

# **ADDENDUM**

## MARTINSVILLE CITY COUNCIL AGENDA

March 10, 2020

### **7:30 pm – REGULAR SESSION ADDENDUM**

1. Consider two actions needed in regard to the Aaron Mills Apartment project, being (1) adoption of a Resolution approving the donation of property at 201 and 209 Aaron Street and confirming revitalization zone tax incentives; and (2) approval of the Land Bank Authority to donate property at 201 and 209 Aaron Street.

**Date:** March 10, 2020

**Item No:**

**Department:** Community Development

**Issue:** Consider two actions needed in regard to the Aaron Mills Apartment project, being (1) adoption of a Resolution approving the donation of property at 201 and 209 Aaron Street and confirming revitalization zone tax incentives; and (2) approval of the Land Bank Authority to donate property at 201 and 209 Aaron Street.

**Summary:** With Landmark's intent to submit an application on or by March 12 to VHDA for potential funding for the Aaron Mills Apartment project, two actions are needed to complete their application package. Item 1 is adoption of a resolution confirming/approving the donation of property at 201 and 209 Aaron Street to Landmark, contingent upon Landmark obtaining low income housing tax credits for the project, and also acknowledging the tax incentives related to the property being in a revitalization zone, and Item 2 is action by the Land Bank Authority likewise approving the donation.

**Attachments:** Resolution

**Recommendation:** Item 1 – approve the resolution (motion, second, voice vote).

Item 2, recess as Council and convene as the Land Bank Authority (motion, second, roll call vote), approve the donation of property at 201 and 209 Aaron Street to Aaron Street Lofts LLC subject to receipt by the City of a signed deed conveying same property to the Land Bank Authority and contingent upon Aaron Street Lofts LLC receiving an award of Low Income Housing Tax Credits from Virginia Housing and Development Authority (motion, second, voice vote), recess as Land Bank Authority and reconvene as City Council (motion, second, roll call vote)

*Council Members*  
Kathy Lawson, Mayor  
Chad Martin, Vice-Mayor  
Jennifer Bowles  
Danny Turner  
Jim Woods



*City Manager*  
Leon E. Towarnicki  
*City Attorney*  
Eric H. Monday  
*Clerk of Council*  
Karen Roberts

## **RESOLUTION**

### **DONATION OF PROPERTY FOR AARON MILLS APARTMENTS**

**WHEREAS**, the two properties located at 201 and 209 Aaron Street are the location of the former American of Martinsville Furniture Factory that burned down in March of 2014, the remnants of which have had an ongoing negative impact on the community and are hazardous in their current condition; and

**WHEREAS**, City Council, working in conjunction with City Staff, have identified the need for housing affordable to Seniors and those with disabilities in our community, and furthermore have identified the site as an excellent location for a proposed housing development, and

**WHEREAS**, City Council reaffirms its previous Resolution designating the site as a revitalization area pursuant to §36-55.30:2 of the Code of Virginia, since the area is blighted and private enterprise and investment are not reasonably expected to cover full redevelopment costs without other assistance; and

**WHEREAS**, the City of Martinsville has received funds to assist with clean-up of the site and encourage private development, including: a portion of the 2016-2018 EPA grant, a portion of a 2020-2022 EPA grant, a 2019 Virginia Brownfields Assistance Fund Planning Grant, and a 2019 Virginia Brownfields Assistance Fund Remediation grant, with a total value of \$574,300; and

**WHEREAS**, City Council further agrees to cause its political subdivisions to donate the Aaron Street Properties, with a value totaling \$101,300 based on the most recent tax assessment; and

**WHEREAS**, City Council also understands that Landmark Asset Services, Inc. and/or its affiliates intend to build an apartment complex for seniors at the Aaron Street property pending an award of Low Income Housing Tax Credits from the Virginia Housing and Development Authority, and that the total development cost of the proposed project is approximately \$8,000,000; and

**WHEREAS**, City Council acknowledges the total value of its commitments to the property at \$675,600, and since these costs are directly attributable to the proposed development would have otherwise been paid for out of the development budget; and

**WHEREAS**, §58.1-3219.4 of the Code of Virginia, 1950 as amended, authorizes the local governing body to provide partial exemption from taxation of improvements to existing structures in rehabilitation or revitalization areas, within the limitations therein prescribed by the local governing body; and

**WHEREAS**, the real property to be partially exempted from real estate taxation is to be known as Aaron Mills Apartments, located at 201 and 209 Aaron Street, Martinsville, Virginia, 24112, also designated as tax parcels 42(18)00/01A-R and 43(02)A/01A-S;

**NOW, THEREFORE, BE IT RESOLVED** on this 10<sup>th</sup> day of March, 2020, contingent upon Aaron Street Lofts, LLC receiving an award of Low Income Housing Tax Credits from the Virginia Housing and Development Authority, Martinsville City Council hereby:

(1) Approves the donation of 201 and 209 Aaron Street to Aaron Street Lofts, LLC, valued at \$101,300, and furthermore, Martinsville City Council agrees to commit to use the \$574,300 in applicable grant funding to remediate the site for the benefit of Aaron Street Lofts, LLC, for their purpose of developing Aaron Mills Apartments, and

(2) As allowed under §58.1-3219.4 of the Code of Virginia, 1950 as amended, the City Council hereby exempts Aaron Street Lofts, LLC and Aaron Mills Apartments from that portion of the real property taxes accruing as a result of an increase in property value by virtue of the proposed improvements, consistent with that currently provided through the City's Enterprise Zone program and equal to an amount of 100% of the increased value in year one after the proposed development places in service, and 50% of the increased value from years two through five after the proposed development places in service.

Attest:

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Kathy Lawson, Mayor

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Karen Roberts, Clerk of Council