

MINUTES OF THE REGULAR MEETING OF CITY COUNCIL
MARCH 9, 2021

An electronic (Zoom) meeting of the City Council of the City of Hopewell, Virginia, was held on Tuesday, March 9th, 2021 at 6:30 p.m.

ROLL CALL

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

PRESENT: Patience A. Bennett, Mayor, Ward 7
 John B. Partin, Vice Mayor, Ward 3
 Deborah Randolph, Councilor, Ward 1
 Arlene Holloway, Councilor, Ward 2
 Jasmine E. Gore, Councilor, Ward 3
 Janice B. Denton, Councilor, Ward 5
 Brenda S. Pelham, Councilor, Ward 6 (no answer)

 John M. Altman, City Manager
 Sandra Robinson, City Attorney
 Charles E. Dane, Assistant City Manager
 Mollie P. Bess, Interim City Clerk

CLOSED MEETING

Motion was made by Councilor Denton to move into closed meeting pursuant to Va. Code Sections 2.2-3711 (A)(1) to discuss and consider personnel matters, including the recruitment and appointment of a City Clerk, and to consider prospective candidates for appointment to various boards and commissions; (A)(39) to discuss and consider information related to economic development, including (A)(5) a prospective new business (where no previous announcement has been made) and existing business interest in expanding its facilities in the City; (A)(6) to discuss and consider the investment of public funds where bargaining is involved and discussion in open meeting would adversely affect the bargaining or negotiation strategy of the City adversely affecting the financial interest of the City; (A)(6) and (7) to consult with legal counsel regarding specific legal matters and actual litigation requiring the provision of legal advice and where such consultation in open meeting would affect the City's interest; and to the extent these discussions will be aided thereby, (A)(4) for the protection of the privacy of individuals in personal matters not related to public business. Motion seconded by Councilor Randolph. Mayor Bennett requested a roll call. At the roll call, the vote resulted:

Mayor Bennett	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Vice Mayor Partin	-	yes
Councilor Gore	-	yes
Councilor Denton	-	yes
Councilor Pelham	-	(no answer)

Motion passes 6-0

CONVENE INTO OPEN MEETING

Motion to come out of closed session was made by Vice Mayor Partin and seconded by Councilor Denton. At the roll call, the vote resulted:

Mayor Bennett	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Vice Mayor Partin	-	yes
Councilor Gore	-	yes
Councilor Denton	-	yes
Councilor Pelham	-	yes

Motion passes 7-0

CERTIFICATION

CERTIFICATION PURSUANT TO VA. 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? At the roll call, the vote resulted:

Mayor Bennett	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Vice Mayor Partin	-	yes
Councilor Gore	-	yes
Councilor Denton	-	yes
Councilor Pelham	-	yes

Motion passes 7-0

Motion was made by Councilor Randolph and seconded by Councilor Pelham to appoint Jean Langford to the Historic Preservation Committee.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	yes
	Councilor Pelham	-	yes

Motion passes 7-0

Motion was made by Vice Mayor Partin and seconded by Councilor Denton to appoint Erika Jenkins to the Recreation Commission.

ROLL CALL:	Mayor Bennett	-	yes
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Councilor Randolph	-	yes
Councilor Holloway	-	yes
Vice Mayor Partin	-	yes
Councilor Gore	-	yes
Councilor Denton	-	yes
Councilor Pelham	-	yes

Motion passes 7-0

Motion was made by Councilor Randolph and seconded by Vice Mayor Partin to appoint Paul Reynolds to the Planning Commission.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	yes
	Councilor Pelham	-	abstain

Motion passes 6-1

OPEN MEETING

Mayor Bennett opened the meeting and welcomed guests. Roll call was taken as follows:

Mayor Bennett	-	present
Vice Mayor Partin	-	present
Councilor Randolph	-	present
Councilor Holloway	-	present
Councilor Gore	-	present
Councilor Denton	-	present
Councilor Pelham	-	present

REGULAR MEETING

The regular meeting opened at 7:30 p.m. Prayer was offered by Mr. Charles E. Dane, Assistant City Manager, followed by the Pledge of Allegiance to the Flag of the United States of America, led by Councilor Gore. Mayor Bennett welcomed everyone and asked the Council for any good news. It was noted that Rashad Biggs was Employee of the Quarter.

