

AGENDA--CITY COUNCIL
CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building
6:30pm Closed Session 7:00pm Regular Session
Tuesday May 9, 2023

6:30 pm - Closed Session

Items to be considered in Closed Session, in accordance with the Code of Virginia, Title 2.2, Chapter 37—Freedom of Information Act, Section 2.2-3711(A)—Closed Meetings, the following:

- A. Appointments to boards and commissions, as authorized by Subsection 1.
- B. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, as authorized by Subsection 6

7:00 pm - Regular Session

Pledge to the American Flag and Invocation by Council Member Lawson

1. Conduct a public hearing on a proposal to retain the existing real estate tax rate at \$1.04/\$100 of assessed value. (15 mins)
2. Consider approval of a resolution supporting a “mixed-Use on Main Street” (MUMS) grant application to Virginia Department of Community Development for gap financing for the renovation project at 16-18 East Church Street. (10 mins)
3. Hear an update from Danville Redevelopment and Housing Authority. (10 mins)
4. Consider setting a public hearing on the proposed FY2024 City budget. (5 mins)
5. Read and present a proclamation acknowledging May 2023 as Building Safety Month. (5 mins)
6. Consider approval of the consent agenda. (5 mins)

7. Business from the Floor -

The public comment portion of the Council meeting provides citizens the opportunity to discuss matters relevant to the operation of the City, which are not listed on the printed agenda.

Citizens who wish to participate in a meeting’s public comment period may do so by emailing their comments to Karen Roberts, Clerk of Council, at [kroberts@ci.martinsville.va.us](mailto: kroberts@ci.martinsville.va.us), calling in their comments to 276-403-5182, faxing comments to 276-403-5280, or mailing comments to City of Martinsville, attn.: Karen Roberts, P.O. Drawer 1112, Martinsville, VA 24114. *Comments must be received by 12:00noon Monday May 8, 2023.* Citizens may also request to speak at the Council meeting in the same manner.

Comments, or a request to speak, must be received by noon the day before a Council meeting for consideration by Council at the meeting. Any person submitting comments or requesting to speak must identify themselves by name and address, including zip code, limit their remarks to 3 minutes or less (as read aloud), address a topic of City business, and refrain from making any personal references or accusations of a factually false and/or malicious nature. Priority for comments is given to City residents, taxpayers, and business owners. Speakers may not yield time. Groups of speakers on the same topic must designate a single representative. Comments violating these rules may not be presented at the Council meeting. Any speaker violating these rules may be removed from the podium or from the Council chamber.

This policy does not apply to public hearings, at which any citizen of Martinsville may appear and speak on the subject of the public hearing.

8. Comments by members of City Council. (5 mins)
9. Comments by City Manager. (5 mins)



City Council Agenda Summary

Meeting Date: May 9, 2023
Item No: 1.
Department: City Council

Issue: Conduct a public hearing on a proposal to retain the existing real estate tax rate at \$1.04/\$100 of assessed value.

Summary: According to information from the Commissioner of the Revenue's office, total assessed value of real property, excluding additional assessments due to new construction or improvements to property exceeded last year's total assessed value of real property by 20.32% as a result of the biennial reassessment that was just completed. A lowered rate that would offset the increased assessment and would levy the same amount of real estate tax as last year (when multiplied by the new total assessed value with the exclusions noted) would be \$0.86/\$100 of assessed value.

In the proposed FY24 budget presented to (but not yet adopted) by Council on April 25, 2023, the real estate tax rate is proposed to be left as is, at \$1.04/\$100 which is an effective tax rate increase of 20.9% or the equivalent of \$0.18/\$100. The effective tax rate increase is expected to generate \$1.2M to \$1.3M in additional revenue that is included in the proposed FY24 budget, with each \$0.01 generating approximately \$70,000 in revenue. §58.1-3321 of the Code of Virginia requires that a public hearing be held when an assessment of real property results in an increase of one percent or more in the total real property tax levied. Council does not have to act at this meeting on a rate change but as noted, approximately \$1.3M in revenue is included in the FY24 proposed budget resulting from increased assessed values at the current rate. A change (reduction) of the rate will require that other actions be taken to balance the proposed FY24 budget.

