocated near the annexed territory. In Chapter X, the City proposed to construct two new community recreation centers and one branch library in the annexed area. In this same chapter, the City said it would prepare an Urban Trails Study to

determine the feasibility of creating trail networks along rivers and creeks that were located in both the annexed area and the remainder of the City. In Chapter XI, the City said it would close the Coates Elementary School and construct a new elementary school in Westover Hills.

The 1987 Comprehensive Plan also contained one short appendix section where the City noted that its annexation efforts occurred concurrently with the development of the plan. In this appendix, the City said it made provisions to insure that planning and zoning were provided for the annexed area (1987 Comprehensive Plan of Danville).

c. Analysis of Comprehensive Planning in the Annexed Area

Based on a review of the comprehensive plan, the City developed five objectives for the annexed area and fulfilled most of these objectives. It provided urban services to the annexed area in accordance with the annexation order. The City purchased all PCSA facilities, opened a library branch, constructed two new fire stations and two recreation centers in the annexed area, and relocated an existing fire station in the vicinity. In the 1987 Comprehensive Plan, Danville planned to construct a new elementary school for annexed residents, but instead, it expanded the Park Street Elementary School to provide the area with additional educational services. The City did not undertake a trail study in the annexed area, but it did construct a City-wide

network of trails. According to the Danville Community Development Director, some of these trails extended into the annexed area (Fischer 1998).

Currently, the City is updating its comprehensive plan and has used this opportunity to address issues that developed since the release of the 1987 plan⁸. In its efforts to correct current and future problems in the annexed territory, the City reexamined the Westover Hills neighborhood to determine if any zoning changes were required. In recent years, increasing amounts of businesses moved into this community and many residents have complained to the City about the congestion that has developed as a result. In response, Danville has considered either changing the community's zoning to allow for both residential and commercial development or keeping the Westover Hills neighborhood residentially zoned and allowing a limited number of businesses to operate there (Fischer 1998).

According to Gerald Fischer, Danville Community Development Director, the City will not undertake any new projects in the Bradley Road neighborhood in its revised comprehensive plan. Some policy makers felt that this community had received a sufficient amount of attention and resources since 1988, and did not believe that any further

⁸ Danville's revised plan was not published when the author interviewed Gerald Fischer.

attention was required. It should be pointed out, however, that one Bradley Road resident stated in an interview with the author, that the City still had more work to do in her community (Edwards 1998, Fischer 1998).

Another annexed area that the City addressed in its revised comprehensive plan was the Route 58 East Corridor that runs through Danville. In recent years, this corridor has become a focal point of the City's industrial development. In order to accommodate this development, the City planned to redesign the corridor's entrance-way to make it safer. Danville also planned to connect several access roads to the Route 58 East Corridor to reduce traffic congestion (Fischer 1998).

In the Glenwood area, the City planned to upgrade Halifax Road that runs parallel to the Route 58 East Corridor. In Westover Hills, the City planned to improve the access roads that connect Westover Drive to the Route 58 East Corridor. The City felt that this area had become a public safety hazard because it had residential streets that were used by drivers trying to reach the Route 58 East Corridor in the shortest amount of time. As a result, the City believed that it needed additional planning, which it covered in the revised comprehensive plan (Fisher 1998).

Danville used its Community Development Block Grant (CDBG) funds to provide low-income housing in the annexed

area. The City is required by law to prepare an annual Consolidation Plan in order to obtain federal CDBG funds that are administered by the Virginia Department of Housing and Community Development. The Consolidation Plan provided a comprehensive assessment of Danville's housing needs and outlined strategies to address those needs. The City indicated in its Consolidation Plan that there were three sections in Danville, one of which was in the annexed area, that required CDBG assistance. The annexed area that needed CDBG assistance was the Camp Grove Neighborhood located in the northeastern section of the City. Danville used CDBG funds to provide Camp Grove with community policing and street, sidewalk, and home repairs. CDBG funds were also used to provide residents with financial and technical assistance to allow them to purchase new homes or to rehabilitate their existing homes (Jackson 1998; Laubinger 1998; West Piedmont Planning District Commission 1997 Annual Report, 3-50).

d. Municipal Zoning in the Annexed Area

The County did not provide any zoning for the area before 1988, but the City did provide this service once the annexation occurred (Griffin 1998; Turner 1998). Danville had one zoning ordinance that divided the City into 15 districts: two agricultural, five residential, one industrial, three commercial, three manufacturing, and one

mixed use district. The City initially zoned the annexed area as residential, but it allowed certain permitted uses that were classified as "legal nonconforming uses" to occur in the annexed area. A legal nonconforming use is a use that was legal prior to the adoption of the current zoning ordinance, but now fails to conform to the requirements of the zoning ordinance. For example, a business located in a residential area could apply for a nonconforming use permit to allow it to continue operating in a residential area. In Danville after 1988, the annexed area was rezoned in an attempt to eliminate most of the business activities that occurred in the residential areas; however, the City also permitted businesses to continue to operate in residential areas if they obtained nonconforming use permits (Code of the City of Danville, 1986, 2487, Fisher 1998, Jackson 1998, Mayhew 1998).

By 1997, the City's zoning ordinance had been fully extended into the annexed area. According to the Mayor, this extension had improved the area because it prevented new development from occurring in a haphazard manner. By using its 1986 Zoning Ordinance, the City divided the annexed area into both residential and commercial districts. The Danville Planning Department was responsible for administering the City's zoning ordinance (West Piedmont Planning District Commission's 1997 Annual Report, 4-10).

e. Per Capita Expenditures

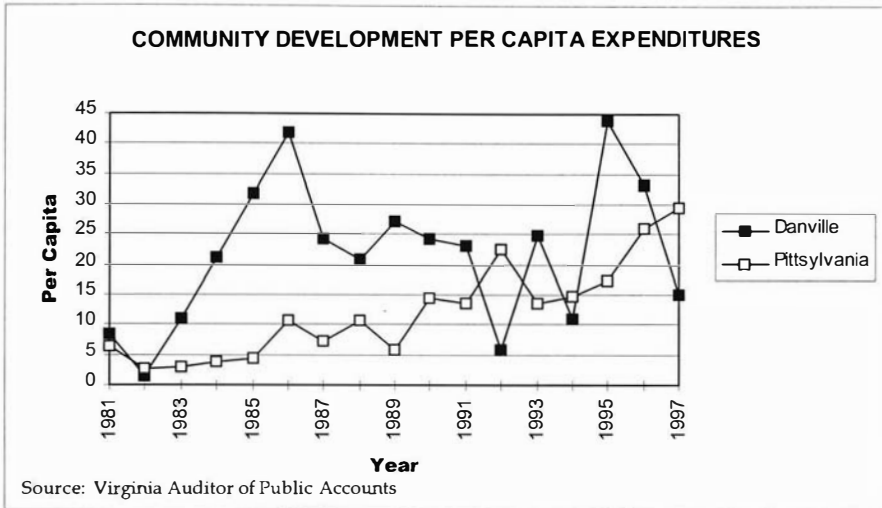
Figure 5.3 below depicts Danville's and Pittsylvania County's 1981-1997 community development per capita expenditures. Between 1981-1987, Danville's per capita community development expenditures increased by 19.3 percent and Pittsylvania County's per capita community development expenditures increased by 2.3 percent.

Leading up to 1988, the City's community development expenditures dramatically increased, which may be a result of the City's annexation preparations. It is interesting to note that after the 1988 annexation, the City's per capita community development expenditures decreased by 7.2 percent. One might expect the City's community development expenditures to increase after the annexation because it added 26.83 square miles of new territory. It should also be noted that between 1989-1997, the County's per capita community development expenditures increased by 22.5 percent.

This is significant because the County's public works, public safety, and community development per capita expenditures all increased after the annexation. This suggests that the County recovered from the annexation since it was able to increase its expenditures. If Pittsylvania County was economically harmed by the annexation, then it

would not have been able to increase its expenditures to the extent that it did.

Figure 5.3



f. County Planning

As stated previously, the County did not have a planning department or a zoning ordinance before the annexation. In 1990, the County hired its first "planner" who was actually a public administrator with some experience in planning, but by 1998, the County planner position had become vacant. In 1991, Pittsylvania County passed its first zoning ordinance. Before the annexation, the County relied on its planning commission to provide guidance on planning issues, but according to the Pittsylvania County Administrator, the commission tended to ignore tough planning issues that had political overtones. For the most part, the West Piedmont Planning District Commission (WPPDC)

provided planning services for Pittsylvania County before and after the annexation because the County lacked a professional planning department that was capable of conducting long-range comprehensive planning. Some members of the Pittsylvania County Board of Supervisors served on WPPDC and they insured that this organization provided the County with planning services (Supensky 1998).

In addition to the County Planning Commission and WPPDC, Pittsylvania also received planning services from the Metropolitan Planning Organization (MPO) that it created jointly with the City. The MPO worked together with the Virginia Department of Transportation (VDOT) to insure that the area's roads were planned for future transportation requirements (Sleeper 1998; Supensky 1998).

Pittsylvania County adopted its current comprehensive plan in 1986, and addendums were added in 1987, 1988, and 1991. The plan was prepared by studying the physical, social, economic, and population characteristics of the County. A very limited annexation impact section was included in the 1986 Comprehensive Plan, but it contained no analytical information and only stated that the County would be negatively impacted by the annexation. By 1998, Pittsylvania County was in the process of revising its 1986 Comprehensive Plan (1986 Pittsylvania County Comprehensive Plan; Supensky 1998).

Pittsylvania adopted its first county-wide zoning ordinance in January 1991. The ordinance divided the County into 12 districts, with special overlay districts for Smith Mountain Lake, flood plains, and airports. An agricultural district, six residential districts, two business districts, two industrial districts, and one conservation district were included. The County also created a subdivision ordinance, erosion and sediment control ordinance, and a manufactured home ordinance. The County established a building inspection staff with responsibility for administering the ordinances (West Piedmont Planning District Commission's 1997 Annual Report, 4-8).

5.3. Demographics

a. Introduction

Since the late 1940s, middle- and upper-income residents have moved out of the cities in search of new housing and lower taxes found in the suburbs. At the same time that this occurred, low-income residents were migrating to the cities and becoming concentrated in the urban core. Cities were faced with declining tax bases and growing low-income populations that required increased levels of government services. Cities, lacking adequate tax bases, could not support these expenses and experienced fiscal stress. Annexation supporters claim that cities can use annexation to prevent fiscal stress by capturing new

taxpayers and businesses in order to strengthen their tax bases.

The demographic section examines the population changes that occurred in Danville and Pittsylvania County after the 1988 annexation. The section is divided into four sub-sections and contains charts that graphically depict population change. The section first examines City and County efforts to learn how their populations were affected by the annexation. Next, population data such as median age, the number of persons below 18, the number of persons 65 and over, and the number of persons in the labor force are examined to identify changes that occurred after the annexation. Then, the section concludes by focusing on the income characteristics of both jurisdictions such as per capita income, adjusted gross income (AGI), and median family income, to determine if they increased or decreased after the annexation.

b. City and County Population

According to Arthur Jackson, the Danville City Planning Director, the City did not conduct a demographic study to determine how the annexation affected its population (Jackson 1998). Richard Turner, the Danville Deputy City Manager, believed that the City received a mixture of socio-economic groups from the County after the annexation and that overall, the City's population had become older since

1988. Contrary to Turner's observation, Aubrey Dodson, the Danville City Finance Director, felt that the age of the City's population had increased due to the "urban flight" of Danville's young residents and not to the 1988 annexation. In any case, Dodson and Turner indicated that Danville had not developed services to meet the needs of its growing senior citizen population (Dodson 1998, Turner 1998)⁹.

After the annexation in 1991, Pittsylvania County conducted a demographic study and published it as an addendum to its 1986 Comprehensive Plan. In its 1991 demographic study, the County claimed that the annexation had reduced its population by 10,633 residents and that its preschool and school-aged populations had declined as well. The County also indicated in this report that its senior citizen population had increased after the annexation (Pittsylvania Comprehensive Plan-Demographics Section 1991, 4-17; Supensky 1998).

It should be noted that the increase in senior citizen population that Danville and Pittsylvania County experienced after the annexation may not be the direct result of the annexation. It may simply reflect a national trend toward longer life expectancies and declining birth rates.

⁹ Richard Turner and Aubrey Dodson based their claims on personal observations.

c. Population

Figure 5.4 depicts the 1981-1997 population growth that occurred in both jurisdictions. The population remained stable for both jurisdictions during this time, but when the annexation occurred, the County lost approximately 10,000 residents while the City gained a comparable number.

It is interesting to note that neither jurisdiction has agreed on the exact number of residents that it lost or received due to the annexation. Danville reported that it annexed 10,300 residents and the County reported that it lost 10,669 residents. The Virginia Auditor of Public Accounts reported in its 1989 Comparative Report of Local Government Revenues and Expenditures that the County lost 9,700 residents, but that the City gained 9,600 residents.

Figure 5.4 was calculated using the population figures that the Auditor of Public Accounts listed in its annual 1981 to 1997 reports¹⁰. This data indicates that before the annexation, Danville had 44,100 residents and after the annexation, it had 53,056 residents. Pittsylvania County had 65,100 residents before the annexation, and afterwards, it had 55,655 residents.

Further analysis of the data shows that between 1981-1987, Danville's population declined by 0.3 percent and

¹⁰ The Center for Public Service at the University of Virginia provides the Virginia Auditor of Public Accounts with population projections for all cities and counties in Virginia. The Auditor of Public Accounts uses these figures to calculate the "per capita" amounts presented in its annual reports.

Pittsylvania County's population declined by 0.1 percent which indicates that even though both jurisdictions experienced slight population losses, they were relatively stable before the annexation. After the annexation, the City's population declined by 0.5 percent, but the County's population increased by 0.5 percent between 1989-1997 which suggests that the City was losing residents to the County.

Based on this data, the annexation increased the City's population temporarily because it continued to lose residents after 1988. The data show that even though the County population slightly increased after 1988, it did not fully recover from its population loss; however, the data also show that the populations of both jurisdictions remained relatively stable between 1989-1997.

Figure 5.4

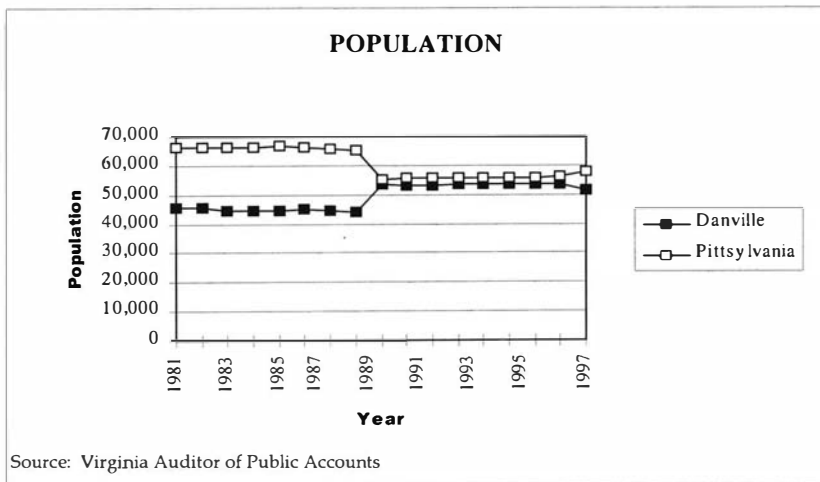
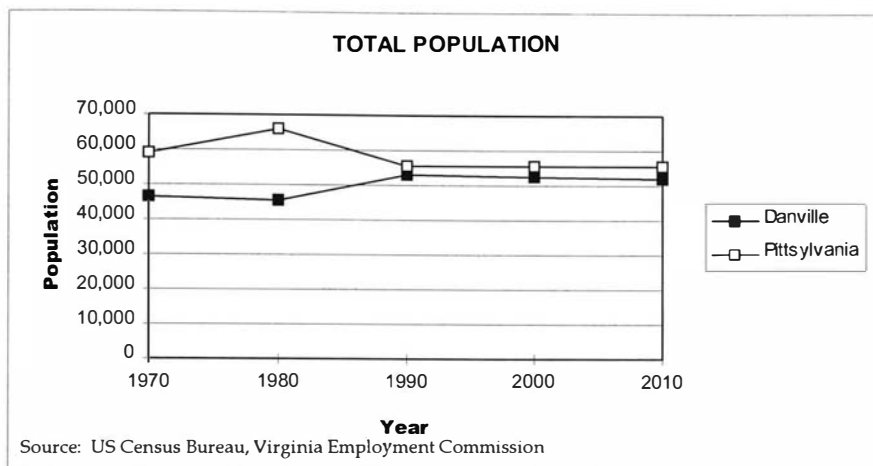


Figure 5.5 shows the population trend lines and projections for both jurisdictions from 1970 to 2010. The 1970, 1980, and 1990 population figures were obtained from the US Census Bureau, and the Virginia Employment Commission (VEC) prepared the 2000 and 2010 population projections (Virginia Population Projections 2010, 1993).

According to the VEC, the County population will decline by 0.3 percent between 1990-2000 and by 0.1 percent between 2000-2010. Thus, it appears that the County population will decrease slightly, but still remain relatively stable through the year 2010. The VEC also projected that Danville's population will decline at a slightly higher rate. Its population is projected to decline by 1.1 percent between 1990-2000 and by 1.2 percent between 2000-2010 which indicates that despite the annexation, the City will continue to lose population through the year 2010. Figure 5.2, however, indicates that neither the City nor the County is expected to suffer any dramatic population changes through the year 2010.

Figure 5.5

The 1970-1990 median age for Danville and Pittsylvania County residents is depicted in Figure 5.6. Over the course of this 20 year period, Danville's median age increased by 5.5 years and Pittsylvania County's median age increased by 8.4 years. In 1980, the median age of Danville's population was 34.5 years and in 1990, after the annexation, it had increased to 37.4 years. The median age of Pittsylvania County's population in 1980 was 30.8 years and in 1990, after the annexation, it had increased to 35.5 years. It should be noted that this could be the result of a national aging trend and may not be related to the annexation.