AMEND/ADOPT THE AGENDA

Motion was made by Vice Mayor Partin and seconded by Mayor Bennett to adopt the regular meeting agenda.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes

Councilor Gore	-	yes
Councilor Denton	-	no
Councilor Pelham	-	yes

Motion passes 6-1

CONSENT AGENDA

Motion was made by Vice Mayor Partin and seconded by Councilor Pelham to adopt the consent agenda.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	no
	Councilor Pelham	-	yes

Motion passes 6-1

UNFINISHED BUSINESS

Motion was made by Councilor Randolph and seconded by Mayor Bennett to reconsider the motion that was passed at the last regular meeting concerning HRHA's rezoning.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	no
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	no
	Councilor Pelham	-	no

Motion passes 4-3

Motion was made by Councilor Denton and seconded by Councilor Randolph to approve HRHA's rezoning request, Highland Park R-3 and B-3 to R-4, identified as sub-parcel numbers 042-0095, 042-0195 and 042-0252, with proffered conditions from the letter dated December 14, 2020.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	no
	Vice Mayor Partin	-	no
	Councilor Gore	-	yes
	Councilor Denton	-	yes
	Councilor Pelham	-	no

Motion passes 4-3

R-1 DISTRICT 19 COMMUNITY SERVICES BOARD – Meeting was led by Jennifer Tunstall, Executive Director of District 19 Community Services Board. She wishes to provide an update on District 19 services for those who are not familiar with District 19 and provide information

items for City Council. District 19 is a multi-jurisdictional, community based organization whose mission is to improve the quality and productivity of the lives of individuals who experience, or are at risk of experiencing, mental disabilities and/or substance abuse. District 19 is licensed by the Department of Behavioral Health and Developmental Services, serving nine localities, and has a volunteer Board of Directors. District 19 offers mental health, intellectual/development disability and substance abuse services, as well as emergency services for people in crisis, early intervention services for young children, and prevention services to reduce risk and promote wellness. There is a Community & Crisis Services Center located in Hopewell and it was created to provide an assessment site for law enforcement to use as an alternative to incarceration and as a services access point. In March 2022, the CAC revised its operations to account for staff and consumer safety in the face of the COVID-19 crisis. They also accept the transfer of emergency custody orders. District 19 CSB finances its work through a combination of public and private sector funding. Funding comes from federal, state, and local entities. District 19 serves a high volume of individuals that are uninsured. Service fee revenue comes primarily from Medicaid, but from other sources. District 19 began accepting some commercial insurance for services in February of 2019.

FY21 State fund contribution to District 19:	\$8,510,923
FY21 local matching funds requirement:	\$900,243

Important new legislation that impact your locality:

Marcus Alert – Mental health awareness response and community understanding services alter system. It is a series of protocols aimed to divert to the behavioral health system or respond with a specialized law enforcement response, including:

1. Protocols to divert from 911 to crisis call center
2. MOUs for law enforcement backup to a crisis response
3. Minimum standards/best practices for law enforcement response

This alert system is included in the Step-VA Crisis Continuum Buildout and it is going to include a crisis call center with a triage for when 911 or law enforcement needs to be involved. If there is an active rescue or weapons are involved, then law enforcement will be called without the mobile crisis team. To prepare for the Marcus Alert, the following actions are being taken:

- Taking steps toward readiness
- Seeking representation on state group, stay engaged and attend forums, calls for comments, etc.
- Focus of first year will be on protocols for diversion from PSAPs (Public Safety Answering Point), protocols to serve as backup to regional mobile crisis, and changed to police presentation when responding
- During the first year, may determine plan for team coverage
- Will submit plans for approval to implement by July 1, 2022

For long-term outcomes and additional information, please visit Crisis Now Model at www.crisisnow.com.

R-2 Proposed FY22 City Budget Calendar – Mr. Altman stated that first work session is scheduled for April 6 where there will be a discussion of revenue projections and department requests, will move through with a joint meeting of the school board on April 14, another work session on the 20th, and then we hopefully get our budget adopted, at the end of May for FY22 beginning July 1.

We still have the absence of our finance director, but are continuing to work in his absence. Mr. Altman spoke with him recently, he is still at home, but making good process and hopefully will be able to do some remote work next week from home. We will hopefully have him back in the office in April. Seeking Council approval of the calendar so that we can move forward with the budget process. We are hopeful to have the FY18 CAFR wrapped up within the next three weeks, we are finalizing issues with schools to have that completed. The FY16 single audit is completed and was uploaded to the federal system. Auditors are moving on the FY17 single audit. Annual audit has to be completed before we can do our single audit.

