

July 28, 2020

The regular meeting of the Council of the City of Martinsville, Virginia was held on July 28, 2020 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Kathy Lawson presiding. Other Council Members present included Jim Woods, Danny Turner, Jennifer Bowles and Chad Martin. Staff present included City Manager Leon Towarnicki, Assistant City Manager/City Attorney Eric Monday, Finance Director Linda Conover, Assistant Finance Director Mandy McGhee, Community Development Mark McCaskill, Building Inspector Kris Bridges, and Deputy Police Chief Rob Fincher.

Mayor Lawson called the meeting to order and advised Council would go into Closed Session beginning at 7:00PM. In accordance with the Code of Virginia, Title 2.2, Chapter 37 Freedom of Information Act, Section 2.2-3711 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Bowles and seconded by Council Member Turner with the following 4-0 recorded vote: Council Member Bowles, aye; Vice Mayor Martin, aye; Council Member Turner, aye; Mayor Lawson, aye. Council Member Woods was not in attendance for the roll call vote but joined closed session at 7:10pm. Council convened in Closed Session to discuss the following matters: (A) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, as authorized by Subsection 29. City Attorney Monday elaborated, stating that closed session was specifically to discuss current contractual arrangements, and current and potential prospective business openings, expansions or relocations, with the Martinsville-Henry County Chamber of Commerce. 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 the A motion was made by Council Member Woods seconded by Council Member Bowles, with the following 5-0 recorded vote in favor to return to Open Session: Vice Mayor Martin, aye; Mayor Lawson, aye; Council Member Bowles, aye; Council Member Turner, aye; and Council Member Woods, aye. Mayor Lawson stated that no action was taken out of Closed Session.

Mayor Lawson called the meeting to order. Following the Pledge to the American Flag and invocation by Council Member Woods, Lawson welcomed everyone to the meeting. Lawson explained that the meeting would follow COVID guidelines and recognizing social distancing recommendations.

Hear a presentation regarding a possible redevelopment project related to the BB&T bank property located at the corner of East Church and Ellsworth Streets, and consider approval/authorization related actions necessary to move such a project forward – City Manager Towarnicki shared details of the proposed redevelopment project for the BB&T bank

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property at the corner of Church and Ellsworth. Chris Harrison and Shawn Moore of C.A. Harrison Companies, LLC shared their redevelopment ideas for the property. Towarnicki summarized the steps needed to go forward with this project including a resolution and execution of necessary documents. Harrison explained that he had studied the City demographics and feels that the BB&T building fits their plan for redevelopment for commercial space on the ground floor and residential apartments on upper floors. He anticipates this to be a twelve-month project once agreements are made and finances are in place. Moore has ties to the City, having participated in Martinsville High School sports so he is happy to help manage a project within the City. City Attorney Monday explained that the building is classified in the enterprise zone and would qualify for historic tax credits. Council Member Turner asked how the City would use office space on the ground floor. Moore explained that they would purchase the building from the City and the organization would give back that space to the City for a 10-20 year term without rent in return for the IRF Grant which the City must apply for. Vice Mayor Martin shared that a previous Harvest Foundation study revealed that housing was a need for the community so this project is in line with that. Mayor Lawson and Council Member Bowles expressed their excitement for this project and working with Harrison and Moore. Monday verified that the municipal offices would be no cost to taxpayers but the final agreement is still in the works. A phase I environmental study was done on the asbestos in the building but the cost is not as high as originally expected. The City received several RFPs for the BB&T building. Harrison explained that once the building qualifies under the historic tax credits then they would receive both federal and state credits to go towards the cost of the project. Council Member Bowles made a motion to adopt the resolution authorizing the City Manager to execute documents related to the filing of an application with the Department of Housing and Community Development for an Industrial Revitalization Fund grant. Vice Mayor Martin seconded the motion with all Council Members voting in favor. Council Member Bowles made a motion to recess as City Council and convene as the Redevelopment and Housing Authority. The motion was seconded by Vice Mayor Martin with all Council Members voting in favor. Authority Member Woods made a motion to accept the transfer of title of the BB&T building to the MRHA according to the terms of the option previously entered into between the City or its designee, and BB&T and to execute all documents necessary to affect the transfer. Authority Member Bowles seconded the motion with all Members voting in favor. Authority Member Bowles made a motion to authorize the Executive Director to negotiate the redevelopment of the property with C.A. Harrison Companies, LLC, retaining title to such areas of the main floor as are necessary for City offices, and to execute all documents necessary to affect the redevelopment. Authority Vice-Chairman Martin seconded the motion with all Authority Members voting in favor. Authority Member Woods made a motion to recess as the Redevelopment and Housing Authority and

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reconvene as City Council. Authority Member Bowles seconded the motion with all Members voting in favor.

Approve minutes from the July 14, 2020 Council Meeting – Council Member Bowles made a motion to approve the minutes as presented. Council Member Woods seconded the motion with all Council Members voting in favor.