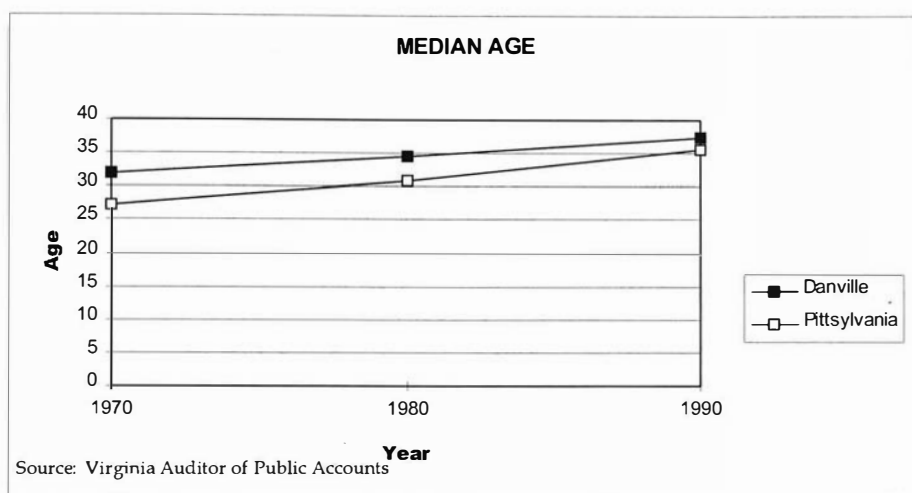
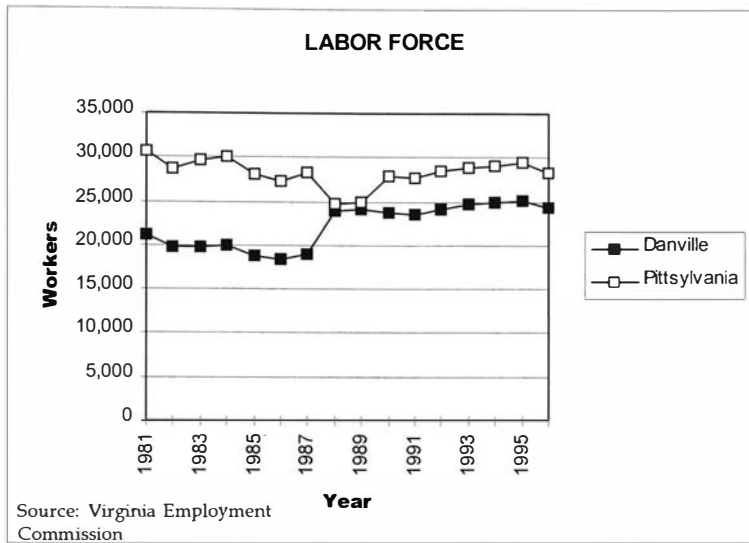
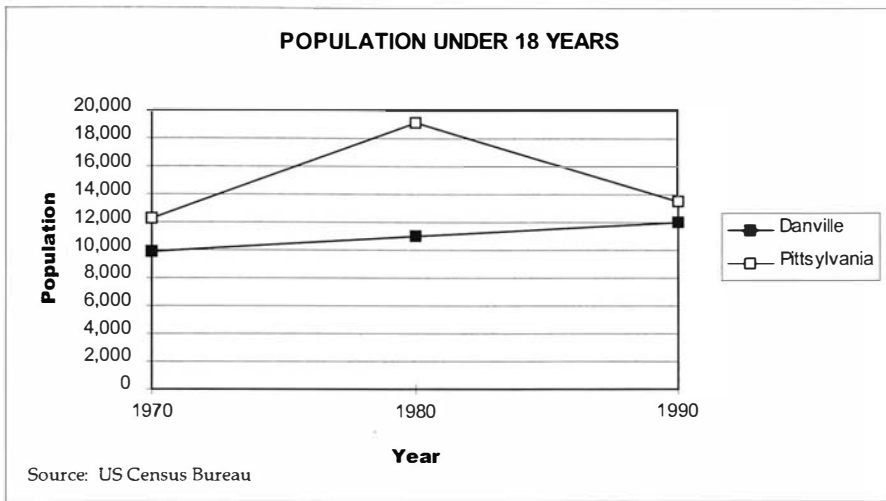
Figure 5.6

Figure 5.7 depicts the 1981-1997 labor force data for both jurisdictions. Between 1981-1987, Danville's labor force declined by 1.8 percent and Pittsylvania County's labor force declined by 1.3 percent. After the annexation, Danville's labor force increased by 0.1 percent while Pittsylvania County's labor force increased by 1.9 percent. The data suggest that the annexation did not stimulate the City to increase its labor force. The data also suggest that the County was recovering from the annexation because its labor force grew by 1.9 percent during the 1989-1997 period.

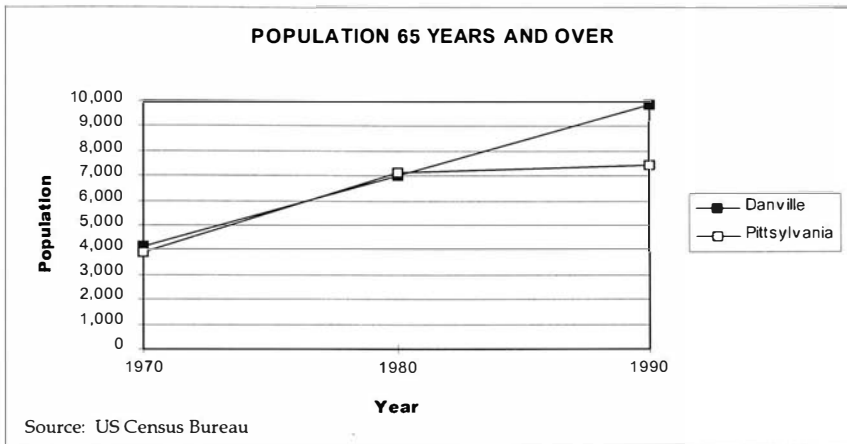
Figure 5.7

In Figure 5.8, the under 18 populations in both jurisdictions are presented for the 1970-1990 time period¹¹. Between 1980-1990, the under 18 City population grew by 8.9 percent and the under 18 County population declined by 29.4 percent. The City's increase in its under 18 population could be a result of the 1988 annexation. It should be noted that the County reported in its 1991 demographic study that its under 18 population declined after the annexation.

¹¹ According to the 1980 US Census, Danville had 11,038 persons below the age of 18 and Pittsylvania County had 19,173 persons below the age of 18.

Figure 5.8

The 65 and over populations of both Danville and Pittsylvania for 1970-1990 are presented in Figure 5.9. Between 1980-1990, the City's 65 and over population grew by 40.9 percent, but the County's 65 and over population grew by 4.3 percent. After the annexation, the 65 and over population of Danville increased more than the County's.

Figure 5.9

d. Income

Figure 5.10 depicts the 1970-1990 per capita income levels for both jurisdictions. These income figures were not adjusted for inflation due to methodological issues involved in nationally calculated price deflators (Ziony 1998).

The City had higher per capita income levels than the County for 1970, 1980, and 1990. By 1990, the County's per capita income level was almost equal to the City's.

Figure 5.10

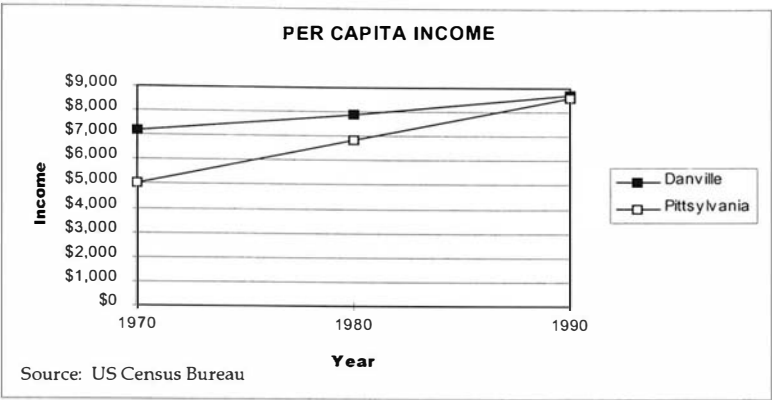


Figure 5.11 shows the 1970-1990 median family income levels for the City and County. The City's median family income was higher than the County's for 1970 and 1980; however, in 1990, after the annexation, the County's median family income surpassed the City's by \$1,272.

Figure 5.11

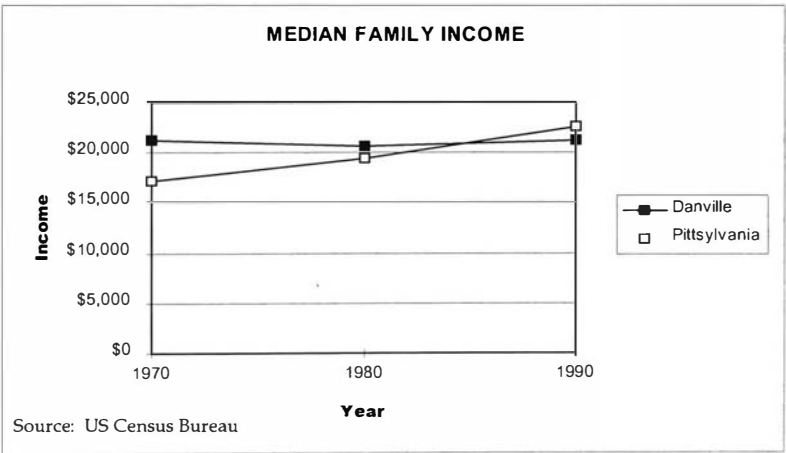


Figure 5.12 shows 1970-1990 median household income levels for both jurisdictions. In 1970, the City's median household income was higher than the County's, but by 1980,

the County's median household income was slightly higher than the City's. In 1990 after the annexation, the County's median household income surpassed the City's median household income by \$5,172.

Figure 5.12

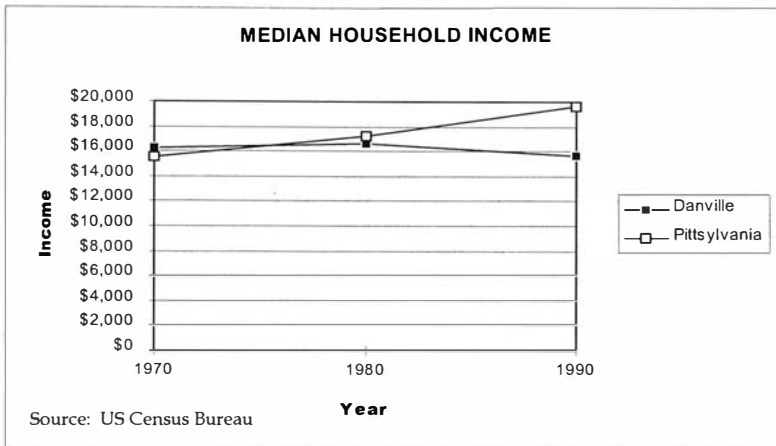


Figure 5.13 provides both jurisdictions' 1991-1996 adjusted gross income (AGI) figures¹². Between 1991-1996, Danville's per capita AGI increased by 2.0 percent per year while the County's per capita AGI increased by 5.3 percent per year. Both jurisdictions experienced AGI growth after the annexation, but the County experienced a higher AGI growth that suggests it was recovering from the effects of the annexation.

¹² AGI data were not provided for the 1981-1990 period because the methodology used for calculating the AGI had changed by 1991, and data calculated by different methodologies cannot be compared.

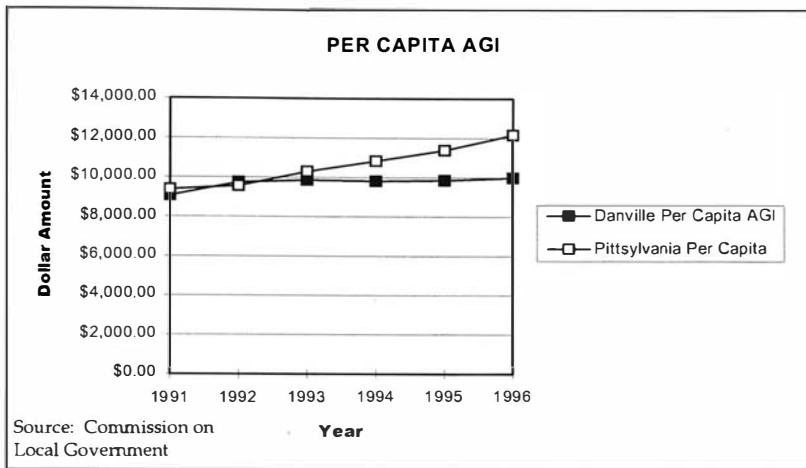
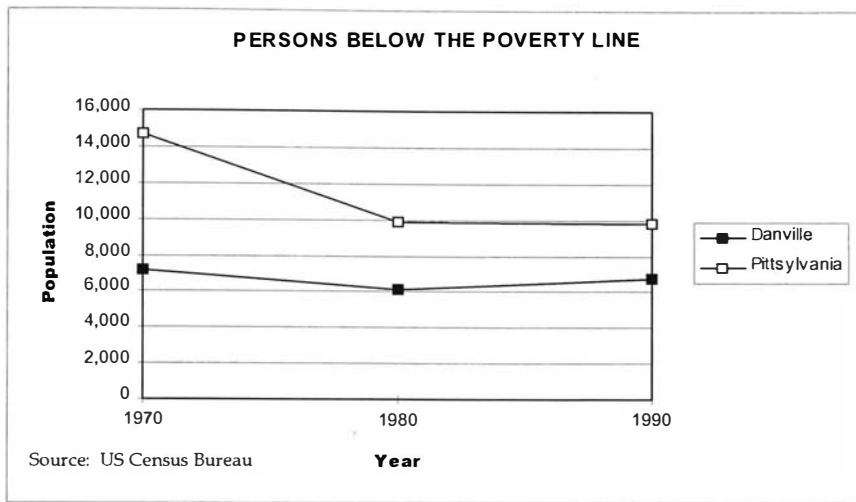
Figure 5.13

Figure 5.14 shows that Pittsylvania County had more residents below the poverty line than the City did for 1970, 1980, and 1990. During this time, the number of County residents below the poverty line declined each year. The number of City residents below the poverty line decreased between 1970 and 1980, but increased in 1990 after the annexation. It may also suggest that Danville received a number of County low-income residents that caused the City's low-income population to increase. The data could also show that the annexation did not cause the County's number of persons below the poverty line to increase. Figure 5.14 indicates that even if a jurisdiction loses population, land, and businesses from annexation, its number of persons below the poverty line does not necessarily increase.

Figure 5.14

5.4 Community Leadership

a. Introduction

Some supporters of city-initiated annexation argue that it provides the City with a new cadre of leadership which serves the community in either elected or appointed positions. This section determines if this occurred in Danville by identifying the number of residents who serve on the City's current boards and commissions and also live in the annexed area.

b. Community Leadership

Danville has 18 boards and commissions and 72 City residents serve on them. Five annexed residents currently serve on one of the following boards: the Danville City Planning Commission, the Danville City Airport Commission, the Danville Redevelopment and Housing Authority, the

Danville City Employees Retirement System Board of Trustees, and the Danville Community College Board of Trustees (Dodson 1998).

Since 1988, only one annexed resident, Dr. Shirley Mayhew, has served on the Danville City Council. No annexed residents have been elected to serve as the City's Mayor; however, Seward Anderson, Danville's Mayor during the annexation, took up residence in the annexed area. Since the City Council is elected at-large, Richard Turner suggested that the presence of an annexed resident on the Council is not likely to produce tangible results for the annexed area (Turner 1998).

5.5. Local Government Cooperation

a. Introduction

Annexation may produce hostile feelings between the jurisdictions involved, and the hostility may last for years. As a result, critics claim that annexation is ineffective and should be abolished. This section determines if Danville and Pittsylvania County experienced hostile relations or if they were able to work together on significant public issues after the annexation.

b. Local Government Cooperation

Before the annexation, Danville and Pittsylvania County cooperated on issues of mutual concern. For example, in

1980, they planned to develop a joint industrial park, and in 1983, they developed a Metropolitan Planning Organization (MPO) that conducted transportation planning. However, their relationship became strained as a result of the eight-year annexation fight that occurred during the 1980s (Fischer 1998; Sleeper 1998).

Even though hostile relations developed between the two jurisdictions over the annexation, intergovernmental cooperation still continued. Examples of cooperation can be found as early as 1990, when Danville formed a hazardous materials (Hazmat) response team in conjunction with the Virginia Department of Emergency Services. The Hazmat team consisted of 25 fire fighters that served Danville, Pittsylvania County, and their neighboring jurisdictions. In order to increase the Hazmat team's effectiveness, the County donated emergency dispatch radios to the team (Turner 1998).

Another instance of cooperation between the City and County occurred in 1993, when the West Piedmont Regional Homicide Task Force was formed. It was a joint investigative effort involving Danville, Martinsville, Pittsylvania, Franklin, Patrick, and Halifax. It consisted of 35 investigators who were trained to respond to murders that occurred in the region (West Piedmont Planning District Commission's 1997 Annual Report, 3-63).

Since 1995, the relationship between the City and County has improved considerably. According to Danville's Mayor, "The City and County cooperate wherever they can (Wright 1998)." By the mid-1990s, the leadership of both jurisdictions had changed. Danville hired a new city manager and Pittsylvania County hired a new county administrator. In addition, memories of annexation hostilities apparently faded among residents in both jurisdictions, and new representatives were elected to the City Council and to the County Board of Supervisors who wanted progress and believed that it could best be accomplished through cooperation (Griffin 1998; Supensky 1998; Wright 1998).

By 1995, the Danville and Pittsylvania County chambers of commerce initiated a regional visioning program and a leadership development program. Even though the leadership training and community visioning programs started in Danville, the City asked the County to participate. Both jurisdictions then asked Caswell County, North Carolina, to participate in the community visioning process which has opened up communication among all three jurisdictions (Libby 1998).

The Regional Community Visioning program provides guidance concerning the paths the community seeks to take by bringing together a cross section of Danville, Pittsylvania

County, and Caswell County residents and leaders. This group is concerned with determining how the region should develop in education, economic development, government, infrastructure, and quality of life over the next 20 years. Local government officials and elected representatives from all three jurisdictions have been active in the regional visioning process (Libby 1998).

In 1996, Danville received a \$32,000 grant from the Virginia Department of Rail and Public Transportation to fund a City-County bus route. This route was developed to transport City workers to Pittsylvania County's industrial parks and was operated by the Danville Transit System (West Piedmont Planning District Commission's 1997 Annual Report, 2-12).

In 1997, Pittsylvania County entered into a partnership with the Danville Community College to build a library and a learning center in the Town of Gretna. In the health care area, by 1997 the Pittsylvania County Health Department was providing health services to both City and County residents. By 1997, the Danville and Pittsylvania County Social Service Departments had formed the Community Services Policy Management Board that developed, maintained, and managed a collaborative system of child-centered services that were family-focused and community-based (West Piedmont Planning District Commission's 1997 Annual Report, 3-63).

In the fall of 1997, the Danville City Council and the Pittsylvania County Board of Supervisors held their first three day retreat at the Wintergreen Resort in Virginia. The retreat was designed to explore opportunities for cooperation and, according to Richard Turner, it was successful. As a result, the City and County agreed to continue to hold retreats to discuss ways that the jurisdictions could assist each other. After the 1997 retreat, Danville and Pittsylvania County began to share minutes from monthly meetings of the City Council and County Board of Supervisors. In addition, both governing boards began to meet jointly every three months to insure that neither group had developed policies that could have negative effects on the region. This openness led Danville and Pittsylvania County to issue their first joint legislative policy statement to the Virginia General Assembly in 1997 (Supensky 1998).

During 1997, the County Board of Supervisors and the City Council created a joint liaison committee consisting of two members from the County Board of Supervisors and two members from the City Council, along with the City Manager, County Administrator, and the City Mayor. This committee meets monthly in either Chatham or Danville to discuss issues that affect both jurisdictions and to review decisions that were made at the joint County Board of

Supervisors and City Council meetings. George Supensky, Pittsylvania County Administrator, felt that this openness had reduced problems between the jurisdictions. Since 1997, the Danville City Manager and the Pittsylvania County Administrator have been meeting monthly to discuss how their jurisdictions can assist each other on significant public policy issues (Supensky 1998; Turner 1998).

