

AGENDA--CITY COUNCIL -- CITY OF MARTINSVILLE, VIRGINIA  
Council Chambers – Municipal Building  
**7:00pm Closed Session      7:30pm Regular Session**  
**Tuesday July 28, 2020**

**7:00 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. 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.

**7:30 pm - Regular Session**

Pledge to the American Flag and Invocation by Council Member Woods

1. Approve minutes from the July 14, 2020 Council Meeting (5 mins)
2. 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. (10 mins)
3. 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. (10 mins)
4. Consider approval of a Memorandum of Understanding with the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (CPEG) for management services of the Incubator. (10 mins)
5. Consider approval of a Memorandum of Understanding with the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (CPEG) for serves related to efforts involving small business development in the City of Martinsville. (10 mins)
6. Consider adoption of a resolution authorizing the filing of an application for funding consideration of certain transportation projects through the Virginia Smart Scale Funding process. (10 mins)
7. Business from the Floor - CANCELLED  
As a result of COVID-19 issues, business from the floor will not occur at City Council meetings until further notice. Citizens desiring to present comments for Council's consideration may do so by emailing the comments to Karen Roberts, Clerk of Council at [kroberts@ci.martinsville.va.us](mailto:kroberts@ci.martinsville.va.us), calling in the 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 noon, July 28 for consideration by Council at this meeting.
8. Comments by members of City Council. (5 minutes)
9. Comments by City Manager and City Attorney. (5 minutes)



## **City Council Agenda Summary**

**Meeting Date:** July 28, 2020

**Item No:** 1.

**Department:** Clerk of Council

**Issue:** Consider approval of minutes

**Summary:** None

**Attachments:** July 14, 2020 Council Meeting

**Recommendations:** Motion to approve minutes as presented.

**Meeting Date:** July 28, 2020

**Item No:** 2.

**Department:** Finance

**Issue:** 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.

**Summary:** The City proposes to issue bonds for the purpose of assisting in the acquisition, construction, renovation, and equipping of repairs, replacements, and capital improvements at the City's Beaver Creek Reservoir Dam, including repairs and renovations to the Dam's spillway, all for municipal purposes, not to exceed \$2,500,000 in principal amount. Approval of this ordinance is required to proceed with financing of this project. Council approved this ordinance on first reading at the July 14, 2020 meeting.

**Attachments:** Copy of ordinance

**Recommendations:** Open and conduct a public hearing on the City's intent to finance up to \$2.5 million for the reservoir spillway repair project, and approve the financing ordinance on second reading (roll call vote).

**CITY OF MARTINSVILLE, VIRGINIA**

**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**

**Adopted on July 28, 2020**

Be it Ordained by the Council of the City of Martinsville, Virginia:

**Section 1     Definitions**

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:

**“Act”** shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.

**“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.

**“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.

**“City”** shall mean the City of Martinsville, Virginia.

**“City Charter”** shall mean the City Charter of the City of Martinsville, Virginia, as amended.

**“Clerk”** shall mean the Clerk of the Council or the Deputy Clerk of the Council.

**“Commitment Letter”** shall mean the commitment letter from VRA to the City dated June 24, 2020, and all extensions and amendments thereto.

**“Commonwealth”** shall mean the Commonwealth of Virginia.

**“Council”** shall mean the City Council of the City of Martinsville.

**“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.

**“Fund”** shall mean the Virginia Water Facilities Revolving Fund.

**“Funding Agreement”** shall mean the Funding Agreement for principal forgiveness between VRA and the City in the expected maximum principal amount of \$289,710.

**“Mayor”** shall mean the Mayor or Vice Mayor of the City.

**“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 undisbursed 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.

Amount

Date

Authorized Signatures

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.

The Members of the Council voted as follows:

Ayes

Nays

Absent

Abstentions

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.

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Clerk, City Council of  
City of Martinsville, Virginia

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**Meeting Date:** July 28, 2020

**Item No:** 3.

**Department:** Community Development

**Issue:** 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.

**Summary:** The request was considered by the Planning Commission at their July 16, 2020 meeting and in order to expedite the process has requested a joint public hearing with Council for the July 28, 2020 meeting. The hearing has been advertised and a quorum of the Planning Commission will be in attendance at the meeting.

**Attachments:** Staff report

**Recommendations:** Planning Commission chair calls the PC to order, Council opens the joint public hearing to accept public input/comment; hearing closes, and PC makes their recommendation to Council and adjourns. Staff recommends approval (voice vote) of the Special Use Permit subject to any conditions or modifications deemed appropriate arising from the public hearing process.