Conduct a public hearing on the City’s intent to finance up to \$2,500,000 principal amount of water and sewer revenue bonds related to the financing of the Reservoir spillway repair project and consider approval of the financing ordinance on second reading – City Manager Towarnicki summarized the need for the public hearing required for the second reading of the finance ordinance. Mayor Lawson opened the floor to the public hearing. No one approached the podium so the public hearing was closed. Council Member Bowles made a motion to approve the financing ordinance on second reading. Vice Mayor Martin seconded the motion with the following 5-0 roll call vote: Vice Mayor Martin, aye; Council Member Bowles, aye; Council Member Turner, aye; Council Member Woods, aye; and Mayor Lawson, aye.

<p style="text-align: center;">CITY OF MARTINSVILLE, VIRGINIA</p> <p style="text-align: center;">AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,500,000 PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF</p> <p style="text-align: right;">Adopted on July 28, 2020</p>	<p style="text-align: center;">Be it Ordained by the Council of the City of Martinsville, Virginia:</p> <p>Section 1 Definitions</p> <p>Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Ordinance and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or herein mentioned, have the following meanings:</p> <p>“Act” shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.</p> <p>“Bond” or “Bonds” shall mean the City’s Water and Sewer Revenue Bond, Series 2020, in the aggregate principal amount of up to \$2,500,000, authorized to be issued hereunder.</p> <p>“Bond Counsel” shall mean Sands Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City.</p> <p>“City” shall mean the City of Martinsville, Virginia.</p> <p>“City Charter” shall mean the City Charter of the City of Martinsville, Virginia, as amended.</p> <p>“Clerk” shall mean the Clerk of the Council or the Deputy Clerk of the Council.</p> <p>“Commitment Letter” shall mean the commitment letter from VRA to the City dated June 24, 2020, and all extensions and amendments thereto.</p> <p>“Commonwealth” shall mean the Commonwealth of Virginia.</p> <p>“Council” shall mean the City Council of the City of Martinsville.</p> <p>“Financing Agreement” shall mean the Financing Agreement between VRA and the City in the expected maximum principal amount of \$2,208,750 related to issuance of the Bond for the financing of the Project.</p> <p>“Fund” shall mean the Virginia Water Facilities Revolving Fund.</p> <p>“Funding Agreement” shall mean the Funding Agreement for principal forgiveness between VRA and the City in the expected maximum principal amount of \$289,710.</p> <p>“Mayor” shall mean the Mayor or Vice Mayor of the City.</p> <p style="text-align: center;">1</p>
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"Paying Agent" shall mean the City Treasurer acting as Paying Agent for the Bond hereunder or the successors or assigns serving as such hereunder.

"Project" shall mean specifically the acquisition, construction, renovation and equipping of repairs, replacements, and capital improvements at the City's Beaver Creek Reservoir Dam as a wastewater treatment facility, including repairs and renovations to the Dam's spillway, to assist in preventing excessive inflow and infiltration in the City's wastewater collection facilities and wastewater treatment system, all for the City's municipal purposes.

"Registrar" shall mean the Paying Agent, or the successors or assigns serving as such hereunder.

"System" shall mean the City's water and sewer system.

"VRA" shall mean the Virginia Resources Authority, as administrator of the Fund.

Section 2 Findings and Determinations

The Council hereby finds and determines that (i) the City is authorized to acquire, construct, operate and maintain water and sewer systems in the City (together, the "System"), which System is a revenue producing undertaking of the City (ii) the City is in need of funds to be used for the purposes of financing capital improvements, specifically the acquisition, construction, renovation and equipping of the Project, including payment of costs of issuance of the Bond; (iii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the activities of the City and the City's municipal purposes; (iv) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of a water and sewer revenue bond, Series 2020, in an aggregate original principal amount not to exceed \$2,500,000 to be issued by the City as further described herein to be sold to VRA as administrator of the Fund, which has offered to purchase the same on certain terms and conditions pursuant to a commitment letter dated as of June 24, 2020, and the Financing Agreement and Funding Agreement (each as defined herein); (v) the issuance of the Bond is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; (vi) the Project constitutes capital improvements to a wastewater treatment facility, including collection, treatment, disposal and drainage system improvements to assist in preventing excessive inflow and infiltration in the City's wastewater collection facilities and wastewater treatment system, within the meaning of the term "Project" as defined in Section 62.1-224 of Title 15.2, Chapter 51, of the Code of Virginia, 1950, as amended (the "Virginia Code"); (vii) the Council desires to issue the Bond under the provisions of the Act and the City Charter, and a duly advertised and conducted public hearing has been held with respect to the Bond on July 28, 2020 prior to the adoption of this Ordinance and, (viii) the issuance of the Bond is in the best interests of the City and its citizens. The maximum length of time that the Bond will be outstanding is thirty years from the date of

issuance of the Bond. The Council further hereby finds and determines that the probable useful life of the Project financed by the Bond is thirty years and that the Bond is payable and shall mature within the probable useful life of the Project.