By 1998, the City and County had funded the construction of a small business incubator located in Pittsylvania County's Ringgold Industrial Park, and they had developed a regional advanced technology center in Danville's Airside Industrial Park. During the 1998 General Assembly session, Danville and Pittsylvania County sponsored a joint legislative referendum designed to allow Virginia localities to share tax revenues for the development of industrial parks, but it was not passed during the November 1998 elections. If the referendum had been passed, Danville and Pittsylvania County planned to develop an industrial park (Wright 1998). In addition, both jurisdictions issued their second joint policy statement during the 1998 Virginia General Assembly session. The 1997 and 1998 policy statements contained information on how both jurisdictions planned to jointly address their future concerns (Supensky 1998; Turner 1998).

In the spring of 1998, the Danville City Council and the Pittsylvania County Board of Supervisors held their second retreat, and this led to the creation of several mutual aid agreements between the jurisdictions. It was decided that the Danville Police Department and the County Sheriff's Department, as well as the City and County fire departments, would cooperate in responding to service and emergency calls. The retreat also led to the creation of a joint City-County E911 system that allowed City and County fire, rescue squad, and police to be dispatched on emergency calls (Turner 1998; Supensky, 1998).

By 1998, Danville and Pittsylvania County had developed long range plans designed to keep their transportation corridors free of congestion. Most businesses in the area transport products by vehicle and this often causes traffic congestion. Danville and Pittsylvania County also planned to construct roads that connect the new Interstate 73 to Martinsville in the west and Route 40 and Interstate 85 in the east to relieve traffic congestion and to promote City and County economic development.

In addition, Danville and Pittsylvania planned to construct roads to connect to Routes 57 and 58 to promote economic development by allowing north-south interstate transportation to flow through Danville and Pittsylvania County. Both jurisdictions realized that the transportation

corridors that run through the area are important and must be jointly maintained to allow their economic development efforts to be successful in the future (Supensky 1998).

In the past, the lack of communication between the two jurisdictions caused many problems. By encouraging and working for better communication, Danville and Pittsylvania are preventing problems from occurring by sharing vital information. Supensky said that if the jurisdictions failed to share information, then a "we" verses "they" situation could develop once again, with negative consequences for both the City and the County (Supensky 1998).

5.6. Economic Development

a. Introduction

Supporters of annexation argue that it allows cities that lack business diversity the opportunity to expand their economic bases by capturing surrounding businesses and land that is suitable for industrial development. They believe that this will strengthen a city's economy. In response, critics claim that jurisdictions which lose businesses and land during an annexation will be financially damaged and may even suffer from long-term fiscal stress as a result.

This section examines the Danville-Pittsylvania County local economy to determine if the annexation led to the development of a diverse economic base. The section also evaluates the business expansion/relocation activity that occurred in Danville and Pittsylvania County in order to

determine if businesses located to either jurisdiction after the annexation.

b. The Danville-Pittsylvania County Local Economy¹³

This section evaluates the condition of the Danville Metropolitan Statistical Area's (MSA) local economy in 1980 and in 1990 to determine if business development occurred after the annexation. The Danville MSA only consists of the City of Danville and Pittsylvania County. Figure 5.15 depicts the six largest industries for Danville and Pittsylvania County in 1980. As can be seen from this table, the MSA's 1980 local economy was primarily dependent upon the textile mill products industry which accounted for 29.3 percent of the area's total employment.

In addition to the textile mill products industry, the MSA's 1980 economy was also dependent, to a lesser extent, on health services, rubber and plastic products, eating and drinking places, apparel, and the food store industries¹⁴. According to Moore, in 1980 the Danville MSA was overly dependent on the textile mill products industry and lacked business diversity. A city with a diverse economic base has many different industries that make it less susceptible to periodic declines in the economy (Moore 1995).

¹³ This section is based on an economic base analysis that was performed by Amy Moore who was a candidate for the Master of Urban and Regional Planning degree at Virginia Commonwealth University in 1995.

¹⁴ The US Census Bureau assigns these classification names or SIC (Standard Industrial Classification) codes to groups of similar industries. Each industry in the United States is assigned a SIC code based on its major activities, products, and services.

Figure 5.15

Danville MSA Large Industries - 1980		
Name	Employment	Percent Total Employment
Textile Mill Products	10,185	29.3
Health Services	2,175	6.3
Rubber & Plastics Products	2,003	5.8
Eating and Drinking Places	1,474	4.2
Apparel & Other Textile Products	1,201	3.5
Food Stores	1,018	2.9

Source: US Census Bureau

Figure 5.16 shows the six largest industries for both jurisdictions in 1990. The textile mill products industry was still the area's dominant industry, but by 1990 it had declined from 29.3 percent of the MSA's total employment to 22.5 percent. According to Moore, this may indicate that the area's local economy had become slightly more diversified because more of the population was employed in other industries. The food stores industry was no longer considered to be one of the MSA's six largest industries. It was replaced by the tobacco manufacturers industry. The health services, eating and drinking, apparel, and rubber and plastic products industries were still considered to be among the MSA's six largest industries in 1990 (Moore 1995).

Figure 5.16

Danville MSA Large Industries - 1990		
Name	Employment	Percent Total Employment
Textile Mill Products	8,453	22.5
Health Services	2,930	7.8
Eating and Drinking Places	2,124	5.6
Apparel & Other Textile Products	2,104	5.6
Tobacco Manufacturers	1,785	4.7
Rubber and Plastic Products	1,645	4.4

Source: US Census Bureau

The data suggest that not only did the MSA's economic base lack diversity in 1990, but that the annexation had not led to the development of a stronger economic base for either jurisdiction. Further evidence of this economic condition was given in 1996 when the US Department of Labor classified the Danville MSA as a "Labor Surplus Area" because its 1994 and 1995 average unemployment rates were 20 percent higher than the nation's average unemployment rates for the same years. It appears that by 1997, the local economy still lacked diversity because the West Piedmont Planning District Commission (WPPDC) reported that the Danville MSA was heavily dependent upon the textile and furniture manufacturing industries that made both jurisdictions vulnerable to economic slumps. This clearly shows that the annexation did not result in a significantly diversified economic base for the Danville MSA (Moore 1998; West Piedmont Planning District Annual Report 1997, 3-25, 6-15).

c. Danville's Economic Development

According to Greg Reid, Danville Development Council Director, the annexation benefited the City because it allowed Danville to expand its physical boundaries and capture eight of the County's major industries (Reid, 1998). In addition, several Danville officials claimed that the annexation benefited the City's economic development efforts. This is supported by an observation that was made by WPPDC in 1997 when it reported that most of the West Piedmont Planning District's business development occurred in Danville. Despite this observation, however, WPPDC also reported that Danville's dependence on the textile, furniture, and tobacco industries still made it susceptible to economic downturns. This suggests that the annexation did not increase business diversity in Danville (Church 1998; Griffin 1998; Jackson 1998; West Piedmont Planning District Commission 1997 Annual Report, 6-15).

The annexation allowed the City to develop the River View Industrial Park and to expand its enterprise zone (Reid 1998). Before the annexation occurred, the City's enterprise zone consisted of one square mile, but after 1988, the zone was expanded by an additional 1.96 square miles of annexed territory. By 1997, the zone included the City's North Main Street area, its downtown commercial district, the City municipal area, an industrial area with warehouse facilities, an historic neighborhood of single-family homes, and the River View Industrial Park. The

predominant land uses that existed in the enterprise zone were residential, commercial, public, and industrial. No data were obtained that indicated the number of businesses that located to the enterprise zone after the annexation¹⁵. Thus, even though the enterprise zone was expanded after the annexation, it may have done little to enhance business development in the City (Fischer 1998; West Piedmont Planning District Commission's Annual Report 1997, 5-9).

Danville has two industrial parks: the Airside Industrial Park and the River View Industrial Park. The Airside Industrial Park was built in 1987 and contains 275 acres. The River View Industrial Park was built in 1989 in the annexed territory and originally contained 275 acres, but was expanded by an additional 180 acres in 1996. This industrial park is located in the Danville Enterprise Zone and includes warehouses and light industrial facilities. By 1998, six industries were located in the River View Industrial Park: C.M. Offray, Container Warehouse, Schoolfield Lumber and Plywood, Associated Services Corporation and Riverside Roof Truss¹⁶. This suggests that the annexation had a positive impact on the City's economic development (Reid 1998).

¹⁵ According to Gerald Fischer, Danville Community Development Director, the City does not keep records of the businesses that locate to the enterprise zone.

¹⁶ C.M. Offray located to the City in 1988 and expanded its operations in 1991 and 1993. Schoolfield Lumber expanded its operations in 1994. Dan River, Inc. expanded its operations in 1988, 1993, 1994, and 1995. Riverside Roof Truss expanded its operations in 1986 and 1994. No data were available for Container Warehouse and the Associated Corporation.

Figure 5.17 depicts the industries that either expanded their operations or opened new facilities in Danville after the annexation¹⁷. Since the Annexation Court first ruled in favor of the City in 1986, five new industries located to Danville and 25 industries either expanded their operations or reopened plants in the City. By 1997, these industries employed 3,233 workers and represented a \$268,937,500 investment for the City. The Danville Development Council reported that in 1997, the City's industries specialized in textiles, tires, tobacco, and glass (Reid 1998).¹⁸

¹⁷ This chart only depicts the industries that either located to or expanded their operations in Danville. Other businesses, such as retail establishments are not included because the Danville Development Council does not record that information.

¹⁸ Even though it appears that the annexation benefited the City in terms of economic development, Allan Libby, Executive Director of the Danville Chamber of Commerce, was not aware of any businesses in the City that specifically based their relocation/expansion decisions on the annexation.

Figure 5.17

Company	Year	Investment	Jobs
Riverside Roof Truss (Expansion)	1986	\$400,000	5
Carnation/Nestle (New)	1987	\$6,800,000	200
Commodore Corporation (Expansion)	1987	\$700,000	40
Dibrell (Dimon) (Expansion)	1987	\$12,000,000	0
Engineering Design & Sales (New)	1987	\$500,000	40
Goodyear Tire and Rubber (Expansion)	1987	\$15,000,000	0
Goodyear Tire and Rubber (Expansion)	1987	\$30,000,000	50
Princeton Homes (Expansion)	1987	0	48
C.M. Offray & Son (New)	1988	\$4,000,000	200
Carnation/Nestle (Expansion)	1988	\$5,400,000	0
Dan River, Inc. (Expansion)	1988	\$25,000,000	0
Carnation/Nestle (Expansion)	1990	\$20,000,000	130
C.M. Offray & Son (Expansion)	1991	\$37,500	0
Jonbil (Reopened)	1991	0	75
Shorewood (New)	1992	\$11,000,000	150
Corning, Inc. (Expansion)	1993	0	100
Goodyear Tire & Rubber (Expansion)	1993	\$9,200,000	20
C.M. Offray & Son (Expansion)	1993	0	150
Dan River, Inc. (Expansion)	1993	0	60
Jonbil (Expansion)	1993	0	60
River Roof Truss (Expansion)	1994	0	10
Lockley Manufacturing (Expansion)	1994	0	20
Dan River, Inc. (Expansion)	1994	\$6,000,000	450
Schoolfield Lumber (Expansion)	1994	0	10
Dan River, Inc. (Expansion)	1995	\$12,300,000	500
Shorewood Packaging (Expansion)	1995	\$3,000,000	40
Commodore Corporation (Expansion)	1996	0	20
Masonite Corporation (Expansion)	1996	0	60
Diebold (New)	1996	\$8,000,000	300
Goodyear Tire & Rubber (Expansion)	1997	\$100,000,000	500
30 LOCATIONS		\$268,937,500	3,233

Source: Danville Development Council

d. Pittsylvania County's Economic Development

Much of the County's early economic development was centered around cotton, tobacco, and other agricultural products. Farming was once the County's largest employer, but it declined since 1988, resulting in the loss of approximately 5,000 agricultural jobs. The Pittsylvania Economic Development Organization reported in 1997 that a majority of the County's workers were employed in the clothing, textiles, and service sector industries (Supensky 1998).

Danville annexed eight of Pittsylvania County's major industries, but since 1988, 26 new industries located to the County¹⁹. These facilities offered employment in a wide range of fields such as wholesale distribution, contract construction, research, technical manufacturing, and marketing (Pittsylvania Economic Development Organization; Pittsylvania County, Virginia, General Obligation School Bonds, Series of 1996, 23).

By 1997, Pittsylvania was in the process of transitioning from a farm-based tobacco growing economy to an industrial-based economy. This was partly the result of the Court mandated \$9.5 million that Danville paid Pittsylvania County after the annexation. The County used this money to expand the Ringgold Industrial Park and to establish two new industrial parks. By 1997, the County claimed that it had become one of the state's leading manufacturing and service centers. Pittsylvania had businesses that produced truck and aircraft tires, power tools, laboratory glass, and jogging apparel. Manufacturing represented the County's largest employment segment and the textile industry was the County's dominant industry. In addition, government, wholesale and retail trade, agriculture, services, and construction were the County's leading non-manufacturing industries.

¹⁹ No data was available that indicated if any of these 26 industries relocated from the City to the County.

Pittsylvania County has seven industrial sites: the Pittsylvania County Industrial Park at Ringgold, the Route 58 Industrial Site, the Chatham North Industrial Park, the Chatham South Industrial Park, the Gretna Industrial Park, the Key Industrial Park, and the East Bowles Industrial Park. The Chatham South Industrial Park was developed in the early 1970s. The Ringgold Industrial Park, the Route 58 Industrial Park, the Gretna Industrial Park, and the Chatham North Industrial Park were all developed in 1985. The Key Industrial Park was developed in 1989 and the East Bowles Industrial Park was developed in 1995 after the annexation (Motley 1998).

These industrial parks were beneficial to the County's business recovery after the annexation. The fact that the County established two industrial parks after 1988 suggests that the annexation did not prevent businesses from locating to the County. In fact, the County reported that housing subdivisions, commercial shopping centers, and small businesses were developing throughout Pittsylvania by 1995. This further suggests that the County recovered from the annexation (Pittsylvania County, Virginia, General Obligation School Bonds, Series of 1995, 24; Sleeper 1998).

Figure 5.18 lists the industries that located to the County after 1986²⁰. By 1997, 30 industries representing a

²⁰ This chart only shows the industries that located to the County. Other businesses such as retail establishments are not contained in this table. The Pittsylvania Economic Development Organization only collects data on the industries that locate to the County.

\$186,497,533 investment and employing 2,206 workers were located in the County. This shows that Pittsylvania County recovered from the business loss that it experienced as a result of the annexation.

Figure 5.18

Company	Year	Investment	New Jobs
Menasha Corporation	1986	\$2,500,000	60
Intertape Polymer Corp.	1987	\$15,000,000	85
E & M Express	1987	\$365,000	35
Doyle Enterprises	1987	\$135,000	100
Craddock-Terry, Inc.	1988	\$1,125,000	225
P.C. Designs	1988	0	20
Rowland Concrete	1988	\$165,000	12
Sonoco Products	1989	\$132,533	5
AC Furniture	1989	\$1,000,000	100
Electronic Development Laboratories	1989	\$500,000	25
Dot Container	1989	\$30,000	100
Central Virginia Hardwood	1989	\$300,000	15
Pluma, Inc.	1989	\$800,000	250
Latrobe-Chatham Die Casting	1990	\$6,500,000	100
Dan Valley Foods, Inc.	1990	\$950,000	5
Fire Sprinkler LTD	1991	\$80,000	5
Aerocraft	1991	\$55,000	2
Amother International, Inc.	1992	\$2,500,000	120
Danville Bandag	1993	\$300,000	15
HBA Cast Products, Inc.	1993	\$2,500,000	50
ESI Energy	1993	\$86,000,000	25
Alpha Technologies	1994	\$1,500,000	50
Sartomer	1994	\$39,000,000	40
Southern Teez	1994	\$1,200,000	100
Precismetals	1994	\$6,000,000	90
Tokai Denko, USA	1995	\$5,000,000	100
Precision Electronics	1995	\$250,000	10
Diversified Distribution	1996	\$12,000,000	300
Ashland	1996	\$200,000	12
Capps Shoe Company	1997	\$410,000	150
30 Locations		\$186,497,533	2,206

Source: Pittsylvania Economic Development Organization

The strongest evidence contained in this study that shows that Pittsylvania County recovered from the annexation was reported in the County's 1996 bond prospectus. According to Pittsylvania County, it lost \$238,000,000 in tax base to the City as a direct result of the annexation, but by 1996, Pittsylvania had surpassed its pre-annexation tax base. In fact, Pittsylvania County reported that the

business development which occurred between 1986-1990 represented a \$283,000,000 investment to the County. This evidence strongly suggests that Pittsylvania had recovered from the tax base loss that it suffered due to the annexation (Pittsylvania County, Virginia, General Obligation School Bonds, Series of 1996, 24).

5.7 Public Finance

a. Introduction

This section examines the impact that the annexation had on the financial conditions of Danville and Pittsylvania County. Supporters of annexation claim that it strengthens the financial conditions of fiscally stressed cities by capturing land, businesses, population, and tax base. Critics argue that fiscal stress results if annexations remove financial resources from the counties.

This section attempts to determine if Danville experienced financial difficulties after the annexation and if Pittsylvania County recovered from the financial loss that it suffered. The section examines the revenues, expenditures, residential building permits, bonded debt, and property tax revenues of Danville and Pittsylvania County to determine if their financial conditions became stronger or weaker after the annexation. It should be noted that the data contained in this section was not adjusted for inflation.

b. Revenues²¹

Figure 5.19 shows the total revenues for Danville and Pittsylvania County. Before the annexation occurred, between 1981 to 1987, Danville's total revenues grew by 6.3 percent and the County's grew by 6.2 percent. After the annexation, between 1989 to 1997, total City revenues grew by 5.6 percent and the County's grew by 4.7 percent. The data show that both jurisdictions experienced revenue growth which indicates that economic difficulties may not have occurred after the annexation.

Figure 5.19

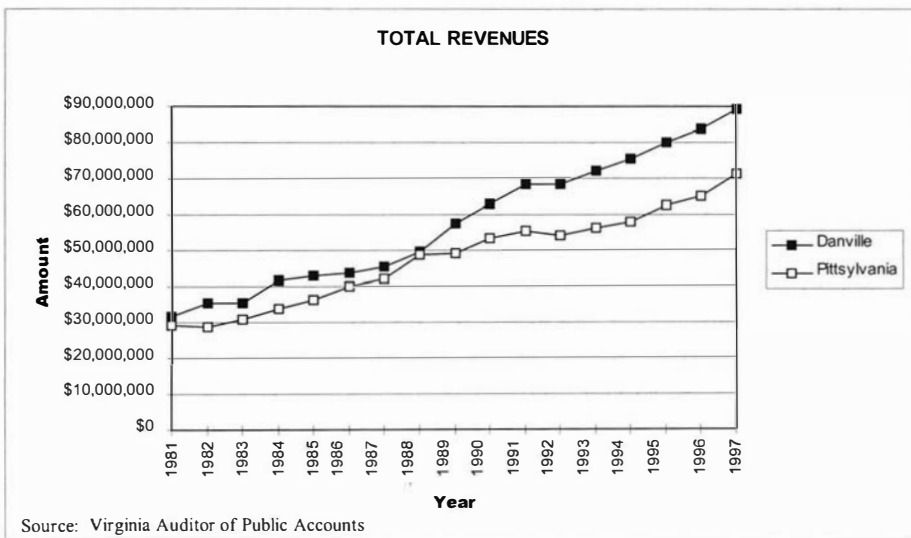


Figure 5.20 depicts the total local revenues for Danville and Pittsylvania County for 1981-1997. The City's 1981-1987 total local revenues grew by 5.3 percent and the

²¹ The Virginia Auditor of Public Accounts defines total revenue as the amount of revenue received by the local government except for revenue that was designated for capital projects, debt service, and enterprise activities. Local revenue is defined by the Auditor of Public Accounts as the total revenue received from local sources.