Point of information directed to Mr. Altman by Councilor Gore: I thought that FY16 was already done, is that a misstatement on your part? Did you mean FY17, or FY16? Mr. Altman will have to verify and send a copy of what was just uploaded. There were no significant issues at all. Motion was made by Councilor Denton and seconded by Vice Mayor Partin to approve the proposed city budget calendar for FY22. Vice Mayor Partin asked Mr. Altman a question regarding the last meeting when there was a discussion about a work session for the storm water and capital projects. He asked was that going to be included in the work session on May 4 or May 18. Mr. Altman replied that May 4 was just dealing with overall capital improvements; the meeting that the Vice Mayor was talking about would be May 27th.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	yes
	Councilor Pelham	-	yes

Motion passes 7-0

R-3 SCHOOL RESOURCE OFFICER FY22 CONTINUATION GRANT – Chief Afzal: This is a request to continue the grant we have had in the last few years for FY22 and the grant is so we can have a third SRO among us. Request is asking Council to authorize us to seek this grant, the cost for the City is \$52, 636 with a match by the city of \$13, 598, which is 20% of the total cost and benefits of an officer at grade 25, and it is the same amount that was requested and approved last year.

For Public’s Review: The third officer will be working in the high school, have two positions for SRO, one for high school and one for middle school, this grant will allow us to put a second officer in our high school to work with the younger generation and also the school system. No officer assigned to elementary school at this time, as there is no need. SROs are sworn positions for the police department. Motion was made by Councilor Denton and seconded by Councilor Pelham to authorize the Hopewell Police to apply for the \$52,636 in full Resource Officer Grant funding, in which the City of Hopewell’s cash match is a requirement of \$13,598, for a total budget cost of \$66,234.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes

Vice Mayor Partin	-	yes
Councilor Gore	-	yes
Councilor Denton	-	yes
Councilor Pelham	-	yes

Motion passes 7-0

R-4 ASHLAND CHEMICAL – INDUSTRIAL EXPANSION UPDATE – This is an update on an existing project. Three and a half years ago, City Council approved an economic incentive grant for Ashland Chemical to do a major expansion at their facility. Due to the World Market and COVID, it was put on hold, but they are ready to move forward not that the approval that Council gave was up to a 15% rebate of M&T tax paid over a 20 year period. We only offer these incentives on projects where there is a competitive situation, where we are trying to get a project that could be built elsewhere and we are competing with other localities or sites around the world, certainly around the country. We are competing with this for somewhere in Louisiana and Pennsylvania. We were able to be successful with that grant; good news is that the project is a \$91 million estimated investment. A little of bad news with it is they were hoping to have 40 new jobs, but due to a corporate restructuring, it will actually create no jobs, but it is a \$91 million investment for us. The results of that is because of the loss of jobs, they slide down the scale on 15% and they now only get 25% of that, 15% which is a 3.75% rebate. The resulting numbers are annual; we are estimating getting annually right at \$650,000 a year in additional for the M&T tax for the project, and the incentive grant would be receiving a rebate of about \$53,000. So, out of \$700,000, we are getting about \$650,000 and they are getting to keep \$53,000 to make this competitive project happen here in Hopewell. It is moving forward, and we would expect them to complete this project and have everything operational, possibly, by year end. If so, we would see the reporting on next year’s M&T taxes and then we will reap the benefits.

No action necessary.

R-5 PROJECT DOUGHBOY – ECONOMIC DEVELOPMENT INCENTIVE GRANT – This is a new project, it involves state incentives as well. This project was looking to go into Maryland, Pennsylvania or West Virginia. They came to Hopewell only to look at some equipment here that they want to buy for a project elsewhere and we were able to meet and talk with them and move into the game and were successful at recruiting them. The state was involved as well as in offering some incentive packages, that is why the name of the company cannot be mentioned at this time nor the specific of what they do, because the grants from the state would go away if we announced it publically before the Governor is able to announce it and that should happen in the next two to three weeks. After the briefing that was given in closed session, what we are asking is a similar deal to the same structure of the deal we just discussed with Ashland Chemical, an M&T rebate of up to 15% based on their performance on the standards. They are looking to invest about \$50 million and excitedly they are going to have 50 plus jobs in the first 12 months and hope to have 74 jobs by the end of year three. They are good paying jobs, an average salary \$61,000 annually. The state has committed over \$2 million in incentives. The incentives we are offering is 15% of the M&T tax they would have to pay. Over the 20 year period we would receive \$6 million and they would receive \$1.1 million in incentives. If they meet the criteria of the state, they could drop as Ashland did and it would be more for us. Its reuse of the existing ground field site. We are asking for Council to approve the structure of the deal, up to 15% rebate on this project and ask that pending the approval of the contract with the attorney,

authorization for the City Manager to sign the necessary documents. Motion was made by Councilor Denton and seconded by Councilor Randolph to approve an Economic Development Incentive of up to 15% rebate for the machinery and tools tax over a 20 year period subject to the City Attorney review and authorize the City Manager to execute all necessary documents.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	no
	Councilor Gore	-	no
	Councilor Denton	-	yes
	Councilor Pelham	-	no