Section 3 Authorization, Form and Details of the Bond

The Project, which shall constitute a part of the System, is hereby approved and the City is authorized to issue the Bond pursuant to the City Charter and under the Act. The Bond shall mature no later than thirty (30) years from the date of its issuance and the Bond shall bear a Cost of Funds on the disbursed and unpaid principal balance from the date of each disbursement until payment of the entire principal sum at the rate of one-half of one percent (0.50%) per annum as set forth in the Commitment Letter. The Bond shall be issued in fully registered form, shall mature or be subject to mandatory sinking fund redemption on such dates and in such amounts as the City Manager or Assistant City Manager may approve and shall be subject to such optional and other redemption provisions as the City Manager or Assistant City Manager may approve. The proceeds from the sale of the Bond shall be used to finance the Project.

The Bond shall be issued to VRA, as administrator of the Fund, pursuant to the terms, conditions and provisions of this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The issuance and sale of the Bond in one or more series from time to time in accordance with this Ordinance is authorized. The Bond shall be in substantially the form herein, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance and by the VRA.

The Bond shall be executed, for and on behalf of the City, by the Mayor or the Vice-Mayor of the City, either of whom may act, and shall have the corporate seal of the City impressed thereon, attested by the Clerk or Deputy Clerk of the City. The manner of execution and affixation of the seal may be by facsimile, provided, however that if the signatures of the Mayor or Vice Mayor are by facsimile, the Bond shall not be valid until signed by the manual signature of the Clerk or Deputy Clerk. The Bond shall be in substantially the form herein, with such variations, insertions or deletions as may be approved by the officer executing the Bond on the City's behalf. The City Treasurer is hereby appointed as the Registrar for the Bond.

"FORM OF BOND"

ISSUE DATE: _____, 2020

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

§ _____
Water and Sewer Revenue Bond, Series 2020

THE CITY OF MARTINSVILLE (the "Borrower"), a public body politic and corporate of the Commonwealth of Virginia, acknowledges itself indebted and for value received, hereby promises to pay, solely from the revenues and other property hereinafter described and pledged to the payment of this Bond, to the order of Virginia Resources Authority (VRA), as Administrator of the Virginia Water Facilities Revolving Fund (the "Fund"), Richmond, Virginia, or registered assigns or legal representatives, the sum equal to the amount of principal advances made hereunder but not to exceed _____ and 00/100 Dollars (\$_____00), with interest, including the part thereof allocable to the Annual Administrative Fee (the "Cost of Funds") on the disbursed and unpaid principal balance from the date of each disbursement until payment of the entire principal sum at the rate of one-half of one percent (0.50%) per annum, consisting of (i) interest of thirty one-hundredths percent (0.30%) per annum payable for the benefit of the Fund, and (ii) twenty one-hundredths percent (0.20%) per annum payable as an annual Administrative Fee.

The Cost of Funds only on all amounts disbursed under this Bond shall be due and payable on _____ 1, 20____. Commencing on _____ 1, 20____, and continuing semi-annually thereafter on _____ 1 and _____ 1 in each year, principal and Cost of Funds due under this Bond shall be due and payable in equal installments of \$ _____, with a final installment of \$ _____ due and payable on _____ 1, 20____, when, if not sooner paid, all amounts due hereunder shall be due and payable in full provided, however, that if principal advances up to the maximum authorized amount are not made, the principal amount due on this Bond shall not include such undischursed amount. However, unless the Borrower and VRA agree otherwise in writing, until all amounts due hereunder shall have been paid in full, less than the full disbursement of the maximum authorized amount hereunder shall not postpone the due date of any semi-annual installment due hereon, or change the amount of such installment.

In addition, if any installment of principal or Cost of Funds is not received by the holder of this Bond within ten (10) days from its due date, the Borrower shall pay into the Fund, a late payment charge in an amount equal to five percent (5.0%) of such overdue installment. Principal is payable in lawful money of the United States.

No notation is required to be made on this Bond of the payment of any principal on normal installment dates. HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING.

THIS BOND IS A LIMITED OBLIGATION OF THE BORROWER AND IS PAYABLE SOLELY FROM CERTAIN REVENUES TO BE DERIVED FROM THE OWNERSHIP OR OPERATION OF THE BORROWER'S WATER AND WASTEWATER SYSTEM AS THE SAME MAY FROM TIME TO TIME EXIST, WHICH REVENUES HAVE BEEN PLEDGED PURSUANT TO THE FINANCING AGREEMENT (HEREINAFTER DEFINED) TO SECURE THE PAYMENT THEREOF. NEITHER THE

COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE BORROWER, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR COST OF FUNDS ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE BORROWER IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR COST OF FUNDS ON THIS BOND OR OTHER COSTS INCIDENT THERETO.

This Bond is issued pursuant to the terms of the Financing Agreement between the Borrower and VRA dated as of August 1, 2020 (the "Financing Agreement") to evidence a loan by VRA to the Borrower to finance the Project Costs (as defined in the Financing Agreement). The obligations of the Borrower under this Bond and the Financing Agreement shall terminate when all amounts due and to become due pursuant to this Bond and Financing Agreement have been paid in full. Reference is hereby made to the Financing Agreement and any amendments thereto for the definitions and provisions, among others, describing the pledge and covenants securing this Bond, the nature and extent of the security, the terms and conditions upon which this Bond is issued, and the rights and obligations of the Borrower and the holders of this Bond.