County's grew by 5.6 percent. Between 1989-1997, the City's local revenues grew by 6.1 percent and the County's grew by 7.4 percent. If the County was adversely affected by the annexation, then its revenues may have declined, despite inflation, but this did not happen.

Figure 5.20

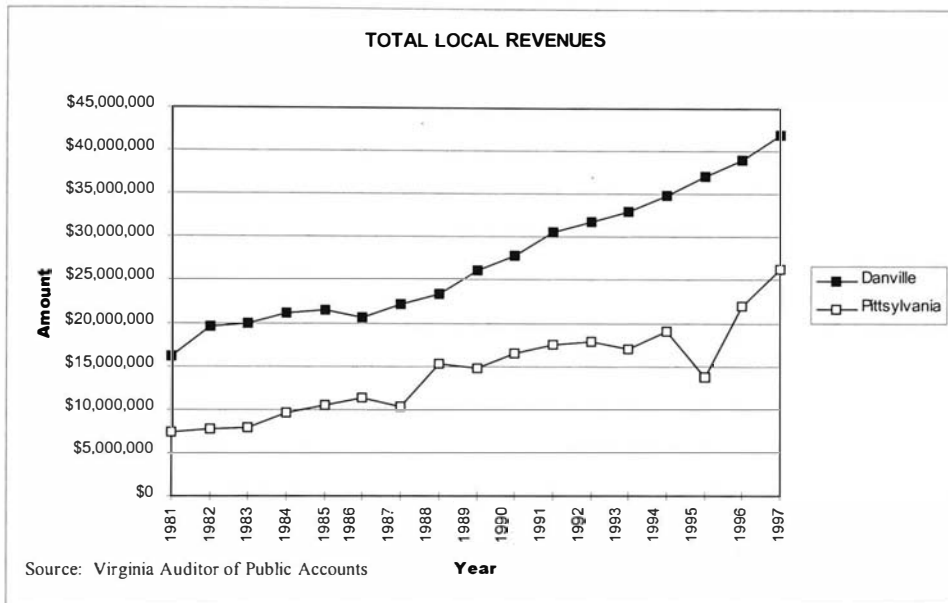
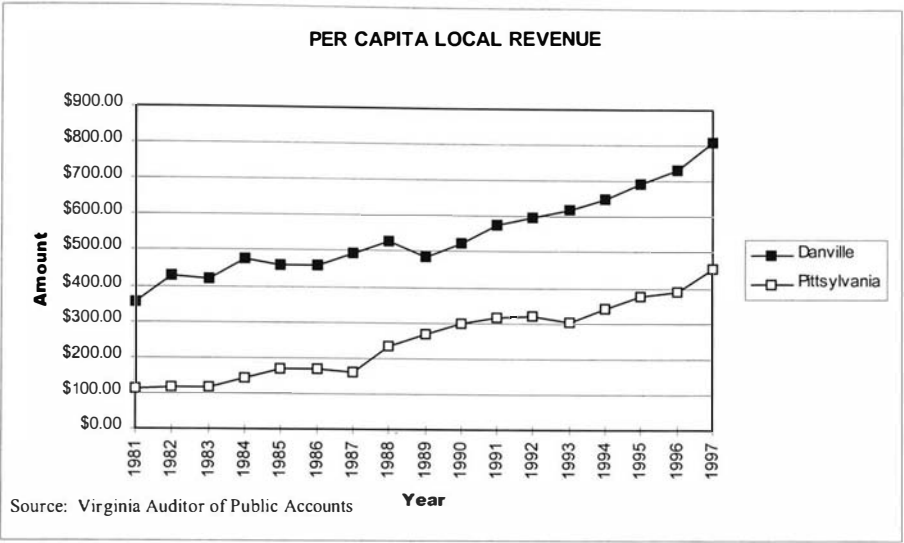


Figure 5.21 shows both jurisdictions' per capita revenues for 1981-1997. Before the annexation occurred, the City's per capita local revenues grew by 5.7 percent and the County's grew by 5.8 percent. After the annexation, the City's per capita local revenues grew by 6.6 percent and the County's grew by 6.9 percent. The County's total revenues, total local revenues, and per capita revenues grew faster than the City's after the annexation.

Figure 5.21



c. Expenditures²²

Figure 5.22 shows both jurisdictions' total expenditures. The City's total expenditures grew by 7.5 percent and the County's grew by 6.5 percent between 1981-1987. After the annexation, between 1989-1997, the City's total expenditures grew by 5.4 percent and the County's grew by 5.0 percent. The trend lines indicate that both jurisdictions' expenditures were close before the annexation, but between 1989-1997, Danville's expenditures increased more than Pittsylvania's, which may be a result of the City's compliance with the annexation order.

²² The Virginia Auditor of Public Accounts defines expenditures as the amount of money local governments spend on their general operations. Per capita figures are presented in the study to provide an indication of the cost involved in providing services for each resident.

Figure 5.22

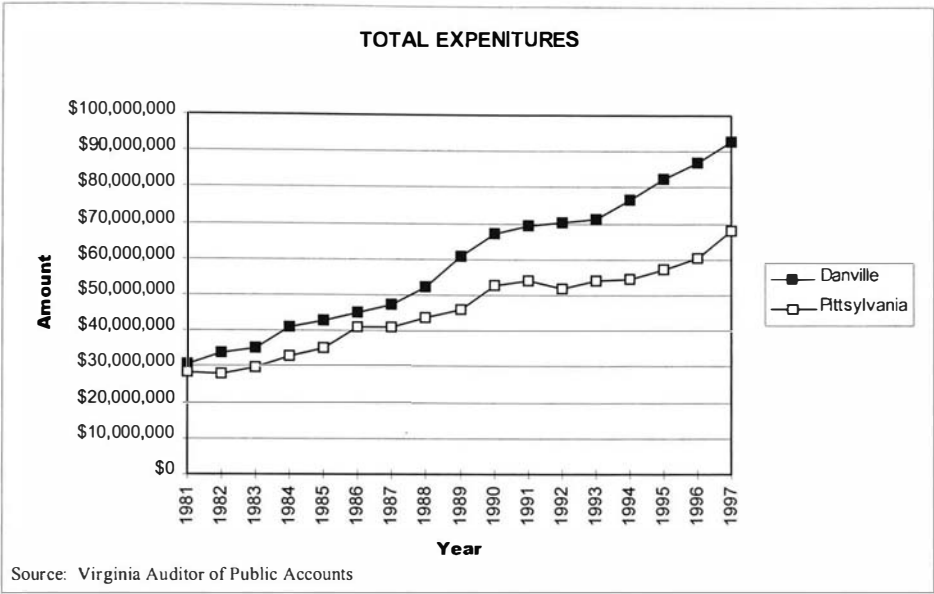
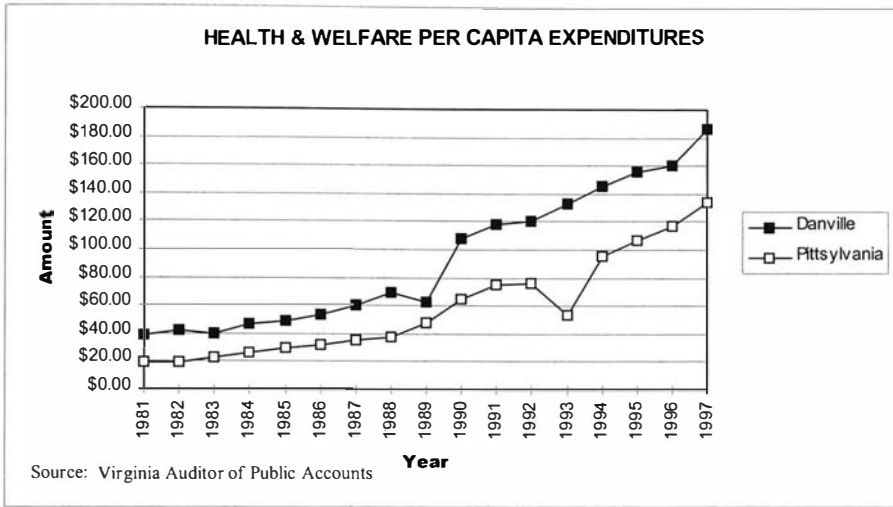


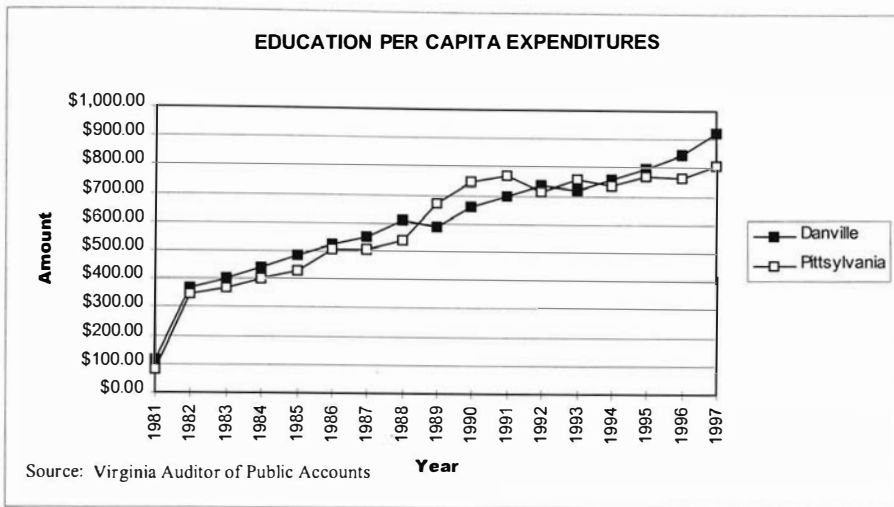
Figure 5.23 shows the health and welfare per capita expenditures for Danville and Pittsylvania County²³. Danville's per capita expenditures grew by 7.9 percent and the County's grew by 10.2 percent before the annexation. After the annexation, the City's health and welfare per capita expenditures grew by 14.7 percent and the County's grew by 13.6 percent.

²³ The public works, public safety, and community development per capita expenditures are discussed in the urban services and planning sections of Chapter V. Both jurisdictions increased their public works and public safety expenditures after the annexation. It is important to note that the County's public safety expenditures and community development expenditures were both higher than the City's after the annexation.

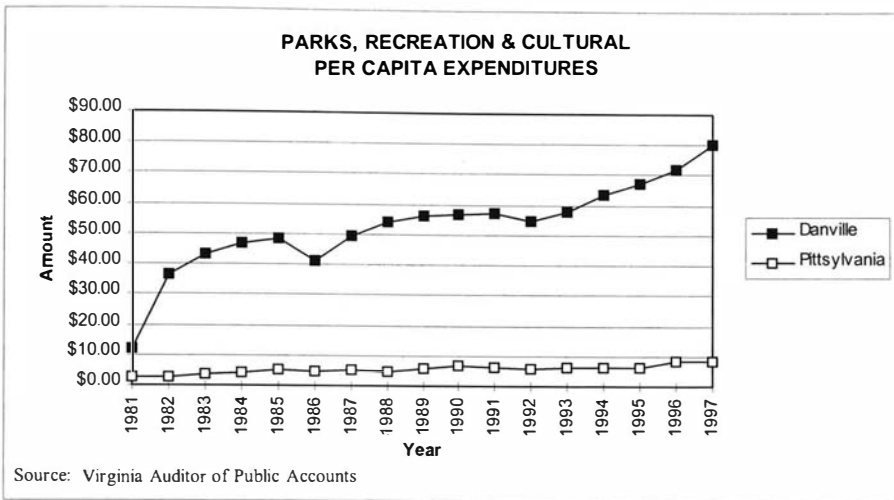
Figure 5.23

The per capita education expenditures for both jurisdictions are depicted in Figure 5.24. Between 1981-1987, the City's per capita education expenditures grew by 29.8 percent and the County's grew by 35.6 percent. After the annexation, the City's education per capita expenditures grew by 5.8 percent and the County's grew by 2.4 percent.

The County's per capita education expenditures were higher than the City's for 1989, 1990, 1991, and 1993. This is important because it demonstrates that the County had the capacity to spend more money than the City after the annexation. A jurisdiction suffering from economic hardship may not be able to increase its spending. This suggests that the County did not experience economic difficulties after the annexation.

Figure 5.24

The Danville and Pittsylvania County parks, recreation and cultural per capita expenditures are depicted in Figure 5.25. Between 1981-1987, the City's expenditures grew by 26.4 percent and the County's grew by 13.1 percent. After the annexation, the City's per capita expenditures grew by 4.6 percent and the County's grew by 4.2 percent. The City spent considerably more money per capita on parks, recreation and cultural activities than the County.

Figure 5.25

These two sections demonstrate that neither jurisdiction experienced a decline in revenues or expenditures after the annexation. Since revenues and expenditures increased for both jurisdictions, it appears that neither Danville nor Pittsylvania suffered from long-term economic hardship after the annexation. If the revenues and expenditures from both jurisdictions had declined, then it would seem logical that they suffered economic hardship after the annexation. It is difficult, however, to make this determination because the financial data were not adjusted for inflation. A better understanding of how both jurisdictions' revenues and expenditures changed over time would be determined if the financial data were adjusted for inflation.

d. Residential Building Permits

The following two tables illustrate construction activity in Danville and Pittsylvania County between 1986-

1994. Residential building permit data were only available from both jurisdictions for the 1986-1994 period. After the annexation, between 1989-1994, the County's residential building permits grew by 1.1 percent and the City's grew by 0.4 percent²⁴.

Figure 5.26

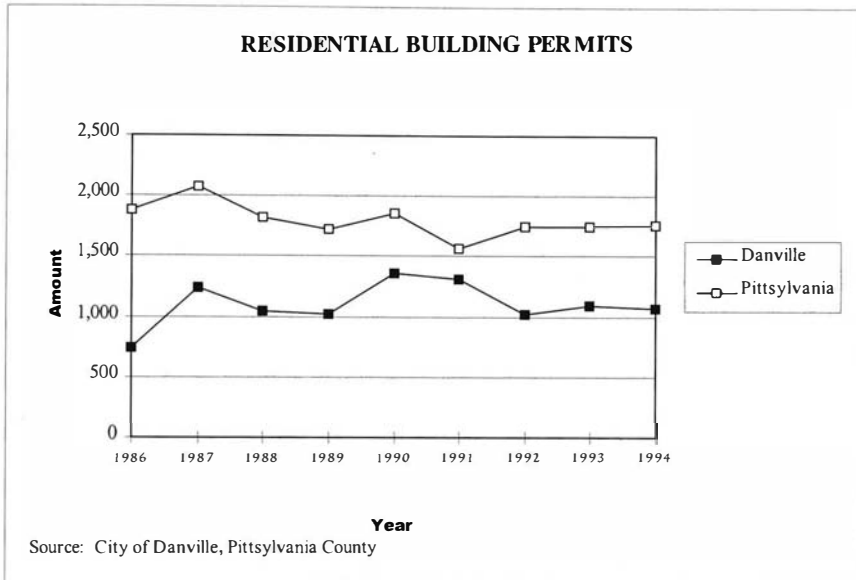
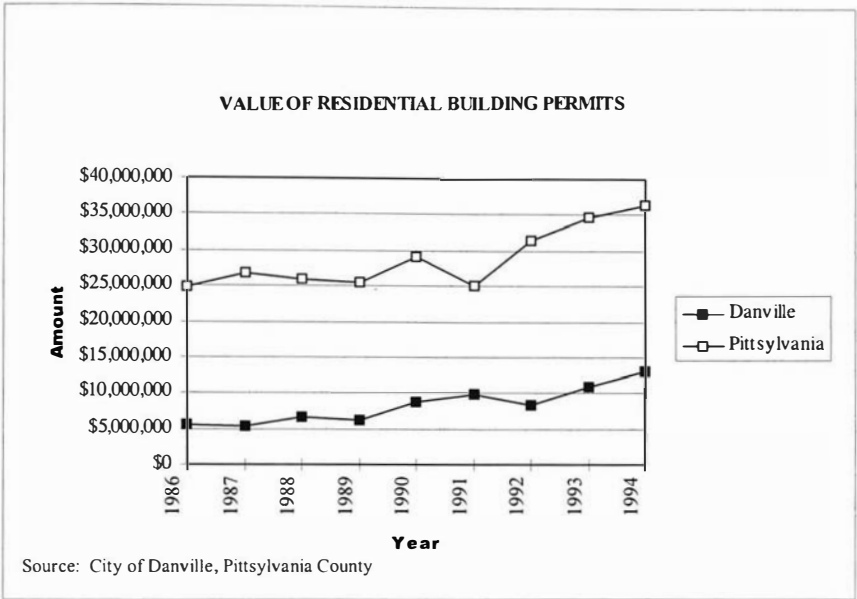


Figure 5.27 depicts the value of residential building permits during the 1986-1994 period. Between 1989-1994, the value of the County's building permits grew by 16.2 percent and the City's grew by 7.5 percent. This suggests that the County was not adversely affected by the annexation because

²⁴ Residential building permits were used as an indicator because housing start data were not available. Housing start data would be a better indicator because it represents the number of buildings that were actually constructed. All builders must obtain building permits to construct either residential or commercial establishments, but they are not required to construct buildings after receiving permits; hence, the number of permits issued by each jurisdiction is not an accurate indicator of actual building construction.

a decline in the number and value of building permits is a sign of economic hardship (Aronson 1996, 334).

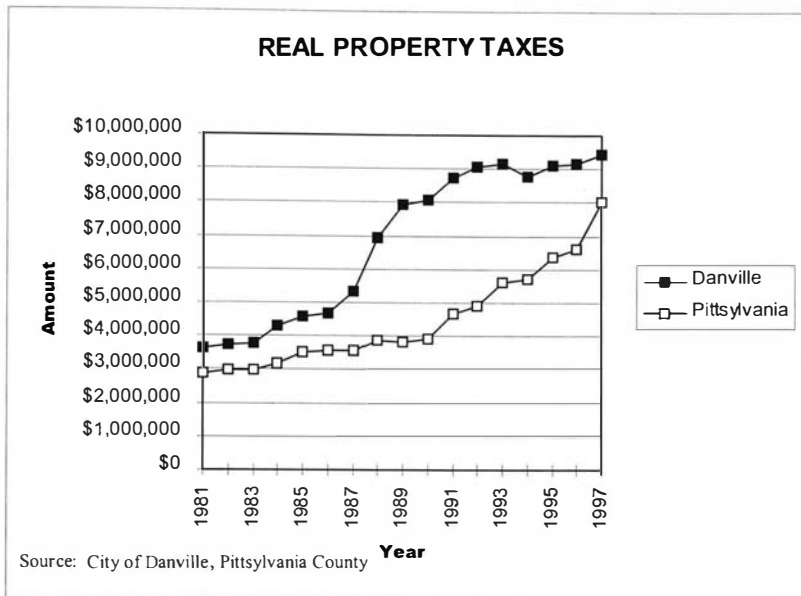
Figure 5.27



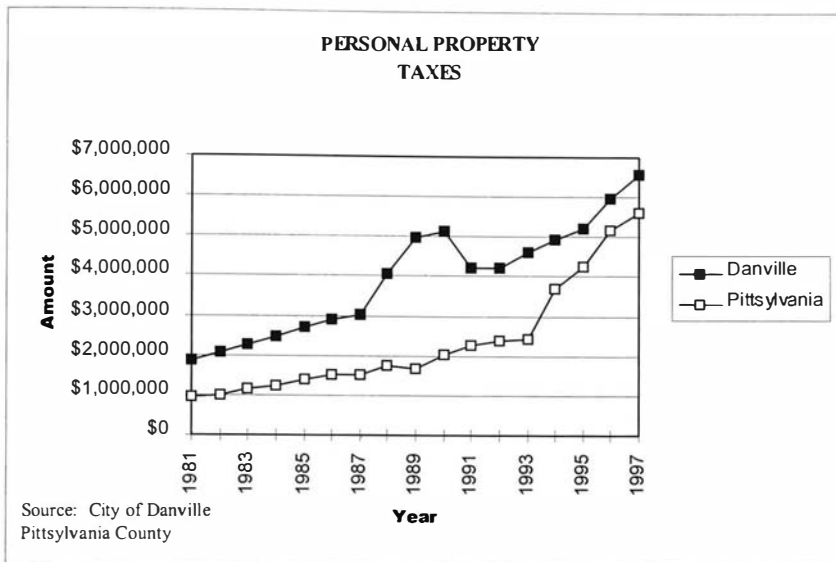
f. Property Tax Revenues²⁵

As can be seen from Figure 5.28, between 1981-1987, Danville's real property taxes grew by 6.7 percent and Pittsylvania's grew by 3.8 percent. After the annexation, between 1989-1997, Danville's real property taxes increased by 2.2 percent and Pittsylvania's increased by 9.7 percent. This shows that the real property taxes in each jurisdiction grew after the annexation, although Danville's rate of growth was not as great as Pittsylvania's.