Attachments: Copy of public hearing advertisement

Recommendations: Conduct the public hearing and accept comments. Staff recommends taking no action on a rate change until budget work sessions have concluded.

The attached notice appeared in the Sunday, April 9, 2023 edition of the Martinsville Bulletin

NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

The City of Martinsville proposes to increase property tax levies.

1. **Assessment Increase:** Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 20.32 percent.
2. **Lowered Rate Necessary to Offset Increased Assessment:** The tax rate which would levy the same amount of real estate as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$ 0.86 per \$100 of assessed value. This rate will be known as the "effective tax rate increase."
3. **Effective Rate Increase:** The City of Martinsville proposes to adopt a tax rate of \$1.04 per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate would be \$0.18 per \$100, or 20.9 percent. This difference will be known as the "effective tax rate increase."

Individual property taxes may, however, increase at a percentage greater than or less than the above average.

4. **Proposed Total Budget Increase:** Based on the proposed real property tax rate and changes in other revenues, the total budget of the City of Martinsville will exceed last year's by 5.3 percent.
A public hearing on the increase will be held at 7:00 PM
on May 9, 2023 in
Martinsville City Council Chambers
55 West Church Street



City Council Agenda Summary

Meeting Date: May 9, 2023

Item No: 2.

Department: City Manager

Issue: Consider approval of a resolution supporting a “Mixed-Use on Main Street” (MUMS) grant application to Virginia Department of Community Development for gap financing for the renovation project at 16 – 18 East Church Street.

Summary: Burch Building, LLC wishes to apply for a Mixed-Use on Main Street (MUMS) grant from Virginia Department of Community Development (DHCD) for \$500,000 as gap financing for the rehabilitation of 16-18 East Church Street, often referred to as “The McCollum-Ferrell Building.” This program is operated through the same office that runs the Industrial Revitalization Fund (IRF) program and the programs are very similar, except that the MUMS program is only for downtown Main Street mixed use buildings with commercial space on the first floor and residential above. The MUMS program requires a “pre-application” for verification that the project is qualified.

The pre-application was sent in January of this year and DHCD invited Martinsville to make an application behalf of the rehab project. This is the first project in the state to receive an invitation to apply for the MUMS program, which is designed to encourage rehabilitation of multi-story buildings in the historic commercial district, with the inclusion of upper story housing.

Jeff Sadler is a managing partner of Burch Building LLC. The proposed project will result in fully renovated and modernized retail space in the traditional storefront, with up to 12 new market rate apartments and potential storage space in the basement. While the project is undergoing some design changes, it has been approved for Historic Rehabilitation Tax Credits by both Virginia Department of Historic Resources and the US Department of Interior. The total rehabilitation cost is estimated to be between \$1.7 million and \$2.1 million. Rents are expected to

range from \$850 to \$1600/month, depending on the size and location of the apartments.

If awarded, the grant will be made to Virginia Community Capital Bank, who will administer it as a low-interest loan to the project. The City will have no ongoing financial obligation for the award, but is required to be the applicant on behalf of the project and will have some ongoing reporting responsibilities until the project is complete. Mr. Sadler presented the project to Council at their April 25 meeting and by consensus, Council agreed to hold this over for consideration until the May 9 meeting.

Attachments: Resolution

Recommendations: Staff recommends approval of the resolution (motion, second, and voice vote).