The pledge of Revenues, as defined in the Financing Agreement, toward payment of the Bond in accordance with the terms of the Financing Agreement shall be on parity with the pledge of Revenues securing the Existing Parity Bonds, if any, as defined in the Financing Agreement and set forth on Exhibit F thereto. The Borrower may incur additional indebtedness secured by a pledge of the Revenues pursuant to the terms of the Financing Agreement.

Transfer of this Bond may be registered upon the registration books of the Bond Registrar. Prior to due presentment for registration of transfer, the Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and the exercise of all other rights and powers of the owner.

This Bond is subject to optional prepayment to the extent and on the terms set forth in the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of and Cost of Funds on this Bond may be declared immediately due and payable by the holder by written notice to the Borrower.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal and Cost of Funds provided by this Bond, the Borrower shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Financing Agreement.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Borrower has caused this Bond to be signed by its Mayor or Vice-Mayor, to be attested by the Clerk of the City Council, its seal to be affixed hereto and to be dated as of the date first set forth above.

| CITY OF MARTINSVILLE, VIRGINIA
 SEAL By: [do not sign – form only]
 Name: _____
 Title: Mayor _____

ATTEST:

[do not sign – form only]
 Clerk of the City Council

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ whose address for registration purposes is _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Tax I.D. No. _____
 Transferee: _____

Signature Guaranteed

 (NOTE: the signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.)

SCHEDULE OF PRINCIPAL ADVANCES

The amount and date of principal advances not to exceed the face amount hereof shall be entered hereon by an authorized representative of the Virginia Resources Authority, as Administrator of the Fund, when the proceeds of each such advance are delivered to the Borrower.

<u>Amount</u>	<u>Date</u>	<u>Authorized Signatures</u>
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If any Bond has been mutilated, lost, stolen, or destroyed, the City shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon delivery to the Registrar and cancellation of, such mutilated Bond, or in lieu of and in substitution for such lost, stolen, or destroyed Bond; provided, however, that the City shall execute, authenticate, and deliver a new Bond only if its registered owner has paid the reasonable expenses and charges of the City in connection therewith and, in the case of a lost, stolen, or destroyed Bond (i) has filed with the Registrar evidence satisfactory to him or her that such Bond was lost, stolen, or destroyed and that the holder of the Bond was its registered owner and (ii) has furnished to the City indemnity satisfactory to the Registrar. If the Bond has matured, instead of issuing a new Bond, the City may pay the Bond without surrender upon receipt of the aforesaid evidence and indemnity.

Section 4 Pledge of Water and Sewer Revenues

The Bond shall be a limited obligation of the City and, except to the extent payable from the proceeds of the sale of the Bond or the income, if any, derived from the investment thereof, is payable exclusively from the Revenues (as defined in the Financing Agreement) of the City's System which the City hereby pledges to the payment of the Bond pursuant to the terms of the Financing Agreement. The pledge of the Revenues securing the Bond shall be on parity with any Parity Bonds (as defined in the Financing Agreement) secured by such Revenues.

Section 5 Application of Proceeds: Sale of Bond

Proceeds derived from the sale of the Bond together with other monies available therefor shall be used to pay the costs of issuance and for the purposes specified in Section 2 of this Ordinance and otherwise used in accordance with the provisions of this Ordinance or an opinion of Bond Counsel.

Section 6 Further Actions Authorized: Approval of Documents

The Financing Agreement and the Funding Agreement will be in substantially the forms presented to and filed with the minutes of the meeting of this City Council at which this Ordinance is being adopted. The forms of the Financing Agreement and the Funding Agreement, and the terms, conditions and provisions thereof, are hereby approved by this City Council, and the Mayor, or City Manager, any of whom may act, are hereby authorized and directed to execute and deliver to the VRA the Financing Agreement and the Funding Agreement in substantially such forms, with such changes and amendments as the officer executing the same shall approve or as shall be necessary to satisfy VRA requirements, such approval to be conclusively evidenced by his execution and delivery thereof, to pay costs of the Project.

The Mayor, City Manager, City Finance Director, City Treasurer, City Clerk, bond counsel for the City and all other appropriate officers and employees of the City shall take all actions and execute all certificates, documents and agreements as shall be necessary to carry out the provisions of this Ordinance.

All other actions of City officials in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Bond as authorized herein are ratified, approved and confirmed. City officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Bond pursuant to this Ordinance, the Financing Agreement and the Funding Agreement and to do all acts and things necessary or convenient to carry out the terms and provisions of such documents.

All ordinances, resolutions and proceedings in conflict herewith are, to the extent of such conflict, repealed. This Ordinance shall constitute the "Local Resolution" as such term is defined in Section 1.1 of the Financing Agreement.

Section 7 Invalidity of Sections

If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.

Section 8 Headings of Sections, Table of Contents

The headings of the sections of this Ordinance and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.

Section 9 Effectiveness and Filing of Ordinance

This Ordinance was presented to the Council and a public hearing concerning this Ordinance was held in accordance with applicable law by the Council at its meeting on July 28, 2020. The Council hereby declares that this Ordinance shall become effective upon its passage as provided for in the Act and pursuant to Section 3 of Chapter 3 of the City Charter. A certified copy of this Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia. The filing of this Ordinance with the Clerk of the Circuit Court of the City of Martinsville, Virginia shall be deemed to be the filing of an initial resolution or ordinance with such Court for all purposes of the Act.

