

AGENDA



CITY OF HOPEWELL

Hopewell, Virginia 23860

AGENDA

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CITY COUNCIL

Jackie M. Shornak, Mayor, Ward #7
Jasmine E. Gore, Vice Mayor, Ward #4
Christina J. Luman-Bailey, Councilor, Ward #1
Arlene Holloway, Councilor, Ward #2
Anthony J. Zevgolis, Councilor, Ward #3
Janice Denton, Councilor, Ward #5
Brenda S. Pelham, Councilor, Ward #6

John M. Altman, Jr., City Manager
Stefan M. Calos, City Attorney
Ronnieye L. Arrington, City Clerk

Date: October 23, 2018

MUNICIPAL BUILDING

Closed Meeting: 6:30 p.m.
Regular Meeting: 7:30 p.m.

OPEN MEETING

6:30 p.m. Call to order, roll call, and welcome to visitors

PROPOSED MOTION: To go into closed meeting for (1) discussion and consideration of specific appointees of city council (Youth Services Commission, Economic Development Authority, Neighborhood Watch Advisory Council, Transportation Safety Board, Board of Building Code and Fire Prevention Code Appeals, Ashford Civic Plaza Commission, Crater District Area Agency on Aging, Social Services Advisory Board, Board of Zoning Appeals, Recreation Commission, Law Library Committee, District 19 Community Services Board, Hopewell Redevelopment and Housing Authority, Downtown Design Review Committee, Board of Equalization, John Tyler Community College Board, Planning Commission, Senior Citizens Advisory Commission, Dock Commission, Friends of the Appomattox River, Central Virginia Waste Management Authority); (2) discussion and consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the city would be adversely affected; (3) discussion or consideration of the acquisition of real property for a public purpose, and of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of city council (City Jail); (4) consultation with legal counsel where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of city council (zoning violations/illegal gambling); (5) consultation with legal counsel employed or retained by city council related thereto and regarding specific legal matters requiring the provision of legal advice by such counsel (fire department/Hopewell Emergency Crew, intellectual property), in accordance with Virginia Code § 2.2-3711 (A), (1), (3), (5), (7), and (8), respectively.

Roll Call

CLOSED MEETING

RECONVENE OPEN MEETING

CERTIFICATION PURSUANT TO VIRGINIA CODE § 2.2-3712 (D): *Were only public business matters (1) lawfully exempted from open-meeting requirements and (2) identified in the closed-meeting motion discussed in closed meeting?*

Roll Call

PROPOSED MOTION: **To amend/adopt agenda**

Roll Call

REGULAR MEETING

7:30 p.m. Call to order, roll call, and welcome to visitors

Prayer by Rev. Ronald Brown of John Randolph Pastoral Care, followed by the Pledge of Allegiance to the Flag of the United States of America led by Councilor Pelham.

Consent Agenda

All matters listed under the Consent Agenda are considered routine by Council and will be approved or received by one motion in the form listed. Items may be removed from the Consent Agenda for discussion under the regular agenda at the request of any Councilor.

- C-1** **Minutes:** October 9, 2018; amended 9-25-18
- C-2** **Pending List:**
- C-3** **Routine Approval of Work Sessions:**
- C-4** **Personnel Change Report & Financial Report:** Attached
- C-5** **Ordinances on Second & Final Reading:**
- C-6** **Routine Grant Approval:**
- C-7** **Public Hearing Announcement:** November 13, 2018 – Request for Zoning Ordinance amendment for non-conforming lot; request for Right of Way (portion of Trenton); request for Conditional Use Permit (Liberty Avenue); and Sale of old jail
- C-8** **Information for Council Review:** Minutes: Downtown District Review Committee 9-15-18; Hopewell Redevelopment & Housing Authority 8-13-18
- C-9** **Resolutions/Proclamations/Presentations:** Small Business Saturday
- C-10** **Additional Announcements:** 5K and Fun Run; DCR Riverwalk Phase II grant

Public Hearings

CITY CLERK: *All persons addressing Council shall approach the microphone, give name and, if they reside in Hopewell, their ward number, and limit comments to **five minutes**. No person shall be permitted to address Council a second time until all others have been heard, and no one may speak more than twice on any subject in any one meeting. All remarks shall be addressed to Council as a body, any questions must be asked through the mayor only, and there shall be no discussion without permission of the mayor. Any person who makes personal, impertinent, abusive, or slanderous statements, or incites disorderly conduct in Council Chambers may be barred by the mayor from further audience before Council, and removed, subject to appeal to a majority of Council. (See Rules 405 and 406)*

NONE

Communications from Citizens

CITY CLERK: *A Communications from Citizens period, limited in total time to 30 minutes, is part of the Order of Business at each regular Council meeting. All persons addressing Council shall approach the microphone, give name and, if they reside in Hopewell, their ward number, and limit comments to **three minutes**. No one is permitted to speak on any item scheduled for consideration on the regular agenda of the meeting. All remarks shall be addressed to Council as a body, any questions must be asked through the mayor only, and there shall be no discussion without permission of the mayor. Any person who makes personal, impertinent, abusive, or slanderous statements, or incites disorderly conduct in Council Chambers, may be barred by the mayor from further audience before Council, and removed, subject to appeal to a majority of Council. (See Rules 405 and 406.)*

Regular Business

Reports of City Manager:

R-1 Approval of disposition of public property

ISSUE: At the September 25, 2018 meeting, the Hopewell City Council held a public hearing in accordance with §15.2-1800 (Purchase, sale, use, etc., of real property) of *the Code of Virginia* to consider citizen comments regarding the disposition of the property identified above. The City and the purchaser have agreed upon the terms of sale and Staff is now requesting City Council vote to approve the disposition of the property and authorize the City Manager to sign the development agreement.

MOTION: _____

Roll Call

R-2 Approval of Resolution for Personal Property Tax Relief (PPTR) Percentage for 2018

ISSUE: The PPTR percentage has to be estimated/recalculated and approved annually in accordance with the Personal Property Tax Relief Act of 1998 and the 2005 Appropriations Act.

MOTION: _____

Roll Call

R-3 Personal Property Tax Relief for Disable Veterans

ISSUE: Per Council's request at its September 25, 2018 meeting, Staff has prepared information regarding the proposed personal property tax relief for disabled veterans. So that the proposed relief can become effective July 1, 2018, Staff is requesting that Council set a public hearing on this matter November 13, 2018.

MOTION: _____

Roll Call

R-4 Virginia Retirement System Emergency Medical Technician Resolution

ISSUE: Chief Hunter is shifting the primary function of up to three vacant firefighter positions to EMTs. Virginia Retirement System (VRS) requires an enrollee’s job name match their primary job function. Since the current resolution only states law enforcement officers and firefighters are eligible for these benefits, and to ensure the preservation of the hazardous duty benefits already associated with these positions, VRS has requested a resolution indicating EMT positions are eligible for hazardous duty benefits. There is no fiscal impact associated with this action.

MOTION:_____

Roll Call

R-5 Office of CSA and Repayment Agreement

ISSUE: The State Executive Council for Children’s Services approved a 10-year Repayment Agreement to settle findings of non-compliance with the Children’s Services Act (CSA) and misuse of state CSA funds

MOTION:_____

Roll Call

Reports of the City Attorney:

Reports of the City Clerk:

Reports of City Council:

Committees

Individual Councilors

Citizen/Councilor Requests

Other Council Communications

Adjournment

**CLOSED
MEETING**

REGULAR MEETING

CONSENT AGENDA

MINUTES

AMENDED MINUTES OF THE SEPTEMBER 25, 2018 CITY COUNCIL MEETING

A meeting of the Hopewell City Council was held Tuesday, September 25, 2018, at 6:30 p.m. in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Jackie Shornak, Mayor
Christina J. Luman-Bailey, Councilor
Arlene Holloway, Councilor
Anthony J. Zevgolis, Councilor
Janice B. Denton, Councilor
Brenda S. Pelham, Councilor

John M. Altman, Jr., City Manager
Charles Dane, Assistant City Manager
Stefan M. Calos of Sands Anderson PC, City Attorney
Ronnieye L. Arrington, City Clerk
Frazelle Hampton, Assistant City Clerk

ABSENT: Jasmine E. Gore, Vice Mayor

ROLL CALL

Mayor Shornak opened the meeting at 6:30 p.m. Roll call was taken as follows:

Mayor Shornak	-	present
Vice Mayor Gore	-	absent
Councilor Luman-Bailey	-	present
Councilor Holloway	-	present
Councilor Zevgolis	-	present
Councilor Denton	-	present
Councilor Pelham	-	present

CLOSED MEETING

At 6:32 p.m., Councilor Pelham moved to go into closed meeting for (1) discussion and consideration of specific appointees of city council (City Attorney); (2) discussion and consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the city would be adversely affected (Francisco Landing); (3) discussion or consideration of the acquisition of real property for a public purpose, and of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body (CFB building, old City Jail); (4) consultation with legal counsel pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of city council (police, cemetery); and (5) consultation with legal counsel employed or retained by city council related thereto and regarding specific legal matters requiring the provision of legal advice by such counsel, in accordance with Virginia Code § 2.2-3711 (A) (1), (3), (6), (7), and (8), respectively. The motion was seconded by Councilor Zevgolis. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes

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Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

RECONVENE OPEN MEETING

Council convened into open meeting at 7:31 p.m., and responded to the question pursuant to Virginia Code § 2.2-3712 (D): were only public business matters (I) lawfully exempted from open-meeting requirements and (II) identified in the closed-meeting motion discussed in closed meeting? Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Council agreed 6-0

AMEND/ADOPT AGENDA

Councilor Pelham made a motion to amend the agenda to remove item R-4 (*Appointment of City Attorney*), and to approve the agenda as amended, which motion was seconded by Councilor Denton. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

Mayor Shornak requested a roll call, the result of which was:

Mayor Shornak	-	present
Vice Mayor Gore	-	absent
Councilor Luman-Bailey	-	present
Councilor Holloway	-	absent
Councilor Zevgolis	-	present
Councilor Denton	-	present
Councilor Pelham	-	present

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September 25, 2018
Regular Meeting

PRAYER AND PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

Mayor Shornak called the meeting to order, and thanked all for attending. The prayer was led by Rev. J. Jefferson Butler of the John Randolph Pastoral Care, followed by the Pledge of Allegiance to the Flag of the United States of America, led by Councilor Pelham.

Consent Agenda

All matters listed under the Consent Agenda are considered routine by Council and will be approved or received by one motion in the form listed. Items may be removed from the Consent Agenda for discussion under the regular agenda at the request of any Councilor.

- C-1 Minutes:**
- C-2 Pending List:** Attached
- C-3 Routine Approval of Work Sessions:**
- C-4 Personnel Change Report & Financial Report:** Personnel report attached
- C-5 Ordinances on Second & Final Reading:**
- C-6 Routine Grant Approval:**
- C-7 Public Hearing Announcement:**
- C-8 Information for Council Review:** Minutes: ARLS – 9-18-18; CPMT – 8-20-18; HRHA – 7-09-18; Investment Committee – 6-26-18; Planning Commission – 8-02-18
- C-9 Resolutions/Proclamations/Presentations:** Recognition to John Randolph Medical Center, Vulcan Materials Corporation, and Dominion Fireworks for assistance with fireworks at the Appomattox event
- C-10 Additional Announcements:** Riverwalk Groundbreaking Ceremony

Aaron Reidmiller, Director of Parks and Recreation recognized John Randolph, Vulcan Materials, and Dominion Fireworks for their assistance with Fireworks over the Appomattox. He also announced the Riverwalk Groundbreaking Ceremony. Councilor Zevgolis made a motion to approve the Consent Agenda, which was seconded by Councilor Denton. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

PUBLIC HEARINGS

- PH-1 Rezoning Request – Appomattox Street, Lots 1 & 2, Copeland Subdivision and Lots 1, 2 and 3, Block 16, B Village Subdivision** – Tevya Griffin, Director of Development provided Council with a condensed version of the Staff Report for the rezoning request. Mayor Shornak opened the public hearing. Deb Randolph spoke on behalf of the EDA, and stated that EDA members approved of the project. She also said that as a resident of Ward 1, she had

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parking concerns but was sure that her concerns would be addressed. Former Councilor Wayne Walton also spoke in favor of the project. Katherine Podlewski spoke in opposition to the project. Michael Ernst said he was not opposed to the project, but did have parking concerns. Council asked questions and had further discussion. Mayor Shornak closed the public hearing. Councilor Denton moved to approve the rezoning request for Appomattox Streets, Lots 1 & 2, Copeland Subdivision, and Lots 1, 2, and 3, Block 16, B Village subdivision. The motion was seconded by Councilor Zevgolis. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

PH-2 Sale of City Property - Appomattox Street, Lots 1 & 2, Copeland Subdivision and Lots 1, 2 and 3, Block 16, B Village Subdivision –Assistant City Manager Charles Dane gave Council information and background on the Francisco Landing Holdings LLC project. He advised Council that Staff was not seeking approval of the sale at this time. Chip and Ed Bowman, the proponents of the project, came forward and presented information and history to Council, including the fact that they are the great-great grandsons of Peter Francisco. Mayor Shornak opened the public hearing. Kathleen Podlewski spoke in opposition to the project. Eliot Eliades spoke in favor of the project. He acknowledged the parking concerns, but said he had no doubt the concerns would be addressed and solved. Mayor Shornak closed the public hearing. **No action requested of Council.**

Councilor Luman-Bailey submitted a Transactional Disclosures Statement stating that she is an adjacent property owner.

COMMUNICATION FROM CITIZENS

Mayor Shornak asked if any citizen wished to speak, but no one came forward.

REGULAR BUSINESS

Reports of City Manager:

R-1 Request to vacate portion of Western Street and Old Woodlawn Avenue – Director of Development Tevya Griffin came before Council requesting the vacation of a portion of Western Street and Old Woodlawn Avenue. Derek Johnson of Timmons Group spoke to Council on behalf of Amin Land Holdings LLC regarding the proposed project. After discussion, Councilor Zevgolis moved to vacate the undeveloped portion of Western Street and Old Woodlawn Avenue. His motion was seconded by Councilor Denton. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes

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Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

Councilor Denton submitted a Transactional Disclosure Statement stating that she was a Realtor with Ingram & Associates.

Mayor Shornak submitted a Transactional Disclosure Statement stating a familial relationship with Riley Ingram.

