

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

IN THE MATTER OF THE NOTICE OF THE)
CITY OF MARTINSVILLE AND HENRY)
COUNTY OF THEIR INTENTION TO)
PETITION FOR THE APPROVAL OF A)
VOLUNTARY SETTLEMENT OF TOWN)
STATUS AND OTHER ISSUES)
)

**NOTICE OF THE CITY OF MARTINSVILLE AND HENRY COUNTY
OF THEIR INTENTION TO PETITION FOR THE APPROVAL OF A
VOLUNTARY SETTLEMENT OF TOWN STATUS AND OTHER ISSUES**

CITY OF MARTINSVILLE

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**NOTICE OF THE CITY OF MARTINSVILLE AND HENRY COUNTY
OF THEIR INTENTION TO PETITION FOR THE APPROVAL OF A
VOLUNTARY SETTLEMENT OF TOWN STATUS AND OTHER ISSUES**

Pursuant to § 15.2-3400 of the Virginia Code, and the rules and regulations of the Commission on Local Government (the “Commission”), the City of Martinsville (“Martinsville”) and Henry County (“Henry County”) (together, the “Parties”), by their respective counsel, hereby notify the Commission, and all Virginia local governments contiguous to, or sharing any function, revenue, or tax source with the Parties, of their intention to petition an appropriate Circuit Court to approve and give full force and effect to a voluntary settlement of town status and other issues by the Parties. In support of this Notice, the Parties state the following:

1. On August 24, 2021, the Martinsville City Council adopted a resolution, by recorded affirmative vote of a majority of all of its elected members, by which it approved the Voluntary Settlement Agreement Between the City of Martinsville and the County of Henry (the “Agreement”). The resolution further stated the City Council’s intention, after the Commission’s review, to readopt the Agreement and petition an appropriate Circuit Court to affirm and validate the Agreement. A copy of the resolution is attached as **Exhibit 1** to this Notice.

2. On August 24, 2021, the Henry County Board of Supervisors adopted a resolution, by recorded affirmative vote of a majority of all of its elected members, by which it approved the

Agreement. The resolution further stated the Board of Supervisors' intention, after the Commission's review, to readopt the Agreement and petition an appropriate Circuit Court to affirm and validate the Agreement. A copy of the resolution is attached as **Exhibit 2** to this Notice.

3. The Agreement provides for Martinsville's reversion from city to town status and addresses the allocation of governmental services following that change in governmental structure, the transfer of certain properties, the sharing of certain revenues, a temporary moratorium of annexation rights, and other matters.

4. With this Notice, Martinsville incorporates by reference the data and other evidence submitted to the Commission in its Notice of the City of Martinsville's Intention to Petition for an Order Granting It Town Status Within Henry County (the "Original Notice") on September 18, 2020, to the extent applicable. These data and other evidence are responsive to the information, data, and factors listed in §§ 50-20-601 and -610(6) of Title 1 of the Virginia Administrative Code. Martinsville's Original Notice is modified as reflected in the Voluntary Settlement Agreement.

5. With this Notice, Henry County incorporates by reference the data and other evidence submitted to the Commission in its Response to the Notice of the City of Martinsville's Intention to Petition for an Order Granting It Town Status Within Henry County (the "Response") on November 30, 2020, to the extent applicable. These data and other evidence are responsive to the information, data, and factors listed in §§ 50-20-601 and -610(6) of Title 1 of the Virginia Administrative Code. Henry County's Response is modified as reflected in the Voluntary Settlement Agreement.

6. Pursuant to § 50-20-390(L) of Title 1 of the Virginia Administrative Code, Martinsville certifies that all data, exhibits, documents, and other materials submitted to the Commission, and the identified sources for all such materials, as supplemented by Martinsville in

its response to the Commission's requests for information, are correct to the best knowledge of Martinsville.

7. Pursuant to § 50-20-390(L) of Title 1 of the Virginia Administrative Code, Henry County certifies that all data, exhibits, documents, and other materials submitted to the Commission, and the identified sources for all such materials, as supplemented by Henry County in its response to the Commission's requests for information, are correct to the best knowledge of Henry County.

8. The Parties' respectively designate as their principal contacts with the Commission:

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Counsel for Henry County

Other designated contacts with the Commission are listed in the respective signature blocks below.

9. Pursuant to § 50-20-390(M) of Title 1 of the Virginia Administrative Code, the Parties have mailed to the Commission eight copies of the Notice and accompanying materials.

10. Pursuant to § 50-20-230(C) of Title 1 of the Virginia Administrative Code, the Parties have mailed copies of the Notice, Resolutions, Voluntary Settlement Agreement, and Annotated Index to each Virginia local government contiguous with Martinsville and/or Henry County, and each Virginia local government with which Martinsville and/or Henry County share any function, revenue, or tax source

WHEREFORE, Martinsville and Henry County request that the Commission find that the Agreement is in the best interest of the Commonwealth and that it recommends that the Agreement be affirmed and given full force and effect by a special three-judge court.

Respectfully submitted this ___ day of August, 2021.

CITY OF MARTINSVILLE

By: _____
John S. West (VSB No. 34771)
Stephen C. Piepgrass (VSB No. 71361)
Robert S. Claiborne, Jr. (VSB No. 86332)
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HENRY COUNTY

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glyle@co.henry.va.us

Counsel for Henry County

LOCAL GOVERNMENTS NOTIFIED

Pursuant to § 50-20-230(C) of Title 1 of the Virginia Administrative Code, the Parties have mailed copies of the Notice, Resolutions, Voluntary Settlement Agreement, and Annotated Index to each Virginia local government contiguous with Martinsville and/or Henry County, and each Virginia local government with which Martinsville and/or Henry County share any function, revenue, or tax source:

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Town Attorney
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ANNOTATED INDEX

The following is an annotated list of the documents, exhibits, and other materials the Parties have submitted to the Commission:

NOTICE	Notice to the Commission required pursuant to Va. Code § 15.2-3400 and 1 Va. Admin. Code § 50-20-230.
SETTLEMENT AGREEMENT	Voluntary Settlement Agreement Between the City of Martinsville and the County of Henry, which provides for Martinsville's reversion from city to town status and addresses the allocation of governmental services following that change in governmental structure, the transfer of certain properties, the sharing of certain revenues, a temporary moratorium of annexation rights, and other matters.
LOCAL GOVERNMENTS NOTIFIED	Listing of local governments and officials receiving the Notice and accompanying material.
EXHIBITS	1 – Resolution of the Martinsville City Council approving the Voluntary Settlement Agreement and authorizing the initiation of this proceeding 2 – Resolution of the Henry County Board of Supervisors approving the Voluntary Settlement Agreement and authorizing the initiation of this proceeding
<i>The City of Martinsville's previously submitted materials that are incorporated by reference to the extent applicable, as modified by the terms and conditions of the Voluntary Settlement Agreement Between the City of Martinsville and Henry County:</i>	
NOTICE	Notice to the Commission required pursuant to Va. Code § 15.2-2907(A).
INTRODUCTION	Narrative description of the background preceding this matter and the grounds for Martinsville's reversion to a town.
RESPONSIVE DATA AND OTHER EVIDENCE	Narrative and tabular responses required under 1 Va. Admin. Code § 50-20-601.

GOVERNMENTAL SERVICES

Narrative descriptions of existing governmental services provided by Martinsville and proposals concerning the provision of those services after Martinsville's reversion to a town, including:

1. Public Education;
2. Judicial Administration;
3. Commissioner of Revenue;
4. Treasurer;
5. Board of Elections;
6. Department of Social Services;
7. Health Services;
8. Mental Health Services;
9. Solid Waste Disposal;
10. Sewer/Wastewater Treatment Facility; and
11. Urban Services.

GROUND FOR REVERSION

- | | |
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| I. Reversion will promote Henry County's ability to serve the population. | Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(3). |
| II. Reversion will promote the equitable sharing of resources and liabilities among Henry County and Martinsville. | Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(4). |
| III. Reversion is in the best interests of the Parties and their people. | Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(5). |
| IV. Reversion is in the best interests of the Commonwealth. | Narrative discussion and tables responsive to Va. Code § 15.2-4106(A)(5), (6). |

TERMS AND CONDITIONS

Narrative description of the terms and conditions that Martinsville proposes as part of its reversion to a town.

EXHIBITS

A – MARTINSVILLE PUBLIC FACILITIES MAPS (PARKS, PUBLIC SCHOOLS, FACILITIES) (ca. 2009)

B – MARTINSVILLE LAND USE MAP (2020)

C – MARTINSVILLE FUTURE LAND USE MAP (2008)

D – HENRY COUNTY LAND USE MAP (2020)

E – CITY OF MARTINSVILLE, FIXED ASSET ACCOUNTING SYSTEM – SCHOOL BOARD

F – VACORP, CITY OF MARTINSVILLE FINAL CONTRIBUTION ALLOCATION: BUILDINGS AND CONTENTS SCHEDULE (coverage term July 1, 2020 - July 1, 2021)

G – CITY OF MARTINSVILLE, COMBINED AMORTIZATION SCHEDULES

H – CITY OF MARTINSVILLE, SCHOOL-CITY JOINTLY OWNED VALUES (fiscal year 2019)

Henry County’s previously submitted materials that are incorporated by reference to the extent applicable, as modified by the terms and conditions of the Voluntary Settlement Agreement Between the City of Martinsville and Henry County:

INTRODUCTION

An overview of the County’s Response.

A BRIEF HISTORY OF HENRY COUNTY

Brief narrative description of the history of the County.

RELEVANT DATA AND EVIDENCE UNDER 1 VA. ADMIN. CODE § 50-20-601

Detailed discussion on the items required under 1 Va. Admin. Code § 50-20-601, including data and evidence from various cited sources.

IMPACT OF REVERSION

- A. Impact on the County and its Citizens
- B. Impact on the City and its Citizens
- C. Impact on the Commonwealth’s Interests

A discussion of the impact reversion will have on the County and its citizens, including a discussion on why the City’s proposed plan for reversion fails to meet the requirements of Va. Code § 15.2-4106 and changes that need to be made in order for the plan to comply with the requirements of that code section.

A brief discussion of the impact reversion will have on the City and its citizens.

A discussion of the impact reversion will have on the Commonwealth’s interests, including a discussion on why the City’s proposed plan for reversion fails to meet the requirements of Va. Code § 15.2-4106 and changes that need to be made for the plan to comply with the requirements of the code section.

TERMS AND CONDITIONS FOR
IMPROVED REVERSION PLAN

Description of terms and conditions the County submitted must be imposed for reversion to take place in a manner that complies with Va. Code § 15.2-4106.

CONCLUSION

The relief the County requests from this process.

EXHIBITS

A1 – HENRY COUNTY ADMINISTRATION, HENRY COUNTY FACILITIES MAP

A2 – HENRY COUNTY DEPARTMENT OF PLANNING, ZONING AND INSPECTIONS, HENRY COUNTY ZONING MAPS

A3 – HENRY COUNTY DEPARTMENT OF PLANNING, ZONING AND INSPECTIONS; HENRY COUNTY ZONING TABLE

A4 – DEMOGRAPHICS RESEARCH GROUP, WELDON COOPER CENTER, ENROLLMENT PROJECTIONS FOR MARTINSVILLE AND HENRY COUNTY

A5 – ANN HARRITY SHAWVER, CPA, PLLC, ANALYSIS. ITEMS 7, 8, 13-18, AND CSA TRENDS

A6 – GIS PROPERTY CARD FOR JAIL ANNEX AND PRISON FARM

B1 – US CENSUS BUREAU, GOVERNMENTAL UNIT REFERENCE MAP (2019) – HENRY COUNTY, VA

B2 – CITY OF MARTINSVILLE FY2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

B3 – HENRY COUNTY FY2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT

B4 – HENRY COUNTY PUBLIC SERVICE AUTHORITY RULES AND REGULATIONS

B5 – CITY OF MARTINSVILLE FY2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT

B6 – HENRY COUNTY FY2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT

B7 – CITY OF MARTINSVILLE FY2021 BUDGET PRESENTATION

B8 – ROBINSON, FARMER, COX ASSOCS., EVALUATION - PROSPECTIVE FINANCIAL IMPACT

B9 – CITY OF MARTINSVILLE FY2021 ADOPTED BUDGET

B10 – CITY OF MARTINSVILLE 2019 REASSESSMENT BOOK - EXEMPT (Jan. 2, 2019)

B11 – COLG, REPORT ON COMPARATIVE REVENUE CAPACITY, REVENUE EFFORT, AND FISCAL STRESS FY 2017 (July 2019)

B12 – COLG, REPORT ON COMPARATIVE REVENUE CAPACITY, REVENUE EFFORT, AND FISCAL STRESS FY 2018 (July 2020)

B13 – OHO, REPORT ON LOCAL VULNERABILITY ANALYSIS (July 2020)

B14 – COLG, REPORT ON CITY OF SOUTH BOSTON-HALIFAX COUNTY REVERSION ISSUE (Jan. 1992)

B15 – COW, REPORT ON CITY OF CLIFTON FORGE-ALLEGHANY COUNTY SETTLEMENT AGREEMENT (Oct. 2000)

B16 – COLG, REPORT ON CITY OF BEDFORD-BEDFORD COUNTY SETTLEMENT AGREEMENT (July 2012)

B17 – COLG, REPORT OF LOCAL GOVERNMENT CONSOLIDATION INCENTIVES (Nov. 2015)