²⁵ The Virginia Auditor of Public Accounts defines real property as revenue collected from current and delinquent taxes on real property and land redemptions. Personal property is defined as the current and delinquent taxes collected on personal property and mobile homes.

Figure 5.28

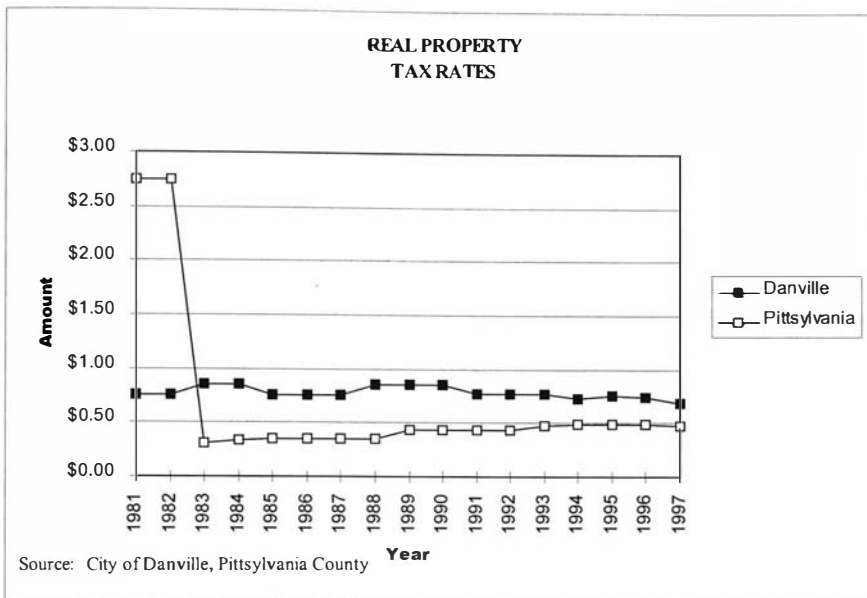
The personal property taxes for Danville and Pittsylvania County are shown in Figure 5.29. Before the annexation, between 1981-1987, Danville's personal property taxes grew by 8.4 percent and the County's grew by 8.1 percent. After the annexation, between 1989-1997, Danville's personal property taxes grew by 3.6 percent and Pittsylvania's grew by 16.3 percent. The growth in real and personal property taxes shows that both jurisdictions experienced property tax revenue growth after the annexation.

Figure 5.29

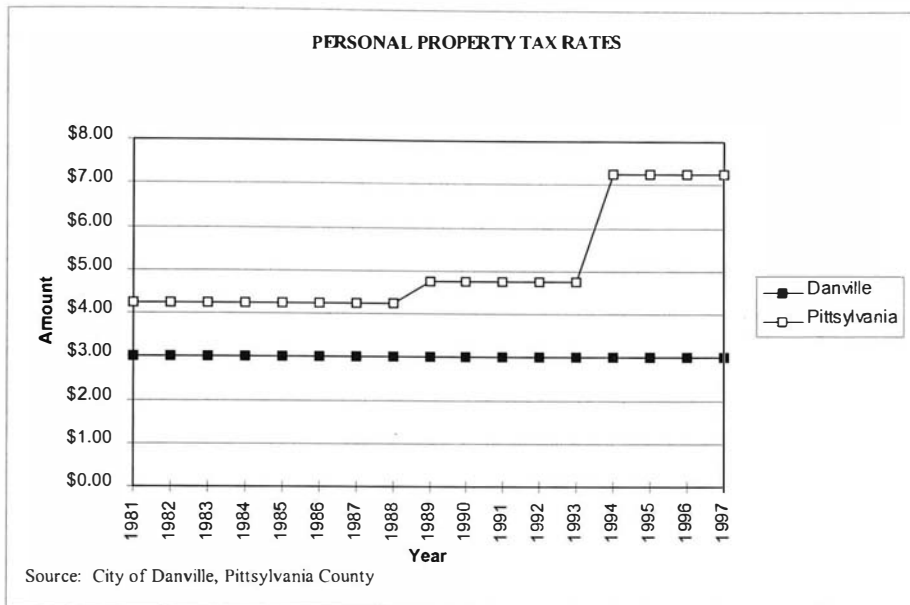
The real property tax rates for both jurisdictions are depicted in Figure 5.30²⁶. Between 1981-1987, the City did not adjust its real property tax rate, but the County lowered its tax rate by 29.1 percent²⁷. After the annexation, Danville lowered its real property tax rate by 2.9 percent and Pittsylvania increased its tax rate by 1.4 percent. Danville may have lowered its real property tax rate after the annexation because it wanted to retain as many annexed tax payers as possible. Pittsylvania County may have increased its real property tax rate to collect revenue to recover from the annexation.

²⁶ Danville's tax rate was \$.76 for 1981, 1982, 1985, 1986, and 1987, and \$.86 for 1983 and 1984. Between 1978-1982, Pittsylvania County's real estate tax rate was \$2.75. It was lowered to \$.35 for the 1983-1988 period.

²⁷ Between 1982-1983, Pittsylvania's real property tax rate declined by 83.7 percent. When the annualize rate of growth is calculated for the 1981-1987 period, it shows that the real property tax rate declined by 29.1 percent.

Figure 5.30

The personal property tax rates are shown in Figure 5.31. Danville and Pittsylvania County did not change their personal property tax rates before the annexation. After the annexation, Danville's personal property tax rates remained the same while Pittsylvania County's increased by 5.4 percent.

Figure 5.31

g. Bonded Debt

Figure 5.32 shows the bonded debt for Danville and Pittsylvania County. Municipalities borrow money, or sell bonds, to construct capital projects such as schools, highways, housing units, and utilities. This causes local governments to incur bonded debt (Mikesell 1982, 335).

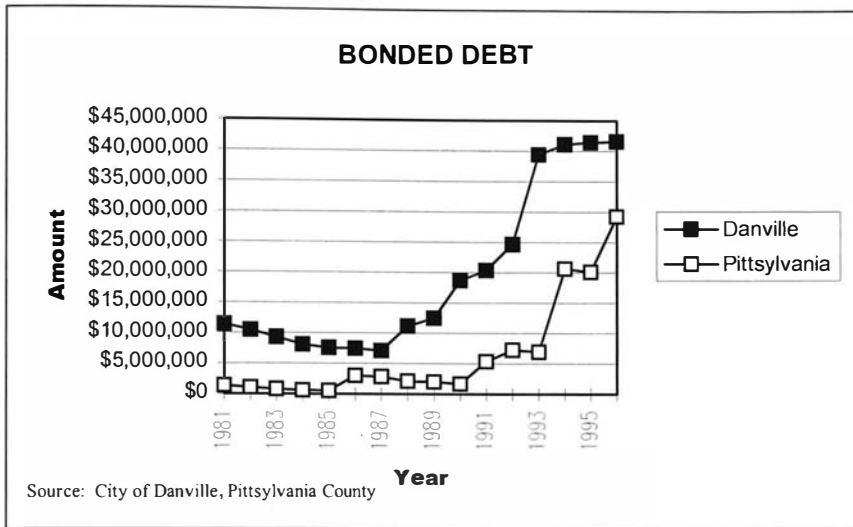
Between 1981-1987, the City's bonded debt declined by 7.6 percent and the County's grew by 12.8 percent. After the annexation, the City's bonded debt grew by 16.2 percent, which may be attributed to the fact that the City sold annexation bonds to help pay for the cost of extending urban services into the annexed territory. The County's bonded debt increased by 40.1 percent after the annexation. Both jurisdictions had more bonded debt after the annexation

which may suggest that annexations cause jurisdictions to incur bonded debt.

Before the annexation occurred, Danville's municipal bonds received an "A" rating by Moody's Investor Service. Since the annexation, Moody's has rated the City's municipal bonds as an "Aaa". Moody's ratings range from "Aaa" to "C" with "Aaa" being the highest rating. Bonds that receive this rating are considered to be of the highest quality. The annexation did not produce conditions that lowered the City's bond rating (City of Danville, Virginia, General Improvement Bonds of Fiscal Year 1995-1996, 30; Dodson 1998).

Between 1991-1996, Moody's rated Pittsylvania County's municipal bonds as an "A" which is its third highest rating. It should be noted that Pittsylvania's pre-annexation bond rating was not available²⁸. According to Moody's, "A" rated bonds possess many favorable investment qualities. This suggests that the annexation did not produce long-term negative effects on the County because its bond rating did not fall below an "A" (Pittsylvania County, Virginia, General Obligation School Bonds, Series of 1996, 27).

²⁸ Tracey Worley, Pittsylvania County Finance Director, was not familiar with the County's pre-annexation bond rating. Municipal governments only receive bond ratings when they issue bonds, and Pittsylvania County did not issue bonds on an annual basis between 1981-1997.

Figure 5.32

h. Fiscal Index Classification

The Commission on Local Government (CLG) annually measures the fiscal condition of Virginia's localities. After calculating each jurisdiction's fiscal stress index, CLG classifies the jurisdiction as either "low stress," "below average stress," "above average stress," or "high stress."²⁹ Figure 5.33 shows the fiscal stress classifications for Danville and Pittsylvania County.

Following the annexation, Danville received a "high stress" classification by the CLG which suggests that the annexation produced additional fiscal stress on the City. This would seem logical because the City sold bonds to pay for the urban services that it extended throughout the annexed area. After 1992, the City returned to its pre-annexation classification as "above average stress" which

²⁹ The CLG began calculating the fiscal stress of Virginia's localities in 1986.

indicates that the annexation did not reduce the City's fiscal stress.

Before the annexation, CLG classified Pittsylvania as a "below average stress" county. During 1990-1991, Pittsylvania County was classified as an "above average stress" county which may be a result of the tax base loss that the County suffered after the annexation or to its increasing bonded debt. The County returned to its pre-annexation classification in 1992. This suggests that the County suffered some economic hardship as a result of the annexation, but that it did not produce additional fiscal stress for the County.

Figure 5.33

Fiscal Index Classification		
Year	Danville	Pittsylvania
1986/87	Above Average Stress	Below Average Stress
1987/88	Above Average Stress	Above Average Stress
1988/89	Above Average Stress	Above Average Stress
1989/90	Above Average Stress	Below Average Stress
1990/91	High Stress	Above Average Stress
1991/92	High Stress	Below Average Stress
1992/93	Above Average Stress	Below Average Stress
1993/94	Above Average Stress	Below Average Stress
1994/95	Above Average Stress	Below Average Stress
1995/96	Above Average Stress	Below Average Stress

Source: Commission on Local Government

5.8 Chapter Summary

Danville complied with the terms and conditions of the 1986 annexation order. Danville went beyond the requirements of the Annexation Court's order and constructed roads, water, sewer, gas and electrical lines in the annexed

area. In addition, the City improved the safety of the annexed area by providing it with professional police and fire protection which enhanced the quality of life for many annexed residents.

After the annexation, the County developed a zoning ordinance and improved its public safety services, school system, library operations, and solid waste management system. The Pittsylvania County Service Authority (PCSA) improved its water and sewer services. The lack of these services before 1988 influenced the decisions of the Commission on Local Government and the Annexation Court that favored the City during the annexation proceedings.

Danville provided the annexed area with planning and zoning services. The majority of the City's planning objectives were achieved in the annexed area. The City provided the annexed area with zoning and classified sections of the area as either residential or commercial. Danville required all businesses that located in residential areas to obtain permits to continue to operate there. This provided annexed residents with protection against incompatible land uses that they did not have when the area was under the County's jurisdiction.

The County did not have a planning department or a zoning ordinance before 1988. After the annexation, the County hired a planner and developed a zoning ordinance;

however, by 1998, the County still had not developed a planning department and its one planner position was vacant. As a result, Pittsylvania County had to rely on other sources for its planning, such as the West Piedmont Planning District Commission.

The City's population was only increased temporarily by the annexation and the County did not recover from its population loss. Both jurisdictions are projected to experience slight population losses through the year 2010. After the annexation, the median age of Danville's population was higher than the County's and it had more residents under the age of 18 and over the age of 65 than the County.

By 1990, the City and County's per capita income levels were almost equal, but the County's median family income and median household income were higher than the City's. Both jurisdictions increased their adjusted gross incomes (AGI), but the County's AGI increased more than the City's.

As of June 1998, only five Danville residents who lived in the annexed area served on one of the City's boards or commissions. One annexed resident had served on the City Council and no annexed residents had been elected as the City's Mayor. The small number of annexed residents that served in appointed positions indicates that these residents were either not interested in serving the community in

elected or appointed positions or were not able to secure these positions because of other factors.

Before the annexation, Danville and Pittsylvania County cooperated to a limited extent on issues of mutual concern. Their relationship became strained as a result of the annexation and cooperation initially declined; however, this changed by 1995, when the City and County once again began to cooperate. Since 1997, Danville and Pittsylvania County have held annual City Council-Board of Supervisors retreats and regularly share minutes from their monthly meetings. Both governing boards meet quarterly to ensure that neither jurisdiction develops policies that negatively affect the region. In addition, the Danville City Manager and the Pittsylvania County Administrator meet monthly to discuss significant public policy issues.

The City and County constructed a small business incubator at Pittsylvania County's Ringgold Industrial Park and developed a regional advanced technology center at Danville's Airside Industrial Park. Both jurisdictions issued joint policy statements during the 1997 and 1998 Virginia General Assembly sessions. These policy statements concerned how both jurisdictions would jointly address their future concerns.

The Danville MSA's local economy was predominately dependent upon the textile mill products industry in 1980

and in 1990 after the annexation. This indicates that the economy lacked business diversity. By 1997, the Danville MSA's local economy was still heavily dependent on the textile and furniture manufacturing industries which made both jurisdictions vulnerable to economic slumps.

The annexation allowed Danville to develop its River View Industrial Park and to expand its enterprise zone. After 1986, five new industries located to the City and 25 industries either expanded their operations or reopened plants in Danville. By 1997, these new or expanded industries employed 3,233 workers and represented a \$268,937,500 investment for the City.

Between 1986-1997, 30 new industries located to the County that represented a \$186,497,533 investment and employed 2,206 workers. According to Pittsylvania, between 1986-1990, business development represented a \$283,000,000 investment to the County. The County reported in 1996 that it had surpassed its pre-annexation tax base. This indicates that the County recovered from the annexation.

After the annexation, revenues and expenditures increased for both Danville and Pittsylvania County. Since both jurisdictions increased their revenues and expenditures, it appears that neither Danville nor Pittsylvania County experienced long-term economic hardship as a result of the annexation. The property tax bases of

both jurisdictions increased after the annexation that further suggests that the annexation did not produce long-term economic hardship. In addition, the annexation did not change Danville's "above average stress" fiscal classification or the County's "below average stress" classification providing further evidence that the annexation did not produce long-term economic hardship.

CHAPTER VI

CONCLUSIONS and RECOMMENDATIONS

a. Introduction

Chapter VI presents conclusions about annexation that were developed during the course of this study. It also makes recommendations concerning Virginia's annexation policy. It should be noted that the conclusions apply to the Danville-Pittsylvania County annexation and may not necessarily be applicable to all annexations that occur in Virginia. However, there are lessons to be learned from the Danville-Pittsylvania County experience that other municipalities in Virginia may benefit from.

A review of the literature indicated that there is an inadequate level of research on the long-term impact of city-initiated annexation. The present study helped to fill some of that void by examining the effects that the Danville-Pittsylvania County annexation had on both jurisdictions and on the annexed territory. Overall, the study found that the annexation was beneficial for the annexed area, and that while Danville did not gain as much from the annexation as it thought it would, it did gain important new territory for future possibilities.

The study also found that Pittsylvania County recovered from the annexation without suffering from long-term economic hardships. In addition, the study showed that

Danville's annexation experience was two-fold. First, in the short run, the annexation improved the fortunes of the City, but in the long-run, the City's fiscal condition did not change significantly. Had it not been for the annexation, however, the City's fiscal condition today would probably be worse. Second, not only did Pittsylvania survive the annexation, but it thrived in terms of the economic indicators used in this study.

b. Conclusions

Based on the data analysis chapter, a number of conclusions may be made about city-initiated annexations. The most important conclusion developed from this study is that *counties can recover from an annexation*. The County lost eight industries and \$238,000,000 in tax base during the annexation, but between 1986-1997, 30 industries, representing a \$186,497,533 investment and employing 2,206 workers located to Pittsylvania County. It is important to note that the business development that occurred between 1986-1990, represented a \$283,000,000 investment to the County. In addition, the County reported that it had surpassed its pre-annexation tax base by 1996.

A fiscally stressed city can successfully undertake a large annexation. By 1998, Danville had complied with all the terms and conditions of the 1986 annexation order. The City's compliance with the order improved the quality of

life for many annexed residents. Danville provided residents with police protection, two fire stations, one library branch, two recreation centers, a park, water, sewer, gas and electrical services. Pittsylvania County had not provided a sufficient level of these services to the residents in the area before the annexation.

A fiscally stressed city can provide an annexed area with additional services beyond those required in the original agreement. Danville provided services in the annexed area that were not specifically required by the Annexation Court such as road improvements, water and sewer extensions, housing improvements, and gas and electrical line extensions.

Annexations are viewed differently by the residents in the annexed area depending upon the timeliness and extent of urban services provided to the residents. This study found that annexed residents who received urban services from Danville favored the annexation while residents who did not receive urban services in a timely manner tended to oppose the annexation. In addition, some annexed residents opposed the annexation because they did *not* want to receive City services such as garbage collection.

Annexations may prompt a county to improve its municipal services. After the annexation occurred, Pittsylvania County developed a zoning ordinance, hired a

planner, and made numerous improvements to its police, fire, water, sewer, and solid waste collection services for County residents.