Council Members
LC Jones, Mayor
Aaron Rawls, Vice-Mayor
Kathy Lawson
Lawrence Mitchell
Tammy Pearson



City Manager
Leon E. Towarnicki
Clerk of Council
Karen Roberts

RESOLUTION

AUTHORIZATING APPLICATION FOR \$500,000 IN FUNDING TO VIRGINIA DHCD FROM THE MIXED-USE ON MAIN STREET PROGRAM

WHEREAS, building renovation efforts are currently underway at 16 – 18 East Church Street in Martinsville at the building known as “The McCollum-Ferrell Building” which was once a centerpiece of regional commerce but has been empty or underused for nearly 25 years; and

WHEREAS, more than One Million Seven Hundred Thousand Dollars (\$1,700,000) will be spent on construction and demolition to reintroduce the building as a mixed-use project, with retail storefront space and between 8 and 12 apartments for which Martinsville has demonstrated demand; and

WHEREAS, the project developer, Burch Building LLC, is requesting the City’s assistance with an application to Virginia Department of Housing and Community Development for a \$500,000 grant under the Mixed-Use on Main Street program to be used, if awarded, as a low-interest loan administered by Virginia Community Capital Bank; and

WHEREAS, the City will have no ongoing financial liability or obligation for the award but is required to be the applicant on behalf of the project and will have ongoing reporting responsibilities until the project is complete;

NOW THEREFORE, BE IT RESOLVED that The City of Martinsville, Virginia, wishes to apply for \$500,000 in Funding from the Mixed-Use on Main Street program at Virginia Department of Housing and Community Development to provide for a gap financing loan to enable the rehabilitation of 16-18 East Church Street, Martinsville, Virginia; and

BE IF FURTHER RESOLVED, that Leon Towarnicki, City Manager, is hereby authorized to sign and submit appropriate documents for the submittal of this Mixed-Use on Main Street grant application.

Attest:

Karen Roberts, Clerk of Council

May 9, 2023

Date Adopted



City Council Agenda Summary

Meeting Date: May 9, 2023

Item No: 3.

Department: City Manager

Issue: Hear an update from Danville Redevelopment and Housing Authority

Summary: Staff from Danville Redevelopment and Housing Authority will present a brief update on their local operations and their recent move to a new location Uptown.

Attachments: None

Recommendations: No Council action is necessary



City Council Agenda Summary

Date: May 9, 2023

Item No: 4.

Department: City Manager

Issue: Consider setting a public hearing on the proposed FY2024 City budget.

Summary: At Council's meeting on April 25, 2023, the proposed FY24 City budget was presented. Work sessions are scheduled for Wednesday, May 10, Tuesday, May 16, and Wednesday, May 17. The budget public hearing and approval on first reading are planned for the May 23, 2023 Council meeting, and final adoption and approval on second reading are planned for the June 13, 2023 meeting.

Attachments: None

Recommendations: Set the public hearing for Council's May 23, 2023 meeting. (motion, second, voice vote).

Meeting Date: May 9, 2023

Item # 5.

Department: Community Development/Inspections

Issue: Read and present a proclamation acknowledging May, 2023 as Building Safety Month

Summary: Every year, May is Building Safety Month, a public awareness campaign to help individuals, families and businesses understand what it takes to create safe and sustainable structures. The campaign reinforces the need for adoption of modern, model building codes, a strong and efficient system of code enforcement and a well-trained, professional workforce to maintain the system.

The campaign is presented by the International Code Council and its thousands of members worldwide along with a diverse partnership of professionals from the building construction, design and safety community. Corporations, government agencies, professional associations, nonprofits and more come together to support Building Safety Month because they understand the need for safe and sustainable structures where we live, work and play.

All communities need building codes to protect their citizens from disasters like fires, weather-related events and structural collapse. Building codes are society's best way of protecting homes, offices, schools, manufacturing facilities, stores and entertainment venues. Code officials work day in and day out to keep the public safe.

Attachments: Proclamation

Recommendation: Read and present the proclamation.



Proclamation

RECOGNIZING MAY, 2023 AS BUILDING SAFETY MONTH

WHEREAS, the City of Martinsville is committed to recognizing that our growth and strength depends on the safety and economic value of the homes, buildings and infrastructure that serve our citizens, both in everyday life and in times of disaster, and;

WHEREAS, our confidence in the resilience of these buildings that make up our community is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, design professionals, laborers, plumbers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

WHEREAS, these guardians are dedicated members of the International Code Council, a nonprofit that brings together local, state and federal officials that are experts in the built environment to create and implement the highest-quality codes to protect us in the buildings where we live, learn, work, play, and;

WHEREAS, our nation benefits economically and technologically from using the International Codes that are developed by a national, voluntary consensus codes and standards developing organization, our government is able to avoid the high cost and complexity of developing and maintaining these codes, which are the most widely adopted building safety and fire prevention codes in the world;

WHEREAS, these modern building codes include safeguards to protect the public from hazards such as hurricanes, snowstorms, tornadoes, wildland fires, floods and earthquakes, and;

WHEREAS, Building Safety Month is sponsored by the International Code Council to remind the public about the critical role of our communities' largely unknown protectors of public safety—our local code officials—who assure us of safe, sustainable, energy efficient and livable buildings that are essential to America's prosperity, and;

WHEREAS, “It Starts with YOU,” the theme for Building Safety Month 2023, encourages all Americans to raise awareness about the importance of safe and resilient construction; fire prevention; disaster mitigation, energy conservation; water safety; training the next generation; and new technologies in the construction industry.

WHEREAS, each year, in observance of Building Safety Month, people all over the world are asked to consider the commitment to improve building safety, resilience and economic investment at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments, fire prevention bureaus and federal agencies in protecting lives and property;

NOW, THEREFORE, I, LC Jones, Mayor, and members of Martinsville City Council hereby proclaim the month of May 2023 as Building Safety Month and ensure the City of Martinsville will continue to provide resources to effectively administer and enforce our adopted building codes codes and standards. We express our appreciation and support of those employees engaged in building inspection services and encourage our citizens to do likewise.

LC Jones, Mayor

Meeting Date: May 9, 2023

Item No: 6.

Department: Finance

Issue: Consider approval of the consent agenda

Summary:

The attachment amends the FY23 budget with appropriations in the following fund:

FY23

General Fund: \$ 3,775 – State Grant Funds

Refuse: \$ 75,100 – Sale of Surplus

Capital Fund: \$ 144,739 – School Construction Grant

Attachments: Consent Agenda – 5-9-2023

Recommendations: Approve

BUDGET ADDITIONS FOR 05/09/2023

| ORG | OBJECT | DESCRIPTION | DEBIT | CREDIT |
|---------------------------|--------|--|-----------------|-----------------|
| 1101917 | 442401 | State Confiscated Assets - PD | | 1,474 |
| 1101917 | 442401 | State Confiscated Assets - PD | | 1,180 |
| 1101917 | 442401 | State Confiscated Assets - PD | | 750 |
| 1101917 | 442401 | State Confiscated Assets - PD | | 372 |
| 01311085 | 508255 | State Asset Forfeitures | 3,775 | |
| | | Police Department - State Forfeited Assets | | |
| Total General Fund | | | \$ 3,775 | \$ 3,775 |

| | | | | |
|--------------------------|--------|---------------------------|------------------|------------------|
| 09100905 | 450209 | Sale of Surplus | | 39,000 |
| 09100905 | 450209 | Sale of Surplus | | 36,100 |
| 09424301 | 508205 | Vehicles | 75,100 | |
| | | Sale of Surplus Equipment | | |
| Total Refuse Fund | | | \$ 75,100 | \$ 75,100 |

FY23 - Capital - School Construction

| | | | | |
|--|--------|---|-------------------|-------------------|
| 16101917 | 416601 | Capital- Categorical State- School Construction | | 144,739 |
| 16579369 | 508217 | School Project - School Construction Grant | 144,739 | |
| | | School Construction Grant Program Entitlement | | |
| Total Capital - School Construction Grant | | | \$ 144,739 | \$ 144,739 |