R-2 City of Refuge Funding Request – Charles Dane presented information to Council regarding the City of Refuge’s request. He explained that the program had been in operation for 11 months, and that there had already been 9 diversions from the court system to the program. Mr. Dane said that each diversion saves the City \$44/day. Rev. Collier, who heads the program, also spoke to Council about the extensive benefits of the program. Rick Newman, the Commonwealth Attorney, added his voice in support of the program. There was discussion regarding whether other entities would make donations as well. The City Manager spoke in support of the program and answered questions regarding from where the funds would be taken (Unallocated Funds). Councilor Zevgolis noted there may be an issue with Council making an allocation due to its being one member short. Councilor Luman-Bailey moved to allocate the requested \$50,000 for this year only from Fund Balance to the General Fund to the City of Refuge program, pending verification of the legality of the vote. The motion was seconded by Councilor Holloway. Mr. Calos located the relevant law (Va. Code §15.2-1428, *Procedures for certain acts*) and opined that there was no problem with Council making this allocation absent a member, as the affirmative votes of only 4 councilors were required. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	abstain*
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 5-0

** Mr. Calos explained that Councilor Pelham was excused from voting because she was a member of the City of Refuge board.*

Councilor Pelham submitted a Transactional Disclosure Statement stating that she is a member of the City of Refuge Board and a Trustee.

Mayor Shornak submitted a Transactional Disclosure Statement stating that she is a past member of the City of Refuge Board.

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R-3 Request to appropriate funding for the Hopewell Riverwalk project – Mr. Reidmiller advised Council of the funding from the Virginia General Assembly (\$100,000) and the donation from Friends of the Lower Appomattox River (FOLAR) (\$40,680), and asked that Council approve the appropriation of the \$140,680 to the Riverwalk project. Councilor Luman-Bailey moved to approve the appropriation of the \$140,680 already received for the Riverwalk project. The motion was seconded by Councilor Holloway. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

Reports of City Attorney – Mr. Calos discussed the revisions to Council’s Rules. Council opted to decide on the approval of the Rules at the next meeting when all Council members could be present.

Reports of City Clerk – Nothing to report.

Reports of City Council.

Individual Councilors

- Luman-Bailey – Thanked all for attending the Ward 1 meeting. She also discussed the proposed development on the Copeland Site. Councilor Luman-Bailey said she was looking forward to going to the October VML meeting as Hopewell had done well in the Go Green Challenge.
- Pelham – Thanked Council for supporting the City of Refuge request for funding. She noted that through the Court diversions, the City saves more money than was being given to the City of Refuge. Councilor Pelham also encouraged citizens to attend the September 27, 2018 Ward Meeting being held at the Elks Lodge.
- Zevgolis – Noted that he had already had his Ward meeting at which they discussed the proposed balanced school year. He stated that his constituents had voiced some concerns, which he shared. He recommended a voter referendum to address this issue. He also said he had some Charter changes to suggest.

Citizen Councilor Requests

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ADJOURN

At 9:51 p.m. motion was made by Councilor Denton and seconded by Councilor Luman-Bailey to adjourn. All council responded “aye” to the question, with the exception of Councilor Pelham, who said “no”.

/s/ Jackie Shornak
Jackie Shornak, Mayor

/s/ Ronnieye L. Arrington
Ronnieye L. Arrington, City Clerk

AMENDED MINUTES OF THE OCTOBER 9, 2018 CITY COUNCIL MEETING

A meeting of the Hopewell City Council was held Tuesday, October 9, 2018, at 6:14 p.m. in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Jackie Shornak, Mayor
Jasmine E. Gore, Vice Mayor (arrived at 6:19 p.m.)
Christina J. Luman-Bailey, Councilor
Arlene Holloway, Councilor (arrived at 6:19 p.m.)
Anthony J. Zevgolis, Councilor (arrived 6:28 p.m.)
Janice B. Denton, Councilor
Brenda S. Pelham, Councilor

John M. Altman, Jr., City Manager
Stefan M. Calos of Sands Anderson PC, City Attorney
Ronnieye L. Arrington, City Clerk
Frazelle Hampton, Assistant City Clerk

ABSENT: Charles Dane, Assistant City Manager

ROLL CALL

Mayor Shornak opened the meeting at 6:14 p.m. Roll call was taken as follows:

Mayor Shornak	-	present
Vice Mayor Gore	-	absent
Councilor Luman-Bailey	-	present
Councilor Holloway	-	absent
Councilor Zevgolis	-	absent
Councilor Denton	-	present
Councilor Pelham	-	present

CLOSED MEETING

At 6:15 p.m., Councilor Denton moved to go into closed meeting for (1) discussion and consideration of specific appointees of city council (City Attorney) and (2) consultation with legal counsel employed or retained by city council related thereto and regarding specific legal matters requiring the provision of legal advice by such counsel, in accordance with Virginia Code § 2.2-3711 (A) (1) and (8), respectively. The motion was seconded by Councilor Luman-Bailey. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	absent (arrived 6:19 p.m.)
Councilor Zevgolis	-	absent (arrived 6:28 p.m.)
Vice Mayor Gore	-	absent (arrived 6:19 p.m.)

Motion passed 4-0

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Regular Meeting

RECONVENE OPEN MEETING

Council convened into open meeting at 7:30 p.m., and responded to the question pursuant to Virginia Code § 2.2-3712 (D): were only public business matters (I) lawfully exempted from open-meeting requirements and (II) identified in the closed-meeting motion discussed in closed meeting? Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Council agreed 7-0

AMEND/ADOPT AGENDA

Councilor Pelham made a motion to adopt the agenda, which motion was seconded by Councilor Denton. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

Mayor Shornak requested a roll call, the result of which was:

Mayor Shornak	-	present
Vice Mayor Gore	-	present
Councilor Luman-Bailey	-	present
Councilor Holloway	-	present
Councilor Zevgolis	-	present
Councilor Denton	-	present
Councilor Pelham	-	present

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October 9, 2018
Regular Meeting

PRAYER AND PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

Mayor Shornak called the meeting to order, and thanked all for attending. The prayer was led by Rev. Leroy Mashore of the John Randolph Pastoral Care, followed by the Pledge of Allegiance to the Flag of the United States of America, led by Councilor Denton.

Consent Agenda

All matters listed under the Consent Agenda are considered routine by Council and will be approved or received by one motion in the form listed. Items may be removed from the Consent Agenda for discussion under the regular agenda at the request of any Councilor.

- C-1 Minutes:** September 25, 2018
- C-2 Pending List:**
- C-3 Routine Approval of Work Sessions:**
- C-4 Personnel Change Report & Financial Report:** Finance Report attached
- C-5 Ordinances on Second & Final Reading:**
- C-6 Routine Grant Approval:** Aaron Reidmiller, Director of Parks and Recreation - \$20,000 Grant from Virginia Department of Health for Thrive 450 Unit
- C-7 Public Hearing Announcement:**
- C-8 Information for Council Review:** ARB minutes: 4/23/18, 6/25/18, 7/23/18, 8/27/18
- C-9 Resolutions/Proclamations/Presentations:**
- C-10 Additional Announcements:** Awards: Go Green; Healthy Eating Active Living (HEAL)

Aaron Reidmiller, Director of Parks and Recreation provided information regarding the Virginia Department of Health for Woodlawn Park. Mr. Altman announced that the City was recognized at VML for attaining platinum in the Go Green effort, as well as the HEAL Alliance. Aaron Reidmiller. Councilor Pelham requested that Councilor Luman-Bailey speak regarding the Go Green effort, which she did. Vice Mayor Gore spoke about the Heal Alliance. Councilor Denton made a motion to approve the Consent Agenda, which was seconded by Councilor Pelham. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes

Motion passed 6-0

PUBLIC HEARINGS

There were no public hearings.

COMMUNICATION FROM CITIZENS

Mayor Shornak asked if any citizen wished to speak, but no one came forward.

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REGULAR BUSINESS

Reports of City Manager:

R-1 Designation of Fall Clean-Up Week – Director of Development Tevya Griffin came before Council requesting that Council approve and designate the week of Saturday, October 20, 2018 to Saturday, October 27, 2018 as Fall Clean-Up Week. After discussion, Councilor Luman-Bailey moved to approve the designation of Fall Clean-Up week. Her motion was seconded by Councilor Pelham. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

R-2 Change Order to Expand and Modify the Design of the New Fire Station – March Altman presented information to Council regarding the need to make modifications to the design of the new fire station. Donnie Hunter, the Fire Chief, came forward to answer Council’s questions regarding the project. Vice Mayor Gore requested a copy of the RFP for the Fire Station. After additional discussion, Councilor Denton made a motion to approve the modification of the design of the new fire station, and to authorize the City Manager to execute a Change Ordering the amount of \$190,000 with RRMM architects. Councilor Holloway seconded the motion. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	No
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 6-1

Mayor Shornak submitted a Transactional Disclosure Statement stating that her daughter works for the City of Hopewell.

Councilor Zevgolis made a motion to amend the order of the agenda to allow Mayor Shornak’s CCR to be heard ahead of the Report of the City Attorney, which motion was seconded by Councilor Pelham. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes

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Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

CCR-1 - Shornak – Waiver for Veterans on Personal Property Tax – Mayor Shornak spoke about relieving the personal property tax for our veterans. She said she had looked at other municipality websites to see what they were doing, and was very interested in something like that being done for the City. Vice Mayor Gore echoed the sentiment and noted that she, too, had contacted Administration about bringing such an initiative to the City. Council discussed this idea and agreed that it be put on the October 23, 2018 agenda for further discussion.

Reports of City Attorney – Mr. Calos discussed the revisions to Council’s Rules.

- Rules 105 and 209 - Councilor Pelham moved to approve Rules 105 and 209 as revised, which motion was seconded by Councilor Denton. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

- Rule 201 - Councilor Pelham moved to approve Rules 201 regarding the seating arrangement of Council with changes recommended by the City Attorney. The motion was seconded by Vice Mayor Gore. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

- Rule 202 and 406 – Vice Mayor Gore moved to remove the current Council Rule 202 and replace it with “Councilor Pelham moved to approve Rules 201 regarding the seating arrangement of Council with changes recommended by the City Attorney. The motion was seconded by Vice Mayor Gore. Upon the roll call, the vote resulted:

DRAFT
October 9, 2018
Regular Meeting

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

- Vice Mayor Gore moved to remove the current Council Rule 202 and replace it with “Councilors and others are addressed or referred to as Mr., Mrs., Miss, Ms., Madam, and/or by title. For example, "Madam Mayor," "Vice Mayor Jones," "Councilor Smith," "Mr. Williams," or "the City Manager." She also moved that Rule 406 read, “Any person who makes personal, impertinent, abusive, or slanderous statements, or incites disorderly conduct in the council chamber may be reprimanded by the presiding officer, and removed from the meeting upon a majority vote of councilors present, excluding any councilor who is the subject of the motion.” Mayor Shornak seconded the motion. Upon the roll call, the vote resulted:

Councilor Denton	-	Yes
Councilor Pelham	-	Yes
Mayor Shornak	-	Yes
Councilor Luman-Bailey	-	Yes
Councilor Holloway	-	Yes
Councilor Zevgolis	-	Yes
Vice Mayor Gore	-	Yes

Motion passed 7-0

Reports of City Clerk – Nothing to report.

Reports of City Council.

Individual Councilors

- Gore – Noted that the Website Committee was currently making revisions to the website and would be launching 2.0.
- Luman-Bailey – Virginia Gateway met last Thursday at 7:30 p.m. She said the region is getting new projects. Our website is being awarded for the being the best in the Region.
- Zevgolis – The Legislative Committee will meet October 11, 2018 at 4:30 p.m. He will be attending the Crater Meeting on that same day at 6:00 pm. He toured Hampton Academies. He provided information about the Hampton Academies to all of Council.

DRAFT
October 9, 2018
Regular Meeting

- Gore – Spoke about the City being awarded the Local Food Local Places. She also mentioned that she had been invited to the White House through the NLC. She encouraged all members of Council to get involved. She also spoke to the City Manager regarding the shootings in Hopewell and reiterated her request for additional information.
- Luman-Bailey – Stated that she would be having a ward meeting October 16, 2018

Citizen Councilor Requests

ADJOURN

At 9:30 p.m. motion was made by Councilor Denton and seconded by Vice Mayor Gore to adjourn. All council responded “aye” to the question.

/s/ Jackie Shornak
Jackie Shornak, Mayor

/s/ Ronnieye L. Arrington
Ronnieye L. Arrington, City Clerk

**PERSONNEL
CHANGE
REPORT**

DATE: October 16, 2018
TO: The Honorable City Council
FROM: Michelle Ingram, Human Resources Specialist
SUBJECT: Personnel Change Report – September 2018

ADDITIONS (Regular FT and PT positions only)

NAME	DEPARTMENT	POSITION	DATE
CALDWELL, GRAYSON	FIRE	FIREFIGHTER	09/26/2018
EARLY, CODY	POLICE	POLICE OFFICER	09/26/2018
FRANKLIN, ANTHONY	POLICE	POLICE OFFICER	09/26/2018
GILL III, EDWARD	FIRE	FIREFIGHTER	09/12/2018
HARRIS, TRAVIS	PUBLIC WORKS	PW MAINT SPEC	09/04/2018
JOHNSON, STEPHANIE	CIRCUIT COURT	CLK CHIEF DEPUTY	09/05/2018
MATTE, RICHARD	FIRE	FIREFIGHTER	09/13/2018
RODRIGUEZ, LUIS	POLICE	POLICE OFFICER	09/27/2018
SIPPLE, BRANDON	POLICE	POLICE OFFICER	09/26/2018
WILLS, SHELDON	SHERIFF	P/T SHERIFF DEPUTY	09/12/2018

SEPARATIONS

NAME	DEPARTMENT	POSITION	DATE
ALLEN-MOYER, EBONI	RECREATION	P/T SPEC EVNT ASST	09/12/2018
BARRICKS, BRENDA	WATER RENEWAL	LAB TECH I	09/01/2018
BLACKBURN, HANNAH	RECREATION	P/T LIFEGUARD	09/01/2018
DONAHUE, KEJUAN	FIRE	FIRE CAPTAIN	09/16/2018
GWALTNEY, STEPHEN	FIRE	FIREFIGHTER I	09/14/2018
HUDSON, TIMOTHY	FIRE	FIREFIGHTER I	09/10/2018
JOHNSON, GARY	WATER RENEWAL	WWT SHIFT SUPV	09/01/2018
KEOHANE, JOHN	POLICE	POLICE CHIEF	09/01/2018
ROSE, SHERMIKA	SOCIAL SERVICES	BEN PROG SPC I	09/13/2018
SCIACCA, WILLIAM	POLICE	POLICE OFFICER II	09/01/2018
TOMKO, BRIANNA	RECREATION	P/T LIFEGUARD	09/07/2018

CC: March Altman, City Manager
Charles Dane, Assistant City Manager
Jennifer Sears, Interim HR Director
Dave Harless, Risk/Safety Coordinator
Debbie Pershing, Senior Executive Assistant
Michael Terry, Finance Director
Dipo Muritala, Assistant Finance Director

Concetta Manker, IT Director
Jay Rezin, IT
Carol Scarbrough, Parks & Rec
Kim Hunter, Payroll

**INFORMATION
FOR COUNCIL
REVIEW**

**MINUTES OF THE SEPTEMBER 5, 2018 MEETING
OF THE DOWNTOWN DESIGN REVIEW COMMITTEE
City of Hopewell**

A meeting of the Downtown Design Review Committee for the City of Hopewell was held on Wednesday, September 5, 2018, at the Hopewell Municipal Building, in the 2nd Floor Conference Room, located at 300 North Main Street at **5:30pm**.

Downtown Design Review Committee Members present:

Rita E. Joyner
Mary French Elder
Irma C. Mahaney

Absent:

Terry Ammons

Staff:

Chris Ward, Senior Planner

Guests:

Patrick Kelderhouse - HDJ, Inc.
Lance Paulick – Woda Construction Group

The meeting was called to order at 5:30 p.m. by Ms. Joyner. Mr. Ward conducted the roll call. A quorum was established.

ADMINISTRATIVE MATTERS / CONSENT AGENDA ITEMS

Ms. Joyner asked if there were requests for withdrawal, deferral or amendment to the agenda. There were none. Ms. Joyner requested that scheduling a blight fighting techniques work session be added to next month's agenda. Ms. Joyner asked if there were any changes to the minutes from the August 8, 2018 meeting. There were none. Ms. Elder made a motion to approve the minutes. Ms. Mahaney seconded. The motion carried 3-0.

CERTIFICATES OF APPROPRIATENESS

Ms. Joyner welcomed Mr. Kelderhouse and Mr. Paulick to the meeting and requested that Mr. Ward provide a quick introduction. Mr. Ward stated that he believed that the DDRC had previously reviewed plans and designs for the Freedman Point project and that Mr. Kelderhouse and Mr. Paulick were here to discuss some changes to the designs.

Mr. Paulick noted that the actual brick colors had not been presented before but just depicted in the elevations. With their desire to use more local products, they have decided to switch the brick supplier and change the color scheme slightly. They switched the red brick to a colonial red that is a bit more muted than the original brick. The contrasting brick has also been changed from a white brick to a more beige color. Mr. Paulick showed the members actual examples of the bricks.

Mr. Paulick next showed the members the new colors for the two types of hardi-plank that will be used on the rear of the new building. The new colors will be Sherwin Williams Suitable Brown and Sherwin Williams Analytical Gray.

Mr. Paulick also stated that Woda Group will be supplying these same bricks to the neighboring property owner who is constructing the storage building and has kept the structure in building wrap for an extended period of time. This will complete the storage building project.

Ms. Joyner expressed her gratitude to Mr. Paulick about the donation and noted to Mr. Ward that Mr. Lay, the neighboring property owner, will need to obtain a Certificate of Appropriateness for the new brick. Mr. Paulick said that he would inform Mr. Lay. Mr. Ward stated that he would follow up as well.

Ms. Elder made a motion to accept the change of bricks to Riverside Brick Supply Red Land/Lawrenceville Brick #109 and Riverside Brick Supply Sante Fe and the change of cement board colors to Sherwin Williams Suitable Brown 7054 and Sherwin Williams Analytical Gray 7051. Ms. Mahaney seconded. The motion carried 3-0.

Ms. Elder asked when the project would be completed. Mr. Paulick stated that he expected the development to be finished in the Spring of 2019.

Mr. Ward provided background about the Skrimp Shack and how they have submitted a sign permit but no COA which means the review is preliminary. Ms. Mahaney asked if the new business would be take out only since the one she saw in Colonial Heights appears to be primarily take out. Ms. Elder asked if decals would replace the signage. Ms. Joyner stated that Frazier and Associates recommended a better use of door signs and that the business owners were sent a copy of the ordinance. Mr. Ward noted that the current designs do not meet the criteria in the ordinance. He expects new designs and completed COA at the next DDRC meeting.

UNFINISHED BUSINESS

Mr. Ward stated that he went by the Broyhill Building earlier in the day and saw a contractor's truck and a construction dumpster outside of the building. They were not working on the exterior but appeared to be working on something inside. We expected improvements to begin Tuesday, September 4th.

Mr. Ward stated that other properties that had been cited under protective maintenance were in the process of being addressed and that further action is not warranted at this time.

Ms. Joyner requested that the group invite Debbie Randolph to the next meeting for an update on EDA projects. Mr. Ward stated that he would reach out to her.

NEW BUSINESS

Ms. Joyner noted that by-laws are required for the DDRC and ARB as a condition for the CLG application. The by-laws are basically a restatement of the ordinance. The by-laws will need to be reviewed by the City Attorney and City Council to become official.

Ms. Joyner noted that there were also a few suggested changes for the ordinance. She stated that she would like to see several uses removed from the allowable uses such as churches, convenience stores, and child care services. If someone wanted to establish one of these uses in the district, they could get approval from the BZA to get an exception. Ms. Elder and Ms. Mahaney agreed with removing these uses. Ms. Elder noted that she saw the request to change the name of the Downtown Design Review Committee to the Downtown Design Review Board. Ms. Joyner noted that it would lessen confusion and be more in line with the City's other boards and commissions. She also stated that these changes should be made all at once. Ms. Elder made the motion to recommend these changes to the ordinance to City Council. Ms. Mahaney seconded. The motion carried 3-0.

Mr. Ward gave a brief summary of the draft parking study that has been completed relating to the Francisco Landing development at the Copeland site. He noted that this was just part 1 of the study and only relates to the development itself. Part 2 of the study, which includes the entire downtown, should be completed by the end of September. The public meetings are being organized and scheduled and should occur within the next week or two.

Mr. Ward gave a brief update of the status of 265 E. Broadway. He stated that the business owner and property owner appealed the zoning violation notice and will going before the BZA at their next meeting. Ms. Joyner requested that the next BZA meeting date be sent to the members since several would like to attend.

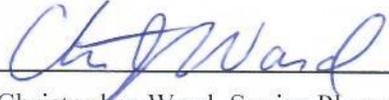
Ms. Joyner noted that they will be working on reviewing design guidelines as a part of the CLG application process. She also stated that there are two new potential members for the DDRC and she would really like to have full membership of 7 persons.

The meeting adjourned at 6:39.

Submitted by,



Rita E. Joyner, Chairperson



Christopher Ward, Senior Planner

836

HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY
350 East Poythress Street
Hopewell, VA 23860

REGULAR MEETING OF August 13, 2018

*** MINUTES ***

Minutes of Regular Meeting of the Board of Commissioners of the Hopewell Redevelopment and Housing Authority of the City of Hopewell, Virginia, held Monday, August 13, 2018 at 5:15 p.m.

The meeting was called to order by the Chairman. Roll call, those present and absent were as follows:

Present: Sheila Flowers, Chairman
Johnny Jones, Vice-Chairman
Sherman Cross, Commissioner
Wendy Gant, Commissioner – arrived at 5:20 p.m.
John Tunstall, Commissioner

Absent: Rogers Henry, Commissioner
Ruth Johnson, Commissioner

Also Present: Steve Benham, Executive Director
Sherry Henderson, Executive Secretary
Madelyn Peay, Deputy Executive Director
Michelle Coleman, Director of Finance and Administration
Tarvaris McCoy, Community Revitalization Director
Shemika Lewis, Concerned Citizen
Shequita Mitchell, Concerned Citizen

CONSENT AGENDA

C-1, C-2, & C-3 Upon motion made by Commissioner Cross and seconded by Commissioner Tunstall with all Commissioners present responding, the Consent Agenda was approved.

Upon roll call, the vote resulted:

Chairman Flowers - Yes
Vice-Chairman Jones - Yes
Commissioner Cross - Yes
Commissioner Tunstall - Yes

4 Yes; Motion Passed

COMMUNICATIONS FROM CITIZENS: None

REGULAR AGENDA

R-1 Discussion of Pending List.

Mrs. Peay discussed the items on the Pending List with the Board of Commissioners.

R-2 Financial Statement Review.

Mr. Benham and Ms. Coleman discussed the financial statement with the Board of Commissioners.

R-3 Request approval of Resolution No. 850. Utility Allowance Schedule.

Upon motion made by Commissioner Cross and seconded by Commissioner Gant with all Commissioners present responding, the Board of Commissioners approved Resolution No. 850, Utility Allowance Schedule.

837

Upon roll call, the vote resulted:

Chairman Flowers	- Yes
Vice-Chairman Jones	- Yes
Commissioner Cross	- Yes
Commissioner Tunstall	- Yes
Commissioner Gant	- Yes

5 Yes; Motion Passed

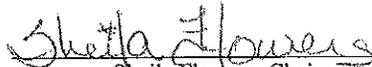
R-3 Other matters.

Mr. Benham requested the October 8th Board of Commissioners meeting be rescheduled to October 15th due to the office observing Columbus Day. All Board of Commissioners were in agreeance to reschedule the meeting.

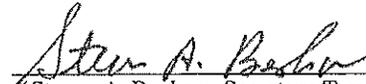
Mr. Benham informed the Board of Commissioners of: 1. HRHA will purchase shirts for the Board of Commissioners; 2. Provided a copy of the Freedman Point groundbreaking ceremony's newspaper article, and 3. HRHA is considering converting vacation and sick leave accruals to Paid Time Off (PTO).

ADJOURNMENT

Upon motion made Commissioner Gant and seconded by Commissioner Cross, with all Commissioners present responding affirmatively, the meeting was adjourned at 6:19 p.m.



Sheila Flowers, Chairman



Steven A. Benham, Secretary-Treasurer

PROCLAMATIONS

§

RESOLUTIONS

§

PRESENTATIONS

Proclamation

OFFICE OF MAYOR JACKIE SHORNAK

City of Hopewell, Virginia



Whereas, the City of Hopewell, Virginia, celebrates our local small businesses and the contributions they make to our local economy and community; according to the United States Small Business Administration, there are currently 30.2 million small businesses in the United States, they represent 99.7 percent of all businesses with employees in the United States, are responsible for 65.9 percent of net new jobs created from 2000 to 2017; and

Whereas, small businesses employ 47.5 percent of all businesses with employees in the United States; and

Whereas, 90 percent of all consumers in the United States say Small Business Saturday has had a positive impact on their community; and

Whereas, 89 percent of consumers who are aware of Small Business Saturday said the day encourages them to Shop Small all year long; and

Whereas, 73 percent of consumers who reportedly Shopped Small at independently-owned retailers and restaurants on Small Business Saturday did so with friends or family; and

Whereas, the most reported reason for consumers aware of the day to shop and dine at small, independently-owned businesses was to support their community (64%); and

Whereas, The City of Hopewell supports our local businesses that create jobs, boost our local economy and preserve our neighborhoods; and

Whereas, advocacy groups as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, I, Jackie M. Shornak, Mayor of the City of Hopewell do hereby proclaim November, 24, 2018 as **SMALL BUSINESS SATURDAY**, and urge the citizens of Hopewell to support small businesses and merchants on Small Business Saturday and throughout the year.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the City of Hopewell in the Commonwealth of Virginia this 23rd day of October, 2018.

Jackie M. Shornak
Mayor of the City of Hopewell

PUBLIC HEARINGS

NONE

**COMMUNICATIONS
FROM CITIZENS**

REGULAR BUSINESS

R-1



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Approve the disposition of public property located on Appomattox Street, identified as Lot 1, 3.60 acres and Lot 2, 2.492 acres Copeland Subdivision, further identified as Sub-Parcels 299-0005 and 299-0010, respectively, to Francisco Landing Holdings LLC, and authorize the City Manager to sign the development agreement outlining the terms of sale.

ISSUE: At the September 25, 2018 meeting the Hopewell City Council held a public hearing in accordance with §15.2-1800 (Purchase, sale, use, etc., of real property) *of the Code of Virginia* to consider citizen comments regarding the disposition of the property identified above. The City and the purchaser have agreed upon the terms of sale and Staff is now requesting City Council vote to approve the disposition of the property and authorize the City Manager to sign the development agreement.

RECOMMENDATION: Administration recommends City Council approve the disposition of public property, and authorize the City Manager to sign the development agreement between the City of Hopewell, VA and Francisco Land Holdings LCC.

TIMING: City Council is requested to take action at their meeting on Tuesday, October 23, 2018.

BACKGROUND: At the September 25, 2018 meeting, City Council approved the rezoning of the property from the Downtown Central Business District (B-1) to a Planned Unit Development (PUD) within the B-1 Zoning District, and the conceptual plan of development for the subject property. The development agreement provides specificity to the terms of sale and must be approved to form by the City Attorney and signed by the City Manager, with authorization from City Council.

FISCAL IMPACT: Estimated cost of all improvements: \$39,650,000

ENCLOSED DOCUMENTS: • Development Agreement

STAFF: John M. Altman, Jr., City Manager
 Charlie Dane, Assistant City Manager
 Stefan M. Calos, City Attorney
 Tevya Williams Griffin, Director, Department of Development

SUMMARY:

Y	N		Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Christina J. Luman-Bailey, Ward #1	<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2	<input type="checkbox"/>	<input type="checkbox"/>	Mayor Brenda S. Pelham, Ward #6
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Anthony J. Zevgolis, Ward #3	<input type="checkbox"/>	<input type="checkbox"/>	Mayor Jackie M. Shornak, Ward #7
<input type="checkbox"/>	<input type="checkbox"/>	Vice-Mayor Jasmine E. Gore, Ward #4			

DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement"), dated October ____, 2018 (the "Effective Date"), by and between THE CITY OF HOPEWELL, a Virginia municipal corporation ("Hopewell"), and FRANCISCO LANDING HOLDINGS LLC, a Virginia limited liability company (the "Developer") (collectively, the "Parties" and individually a "Party"), recites and provides as follows.

RECITALS

W.E. Bowman Construction, Inc. ("Bowman") and Hopewell are parties to that certain Letter of Intent dated July 10, 2017 (the "LOI"), which includes terms for the evaluation of development opportunities on and for the purchase of certain property owned by Hopewell, and which now includes that identified by the following parcel numbers: 2990005 (the "Upper Copeland Site"), 2990010 (the "Lower Copeland Site"), 0110806 (old community building site), 0800922 (old library site), 0800930 (adjacent lot fronting Hopewell Street) and 0800935 (adjacent lot on corner of Appomattox and Hopewell Streets) (parcels 0800922, 0800930, and 0800935 are referred to collectively as the "Gravel Lot," and all of the foregoing parcels are referred to as the "Property"). The parcels and boundaries for the Property are outlined in the attached Exhibit A.

The Developer took assignment of Bowman's rights under the LOI.

The Developer has submitted and received Planning Commission approval of a Planned Unit Development rezoning application for improvements located on parcels 2990005, 2990010, & 0110806 (the "Project").

The real estate appraisal required by the LOI established a per acre value for the Property of \$69,962.92, which the parties have agreed to use as the land value for the parcels when conveyed in accordance with this Agreement.

The Developer desires to purchase and Hopewell desires to sell the Upper Copeland Site and the Lower Copeland Site (collectively, the "Copeland Property"). The acreage and appraised value of the parcels is outlined in the table below:

Parcel	Acreage	Value
2990005 (Upper Copeland Site)	3.600	251,866.51
2990010 (Lower Copeland Site)	2.492	174,347.60
Less PID# TBD (Appomattox Street commercial site)	(0.50 +/-)	(34,981.46)
Total	5.592	391,232.65

The Developer desires and Hopewell agrees to put in place purchase option agreements related to the future purchase of the following parcels: the easternmost approximate one-half acre adjacent to the cemetery and Appomattox Street (parcel identification number to be determined, "PID# TBD"), 0110806, and the Gravel Lot substantially in the form of purchase option agreement that is attached as Exhibit B hereto (the "Option Agreement"). The acreage and appraised value of the parcels subject to the Option Agreement is outlined in the table below:

Parcel	Acreage	Value
0110806 (old community building site)	0.518	36,240.79
0800922, 0800930, 0800935 (Gravel Lot)	1.48	103,545.12
Plus PID# TBD (Appomattox Street commercial site)	0.50 +/-	34,981.46
Total	2.498	174,767.37

The Developer and Hopewell desire to use this Agreement to document certain other requirements and agreements of the Parties related to the Project.

AGREEMENT

Now therefore in consideration of the Property, the mutual benefits to the Parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Conveyance.** Hopewell shall convey the Copeland Property to Developer, by General Warranty Deed, for the sum of Three Hundred Ninety-One Thousand Two Hundred Thirty-Two and 65/100 Dollars (\$391,232.65), using a purchase agreement substantially in the form of purchase agreement attached as Exhibit C hereto (the "Purchase Agreement").

2. **Closing.** Closing on the Copeland Property shall occur on or before January 9, 2019 (the "Closing Date").

3. **Phasing of development.** Using reference to the master plan attached as Exhibit D hereto, the Project is to be built in the following phases:

Phase	Improvements Planned	Notes
1	Buildings G-1 & G-2, Plaza, Promenade, and storm water management features required for the development on the Green Space and discovery related to the historic amphitheater	To be completed within 2.5 years of the Initial Construction Date, defined below. Hopewell must approve prior to construction the cost of all improvements on land that is to be repurchased pursuant to paragraph 8 below.

2	Building J	Subject to adequate absorption of previous phase
3	Building F	Subject to adequate absorption of previous phase, and parking proffers by Developer to be approved by Hopewell's development director.
4	Amphitheater	Scope to be determined by Hopewell after discovery by Bowman (discovery will be at no cost to Hopewell) in area of old amphitheater.
5	Buildings E and I	May be built out of sequence.

4. Development Timing. Developer shall begin construction of phase 1 of the Project by December 31, 2019 (the "Initial Construction Date"). If Developer fails to complete phase 1 within two and a half years of the Initial Construction Date and is failing to make ongoing progress towards completion of phase 1, then the Copeland Property will revert to Hopewell, at a cost to Hopewell equal to the higher of the purchase price or the assessed value of the land plus the actual cost of improvements made to Copeland Property as of the time of reversion (the "Reversion Price"), and Developer hereby agrees that it will execute forthwith all documents necessary for such reversion and re-conveyance to Hopewell upon payment of the Reversion Price. The other phases of the Project will be fully completed within seven (7) years of the Initial Construction Date (the "Phase 1 Opening Date"). If it exercises an option, Developer must timely complete the planned improvement. If Developer fails to timely complete the improvement and fails to make ongoing progress towards completion of the planned improvements, then the portion of the Property on which the improvement was to be constructed will revert to Hopewell, at the Reversion Price, and Developer hereby agrees that it will execute forthwith all documents necessary for such reversion and re-conveyance to Hopewell upon payment of the Reversion Price. The "portion of the Property" to be re-conveyed means the entire parcel or parcels that were subject to the option agreement on which the improvement was to be constructed, not just the footprint of the planned improvement.

5. Permits and Development Fees. Hopewell will waive the following related to the Project: rezoning application fees, permit fees (building, plumbing, electrical, and mechanical), and wastewater connection fee (if and as permitted under requirements pertaining to Hopewell Water Renewal).

6. Utility Hookups. At no charge to Developer, Hopewell will bring all city-controlled utilities to within 5 feet of each parcel on which Developer is actively constructing improvements. The utilities supplied will be adequate to accommodate the Project.

7. Property Taxes. From the Closing Date until the Phase 1 Opening Date, Developer will pay real estate taxes to Hopewell based on the value of the land when it was purchased plus an annual escalation based on the lesser of the Consumer Price Index or five percent per year. Effective on the Phase 1 Opening Date, Developer will begin paying real estate taxes to Hopewell based on any increase in assessed value resulting from improvements constructed on the Project site. Any increase in assessed value resulting in taxes greater than those calculated prior to the Phase 1 Opening Date will be rebated each year, beginning on the Phase 1 Opening Date, for a period of 10 years according to the rolling rebate incentives offered in Hopewell's Enterprise Zone for existing construction: 100 percent rebate for year one, 90 percent rebate for year two, and so on until year 10, when full taxation will begin.

8. Development and Resale of Proposed Public Features. Prior to the Phase 1 Opening Date, Developer will construct the following features as illustrated on the master plan attached as Exhibit D, and as shall be agreed upon by Hopewell, for the ultimate benefit of Hopewell: Plaza, Promenade, Amphitheater, Green Space/Lower Park (the old school athletic field). As soon as practical following completion of construction of each feature, Hopewell will repurchase the feature(s) from Developer based on the following sale price methodology: Developer's land purchase costs plus Developer's cost of improvements plus 10% for overhead and 5% for profit. Notwithstanding the previous sentence, Hopewell will not pay any of Developer's costs related to improvements of the Green Space/Lower Park that are necessary for stormwater management; however, Hopewell will assume the ownership and management of the stormwater features upon repurchase.

9. Easements and Deed Restrictions. Hopewell will grant Developer a perpetual easement to allow access to the improvements from City Park for the purposes of construction and maintenance. The public features will be covered by deed restrictions reasonable to establish and maintain peaceful enjoyment of the residences of the Project (for example: noise ordinances covering after hour activities, maintenance and upkeep, and restrictions on future improvements).

10. Parking. Residences of the Project shall have the shared use of the Gravel Lot, other Hopewell owned surface lots, and any publicly available street parking.

11. Insurance.

a. Performance by Developer and General Contractor. The Developer and any general contractor for the Project shall maintain during construction, a builder's risk insurance policy in an amount and underwritten by sureties and insurance companies acceptable to Hopewell. Developer shall be the obligee and the insured on the policy.

b. Liability. During the period of design and construction, Developer shall maintain non-cancellable comprehensive general liability insurance, from insurers reasonably acceptable to Hopewell, insuring Hopewell and Developer against any and all liability for injury to or death of persons and for damage to property arising out of the

activities of Developer or Hopewell and their respective agents in connection with the design and construction of the Project, in the amount of one million Dollars (\$1,000,000.00). Each policy shall contain a clause whereby the insurer waives all rights of subrogation against Hopewell. Developer shall deliver to Hopewell policies or certificates of insurance, and all renewals thereof, evidencing such coverage before Hopewell will issue any building permits for the Project and otherwise permit the Project to continue.

12. Indemnification. Developer shall be in exclusive control of the Project, and shall indemnify and hold harmless Hopewell and its agents from all claims and damages arising from the Project and the Property unless caused by the negligence or intentional misconduct of Hopewell or its agents.

13. Equal Opportunity Employer. Developer and its contractors and other agents are Equal Opportunity Employers as required by law.

14. Termination. Each of the following shall constitute an Event of Termination of this Agreement:

a. Breach. Breach of any material covenant, obligation, or other requirement of a Party under this Agreement, and the continuation of the breach for thirty (30) days after written notice from the other Party specifying the breach, or, if the breach cannot reasonably be cured within the thirty (30) day period, the failure of the party to commence to cure the breach within the thirty (30) day period and to diligently pursue a cure to completion.

b. Bankruptcy. The filing by a Party of a voluntary proceeding or the consent by a Party to an involuntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtor's rights.

Upon an Event of Termination, a Party may, by written notice to the other Party, terminate this Agreement. In addition to or in lieu of termination, a Party may exercise any remedies available to it at law or in equity, including specific performance. In the event of an action to enforce this Agreement the prevailing Party shall be entitled to recover its reasonable costs, including attorneys' fees.

15. Notice. A notice under this Agreement shall be sufficient and deemed to be delivered (a) three (3) days after being sent by certified mail, postage prepaid, return receipt requested, (b) the next business day if sent by nationally-recognized overnight-delivery service (next business day service), or (c) upon receipt after being sent by hand delivery (if receipt is evidenced by a signature of the addressee or authorized agent), and addressed to the applicable Party as follows:

If to Developer: Charles R. Bowman
Member
Francisco Landing Holdings LLC
3715 Belt Boulevard

Richmond, VA 23234
Email: chipbowman@webowman.com

With a copy to: S. Spencer Katona
Spotts Fain PC
411 E. Franklin Street, Suite 600
Richmond, VA 23219
Email: skatona@spottsfain.com

If to Hopewell: Charles E. Dane
Assistant City manager
City of Hopewell, Virginia
300 North Main Street, Suite 216
Hopewell, VA 23860
Email: cdane@hopewellva.gov

With a copy to: Stefan M. Calos, Esquire.
Sands Anderson PC
P.O. Box 1998
Richmond, VA 23218-1998
Email: scalos@sandsanderson.com

Either Party or other recipient may change its address for notice purposes by giving notice thereof to the others.

16. Miscellaneous. This Agreement (a) may be executed in counterparts, whether facsimile, electronic signature, PDF or original, each of which shall be deemed an original, (b) does not create a joint venture or other agency relationship between the Parties, (c) may not be assigned without the prior written approval of the other Party, (d) may be modified only by written instrument executed by the Parties, and (e) shall be governed by the laws of the Commonwealth of Virginia. Any lawsuit, action, or proceeding arising under this Agreement shall be brought exclusively in a court located in the City of Richmond, Virginia.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SIGNATURE PAGES FOLLOW

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THE CITY OF HOPEWELL

By: _____
John M. Altman, Jr.
City Manager

COMMONWEALTH OF VIRGINIA
CITY OF _____

The foregoing was acknowledged before me this ____ day of _____, 2018, by John M. Altman, Jr., City Manager of and on behalf of the City of Hopewell.

Notary Public
My Commission Expires: _____
Registration # _____

FRANCISCO LANDING HOLDINGS LLC

By: _____
Charles R. Bowman
Member

COMMONWEALTH OF VIRGINIA
CITY OF _____

The foregoing was acknowledged before me this ____ day of _____, 2018, by Charles R. Bowman, Member of and on behalf of Francisco Landing Holdings LLC.

Notary Public
My Commission Expires: _____
Registration # _____

EXHIBIT B

OPTION AGREEMENT

This option agreement (this "Option Agreement"), effective the ___ day of August, 2018 (the "Effective Date"), by and between Francisco Landing Holdings LLC, a Virginia limited liability company (the "Grantee") and the City of Hopewell (the "Grantor"), a Virginia municipal corporation.

WHEREAS, Grantor and Grantee are parties to that certain Development Agreement dated October ____, 2018 (the "Development Agreement"). Words not otherwise defined in this Option Agreement shall have the meaning given to them in the Development Agreement;

WHEREAS, the parties wish to enter into this Agreement for the potential sale and purchase of certain real property;

WHEREAS, this Agreement shall be in effect from the Effective Date through and including the seventh (7th) anniversary of the Effective Date (the "Option Period"), and as may be extended as set forth herein;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor and the Grantee covenant and agree as follows:

1. **Option.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor, the Grantor hereby grants and conveys to the Grantee, its successors and assigns, the exclusive right, privilege, and option to purchase certain real property (the "Option") owned by the Grantor, including all improvements thereto and appurtenances thereunto, belonging, located, and being in the City of Hopewell, Virginia, bearing parcel identification number 0110806, 0800922, 0800930, 0800935 & PID# TBD (the "Property" or "Properties").
2. **Option Extension.** The Option Period will automatically extend by three years upon the completion of construction of no less than two residential buildings on the Copeland Property pursuant to the Planned Unit Development dated June 22, 2018 (the "PUD") (the "Auto Extension"). The Option Period and any extension thereof may be extended at any time prior to their termination, upon written agreement of the Grantor and Grantee (together with the Auto Extension, the "Extension").
3. **Property Purchase Price.** The Purchase Price for the Property upon the exercise of the Option is \$174,767.37. The exercise of the Option on the Property may occur by parcel ID with the purchase price pro-rated based on the acreage of each parcel as related to the total acreage of the Property.

4. **Closing.** Closing shall occur as soon after the exercise of the Option as documents can be prepared and any defects reported by the title examiner are corrected to the Grantee's satisfaction. Closing shall occur at the offices of Grantee's attorney (or such other place as may be agreed upon by the parties, or if possible by means of wire, courier and other agreeable means of communication). At Closing, the Grantor shall deliver to the Grantee a General Warranty Deed or General Warranty Deeds, with English Covenants of Title, and the Grantee shall deliver the Purchase Price to the closing agent to be held in escrow and paid to the Grantor upon recordation of the deed.
5. **Use and Possession of Property.** The Grantor shall have the right to use and, subject to this Agreement, lease to others the Property for any lawful purpose prior to exercise of the Option and Closing. The Grantor hereby warrants and covenants that no leases or other encumbrances affecting the Property exist which (i) will survive Closing or (ii) cannot be terminated by the Grantor upon 30-days' notice. The Grantor further warrants and covenants that the Grantor will not enter into any leases or other such agreements without the written consent of the Grantee. Possession of the Property shall be given to the Grantee at Closing. The parties agree, however, that any leaseholder or tenant in possession of any portion of the Property at the time of Closing shall have 30 days from the date of Closing to enter into a lease with the new owner of the Property. In the event that no such lease is entered into, the Grantor hereby warrants and covenants that, immediately upon expiration of the 30-day period, the Grantee shall also have possession of the Property. The Grantor shall not initiate during the Option Period and any extension thereof any development of the Property or any proceeding to change the zoning category of the Property without the Grantee's written consent. In addition, the Grantor shall not encumber or sell, convey, or enter into a contract for the sale or conveyance of the Property to any party other than the Grantee, without providing written notice to the Grantee and an opportunity to exercise the Option or the right of first refusal provided for hereafter. The warranties and covenants in this paragraph shall survive Closing.
6. **Duty to Maintain Property.** The Grantor shall maintain the Property in a condition that meets or exceeds the condition of the Property on the Effective Date.
7. **Title to Property.** The Grantor agrees that the conveyance of the Property to the Grantee or its successors or assigns shall be of good and marketable title and free and clear of all liens and other encumbrances. The Grantor warrants that the Grantor is the only owner of the Property and has the full power and authority to enter into this Agreement, to

perform the Grantor's obligations hereunder, and to convey the Property to the Grantee.

8. **No Brokers.** The parties represent and warrant that no real estate broker, Realtor, or other agent is or has been involved in this Agreement or in the procurement of the Option, and any commission or other fees or costs shall be the responsibility of the party that employed the person or entity claiming the commission or other fees or costs.
9. **Closing Costs.** The Grantor shall pay the cost of preparation of the deed and the Grantor's tax on recording the deed, if any. Real estate taxes and rental income, if any, shall be prorated between the Grantor and the Grantee as of the date of Closing. Each party shall pay its own attorneys' fees and costs absent a breach of this Agreement. In the event of any action brought to enforce this Agreement, the prevailing party shall be entitled to reimbursement of its reasonable attorneys' fees and other costs.
10. **Recording of a Memo of Option in the Property Records.** Grantor hereby grants Grantee the right to record of memo of option in the public records of the Properties, evidencing that the Properties are subject to this Agreement.
11. **Liability.** All risk of loss and liability related to the Property shall be borne by the Grantor until Closing and possession of the Property by the Grantee.
12. **Binding Effect.** Notwithstanding any sale or other conveyance of the Property to any person or entity other than the Grantee, this Agreement, including the Option and the right of first refusal, shall remain in full force and effect, and shall be binding upon any subsequent owner of the Property.
13. **Notices.** Any notice under this Agreement shall be given in writing delivered either in person, by overnight courier service, or by certified mail, postage prepaid and return receipt requested, to the parties as follows:

TO THE GRANTEE:

Charles R. Bowman
Member
Francisco Landing Holdings LLC
3715 Belt Boulevard
Richmond, VA 23234
Email: chipbowman@webowman.com

WITH A COPY TO: S. Spencer Katona
Spotts Fain PC
411 E. Franklin Street, Suite 600
Richmond, VA 23219
Email: skatona@spottsfain.com

TO THE GRANTOR: Charles E. Dane
Assistant City manager
City of Hopewell, Virginia
300 North Main Street, Suite 216
Hopewell, VA 23860
Email: cdane@hopewellva.gov

WITH A COPY TO: Stefan M. Calos, Esquire
Sands Anderson PC
P.O. Box 1998
Richmond, VA 23218-1998
Email: scalos@sandsanderson.com

Notice given as required above shall be effective immediately if personally delivered, one business day after being deposited with an overnight courier service, and three days after mailing if mailed by certified mail.

14. **Right to Enter.** During the Option Period and any extension thereof, following reasonable notice to the Grantor and subject to the rights of any tenants, the Grantee and its employees, contractors, servants, representatives, and other agents shall have the right to enter upon the Property to have appraisals performed and to perform any environmental assessments, soil analysis, surveys, or other analyses, inspections, or studies which the Grantee desires to perform.
15. **Entire Agreement.** This Agreement contains the entire agreement between the parties and may not be modified or amended except in writing executed by both parties. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, executors, successors, and assigns.
16. **Assignability.** This Agreement and the Grantee's rights hereunder, including without limitation its right to exercise the Option and purchase the Property, may not be assigned by the Grantee without the express written consent of the Grantor.
17. **Miscellaneous.** This Agreement (a) may be executed in counterparts, whether facsimile, electronic signature, PDF or original, each of which shall be deemed an original, (b) does not create a joint venture or other agency relationship between the parties, (c) may not be assigned without the prior written approval of the other party, (d) may be modified only by

written instrument executed by the parties, and shall be governed by the laws of the Commonwealth of Virginia. Any lawsuit, action, or proceeding arising under this Agreement shall be brought exclusively in a court located in the City of Hopewell, Virginia.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SIGNATURE PAGES FOLLOW

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**OPTION AGREEMENT
CITY OF HOPEWELL
FRANCISCO LANDING HOLDINGS LLC
Grantees' Execution Page**

GRANTEE:

FRANCISCO LANDING HOLDINGS LLC

By: _____

Charles R. Bowman
Member

COMMONWEALTH OF VIRGINIA
CITY OF _____

The foregoing was acknowledged before me this ____ day of _____, 2018, by Charles R. Bowman, Member of and on behalf of Francisco Landing Holdings LLC.

Notary Public
My Commission Expires: _____
Registration # _____

**OPTION AGREEMENT
CITY OF HOPEWELL
FRANCISCO LANDING HOLDINGS LLC
Grantor's Execution Page**

GRANTOR:

THE CITY OF HOPEWELL

By: _____
John M. Altman, Jr.
City Manager

COMMONWEALTH OF VIRGINIA
CITY OF _____

The foregoing was acknowledged before me this ____ day of _____, 2018, by John M. Altman, Jr., City Manager of and on behalf of the City of Hopewell.

Notary Public
My Commission Expires: _____
Registration # _____

*

EXHIBIT C

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) made this ___ day of October, 2018 (the “**Effective Date**”) by and between **FRANCISCO LANDING HOLDINGS LLC**, a Virginia Limited Liability Corporation (“**Purchaser**”), and the **CITY OF HOPEWELL, VIRGINIA**, a Virginia municipal corporation (“**Seller**”).

RECITALS

WHEREAS, Seller and Purchaser are party to that certain Letter of Intent dated July 10, 2017 for Purchase and Sale of Parcels including parcels known by the following Parcel ID #s: 2990005 (upper Copeland site), 2990010 (lower Copeland site) (the “**LOI**”); and

WHEREAS, the Seller and Purchaser representatives worked together during the Inspection Period (as defined in the LOI) to further refine and adjust the boundaries of the proposed development site as a result of findings from the inspection period activities called for in the LOI; and

WHEREAS, the resulting final development site subject to sale and purchase pursuant to this Agreement is approximately 5.592 acres (the “**Real Estate**”); and

WHEREAS, the Seller is the fee simple owner of the Real Estate; and

WHEREAS, the Purchaser obtained an appraisal of the Real Estate dated December 28, 2018 pursuant to terms of the LOI that established the Purchase Price for the Real Estate at \$391,232.65; and

WHEREAS, the Seller and Purchaser have performed all of the obligations required by the LOI and other development activities required by the Seller and now desire to consummate the Sale of the Property (as hereinafter defined) on the terms and conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Agreement to Sell and Purchase. Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, subject to the terms and conditions of this Agreement, the Real Estate, together with the following, to the extent owned by Seller (collectively, the “**Property**”): all buildings, improvements, structures, easements, rights of way, privileges, appurtenances, and rights to the same belonging to and inuring to the benefit of the Real Estate.

2. Purchase Price. The purchase price for the Property is Three Hundred Ninety-One Thousand Two Hundred Thirty-Two and 65/100 Dollars (\$391,232.65) (“**Purchase**”).

Price”). The Purchase Price shall be paid by Purchaser at Closing by wire transfer of immediately available funds to an account designated by Seller.

3. Closing. Closing shall take place on January 9, 2019 (“**Closing**” or the “**Closing Date**”), or sooner if mutually agreed to by the parties. Closing shall be made at a mutually acceptable time at the offices of Purchaser’s attorney (or such other place as may be agreed upon by the parties, or if possible by means of wire, courier and other agreeable means of communication).

4. Condition of Title.

a. At Closing, title to the Property shall be good and marketable fee simple and free and clear of all liens and encumbrances and shall be insurable by the Title Company (as defined below) at standard promulgated rates. Any liens and encumbrances of a certain and ascertainable amount up to the Purchase Price not cleared of record prior to Closing shall be paid or escrowed from Seller’s proceeds by the Title Company at Closing.

b. In the event Seller is unable to give good and marketable title, such as will be insured by Title Company at the standard promulgated rates, as specified in Section 4(a) above, Purchaser will have the option of: (i) taking such title as Seller can give, with no change to the Purchase Price or (ii) terminating this Agreement, and upon such termination, this Agreement shall be null and void and of no further force or effect and neither party shall have any further liability or obligation under this Agreement.

5. Due Diligence Period.

a. Following the Effective Date, the Seller will deliver to Purchaser all documents in Seller’s possession or control related to the Property that have not been previously delivered (if any), including but not limited to all notices of violation of any federal, state, or municipal law or ordinance, tax bills for the current year, title policies, title exceptions and any evidence of title, plans, specifications, soil reports, appraisals, maps, surveys, site plans, any environmental reports, any wetlands reports, engineering plans and reports, utility company reports, architectural plans, structural plans and related reports, permits, governmental notices regarding the Property, disclosure or notice of any pending litigation affecting the Property, proffers and zoning conditions, copies of insurance policies (including flood insurance), and any other documents that may assist Purchaser in its due diligence inspections of the Property (collectively, the “**Due Diligence Materials**”). If any of the Due Diligence Materials do not exist or are not in Seller’s possession or control, Seller shall certify same to Buyer in writing within ten (10) business days after the Effective Date. Purchaser may also review any books, files and records applicable to the Property in Seller’s possession and control during normal business hours at the Seller’s offices.

b. Purchaser shall have from the Effective Date until December 31, 2018 (the “**Due Diligence Period**”) to conduct all such due diligence inspections, investigations, appraisals, searches of, and examinations at, on and for, the Property

as Purchaser, in its sole discretion desires, including without limitation, environmental testing, physical surveys, title examinations, appraisals, zoning and permitting review, site evaluations, soils and geotechnical testing, drainage, access, parking, and other utility studies. In the event a Phase I environmental assessment obtained by Purchaser during the Due Diligence Period recommends that a Phase II environmental assessment be conducted on the Property, the Purchaser shall have the right to conduct same. Purchaser, its employees and agents shall have the right to go upon the Property from time to time for the purpose of performing such investigations and inspections. Purchaser shall repair any damage to the Property caused by Purchaser's investigations.

c. During the Due Diligence Period, Purchaser shall obtain a commitment for the issuance of title insurance (the "**Title Commitment**"), issued by a title insurance company acceptable to Purchaser (the "**Title Company**"). The Title Commitment shall describe the Property, list Purchaser as the prospective named insured, show as the policy amount the Purchase Price, contain the commitment of the Title Company to insure Purchaser's fee simple interest in the Property on the Closing, have a date subsequent to the Effective Date, and show that title to the Property is good and marketable and insurable, subject only to title exceptions that do not materially and adversely affect the Purchaser's intended use of the Property (the "**Permitted Exceptions**").

d. During the Due Diligence Period, Purchaser shall have the right to obtain an ALTA/NSPS survey of the Property (the "**Survey**") by a surveyor licensed in the Commonwealth of Virginia, together with a surveyor's report and certificate which shall confirm that there are no encroachments of buildings or improvements onto adjacent property, streets, rights of way, or easements and no encroachments on the Property of buildings or improvements from adjoining property.

e. During the Due Diligence Period, Seller shall change the zoning for the Property (to include adjacent parcels that are part of the Purchaser's proposed development site that are not owned by the Seller or part of the Property) to allow mix of use and any other changes necessary to permit the construction of the project as currently contemplated by Purchaser without needing to obtain any special or conditional use permits or zoning variances to pursue construction of the project.

f. Prior to the expiration date of the Due Diligence Period (the "**Due Diligence Expiration Date**"), Purchaser shall, by written notice to Seller, (a) accept or waive any objections to its reviews and inspections, in which event the parties shall proceed to Closing in accordance with the terms of this Agreement (such notice, a "**Continuation Notice**"), or (b) advise Seller in writing of its objections, and request that Seller remedy such objections prior to the Closing Date (an "**Objection Notice**"). Failure by Purchaser to give an Objection Notice by the expiration of the Due Diligence Period shall be considered to constitute Purchaser's election to proceed to Closing and the parties shall proceed as if a Continuation Notice had been timely given. In the event the Purchaser gives an Objection Notice, Seller shall, by written

notice to Purchaser within five (5) days following receipt of the Objection Notice, elect to remedy at Seller's cost all, some or none of Purchaser's objections described in the Objection Notice ("**Seller's Election Notice**"). Within five (5) days following receipt of Seller's Election Notice, Purchaser shall give to Seller a Continuation Notice. If Seller elects to remedy any of Purchaser's objections, then Seller shall use reasonable diligence in doing so. In the event that Seller is unable to remedy all of Purchaser's objections, as provided in the Seller's Election Notice, to Purchaser's reasonable satisfaction, prior to Closing, Purchaser may elect to proceed to Closing or terminate this Agreement and each party shall be relieved of all obligations hereunder as otherwise expressly set forth herein.

g. In the event that the Property is not suitable for the project, then Purchaser may on or before the end of the Due Diligence Period, terminate this Agreement, and neither party shall have any further liability hereunder, except as specifically set forth herein.

6. Representations and Warranties. Seller represents and warrants to Purchaser that as of the date of the execution of this Agreement and as of the Closing Date:

a. To the best of Seller's knowledge: (1) no part of the Property is subject to any building or use restrictions, public or private, which restrict or prevent the present use of the Property; (2) the Property is properly and duly zoned for its current use, and Seller is possessed of all licenses and permits necessary to operate the Property and all businesses located therein which licenses are transferable to Purchaser without limitation, restriction or cost, and there are no other rights, licenses, or authorities of any kind necessary to its current use; (3) there are no violations of any rule, regulation, code, resolution, ordinance, statute or law of any government, governmental agency or Insurance Board of Underwriters involving the use, maintenance, operation or condition of the Property or any of the improvements or personal property located thereon; (4) there is no outstanding notice or order of any governmental authority having jurisdiction over the Property not fully and duly complied with, affecting the use or operation of any part of the Property or requiring as of the date of this Agreement or as of a specified date in the future, any repairs, alterations, additions or improvements thereto; (5) there are no condemnation or eminent domain proceedings pending or contemplated against the Property, or any part thereof, and the Seller has received no notice, oral or written, of the desire of any public authority or other entity to take or use the Property or any part thereof; and (6) all roadways upon the Property connect to adjacent public streets or to private streets created by valid public or private easements.

b. To the best of Seller's knowledge, no underground storage tanks, asbestos containing materials, items or equipment containing polychlorinated biphenyls (PCBs) in excess of fifty (50) parts per million, accumulation of tires, batteries, mining spoil, dry cleaning solutions or solvents, or other hazardous substances (as defined by any federal, state and local law) ("**Hazardous Substances**") are present on the Property. To the best of Seller's knowledge: (1)

there has been no release, discharge or treatment of any Hazardous Substances on the Property; (2) there has been no storage, generation, or disposal of any hazardous waste (as defined by federal, state and local law) or dangerous waste on the Property; (3) no petroleum products have been spilled or leached upon in the Property; (4) no radon gas has been detected at the Property; (5) the Property has not been the subject of any federal, state or local governmental action or third party claim because of the release, threat of release, discharge, storage, treatment, generation, emission or disposal of any substance on, in or from the Property.

c. Seller has not entered into any contracts, leases, subcontracts or agreements affecting the Property which will be binding upon Purchaser after the Closing. Seller will not enter into any contracts, leases, subcontracts or agreements affecting the Property after the Effective Date without the prior written consent of Purchaser.

d. There are no occupancy rights, leases, licenses, subleases, or tenancies affecting the Property.

e. Seller has the full and lawful unrestricted right and power to execute, deliver and perform its obligations under this Agreement and to complete all transactions contemplated hereunder. Seller has obtained all consents, approvals, and authorizations from all persons, entities, and governmental authorities required to enter into this Agreement and prior to Closing shall obtain all others required of Seller necessary to consummate the transactions contemplated hereby.

f. Neither Seller nor the Property is the subject of any insolvency or bankruptcy proceedings, nor the subject of any suit or proceeding at law or in equity or otherwise the result of which might affect Seller's ability to convey the Property, or which might impose a lien or encumbrance on the Property following the date hereof.

g. There are no rights, options, or other agreements of any kind to purchase or otherwise acquire or sell or otherwise dispose of any of the Property, or any interest therein, nor any claims to such rights, options, or other agreements

h. Seller is an independent city, duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. No proceedings have been instituted or authorized for the purpose of revoking or terminating any governing agreement or certificate of formation of Seller; the execution and delivery of this Agreement and the compliance with the terms and conditions of this Agreement by the Seller will not, with or without the giving of notice or passage of time, or both, violate, conflict with or result in the breach of any terms or provisions of, or require any notice, filing or consent under the governing documents of Seller; and the Seller's execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will be duly authorized by Closing by the Seller, and no other action is required by law,

Seller's governing documents, or otherwise, for such authorization. The person signing this Agreement on behalf of Seller has the authority to do so.

i. To the best of Seller's knowledge, there is no lien for environmental investigation or remediation, citizen's suit or other litigation, administrative order or proceeding, investigation or Closing that is in existence, proposed or anticipated, concerning any environmental matter related to the Property.

j. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

Each of the representations and warranties of Seller set forth in this Section 6 shall be deemed to be made again on the Closing Date and shall survive Closing.

7. Documents at Closing. At Closing, the parties shall deliver to each other the following as applicable:

a. A general warranty deed duly executed by the Seller and acknowledged in form sufficient for recording, good and marketable fee simple title to the Property, free and clear of all liens, restrictions and encumbrances, other than the Permitted Exceptions, in a form approved by the Title Company.

b. A Bill of Sale and Assignment Agreement, with full covenants of title, duly executed by Seller and conveying to the Purchaser: (a) good and marketable title to all of the personal property owned by the Seller and located upon the Property; and (b) all trade names, trademarks, and logos used in connection with the operation of the Property.

c. Certificates of occupancy, licenses, permits and authorizations required by law and issued by governmental authorities and all bills for current real estate and personal property taxes and assessments, together with proof of payment if due and payable at time of Closing.

d. A customary owner's affidavit as to mechanic's liens and possession as required by the Title Company.

e. A certificate given under penalty of perjury and on a form approved under regulations promulgated under Section 1445 of the Internal Revenue Code of 1986, as amended, that Seller is not a foreign person.

f. A closing statement, duly executed by Seller and any funds required to be delivered by Seller thereunder.

g. A reaffirmation and certification of Seller's representations and warranties as of the Closing Date.

h. Instruments satisfactory to Purchaser's attorney and the Title Company reflecting the proper authority of Seller to consummate the transaction contemplated by this Agreement.

i. Such other documents, instruments (of conveyance or otherwise), affidavits or resolutions as reasonably requested by the Title Company.

8. Prorations and Closing Costs. Payment of all real estate taxes and the water and sewer assessments, if any, for the current year in which Closing takes place, assessed or imposed upon the Property, shall be apportioned as of midnight on the date of Closing. Seller and Purchaser shall each pay their portion as dictated by statute and custom of any applicable realty transfer taxes at Closing. Seller shall cause any and all public utilities serving the Property to issue final bills to Seller on the basis of readings made as of Closing and all such bills shall be paid by Seller.

9. Risk of Loss. Seller will bear the risk of loss from fire or other causes until time of Closing. If prior to closing the Property is damaged by fire or other casualty, in whole or in part, Seller shall give prompt notice thereof to Purchaser, and Purchaser shall have the right to terminate this Agreement and thereupon the parties shall be released and discharged from any further obligations to each other, other than any obligations that expressly survive termination. If Purchaser does not elect to so terminate this Agreement, the Closing shall proceed and the Seller shall credit Purchaser at Closing for the reasonable cost to complete the repair, in which case Seller shall retain all insurance proceeds and Purchaser shall assume full responsibility for all needed repairs, as the case may be, without any change in the Purchase Price.

10. Condemnation. Seller covenants and warrants that Seller has not received any notice of any condemnation proceeding or other proceeding in the nature of eminent domain in connection with the Property. If prior to Closing any such proceeding is commenced or proposed to be made then Seller agrees to notify Purchaser thereof. Purchaser then shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice to Seller within five (5) business days after receipt of such notice. If Purchaser does not so terminate this Agreement, Purchaser shall proceed to Closing hereunder as if no such proceeding had commenced.

11. Remedies Upon Default.

a. Purchaser's Default. If Purchaser defaults under its obligations under this Agreement or fails to consummate Closing in accordance with the terms of this Agreement, this Agreement shall be null and void and of no further force or effect and neither party shall have any further liability or obligations under this Agreement.

b. Seller's Default. If Seller defaults under its obligations under this Agreement or fails to consummate Closing in accordance with the terms of this Agreement, Purchaser at its discretion may: (i) purchase the Property notwithstanding such default, in which event such default shall be deemed to be waived; (ii) terminate this Agreement and the

parties shall have no further obligations hereunder, except as otherwise provided herein; or (iii) bring suit to compel specific performance of this Agreement.

c. Notice and opportunity to cure. Notwithstanding anything in this Agreement to the contrary, if either party defaults under the terms of this Agreement, the non-defaulting party must give written notice of the default to the defaulting party. If the defaulting party fails to cure such default to the reasonable satisfaction of the non-defaulting party within seven (7) business days, then the non-defaulting party may exercise its remedies as provided for in this Agreement and under applicable law.

12. Brokerage. Seller and Purchaser each represent and warrant to the other that, they have dealt with no real estate brokers or other intermediaries in connection with this transaction. Seller and Purchaser shall defend, indemnify and hold each other harmless from any cost or liability for any compensation, commission or charges claimed by any other brokers, realtors, finders or agents claiming by, through or on behalf of the respective indemnitor. This covenant shall survive any termination of this Agreement and shall survive Closing and the delivery of the general warranty deed at Closing.

13. Notices. All notices, requests and other communications under this Agreement shall be in writing and shall be delivered (i) in person, (ii) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express), or (iii) by email provided a copy is sent concurrently by one of the methods described in (i) or (ii) above, addressed as follows or at such other address of which Seller or Buyer shall have given notice as herein provided:

To Seller: City of Hopewell, Virginia
100 East Broadway
Hopewell, VA 23860
Attn: Mr. Charles E. Dane, Assistant City Manager

To Purchaser: Francisco Landing Holdings LLC
3715 Belt Boulevard
Richmond, VA 23234
Attn: Chip Bowman, Member

or to any other address that any party provides pursuant to this section. Notice given as required above shall be effective immediately if personally delivered, one business day after being deposited with an overnight courier service, and three days after mailing if mailed by certified mail.

14. Integration; Binding Effect. This Agreement contains the whole agreement between Seller and Purchaser. This Agreement shall extend to and bind the successors and assigns of the respective parties hereto. This Agreement shall NOT be recorded in any jurisdiction or for any reason whatsoever.

15. Governing Law; Waiver of Jury Trial. The execution, interpretation and performance of this Agreement shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Virginia. This Agreement shall be interpreted without regards to any presumption or rule requiring construction against the party who caused it to be drafted. **PURCHASER AND SELLER EACH HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER ARISING IN TORT OR CONTRACT) BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THIS AGREEMENT.**

16. Severability. Each provision or paragraph of this Agreement is severable and the invalidity of any one or more of such provisions or paragraphs of this Agreement does not affect or limit the enforceability of the remaining provisions or paragraphs of this Agreement if a viable contract remains. In this regard, in the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without such provision if a viable contract remains.

17. Partial Exercise; Waiver. Neither the failure nor any delay on the part of either party to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

18. Counterparts and Facsimile / Electronic Email Signature. This Agreement may be executed in two or more counterparts (whether facsimile, electronic email signature or original), each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument.

19. Governmental Notices. Seller shall deliver to Purchaser, within five (5) days after the Effective Date, a certification from the appropriate Governmental department disclosing notices of any uncorrected violation of housing, building, zoning, safety, fire ordinances and/or any other violations.

20. Assignment. Purchaser may not assign or transfer its rights and interest in this Agreement, without the express written consent of Seller.

21. Miscellaneous. This Agreement (a) may be executed in counterparts, (b) does not create a joint venture or other agency relationship between the parties, (c) may not be assigned without the prior written approval of the other party, (d) may be modified only by written instrument executed by the parties, and shall be governed by the laws of the Commonwealth of Virginia. Any lawsuit, action, or proceeding arising under this Agreement shall be brought exclusively in a court located in the City of Richmond, Virginia.

IN WITNESS WHEREOF, the parties hereto have set their hands to this Agreement of Sale and Purchase as of the day and year first above written.

PURCHASER:

FRANCISCO LANDING HOLDINGS LLC
a Virginia Limited Liability Corporation

By: _____

Name:

Title:

SELLER:

CITY OF HOPEWELL, VIRGINIA
a Virginia municipal corporation

By: _____

Name:

Title:

DRAFT

EXHIBIT "A"

Description of Real Estate

[to be inserted]

DRAFT

R-2



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Approval of Resolution for Personal Property Tax Relief (PPTR) Percentage for 2018

ISSUE: The PPTR percentage has to be estimated/recalculated and approved annually in accordance with the Personal Property Tax Relief Act of 1998 and the 2005 Appropriations Act.

RECOMMENDATION: The City Treasurer and Commissioner of Revenue recommend approval of the PPTR percentage at 46% for tax year 2018.

TIMING: City Council action is requested on October 23, 2018 so that Commissioner of Revenue may complete the 2018 personal property book on or before November 15, 2018.

BACKGROUND: In accordance with changes by the 2005 General Assembly, the State's personal property tax relief percentage is based on a predetermined lump sum amount paid annually to localities since tax year 2006. Hopewell's predetermined amount for tax relief is \$1,618,029.64 and is paid each year to the City in four installments. The \$1.6 million is used in the calculation to estimate the State's portion or PPTR percentage for qualifying vehicles on the first \$20,000 in value. The tax relief percentage is estimated or recalculated annually and may change from year to year as the taxable base for qualifying vehicles changes. The State's PPTR percentage estimated for 2018 is 46%, yielding the amount closest to the \$1.6 million paid to the City by the State.

FISCAL IMPACT: Minimal.

ENCLOSED DOCUMENTS: Resolution
2018 PPTR Percentage Estimates

STAFF: Joan E. Gosier, Treasurer
Debra K. Reason, Master Commissioner of Revenue

SUMMARY:

- | Y | N | | Y | N | |
|--------------------------|--------------------------|--|--------------------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Christina Luman-Bailey, Ward #1 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Wayne Walton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Mayor Brenda Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Anthony Zevgolis, Ward #3 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Jackie Shornak, Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Jasmine Gore, Ward #4 | | | |



2018 Personal Property Tax Relief (PPTR) Percentage Estimates

Annual State Tax Share/PPTR received	\$1,618,000
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PERCENTAGE ESTIMATES

State Share from preliminary 2018 Personal Property Book using 45% relief (approx. \$30,000 <i>less</i> than PPTR received)	\$1,588,000
State Share from preliminary 2017 Personal Property Book using 46% relief (approx. \$7,000 <i>more</i> than PPTR received)***	\$1,625,000
State Share from preliminary 2017 Personal Property Book using 47% relief (approx. \$44,000 <i>more</i> than PPTR received)	\$1,662,000

PLEASE NOTE: Due to proration, personal property taxes are adjusted routinely by the Commissioner's Office. For any given year, tax abatements are normally greater than tax supplements, causing the estimated state share to decrease. Accordingly, choosing an amount slightly more than the \$1,618,000 paid by the state allows the estimated share to be adjusted "down" for net abatements.

Please also note that the tax relief percentages estimated above are approximately the same as the 46% approved for tax year 2017. The City's tax base continues to grow (both in value and number of vehicles) which, in turn, causes the PPTR percentage to decrease.

RECOMMENDATION

*****It is recommended that the PPTR percentage of 46% be approved for tax year 2018. This percentage produces the amount closest to (without going below) the \$1,618,000 paid annually to the City by the State.**

RESOLUTION

A RESOLUTION SETTING FORTH THE PERSONAL PROPERTY TAX RELIEF PERCENTAGE FOR 2018, IN THE CITY OF HOPEWELL, VIRGINIA IN ACCORDANCE WITH THE PERSONAL PROPERTY TAX RELIEF ACT OF 1998 AND THE 2005 APPROPRIATIONS ACT

WHEREAS, the Personal Property Tax Relief Act of 1998, Virginia Code Section 58.1-3523 *et seq.* (“PPTRA”), has been substantially modified by the enactment of Chapter 1 of the Acts of Assembly, 2004 Special Session I (Senate Bill 5005), and the provision of Item 503 of Chapter 951 of the 2005 Acts of Assembly; and

WHEREAS, these legislative enactments require the City of Hopewell, Virginia to take affirmative steps to implement these changes, and to provide for the computation and allocation of relief provided pursuant to the PPTRA as revised; and

WHEREAS, these legislative enactments provide for the appropriation to the City of a fixed sum to be used exclusively for the provision of tax relief to owners of qualifying personal use vehicles that are subject to the personal property tax on such vehicles.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Hopewell, Virginia, that qualifying vehicles situated within the City during the tax year 2018, shall receive personal property tax relief in the following manner:

- Personal use vehicles valued at \$1,000 or less will be eligible for 100% tax relief;
- Personal use vehicles valued at more than \$1,000 and up to \$20,000 will be eligible for 46% tax relief;
- Personal use vehicles valued at more than \$20,000 shall only receive 46% tax relief on the first \$20,000 of value; and
- All other vehicles which do not meet the definition of “qualifying” (e.g., business use vehicles, farm use vehicles, motor homes, etc.) will not be eligible for any form of tax relief under this program.

CERTIFICATE

I, Ronnieye L. Arrington, Clerk of the City of Hopewell, Virginia, certify that the foregoing is a true and correct copy of the resolution passed at a lawfully organized meeting of the City Council held October 23, 2018. Given under my hand and seal this 24TH day of October, 2018

Ronnieye L. Arrington
City Clerk

R-3



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Tangible Property Tax Relief for Disabled Veterans

ISSUE: Proposed Amendment of Article III, of Chapter 34 of the City Code to Provide a Special Tax Rate of Motor Vehicle Owned or Leased by a Disabled Veteran

RECOMMENDATION: Staff recommends City Council set a public hearing date to consider the proposed ordinance

TIMING: Council action is required to allow the Commissioner of the Revenue to create the program and process the applicants to provide tax relief for the 2019 tax year.

BACKGROUND: §58.1-3506(A)(19) of the Code of Virginia provides localities the ability to provide relief from tangible personal property taxation to veterans that are disabled as certified by the Department of Veterans Affairs (see attachment). The City has reviewed the referenced enabling legislation and created a draft ordinance for City Council review. The ordinance as proposed would provide 100% relief to qualified disabled veterans. As proposed the program would become effective with the 2019 tax year (January 1 – December 31, 2019).

FISCAL IMPACT: \$58,000 reduction in Personal Property Tax Revenues

ENCLOSED DOCUMENTS: §58.1-3506 of the Code of Virginia & Draft Ordinance

STAFF: March Altman, City Manager
Stefan M. Calos, City Attorney
Debra K. Reason, Master Commissioner of the Revenue

Council Action Form 2017

SUMMARY:

- | Y | N | | Y | N | |
|--------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Christina J. Luman-Bailey, Ward #1 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda S. Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Tony Zevgolis, Ward #3 | <input type="checkbox"/> | <input type="checkbox"/> | Mayor Jackie M. Shornak, Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Jasmine Gore, Ward #4 | | | |

October 18, 2018

§ 58.1-3506. Other classifications of tangible personal property for taxation

A. The items of property set forth below are each declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of tangible personal property provided in this chapter:

1. a. Boats or watercraft weighing five tons or more, not used solely for business purposes;
- b. Boats or watercraft weighing less than five tons, not used solely for business purposes;
2. Aircraft having a maximum passenger seating capacity of no more than 50 that are owned and operated by scheduled air carriers operating under certificates of public convenience and necessity issued by the State Corporation Commission or the Civil Aeronautics Board;
3. Aircraft having a registered empty gross weight equal to or greater than 20,000 pounds that are not owned or operated by scheduled air carriers recognized under federal law, but not including any aircraft described in subdivision 4;
4. Aircraft that are (i) considered Warbirds, manufactured and intended for military use, excluding those manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public and otherwise used for educational purposes (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (b) airshow and flight demonstrations (including such flights necessary for testing, maintaining, or preparing such aircraft for safe operation), shall constitute a new class of property. Such class of property shall not include any aircraft used for commercial purposes, including transportation and other services for a fee;
5. All other aircraft not included in subdivisions A 2, A 3, or A 4 and flight simulators;
6. Antique motor vehicles as defined in § 46.2-100 which may be used for general transportation purposes as provided in subsection C of § 46.2-730;
7. Tangible personal property used in a research and development business;
8. Heavy construction machinery not used for business purposes, including land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity equipment and ditch and other types of diggers;
9. Generating equipment purchased after December 31, 1974, for the purpose of changing the energy source of a manufacturing plant from oil or natural gas to coal, wood, wood bark, wood residue, or any other alternative energy source for use in manufacturing and any cogeneration equipment purchased to achieve more efficient use of any energy source. Such generating equipment and cogeneration equipment shall include, without limitation, such equipment purchased by firms engaged in the business of generating electricity or steam, or both;
10. Vehicles without motive power, used or designed to be used as manufactured homes as defined in § 36-85.3;

11. Computer hardware used by businesses primarily engaged in providing data processing services to other nonrelated or nonaffiliated businesses;
12. Privately owned pleasure boats and watercraft, 18 feet and over, used for recreational purposes only;
13. Privately owned vans with a seating capacity of not less than seven nor more than 15 persons, including the driver, used exclusively pursuant to a ridesharing arrangement as defined in § [46.2-1400](#);
14. Motor vehicles specially equipped to provide transportation for physically handicapped individuals;
15. Motor vehicles (i) owned by members of a volunteer emergency medical services agency or a member of a volunteer fire department or (ii) leased by volunteer emergency medical services personnel or a member of a volunteer fire department if the volunteer is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is owned by each volunteer member who meets the definition of "emergency medical services personnel" in § [32.1-111.1](#) or volunteer fire department member, or leased by each volunteer member who meets the definition of "emergency medical services personnel" in § [32.1-111.1](#) or volunteer fire department member if the volunteer is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle, may be specially classified under this section, provided the volunteer regularly responds to emergency calls. The volunteer shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief of the volunteer emergency medical services agency or volunteer fire department, that the volunteer is an individual who meets the definition of "emergency medical services personnel" in § [32.1-111.1](#) or a member of the volunteer fire department who regularly responds to calls or regularly performs other duties for the emergency medical services agency or fire department, and the motor vehicle owned or leased by the volunteer is identified. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the volunteer, to accept a certification after the January 31 deadline. In any county that prorates the assessment of tangible personal property pursuant to § [58.1-3516](#), a replacement vehicle may be certified and classified pursuant to this subsection when the vehicle certified as of the immediately prior January date is transferred during the tax year;
16. Motor vehicles (i) owned by auxiliary members of a volunteer emergency medical services agency or volunteer fire department or (ii) leased by auxiliary members of a volunteer emergency medical services agency or volunteer fire department if the auxiliary member is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by each auxiliary volunteer fire department or emergency medical services agency member may be specially classified under this section. The auxiliary member shall furnish the commissioner of revenue, or other assessing officer, with a certification by the chief of the volunteer emergency medical services agency or volunteer fire department, that the volunteer is an auxiliary member of the volunteer emergency medical services agency or fire department who regularly performs duties for the emergency medical services agency or fire department, and the motor vehicle is identified as regularly used for such purpose; however, if a volunteer meets the definition of "emergency medical services personnel" in § [32.1-111.1](#) or volunteer fire

department member and an auxiliary member are members of the same household, that household shall be allowed no more than two special classifications under this subdivision or subdivision 15. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the auxiliary member, to accept a certification after the January 31 deadline;

17. Motor vehicles owned by a nonprofit organization and used to deliver meals to homebound persons or provide transportation to senior or handicapped citizens in the community to carry out the purposes of the nonprofit organization;

18. Privately owned camping trailers as defined in § 46.2-100, and privately owned travel trailers as defined in § 46.2-1500, which are used for recreational purposes only, and privately owned trailers as defined in § 46.2-100, which are designed and used for the transportation of horses except those trailers described in subdivision A 11 of § 58.1-3505;

19. One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as certified by the Department of Veterans Services. In order to qualify, the veteran shall provide a written statement to the commissioner of revenue or other assessing officer from the Department of Veterans Services that the veteran has been so designated or classified by the Department of Veterans Services as to meet the requirements of this section, and that his disability is service-connected. For purposes of this section, a person is blind if he meets the provisions of § 46.2-100;

20. Motor vehicles (i) owned by persons who have been appointed to serve as auxiliary police officers pursuant to Article 3 (§ 15.2-1731 et seq.) of Chapter 17 of Title 15.2 or (ii) leased by persons who have been so appointed to serve as auxiliary police officers if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by each auxiliary police officer to respond to auxiliary police duties may be specially classified under this section. In order to qualify for such classification, any auxiliary police officer who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary police officer or from the official who has appointed such auxiliary officers. That certification shall state that the applicant is an auxiliary police officer who regularly uses a motor vehicle to respond to auxiliary police duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

21. Until the first to occur of June 30, 2019, or the date that a special improvements tax is no longer levied under § 15.2-4607 on property within a Multicounty Transportation Improvement District created pursuant to Chapter 46 (§ 15.2-4600 et seq.) of Title 15.2, tangible personal property that is used in manufacturing, testing, or operating satellites within a Multicounty Transportation Improvement District, provided that such business personal property is put into service within the District on or after July 1, 1999;

22. Motor vehicles which use clean special fuels as defined in § 46.2-749.3, which shall not include any vehicle described in subdivision 38 or 40;
23. Wild or exotic animals kept for public exhibition in an indoor or outdoor facility that is properly licensed by the federal government, the Commonwealth, or both, and that is properly zoned for such use. "Wild animals" means any animals that are found in the wild, or in a wild state, within the boundaries of the United States, its territories or possessions. "Exotic animals" means any animals that are found in the wild, or in a wild state, and are native to a foreign country;
24. Furniture, office, and maintenance equipment, exclusive of motor vehicles, that are owned and used by an organization whose real property is assessed in accordance with § 58.1-3284.1 and that is used by that organization for the purpose of maintaining or using the open or common space within a residential development;
25. Motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce;
26. All tangible personal property employed in a trade or business other than that described in subdivisions A 1 through A 20, except for subdivision A 18, of § 58.1-3503;
27. Programmable computer equipment and peripherals employed in a trade or business;
28. Privately owned pleasure boats and watercraft, motorized and under 18 feet, used for recreational purposes only;
29. Privately owned pleasure boats and watercraft, nonmotorized and under 18 feet, used for recreational purposes only;
30. Privately owned motor homes as defined in § 46.2-100 that are used for recreational purposes only;
31. Tangible personal property used in the provision of Internet services. For purposes of this subdivision, "Internet service" means a service, including an Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers;
32. Motor vehicles (i) owned by persons who serve as auxiliary, reserve, volunteer, or special deputy sheriffs or (ii) leased by persons who serve as auxiliary, reserve, volunteer, or special deputy sheriffs if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. For purposes of this subdivision, the term "auxiliary deputy sheriff" means auxiliary, reserve, volunteer, or special deputy sheriff. One motor vehicle that is regularly used by each auxiliary deputy sheriff to respond to auxiliary deputy sheriff duties may be specially classified under this section. In order to qualify for such classification, any auxiliary deputy sheriff who applies for such classification shall identify the vehicle for which this classification is sought, and shall furnish the commissioner of revenue or other assessing officer with a certification from the governing body that has appointed such auxiliary deputy sheriff or from the official who has appointed such auxiliary deputy sheriff. That certification shall state that the applicant is an auxiliary deputy sheriff who regularly uses a motor vehicle to respond to such auxiliary duties, and it shall state that the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January

31 of each year to the commissioner of revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

33. Forest harvesting and silvicultural activity equipment;

34. Equipment used primarily for research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including medical, pharmaceutical, nutritional, and other health-related purposes; agricultural purposes; or environmental purposes but not for human cloning purposes as defined in § 32.1-162.21 or for products or purposes related to human embryo stem cells. For purposes of this section, biotechnology equipment means equipment directly used in activities associated with the science of living things;

35. Boats or watercraft weighing less than five tons, used for business purposes only;

36. Boats or watercraft weighing five tons or more, used for business purposes only;

37. Tangible personal property which is owned and operated by a service provider who is not a CMRS provider and is not licensed by the FCC used to provide, for a fee, wireless broadband Internet service. For purposes of this subdivision, "wireless broadband Internet service" means a service that enables customers to access, through a wireless connection at an upload or download bit rate of more than one megabyte per second, Internet service, as defined in § 58.1-602, as part of a package of services sold to customers;

38. Low-speed vehicles as defined in § 46.2-100;

39. Motor vehicles with a seating capacity of not less than 30 persons, including the driver;

40. Motor vehicles powered solely by electricity;

41. Tangible personal property designed and used primarily for the purpose of manufacturing a product from renewable energy as defined in § 56-576;

42. Motor vehicles leased by a county, city, town, or constitutional officer if the locality or constitutional officer is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle;

43. Computer equipment and peripherals used in a data center. For purposes of this subdivision, "data center" means a facility whose primary services are the storage, management, and processing of digital data and is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; (ii) systems for monitoring and managing infrastructure performance; (iii) equipment used for the transformation, transmission, distribution, or management of at least one megawatt of capacity of electrical power and cooling, including substations, uninterruptible power supply systems, all electrical plant equipment, and associated air handlers; (iv) Internet-related equipment and services; (v) data communications connections; (vi) environmental controls; (vii) fire protection systems; and (viii) security systems and services;

44. Motor vehicles (i) owned by persons who serve as uniformed members of the Virginia Defense Force pursuant to Article 4.2 (§ 44-54.4 et seq.) of Chapter 1 of Title 44 or (ii) leased by persons

who serve as uniformed members of the Virginia Defense Force pursuant to Article 4.2 (§ 44-54.4 et seq.) of Chapter 1 of Title 44 if the person is obligated by the terms of the lease to pay tangible personal property tax on the motor vehicle. One motor vehicle that is regularly used by a uniformed member of the Virginia Defense Force to respond to his official duties may be specially classified under this section. In order to qualify for such classification, any person who applies for such classification shall identify the vehicle for which the classification is sought and shall furnish to the commissioner of the revenue or other assessing officer a certification from the Adjutant General of the Department of Military Affairs under § 44-11. That certification shall state that (a) the applicant is a uniformed member of the Virginia Defense Force who regularly uses a motor vehicle to respond to his official duties, and (b) the vehicle for which the classification is sought is the vehicle that is regularly used for that purpose. The certification shall be submitted by January 31 of each year to the commissioner of the revenue or other assessing officer; however, the commissioner of revenue or other assessing officer shall be authorized, in his discretion, and for good cause shown and without fault on the part of the member, to accept a certification after the January 31 deadline;

45. If a locality has adopted an ordinance pursuant to subsection D of § 58.1-3703, tangible personal property of a business that qualifies under such ordinance for the first two tax years in which the business is subject to tax upon its personal property pursuant to this chapter. If a locality has not adopted such ordinance, this classification shall apply to the tangible personal property for such first two tax years of a business that otherwise meets the requirements of subsection D of § 58.1-3703;

46. Miscellaneous and incidental tangible personal property employed in a trade or business that is not classified as machinery and tools pursuant to Article 2 (§ 58.1-3507 et seq.), merchants' capital pursuant to Article 3 (§ 58.1-3509 et seq.), or short-term rental property pursuant to Article 3.1 (§ 58.1-3510.4 et seq.), and has an original cost of less than \$500. A county, city, or town shall allow a taxpayer to provide an aggregate estimate of the total cost of all such property owned by the taxpayer that qualifies under this subdivision, in lieu of a specific, itemized list; and

47. Commercial fishing vessels and property permanently attached to such vessels.

B. The governing body of any county, city or town may levy a tax on the property enumerated in subsection A at different rates from the tax levied on other tangible personal property. The rates of tax and the rates of assessment shall (i) for purposes of subdivisions A 1, 2, 3, 4, 5, 6, 8, 11 through 20, 22 through 24, and 26 through 47, not exceed that applicable to the general class of tangible personal property, (ii) for purposes of subdivisions A 7, 9, 21, and 25, not exceed that applicable to machinery and tools, and (iii) for purposes of subdivision A 10, equal that applicable to real property. If an item of personal property is included in multiple classifications under subsection A, then the rate of tax shall be the lowest rate assigned to such classifications.

C. Notwithstanding any other provision of this section, for any qualifying vehicle, as such term is defined in § 58.1-3523, (i) included in any separate class of property in subsection A and (ii) assessed for tangible personal property taxes by a county, city, or town receiving a payment from the Commonwealth under Chapter 35.1 (§ 58.1-3523 et seq.) for providing tangible personal property tax relief, the county, city, or town may levy the tangible personal property tax on such qualifying vehicle at a rate not to exceed the rates of tax and rates of assessment required under such chapter.