Cities can provide comprehensive planning for annexed areas. Danville established planning objectives for the annexed area in its 1987 comprehensive plan. For example, the City planned to extend urban services and to purchase all Pittsylvania County Service Authority facilities in the annexed area, open a library branch, construct two new fire stations and two recreation centers in the annexed area, and relocate an existing fire station near the annexed area. The City failed to achieve two of its planning objectives: to construct a new elementary school and to conduct a trail network study in the annexed area.

Annexations do not always increase a city's population. The annexation increased Danville's population temporarily, but it continued to lose residents after 1988. The County did not recover from its population loss after the annexation.

Annexations may not lower the median age of a city's population. After the annexation occurred, the median age of Danville's population increased, but this could be the result of a national aging trend because the County's median age increased as well after the annexation. In addition,

both the City's under 18 population and its 65 and over population increased after the annexation.

Annexations may not create a stronger labor force for a city. The annexation did not create a substantially larger labor force for Danville because the City's labor force grew by only 0.1 percent between 1989-1997, while the County's labor force grew by 1.9 percent.

Annexations do not always increase a city's per capita and median income levels. Pittsylvania County's per capita income level was almost equal to the City's, but its median family and household incomes were higher than the City's after the annexation.

Annexations do not necessarily increase the number of residents below the poverty line. The number of Pittsylvania's residents below the poverty line declined after the annexation, but Danville's increased. This indicates that Danville may have annexed some of the County's low-income residents or that other factors may have increased the City's number of low-income residents.

Annexations do not influence many annexed residents to assume community leadership positions. As of June 1998, only five annexed residents served in community leadership positions. In addition, only one annexed resident, Dr. Shirley Mayhew, served on the Danville City Council. As of

1998, no annexed resident had been elected as the City Mayor.

Annexations do not always create long lasting hostilities between the local governments. This study indicated that local government cooperation is possible between the jurisdictions involved in an annexation. For example, the Danville City Council and the Pittsylvania County Board of Supervisors hold annual retreats in order to explore opportunities for joint-cooperation. In 1998, the City and County funded the construction of a small business incubator and developed a regional advanced technology center.

Annexations do not always create a strong economy for the annexing jurisdiction. By 1990, the Danville MSA's economic base was not significantly more diverse, which suggests that the annexation did not lead to the development of a strong economy for the City. Even by 1997, the MSA's local economy still lacked diversity and was heavily dependent upon the textile and furniture manufacturing industries.

Annexations can benefit the annexing city's economic development. The annexation allowed Danville to develop the River View Industrial Park and to expand its enterprise zone. By 1998, six industries had located to the River View Industrial Park.

Annexations put financial pressure on the jurisdictions involved, but they can recover. After the annexation, Danville and Pittsylvania County experienced an increase in revenues and expenditures.

The city and county property tax revenues can grow after an annexation. Danville's real property taxes increased by 2.2 percent and Pittsylvania County's increased by 9.7 percent between 1989-1997. Danville's personal property taxes grew by 3.6 percent and Pittsylvania's grew by 16.3 percent between 1989-1997. The growth in real and personal property taxes suggests that both jurisdictions experienced growth in their property tax revenues after the annexation.

Annexations may increase the bonded debt of both jurisdictions. Between 1989-1996, the City's bonded debt grew by 16.2 percent and the County's increased by 40.1 percent. Both jurisdictions had more bonded debt after the annexation and this suggests that annexations may cause jurisdictions to incur bonded debt.

Annexations do not always improve the fiscal condition of the jurisdictions involved. After 1992, the City returned to its pre-annexation classification of "above average stress" and the County returned to its "below average stress" classification. Neither jurisdiction

experienced significant long-term negative effects from the annexation.

c. Additional Research Needed

There are several areas where additional research is needed to better understand the full effect that the annexation had on Danville and Pittsylvania County. One area suggested for future research concerns whether the expansion of the Danville Enterprise Zone increased business development in the City. Another possible area is whether the annexed residents who served in elected positions helped to develop policies that benefited the annexed area. Another suggestion is to examine whether the annexation lowered such cost factors as fire insurance premiums and utility rates for the annexed residents and whether the annexed area's real estate values and marketability increased after 1988.

A more in-depth analysis is needed of the financial condition of both jurisdictions after the annexation. Examples of indicators that could be used to examine both jurisdictions' financial condition include economy and demographics, revenue bases, revenues, current and capital expenditures, debt, and internal resources (Perry 1996, 340-341). Finally, future research is needed that compares the financial health of Danville and Pittsylvania County after the annexation against other jurisdictions in the West

Piedmont Planning District or to other jurisdictions in Virginia.

d. Recommendations to Policy Makers

The Virginia General Assembly should consider lifting the moratorium on annexations and revising its annexation law. The current annexation process is complicated and it forces cities and counties into confrontations. In addition, the state's unique practice of city-county separation complicates the issue of city expansion and the state should reconsider this practice.

It is recommended that Virginia lift its ban on city-initiated annexations because, as this study found, both cities and annexed territories may benefit from annexations. The annexation allowed Danville to expand its physical boundaries, enhanced its economic development potential, and increased its tax base. The City performed a service to the Commonwealth of Virginia because it extended important urban services into an area of the state that lacked those services. This indicates that city-initiated annexations may benefit annexed areas in many different ways.

The state should also lift the ban on annexation because this study found that counties can recover quite rapidly from annexations. Counties will argue that an annexation will adversely affect them, but the findings of this study suggest otherwise. The study found that after

the annexation, the County's tax base increased, business development occurred, and its revenues and expenditures grew.

In addition, it is recommended that Virginia may want to consider an annexation policy that is similar to the one used in North Carolina that is less complicated than the one used in Virginia. North Carolina's cities can annex unincorporated land by simply passing a unilateral ordinance. The unilateral annexation procedure used in North Carolina essentially says that once unincorporated territory achieves certain urban characteristics, it becomes subject to annexation by the adjoining municipality (Carpinello 1990, 6-7).

Finally, it is recommended that other Virginia localities study the Danville-Pittsylvania County annexation for guidance before preparing their own annexation petitions. Large scale annexations are expensive and it may take several years for the jurisdiction to comply with the annexation order. The study found, however, that proper planning before an annexation occurs may enhance the municipality's ability to comply with the annexation order in a timely manner.

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Appendix 1

VIRGINIA:

IN THE CIRCUIT COURT OF PITTSYLVANIA COUNTY

CITY OF DANVILLE,)	
)	
Petitioner,)	
)	
v.)	Annexation Proceeding
)	Case No. 84-171
)	
COUNTY OF PITTSYLVANIA, <u>et al.</u> ,)	
)	
Respondents.)	

ORDER OF ANNEXATION

This annexation proceeding came on to be heard this day upon the notice and petition by the City of Danville, Virginia ("City") for the annexation of territory lying in the County of Pittsylvania ("County"), as provided in a certain ordinance of the City adopted on July 25, 1984; upon the petitions to intervene of USG Industries, Inc., The Disston Company, Dibrell Brothers, Inc., Lorillard, Inc., Southern Processors, Inc., Goodyear Tire & Rubber Company, Corning Glass Works, the Pittsylvania County Service Authority ("Authority") and Tuscarora Farms, Inc.; upon the answers by the City to the petitions to intervene; upon the various orders previously entered herein; upon the several

stipulations by the parties; upon the report by the Commission on Local Government, dated February, 1984; upon the testimony and exhibits received by the Court; and upon the arguments of counsel.

Being now fully advised of the premises and having matured its judgment and having reached a unanimous written opinion which has been filed herein, the Court does ADJUDGE, ORDER, and DECREE as follows:

1. Jurisdiction

(a) The Special Court, consisting of Judge Kenneth E. Trabue of the Twenty-Third Judicial Circuit, designated Chief Judge, Judge Willard I. Walker of the Thirteenth Judicial Circuit, and Judge J. M. H. Willis, Jr. of the Fifteenth Judicial Circuit, was duly constituted and convened as provided in Chapter 26.2 (§ 15.1-1168) of Title 15.1 of the Code of Virginia (1950), as amended, to hear the petition filed pursuant to Chapter 25 (§ 15.1-1032 et seq.) of Title 15.1 of the Code of Virginia (1950), as amended.

(b) The City has duly adopted, in the manner required by law, an annexation ordinance filed with its petition, and said ordinance and the map attached thereto comply in form and content with the requirements of the

annexation statutes. A copy of the notice of motion to grant the requested annexation and a copy of the ordinance have been duly served on the Chairman of the Board of Supervisors of the County and upon the County Attorney, and said notice and ordinance have been duly published as required by law.

(c) The Court is satisfied from the evidence and finds that the City has substantially complied with the conditions of the last preceeding annexation by the City.

(d) All proper jurisdictional steps have been taken to bring this proceeding before the Court.

2. Necessity and Expediency

The Court is satisfied and hereby determines that the annexation of portions of the County as ordered herein is both necessary and expedient, considering the best interests of the people of the County and the City, the services to be rendered to and the needs of the people of the area herein ordered to be annexed, the best interests of the people in the remaining portion of the County, and the best interests of the State in promoting strong and viable units of government, and considering the factors set forth in Section 15.1-1041(b1) of the Code of Virginia (1950), as amended.

3. Territory Annexed

(a) The territory hereby ordered annexed to the City contains approximately 26.83 square miles and an estimated 10,300 persons, and is described as follows:

PARCEL A

Beginning at a point in the northwestern corporate line of the City of Danville, said point being at its intersection with the middle of the Dan River; thence in a northwesterly direction up the center of Dan River as it meanders 11,250 feet \pm to the confluence of an unnamed stream flowing from a northwesterly direction; thence continuing in a northwesterly direction up the center of the unnamed stream 4,950 feet \pm to a point, said point being 300 feet west of the western right-of-way of State Route 870; thence continuing in a northeasterly direction 300 feet west of and parallel to the western right-of-way of State Route 870 a distance of 1,500 feet \pm to a point, said point being 500 feet south of the southern right-of-way of U. S. Route 58; thence paralleling the southern right-of-way of U. S. Route 58 at a distance of 500 feet, continuing in a northwesterly direction for a distance of 2,940 feet \pm to a point, said point being 190 feet \pm east of the right-of-way of State Route 1,636 (Kingston Road) and said point being eastern property line of Ridgeview Subdivision; thence following said property line in a southwesterly direction for a distance of 185 feet \pm to a point in the center of an unnamed stream, said point being property corner of the Ridgeview Subdivision; thence following centerline of said unnamed stream in a northwesterly direction a distance of 300 feet \pm to a point, said point being 500 feet south of the southern right-of-way of U. S. Route 58; thence continuing in a northwesterly

direction 500 feet south of and parallel to the southern right-of-way of U. S. Route 58 a distance of 3,900 feet \pm to a point in the center of an unnamed tributary to Sandy River; thence in a northerly direction following centerline of said tributary 1,640 feet \pm crossing U. S. Route 58 and Virginia Route 51 to a point in the Westover Hills Extension subdivision, said point being property corner on back property line between Virginia Route 51 and Page Road; thence 1,400 feet \pm in an easterly direction crossing State Route 863 to a point on the eastern right-of-way of State Route 863, said point being a projection of back property line between State Route 51 and Page Road; thence 50 feet \pm in a northerly direction along the eastern right-of-way of State Route 863 to a point, said point being a property corner in the J. R. Reagan Estate 250 feet \pm north of State Route 51; thence following property line in an easterly direction 300 \pm feet to a point, said point being a property corner 250 feet \pm north of the northern right-of-way of State Route 51; thence continuing in a northern and northeasterly direction 300 feet parallel to the eastern right-of-way of State Route 863 a distance of 6,300 feet \pm crossing State Route 873 to a point, said point being the middle of Sandy River 300 feet downstream from the eastern right-of-way of State Route 863; thence down the center of Sandy River as it meanders 23,500 feet \pm to a point, said point being a corner to the property line between Elizabeth S. C. Hubbard & others and R. M. Kendall; thence continuing with the property line N 71° 00' E 1,600 feet \pm crossing State Route 750 to a point, said point being 300 feet \pm north of the centerline of State Route 750; thence continuing in a southeasterly direction 300 feet \pm north of and parallel to the centerline of State Route 750 a distance of 4,000 feet \pm crossing State Route 1517 to a point, said point being 300 feet \pm north of the intersection of the centerline of State Route 750 and the centerline of State Route 1518; thence continuing in a southeasterly

direction 300 feet \pm north of and parallel to the centerline of State Route 1518 a distance of 1,900 feet \pm crossing State Route 1519 to a point, a property line between Ralph J. & Matte W. Jones and Garnett L. Jr. & Wanda T. Collins; thence N $42^{\circ} 00'$ E 750 feet \pm to a point, said point being the middle of Sandy Creek; thence continuing along the middle of Long Creek, a tributary of Sandy Creek, 15,300 feet \pm as it meanders generally in a northeasterly direction west of the existing corporate limit line to a point, said point being the intersection of Long Creek and the southerly property line of Hosea E. Wilson Estate; thence N $78^{\circ} 51'$ W 200 feet \pm to a property corner of Hosea E. Wilson Estate; thence following said property line N $18^{\circ} 57'$ E 765.14 feet, thence N $51^{\circ} 00'$ W 922.93 feet, thence N $23^{\circ} 12'$ E 1,316.56 feet to a point, said point being the northwesternmost property corner of Hosea E. Wilson Estate and a corner of the existing corporate limit line; thence following the existing City of Danville Corporate Limit Line in a southerly direction to the point of beginning. All property owners named in this description are present or former owners of properties referred to herein. Parcel A contains 9.15 square miles, more or less, by digitizer measurement.

PARCEL B

Beginning at a point marking a corner in the northeastern corporation line of the City of Danville, said point being 1,200 feet \pm southeast of U. S. Route 29 right-of-way and 200 feet \pm northeast of State Route 1507 right-of-way, being a City of Danville corporate limits marker; thence leaving said corporation limits marker along a bearing of N 18° 25' E (being a projection of a leg of the Danville corporation boundary line) for a distance of 100 feet \pm from said corporation point to a point being on a line 300 feet parallel to the northern right-of-way of State Route 1507; thence following a line 300 feet parallel to the northern right-of-way of State Route 1507 in an easterly direction for a distance of 1,250 feet \pm to a point being 300 feet west of the northwest right-of-way of State Route 695; thence along a line 300 feet parallel to the western and northern right-of-way of State Route 695 in a northerly and then easterly direction a total distance of 3,125 feet \pm to a point, said point being the western right-of-way of Southern Railway; thence in a southerly direction along the western right-of-way of Southern Railway a distance of 10,000 feet \pm to a point, said point being the northern right-of-way of U. S. Route 360; thence in an easterly direction following the northern right-of-way of U. S. Route 360, a distance of 650 feet to a point, said point being the intersection of the northern right-of-way of Route 360 with an extension of the northern right-of-way of Route 732; thence crossing Route 360 and continuing along the northern right-of-way of State Route 732 for a distance of 600 feet \pm to a point; thence in a northerly direction a distance of 240 feet \pm to a point, said point being eastern property line of lots on U. S. Route 360; thence continuing in an easterly direction a distance of 600 feet \pm along a line parallel to and 240 feet north of the northern right-of-way of State Route 732 crossing Little

Fall Creek to a point, said point being northern property line of lots on State Route 732; thence along the rear property lines of lots fronting on State Route 732 a distance of 1,370 feet \pm to a point; thence in a southeasterly direction following property lines and crossing State Route 732 until it reaches the eastern boundary of property owned by Sam and Mary Payne, then by said property boundary until it reaches the eastern property line of Evans D. Keister, then by said property line, crossing unnamed tributary of Fall Creek and State Route 730 a total distance of 3600 feet \pm to a point, said point being southern right-of-way of State Route 730; thence in a northeasterly direction following the southern right-of-way of State Route 730 a distance of 600 feet \pm to a point, said point being northeast corner of land owned by Danville Industrial Development; thence in a southeasterly direction 430 feet \pm to a point, said point being the southern right-of-way of the Southern Railway; thence in a northeasterly direction following the southern right-of-way of the Southern Railway a distance of 5400 feet \pm crossing State Route 729 to a point; thence in a southwesterly direction along the eastern boundary of properties owned by Lorillard, Inc. (formerly a division of Loew's Theatres, Inc.) and Walter and Nannie Barber a distance of 1720 feet \pm to a point, said point being property corner; thence in a westerly direction a distance of 40 feet \pm to a point, said point being a property corner on the eastern property line of lots facing State Route 1225; thence in a southerly direction following said property line a distance of 3210 feet \pm to a point, said point being 300 feet north of the right-of-way of State Route 655; thence in an easterly direction 300 feet and parallel to the northern right-of-way of State Route 655 a distance of 945 feet \pm crossing an unnamed pond to a point, said point being the center of an unnamed tributary to Long Branch; thence following said unnamed tributary in a southerly and southeasterly direction down

the center as it meanders 2,430 feet \pm passing through an unnamed pond to a point, said point being center of aforementioned tributary 400 feet north of northern right-of-way of U. S. Route 58; thence in an easterly direction 400 feet north of and parallel to northern right-of-way of U. S. Route 58 a distance of 2320 feet to a point, said point being 150 feet west of western right-of-way of State Route 1236 (Cain Street); thence in a northeasterly direction along a line 150 feet parallel to the northern right-of-way of State Route 1236 a distance of 1300 feet \pm turning in a southeasterly direction to a point, said point being a lot line between lots A1 and A1A on the Wilton L. Sellers property; thence in a northeasterly direction following said lot line a distance of 150 feet \pm to a point, said point being lot corner of lot B1; thence in a southwesterly direction following lot line of the eastern side of lot B1 a distance of 250 feet \pm to a point, said point being an extension of lot B1 and its intersection with lot 89 on the Wilton L. Sellers property; thence in a northeasterly direction along northern side of said lot 89 a distance of 350 feet \pm to a point, said point being eastern side of Wilton L. Sellers property; thence in a southerly direction along the eastern boundary of Wilton L. Sellers property a distance of 250 feet \pm to a point, said point being 400 feet north of the northern right-of-way of U. S. Route 58; thence in an easterly direction 400 feet parallel to northern right-of-way of U. S. Route 58 a distance of 1350 feet \pm crossing Cane Creek to a point, said point being the western right-of-way of Gough Street in the Lakewood Subdivision; thence in a northerly direction following western right-of-way of Gough Street a distance of 230 feet \pm to a point, said point being an unnamed tributary to Cane Creek; thence in a northeasterly direction following said tributary across Gough Street 40 feet \pm to a point, said point being eastern right-of-way of Gough Street and property line between Abner W. Foster and