**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)

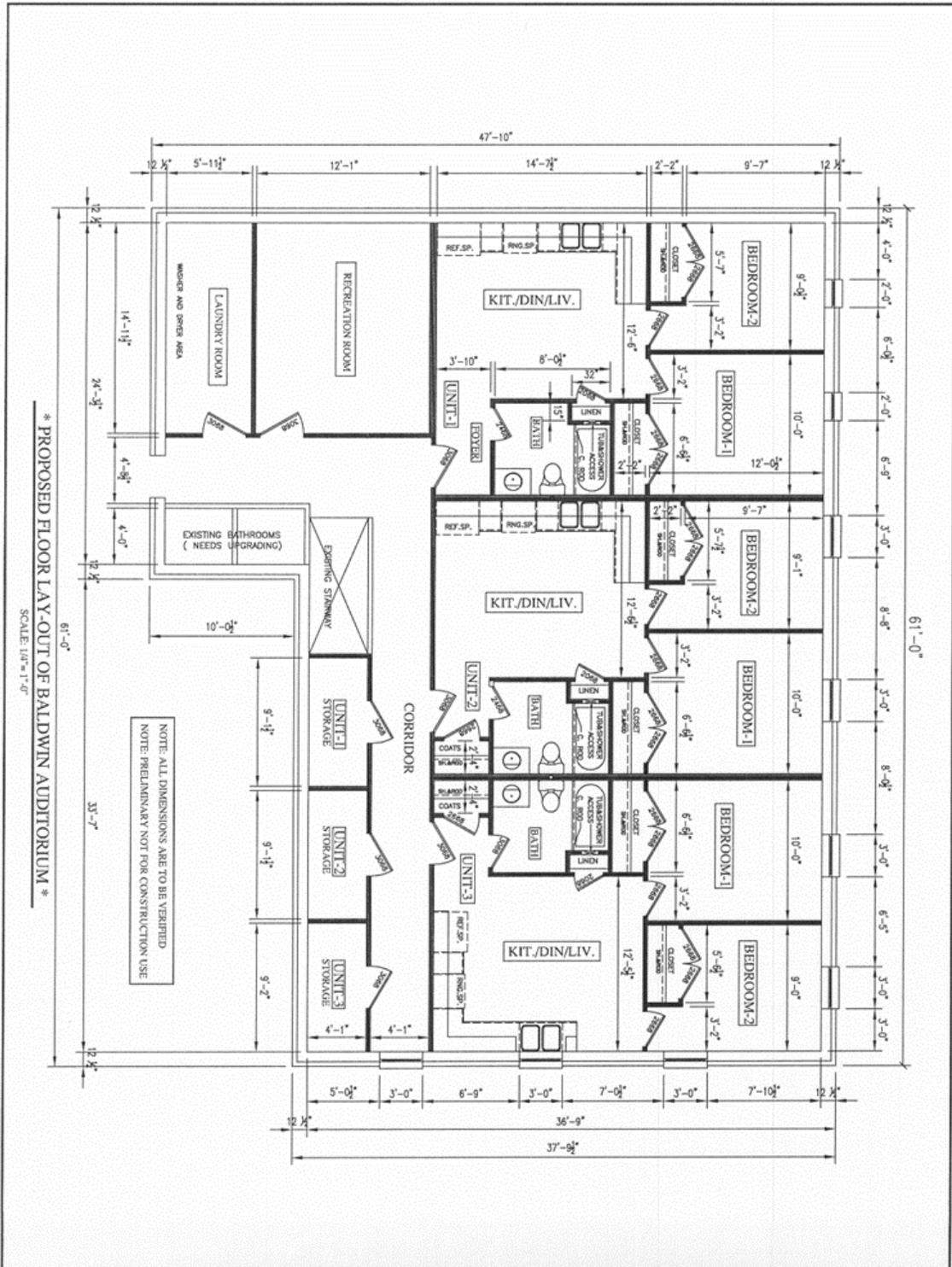
**REQUESTED ACTION:** Approval of a Special Use Permit to convert an existing second floor auditorium into three(3) two-bedroom apartments.

**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



**\* PROPOSED FLOOR LAY-OUT OF BALDWIN AUDITORIUM \***

SCALE: 1/4" = 1'-0"

NOTE: ALL DIMENSIONS ARE TO BE VERIFIED  
NOTE: PRELIMINARY NOT FOR CONSTRUCTION USE



**Meeting Date:** July 28, 2020

**Item No:** 4.

**Department:** City Manager

**Issue:** Consider approval of a Memorandum of Understanding with the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (CPEG) for management services of the Incubator.

**Summary:** This represents a continuation of CPEG's management of West Piedmont Business Development Center (Incubator) located at 22 East Church Street. Lisa Watkins from the Chamber will be in attendance at Council's meeting to provide an update and answer questions.

**Attachments:** Memorandum of Understanding

**Recommendations:** Staff recommends approval of the MOU as presented.

**MEMORANDUM OF UNDERSTANDING  
WEST PIEDMONT BUSINESS DEVELOPMENT CENTER MANAGEMENT**

**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 (through the Martinsville Industrial Development Authority) currently owns the property located at 22 East Church Street, Martinsville, VA, said property acquired for the purpose of development and operation of a business incubator (the “Incubator”); and,

**WHEREAS**, since its inception, the Incubator has operated as the West Piedmont Business Development Center (WPBDC), incorporated by the Commonwealth of Virginia’s State Corporation Commission as a non-stock corporation pursuant to Chapter 10, Article 10 of Title 13.1 of the Code of Virginia; and,

**WHEREAS**, recognizing the value and importance of the Incubator as a resource for the community to promote, stimulate, encourage, assist, and provide educational opportunities for new or developing business owners or entrepreneurs, and also recognizing a close parallel to current operations of the Chamber and CPEG related to small business, the City and CPEG initially executed a Memorandum of Understanding for CPEG’s management of the Incubator for an initial period from April 1, 2014 through June 30, 2015, during which time CPEG had done an outstanding job; and,

**WHEREAS**, following the initial management period the City and CPEG mutually agreed to extend CPEG’s management responsibility for continued operations of the Incubator under the guidance and direction of current Chamber leadership and CPEG Board of Directors for five (5) successive automatically renewing one (1) year periods extending through June 30, 2020; and

**WHEREAS**, the City and CPEG mutually agree to extend CPEG’s management responsibility for continued operations of the Incubator under the guidance and direction of current Chamber leadership and CPEG Board of Directors for an additional period of time;

**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 and Renewals – The term of this MOU shall cover five (5) successive one-year periods beginning July 1, 2020, extending through June 30, 2025. Either party may cancel/opt out of automatic renewal with a minimum of 90 days written notice prior to the expiration of any annual term.
2. The Incubator will continue to be operated under the name of West Piedmont Business Development Center, with operations to remain at the current facility at 22 East Church Street, Martinsville, VA, with general business hours from 8 am until 5 pm.

3. Management of WPBDC will be by CPEG under the guidance of the Board of Directors of CPEG.
4. The City will commit to continuing funding for utilities, building maintenance, and capital needs subject to City Council's approval as part of the City's annual budget. Funding will cover costs for electricity, water, sewer, and garbage services and additionally as building owner, the City will be responsible for major maintenance such as HVAC, roof, structure, major repairs, etc.
5. CPEG will be responsible for routine daily maintenance related to operations such as general cleaning, trash removal, replacement of bulbs, elevator inspections, carpet cleaning, fire extinguisher maintenance, service checks, etc.
6. CPEG will provide staff support related to functions associated with a business incubator environment. CPEG will have the ability to market, design, and implement training and related programs for business tenants, and utilize the space in the building for business incubator-type activities and events.
7. CPEG will be responsible for day to day management of the facility including (but not limited to) staffing, marketing, recruitment of tenants, development of tenant lease agreements/terms of occupancy, cooperation with other entities (EDC, Harvest, SCORE, etc.) to the extent beneficial. Lease payments by tenants for occupancy/use of space will be made to CPEG.
8. CPEG will present reports periodically to the governing bodies of both Martinsville and Henry County regarding operations.
9. CPEG will handle all incubator financials including billing, payables, receivables, i.e. the City will not have responsibility related to being fiscal agent.
10. The City will maintain a presence 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 the day and year first above written.

**MARTINSVILLE CITY COUNCIL**

**C-PEG**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

City Manager

Board President

**Meeting Date:** July 28, 2020

**Item No:** 5.

**Department:** City Manager

**Issue:** Consider approval of a Memorandum of Understanding with the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (CPEG) for services related to efforts involving small business development in the City of Martinsville for FY21.

**Summary:** This represents a continuation of efforts related to small business development in the City, in partnership with CPEG. A Memorandum of Understanding between the City and CPEG was developed originally for this project and has been updated annually to reflect ongoing changes.

**Attachments:** City/CPEG Small Business Development Memorandum of Understanding

**Recommendations:** Staff recommends approval of the MOU as presented.

## **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/MINET, 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. C-PEG 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 the day and year first above written.

**MARTINSVILLE CITY COUNCIL**

**CPEG**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

City Manager

Board President

**Date:** July 28, 2020

**Item No:** 6.

**Department:** Community Development

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

**Summary:** Staff is requesting Council's approval of the attached resolution authorizing the filing of an application through the Virginia Smart Scale Funding process, for funding consideration of three projects; (1) Fayette Street Corridor Improvements – Implement measures to improve pedestrian safety and access in and around Albert Harris Elementary School; (2) Fayette Street Corridor Improvements - Implement measures to improve pedestrian safety and access from Ailcie Street to Pine Hall Road; and (3) Market Street Corridor Improvements - Implement measures to improve pedestrian safety at the intersection of Market and Moss Streets;

**Attachments:** Resolution

**Recommendations:** Adopt resolution (voice 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**

**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