Code 1950, §§ 58-829.2:1, 58-829.3, 58-829.5 to 58-829.9, 58-831.01; 1960, c. 418; 1970, c. 655; 1976, c. 567; 1978, c. 155; 1979, cc. 351, 576; 1980, c. 412; 1981, cc. 236, 445; 1982, c. 633; 1984, c. 675; 1985, c. 220; 1986, c. 195; 1988, c. 822; 1989, cc. 80, 694; 1990, cc. 677, 693; 1991, cc. 247, 330, 478; 1992, cc. 642, 680; 1993, c. 100; 1994, cc. 171, 221, 266, 631; 1995, c. 142; 1996, cc. 537, 603, 605; 1997, cc. 244, 250, 433, 457; 1999, cc. 289, 358; 2000, cc. 409, 413, 441, 442, 604; 2001, cc. 41, 447; 2002, cc. 6, 63, 148, 337; 2003, cc. 657, 670; 2004, cc. 4, 556, 591; 2004, Sp. Sess. I, c. 1; 2005, cc. 271, 325, 357; 2006, cc. 200, 231, 400; 2007, cc. 88, 322, 609; 2008, cc. 26, 94, 143; 2009, cc. 40, 44; 2010, cc. 264, 849; 2012, cc. 97, 288; 2013, cc. 39, 271, 287, 393, 652; 2014, cc. 50, 409; 2015, cc. 487, 502, 503, 593, 615; 2016, c. 483; 2017, cc. 116, 447; 2018, cc. 28, 292.

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

ORDINANCE 2018-XX

An Ordinance amending and reenacting Article III, Tax on Public Service Corporations and Tangible Personal Property Other than Machinery and Tools of Chapter 34, Taxation, of the Code of the City of Hopewell.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HOPEWELL that Article III, Tax on Public Service Corporations and Tangible Personal Property Other than Machinery and Tools of Chapter 34, Taxation, of the Code of the City of Hopewell is amended and reenacted as follows:

CHAPTER 34 – TAXATION

ARTICLE III. TAX ON PUBLIC SERVICE CORPORATIONS AND TANGIBLE PERSONAL PROPERTY OTHER THAN MACHINERY AND TOOLS

Sec. 34-47. - Qualification for special tax rate of motor vehicle owned or leased by disabled veteran.

- (a) Pursuant to Code of Virginia, § 58.1-3506(A)(19), one motor vehicle owned by a disabled veteran, or leased by such veteran, if obligated by terms of such lease to pay tangible personal property tax, which is regularly used by such veteran, is hereby defined as a separate item of taxation and shall constitute a classification separate from other classifications of tangible personal property.
- (b) By January 31 of each year, each disabled veteran shall provide the commissioner of the revenue with a certification of total disability in accordance with Code of Virginia, § 58.1-3506, and a personal certification that he regularly used the qualifying motor vehicle during the previous calendar year. The certification must include the vehicle identification of the motor vehicle for which the separate tangible personal property classification is sought.

State law references: Authority for above section, Code of Virginia, §58.1-3506.

In accordance with Section 7, Effective date of ordinances and resolution; emergency measures, of Chapter 4 of the City Charter, this ordinance shall become effective after thirty (30) days from the date of its adoption by the City Council. In all other respects said Code of the City of Hopewell shall remain unchanged and be in full force and effect.

R-4



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE:

Resolution electing to have full-time Emergency Medical Technicians (EMTs) employed by the City of Hopewell eligible for hazardous duty benefits equivalent to those already provided to Law Enforcement Officers and Firefighters.

ISSUE:

Chief Hunter is shifting the primary function of up to three vacant firefighter positions to EMTs, with firefighting becoming the secondary function. Virginia Retirement System (VRS) requires an enrollee's job name in VRS Navigator match their primary job function. For these positions, that would be EMT instead of firefighter. Since the current resolution only states law enforcement officers and firefighters are eligible for these benefits, and to ensure the preservation of the hazardous duty benefits already associated with these positions, VRS has requested a resolution indicating EMT positions are eligible for hazardous duty benefits. There is no fiscal impact associated with this action.

RECOMMENDATION:

City Administration recommends that Council resolve to approve the inclusion of permanent, full-time EMTs employed by the City in the positions eligible for hazardous duty benefits.

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

STAFF: Chief Donald Hunter and Jennifer Sears

SUMMARY:

- | | | | | | |
|--------------------------|--------------------------|---|--------------------------|--------------------------|----------------------------------|
| Y | N | | Y | N | |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Christina Luman-Bailey, Ward #1 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Anthony Zevgolis, Ward #3 | <input type="checkbox"/> | <input type="checkbox"/> | Mayor Jackie Shornak, Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Jasmine Gore, Ward #4 | | | |



RESOLUTION

Be it hereby resolved that the City of Hopewell of Hopewell, Virginia, a political subdivision currently participating in the Virginia Retirement System under Title 51.1, Chapter 1, Article 5 of the Code of Virginia, as amended, acting by and through its City Council does hereby elect to have such employees of the City of Hopewell who are employed in positions as full time salaried Emergency Medical Technicians and whose tenure is not restricted as to temporary or provisional appointment, to become eligible, effective November 1, 2018, to be provided benefits in the Virginia Retirement System equivalent to those provided for State police officers of the Department of State Police, as set out in Section 51.1-138 of the Code of Virginia, in lieu of the benefits that would otherwise be provided as such code has been or may be amended from time to time, and the City of Hopewell agrees to pay the employer cost for providing such employees such benefits.

Be it further resolved that Mr. John M. Altman, Jr., City Manager is hereby authorized and directed in the name of the City of Hopewell to execute any required contract in order that the above described employees of the City of Hopewell may become entitled to retirement benefits equivalent to those provided for State police officers of the Department of State Police. In execution of any contract which may be required the seal of the City of Hopewell shall be affixed and attested by the Clerk and, said officers of the City of Hopewell are hereby authorized and directed to do any other thing, or things, incident and necessary in the lawful conclusion of this matter. The Treasurer of the City of Hopewell be and is hereby authorized and directed and pay over to the Treasurer of Virginia from time to time such sums as are to be paid by the City of Hopewell and its employees for this purpose.

CERTIFICATE

I, _____, Clerk of the City of Hopewell, Virginia, certify that on date, at a lawfully organized meeting, City Council agreed to the information as set forth in the above resolution. Given under my hand and seal of the Clerk of the City of Hopewell this _____ day of _____, 20____.

Clerk

R-5



CITY OF HOPEWELL CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

Order of Business:

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

Action:

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1st Reading
- Approve Ordinance 2nd Reading
- Set a Public Hearing
- Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Virginia Office of Children’s Services Agreement and Plan of Repayment

ISSUE: The State Executive Council for Children’s Services approved a 10-year Repayment Agreement to settle findings of non-compliance with the Children’s Services Act (CSA) and misuse of state CSA funds

RECOMMENDATION: Staff recommends City Council approve and authorize the City Manager to execute necessary documentation to complete the repayment

TIMING: The repayment agreement must be approved at the October 23, 2018 meeting to be submitted to the Office of Children’s Services by October 26, 2018

BACKGROUND: On November 8, 2017, the City of Hopewell was informed that the Office of Children’s Services (OCS) had completed a special review of the City of Hopewell Children’s Services Act (CSA) Program. The review was related to alleged non-compliance with the CSA and misuse of state CSA funds. The OCS concluded that there was sufficient evidence of non-compliance with the CSA and misuse of related funding resulting in the City of Hopewell CSA Program improperly incurring expenditures totaling \$977,221.94, of which the City was reimbursed by the state share of the costs equaling \$836,499.46. The City has been in on-going discussions with the OCS regarding the repayment of these funds. At the September 20, 2018 meeting of the State Executive Council for Children’s Services (the SEC), the Council approved a 10-year repayment agreement to settle the findings of the denial of CSA funds to the City of Hopewell resulting from the 2017 special review and the 2013 audit. In accordance with the agreement, the City will annual payments in the amount of \$89,644.67 per year for ten (10) years, beginning November 1, 2018.

FISCAL IMPACT: \$89,644.47 annually for 10-years – the funds are in the FY19 budget

ENCLOSED DOCUMENTS: Agreement and Plan of Repayment

Council Action Form 2017

SUMMARY:

- | Y | N | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Christina J. Luman-Bailey, Ward #1 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Tony Zevgolts, Ward #3 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Jasmine Gore, Ward #4 |

- | Y | N | |
|--------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda S. Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Mayor Jackie M. Shornak, Ward #7 |

October 18, 2018

STAFF: March Altman, City Manager
Stefan M. Calos, City Attorney

Council Action Form 2017

SUMMARY:

Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Christina J. Luman-Bailey, Ward #1
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Arlene Holloway, Ward #2
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Tony Zevgolis, Ward #3
<input type="checkbox"/>	<input type="checkbox"/>	Vice Mayor Jasmine Gore, Ward #4

Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Janice Denton, Ward #5
<input type="checkbox"/>	<input type="checkbox"/>	Councilor Brenda S. Pelham, Ward #6
<input type="checkbox"/>	<input type="checkbox"/>	Mayor Jackie M. Shornak, Ward #7

October 18, 2018



John M. Altman, Jr.
City Manager

maltman@hopewellva.gov
p: (804) 541-2243
f: (804) 541-2248

300 North Main Street
Suite 216
Hopewell, VA 23860

www.hopewellva.gov

MEMORANDUM

To: The Honorable Mayor Shornak and City Council
cc: Stefan M. Calos, City Attorney
Charles E. Dane, Assistant City Manager
From: John M. Altman, Jr., City Manager *JMA*
Date: October 17, 2018
Re: **Hopewell CSA Program – Agreement and Plan of Repayment**

On November 8, 2017, the City of Hopewell was informed that the Office of Children's Services (OCS) had completed a special review of the City of Hopewell Children's Services Act (CSA) Program. The review was related to alleged non-compliance with the CSA and misuse of state CSA funds. The scope of the review was to community-based services and served as a follow-up to the program audit conducted by OCS in 2013.

The OCS concluded that there was sufficient evidence of non-compliance with the CSA and misuse of related funding resulting in the City of Hopewell CSA Program improperly incurring expenditures totaling \$977,221.94, of which the City was reimbursed by the state share of the costs equaling \$836,499.46.

In a letter dated January 8, 2018, OCS issued a second written finding for non-compliance and denial of funds in the amount of \$59,947.28. This brought the total of non-compliant state reimbursement to the City to \$896,446.74.

The City has been in on-going discussions with the OCS regarding the repayment of these funds. At the September 20, 2018 meeting of the State Executive Council for Children's Services (the SEC), the Council approved a 10-year repayment agreement to settle the findings of the denial of CSA funds to the City of Hopewell resulting from the 2017 special review and the 2013 audit. In accordance with the agreement, the City will annual payments in the amount of \$89,644.67 per year for ten (10) years, beginning November 1, 2018. The City budgeted \$90,000 in FY 2019 in anticipation of beginning the repayment of the funds to the state.

Attached is a copy of the repayment agreement. The City Attorney has reviewed the agreement. The City Manager's Office is requesting City Council approve the repayment agreement and authorize the City Manager to execute all documentation to necessary to complete the repayment.

Please review the attached. If you have any questions, please do not hesitate to contact me.

Agreement and Plan of Repayment

In accordance with Virginia Code § 2.2-2648(D)(19), this Agreement and Plan of Repayment is entered into between the OFFICE OF CHILDREN'S SERVICES ("OCS"), on behalf of and as the administrative entity of the STATE EXECUTIVE COUNCIL FOR THE CHILDREN'S SERVICES ACT ("SEC"), and the COMMUNITY POLICY AND MANAGEMENT TEAM FOR THE CITY OF HOPEWELL ("Hopewell CPMT").

WHEREAS, OCS issued an audit report dated September 12, 2017 of the Hopewell CPMT's implementation of the Children's Services Act ("CSA") program and found areas of noncompliance that warranted a denial of funds from the CSA State Pool of funds pursuant to Virginia Code § 2.2-2648(D)(20);

WHEREAS, OCS issued a written finding by letter to Hopewell CPMT on November 8, 2017 determining a denial of funds for noncompliance in the amount of \$836,499.46 (attached hereto and made a part hereof as Exhibit A);

WHEREAS, OCS issued a second written finding by letter to Hopewell CPMT on January 8, 2018 determining a denial of funds for noncompliance in the amount of \$59,947.28 (attached hereto and made a part hereof as Exhibit B); and

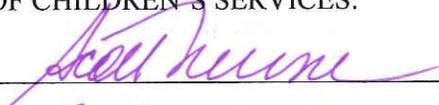
WHEREAS, the parties have negotiated a plan of repayment, the terms of which are memorialized herein and are subject to the approval of the SEC.

NOW, THEREFORE, the parties hereby agree as follows:

1. Hopewell CPMT shall repay OCS the amount of \$896,446.74, representing the total amount of CSA State Pool funds denied for noncompliance as described herein, in the following manner:
 - a) Ten annual payments in the amount of \$89,644.67 per year for ten (10) years, beginning Nov 1, 2018, until the total amount is paid in full;
 - b) Annual payments will be effectuated by OCS by way of offsets in the amount of the annual payment from the Hopewell CPMT's annual disbursement of state funds from the CSA State Pool.
 - c) In the event the General Assembly fails to appropriate sufficient funds for the CSA State Pool from which the offsets are made for each annual payment, Hopewell CPMT shall pay such annual payments directly to OCS, due each year on Nov. 1 and made payable to the Treasurer of Virginia.
2. The Hopewell CPMT shall implement a quality improvement plan addressing all areas of noncompliance raised in the audit report issued by OCS.
3. The parties agree that this Agreement and Plan of Repayment is a final resolution of the findings and determinations of the denial of funds made by OCS and issued in its letters dated November 8, 2017 and January 8, 2018, as described herein, and do not constitute a resolution or settlement of any other findings or determinations by OCS with regard to the CSA program as implemented by the Hopewell CPMT made prior or subsequent thereto.
4. The parties acknowledge that this Agreement and Plan of Repayment is subject to the approval of the SEC, to be sought at the next meeting of the SEC occurring after the date of execution of this Agreement and Plan of Repayment by both parties.

5. Any modification of the terms of this Agreement and Plan of Repayment shall be made in writing upon the agreement of both parties and will be subject to approval by the SEC.
6. Any disputes over the performance by either party of the terms of this Agreement and Plan of Repayment shall be resolved by the SEC upon a request for a formal hearing. The decision of the SEC shall be final and not subject to further review, judicial or otherwise.

OFFICE OF CHILDREN'S SERVICES:

By: 

Date: 9-20-2018

SCOTT REINER, Executive Director
Office of Children's Services
1604 Santa Rosa Road, Suite 137
Richmond, Virginia 23229-5008

HOPEWELL CPMT:

By: _____

Date: _____

J. MARCH ALTMAN, City Manager
City of Hopewell
100 E. Broadway
Hopewell, Virginia 23860

By: _____

Date: _____

DIANE BARNES, CPMT Chair
City of Hopewell
20 W. Bank Street, Suite 5
Petersburg, VA 23803

**REPORTS
OF THE
CITY
ATTORNEY**

**REPORTS
OF THE
CITY CLERK**

REPORTS OF THE CITY COUNCIL

- **COMMITTEES**
- **INDIVIDUAL REQUEST**
- **ANY OTHER COUNCILOR**

ADJOURN