Hubert C. and Louis F. Sellers; thence continuing in a northeasterly direction along said property line a distance of 350 feet \pm to a point, said point being property corner of Hubert C. and Louis F. Sellers; thence in a northeasterly direction a distance of 255 feet \pm crossing property owned by Abner W. Foster to a point, said point being southwest property corner of Glen W. and Margaret R. Shaw; thence in an easterly direction following southern property line of Glen W. and Margaret R. Shaw and southern property line of Calvin T. and Nancy C. Boyd a distance of 815 feet \pm to a point, said point being southeast property corner of Calvin T. and Nancy C. Boyd; thence in a southerly direction following property line a distance of 270 feet \pm to a point, said point being southwestern property corner of H. Leonard Ferguson; thence in an easterly direction a distance of 350 feet \pm following southern property line of H. Leonard Ferguson and crossing State Route 734 to a point, said point being in the eastern right-of-way of State Route 734; thence in a northerly direction following the eastern right-of-way of State Route 734 a distance of 50 feet to a point, said point being in the southern right-of-way of State Route 1076 and its junction with State Route 734; thence in an easterly direction along southern right-of-way of State Route 1076 a distance of 300 feet \pm to a point, said point being in the easterly property line of lot 46A fronting on State Route 734; thence in a southerly direction 600 feet \pm following the projection of said property paralleling State Route 734 a distance of 300 feet \pm and crossing U. S. Route 58 to a point said point being on the southern right-of-way of U. S. Route 58 and being 600 feet \pm west of the western right-of-way of State Route 734; thence in a westerly direction along the southern right-of-way of U. S. Route 58, a distance of 120 feet \pm to a point, said point being the northwest corner of property owned by Willy and Pauline Statzer; thence in a southerly direction 800 feet \pm along the property lines

of properties owned by Arthur and Patty Neal on the west and Lonnie and Ida Jackson, Walter and Rachael White, and William and Roberta Rodgers on the east, to a point, said point being the southwest corner of property owned by William and Roberta Rodgers; thence in an easterly direction along the southern property line of property owned by William and Roberta Rogers, a distance of 130 feet \pm to a point, said point being the northwest corner of property owned by James Harper; thence in a southerly direction 340 feet \pm along the western property line of James Harper to a point, said point being the southwest corner of property owned by James Harper; thence continuing in an easterly direction 540 feet \pm along the southern property line of property owned by James Harper to a point, said point being the western right-of-way of State Route 734; thence continuing in a southerly direction along the western right-of-way of State Route 734, a distance of 2,400 feet \pm to a point, said point being center of Cane Creek; thence in a westerly direction 5200 feet \pm up center of Cane Creek to a point, said point being the confluence of Long Branch; thence in a northwesterly direction 1,050 feet \pm up the center of Long Branch to a point, said point being 1,000 feet southeast of the eastern right-of-way of State Route 947; thence in a southwesterly direction 1,000 feet southeast of and parallel to the eastern right-of-way of State Route 947 and then the northeasterly right-of-way of State Route 989, a distance of 3,120 feet \pm to a point, said point being on the northeast right-of-way of State Route 947; thence in a northwesterly direction following said northeast right-of-way of State Route 947 to its junction with State Route 936; then continuing along the northeast right-of-way of State Route 936 and crossing State Route 989 for a total distance of 1,050 feet \pm to a point, said point being the northwestern right-of-way of State Route 989; thence in a southwesterly direction for a distance of 5850 feet \pm along the northwestern right-of-way of State Route 989,

crossing State Route 936, then crossing Hances Branch, and along northern boundary of property owned by Jerry and Sandra Echols, Luther and Mae Echols, the Danville Municipal Airport, Kenneth Echols to a point, said point being center of unnamed tributary to Dan River; thence continuing in a south-westerly direction down center of said unnamed tributary 3,900 feet \pm to its confluence with the Dan River; thence continuing in a southeasterly direction 4,800 feet \pm along the center of the Dan River to a point, said point being the Virginia - North Carolina State line; thence continuing in a westerly direction along the Virginia - North Carolina State line 37,000 feet \pm crossing Norfolk, Franklin, and Danville Railroads, State Routes 736, 86, 1123, 1156, Southern Railway, and U. S. Route 29 to a point, said point being 1,000 feet west of the centerline of U. S. Route 29 South; thence N 14° 00' E a distance of 1,700 feet \pm to a point, said point being a corner of the existing Danville corporation line; thence following the existing City of Danville Corporate Limit Line in an easterly and northerly direction to the point of beginning. All property owners named in this description are present or former owners of properties referred to herein. Parcel B contains 17.71 square miles, more or less, by digitizer measurement.

PARCEL C

Beginning at a point in the existing north-western corporation line of the City of Danville, said point being the intersection of the southern right-of-way of State Route 743 (Lima Road) and the western right-of-way of State Route 41 (Franklin Turnpike); thence continuing along the existing corporation line of the City of Danville as follows: in a southeasterly direction 450 feet \pm crossing Vicar Place to a point, said point being the intersection of the western right-of-way of the Southern Railway (Old 97) line and the western right-of-way of State Route 41; thence along the western right-of-way of said Southern Railway line and the rear property lines of the Shadowwood Park Subdivision 1430 feet \pm to a point; thence in an easterly direction 760 feet \pm to a point in the western right-of-way of State Route 41; thence along the western right-of-way of State Route 41 in a southeasterly direction 380 feet \pm crossing Annhurst Drive to a point; thence in an easterly direction 370 feet \pm crossing State Route 41 to a point; thence in a northerly direction along the rear of lots fronting on Kennon Drive 920 feet \pm to a point; thence in a southwesterly direction 190 feet \pm to a point; thence in a northwesterly direction 490 feet \pm to a point; thence in a southwesterly direction 50 feet \pm to a point; thence in a northwesterly direction 120 feet \pm to a point; thence in a southwesterly direction 360 feet \pm to a point; said point being in the eastern right-of-way of State Route 41; thence along said eastern right-of-way of State Route 41 in northwesterly direction 150 feet \pm crossing Altice Drive to a point; thence in a north-easterly direction along the northern right-of-way of Altice Drive 150 feet \pm to a point; thence continuing along Danville corporate boundary the following general courses and distances following the line of the Afton Hills Subdivision in a northwesterly direction 120 feet \pm to a point; thence in a northeasterly direction 20 feet \pm a point;

thence in a northerly direction 110 feet \pm to a point; thence in a southwesterly direction 250 feet \pm to a point; said point being in the eastern right-of-way of State Route 41; thence continuing with Danville corporate boundary and said line of Afton Hills Subdivision in a northwesterly direction 70 feet \pm along the eastern right-of-way of State Route 41 to a point; thence in a northeasterly direction 290 feet \pm to a point; thence in a northwesterly direction 210 feet \pm to a point; thence in a northeasterly direction 200 feet \pm to a point; thence in a northwesterly direction 260 feet \pm to a point; thence in a westerly direction 400 feet \pm to a point, said point being in the eastern right-of-way of Southern Railway line (Old 97) and being the northeastern property corner of property owned by D. D. Shelton, Jr. and A. K. Ferrell; and a point in the existing Danville corporation line; thence leaving the Danville corporation line and following along the northeastern property line of said Shelton and Ferrell property 300 feet \pm to a point; thence continuing along said property line in a westerly direction 50 feet \pm to a point, said point being in the eastern right-of-way of State Route 41; thence in a southeasterly direction along said eastern right-of-way of State Route 41 190 feet \pm to a point; thence in a southwesterly direction 60 feet \pm crossing State Route 41 to the point of beginning in the existing northwestern corporate line of the City of Danville. All property owners named in this description are present or former owners of properties referred to herein. This parcel contains .06 square miles more or less by digitizer measurement.

(b) It is ordered that the City forthwith cause the annexation area as described above to be surveyed and to be appropriately monumented. Upon completion of this directive, a copy of the survey description of the entire annexation line and a map reflecting the same shall be filed in the Clerk's Office of the Circuit Court of Pittsylvania County and in the Clerk's Office of the Circuit Court of the City of Danville to be recorded in the current plat books.

(c) The Court finds that the annexation area, when taken together with the present area of the City, forms a reasonably compact body of land and such area is adapted to City improvements and will be needed in the reasonably near future for development.

4. Terms and Conditions of Annexation

(a) Loss of Net Tax Revenue.

The City shall pay the County \$1,900,000 each year for five years, for an aggregate payment of \$9,500,000, as compensation for the County's prospective loss of net tax revenue because of the annexation of taxable values to the City. Each annual payment shall be made on or before each December 31 of the five successive years following the effective date of annexation.

(b) Assumption of Debt.

The City shall, as of the effective date of annexation, assume and provide for the reimbursement to the County of 23.5% of existing County indebtedness, which the Court determines to be a just proportion thereof. The Court finds that the existing County debt consists of the following obligations as projected to December 31, 1985:

<u>Description</u>	<u>Projected Balance December 31, 1985</u>
State Literary Fund Loan:	
Vocational Technical Center Loan Issue of September 15, 1978 (\$750,000 authorized; 3.00% interest rate; maturities 9/15/86 through 9/15/98)	\$ 487,500
Conditional Sales Agreement:	
Telephone System (\$139,724 authorized; 5.7% interest rate; maturities 1/15/86 through 2/15/89	\$ 95,282
General Obligation Bonds:	
Industrial Development Issue of November 1, 1985 (\$2,500,000 authorized; 5.75% to 9.00% interest rate; maturities 1/1/87 through 1/1/01	<u>\$2,500,000</u>
Total Debt	\$3,082,782

The City shall not be required to assume any portion of the County's unfunded past service liability to

the Virginia Supplemental Retirement System or any portion of the County's accrued vested unused sick leave or accrued vested vacation pay.

The City shall not by these proceedings incur any obligation to any creditors of the County as a result of the debt assumption provided for herein, but shall pay to the Treasurer of the County, not less than ten days before the maturity date of each installment in respect to which payment is required, cash sums equal to 23.5% of each installment of principal falling due after the effective date of annexation and of interest which may accrue thereon after said date, under the terms of the various bonds and loans described above. The County shall provide to the City a schedule of the payments to be made by the City pursuant to this provision.

(c) Compensation for Public Improvements.

i. Schools

The City shall pay the County, on or before June 15 following the effective date of annexation, compensation for the following school facilities hereby ordered to be transferred to the City:

Coates Elementary School	\$ 504,000
Glenwood Elementary School	<u>682,500</u>
Total	\$1,186,500

Title to such school facilities as more particularly described in City Exhibits 95 and 96 (including land, buildings, improvements, and mobile classroom units) shall automatically vest in the City on June 15 following the effective date of annexation provided payment therefor has been made as set forth above. Until the date of transfer of such school facilities, the County shall maintain the same in their present state of repair and condition at the County's cost and expense and shall not, prior to the transfer thereof to the City, make or contract to make any permanent improvements or additions to such schools without the prior written consent of the City.

ii. Classroom and Cafeteria Equipment

As stipulated by the parties, the Court finds that the present value of school classroom equipment and school cafeteria equipment hereby ordered to be transferred to the City on June 15 following the effective date of annexation is as follows:

Coates Elementary School

Classroom Equipment	\$ 20,390
Cafeteria Equipment	<u>38,510</u>
	\$ 58,900

Glenwood Elementary School

Classroom Equipment	\$ 23,522
Cafeteria Equipment	<u>47,785</u>
	\$ 71,307

Total	\$130,207
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All such equipment to be transferred to the City is described on the County's detailed inventory appraisal thereof, a copy of which shall be filed with the Clerk of Court. The City at its expense may mark or otherwise identify such equipment to enable identification on the date of transfer of such items. The City shall pay compensation to the County for such equipment on or before June 15 following the effective date of annexation in a sum equal to its present value, as set forth above, less depreciation in the amount of 5% of such figure per year from December 21, 1985 until paid. The amount of such compensation shall be further reduced by the value, as shown on the County's inventory appraisal, of any such equipment which is not available to be transferred to the City on June 15 following the effective date of annexation.

iii. Library Books and Textbooks

The City shall further compensate the County on or before June 15 following the effective date of annexation for the school library books and textbooks hereby ordered to be transferred as of that date to the City, in the amount hereafter described:

Library Books

	<u>Value</u>
Coates Elementary School (8,048 volumes)	\$ 4,647
Glenwood Elementary School (5,785 volumes)	<u>16,702</u>
Total	\$ 21,349

Textbooks

Coates Elementary School (4,625 volumes)	\$ 15,422
Glenwood Elementary School (3,165 volumes)	<u>10,177</u>
Total Compensation	\$25,599

The City may prepare at its expense an inventory of all such library books, which may be marked during the taking of such inventory so as to enable identification on the date of transfer of such books to the City. The City may also at its expense mark such textbooks, which are listed on the inventory thereof (Attachment A hereto), to

enable identification on the date of transfer of such books to the City.

The compensation to be paid ~~by the~~ City for such library books shall be reduced by a pro rata amount for the number of books, if any, which are not available to be transferred to the City on June 15 following the effective date of annexation. The compensation to be paid by the City for such textbooks shall also be reduced by an amount equal to the present value, as calculated by reference to Attachment A, of those textbooks, if any, which are not available to be transferred to the City on June 15 following the effective date of annexation.

iv. School Buses

The County shall transfer to the City on or before June 15 following the effective date of annexation, and upon payment therefor provided herein, title to the school buses described on County Exhibit 27, except for those buses which the County wishes to retain for use in connection with the transportation of students to the Mt. Hermon Elementary School or other schools that are beyond the area ordered to be annexed.

The Court finds that the present value of each of the County school buses listed on County Exhibit 27 is as follows:

<u>School Bus No.</u>	<u>Value</u>
63	\$ 3,400
64	3,200
65	4,300
66	4,400
67	3,800
68	3,000
69	3,000
70	4,450
71	5,000
72	4,200
73	5,000
74	4,350
77	4,200
78	4,200
79	3,600
80	3,800
81	3,800
82	3,750
83	4,900
84	4,800

The City shall pay the County compensation, on or before June 15 following the effective date of annexation, for each school bus to be transferred to the City in an amount equal to its present value as set forth above, less depreciation in the amount of 2% of such figure per month from December 21, 1985 until paid.

v. Solid Waste Compactors

On or before the effective date of annexation, the City shall pay the County compensation in the total amount of \$4,380 for rental payments which the County will remain obligated to make for solid waste compactor sites located within the area to be annexed.

(d) Interim School Attendance.

After the effective date of annexation and until the end of the school year in which annexation becomes effective, the County shall continue to furnish school accommodations, instruction, and transportation to all pupils residing within the area to be annexed. The City shall reimburse the County for providing such accommodations, instruction, and transportation to pupils residing in the annexation area during such interim period on the basis of the County's local cost per pupil in average daily membership (excluding expenditures for capital outlay but including debt service except the debt service assumed by the City) to operate the County school system during the applicable period. Local costs are specifically defined to exclude all state and federal funding including the state sales tax distributed to localities for educational purposes. The County shall be entitled to receive all such state and federal funds paid for or attributed to such students for said period of time.

It is further ordered that during the first full school year (1987-88) after the effective date of annexation high school seniors residing in the annexation area shall have the option of attending City schools or of completing their high school education in their respective County schools. The County shall not be required to furnish transportation for such students. For those pupils who so elect to attend County

schools, the City shall continue to reimburse the County on the same basis set forth above, except that the City shall not be required to compensate the County for any share of the County's costs for transportation of pupils. The County shall be entitled to receive all state and federal funds paid for or attributed to such students for said period of time. With respect to state sales tax distributed on the basis of school age population, the County shall receive for each such senior attending County schools a sum equal to the amount of sales tax distributed per school age child for the applicable period.

(e) Services to the Annexation Area.

Upon the effective date of annexation, the City shall extend its municipal services to the annexation area and said territory shall be governed, managed, and controlled under and pursuant to the terms and provisions of the City's charter and shall in every respect be a part of the City and so governed.

In order to meet the present service needs of the annexation area, the City shall employ additional personnel and shall acquire equipment substantially in accordance with the testimony of City witnesses and City Exhibits.

(f) Capital Improvements Within
The Annexation Area.

In order to meet the needs of the area ordered to be annexed and to bring such area up to a standard equal to that of the remainder of the City, the City shall cause the capital improvements set forth below to be installed in accordance with the testimony of City witnesses.

i. Sewer Improvements

The City shall construct the sewer facilities listed on City Exhibit 56 (Attachment B hereto) and depicted on City Map Exhibit D-20 which lie within the territory ordered to be annexed to the City, except the facilities proposed in those areas that lie within the service territory of the County and the Authority as established in the 1972 Water and Sewer Agreement, as amended, between the City, the County, and the Authority (the "Agreement"). The facilities shall be constructed in accordance with the schedule shown on City Exhibit 56.

The City shall not be required to construct those sewer facilities shown on City Map Exhibit D-20 that are beyond the boundaries of the area ordered to be annexed.

The City shall further construct those sewer facilities needed within those portions of the Bradley Road area lying generally to the east of the existing City limits which lie within the City's service area as described in the Agreement.

ii. Water Improvements

The City shall construct the water facilities listed on City Exhibit 55 (Attachment C hereto) and depicted on City Map Exhibit D-15 which lie within the area ordered to be annexed to the City, except the facilities proposed in those areas that lie within the service territory of the County and the Authority as established in the Agreement. The facilities shall be constructed in accordance with the schedule shown on City Exhibit 55.

The City shall not be required to construct those water facilities shown on City Map Exhibit D-15 that are beyond the boundaries of the area ordered to be annexed.

The City shall further construct those water facilities needed within the Bradley Road area lying generally to the east of the existing City limits which are located within the City's service area as described in the Agreement.

iii. Fire Protection Improvements

The City shall construct two fire stations within the annexation area to be located along Route 58 in the Westover area and along Route 58 in the Glenwood area, in the general vicinity of the locations shown on City Map Exhibit D-21. The stations shall be constructed within four years after the effective date of annexation.

The City shall relocate its present fire station number four to the general vicinity of the relocated station shown on City Map Exhibit D-21 by the end of the seventh year following the effective date of annexation. Because of the deletion of the Mt. Hermon area from the territory ordered to be annexed herein, the City shall not be required to relocate its fire station number five as shown on City Map Exhibit D-21.

In accordance with the recommendation by the Commission on Local Government, the City shall endeavor to develop a working relationship with the Westover Hills Volunteer Fire Department and a program with the County for mutual aid with respect to fire services.

iv. Park and Recreational Facilities

Within four years after the effective date of annexation, the City shall construct or provide those park and recreational facilities described on City Exhibit 61, a copy of which is Attachment D hereto.

Because of the deletion of the Mt. Hermon area from the territory ordered to be annexed herein, the City shall not be required to construct the large park proposed to be located in that area north of the existing City boundaries.

v. Library Facilities

Within four years after the effective date of annexation, the City shall construct a branch library to serve the Westover Hills area as described on City Exhibit 62, a copy of which is Attachment E hereto.

Because of the deletion of the Mt. Hermon area from the territory ordered annexed herein, the City shall not be required to construct the branch library proposed to be located in that area north of the existing City boundaries.

vi. Road and Street Improvements

The City shall make improvements to the roads and streets described on City Exhibit 63 (Attachment F hereto) which are located within the area ordered to be annexed to the City. Such improvements are depicted generally on City Map Exhibit D-29 and shall be completed in accordance with the schedule shown on City Exhibit 63.

The City shall not be required to make improvements to those roads shown on City Map Exhibit D-29 that are beyond the boundaries of the area ordered to be annexed.

The City shall further make such improvements as are necessary within the Bradley Road area lying generally to the east of the existing City limits to bring such roads up to City standards.

vii. Street Lighting Improvements

Within four years after the effective date of annexation, the City shall install or cause to be installed those street lights depicted generally on City Map Exhibit D-25 for those streets and roads lying within the area ordered to be annexed.

The City shall also install or cause to be installed street lights within the Bradley Road area lying generally to the east of the existing City limits, so as to provide street lighting in said areas according to City standards.

viii. School Improvements

The City shall construct or make other provisions for such additional school buildings and other school facilities, if any, as are necessary to educate the additional pupils residing in the annexation area after the school session ending in June, 1987, consistent with the standards of quality education maintained by the City and required by the State Board of Education and the Commonwealth of Virginia. The City shall also employ such additional school personnel as will be necessary to maintain such educational standards.

(g) 1972 Water and Sewer Agreement.