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The Members of the Council voted as follows:			
<u>Ayes</u>	<u>Nays</u>		
<u>Absent</u>	<u>Abstentions</u>		
Adopted this ___ day of July, 2020.			
The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the City Council held on July 28, 2020, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly called meeting and that, during the consideration of the foregoing ordinance, a quorum was present.			
Dated this ___ day of _____, 2020.			
	Clerk, City Council of City of Martinsville, Virginia		
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Conduct a joint public hearing with the Planning Commission on a request from Wayne Draper for a Special Use Permit at 208 Fayette Street to allow conversion of an upstairs auditorium space into three 2-bedroom apartment units – Joseph Martin, Planning Commission Chairman called the Planning Commission to order. Mark McCaskill of the Community Development department explained that the Planning Commission had already discussed the request. The project is within the goals of Uptown. McCaskill recommends the Planning Commission discuss and vote to forward their recommendation to Council. Mayor Lawson opened the public hearing. Mr. Draper was available to answer Council questions but none were asked. No one approached the podium so the public hearing was closed. The Planning Commission approved the SUP request 3-0. Council Member Bowles made a motion to approve the special use permit at 208 Fayette Street to allow conversion of an upstairs auditorium space into three 2-bedroom apartment units; Vice Mayor Martin seconded the motion with all council voting in favor. Draper explained that neighboring residents and businesses have not expressed any negative opinions about the apartments or the revitalization of the building. City Attorney Monday explained that he does not feel that the location would qualify for any historic tax credits but he encouraged Draper to contact Community Development for other options.

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**Martinsville City Council and
Martinsville Planning Commission**
July 28, 2020 at Special Use Permit – Joint Public Hearing
Staff Report

SUBJECT: Special Use Permit – 208 Fayette Street

APPLICANT: Wayne Draper.

LOCATION/Zoning: 22(02)0009R – Zoning C-N (Neighborhood Commercial)

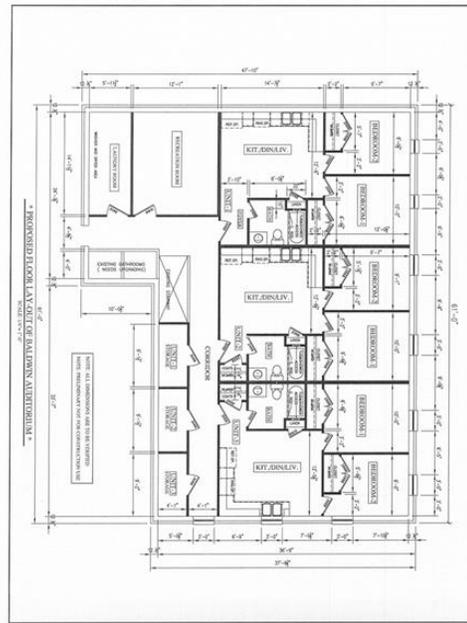
REQUESTED ACTION: Approval of a Special Use Permit to convert an existing second floor auditorium into three(3) two-bedroom apartments.

CIRCUMSTANCES: A Special Use Permit application was received and the appropriate fee was paid. The Planning Commission discussed the application during their 07-16-2020 meeting. Letters to adjacent property owners were mailed and a sign was posted at the property. The public hearing notice was duly advertised in the Martinsville Bulletin.

A joint public hearing between the Planning Commission and City Council helps expedite the Special Use Permit and it consolidates public notice/advertising costs into the one public hearing. A quorum of the Planning Commission will be present at the 07/28/2020 City Council Meeting in order to hold the joint Public Hearing.

STAFF RECOMMENDATION: Additional apartments at 208 Fayette Street will help achieve the vision of more people living in Uptown Martinsville further enhancing the vibrancy and success of Uptown Martinsville. **Staff recommends approval of the Special Use Permit application** by both the Planning Commission and City Council.

ATTACHMENTS: Architectural Drawing of proposed apartments, property sheet for 208 Fayette Street



