

ADDENDUM

MARTINSVILLE CITY COUNCIL AGENDA

April 28, 2020

7:30 pm – REGULAR SESSION ADDENDUM

1. Consider adoption of a resolution declining the right of first refusal in the NCI sale.
2. Read and present a proclamation recognizing May 3 – May 9, 2020 as National Travel and Tourism Week.

Date: April 28, 2020

Item No: Addendum 1

Department: City Attorney

Issue: Consider adoption of a resolution declining the right of first refusal in the NCI sale.

Summary: The NCI site is being sold to the Commonwealth for \$7.6M. The current use as NCI will remain unchanged, consistent with Councils' earlier wishes, expressed in a 2017 letter to NCI and NCF. The Attorney General has requested a resolution that the City is not exercising its right of first refusal, and agreeing to changes in the deed eliminating references to NCF and to construction details and timelines that have already occurred.

Attachments: 2017 letter to NCI & NCF. Draft resolution.

Recommendations: Adoption of resolutions by voice vote.



October 11, 2017

Via electronic mail

New College Foundation, Board of Trustees

New College Institute, Board of Directors

RE: New College Institute site, Baldwin Block, City of Martinsville Instrument No. LR1300458

Dear NCF Trustees and NCI Directors:

Given the recent media coverage of the divergent positions of NCI and NCF, and the potential relocation of NCI to a different site, this correspondence is sent to remind you both of language in the deed by which the City of Martinsville conveyed the Baldwin Block to NCF (attached).

Your particular attention is drawn to the restrictive covenants in the deed, which are found on pages 6 and 7:

A. Development, occupancy and use of the premises shall be in accordance with and in furtherance of the goals set forth in Code of Virginia § 23-231.30(B) in existence at the execution of this Agreement.¹

[. . .]

E. Violation of these restrictions, or the termination of the existence of the Foundation, the New College Institute, or of their successors in interest, or the insolvency of any of the foregoing, shall result in reversion of title to the City or its successors in interest. Adjudication of any dispute concerning the interpretation or enforcement of such reversion shall be vested in the Circuit Court of the City of Martinsville.

F. In the event of a proposed transfer of title by the Foundation to any entity, which transfer does not violate these covenants, the City shall enjoy a right of first refusal in the premises.

¹ This refers to the 2006 version, which created NCI.

With regard to the above restrictive covenants, please be aware that in the event NCI relocates, the City shall immediately move to recover title to the entire Baldwin Block site. With specific regard to restrictive covenant (F), in the event NCF receives any future offer to purchase the site, NCF should notify the City so that we may consider the exercise of our right of first refusal.

The City is irrevocably and absolutely dedicated to NCI remaining in its current location, and shall continue to be so as long as NCI exists. It will do everything within its authority to facilitate that goal.

The City encourages NCI and NCF to continue negotiations in an effort to resolve the current differences, and notes that the sole rationale for NCF's existence is to support NCI's mission.

We sincerely hope that you resolve situation amicably, and in a way that ensures NCI's continued success, in its current location.

Very truly yours,

MARTINSVILLE CITY COUNCIL

M. Gene Teague, Mayor

MCC/ehm

Attachment

CC:

Ms. Deborah Kaufman

Dr. Leanna Blevins

William Kirby, Esq.

Elizabeth Griffin, Esq.



RESOLUTION

WHEREAS, the Commonwealth of Virginia has contracted to purchase the Baldwin Block from the New College Foundation for the net sum of \$7,469,009.00; and

WHEREAS, the City enjoys a right of first refusal in the premises set forth as restrictive covenant F in the deed conveying title thereto from the City to the New College Foundation, of record as Instrument Number LR1300458 in the Office of the Clerk of the Circuit Court of Martinsville; and

WHEREAS, upon the Commonwealth’s representation that the current occupancy and use of the Baldwin Block shall continue unchanged, the City does not desire to exercise said right of first refusal; and

WHEREAS, the Commonwealth further requests that references in the restrictive covenants to the New College Foundation be deleted as moot, as New College Foundation will no longer be associated with the Baldwin Block, and further requests that restrictive covenants B and C, dealing exclusively with the timeline and manner of construction upon the Baldwin Block, be deleted, as construction on the premises has been completed; and

WHEREAS, the City does not object to said deletions.