Upon consideration of the City's request that the Court modify the Agreement with respect to the service areas described therein, the Court is of the opinion that such contractual rights are not appropriate for modification or adjustment in this proceeding, and accordingly it denies the City's request.

(h) Use Value Assessment and Taxation.

The City shall adopt an ordinance to provide for use value assessment and taxation of real estate pursuant to Article 4, Chapter 32 (§ 58.1-3229 et seq.) of Title 58.1 of the Code of Virginia (1950), as amended, and to be effective during the City's first tax year following the effective date of the annexation ordered herein and for a period of not less than ten years.

5. Reproduction of Records

To facilitate the orderly transfer of governmental functions for the area ordered herein to be annexed, the County shall, upon the City's request and at a reasonable time and place, make available all tax records for the most recent year, including but not limited to maps, computer tapes, real estate cards, tax returns for personal property and machinery and tools, and mobile home identification and ownership data, as they relate to the annexation area, for reproduction or copying by the City at no cost to the County.

6. Certification of Real Estate

The Clerk of the Circuit Court of the County shall forthwith make from the land books and certify to the Director of Real Estate Assessment of the City a list of all real estate within the annexed area as provided in § 15.1-1052 of the Code of Virginia (1950), as amended, together with the related tax assessment maps showing the location of each parcel in such form as may be correlated with the land book data for the annexation territory, for which service he shall be paid by the City the fees allowed by law for similar services.

7. Copies of Decree

The Clerk of the Circuit Court of Pittsylvania County is ordered and directed to send a certified copy of this Order to the Secretary of the Commonwealth, to the Auditor of Public Accounts of the Commonwealth of Virginia, to the Comptroller thereof, to the State Corporation Commission, to the Department of Taxation of the Commonwealth of Virginia, to the Department of Planning and Budget of the Commonwealth of Virginia, to the United States Department of Treasury, and to the Bureau of the Census of the U. S. Department of Commerce, in order that such allocation of state and federal funds of various kinds to

the City or the County as may be affected by the annexation to the City of the territory herein described may be revised in accordance with law on and after the effective date of this Order.

8. Payment of Costs

The City shall pay the costs of this proceeding in this Court pursuant to § 15.1-1045 of the Code of Virginia (1950), as amended, including the per diem charges and expenses of the court reporter, and the expenses incurred by the Court for secretarial services in connection with the preparation of its opinion in an amount to be fixed by the Office of the Executive Secretary of the Supreme Court based upon vouchers submitted by the Court.

9. Effective Date of the Order

The annexation hereby ordered shall become effective at midnight on December 31, 1986. All County taxes assessed within the territory hereby ordered to be annexed for any year prior to the effective date of the annexation shall be paid to the County.

10. Objections and Exceptions

The County, by counsel, and the intervenors, by counsel, duly objected and excepted to all adverse rulings and actions of the Court in granting the aforesaid annexation and the terms and conditions thereof.

11. Suspension

The County, by counsel, having indicated its intention to seek an appeal from this order and having moved the Court to suspend the operation thereof, it is further ordered that execution of this order be suspended so long as the County timely prosecutes an appeal and so long as the matter is under consideration by the Supreme Court.

12. Adjournment

It is ordered that this Court be adjourned, but not dissolved, subject to being reconvened in the matter provided by law at any time during a period of ten years from the effective date of this Order.

Entered this 7 day of May, 1986.

[REDACTED]
Kenneth E. Trabue, Judge

[REDACTED]
J. M. H. Willis, Jr. Judge

[REDACTED]
Willard I. Walker, Judge

A Copy, Teste:

H. Haymore, Jr., Clerk

[REDACTED]
Deputy

Attachment A

Inventory of Pittsylvania County School
Textbooks to be Transferred to the
City of Danville

<u>Title</u>	<u>Unit Cost</u>	<u>Coates School</u>		<u>Glenwood School</u>	
		<u>No. Books</u>	<u>Cost</u>	<u>No. Books</u>	<u>Cost</u>
Our School.....	\$ 5.46	83	\$ 453.18	51	\$ 278.46
Our Neighborhoods.....	6.00	93	558.00	50	300.00
Our Communities.....	6.50	77	500.50	49	318.50
Our People.....	7.50	77	577.50	54	405.00
Our Country.....	8.68	89	772.52	45	390.60
Our World.....	8.68	82	711.76	69	598.92
Animal Crackers Kit.....	449.95	2	899.90	1	449.95
Little Dog Laughed.....	3.18	82	260.76	47	149.46
Fish and Not Fish.....	3.18	63	200.34	48	152.64
Inside My Hat.....	3.18	64	203.52	68	216.24
Birds Fly, Bears Don't.....	6.78	67	454.26	76	515.28
Across the Fence.....	7.21	93	670.53	55	396.55
Glad To Meet You.....	7.84	55	431.20	56	439.04
Give Me A Clue.....	7.84	69	540.96	50	392.00
Mystery Sneaker.....	8.43	72	606.96	46	387.78
Ten Times Round.....	8.43	91	767.13	40	337.20
Barefoot Island.....	10.60	96	1,017.60	66	699.60
Ride the Sunrise.....	10.71	114	1,220.94	74	792.54
Flights of Color.....	10.97	104	1,140.88	64	702.08
Green Salad Seasons.....	12.14	96	1,165.44	38	461.32
Chains of Light.....	12.14	56	679.84	-	-
America: Its People & Values.....	18.30	75	1,372.50	57	1,043.10
Health Math.....	8.51	73	621.23	47	399.97
Health Math.....	8.51	79	672.29	69	587.19
Health Math.....	8.51	83	706.33	68	578.68
Health Math.....	8.51	83	706.33	60	510.60
Health Math.....	9.79	85	832.15	26	254.54
Accent on Science.....	5.81	67	389.27	50	290.50
Accent on Science.....	6.12	72	440.64	53	324.36
Accent on Science.....	6.49	71	460.79	44	285.56
Accent on Science.....	7.17	76	544.92	47	336.99
Accent on Science.....	7.73	83	641.59	50	386.50
Accent on Science.....	8.03	80	642.40	68	546.04
Focus on Life Science.....	11.28	85	958.80	62	699.36
You and Your Health.....	5.93	50	296.50	25	148.25
You and Your Health.....	6.39	50	319.50	23	146.97
You and Your Health.....	7.11	46	327.06	23	163.53
You and Your Health.....	7.11	80	568.80	64	455.04
You and Your Health.....	7.43	84	624.12	47	349.21
You and Your Health.....	7.43	75	557.25	88	653.84

<u>Title</u>	<u>Unit Cost</u>	<u>Coates School</u>		<u>Glenwood School</u>	
		<u>No. Books</u>	<u>Cost</u>	<u>No. Books</u>	<u>Cost</u>
You and Your Health.....	8.62	76	655.12	40	344.80
Creative Growth With Handwriting....	2.49	71	176.79	50	124.50
Creative Growth With Handwriting....	2.49	66	164.34	62	154.38
Creative Growth With Handwriting....	2.49	73	181.77	24	59.76
Creative Growth With Handwriting....	2.49	65	161.85	48	119.52
Creative Growth With Handwriting....	2.49	76	189.24	50	124.50
Creative Growth With Handwriting....	2.49	81	201.69	68	169.32
Creative Growth With Handwriting....	2.49	80	199.20	55	136.95
Silver Burdett English.....	10.65	75	798.75	50	532.50
Silver Burdett English.....	10.65	75	798.75	50	532.50
Silver Burdett English.....	11.75	58	681.50	50	587.50
Silver Burdett English.....	11.75	83	975.25	60	705.00
Silver Burdett English.....	11.50	75	862.50	60	690.00
Spell Correctly.....	7.37	65	479.05	52	383.24
Spell Correctly.....	7.37	76	560.12	50	368.50
Spell Correctly.....	7.37	65	479.05	48	353.76
Spell Correctly.....	7.37	79	582.23	51	375.87
Spell Correctly.....	7.37	81	596.97	74	545.38
Spell Correctly.....	7.37	83	611.71	55	405.35
Virginia History and Geography.....	10.60	65	689.00	50	530.00
Virginia History and Government.....	8.30	75	622.50	57	473.10
The Story of Virginia.....	3.70	60	<u>222.00</u>	43	<u>159.10</u>
Totals.....			<u>\$36,405.57</u>		<u>\$24,418.92</u>

Total Present Day Value-2.55 Years of 6 Year Average Life or 42.5% Cost.

DANVILLE EXHIBIT NO. 50

Sewer Improvements Proposed by the City of Danville in the Annexation Area

<u>Project Location</u>	<u>Line Size</u>	<u>Line Length</u>	<u>Priority 1 (1-4)</u>	<u>Priority 2 (4-7)</u>	<u>Priority 3 (7-10)</u>	<u>Total</u>
Westover Hills	8"	24,600	\$ 677,310			\$ 677,310
	8 "	14,160		389,860		389,860
<u>Subtotal</u>			<u>\$ 677,310</u>	<u>\$ 389,860</u>		<u>\$1,067,170</u>
Mt. Hermon	8"	52,000	\$1,431,720			\$1,431,720
	10"	5,920	173,020			173,020
	15"	5,280	197,940			197,940
	18"	15,500	713,880			713,880
	8"	23,600		\$ 649,780		649,780
6" Force Main	7,040			162,900		162,900
4" Force Main	960			21,870		21,870
2 Pump Sta.	N/A			150,000		150,000
<u>Subtotal</u>			<u>\$2,516,560</u>	<u>\$ 984,550</u>		<u>\$3,501,110</u>
South Danville	8"	29,000			\$ 798,460	\$ 798,460
<u>Subtotal</u>					<u>\$ 798,460</u>	<u>\$ 798,460</u>
Agreement Area A Old Mt. Cross Rd.	8"	1,600		\$ 40,050		\$ 40,050
<u>Subtotal</u>				<u>\$ 40,050</u>		<u>\$ 40,050</u>
Agreement Area B Beaver Mill Rd.	8"	4,350			\$ 108,880	\$ 108,880
Landsdale St.	8"	2,200			55,070	55,070
<u>Subtotal</u>					<u>\$ 163,950</u>	<u>\$ 163,950</u>
Agreement Area C Franklin TnPk.	8"	2,000	\$ 50,060			\$ 50,060
<u>Subtotal</u>			<u>\$ 50,060</u>			<u>\$ 50,060</u>
Agreement Area D Wren Dr.	8"	3,525			\$ 88,230	88,230
<u>Subtotal</u>					<u>\$ 88,230</u>	<u>\$ 88,230</u>
GRAND TOTAL			<u>\$3,243,930</u>	<u>\$1,414,460</u>	<u>\$1,050,640</u>	<u>\$5,709,030</u>

Source: City of Danville, Wiley & Wilson.

Water Improvements Proposed by the City of
Danville in the Annexation Area

<u>Description</u>	<u>Line Size</u>	<u>Line Length</u>	<u>Priority 1 (1-4)</u>	<u>Priority 2 (4-7)</u>	<u>Priority 3 (7-10)</u>	<u>Grand Total (1-10 Years)</u>
Route 265 By Pass (Route 29 to Route 86)	12"	18,600'		\$ 972,036		\$ 972,036
Williamson Road Area	6" 8"	2,200' 1,900'		60,554 66,462		127,016
Route 730	12"	6,800'			355,368	355,368
Route 265 (Route 58- Route 737)	12"	8,400'			438,984	438,984
South Danville	6" 8" 12"	7,360' 21,600' 2,400'			202,547 755,568 125,424	1,083,539
Route 265 (Route 730 to Route 360)	12"	4,300'			224,718	224,718
			- 0 -	\$1,099,052	\$2,102,609	\$3,201,661

Source: City of Danville, Wiley & Wilson.

DANVILLE EXHIBIT NO. 61

Parks and Recreation - Additional
Employees and Facilities Proposed
by the City

Recreation /Community Center

(Coates Elementary School)

(Priority: 1-4 yrs.)

Purchase of School	\$504,000
development cost	\$125,000

Employees:

Recreation Center Supervisor II	1
Laborer	.5
part-time personnel	3

Equipment:

recreational equipment	\$ 16,000
automobile	8,000
	<u>\$653,000</u>

Recreation Center/Community School

(Glenwood Elementary School)

(Priority: 1-4 yrs.)

development cost	\$125,000
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Employees:

Recreation Center Supervisor II	1
Laborer	.5
part-time personnel	3

Equipment:

recreational equipment	\$ 16,000
automobile	8,000
	<u>\$149,000</u>

Large Park North of River

development cost (local)

(Priority: 4-7 yrs.)

(Priority: 7-10 yrs.)

\$200,000

\$200,000

Equipment:

recreational equipment (4-7 yrs.)	\$ 16,000
	<u>\$416,000</u>

DANVILLE EXHIBIT NO. 62

Library - Additional Employees
and Facilities Proposed by the City

Branch Library - Westover Hills (Priority: 1-4 yrs.)	\$500,000
Employees: Library Assistant II Library Assistant I	
Book Van (Priority: 1-4 yrs.)	\$ 16,000
Employee: Custodian/courier	
Branch Library - North Danville (Priority: 4-7 yrs.)	\$500,000
Employees: Library Assistant II Library Assistant I	

Road Improvements Proposed by the City of Danville in the Annexation Area

	<u>From</u>	<u>To</u>	<u>Length (Miles)</u>	<u>1-4 Yrs.</u>	<u>Priority 4-7 Yrs.</u>	<u>7-10 Yrs.</u>	<u>Total</u>
Improvements to Thoroughfare System (City Share of VDH&T Projects)							
(1) Beaver Mill Rd. (Rte. 724)	W.C.L. Danville	Long Creek	0.57			\$ 26,100	\$ 26,100
(2) Elizabeth St. (Rte. 1128)	S.C.L. Danville	Route 1123	1.00			160,350	150,350
(3) Franklin Tpk. (Rte. 41)	N.C.L. Danville	0.69 Mi. N	0.69		\$ 37,000		37,000
(4) Holland Rd. (Rte. 1123)	Va. - N.C. Line	Rte. 1128	0.14			10,600	10,600
(5) Franklin Tpk. (Rte. 41)	.69 Mi.N.N.C.L.	1.30 Mi. N	0.61			32,700	32,700
Sub-Total (City's Share of \$5,335,000)					\$ 37,000	\$229,750	\$ 266,750
Improvements to Collector Road System							
(1) Rte. 655 (Halifax Rd.)	Fall Crk.	Rte. 729	2.60	\$182,000			\$ 132,000
(2) Rte. 655 (Halifax Rd.)	Rte. 729	Rte. 734	2.00	140,000			140,000
(3) Rte. 1239 (Old Halifax Rd.)	Rte. 58	Rte. 655	0.53	37,100			37,100
(4) Rte. 736 (Luna Lake Rd.)	Rte. 737	Rte. 737	1.60			\$112,000	112,000
(5) Rte. 1120 (Luna Lake Rd.)	S.C.L. Danville	Rte. 1123	1.31	91,700			91,700
(6) Rte. 1123 (Holland Rd.)	S.C.L. Danville	Rte. 1159	1.10	77,000			77,000

	<u>From</u>	<u>To</u>	<u>Length (Miles)</u>	<u>Priority</u>			<u>Total</u>
				<u>1-4 Yrs.</u>	<u>4-7 Yrs.</u>	<u>7-10 Yrs.</u>	
(7) Rte. 743 (Lima Rd.)	Little Sandy Crk	Rte. 1514	0.40	28,000			28,000
(8) Rte. 719	Rte. 41	Fall Crk.	0.90			71,400	71,400
(9) Rte. 744	Rte. 41	Rte. 719	0.40			28,000	28,000
(10) Rte. 1622 (Blair Loop Rd.)	Rte. 51	Rte. 1623	1.15			80,500	80,500
Sub-Total				\$555,800		\$291,900	\$ 847,700

Improvements to Local
Road System

(1) Rte. 1208 (Lynch St.)	Rte. 655	End	0.26	\$ 18,200		\$ 18,200
(2) Rte. 1205 (Lexington Ave.)	Rte. 655	End	0.50	35,000		35,000
(3) Rte. 1221 (Scott St.)	Rte. 655	End	0.04	2,800		2,800
(4) Rte. 1212 (Cardwell St.)	Rte. 655	End	0.12	8,400		8,400
(5) Rte. 1209 (Gilbert St.)	Rte. 655	End	0.20	14,000		14,000
(6) Rte. 1206 (Oakland Ave.)	Rte. 655	Rte. 58	0.23	16,100		16,100
(7) Rte. 1202 (Kent St.)	Rte. 655	Rte. 58	0.13	9,100		9,100
(8) Rte. 1203 (Elwood Ave.)	Rte. 1202	Rte. 58	0.16	11,200		11,200
(9) Rte. 1211 (Eastlawn Ave.)	Rte. 1203	End	0.03	2,100		2,100

	<u>From</u>	<u>To</u>	<u>Length (Miles)</u>	<u>Priority</u>			<u>Total</u>
				<u>1-4 Yrs.</u>	<u>4-7 Yrs.</u>	<u>7-10 Yrs.</u>	
(10) Rte. 1201 (Haymore St.)	Rte. 50	End N	0.32		22,400		22,400
(11) Rte. 1201 (Eastwood Dr.)	Rte. 58	End S	0.45		31,500		31,500
(12) Rte. 1206 (Hillcrest Ave.)	Rte. 58	Rte. 1201	0.17		11,900		11,900
(13) Rte. 1204	Rte. 655	Rte. 1201	0.07		4,900		4,900
(14) Rte. 1223 (Wheat St.)	Rte. 1224	End	0.30		21,000		21,000
(15) Rte. 1224 (Williamson Rd.)	0.08 Mi. S. Rte. 1222	End	0.42		29,300		29,300
(16) Rte. 1236	Rte. 58	Rte. 58	0.40		28,000		28,000
(17) Rte. 1161 (Brookside St.)	0.06 Mi. N. Rte. 1160	0.02 Mi. S. Rte. 1160	0.07		4,900		4,900
(18) Rte. 1143	Rte. 1128	End	0.10		7,000		7,000
(19) Rte. 1158	Rte. 1128	End	0.20		14,000		14,000
(20) Private Road	Rte. 1120	End	0.60		41,600		41,600
(21) Rte. 1632	Rte. 1631	End	0.15		10,500		10,500
(22) Rte. 1631 (Woodlawn Dr.)	Rte. 1641	End	0.50		35,000		35,000
(23) Rte. 1628 (Spring Ave.)	Rte. 58	0.24 Mi. N. Rte. 58	0.24		16,800		16,800
(24) Rte. 1616 (James Rd.)	0.07 Mi. S. Rte. 1650	End	0.35		24,500		24,500
(25) Rte. 1121 (Old Yanceyville Rd.)	Rte. 1174	Rte. 86	0.50		35,000		35,000

	<u>From</u>	<u>To</u>	<u>Length (Miles)</u>	<u>Priority</u>			<u>Total</u>
				<u>1-4 Yrs.</u>	<u>4-7 Yrs.</u>	<u>7-10 Yrs.</u>	
(26) Rte. 1164	Rte. 737	Rte. 737	0.47		32,900		32,900
(27) New Ingram Rd. Ext.	W.C.L. Danville	0.10 Mi. W	0.10		7,000		7,000
Sub-Total					\$495,100		\$ 495,100
Signals and Pavement Markings				\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000
TOTAL				\$605,800	\$582,100	\$571,650	\$1,759,550

Source: City of Danville, Wiley & Wilson.

A Copy, Teste:

H. F. Haymore, Jr., Clerk

Deputy Clerk

VITA