Motion passes 4-3

R-6 FRANCISCO LANDING DEVELOPMENT AGREEMENT – Seeking approval of a tax rebate to enable the Francisco Landing Project to break ground and begin construction in the next 90 days or so. We recommend to approve the request for an Economic Development Grant to be disbursed by the City of Hopewell EDA, equal to 100% rebate on Real Estate taxes on the first building only of the Francisco Landing project for the life of the VHDA note. If the note is refinances at any time the rebate will continue. Beginning at year 11, the company would make a donation to the City in the amount of \$50,000 for the rest of the term, which would end they refinanced, but if it goes out for the full 35 years, that amounts to \$1.2 million in additional funds that we would be receiving. If that is added to personal property tax and meals tax, over the course of the 35 year deal, we would have a gain of \$2,740,000 plus coming in to our coffers while we rebated a total of \$1.7 million to them.

Developer has agreed to freeze any rebate (economic incentive) at \$139,000, in what they paid in real estate tax but not more than that and they would immediately cut the difference back to us. Secondly, they agreed to at any point during the life of the term of the contract, if they ever refinance he deal that the benefit we were giving them the incentive amount, would go away immediately. We feel confident that this would not go out 35 years. We had a market analysis done by a third party company that we did not employ – PGR employed them for us to do an Economic Impact Study on what this property does for our community. Once the property opens after about a year, it generates \$2 million plus a year for the life of the property. This is just the first building. Essentially, this project comes down to this: If we decide to not move forward at this point, the option is to walk away, but we would have to buy back the land they purchased. The purchased the land at the appraised value, we would have to buy it back at that value and pay them for any expenses they have incurred preparing to develop this property, which is approaching or over \$1 million. If we move forward, we would be giving them rebates of \$1.7 million, not paying \$1.5 million out of our pocket. So over 35 years we would be paying out incentives of \$1.7 million and we would be receiving \$2.7million in other taxes to us. Staff recommends to approve this project for generations down the road. Will lead to other properties in Downtown being bought up and revised. This will have a tremendous economic impact. A motion was made by Councilor Randolph and seconded by Councilor Gore to extend the meeting time to finish this particular item and to take a vote on the Crater Workforce issue.

ROLL CALL:	Mayor Bennett	-	yes
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Councilor Randolph	-	yes
Councilor Holloway	-	no
Vice Mayor Partin	-	yes
Councilor Gore	-	yes
Councilor Denton	-	yes
Councilor Pelham	-	yes

Motion passes 6-1

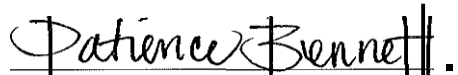
Council as a majority feels that construction has not begun on this project and does not feel comfortable at this time voting in favor of this amendment.

City Attorney states as she reads the contract (without giving legal advice) suggests moving back into closed session so that she can speak more freely. However, just looking at the language that is in the agreement that has already been fully endorsed by the parties, there is not a term therein that contemplates a decision to just buy back the property. There are reversion clauses throughout the agreement, triggered by the developer failing to perform as agreed. The City needs to give the developer written notice of the breach and 30 days to cure the breach. And then if developer does not, you can proceed forward with the remedies that the agreement provides. Nothing gives the City the ability to terminate the agreement for convenience or simply buy back the property. The extension only extended the closing date, not other terms or conditions. Must give written notice of a breach. Based on what agreement says, if the City exercises its rights to aversion under the agreement, the terms say that the City will pay to get the property back at a cost that is equal to the higher of 1) the purchased price or the assessed value of the land plus the actual cost of the improvement made thereto to that property and which was actually paid by the developer at the time of reversion and provided also that those costs were within a budget that was approved by the City writing. End result is that the majority of council feels that there has been a breach in the contract determines that they are in favor by a majority of 5-2 that the breach should be initiated.

ROLL CALL:	Mayor Bennett	-	yes
	Councilor Randolph	-	yes
	Councilor Holloway	-	yes
	Vice Mayor Partin	-	yes
	Councilor Gore	-	yes
	Councilor Denton	-	no
	Councilor Pelham	-	no

ADJOURNMENT

Motion was made by Councilor Partin, seconded by Mayor Bennett, and unanimously passed to adjourn the meeting. Meeting adjourned at 10:20 p.m.



Patience Bennett, Mayor



Mollie Bess, Interim City Clerk