NOW, THEREFORE, BE IT RESOLVED that the City declines to exercise its right of first refusal and consents to the deletion of all references to the New College Foundation, and of restrictive covenants B and C in the restrictive covenants as amended; and

BE IT FURTHER RESOLVED that the City requires that restrictive covenant A remain unamended and in full force and effect; and

BE IT FURTHER RESOLVED that pursuant to City Charter Chapter 5, Section 2(g), the City Manager is authorized to execute such instrument as may be necessary to effect the terms of this Resolution.

* * * * *

Attest:

Karen Roberts, Clerk of Council



City Council Agenda Summary

Meeting Date: April 28, 2020

Item No: Addendum 2

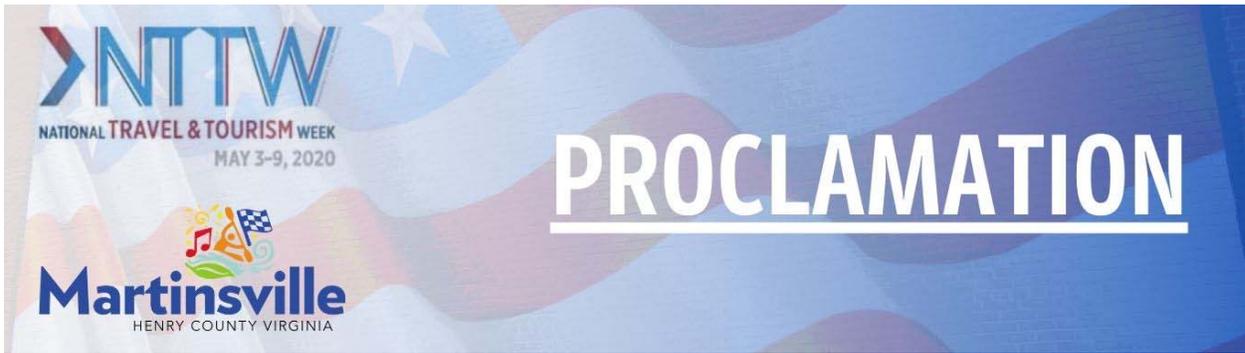
Department: City Council

Issue: Read and present a proclamation recognizing May 3 – May 9, 2020, as National Travel and Tourism Week

Summary: The Martinsville-Henry County EDC's Tourism Division provided this information for the purpose of bringing attention to the economic value generated by travel and tourism in our community.

Attachments: Proclamation

Recommendations: Mayor to read and present the proclamation. No formal action by Council is necessary.



RECOGNIZING MAY 3 – 9, 2020 AS NATIONAL TRAVEL & TOURISM WEEK

WHEREAS a robust travel industry has provided significant economic benefits for the nation, generating more than \$2.6 trillion in economic output last year, with \$1.1 trillion spent directly by travelers in the U.S.; and

WHEREAS travel has been the foundation of a healthy workforce, serving as one of the largest private-sector employers in the U.S., supporting 15.8 million jobs in 2019, including 9 million directly in the travel industry and 6.8 million in other industries; and

WHEREAS spending by travelers has aided state and local governments alike, generating \$180 billion in tax revenue last year to support essential services and programs; and

WHEREAS spending by travelers generated \$21.5 million in Martinsville, VA in 2018, and supported 214 jobs; and

WHEREAS meetings, events and incentive travel have always been a core business function that helps companies strengthen business performance, educate employees and customers, and reward business accomplishments; and

WHEREAS leisure travel, which accounts for more than three-quarters of all trips taken in the U.S., spurs countless benefits to travelers' health and wellness, creativity, cultural awareness, education, happiness, productivity and relationships; and

WHEREAS businesses and workers in the travel industry were some of the first and hardest hit by the economic crisis resulting from coronavirus; and

WHEREAS travel and tourism-dependent businesses, 83% of which are small businesses, depend on our community's support through and after this crisis; and

WHEREAS the leaders of our state's travel and tourism industry truly encapsulate the spirit of our community and our nation; and

WHEREAS even while Martinsville, VA cannot welcome visitors in person, the spirit of travel and hospitality remains the enduring ethos of the travel industry and Martinsville, VA; and

WHEREAS the spirit of travel will be a necessary and prominent component of our return to everyday life and must be supported and protected at all costs;

NOW THEREFORE, I, Kathy Lawson, Mayor of the City of Martinsville, do hereby proclaim May 3-9, 2020 as National Travel and Tourism Week in Martinsville, VA, and urge our citizens to join me in recognizing the critical role this industry plays in Martinsville, VA.

Kathy Lawson, Mayor