

**Report on the
Town of Windsor - County of Isle of Wight
Voluntary Settlement Agreement**



**Commission on Local Government
Commonwealth of Virginia**

August 2000

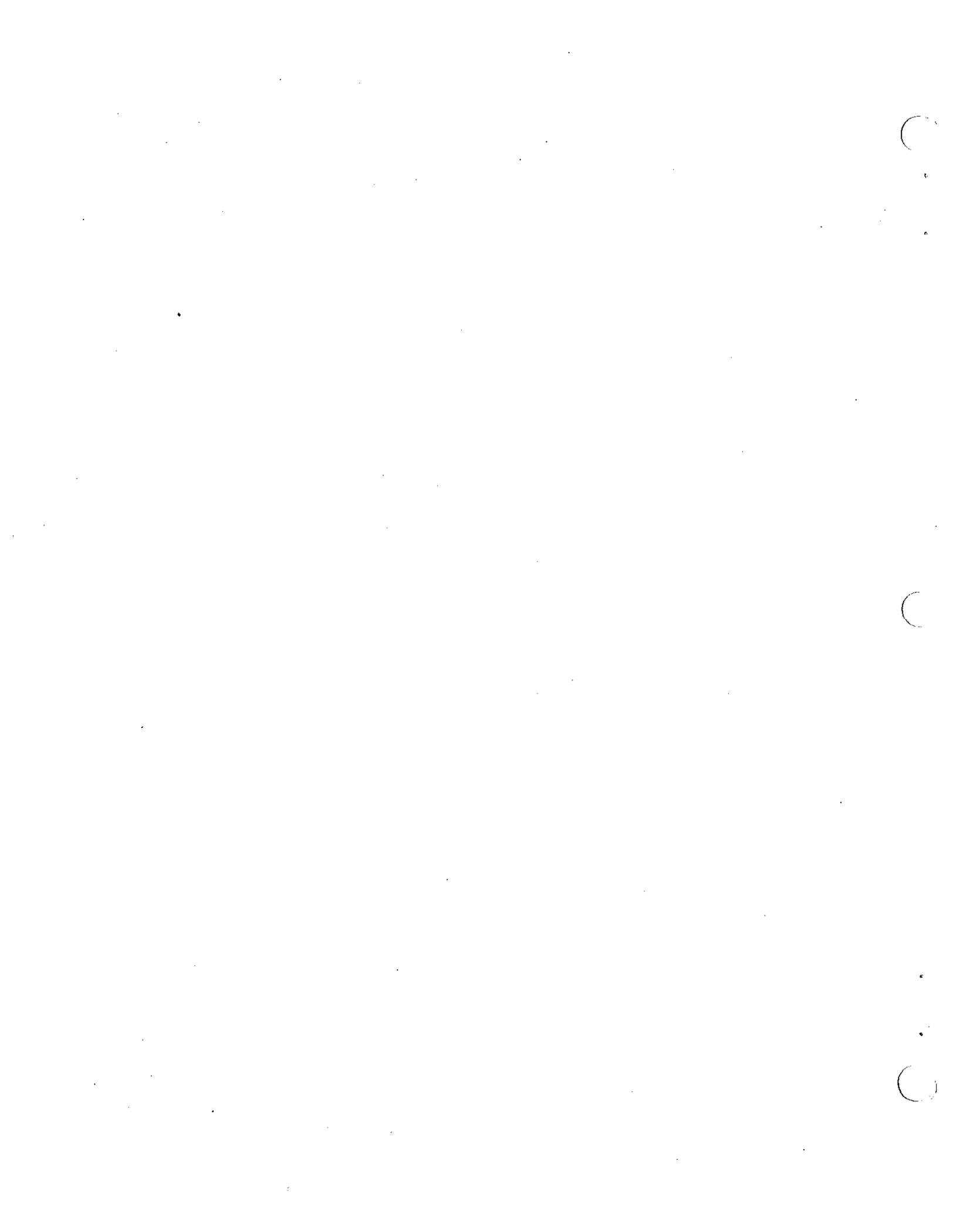


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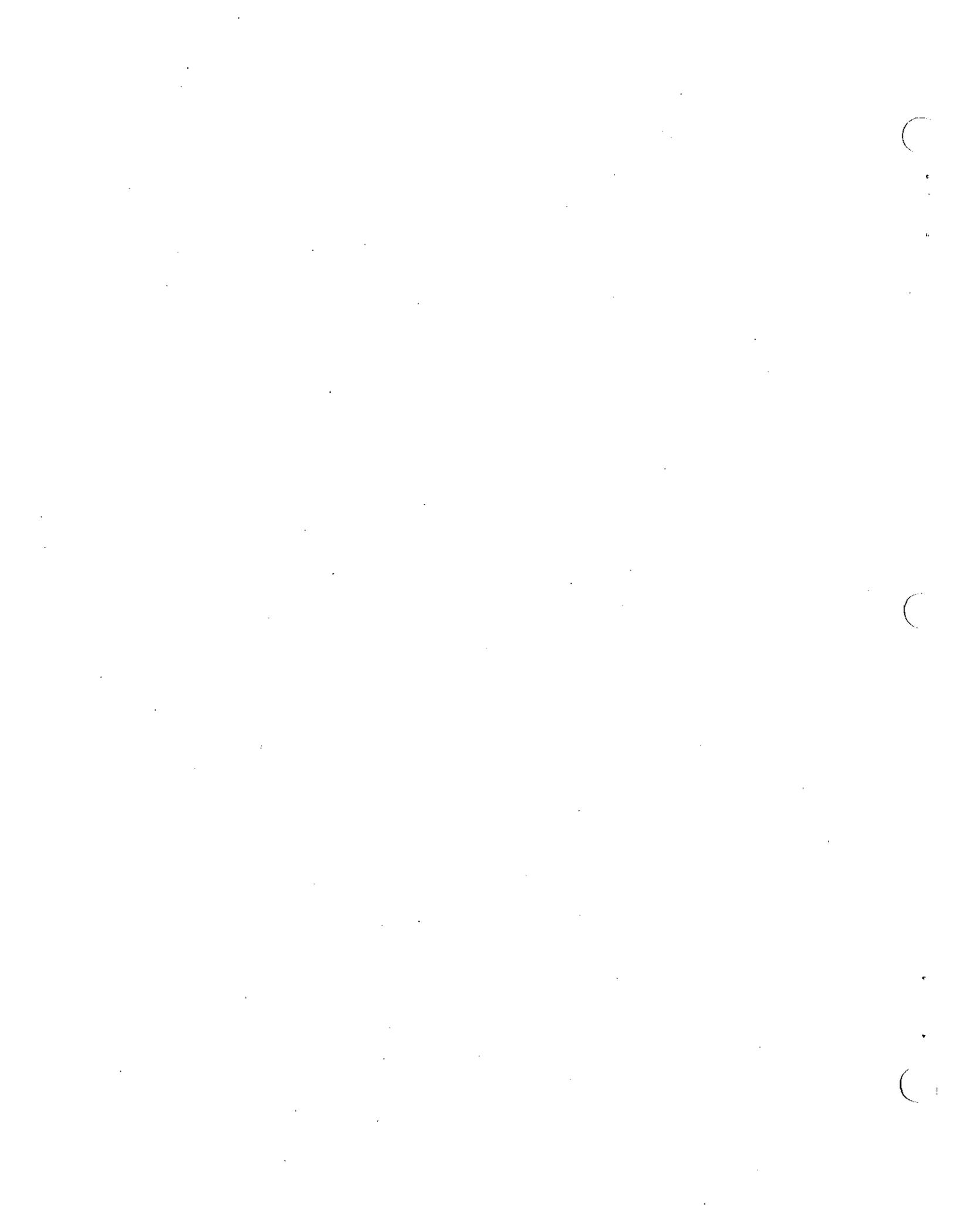
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**REPORT ON THE
TOWN OF WINDSOR - COUNTY OF ISLE OF WIGHT
VOLUNTARY SETTLEMENT AGREEMENT**

PROCEEDINGS OF THE COMMISSION

On January 21, 2000 the Town of Windsor and the County of Isle of Wight submitted to the Commission on Local Government for review a proposed voluntary settlement agreement negotiated by the two jurisdictions under the authority of Section 15.2-3400 of the Code of Virginia.¹ Consistent with the Commission's Rules of Procedure, the joint submission was accompanied by data and materials supporting the proposed agreement. Further, and in accordance with the Commission's rules, the Town and County concurrently gave notice of the proposed agreement to 23 other political subdivisions with which they were contiguous or with which they shared functions, revenues, or tax sources.² The proposed agreement contains provisions which would (1) grant the Town an annexation of 2.82 square miles of territory in Isle of Wight County, (2) establish a moratorium on further Town-initiated annexations for a period of ten years subsequent to the effective date of the annexation, (3) require the Town to share with the County a portion of the consumer utility tax revenues it derives from the area proposed for annexation, (4) transfer ownership to the Town of certain County water facilities in the area proposed for annexation, and (5) engage the Town and County in a collaborative planning effort.³

In conjunction with its review of the proposed settlement, on March 13, 2000 the Commission toured relevant sections of the Town of Windsor

¹Town of Windsor and County of Isle of Wight, **Notice by the Town of Windsor and Isle of Wight County of a Voluntary Settlement Agreement** (hereinafter cited as **Joint Notice**).

²Commission on Local Government, **Rules of Procedure**, Rule 3.8.

³**Voluntary Settlement Agreement Between the Town of Windsor and the County of Isle of Wight** (hereinafter cited as **Settlement Agreement**). See **Appendix A** for the complete text of the **Settlement Agreement**.

and Isle of Wight County and met in Windsor to receive oral testimony from the two jurisdictions in support of the agreement. In addition, the Commission held a public hearing, advertised in accordance with Section 15.2-2907(B) of the Code of Virginia, on the evening of March 13, 2000 at the Windsor High School for the purpose of receiving citizen comment. The public hearing was attended by approximately 70 persons and produced testimony from 10 individuals. In order to permit receipt of additional public comment, the Commission agreed to keep open its record for written submissions through March 27, 2000.

SCOPE OF REVIEW

The Commission on Local Government is directed by law to review negotiated interlocal agreements, such as the one currently before us, prior to their presentation to the courts for ultimate disposition. Upon receipt of notice of such a proposed agreement, the Commission is directed "to hold hearings, make investigations, analyze local needs" and to submit a report containing findings of fact and recommendations regarding the issue to the affected local governments.⁴ With respect to a proposed agreement negotiated under the authority of Section 15.2-3400 of the Code of Virginia, the Commission is required to determine in its review "whether the proposed settlement is in the best interest of the Commonwealth."

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

⁴Sec. 15.2-2907(A), Code of Va.

their compatibility with applicable statutory standards. The Commission notes, however, that the General Assembly has decreed that interlocal agreements negotiated under the authority of Section 15.2-3400 of the Code of Virginia shall be reviewed by this body prior to their final adoption by the local governing bodies. We are obliged to conclude, therefore, that while interlocal agreements are due respect and should be approached with a presumption of their consistency with statutory standards, such respect and presumption cannot be permitted to render our review a pro forma endorsement of any proposed settlement. Our responsibility to the Commonwealth and to the affected localities requires more.

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

TOWN OF WINDSOR

The community of Windsor, which was first settled in the 1850s, was incorporated by the General Assembly in 1902.⁵ Unlike most other towns in the Commonwealth, the resident population of Windsor grew during the preceding decade, with its populace increasing between 1980 and 1990 from 985 to 1,025 persons, or by 4.1%.⁶ A population estimate for 1998, however, placed the Town's populace at 979 persons, a decline of 4.7%

⁵Town of Windsor, **Town of Windsor Comprehensive Plan** (hereinafter cited as **Town Comprehensive Plan**), Jan. 1995, p. 2.

⁶U. S. Department of Commerce, Bureau of the Census, **1980 Census of Population, Number of Inhabitants, Virginia**, Table 4; and U. S. Department of Commerce, Bureau of the Census, **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 1. Windsor's 1990 population represented 4.1% of Isle of Wight County's total population as of that date. Less than one-third of Virginia's 189 towns experienced an increase in population during the decade of the 1980s.

since the preceding decennial census.⁷ Based on its land area of 1.02 square miles and the 1998 population estimate, the Town has a population density of 816 persons per square mile.⁸

With respect to the nature of its population, the evidence indicates that the Town's populace was somewhat older and less affluent than that of the State as a whole. As of 1990 (the most recent year for which data are available) the median age of Windsor residents was 35.6 years, a statistic markedly greater than that for the State overall (32.6 years).⁹ Further, the percentage of Windsor's 1990 population which was age 65 years or over was 16.3%, while the comparable figure for the Commonwealth collectively was 10.7%.¹⁰ With respect to income, data reveal that as of 1989 (the latest year for which such data are available) the median family income in Windsor was \$29,583, or only 77.4% of the statistic for the Commonwealth as a whole (\$38,213).¹¹

⁷Weldon Cooper Center for Public Service, University of Virginia, "Population of Towns in Virginia, 1990-98" (electronic dataset), June 30, 1999.

⁸**Joint Notice**, Tab "General Data," p. 4. The Town of Windsor has not expanded its boundaries since its incorporation in 1902. See **Appendix B** for a statistical profile of the Town of Windsor, Isle of Wight County, and the area proposed for annexation. See **Appendix C** for a map of the area proposed for annexation.

⁹**1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 1.

¹⁰**ibid.**

¹¹U. S. Department of Commerce, Bureau of the Census, **1990 Census of Population and Housing, Summary Social, Economic, and Housing Characteristics, Virginia**, Table 9.

In regard to the Town's present physical development, 1994 land use data (the latest available) reveal that 24.0% of Windsor's total area is devoted to residential development, 6.3% to commercial enterprise, 1.0% to industrial activity, 9.1% to public or semi-public uses, and 8.9% to transportation purposes, with 50.7% (331 acres) remaining undeveloped.¹² While specific data regarding the characteristics of the undeveloped property in Windsor are not available, a Town official has indicated that portions of the vacant land within the municipality are restricted in their development potential due to major environmental constraints (e.g., wetlands, location within the 100-year flood plain, or situated within tracts which have been designated by the Town as Chesapeake Bay Resource Protection Areas pursuant to Sec. 10.1-2109 of the Code of Virginia) or due to limitations imposed by locational concerns, parcel size, access to utilities or public roads; or other appropriate land use considerations.¹³ In addition, given the minimal level of development which has occurred in the Town over the past ten years, it is reasonable to conclude that Windsor's inventory of vacant property is less attractive to potential developers than land beyond the municipality's current borders.

¹²**Town Comprehensive Plan**, Table 10, p. 52.

¹³Kurt Falkenstein, Town Manager, Town of Windsor, presentation to Commission on Local Government, Mar. 13, 2000; and **Joint Notice**, Exh. 6. With respect to the Chesapeake Bay Resource Protection Areas, the Commission observes that while the natural resource protection requirements of the Chesapeake Bay Preservation Act do not bar the development of affected properties, in some instances, they do constrain its utility and availability. In this regard, the Town's 1994 Comprehensive Plan estimated that approximately 8.7% (57 acres) of the vacant land within Windsor fell within the Resource Protection Area of that municipality's Chesapeake Bay Preservation Act ordinance. (**Town Comprehensive Plan**, p. 57.)

COUNTY OF ISLE OF WIGHT

Isle of Wight County was founded as one of Virginia's original shires in 1634 and, accordingly, can trace its origins to virtually the earliest English settlement in America.¹⁴ As in the case of the Town, Isle of Wight County experienced growth in its population during the decade of the 1980s, with its populace increasing from 21,603 to 25,053 persons, or by 15.8%.¹⁵ The provisional population estimate for 1999 placed the County's population at 29,600 persons, an increase of 18.5% since the preceding decennial census.¹⁶ On the basis of its 1999 population and an area of 319 square miles, Isle of Wight County has an overall population density of 93 persons per square mile.¹⁷

With respect to the nature of its population, statistical indices disclose that the age profile of the County's populace is comparable to that of the State generally but that the income level of its residents is less than that of the Commonwealth overall. Data indicate that, as of 1990 (the most recent year for which data are available), the median age of residents of Isle of

¹⁴J. Devereux Weeks, **Dates of Origin of Virginia Counties and Municipalities** (Charlottesville: Institute of Government, University of Virginia, 1967).

¹⁵**1980 Census of Population, General Population Characteristics, Virginia**, Table 14; and **1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 2. In addition to Windsor, there is one other incorporated town, Smithfield, located within Isle of Wight County. Between 1980 and 1990 the population of the unincorporated portion of Isle of Wight County increased by 14.5%.

¹⁶Weldon Cooper Center for Public Service, University of Virginia, "Virginia's Population, 1990 and 1998-1999" (electronic dataset), January 21, 2000.

¹⁷**1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 16.

Wight County was 33.7 years, a statistic less than that of the Town (35.6 years) but marginally exceeding that for the State as a whole (32.6 years).¹⁸ Similarly, the data indicate that, as of 1990, 11.2% of the County's population was age 65 or over, a figure significantly less than that of the Town (16.3%) but only slightly in excess of that of the State overall (10.7%).¹⁹ In terms of earnings, the median family income for Isle of Wight County residents in 1989 was \$33,123, a figure above that for Windsor (\$29,583), and only 86.7% of the comparable statistic for the Commonwealth overall (\$38,213).²⁰

In regard to the nature of its physical development, the data indicate that Isle of Wight County, following a decade of extremely limited commercial and industrial development, has experienced considerable growth in such activity since 1990. Statistics reveal that between 1980 and 1990 the number of nonagricultural wage and salary positions in the County increased from 9,765 to 9,772, or by only 0.07%.²¹ Employment data for the quarter ending March 1999, however, placed the number of nonagricultural wage and salary positions in the County at 11,757, a growth

¹⁸**1990 Census of Population and Housing, Summary Population and Housing Characteristics, Virginia**, Table 1. The data for Isle of Wight County include that for the residents of the Towns of Windsor and Smithfield.

¹⁹**Ibid.**

²⁰**1990 Census of Population and Housing, Summary Social, Economic, and Housing Characteristics, Virginia**, Table 10.

²¹Virginia Employment Commission, Economic Information Services Division, "ES-202 Covered Employment and Wages File, Annual Average Employment"; and Virginia Employment Commission, Economic Information Services Division, "Estimated Labor Force Data."

of 20.3% since the beginning of the decade.²² As of 1999, Isle of Wight County had a total civilian labor force of 15,056 persons, but nearly one-fourth of that number continued to be engaged in agricultural activity, was required to seek employment outside Isle of Wight County, or was unemployed.²³ With respect to its overall economic nature, the evidence suggests that agricultural and forestal activities remain significant components of the County's economy. According to 1997 U. S. Department of Agriculture data, there were 190 farms in the County, occupying a total of 88,030 acres, or approximately 138 square miles.²⁴ Further, 1991 data disclose that there were 141,161 acres (approximately 221 square miles) in

²²Virginia Employment Commission, "Covered Employment and Wages in Virginia by 2-Digit SIC Industry for Quarter Ending March 31, 1999 - Isle of Wight County." The data for Isle of Wight County included that for the residents of the Towns of Windsor and Smithfield. As of March 1999, more than one-half of the nonagricultural wage and salary positions within Isle of Wight County were employed in manufacturing of food or paper products.

²³David R. Tysinger, Economist, Labor Market and Demographic Information, Virginia Employment Commission, communication with staff of Commission on Local Government, May 1, 2000. The term "civilian labor force" is defined to include all individuals 16 years of age or over (exclusive of persons serving in the armed forces) within a specified geographic area who are either employed or unemployed and actively seeking employment. In 1990 (the most recent data available), 6,890 County residents traveled to jobs located outside the boundaries of Isle of Wight County. (Virginia Employment Commission, Economic Information Services Division, **Commuting Patterns of Virginia Workers: County and City Level for 1990**, Mar. 1993.)

²⁴U. S. Department of Agriculture and Virginia Agricultural Statistics Service, **1997 Census of Agriculture, Virginia**, Chapter 2, Table 1, p. 170. In 1997 the average market value of agricultural products per farm in Isle of Wight County was \$215,922, or significantly more than three times that of the comparable figure for the State overall (\$57,027). (**Ibid.**, p. 164.) In 1997, Isle of Wight County led the Commonwealth in the number of hogs and pigs sold and was the second leading locality in the State in the sale of peanuts and cotton. (U. S. Department of Agriculture and Virginia Agricultural Statistics Service, **1997 Census of Agriculture, County Profile, Isle of Wight County**.)

Isle of Wight County classified as "timberland."²⁵ In sum, while Isle of Wight County has experienced growth in its nonagricultural wage and salary employment in recent years, the County remains predominantly rural.

AREA PROPOSED FOR ANNEXATION

The area proposed for annexation under the terms of the agreement between the Town of Windsor and Isle of Wight County contains 2.82 square miles of territory, approximately 1,400 persons, and, based on 1996 data, \$32.6 million in assessed property values.²⁶ Thus, the area contains 0.9% of the County's total land area, 4.8% of its population, and 1.7% of its FY1995/96 assessed property values.²⁷ Based on its area and the 1996 population estimate, the area proposed for annexation has a population density of 496 persons per square mile.

In terms of current development, the area proposed for annexation contains two significant residential subdivisions, two mobile home parks, an apartment complex, two manufacturing concerns, a grocery store, a Virginia

²⁵U. S. Department of Agriculture, Forest Service, **Forest Statistics for the Coastal Plains of Virginia, 1992**, Table 1. The Forest Service defines "timberland" as property being at least 16.7% stocked by forest trees of any size, or formerly having had such tree cover and not currently developed for nonforest use, capable of producing 20 cubic feet of industrial wood per acre per year, and not withdrawn from timber utilization by legislative action. Such property may also be included in the Census Bureau's definition of "farm land."

²⁶**Joint Notice**, Tab "General Data," pp. 4, 6. Assessed values for the area proposed for annexation include those for real estate, mobile homes, and personal property. Data concerning real estate in both the County and the area proposed for annexation reflect the application of use value assessment for qualifying properties. (Carter Glass, IV, Special Counsel, Town of Windsor, letter to staff of Commission on Local Government, Mar. 2, 2000.)

²⁷**Ibid.**

Department of Transportation facility, and the Windsor Elementary School.²⁸ According to the most recent land use data, approximately 18.9% of the area is devoted to residential development, 1.6% to commercial and industrial enterprises, 2.0% to public and semi-public uses, and 6.1% to transportation facilities, with 71.5% (1,290 acres) remaining vacant or engaged in agricultural production.²⁹ Similar to vacant property within the current Town boundaries, some of the undeveloped tracts in the area proposed for annexation have environmental constraints (e.g., wetlands, location within the 100-year flood plain, and land designated as Chesapeake Bay Resource Protection Areas) which reduces their development potential. The Commission notes, however, that a 1994 land suitability analysis of the Town and adjacent unincorporated territory revealed that the vacant properties in the eastern portion of the area proposed for annexation contain the fewest number of environmental limitations on future development.³⁰ In sum, although the area proposed for annexation contains a considerable amount of vacant land, it does contain several focal points of development.

STANDARDS FOR REVIEW

As a previous section of this report has noted, the Commission on Local Government is charged with reviewing proposed interlocal

²⁸**Ibid.** Tab "Town's Need to Annex, p. 1; and Exhs. 2, 3. In addition, a 125-bed nursing home is under construction in the area proposed for annexation. That area also contains water lines and appurtenances owned by the Town and County.

²⁹**Town Comprehensive Plan**, Table 11, p. 53. Land use statistics for the area proposed for annexation are estimated from data collected in conjunction with Windsor's update of its comprehensive plan in 1995.

³⁰**Ibid.**, pp. 20-21; and **Joint Notice**, Exh. 6. The criteria utilized to determine suitability for future development include soils characteristics, floodplains, depth to water table, and slopes.

settlements negotiated under the authority of Section 15.2-3400 of the Code of Virginia to determine whether such settlements are "in the best interest of the Commonwealth." In our judgment, the State's interest in this and other proposed interlocal agreements is fundamentally the preservation and promotion of the general viability of the affected localities. In this instance, the Commission is required to review an interlocal agreement which provides for (1) the annexation by the Town of Windsor of 2.82 square miles of territory in Isle of Wight County, (2) the establishment of a moratorium on further Town-initiated annexations for a period of ten years subsequent to the effective date of the annexation, (3) the payment to the County of a portion of the consumer utility tax revenues to be collected by Windsor from the area proposed for annexation, (4) the exchange of ownership and control of certain water facilities in the area proposed for annexation, and (5) the establishment of a collaborative planning effort between the Town and County. A proper analysis of the proposed Town of Windsor - Isle of Wight County settlement agreement, as mandated by statute, requires consideration of the ramifications of these provisions with respect to the current and future viability of the two jurisdictions.

INTERESTS OF THE TOWN OF WINDSOR

Land for Development

While the data indicate that the Town of Windsor currently has within its boundaries approximately 331 acres of undeveloped land (50.7% of its total land area), much of that acreage is limited in its development potential by environmental constraints, parcel size or configuration, multiple ownership, access to major transportation thoroughfares or public utilities, or other appropriate land use considerations.³¹ While the Commission acknowledges that adverse environmental factors and locational concerns

³¹**Town Comprehensive Plan**, Table 10, p. 52.

are not absolute barriers to development, they do render sites less attractive to prospective developers and constitute major impediments affecting their utilization. Recent development patterns adjacent to Windsor can be cited as evidence of the relative scarcity of attractive sites for development within the Town. With respect to that consideration, Town officials have indicated that since 1990 only one new commercial establishment began operation within Windsor.³² Further, almost all of the new residential development in the Windsor environs has occurred in the areas adjacent to the Town.³³

With respect to the impact of the proposed agreement on Windsor's prospects for economic and demographic growth, the annexation authorized by the accord would bring within the Town approximately 1,290 acres of vacant land with a potential for future development with access to major thoroughfares and, in some instances, public utilities.³⁴ Although there are environmental and other considerations which affect the utility and availability of the vacant property in the area to be annexed, the development potential of that area is suggested by its proximity to the growth which has occurred adjacent to the Town's present corporate limits. Thus, the proposed annexation will, in our judgment, provide Windsor with a significant amount of vacant land with considerable development potential and would, thereby, substantially strengthen the Town's viability.

³²Falkenstein, presentation to Commission on Local Government, Mar. 13, 2000. Further, according to a Town official, two grocery stores within the Town ceased operation when the new Food Lion grocery store opened in the area proposed for annexation. (**Ibid.**)

³³A representative for the Town has indicated that only one new dwelling unit has been constructed within the last ten years. (**Ibid.**)

³⁴Vacant parcels in the area proposed for annexation with access to public water service are located adjacent to U. S. Route 58 north of Windsor and adjacent to U. S. Route 460 east of the Town. Further, upon completion of the new County sewer system in Windsor and its environs, many of those areas may also be served by public wastewater collection lines.

Fiscal Assets and Public Service Liabilities

Fiscal Assets. The Town of Windsor, which has historically constituted one of the focal points of development in Isle of Wight County, has not experienced growth in its fiscal base in recent years commensurate with that of the County generally. Between FY1990/91 and FY1997/98 the assessed value of real estate in the Town grew from \$27.7 million to \$28.6 million, or by only 3.3%.³⁵ During the same span of years, such values in Isle of Wight County overall grew at a rate nearly nine times that in the Town, increasing from \$992.9 million to \$1,269.3 million, or by 27.8%.³⁶ Moreover, with respect to revenues derived from local sources, the data indicate that during the period in question the Town's total local-source revenues increased by 47.1%, or somewhat less than that of the County (63.6%).³⁷ Thus, Windsor's principal tax base (i. e., real property assessables) and its total revenue extracted from all local sources grew in recent years at rates substantially less than that of the County overall.³⁸

In terms of the comparative fiscal burden borne by Windsor residents,

³⁵**Joint Notice**, Tab "General Data," pp. 22, 79. Data concerning real estate in both the Town and County reflect the application of use value assessment for qualifying properties. (Glass, letter to staff of Commission on Local Government, Mar. 3, 2000.)

³⁶**Ibid.** Assessed real property values for the County include property located within the Towns of Windsor and Smithfield.

³⁷**Ibid.**, pp. 21, 78.

³⁸It should be noted, however, that a portion of the growth in Windsor's local-source revenues between FY1990/91 and FY1997/98 was the result of the enactment of a meals tax in FY1997/98. (Falkenstein, presentation to Commission on Local Government, Mar. 13, 2000.) According to a representative for Windsor, the Town dedicates a portion of its receipts from the meals tax to finance water system and other capital projects. (Falkenstein, communication with staff of Commission on Local Government, Apr. 25, 2000.)

an examination of the real estate tax rates in Virginia towns of comparable population is of relevance. Based upon the ratio between assessed property values and recorded sale prices, as calculated by the Virginia Department of Taxation, the true real property tax rate in Windsor in 1998 (the latest year for which the calculation has been made) was \$0.17 per \$100, an amount slightly less than the average of such tax rates in the 22 other towns in Virginia with populations of similar size.³⁹ However, as a consequence of the overlay of Town and County levies, the residents of Windsor carried an aggregate true real property tax burden in 1998 (\$0.82) more than 26% greater than that borne by residents of the unincorporated areas of Isle of Wight County (\$0.65).⁴⁰ With respect to total real property taxes paid, in FY1997/98 Windsor residents contributed an estimated \$58.51 per capita to the Town and, in conjunction with residents in Isle of Wight County generally, \$312.41 per capita to the County.⁴¹

The proposed agreement will permit the Town to annex an area containing an estimated \$32.6 million in 1996 assessed property values and, accordingly, will increase Windsor's total assessed property values by an

³⁹Virginia Department of Taxation, **1998 Virginia Assessment/Sales Ratio Study**, May 2000; and Virginia Department of Taxation, **Virginia Local Tax Rates, Tax Year - 1998**. The set of towns for this analysis was selected on the basis of their 1998 population estimates. In order to calculate a true tax rate for the jurisdictions under study, the nominal real property tax rate of each town was multiplied by the median assessment/sales ratio of the respective county. The average true real estate tax rate for the 22 towns in 1998 was \$0.19 per \$100 of true value, and the range of such rates was between a low of \$0.00 and a high of \$0.53.

⁴⁰**Ibid.**

⁴¹**Joint Notice**, Tab "General Data," pp. 4, 7, 8, 22, 79. Towns in Virginia may tax all classes of property eligible for taxation by a county. In such instances, town property taxes do not supplant county property taxes.

estimated 82.3%.⁴² Based on current assessment data, tax rates, and fee structure, the area proposed for annexation is expected to generate initially approximately \$185,000 in additional local-source revenue for the Town, an increase of 53.3% above Windsor's total local-source revenue collections in FY 1997/98.⁴³ However, this amount would be reduced by an estimated \$10,000, or by approximately 6%, under the terms of the revenue-sharing provision contained in the proposed agreement.⁴⁴ With respect to intergovernmental aid, Windsor has estimated that the proposed annexation will result in an increase of approximately \$7,000 in State aid for the municipality.⁴⁵

Public Service Liabilities. While the extension of Windsor's boundaries as authorized by the agreement will provide the Town of Windsor with additional revenues and the potential for future economic growth, it will concurrently present the municipality with increased public service responsibilities. In order to provide general governmental services to the annexation area, Windsor estimates that it will be required to expend approximately \$87,000 annually from its general fund for operational

⁴²**Ibid.**, Tab "General Data," pp. 6, 22. Assessed values for the area proposed for annexation include real estate and mobile homes, tangible personal property, and business personal property.

⁴³Falkenstein, letter to staff of Commission on Local Government, May 26, 2000. The estimated local-source revenues the Town will receive from the proposed annexation reflect the property and business license taxes from the Food Lion grocery store and the 125-bed nursing home under constructed in that area.

⁴⁴**Joint Notice**, Tab "Impact on County and Town," p. 4. Under the terms of the proposed agreement, Windsor is required to pay the County one-half of all the consumer utility taxes, exclusive of any taxes collected for enhanced emergency telephone service, derived by the Town from the area proposed for annexation for a period of ten years following the effective date of the annexation. (**Settlement Agreement**, Sec. 2.08.)

⁴⁵**Joint Notice**, Exh. 9, p. 11.

purposes following the effective date of the annexation.⁴⁶ Since the Town estimates that it will receive initially approximately \$192,000 in general fund revenues from the proposed annexation area, Windsor can easily meet the operating cost for the extension of services to that area.⁴⁷

With respect to the impact of the proposed annexation on the Town's enterprise funds, several points merit note. First, although Windsor has identified specific water improvements which may be needed in the area proposed for annexation, the settlement agreement only commits the Town to installing a water line to serve the County's industrial park.⁴⁸ The Town has qualified its obligation to undertake other utility projects needed in the

⁴⁶Falkenstein, letter to staff of Commission on Local Government, May 26, 2000. The Town's post-annexation expenditures include the revenue-sharing payment to Isle of Wight County.

⁴⁷**Ibid.**; and **Joint Notice**, Tab "Impact on County and Town," p. 4.

⁴⁸**Joint Notice**, Exh. 5; and **Settlement Agreement**, Sec. 2.06. Under the terms of the proposed agreement the new water line to be installed by the Town will parallel an existing water main which will remain under the County's ownership following the effective date of annexation. The Town estimates that the new water line to the County's industrial park will cost approximately \$225,000, and Windsor officials propose to utilize general fund revenues for that project. In its submissions to the Commission Windsor has identified approximately \$1.6 million in other water system improvements which would be installed in a phased manner following the effective date of the proposed annexation if intergovernmental grants and loans are available. (**Joint Notice**, Exhs. 4, 5.) The Commission notes, however, that a portion of that total has been obtained by Windsor as a result of the receipt of a Community Development Block Grant to upgrade water service to a low and moderate income neighborhood that is located in the area proposed for annexation southwest of the Town. Further, another project scheduled to be constructed by Windsor in the annexed area has been completed using a combination of developer contributions and Town general and utility fund balances. (Falkenstein, letter to staff of Commission on Local Government, May 1, 2000.)

area annexed contingent upon its receipt of intergovernmental aid.⁴⁹ A Windsor official has acknowledged that if grants or loans for the extension of municipal lines to the area annexed are not available, the Town would be required to delay the installation of those facilities until a sufficient capital reserve is accumulated for the projects.⁵⁰

Second, following the effective date of annexation, Windsor's water customers in the area annexed will be relieved of paying the surcharge imposed by the Town on nonresidents.⁵¹ As a consequence, Windsor officials estimate that the proposed annexation will reduce the Town's enterprise fund's annual receipts by approximately \$8,700 during the first year after the annexation.⁵² Data presented by the Town indicate, however, that the initial reduction in revenues, as well as the potential capital expenditures for water system improvements, will not result in a deficit in the net annual operating income of the Town's water enterprise account. Indeed, Windsor will receive additional utility fund revenues resulting from the transfer of the County water system in the area proposed for annexation

⁴⁹Glass, letter to staff of Commission on Local Government, Mar. 3, 2000; and Falkenstein, letter to staff of Commission on Local Government, May 1, 2000.

⁵⁰Falkenstein, communication with staff of Commission on Local Government, July 17, 2000. The Town is currently seeking loans and grants from the Rural Development Office of the U. S. Department of Agriculture to fund the proposed water systems improvements.

⁵¹Residents and businesses located beyond Windsor's corporate limits and connected to the Town's water system pay a monthly surcharge of 17%. (**Joint Notice**, Tab "Governmental Services," p. 7.)

⁵²Glass, letter to staff of Commission on Local Government, Mar. 3, 2000.

to the Town following the effective date of the agreement.⁵³ Town officials estimate that the addition of those new water connections to the municipality's customer base will increase enterprise fund revenues by approximately \$5,400 annually.⁵⁴ Further, Windsor anticipates that it will receive an additional \$8,000 from new connections in the annexed area during the first year following the effective date of the agreement.⁵⁵

With respect to Windsor's fiscal projections relative to its enterprise fund, the Commission notes that the Town's methodology relies, in large part, upon estimates of growth in revenues collected from its water connection fees and user charges.⁵⁶ While the projections and assumptions made by Windsor appear reasonable, they are not without uncertainty and vulnerability. In our judgment, however, the Town's estimates are reasonable, and based on current data, Windsor has the fiscal capacity to meet the utility needs of the area proposed for annexation. In sum, the proposed agreement will provide Windsor with fiscal assets which will

⁵³The proposed agreement effects the transfer of almost all components of the County's water system in the annexed area to Windsor following the effective date of the agreement. Isle of Wight County, however, will retain ownership of the existing water line to its industrial park east of the Town. (**Settlement Agreement**, Sec. 2.06.)

⁵⁴Glass, letter to staff of Commission on Local Government, Mar. 3, 2000 and Falkenstein, letter to staff of Commission on Local Government, dated Mar. 3, 2000. Windsor estimates that 90 water connections in the area proposed for annexation which are currently served by County lines will become the responsibility of the Town following the effective date of the agreement.

⁵⁵Glass, letter to staff of Commission on Local Government, Mar. 3, 2000. Windsor projects that much of the future growth in new connections in the area proposed for annexation will occur in the Windsor Woods subdivision which is located north of the Town.

⁵⁶The Town's estimates also do not include water system revenues from the new nursing home under construction in the area proposed for annexation.

enable the Town to extend its general governmental services to the residents and business in the annexed area, and it will provide the Town with sufficient local-source revenues to address the prospective utility needs of the additional territory incorporated into the municipality.

Other Provisions

Aside from the benefits that may accrue to the Town from the proposed annexation, there are two other components of the settlement agreement which affect the interests of Windsor. The agreement contains a provision which commits the Town and County to collaborate on future development proposals in the Windsor environs.⁵⁷ The joint land use review program established by the proposed agreement will offer the Town an opportunity to comment on the scope and nature of development that will occur in an area beyond its corporate limits, which is of major significance to Windsor. Second, as noted above, the proposed agreement effects the transfer of almost all of the County's water lines in the area proposed for annexation to the Town following the effective date of the annexation. The ownership of those water lines will permit the Town to plan and operate a unified utility system within the enlarged municipality and eliminate potential difficulties. In sum, these various provisions are features of the proposed agreement which are, in our judgment, in the best interest of the Town of Windsor.

⁵⁷The agreement requires the County to solicit comments from Windsor on all applications for rezoning, special use permits, and variances; requests for site plan review; and proposed amendments to the County's comprehensive plan that affect property located within one mile of the borders of the enlarged Town. (**Settlement Agreement**, Sec. 2.07.)

INTERESTS OF THE AREA PROPOSED FOR ANNEXATION**Community of Interest**

Another of the factors appropriate for consideration in the analysis of proposed voluntary settlements of this nature is the strength of the community of interest which joins the area proposed for annexation to the adjacent municipality. The evidence suggests that there exists a significant degree of interdependence between the Town of Windsor and the area proposed for annexation, as well as other areas adjacent to the municipality. In terms of the area proposed for annexation, the data reveal that the Town is the source of certain fundamental public services to its residents and businesses. Windsor presently provides water service directly to a number of residences in that area.⁵⁸ Additionally, the Town sells water to Isle of Wight County for distribution to residents and businesses in the area to be annexed.⁵⁹ Thus, the properties adjacent to Windsor presently benefit directly or indirectly from a major public service provided by the Town. Further, the presence in the Town of numerous public, semi-public, and other facilities serving the populace of the general area increases the community of interest between Windsor and the property on its periphery. Such facilities include a government office, schools, churches, various offices

⁵⁸Town water lines serve approximately 324 residential connections in the area proposed for annexation, principally in the Windsor Court Apartments and the Twin Ponds Mobile Home Park both of which are located north of Windsor. (Glass, letter to staff of Commission on Local Government, Mar. 3, 2000; and Falkenstein, letters to staff of Commission on Local Government, May 1, 2000.)

⁵⁹Using water purchased from the Town, Isle of Wight County's water lines serve 90 residential connections in the area proposed for annexation. (Glass, letter to staff of Commission on Local Government, Mar. 3, 2000.)

for professional services and health care, and community organizations.⁶⁰

With respect to the strength and general nature of the community of interest between the Town of Windsor and its adjacent areas, four additional points should be cited. First, U. S. Routes 460 and 258, which pass through the area proposed for annexation and intersect in Windsor, are principal "gateways" to the Town. The quality and nature of development along those thoroughfares is of considerable significance to that municipality and the future development of those areas will affect the Town's viability. Second, the business establishments located in the area proposed for annexation are sustained, in part, by the patronage of Town residents.⁶¹ Third, the Town houses the volunteer fire department and rescue squad, which serve both Windsor, the proposed annexation area, and other territory in Isle of Wight County. Finally, the area proposed for annexation has an urban character and service needs which more closely parallel those of the Town than the outlying portions of Isle of Wight County. With respect to the nature of the area proposed for annexation, a number of developments along primary and secondary highways radiating from the Town are, in our judgement, essentially extensions of development patterns originating within the

⁶⁰**Town Comprehensive Plan;** and Falkenstein, letter to staff of Commission on Local Government, May 1, 2000. Facilities serving the residents of the Town and areas adjacent to Windsor include a branch of the Isle of Wight County Public Library, the Windsor Middle School and High School complex, and a satellite office of the County Sheriff's Department. Additionally, the Windsor Elementary School, which is located in the area proposed for annexation, serves residents of both the Town and surrounding County territory.

⁶¹The Commission observes that the Food Lion located in the area proposed for annexation serves the residents of the Town as well as those of the surrounding areas.

Town.⁶² For the reasons cited above, the Commission finds that the area proposed for annexation has a strong and pervasive community of interest with the Town of Windsor, and such a community of interest supports the proposed annexation.⁶³

Need for Urban Services

The 2.82 square miles of territory proposed for annexation by the Town of Windsor under the terms of the agreement with the County are estimated to contain a population of 1,400 persons, giving the area, as noted previously, a population density of 496 persons per square mile. While almost 75% of that area is currently vacant or in agricultural use, it contains two residential subdivisions, two mobile home parks, an apartment complex, a nursing home, two manufacturing concerns, and a grocery store. With respect to future conditions in that area, the current Isle of Wight County comprehensive plan, which is based upon an in-depth analysis of the County's needs and anticipated growth, calls for development to occur in territory adjoining Windsor where public utilities are available.⁶⁴ Thus, the

⁶²**Joint Notice**, Exh. 2. These development patterns include those along U. S. Highway 460 east and west of Town and U. S. Highway 258 north and south of Windsor.

⁶³Section 15.2-3400 of the Code of Virginia, the statute under which the current agreement has been negotiated, requires a municipality annexing under its provisions to redraw election districts and to hold elections if the annexation increases the population of the affected jurisdiction by more than five percent. Since the annexation authorized by the proposed agreement will increase the Town's population by significantly more than that percentage, the residents of the area annexed will become engaged quickly in the electoral affairs of the municipality.

⁶⁴County of Isle of Wight, Virginia, **Comprehensive Plan** (hereinafter cited as **County Comprehensive Plan**), pp. 2-7 - 2-9, and "Land Use Concept Plan (Map #2-1)." The County's comprehensive plan designates the unincorporated territory surrounding the boundaries of Windsor as the "Central Development Service District." All of the area proposed for

evidence indicates that much of the area proposed for annexation by the Town will experience continued development and will increasingly need the urban services offered by Windsor.

Water Supply and Distribution. Windsor obtains all of its water from four wells which are authorized by the State to provide the Town collectively 0.28 million gallons per day (MGD).⁶⁵ As of 1999, the Town's distribution system required 0.17 MGD, leaving the municipal system an unused reserve of approximately 0.11 MGD, or 39% of its permitted capacity.⁶⁶ With respect to its storage facilities, the Town owns four storage tanks which collectively hold 0.16 million gallons of water, or slightly less than one days

annexation is contained within this district. The development that has occurred in areas adjacent to Windsor over the past ten years has been within the County's Central Development Service District, including the Windsor Woods and Hidden Acres subdivisions, the new Food Lion and the new nursing home. All of those developments or businesses are served by central utilities as called for by the County's comprehensive plan.

⁶⁵Virginia Department of Health, Waterworks Operation Permit Number 3093900, Sep. 2, 1988. Because of its location in a State-designated Groundwater Management Area, Windsor also has a permit from the Virginia Department of Environmental Quality, which authorizes the Town to withdraw a maximum of approximately 0.39 MGD from its wells. (R. Kenneth Weeks, **Master Water Plan, Water Supply, Distribution and Storage for the Town of Windsor, Virginia and Environs**, March 2, 1998, pp. 10-13.) Neither the Virginia Department of Health nor the Virginia Department of Environmental Quality requires the Town to treat its groundwater prior to distribution.

⁶⁶**Joint Notice**, Tab "Governmental Services," p. 2. Included in the amount of water distributed by Windsor is approximately 0.03 MGD that the Town sells to the County under the terms of a existing contract between the two jurisdictions. (Falkenstein, facsimile transmission to staff of Commission on Local Government, June 7, 2000.) Although the proposed settlement nullifies the current water service contract between Windsor and Isle of Wight County, the agreement calls for the Town to sell the County up to 0.1 MGD of potable water. (**Settlement Agreement**, Sec. 2.06.)

supply.⁶⁷ The municipal distribution system currently serves 760 connections, with 324 of that number being located in the area proposed for annexation.⁶⁸ Further, Windsor also sells bulk potable water to the County to serve connections located in the area proposed for annexation.⁶⁹ The Town's water system constitutes the only source of public water presently available to serve the areas immediately adjacent to the municipality.

Annexation will have the effect of terminating the nonresident surcharge on connection fees and water rates, thereby reducing the cost for water service to the residents and businesses in the area annexed.⁷⁰ Further, as noted in previous sections of this report, Windsor will assume ownership and control of almost all of the components of Isle of Wight County's water system in the area proposed for annexation.⁷¹ Following the

⁶⁷**Joint Notice**, Tab "Governmental Services," p. 3.

⁶⁸Glass, letter to staff of Commission on Local Government, Mar. 3, 2000; and Falkenstein, letter to staff of Commission on Local Government, May 1, 2000. The Town's water connections beyond its current boundaries are located primarily in the northern portion of the area proposed for annexation.

⁶⁹Isle of Wight County distributes water purchased from the Town to 90 customers located principally in the Windsor Woods subdivision located north of Town and the Hidden Acres subdivision and certain connections along U. S. Route 460 located east of Windsor. (**Joint Notice**, Tab "Governmental Services," p. 1, Exh. 3.)

⁷⁰Municipal water customers located beyond the Windsor corporate limits pay user fees 17% greater than those paid by in-town users. In addition, water connection fees charged by the Town for nonresidents are approximately 47% higher for out-of-town customers. (**Joint Notice**, Tab "Governmental Services," p. 7.)

⁷¹**Settlement Agreement**, Sec. 2.06. Following the effective date of the agreement, the Town will own all of the water lines in the annexed area that were formerly the property of the County, with the exception of the 16-inch water line to the Isle of Wight County Industrial Park. The latter facility, which is located along U. S. Route 460 east of Windsor, will continue to be

transfer of those lines, the Town will serve directly the 90 connections in the annexed area, which will have the effect of substantially decreasing the user charges for those new municipal customers.⁷² Moreover, although the proposed agreement only requires the Town to extend one distribution line in the area proposed for annexation, Windsor has developed a plan to install approximately 4.5 miles of additional water mains and to make other improvements to its distribution system to improve service to the area annexed, contingent upon the availability of funding.⁷³ A representative for Windsor has indicated, however, that two of the water system improvements proposed by the Town for the annexed area, which collectively encompass approximately 1.8 miles of new water lines, have been completed or will be

owned and maintained by the County.

⁷²The monthly water rates of the former customers of the County will decrease by approximately 62% following the transfer of the lines to the Town. In addition, the residential connection fee charged by the County is approximately 67% higher than that charged by the Town. (**Joint Notice**, Tab "Governmental Services," p. 7.)

⁷³**Joint Notice**, Exhs. 4, 5; and Glass, letter to staff of Commission on Local Government, Mar. 3, 2000. The settlement accord calls for the Town to construct a new 10-inch water main along U. S. Route 460 to the County's industrial park within three years following the effective date of the annexation. (**Settlement Agreement**, Sec. 2.06.) That new line, which will parallel the existing 16-inch line to remain under County ownership, can be used by Windsor in the future to serve customers in the eastern portion of the area proposed for annexation. (Falkenstein, communication with staff of Commission on Local Government, Apr. 25, 2000.) Although Windsor has identified approximately \$1.6 million in other water system improvements, exclusive of the line to the County's industrial park, the construction of those facilities would be contingent upon the Town's receipt of intergovernmental aid. (Glass, letter to staff of Commission on Local Government, Mar. 3, 2000; and Falkenstein, letter to staff of Commission on Local Government, May 1, 2000.) The Commission observes, however, that some of Windsor's water capital improvement projects would be constructed within the current Town borders to improve water pressure and fire flow to the area annexed. (Falkenstein, communication with staff of Commission on Local Government, July 17, 2000.)

under construction in the immediate future.⁷⁴ In sum, the area proposed for annexation will benefit from an immediate reduction of water rates for the area's residents and businesses and from the Town's future extension of water service.

Solid Waste Collection and Disposal. The Town of Windsor provides solid waste collection services to its residents on a weekly basis through contract with a private collector. The cost of this service is borne by the Town's general fund and is not supported by user charges.⁷⁵ Seasonal collection of leaves and brush, as well as bi-weekly curbside collection of recyclables, is also provided in residential areas through general fund expenditures.⁷⁶ Windsor does not provide, however, refuse collection to commercial or industrial concerns. Those nonresidential users must contract privately for service.⁷⁷ Refuse collected by the Town's contractor is

⁷⁴The installation of 4,500 feet of water line along U. S. Route 258 to serve the nursing home under construction in the northern portion of the area proposed for annexation was recently completed using developer contributions and Town general and utility fund reserves. In addition, the construction of new water mains to serve a low and moderate income neighborhood adjacent to U. S. Route 258 south of Windsor has been funded by a Community Development Block Grant. (Falkenstein, communication with staff of Commission on Local Government, July 17, 2000.)

⁷⁵**Joint Notice**, Tab "Governmental Services," p. 9-10. The Town pays its private contractor \$25,000 per year to collect and dispose of municipal refuse.

⁷⁶Bi-weekly pickup of recyclable materials is provided by the Southeastern Public Service Authority.

⁷⁷Glass, letter to staff of Commission on Local Government, Mar. 3, 2000. Through its private contractor, the Town provides weekly collection of office waste (i. e., paper, etc.) only at commercial concerns.

disposed of at the Southeastern Public Service Authority's (SPSA) regional landfill, which is located in the City of Suffolk.⁷⁸

Isle of Wight County does not provide any door-to-door refuse collection services to individual residences or business firms. County residents can, however, dispose of their household wastes at one of several transfer stations located within its jurisdiction.⁷⁹ Further, County residents and commercial concerns, including those in the area proposed for annexation, have the option of contracting directly with private entities for collection services, with the cost of such services determined by the frequency of collection.⁸⁰

With respect to the extension of service to the area proposed for annexation, the Town has indicated its intentions to provide residences in that area with the same level and frequency of collection as currently being provided within the municipality.⁸¹ In the Commission's judgment, the extension of this service to the area proposed for annexation will be of benefit to that area and its residents. The general availability of publicly-financed solid waste collection services promotes the use of the services, reduces the incidence of illegal disposal, and has a salutary effect on a community.

⁷⁸**Joint Notice**, Tab "Governmental Services," p. 9. The SPSA's landfill is located approximately 15 miles southeast of Windsor.

⁷⁹Refuse from the County's transfer stations is transported to the SPSA landfill for disposal.

⁸⁰**Town Notice**, Tab "Urban Services," pp. 9. County residents who choose to contract for private hauling of their household waste pay approximately \$11.50 per month in collection fees.

⁸¹The Town estimates that the extension of its solid waste collection services to the area annexed will require an initial annual expenditure of \$24,000. (**Joint Notice**., Exh. 9, p. 18.)

Planning, Zoning, and Subdivision Regulation. The Town of Windsor conducts its public planning efforts with the assistance of a planning commission and guided by a comprehensive plan which was last revised in 1995.⁸² The Town's comprehensive plan is also augmented by a capital improvements program.⁸³ Further, the Town has subdivision and zoning ordinances, both of which were revised in 2000, to assist in the management of its development.⁸⁴ The Town's zoning ordinance contains components authorizing the use of conditional zoning which enables the municipality to mitigate the impact of development on public resources and concerns.⁸⁵ Windsor's subdivision regulations require developers to meet the standards of the Virginia Department of Transportation with respect to the construction of new roads, and they establish criteria for the installation of curbs, gutters, and sidewalks.⁸⁶ While the Town currently has no staff

⁸²**Joint Notice**, Tab "Governmental Services," p. 14.

⁸³**Ibid.** Windsor's capital improvements program covers the period FY 2000 to FY 2005

⁸⁴Both of the Town's land use regulations were incorporated into a unified Land Development Ordinance, which became effective January 1, 2000. (**Ibid.**, pp. 12, 13.) Isle of Wight County has a planning commission, a comprehensive plan revised in 1994 and currently undergoing review, and zoning and subdivision ordinances. In addition, Isle of Wight County employs a staff of eight persons for the administration and implementation of its various planning and development control instruments. (Jonathan W. Hartley, Community Development Director, Isle of Wight County, communication with staff of Commission on Local Government, June 20, 2000.)

⁸⁵Town of Windsor, **Land Development Ordinance**, Art. 406.00. The form of conditional zoning adopted by Windsor authorizes the Town to accept proffered conditions related to on-site improvement only. The proposed agreement requires the Town to adopt the form of conditional zoning that allows cash proffers and to pass portion of those proffers on to the County. (**Settlement Agreement**, Sec. 2.07.)

⁸⁶**Land Development Ordinance**, Art. 904.09.

assigned exclusively to the administration and application of its planning and development control instruments due to the paucity of development in recent years, the scope and nature of those municipal instruments will clearly benefit the area proposed for annexation.⁸⁷

Following the effective date of annexation, Windsor will extend its zoning and subdivision regulations, as well as its comprehensive planning efforts, to the annexed area. The Town's current planning instrument has one deficiency which reduces its appropriateness for the area proposed for annexation. The Town's comprehensive plan is now due for its statutorily prescribed review and should be revised to reflect current conditions.⁸⁸ In sum, while the Commission recommends the revision of Windsor's principle land development control document, the application of the Town's planning instruments and policies in the area proposed for annexation should result in a more consistent and comprehensive approach to managing future growth and in protecting the distinctive features of the Windsor environs.

Crime Prevention and Detection. Since law enforcement activities by towns augment those provided by a county's sheriff's department, the proposed annexation by the Town of Windsor will have the effect of intensifying law enforcement services available to the residents and commercial entities in the annexed area.⁸⁹ Although Isle of Wight County

⁸⁷**Joint Notice**, Tab "Governmental Services," p. 12. In addition, Isle of Wight County provides building inspection services within the Town. (**Ibid.**, p. 13.)

⁸⁸Section 15.2-2230 of the Code of Virginia requires comprehensive plans to be reviewed at least once every five years by the local planning commission.

⁸⁹Law enforcement services in the area proposed for annexation and in Isle of Wight County generally are provided by the County Sheriff's Department which maintains its headquarters in the community of Isle of Wight, which is located approximately eight miles north of Windsor.

Sheriff deputies regularly patrol the Town, Windsor also contracts directly with the Sheriff of Isle of Wight County for the provision of additional law enforcement services.⁹⁰ Under this arrangement, five off-duty Sheriff's deputies patrol the Town of Windsor for approximately 105 hours per month.⁹¹ In addition, the deputies working for Windsor enforce Town ordinances, including traffic regulations. Court fines paid for offenses cited by Windsor deputies subsidize the Town's expenses for more concentrated law enforcement services.⁹²

While the Commission is unaware of any major crime problems in the area proposed for annexation, extension of the Town's law enforcement services to the annexed area on a regular and routine basis should benefit the residents and businesses of that area.⁹³

Because Windsor is the center of a patrol sector, the Town provides an office in the municipal building for use as an auxiliary headquarters for the Sheriff's Department. The personnel complement of the Sheriff's Department includes 19 full-time sworn law enforcement officers, 12 of whom are assigned patrol responsibility. (Charles W. Phelps, Sheriff, Isle of Wight County, communication with staff of Commission on Local Government, July 18, 2000.)

⁹⁰The Sheriff of Isle of Wight County is officially designated the Chief of Police of Windsor. (Glass, letter to staff of Commission on Local Government, Mar. 3, 2000.)

⁹¹**Ibid.**; and **Joint Notice**, Tab "Governmental Services," pp. 15-16. The County deputies employed by Windsor patrol the municipality according to a schedule developed by the County Sheriff (i. e., Police Chief), the senior deputy and the Town Manager.

⁹²**Joint Notice**, Tab "Governmental Services," p. 15; and Falkenstein, letter to staff of Commission on Local Government, May 26, 2000.

⁹³Over the past year the Town increased its contracted patrol coverage to five deputies working 105 hours per month in anticipation of the proposed annexation. (**Joint Notice**, Tab "Governmental Services," p. 15.)

Streetlighting. The Town of Windsor adheres to a policy by which it arranges for the installation and operation of streetlights at public expense. At the present time, there are approximately 140 publicly-funded streetlights within the Town's corporate limits.⁹⁴ Windsor considers requests from its citizens for additional streetlights, and where such are deemed appropriate and necessary for public safety and welfare, new lights are installed and operated at public expense.⁹⁵ In order to extend this public service to the annexed area, the Town has developed a plan for the installation of streetlights at appropriate locations throughout the annexation area following the effective date of the agreement.⁹⁶ In our judgment, the area proposed for annexation will benefit from the application of the Town's policies regarding the installation and operation of these facilities.

Other Service Considerations

The Commission notes that with respect to three other basic public concerns, fire protection, sewerage, and street maintenance, residents of the area proposed for annexation will not experience any immediate change in the level of service as a result of their incorporation into the Town of Windsor. With respect to fire protection services, the Town and Isle of Wight County jointly support the Windsor Volunteer Fire Department

⁹⁴**Ibid.**, p. 26.

⁹⁵**Ibid.**

⁹⁶**Ibid.**; and Falkenstein, letter to staff of Commission on Local Government, May 26, 2000. The Town proposes to install approximately 26 new streetlights on major roads and intersections throughout the annexed area where travel conditions make such lighting advisable.

(VFD).⁹⁷ That department, which has a complement of 36 volunteers, serves the Town and its environs, including the area proposed for annexation.⁹⁸ The fire suppression capabilities of the Windsor VFD and the Town's water distribution system are such that properties within the municipality, as well as those portions of the area proposed for annexation which are located within 1,000 feet of a Town or County fire hydrant, are classified "8" by the Insurance Services Office (ISO) of Virginia in terms of their exposure to fire loss.⁹⁹ Other properties in the area proposed for annexation more distant from a fire hydrant have a higher ISO classification. Future plans of the Town to extend its water distribution system within the area to be annexed and to make other improvements to that system should result in an improved ISO classification for the affected properties and, in

⁹⁷Between FY1995/96 and FY1999/00, the Town contributed \$113,850 for capital and operating purposes to the Windsor VFD. (Glass, letter to staff of Commission on Local Government, Mar. 3, 2000.)

⁹⁸**Joint Notice**, Tab "Governmental Services," p. 17. The first-run coverage area for the Windsor VFD is one of the largest in the County. (**Town Comprehensive Plan**, p. 43.) In 1998 only 8% of the calls for service responded to by the Windsor VFD originated from within the current Town.

⁹⁹Glass, letter to staff of Commission on Local Government, Mar. 3, 2000. There are 27 fire hydrants located on municipal lines within the Town and the area proposed for annexation, and an additional 18 hydrants are connected to County-owned lines in that area. (**Joint Notice**, Tab "Governmental Services," p. 18.) The ISO classification is based on a scale of "1" to "10" for comparison with other municipal fire protection systems and represents an indication of a system's ability to defend against the major fire which may be expected in any given community. Where protection class "10" is assigned, there is no or minimal protection. Protection class "1" represents a fire protection system of extreme capability. The principal features used by ISO in grading a community's fire system are water supply, fire department, fire communications, and fire safety control. [John L. Bryan and Raymond C. Picard, **Managing Fire Services** (Washington, DC: International City Management Association, 1979), p. 102.]

some cases, in reduced fire insurance premiums.¹⁰⁰

In terms of sewerage, the Town does not operate a sewage collection and treatment system and all residences and businesses in the Town and the area proposed for annexation currently utilize individual septic tanks. Isle of Wight County is presently constructing, however, wastewater collection lines and appurtenances which will serve the Town and portions of the annexation area.¹⁰¹ All effluent collected by the County's lines will be treated by the Hampton Roads Sanitation District at a plant located in the City of Suffolk.¹⁰² While the installation of County sewerage is not contingent upon the proposed agreement, that system will, nonetheless, bring central wastewater collection service to the majority of residences and businesses in the enlarged Town.¹⁰³

¹⁰⁰The water system improvements planned by the Town for the area proposed for annexation will add approximately 20 new fire hydrants within that area. Further, other improvements proposed for the Town's water distribution system, such as the installation of new mains and the construction of a new well and storage tank, will significantly enhance fire suppression capabilities in the Town and the area proposed for annexation. (**Joint Notice**, Tab "Governmental Services," pp. 18-19.)

¹⁰¹**Joint Notice**, Tab "Governmental Services," p. 8. Upon completion of that system, the County will own and maintain all lines and appurtenances located within the boundaries of the enlarged Town. (**Settlement Agreement**, Sec. 2.06.) All areas served by the Town's water system, with the exception of Windsor Woods subdivision, will be served initially by the Isle of Wight County sewerage system. (Falkenstein, letter to staff of Commission on Local Government, May 1, 2000.) Sewer lines are proposed to be installed within the Windsor Woods subdivision at the expense of the developer of that community. (Hartley, communication with staff of Commission on Local Government, July 17, 2000.)

¹⁰²There is a 20-inch sewage force main owned by HRSD located contiguous to U. S. Route 460 that terminates within the Town.

¹⁰³The total cost to the County of the sewage project for the Windsor area is approximately \$5.0 million. Approximately \$200,000 of that amount was provided from the \$1.25 million Community Development Block Grant received by the Town for water, sewer, road, and drainage improvements in

With respect to street maintenance, all of the public roads in the Town, the area proposed for annexation, and in the County generally are maintained by the Virginia Department of Transportation in accordance with State-prescribed policies. Thus, the Commonwealth bears total financial responsibility for the maintenance of those thoroughfares in the Town which have been accepted into the State's highway system.¹⁰⁴ In sum, while the annexation authorized by the proposed agreement will not immediately affect the level of fire suppression, sewage collection, and street maintenance services in the area annexed, the fiscal stimulus provided Windsor by an extension of its boundaries should facilitate the maintenance and enhancement of those services.

Summary of Service Needs

In the preceding sections of this report the Commission has endeavored to analyze the existing and prospective urban service needs of the area proposed for annexation and the ability of the Town of Windsor to meet those needs. On the basis of the data cited above, we find that the area proposed for annexation will benefit from the extension of Town services and policies. Further, Windsor is capable, in our judgment, of meeting the future needs of that area as it develops.

INTERESTS OF THE COUNTY OF ISLE OF WIGHT

While the annexation proposed in the agreement negotiated by the Town of Windsor and Isle of Wight County will result initially in a minimal reduction in County revenues, it will have, in our judgment, a long-term

a low and moderate income neighborhood located in the southwestern portion of the area proposed for annexation. (**Joint Notice**, Tab "Governmental Services," p. 8.)

¹⁰⁴There are approximately 1.75 lane miles of unpaved streets in the area proposed for annexation.

positive impact on both jurisdictions. Although the proposed annexation will not affect the County's receipts from any of its property taxes, it will constrict initially its collections from some of its secondary revenue sources.¹⁰⁵ Estimates developed by Isle of Wight County indicate that the proposed annexation will result in a reduction in the County's receipts during the first year after annexation of approximately \$110,000 in general fund revenue, or only 0.3% of the County's total general fund receipts during FY1998/99.¹⁰⁶ Further, even that modest reduction in County revenues will be partially offset by the provision in the proposed agreement which calls for Windsor to return to the County one-half of all the consumer utility taxes collected by the Town from within the area proposed for annexation for ten years following the effective date of the annexation.¹⁰⁷ Windsor estimates that the reimbursement component will provide the County with approximately \$10,000 during the first year following the annexation. Thus, the proposed Town payment would reduce the County's initial annual net

¹⁰⁵The principal County revenue sources affected by the proposed annexation include local sales and use taxes, consumer utility taxes, business license taxes, motor vehicle license taxes, and franchise taxes, as well as non-categorical aid from the State from ABC profits, and wine taxes.

¹⁰⁶Robinson, Farmer, Cox Associates, **Isle of Wight County, Virginia, Projected Loss of Revenue Due to Proposed Boundary Adjustment by the Town of Windsor, For the Five Fiscal Years Ending June 30, 1999-2003**, Jun. 23, 1998; and Robinson, Farmer, Cox Associates, **Isle of Wight County, Virginia, Financial Report, Year Ended June 30, 1999**, Schedule 1. The County's financial consultant also estimated that the County would lose approximately \$59,000 initially in utility fund revenue as a result of the proposed annexation. In 1998 a consultant for the Town of Windsor estimated the fiscal impact of the proposed annexation on the County's general fund receipts would be approximately \$97,000. (**Town Notice**, Tab "Impact on County and Town," p. 1; and Exh. 9.) The Commission notes that the principal difference between the County's estimate and that of the Town is the amount of revenue that the County would lose from water revenue in the annexation area.

¹⁰⁷**Settlement Agreement**, Sec. 2.08. Under the terms of the proposed agreement, Windsor is not required to share with the County the consumer utility tax revenue the Town will collect for enhanced emergency telephone service.

loss to \$100,000. Moreover, upon annexation the Town will assume responsibility for providing certain municipal services, such as water distribution, planning, and zoning regulation, to the annexed area which should reduce to some degree the demand on County staff and resources.

Another component of the proposed agreement of significance to the County is the provision by which the Town agrees not to initiate any subsequent annexation for a ten-year period following the effective date of the currently proposed boundary expansion.¹⁰⁸ That provision can be beneficial in allowing the County, as well as Windsor, an opportunity to become acclimated to the extension of the Town's boundaries, and it ensures time for deliberate adjustment to changing circumstances.

In terms of the overall and long-term impact on the County, the annexation called for in the proposed agreement will permit the Town to benefit from an immediate infusion of fiscal resources, will provide the municipality land for future development, and will, accordingly, improve the Town's ability to serve the general area. Windsor's increased capacity for the provision of public services can be a positive factor in supporting and properly managing desirable development in the County. In brief, the enhanced fiscal viability of Windsor will be a positive factor in strengthening the economy of the general area, with economic benefits accruing to the citizens of Isle of Wight County overall.

There are several other elements of the proposed agreement which are, from our perspective, in the interest of Isle of Wight County. First, the proposed agreement calls for the Town to adopt a form of conditional zoning which permits it to accept proffers such as cash contributions, the dedication of property, and the construction of off-site public improvements from an applicant for rezoning. That component of the agreement also

¹⁰⁸Settlement Agreement, Sec. 2.05.

addresses the allocation to the two jurisdictions of the proffered conditions associated with any property rezoned in the annexed area.¹⁰⁹ Second, the agreement requires Windsor to solicit comments from the County on all applications for rezonings, variances, and special use permits; proposed site plans; and amendments to the Town's comprehensive plan affecting property within the annexed areas. Third, the proposed accord requires Windsor to install a new ten-inch water main along U. S. Route 460 to the County's Industrial Park.¹¹⁰ The additional water line should assist in the attraction of new businesses to that County facility. Finally, the agreement also nullifies certain existing water contracts between Windsor and the County. Those elements of the settlement call for Windsor to sell to the County at in-town rates 100,000 gallons per day of potable water and relieves the County of its obligation to pay the Town approximately \$32,000 in unpaid connection fees.¹¹¹ In sum, these various provisions are features of the agreement which are, in the Commission's judgment, in the best interest of Isle of Wight County.

INTERESTS OF THE COMMONWEALTH

The paramount interest of the State in the resolution of this and all other interlocal issues subject to the Commission's review is, in our view,

¹⁰⁹**Ibid.**, Sec. 2.07. The settlement accord commits the Town to pay the County all cash contributions due from property that had been rezoned by the County prior to the effective date of the annexation. Following the proposed annexation, Windsor will also pass on to the County that portion of any cash contributions proffered for educational purposes by applicants for the rezoning of property in the annexed areas.

¹¹⁰Following the effective date of the proposed annexation Isle of Wight County will continue to own and maintain the existing 16-inch water transmission line that transits U. S. Route 460 to the County's industrial park east of the Town.

¹¹¹**Settlement Agreement**, Sec. 2.06; and Glass, letter to staff of Commission on Local Government, Mar. 3, 2000.

the preservation and promotion of the viability of the affected local governments. As previous sections of this report have indicated, the annexation provision in the proposed agreement will afford Windsor with an opportunity to extend its boundaries and to increase its demographic and fiscal resources. The increased viability of the Town of Windsor, which has historically played a significant role in central Isle of Wight County with its utilities and other urban services, will enhance its capacity to serve the general area. Moreover, the inclusion of provisions in the agreement which call for cooperation between the parties in planning and development is founded upon recognition of the social and economic interdependence of the Town and County. In sum, the Commission finds that the proposed agreement, fashioned by the governing bodies of the Town and the County, is consistent with the interests of the Commonwealth in the promotion and preservation of the viability of Virginia's local governments.

FINDINGS AND RECOMMENDATIONS

In the preceding sections of this report the Commission has reviewed a proposed agreement negotiated by the Town of Windsor and Isle of Wight County addressing the interest of the two jurisdictions. Based upon that review, we find the agreement promotive of the viability of both jurisdictions and consistent with the best interests of the Commonwealth. Accordingly, we recommend the court's approval of the agreement. While finding the agreement to be in the best interest of the two jurisdictions and the Commonwealth, there are two related issues which we are obliged to address.

PROVISION OF WATER SERVICE

Both by terms of the agreement itself and by Windsor's proposed service plan for the area to be annexed, commitments have been made for the extension of public water lines to serve the enlarged Town. In the

aggregate these plans appear to be appropriate to meet the needs of the area's residents. The Commission would recommend, however, that in the further development and refinement of its plan to serve the area proposed for annexation, the Town endeavor to add specificity to various projects. While the Commission recognizes that all such plans must allow flexibility for adaptation to changing circumstances and conditions, reasonable specificity as to the dates for the completion of projects can lessen the basis for citizen apprehension and subsequent complaint. For example, the Town should consider expressly indicating when the water lines to serve Shiloh Drive and Lovers Lane will be constructed and identify funding sources for each project. Further, Windsor should commence the necessary studies for the extension of municipal water mains to other portions of the area to be annexed, such as Tyler Drive, not currently included in the Town's service plan. Again, experience has shown that ambiguity with respect to the extension of services can needlessly contribute to citizen disenchantment with the annexation process.

BOUNDARIES OF AREA PROPOSED FOR ANNEXATION

During the course of our review, the Commission was urged by certain residents in the southeastern portion of the area proposed for annexation to recommend the exclusion of their properties from incorporation into the Town of Windsor. The requests for exclusion of those properties rest upon the contention that the affected areas have no need for municipal services and would derive no benefit from incorporation into Windsor. Following extensive consideration of these contentions, the Commission is unable to find any appropriate basis for recommending such a modification of the proposed boundary line. The Commission notes that the proposed annexation boundaries constitute a rational basis for corporate lines and

embrace a reasonably compact body of land.¹¹² Further, the inclusion of the southeastern quadrant in the area proposed for annexation does not appear to be arbitrary in light of existing and planned municipal services in the general area.¹¹³ Moreover, the properties which would be brought into the Town by the proposed agreement have no unique features which would distinguish them from properties historically annexed by Virginia municipalities. In our judgment, the annexation of the southeastern quadrant is justifiable and consistent with the principles and practices which should determine the demarcation of annexation areas. In sum, we find no appropriate basis for recommending, without the joint agreement of the Town and County, any modification of the proposed annexation boundary.

CONCLUDING COMMENT

The Commission on Local Government is cognizant of the extended effort devoted by the officials of the Town of Windsor and Isle of Wight County to the negotiation of the agreement before us. The agreement reflects a notable commitment by the leadership of both jurisdictions to address in a collaborative fashion the concerns of their localities and the needs of their residents. Moreover, the general viability of the Town of Windsor is an issue of concern to both jurisdictions and this agreement will serve to promote that viability. We commend the officials of the two jurisdictions for their public leadership and for the interlocal agreement which they have negotiated.

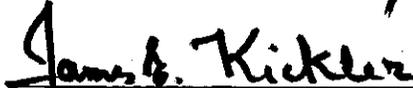
¹¹²As noted in previous sections of this report, a 1994 land suitability analysis revealed that most of the vacant properties in the eastern portion of the area proposed for annexation, which encompasses the territory requested for exclusion from incorporation into the Town, contain the fewest limitations on future development. (**Town Comprehensive Plan**, pp. 20-21; and **Joint Notice**, Exh. 6.)

¹¹³Windsor is the only source of public water to serve the area proposed for annexation, if such should be required in the future.

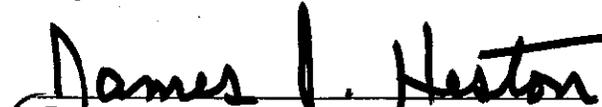
Respectfully submitted,



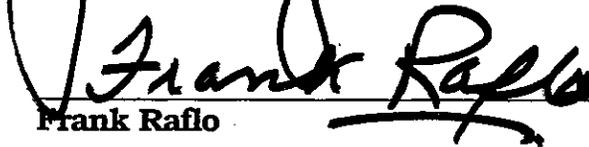
Peter T. Way, Chairman



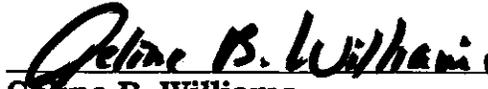
James E. Kickler, Vice Chairman



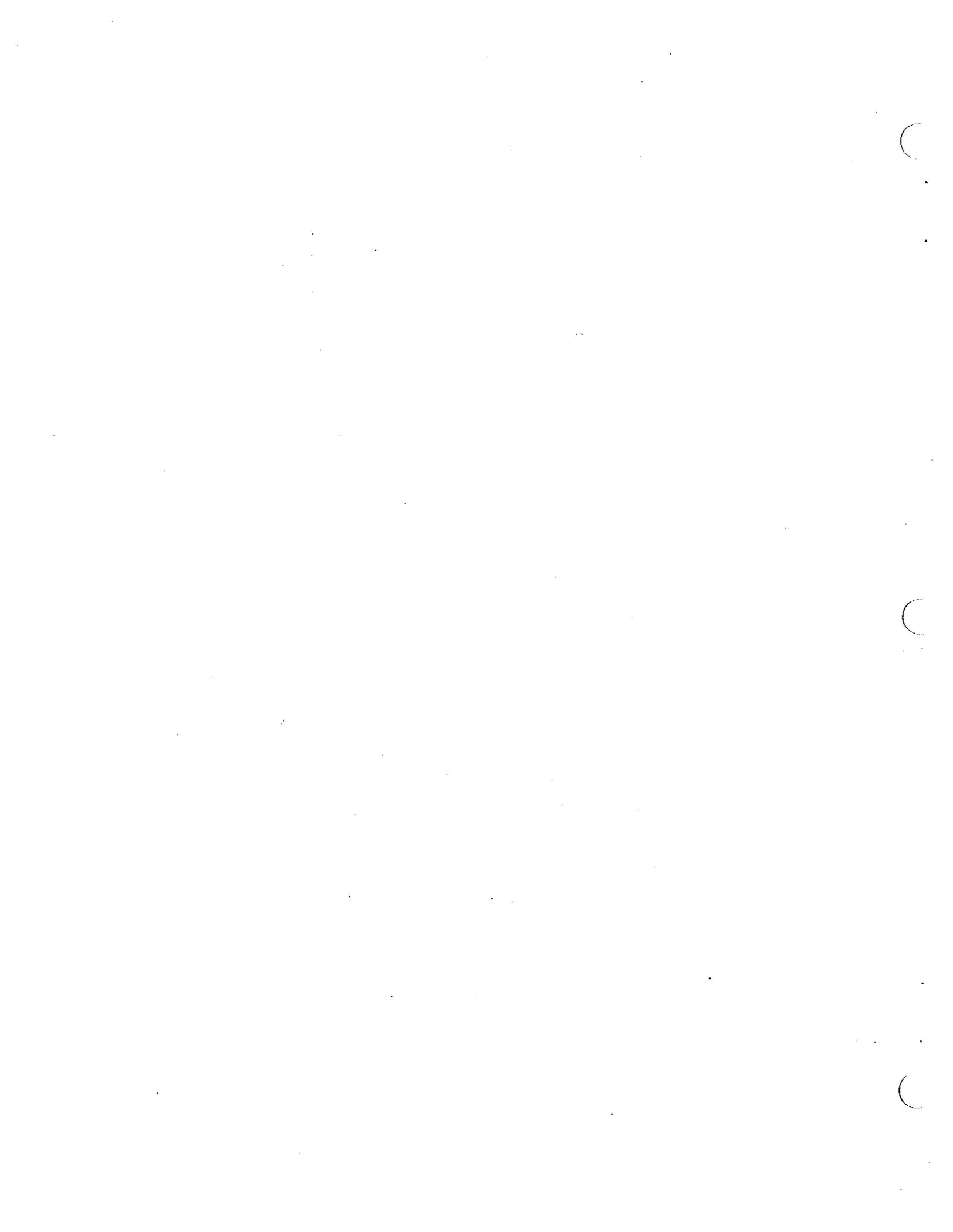
James J. Heston



Frank Rafla



Geline B. Williams



VOLUNTARY SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 20th day of May, 1999, and executed in quintuplicate originals (each executed copy constituting an original) by and between the TOWN OF WINDSOR, VIRGINIA, a municipal corporation of the Commonwealth of Virginia (the "Town"), and the COUNTY OF ISLE OF WIGHT, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "County").

WHEREAS, the Town and the County have reached this Agreement, pursuant to Title 15.2, Chapter 34 of the Virginia Code, providing for the annexation of certain territory, the conveyance of certain water systems, and the joint advisory review of certain specified planning and zoning matters, and defining the County's immunity from annexation for ten (10) years from the effective date of annexation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree with each other as follows:

SECTION 1.00 DEFINITIONS

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

1.01 "Town" shall mean Town of Windsor, Virginia.

1.02 "Code" shall mean the Code of Virginia of 1950, as amended.

1.03 "Commission" shall mean the Commission on Local Government.

1.04 "County" shall mean the County of Isle of Wight, Virginia.

1.05 "Court" shall mean the Special Three-Judge Court appointed by the Supreme Court of Virginia pursuant to Title 15.2, Chapter 30, Section 15.2-3000 of the Code.

1.06 "Section" or "subsection" refers to parts of this Agreement unless the context indicates that the reference is to parts of the Code.

SECTION 2.00 ANNEXATION TERMS AND CONDITIONS

2.01 Annexation Areas. The Town and County agree that the following areas (the "Annexation Areas") shall be annexed to the Town:

Area A - EASTERN AREA - The area east of the existing Town boundaries and north of U. S. Route 460, extending east to and including the Hidden Acres, Hazelwood and Carolwood residential and Whitfield manufactured home developments and extending north of State Route 603 a short distance.

Area B - NORTHERN AREA - The area north of the existing Town boundaries, extending up U. S. Route 258 to, and including, the Windsor Woods residential and the Twin Ponds manufactured home developments and westward along U. S. Route 460 approximately 0.5 miles from the existing western Town boundaries.

Area C - SOUTHERN AREA - The area south of the existing Town boundaries and U. S. Route 460, including the Willie Roberts Road and Curve Drive area on the west side of U. S. Route 258 and generally following the run of the Ennis Mill Creek south of the Town, across State Route 610 and easterly, including the Windsor Estates residential development and the residential properties on the southern side of U. S. Route 460, up to the intersection of U. S. Route 460 with State Route 600.

2.02 Metes and Bounds and Survey of Annexation

Areas. The Annexation Areas are fully described in Exhibit No. 1 attached to this Agreement and are shown on a map attached to this Agreement as Exhibit No. 2. The Town shall cause the entire new boundary of the Town to be surveyed and shall provide the County with a copy of a map reflecting that survey. If the County does not object within a reasonable time, not to exceed 30 days, the map reflecting the survey shall be submitted to the Court and shall be incorporated in the final order approving and implementing this Agreement.

2.03 Effective Date of Annexation. The annexation provided for in subsection 2.01 of this Agreement shall become effective at midnight on June 30, 1999. If the Court, pursuant to Section 15.2-3400 of the Code, has not entered an order prior to June 30, 1999, approving and affirming this Agreement, then the annexation shall become

effective at midnight on the 31st day of December or at midnight on the 30th day of June following the date of entry of such order, whichever date is earlier.

2.04 Extension of Municipal Services. The Town agrees that upon the effective date of the annexation provided for in subsection 2.02 of this Agreement, the Town will extend within a reasonable time from the effective date of the annexation its general governmental services to the Annexation Areas (including, for example, police protection, solid waste collection, and subdivision and zoning controls) on the same basis and at the same level as such services are now or hereafter provided to the areas within its current corporate limits where like conditions exist.

2.05 Moratorium on Annexation. The Town covenants and agrees that it shall not (i) file any annexation notice against the County with the Commission or (ii) institute any court action or other proceeding for annexation against the County for a period of ten (10) years following the effective date of the annexation provided for in subsection 2.02 of this Agreement.

2.06 Water and Sewer Systems and Services.

(a) Upon the effective date of the annexation provided for by this Agreement, it is the intent of the Town and County for the County to continue to own, operate and maintain all those sewer lines and associated appurtenances

located within the Town's new corporate limits and for the Town to own, operate and maintain all those public water lines and associated appurtenances located inside the Town's new corporate limits with the exception of the 16" water transmission line to the Isle of Wight County Industrial Park on Highway 460 which shall continue to be owned, operated and maintained by the County.

(b) The County represents that those public water lines and associated appurtenances (including, but not limited to, fire hydrants and meters) located in the annexation areas are currently connected to the Town's distribution system and currently owned by the County. The general location of such County owned lines are shown in the map attached hereto as Exhibit _____.

(c) The Town and the County further covenant and agree that the existing Water Agreements between the Town and the County dated October 19, 1988 and October 17, 1996, will be null and void as of the effective date of the annexation provided for in subsection 2.02 of this Agreement. It is expressly understood and agreed that the obligations of the County, as they may relate to the Town, under the terms of that certain agreement between the County and Twin Ponds Development Corporation, trading as Windsor Woods, dated May 19, 1994, including, but not limited to,

the provisions contained in Article 1, Paragraph 6 of that agreement, shall remain in full force and effect.

(d) Town agrees to provide and make available to the County 100,000 gallons per day of potable water to the Isle of Wight County Industrial Park and/or to any other points of delivery as required by the County through existing Town distribution and transmission lines, or in the case of the Isle of Wight County Industrial Park, a new line to be installed by the Town within three (3) years of the effective date of this agreement for distribution to other Town customers. It is further agreed that the Town will not utilize the County's aforesaid mentioned transmission line to the Isle of Wight County Industrial Park for transmission or distribution of water other than that which may be requested by the County. It is further agreed that any expansion costs for the water distribution and transmission systems of the Town will be paid for pro rata by the Town and County. That is, the County will pay its pro rata share of any system expansion dealing with the source, permitting, storage or transmission that is directly attributable to the needs of the County. This will not include any of the Town's distribution system upgrades, normal well system repair and maintenance, chlorination, etc. However, should fluoride or other chemical impurity levels reach such levels within the Town's water sources and supply that treatment

for such water conditions are unduly burdensome upon the Town, then the Town's obligation to provide water to the County as provided for hereinbefore shall be suspended until such time that such burden has been relieved. It is further agreed that the County will pay the Town the bulk rate in the Town for the water supplied to the County by the Town pursuant to this Agreement. That is, the bulk rate paid by the County will be the same rate as the Town charges its in-town customers (currently \$1.30 per 1,000 gallons). The Town further agrees to provide notice to the County three (3) months in advance in writing of any proposed increases in its rates which would affect the County.

It is further agreed that the Town in providing water distribution within the annexed area will not do so from the transmission line reserved to the County herein but may parallel same using County easements.

(e) Any fees owed to the Town by the County under the water agreements of October 19, 1988 and October 17, 1996, will be forgiven upon approval of this Agreement by the Town and upon the required approval of this Agreement by the Commission on Local Government and the Circuit Court. It is expressly understood and agreed that the obligations of the County, as they may relate to the Town, under the terms of that certain agreement between the County and Twin Ponds Development Corporation, trading as Windsor Woods,

dated May 19, 1994, including, but not limited to, the provisions contained in Article 1, Paragraph 6 of that agreement, shall remain in full force and effect.

(f) County, because of prior agreements with the City of Norfolk and City of Virginia Beach, will retain complete jurisdiction over Ennis Mill Run which will include but not be limited to rate of flow of water, flooding easements and all other matters relative to the said stream.

2.07 Planning and Zoning

(a) The Town covenants and agrees to adopt conditional zoning, as provided for in Section 15.2-2296 et seq. of the Code, including the acceptance of voluntary cash proffers, no later than the effective date of the annexation as provided for in Section 2.02 of this Agreement. The Town further covenants and agrees to pass through to the County that portion of all cash proffers heretofore made a part of conditional zoning within the Annexation Areas attributable to education as determined by the study of Tischler & Associates, Inc. (dated December, 1993 and prepared for the County). The Town further covenants and agrees to pass through to the County a sum equal to that percentage of all future proffers made a part of conditional zoning within the Annexation Areas which matches that portion of the said proffers attributable to education as determined by the study of Tischler & Associates, Inc. (dated December, 1993

and prepared for the County), or any future study by Tischler & Associates or other consultant mutually agreed upon by the County and the Town.

(b) The Town covenants and agrees to joint advisory review with the County of all rezoning applications, variance applications, special use permit applications, proposed site plans, and proposed amendments to the Town's comprehensive plan for property located within the Annexation Areas.

(c) The County covenants and agrees to joint advisory review with the Town of all rezoning applications, variance applications, special use permit applications, proposed site plans, and proposed amendments to the County's comprehensive plan for property located within a one mile radius outside the Town's new corporate limits as shown on the map attached hereto as Exhibit 4.

(d) The Town and the County agree that each jurisdiction shall notify the other within five business days of the filing or submission of any such application, plan or amendment, and that the jurisdiction so notified will provide comments, if any, no less than five (5) business days before public hearings of the Planning Commission and the respective governing body and before final action is to be taken to approve or disapprove of such application, plan or amendment.

2.08 Revenue Sharing. The Town agrees to pay to the County one-half of all the consumer utility taxes provided for by Article 4, Chapter 38 of Title 58.1 of the Code of Virginia (except for any taxes collected for enhanced emergency telephone service) collected by the Town from consumers located within the Annexation Areas for ten (10) years following the effective date of the annexation provided for in subsection 2.02 of this Agreement. The Town agrees to make quarterly payments to the County for its share of such taxes no more than fifteen (15) days after the Town receives the taxes from the various utility companies which collect the revenues.

SECTION 3.00 COMMISSION APPROVAL

3.01 The Town and the County agree to initiate the steps necessary and required by Title 15.2, Chapter 34 of the Code (in particular Section 15.2-3400, of the Code) and Title 15.2, Chapter 29 of the Code (Section 15.2-2900 et seq.) to obtain a review of this Agreement by the Commission.

SECTION 4.00 COURT APPROVAL

4.01 Following the issuance of the report of findings and recommendations by the Commission, the Town and the County agree that, regardless of the Commission's recommendations, they will submit this Agreement in its present form to the Court for approval, as required by Title

15.2, Chapter 34 of the Code (in particular Section 15.2-3400, of the Code), unless both parties agree to any change in this Agreement as hereinafter provided.

SECTION 5.00 REQUIREMENTS OF APPROVAL

5.01 The Town and County agree that if this Agreement is not affirmed without modification by the Court, this Agreement shall immediately terminate. However, the parties may waive termination by mutually agreeing to any recommended modifications.

SECTION 6.00 MISCELLANEOUS PROVISIONS

6.01 This Agreement shall be binding upon and inure to the benefit of the Town and the County, and each of the future governing bodies of the Town and the County, and upon any successor to either the Town or the County.

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

6.03 This Agreement shall be enforceable only by the Court affirming and giving full force and effect to this Agreement or by any successor Court appointed pursuant to Title 15.2, Chapter 30, Section 15.2-3000 of the Code, pursuant to an action, at law or in equity, initiated by either or both parties hereto to secure the performance of

the covenants, conditions or terms herein contained or any order affirming and giving full force and effect to this Agreement.

6.04 The County and the Town agree to execute any and all documents necessary to carry out the intent and requirements of this Agreement.

WITNESS the following signatures and seals:

TOWN OF WINDSOR, VIRGINIA, a
municipal corporation of the
Commonwealth of Virginia

By: Wesley F. Garrison
Mayor

ATTEST:

Patricia M. Mann
Clerk

COUNTY OF ISLE OF WIGHT,
VIRGINIA, a political
subdivision of the
Commonwealth of Virginia

By: W. Douglas Carter
Chairman

ATTEST:

W. Douglas Carter
Clerk

APPENDIX B

STATISTICAL PROFILE OF THE TOWN OF WINDSOR, COUNTY OF ISLE OF WIGHT, AND THE AREA PROPOSED FOR ANNEXATION

	<u>Town of Windsor</u>	<u>County of Isle of Wight</u>	<u>Area Proposed for Annexation</u>
Population (1998)	979	29,600	1,400
Land Area (Square Miles)	1.02	319.00	2.82
Total Assessed Values (1997/98)	\$39,615,444	\$1,101,143,202	\$32,600,000
Real Estate Values*	\$28,642,700	\$684,977,219	\$28,000,000
Public Service Corporation Values	\$4,348,315	\$56,625,880	N/A
Personal Property Values**	\$6,624,429	\$66,561,753	\$4,600,000
Machinery and Tools Values	N/A	\$292,978,350	N/A
Merchants' Capital Values	N/A	N/A	N/A
Existing Land Use (Acres)			
Residential	157	N/A	341
Commercial	41	N/A	9
Industrial	5	N/A	19
Public and Semi-Public	59	N/A	36
Streets or Rights-of-Way	58	N/A	110
Agricultural, Wooded or Vacant	333	N/A	1,290

NOTES:

N/A = Not Available

* = Real estate values include those for mobile homes.

** = Personal property values for the area proposed for annexation include machinery and tools values.

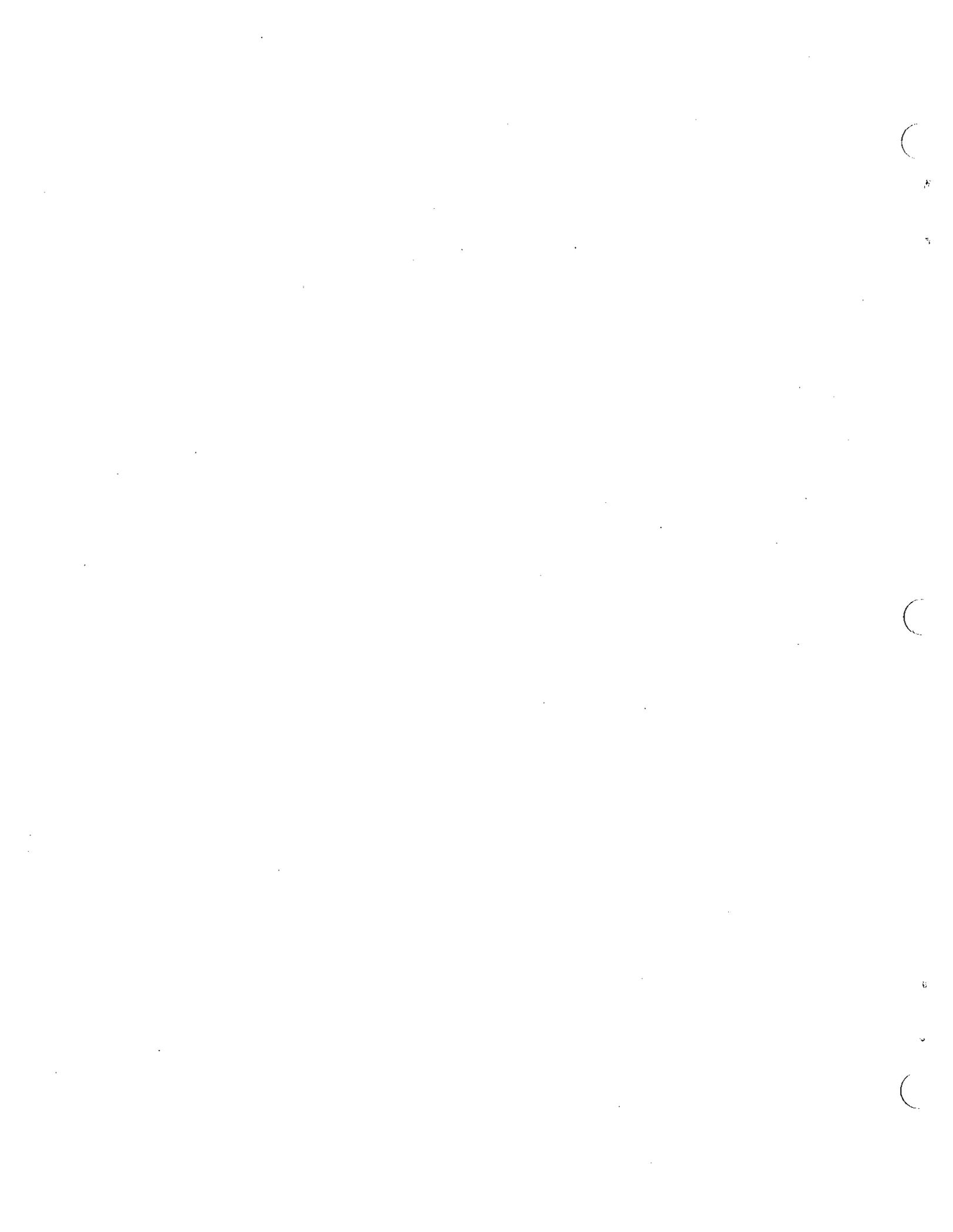
County population, land area, and property value statistics include all towns within Isle of Wight County.

Population and assessed property value estimates for the area proposed for annexation are for 1996.

SOURCE:

Town of Windsor and County of Isle of Wight, Notice by the Town of Windsor and Isle of Wight County of a Voluntary Settlement Agreement.

Carter Glass, IV, Special Counsel, Town of Windsor, letter to staff of Commission on Local Government, March 3, 2000.



TOWN OF WINDSOR, VIRGINIA