CURRENT OWNER		RECORD OF OWNERSHIP		DEED BOOK	SALE DATE	QTY	SALE PRICE	VC				
DRAPER KENNETH WAYNE JR 114 OAKVIEW DR MARTINSVILLE VA 24112		DRAPER KENNETH WAYNE JR MURRELL POROUKO S & MURRELL JEROME C ET ALS		LR190001140 DB 273855 WB 064381	12-10-2019 07-15-1999 06-08-1995	Q U U	89,000 213,400 0	2 0 0				
ASSESSMENT VALUE 7/19/19		LEGAL DESCRIPTION		PREVIOUS ASSESSMENTS EFFECTIVE JULY 1st OF ASSESSMENT YEAR								
Description	Code	Assessed	2018/19	Year	Code	Assessed	Year	Code	Assessed			
Building	300	177,400		2019	300	179,000	2018	300	179,000			
Land	300	3,480			300			300	17,900			
Outlot	300	1,600			300			300	3,480			
Total		213,800		Total		213,800	Total		213,700			
SUPPLEMENTAL DATA		BUILDING SUB-AREA SUMMARY SECTION					COST / MARKET VALUATION					
# Of Parcels	1	Year Built	1978	SUB	Description	LIVING	GROSS	EFF AREA	UM C	Undeprc Val	Rate	50.00
Plat Ref	GM0900006	Classification	04 Commercial	1ST	1st Floor	7,552	7,552	7,552	41.23	311,369	Rep	388,076
Land Acres	0.399	Zoning	C-N	BAS	Basement Unfinished	0	4,264	0	0.00	0	Net Other Adj	0
Land SF	17,399	Prop Use	MT34 Multi Tenan	BSF	Basement Finished	0	1,400	0	0.00	0	AYT	1978
Assoc Parcel		District	3C12 Fayette St Com	DCK	Deck	0	266	0	0.00	0	Effective Year Built	1980
				FUS	Finished Upper Story	2,412	2,412	2,103	35.95	86,707	Condition	A
											Remodel Rating	
											Year Remodeled	
											Eye Dry	36
											Functional Obol	
											Economic Obol	
											Cost Trend Factor	1
											Adjustment	
											Percent	64
											Percent Good	168,300
											RCHG C	
											% Good Durt	
											% Good Durt Comment	
											Misc Imp Cur	
											Misc Imp Cur Comment	
											Cost to Cure Cur	
											Cost to Cure Cur Comm	
PROPERTY FACTORS												
PUB WATE	UG UTILITY	TOPO	SADEWALK									
PUB SEWE	CURB & GO	SOE										
SEPIC	VIEW	LOCATION										

Consider approval of a Memorandum of Understanding with the Martinsville-Henry County Chamber of Commerce’s Partnership for Economic Growth (PEG) for management services of the Incubator – City Manager Towarnicki explained that the initial contract was executed 5

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, (the "MOU") made and entered into this the 28th day of July, 2020 by and between the City of Martinsville, a municipal corporation created and existing under and by virtue of the laws of the State of Virginia (hereinafter referred to as "City"), party of the first part, and the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (CPEG) party of the second part;

WITNESSETH:

THAT, WHEREAS the City of Martinsville desires to allocate resources toward small business development to include (but not limited to) recruitment, marketing, expanded technical support and services, incentive programs, etc., for the purpose of expanding the City's tax base, job creation, and increased business growth and activity in the Uptown and other commercial areas; and,

WHEREAS, CPEG has agreed to contract with the City to provide those and related services for the FY21 fiscal year;

NOW, THEREFORE, in consideration of the mutual and respective covenants and agreements contained herein and made with respect to the performance of the services by CPEG, the parties to this MOU hereby agree as follows:

- 1. Term- The term of this MOU shall cover a one (1) year period from July 1, 2020 through June 30, 2021. During and as part of the FY22 City budget deliberations, City Council and CPEG will evaluate the results/success of the program and mutually agree regarding extension of the program for additional periods of time and/or any changes or modifications as may be needed in regard to the scope of work.
2. Payment - The City will compensate CPEG for the services described in this MOU in the amount of \$60,000 for the FY21 fiscal year, payable in two installments of \$30,000 each in July, 2020 and January, 2021.
3. Council Updates - CPEG will provide updates to City Council no less than semi-annually, and more frequently if necessary to keep Council apprised of activities and efforts in regard to the execution of this MOU.
4. Scope of Work - The scope of work included under this MOU shall include at a minimum, the following:
a) CPEG will continue to explore ways to utilize unused space of the incubator with a focus on partnerships.
b) CPEG will continue to maintain a comprehensive list of incentives currently available through the City, MURA, CPEG, EDC, and others; will evaluate how effective those incentives are in fostering new and expanded small business development; will evaluate incentives offered in other communities; and will provide recommendations/suggestions regarding changes that

might be beneficial. This information will be made available to businesses/prospective businesses, entrepreneurs, etc. as it currently exists in written and electronic format. Additional microloan funding will be sought as an additional benefit for businesses in Martinsville. CPEG will also continue to craft an aggressive incentive package for new businesses willing to locate in the City of Martinsville to include startup costs, utilities, telecom/MNNET, staggered tax plan, etc. Efforts will be directed toward targeting selected "anchor" stores or businesses to complement what currently exists.

- c) CPEG will continue to research and create new activities and events other than those that currently exist for the Uptown area to help draw visitors/shoppers. CPEG will also discuss longer or altered hours for uptown merchants during such events. CPEG will continue to facilitate an uptown planning process to determine appropriate ways to target incentives to assist with the development of unused/underutilized properties. CPEG will continue with efforts to develop and grow new businesses, partnering with PHCC (and other groups as may be appropriate) for business development training. CPEG will also review prior retail strategy studies and make changes/additions/corrections to those studies to meet changing market conditions as well as to meet City needs and initiatives.
d) CPEG will continue to work diligently to reach out to small businesses within the city limits to inform them of any opportunities to assist with business development. This includes bulk mail, phone calls, one-on-one meetings, email blasts as well as utilizing MGTV as a conduit to deliver these messages. CPEG will also provide data regarding city businesses, the opportunities available for them, how the information is communicated to small businesses, and how many have taken advantage of any such opportunities.
e) CPEG and the Chamber will continue providing mentoring assistance for small businesses and will develop a process to assign or match a staff contact with individual cases to assist in navigating through small business development issues. This process will move to a more intensive level with efforts geared toward development of a one-stop-shop/start-up-in-a-day concept for communicating from start to finish what it takes to have a successful business in our community. This includes business plan assistance, financial planning, permitting issues, legal, business licensing, zoning, efforts to identify a suitable space for start-up, parking/loading/unloading, etc. C-PEG will also continue to follow up with businesses on a regular basis.
f) CPEG will continue efforts related to the development and startup of new businesses, providing follow-up as needed with those businesses awarded grants to ensure maximum opportunity for success. CPEG will continue discussions with those businesses not awarded grants, seeking opportunities for funding and/or other start-up assistance as may be available for those specific situations. CPEG will also annually implement a "business launch program," expanding the footprint to include all commercial areas of the City.
5. Changes/Additions - During the execution of tasks related to this MOU, through frequent interaction between CPEG, City Staff, and Council, there may be opportunities or need to refocus or redirect

efforts. The City will provide assistance as needed in regard to information available through City records.

- 6. The City will maintain one seat on CPEG's Board.

IN WITNESS WHEREOF, Martinsville City Council, party of the first part, has caused this MOU to be executed in its name by its City Manager; and CPEG, party of the second part, has caused this MOU to be executed in its name by its Board President; this day and year first above written.

MARTINSVILLE CITY COUNCIL

CPEG

BY: _____
City Manager

BY: _____
Board President

Consider adoption of a resolution authorizing the filing of an application for funding consideration of certain transportation projects through the Virginia Smart Scale Funding

July 28, 2020

process – Mark McCaskill of the Community Development Department explained that since 2015 the Commonwealth of Virginia through the Office of Intermodal Planning and Investment and VDOT has changed the way they choose transportation projects statewide. It has become more of a competition between Cities, Counties and other entities; they must apply then the state will score the applications before project approval. The resolution is the fourth round of Smart Scale and would allow the City to submit the 3 required applications before the August 17, 2020 deadline. Lisa Hughes (VDOT) and her team of engineers are looking at ways to make these projects more attractive. Projects include two Fayette Street corridor improvements which were submitted last year but not approved. The third project is for pedestrian improvements at Market Street and Moss Street intersection where there was a previous pedestrian fatality. Mayor Lawson shared that at last month’s West Piedmont Planning District Commission meeting, all three projects were viewed favorably. Council Member Bowles made a motion to adopt the resolution authorizing the filing of an application for funding consideration of certain transportation projects through the Virginia Smart Scale Funding process. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

<i>Council Members</i> Kathy Lawson, Mayor Chad Martin, Vice-Mayor Jennifer Bowles Danny Turner Jim Woods	 Martinsville <small>A CITY WITHOUT LIMITS</small>	<i>City Manager</i> Leon E. Towarnicki <i>City Attorney</i> Eric H. Monday <i>Clerk of Council</i> Karen Roberts
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RESOLUTION

AUTHORIZING THE SUBMITTAL OF CERTAIN TRANSPORTATION PROJECTS FOR THE VIRGINIA SMART SCALE FUNDING PROCESS

WHEREAS, pursuant to the Smart Scale Funding process the Virginia General Assembly has created as a means of funding proposed transportation projects across the Commonwealth that is based on scoring criteria that emphasizes safety, accessibility, environmental quality and economic development (hereinafter referred to as “Smart Scale Process”); and

WHEREAS, the City of Martinsville desires to submit local transportation projects for potential funding under the Smart Scale Process; and

WHEREAS, the Martinsville City Council supports the submittal of the following local transportation projects for potential funding under the Smart Scale Process:

- Fayette Street Corridor Improvements: Complete Streets (Focus Area 1) – Implement measures to improve pedestrian safety and access in and around the Albert Harris Elementary School;
- Fayette Street Corridor Improvements: Complete Streets (Focus Area 3) – Implement measures to improve pedestrian safety and access from Ailcie Street to Pine Hall Road;
- Market Street Corridor Improvements: Implement measures to improve pedestrian safety at the intersection of Market and Moss Streets;

NOW, THEREFORE, BE IT RESOLVED by the City of Martinsville that the City Council hereby approves the submittal of the above-mentioned transportation projects for funding under the Smart Scale Process;

AND, BE IT FURTHER RESOLVED that the Martinsville City Council hereby authorizes the City Manager, or his designee to file the above applications through the Smart Scale Process online portal on or before the application deadline.

DATE: _____ CITY OF MARTINSVILLE
_____ Kathy Lawson, Mayor

ATTEST:
_____ Karen Roberts, Clerk of Council

Business from the Floor – There was no business from the floor. Mayor Lawson welcomed Boy Scout Joseph Fincher with Troop 168 in Ridgeway. Fincher explained that he is working on his citizenship in the community merit badge; attending a City or County Council Meeting is a requirement for that

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Comments by City Council – Council Member Turner spoke to Dean Johnston and local producer of movies, he would like to see some video's about moving to Martinsville and doing business online and internet options using funds from the COVID CARES grant money. VJ Day is August 15, 2020. This will be the 75th Anniversary and they expect to plan something special for those veterans in Martinsville. Congressman Griffith is back to work after recovering from COVID. Turner mentioned Ebony Millner on Dillard Street, he made a motion asking the City to cover the liens on the property. City Attorney Monday does not recommend that the City refund her money. There were two lots the City acquired through the Land Bank Authority. Millner came to the housing office looking for residency and had \$50k to invest into the property. Kris Bridges recommended that she could look at the property and she was told that if she acquired the property, she would have a time limit to rehab the property. She was willing to purchase the property, which was approved by City Council, and she paid \$7500 to cover the demolition cost on the adjoining property. Monday did prepare the deed for the property and there was no title search or survey which was detailed in the deed. The deed had requirements for repairs to be made within 12 months. Inspectors met with Millner offering direction on what needed to be completed on the rehab. Outside of the 3-day rescission period, Millner soon contacted the City Manager stating that she wanted out of the contract and wanted her money refunded. Child Support Enforcement contacted Monday's office to ask where the money came from. Millner contacted the City again asking to be removed from the contract due to legal costs and a custody case and was unhappy that the purchase was listed in the Martinsville Bulletin. There was a lien on the property which may have prevented her from obtaining financing for the repairs. A judgement was satisfied and the lien removed. There are eight other unpaid judgements related to Ebony Millner which were attached to the property after she took possession of the property. If the City approves her request to end the contract that would be a \$7500 cost to the tax payers. There is an owner/occupant agreement in the contract, along with zoning restrictions which would prevent Millner from selling the property to an organization for a women's group home. There has been cleanup at the site but no rehab. Millner is not occupying the home. She has 6 months to complete the rehab per her contract. For the City to reverse this transaction with Millner would set an unfortunate precedence on future contracts and would send the message that if you enter into a contract with the City, you could easily back out of it. Council Member Turner made the motion to allow Millner to rescind on her contract and return the \$7500 back to her. Turner said the City should do something with the property since it is not fit for rehab. Turner's motion died for lack of second motion. Vice Mayor Martin has a new-found respect for the Mayor and her husband for the work they do installing and taking down the flags uptown. The exchange club gets out early to put flags up for special occasions. Martin encouraged residents to please complete the census. Martin offered condolences to Roy Prillaman's family. Prillaman served

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as a deputy with the Martinsville Sheriff's department. Martin stated that it is frustrating that a member of Council would use their position to go after someone else. Martin offered his apologies to City Attorney Monday and to Building Inspector Kris Bridges for the action taking against them, stating that it is disheartening for a representative of City Council to utilize their position in this way. Council Member Bowles also encouraged everyone to complete the census. There is a movie casting call on August 6 from 3:00-6:00pm at 20 East Church Street, residents can visit Natalie Hodges Facebook page for more info. Bowles shared that Carlisle School would be offering distance learning for students. Bowles offered her condolences to the family of her neighbor Willis Via, who passed away 2 weeks ago. Via was a Martinsville educator and principal and she thanked council for the proclamation in his honor. Bowles has received support and kind words related to events the past few weeks. She is grateful to have the community and her colleague's support. Council Member Woods echoed Martin's statements. Yesterday was Korean War Veterans Armistice Day, explaining that is why the flags were flown in Uptown Martinsville. On Thursday July 30, the Theater Works community players present a George Bernard Shaw presentation by live stream on YouTube. Mayor Lawson explained that people pay attention to the flags when they fly Uptown and that they bring joy to the community. The Mustangs will be playing tonight AND again Friday and Monday.

Comments by the City Manager – City Manager Towarnicki shared details about ongoing projects like the Chief Tassel building and the BB&T building, the project on Aaron Street sharing that Landmark did receive notice that the tax credits were approved so they will be moving forward on demolition of that site. There are other projects that will come before Council in the near future. Towarnicki has never seen so much activity starting in the City at any given time. The Martinsville Mustangs last game is August 6. Greg Suire has expressed the desire to renew their contract for another year. The CARES funding committee meets twice a week. They have received 100 applications and awarded 84 businesses totaling \$320,416.24. The deadline for applications is July 31, 2020. The State Secretary of Finance sent notice of another \$1.1million that will be distributed to Martinsville in the near future. He is pleased to announce the public works director position will be filled by Jeff Gauldin beginning Monday August 3. The City as allocated \$15,000 to Grace Network to assist residents who need help paying utility bills. He anticipates the need for that fund will increase up in the upcoming weeks. Residents are encouraged to contact Grace Network before the end of August if they need help with their utility bills. All delinquent customers are being contacted and must respond to Utility Billing to set up a repayment plan. Residents who do not contact the Utility Billing Department will be added to the cut-off list effective September 1.

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There being no further business, Council Member Bowles made a motion to adjourn the meeting; the motion was seconded by Vice Mayor Martin with all Council Members voting in favor. The meeting adjourned at 8:45pm

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor