

July 9, 2013

The regular meeting of the Council of the City of Martinsville, Virginia, was held on July 9, 2013, in Council Chambers, Municipal Building, at 7:30 PM, Closed Session beginning at 7:00PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Gene Teague, Mark Stroud, Sharon Brooks Hodge and Danny Turner. Staff present included: Leon Towarnicki, City Manager, Brenda Prillaman, Eric Monday, Dennis Bowles, Wayne Knox and Mike Rogers.

Mayor Adkins called the meeting to order and advised Council will go into Closed Session. In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Danny Turner, seconded by Mark Stroud, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Stroud, aye; Hodge, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) Appointments to Boards and Commissions as authorized by Subsection 1. (B) Consultation with legal counsel and briefings by staff members, attorneys, or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. (C) A personnel matter as authorized by Subsection 1.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during Session. On a motion by Danny Turner, seconded by Sharon Brooks Hodge, with the following recorded 5-0 vote: Adkins, aye; Teague, aye; Stroud, aye; Hodge, aye; and Turner, aye, Council returned to Open Session.

Following the invocation by Mayor Adkins and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced one addendum to this agenda from the Electric Department.

Boards & Commissions actions taken:

Planning Commission-on a motion by Danny Turner, seconded by Gene Teague, with 5-0 vote, Council appointed John Hale, 1249 Lanier Rd. to a 4-year unexpired term ending 6/30/16.

Architectural Review Board-on a motion by Mark Stroud, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council appointed Mary Rives Brown, 334 E. Church St. Apt B-3, to a 3-year unexpired term ending 3/31/15.

Minutes: Council Member Stroud asked that the May 28 minutes reflect his uncle's name, Clyde England, in Council Comments section. On a motion by Danny Turner, seconded by Gene Teague, with a 5-0 vote, Council approved the minutes as amended of the May 14, 2013 and May 28, 2013 meetings.

APCO customer transfer to city: Dennis Bowles briefed Council on the customer transfer proposal. Appalachian Power Company (APCo) presently serves 14 customers in the Forest Park subdivision consisting of 12 residential customers on Valley View Drive, one residential customer on Mulberry Road and the Forest Park Country Club. APCo is requesting the City to serve these customers with electric power due to the customers being in close proximity to our existing lines, providing the City ease of access to the potential customer base at a minimal line construction cost to the City.

The revenue generated from the acquisition of these 14 customers adequately offsets the line construction cost in the first year. On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council agreed to accept the proposal to acquire the APCo customers.

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Community Development Projects Update: Community Development Director Wayne Knox briefed Council in detail on all the completed projects, projects in progress, and projects in the planning stages of the Community Development Department.

Henry Hotel Update: Leon Towarnicki, City Manager, briefed Council on past and present redevelopment efforts of the Henry Hotel including the RFP issued by the City. Waukeshaw Development of Petersburg, VA submitted a proposal and Dave McCormack and Edwin Gaskin were introduced to make their presentation to Council about who they are and their proposal for the Henry Hotel.

Henry Hotel Proposed Building Program:

- Comprehensive code-compliant renovation
- Preserving and highlighting historic features
- Rehabilitating and restoring the exterior
- Four commercial spaces on the ground floor
- 1 ADA unit on the ground floor
- 24 studio and one-bedroom units on upper floors
- Laundry and storage facilities in basement



HENRY HOTEL | SCHEMATIC FIRST FLOOR LAYOUT



HENRY HOTEL | SCHEMATIC BASEMENT FLOOR LAYOUT



HENRY HOTEL | SCHEMATIC SECOND-FOURTH FLOOR LAYOUT

Cost Estimates:

- \$3.4M total cost
- \$2.6M hard cost construction
- \$800K soft costs – includes construction interest, construction contingency, etc.

Market Potential:

- Market study performed by Danter in 2010, with update in September 2012
- Lack of high-quality rental housing in Martinsville
- Current housing supply is outdated and in need of renovations
- Occupancy rates are strong – mostly 90%+
- An additional 132-164 units in inventory needed

Market Potential considerations:

- Market rates are low
- Recommended rates range from \$384 for a studio to \$897 for a 2 BR/2 BA unit
- Waukeshaw proposes rents in \$500-650 range for studios and one bedrooms
- Absorption anticipated to average 2 - 2.5 units per month at lease up
- Stabilization (90% occupancy) in 7.5 – 9.5 months

Incentives & Potential Funding Sources:

- New Market Tax Credits
- Historic Tax Credits – State and Federal
- DHCD/Main Street Program
- Enterprise Zone Real Property Grant
- Bank Financing

Mr. Towarnicki reviewed the a proposed sale and development contract noting that the sale contract calls for the city to sell the Hotel to Waukeshaw for \$1.00. The City will assist with the IRF grant application process and the property will be eligible for enterprise zone benefits. City Administration's recommendation is that Council

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authorize staff to sell the building to Waukeshaw Development for \$1.00. It was noted that the Harvest Foundation will forgive the existing loan if the city accepts the development agreement.

Mayor Adkins entertained a motion to recess City Council and convene as the Martinsville Redevelopment & Housing Authority. A motion was made by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, to convene as MRHA.

Martinsville Redevelopment & Housing Authority action on Henry Hotel: On a motion by Gene Teague, seconded by Danny Turner, with the following 5-0 recorded vote, Adkins-aye; Teague-aye, Turner-aye; Hodge-aye; Stroud-aye, the Martinsville Redevelopment & Housing Authority approved the contract of sale of the Henry Hotel property to Waukeshaw Development. On a motion by Gene Teague, seconded by Mark Stroud, the Martinsville Redevelopment & Housing Authority adjourned and City Council was re-convened.

City Council action on Henry Hotel: On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council approved authorizing the execution of the Henry Hotel development agreement with Waukeshaw Development subject to final contract modifications.

State holidays resolution: On a motion by Sharon Brooks Hodge, seconded by Mark Stroud, Council approved the following required resolution regarding the state holiday schedule observed by City employees:

<u>RESOLUTION</u>	
<p>WHEREAS, Section 2-1 of the City Code states that leave regulations for City employees under the jurisdiction of the City Manager shall be established by ordinance or resolution; and</p>	
<p>WHEREAS, the City Administration recommends City employees continue to accrue and accumulate annual leave and sick leave at the current rates and limits; and</p>	
<p>WHEREAS, the City Administration recommends the City continue to observe the state holiday schedule officially designated and approved by the Governor of Virginia, unless otherwise approved by the City Manager, as contained in Chapter VII of the Employee Manual; now, therefore,</p>	
<p>BE IT RESOLVED by the Council of the City of Martinsville, Virginia, in regular session assembled on July 9, 2013, that it does hereby approve the observance of the official state holiday schedule, and the accrual and accumulation rates for annual and sick leave, as incorporated in the employee manual, for all full-time City employees under the jurisdiction of the City Manager, to be effective January 1, 2013.</p>	

Attachment	
Attest:	
	
Brenda H. Prillaman, Clerk of Council	
<u>July 9, 2013</u> Date Adopted	
<u>January 1, 2013</u> Date Effective	

Business from floor: Ural Harris, 217 Stuart St.-comments on AMP Prairie State facility and rates. Council directed staff to provide an update at a future Council meeting on the electric stabilization rate and where we are with rates as were budgeted and how it affects the consumer in relation to their individual power bills.

Council comments: Hodge-excited to move forward with Henry Hotel project; Teague-expressed appreciation to the Harvest Foundation and pointed out they should be given credit for their contribution to the exciting Henry Hotel project as well as the contributions of city staff working on this endeavor; Stroud-echoed Teague's comments noting the Henry Hotel is very important for Uptown; Turner-wished success to Stone Dynamics in their new location.

City Manager comments: gave an update on the Greyson St. /Liberty St. construction project noting it is scheduled for completion by end of the year.

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There being no further business, the meeting adjourned at 9:15pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor