

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: AMENDED AND RESTATED REVENUE)
SHARING AGREEMENTS BETWEEN HENRY)
COUNTY, THE CITY OF MARTINSVILLE AND)
INDUSTRIAL DEVELOPMENT AUTHORITY)
OF HENRY COUNTY)

**NOTICE OF HENRY COUNTY, VIRGINIA AND THE CITY OF MARTINSVILLE,
VIRGINIA OF THEIR REFERRAL TO THE COMMISSION ON LOCAL GOVERNMENT
OF RESTATED AND AMENDED REVENUE SHARING AGREEMENTS BETWEEN AND
AMONG HENRY COUNTY, THE CITY OF MARTINSVILLE AND HENRY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY**

The County of Henry, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**), by their counsel, hereby notify the Commission on Local Government (**the "Commission"**), and all Virginia local governments contiguous to, or sharing any function, revenue, or tax source with the County or the City, of their referral of two proposed economic growth sharing agreements between and among the County, the City and the Industrial Development Authority of Henry County (**the "IDA"**) to the Commission for review in accordance with the provisions of §§ 15.2-1301 and 15.2-2903(4) of the Virginia Code, and § 1 Virginia Administrative Code ("VAC") 50-20-382 and 50-20-612,

The two proposed agreements are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion, concerning property commonly known as the "Bryant Property" (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**). Copies of the Patriot Centre Agreement and the Commonwealth Crossing Agreement, including the First Addendum thereto, are attached to this Notice.

In support of this Notice, the Parties state the following:

1. The City and the County have cooperated for decades in mutually beneficial economic development efforts, including establishing a joint enterprise zone program, working together with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**)¹ and entering into a Revenue Sharing Agreement dated September 25, 2007 to

¹ The EDC is Virginia not-for-profit corporation, described as a public-private partnership between the County, the City and the Harvest Foundation of the Piedmont; its mission is to support and develop local industry, create new job opportunities and expand the tax base in the Martinsville-Henry County area.

- share the benefits of development of two separate industrial and business sites in the County (**the "Original Agreement"**).
2. The two separate industrial and business sites subject to the Original Agreement are described in Schedule A of the Patriot Centre Agreement (**the "Patriot Centre Property"**) and Schedule A of the Commonwealth Crossing Agreement (**the "Commonwealth Crossing Property"**).
 3. As stated in the Agreements, the City and County have determined it would be appropriate to separate the Original Agreement into two separate agreements, one relating to the Patriot Center Property and one relating to the Commonwealth Crossing Property, and to provide partial funding to the EDC from revenues generated by development on Lot 2 (as described in Section 4 below).
 4. The First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Addendum"**) concerns a portion of the Commonwealth Crossing Property described in the Commonwealth Crossing Addendum as "Lot 2."
 5. On July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA voted to approve the Agreements.
 6. Code of Virginia § 15.2-1301 provides that revenue, tax base and economic growth-sharing agreements such as the Agreements shall be referred to the Commission for review and issuance of findings in accordance with Code of Virginia 15.2- 2903(4).
 7. On August 22, 2023, the County and City each passed a Joint Resolution of Henry County and the City of Martinsville requesting that the Commission review the Agreements and make the appropriate findings (**the "Joint Resolution"**).
 8. 1 VAC 50-20-612 provides that in developing its findings of fact and recommendations with respect to a proposed voluntary economic growth-sharing agreement referred to the Commission for review in accordance with Code of Virginia 15.2- 2903(4), the Commission shall consider certain information, data, and factors listed in 1 VAC 50-20-612. The County and the City have provided such information to the Commission in the Joint Submission by Henry County and the City of Martinsville Regarding the Amended and Restated Revenue Sharing agreements between Henry County, the city of Martinsville and the industrial Development Authority of Henry County.
 9. 1 VAC 50-20-382(D) provides that any local government receiving this notice of referral, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as it deems appropriate.
 10. The County and City have each designated as their principal contacts with the Commission the following individuals, who along with the undersigned Counsel, may be contacted by the Commission or any locality to whom this Notice is sent:

HENRY COUNTY

Dale Wagoner, Henry County Administrator
P.O. Box 7
Collinsville, VA 24079

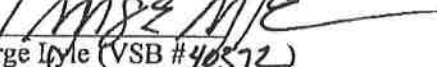
Phone: (276) 634-4601
Email: dwagoner@co.henry.va.us

CITY OF MARTINSVILLE
Glen Adams, Interim Martinsville City Manager
P.O. Drawer 1112
Martinsville, VA 24114


11. Pursuant to 1 VAC50-20-382, the County and the City have mailed copies of this Notice, the Joint Resolution, the Agreements and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreements.
12. The undersigned counsel certify pursuant to 1 VAC50-20-390(L) that the information provided in this Notice came from publicly available sources and was learned during the course of representation of such counsel's respective client. The undersigned further certify that the information provided in this Notice is correct within the knowledge of the submitting party.

WHEREFORE, Henry County, Virginia and the City of Martinsville, Virginia request that the Commission review the Agreements and make its findings at the earliest possible time, but in any event by the end of November, 2023, in accordance with the requirements of §§ 15.2-1301 and 15.2-2903(4) of the Virginia Code.

HENRY COUNTY, VIRGINIA

By: 
George Lyle (VSB #46572)
Henry County Attorney
3300 Kings Mountain Road
Martinsville, Virginia 24112
Phone: (540) 276-634-4601
Email: glyle@co.henry.va.us
Counsel for Henry County, Virginia

CITY OF MARTINSVILLE, VIRGINIA

By: 
Paul C. Jacobson (VSB #32517)
Sands Anderson PC
1005 Slater Road, Suite 200
Durham, NC 27703
Phone: (919) 313-0045
Email: pjacobson@sandsanderson.com
Steven Durbin (VSB #70963)
Sands Anderson PC
P.O. Box 2009

Christiansburg, VA 24068-2009
Phone: (540) 260-3033
Email: sdurbin@sandsanderson.com
Counsel for City of Martinsville, Virginia

LOCAL GOVERNMENTS NOTIFIED

Pursuant to 1 VAC50-20-382, the County and City have mailed copies of this Notice, the Joint Resolution, the Agreements and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreements to each of the following Virginia local governments contiguous with the County and/or City, or which the County or City shares any function, revenue or tax source.

Patrick County, Virginia

c/o Patrick County Administrator
P.O. Box 466
106 Rucker Street
Stuart, Va. 24171

Franklin County, Virginia

c/o Franklin County Administrator
1255 Franklin Street
Rocky Mount, VA 24151

Pittsylvania County, Virginia

c/o Pittsylvania County Administrator
P.O. Box 426
1 Center Street
Chatham, VA 24531

City of Danville, Virginia

c/o Danville City Manager
427 Patton Street, 4th Floor
Danville, VA 24541

Mailing address

City of Danville, Virginia
c/o Danville City Manager
P.O. Box 3300
Danville, VA 24543

Town of Rocky Mount

c/o Rocky Mount Town Manager
345 Donald Avenue
Rocky Mount, VA 24151

Town of Ridgway

c/o Ridgeway Town Clerk
P.O. Box 525
Ridgeway, VA 24148

ANNOTATED LIST

The following is an annotated list of the documents, exhibits, and other materials the County and the City have submitted to the Commission in support of the Agreements:

1. Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion
2. Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre
3. First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre
4. Original Agreement dated September 25, 2007
5. Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restate Revenue Sharing Agreements Between Henry County, the City of Martinsville and Industrial Development Authority of Henry County
6. Joint Submission of Henry County, Virginia and the City of Martinsville, Virginia Providing Information Regarding Commission Review of Restated

AMENDED AND RESTATED
REVENUE SHARING AGREEMENT FOR
PATRIOT CENTRE EXPANSION
(Commonly known as the “Bryant Property”)

This Agreement is made and entered into this ____ day of _____, 2023, and executed in quintuplicate originals (each executed copy constituting and original) by and between the County of Henry, Virginia, a political subdivision of the Commonwealth of Virginia (the “County”), the City of Martinsville, Virginia, a municipal corporation of the Commonwealth of Virginia (the “City”), and the Industrial Development Authority of Henry County, a political subdivision of the Commonwealth of Virginia (the “Henry County IDA”).

WHEREAS, the parties to this Agreement previously entered into a Revenue Sharing Agreement dated September 25, 2007 (the “Original Agreement”), pursuant to Virginia Code Section 15.2-1301 (1950), as amended, provided for the sharing of certain revenue between the two localities; and,

WHEREAS, the Original Agreement related to two (2) separate industrial and business sites in Henry County, namely the Patriot Centre Expansion (Commonly known as the “Bryant Property”) in Collinsville Magisterial District and Commonwealth Crossing Business Centre in Ridgeway Magisterial District; and,

WHEREAS, the parties have determined that it would be appropriate to separate the Original Agreement into two (2) separate Agreements, each relating solely to one of specific sites identified above; and,

WHEREAS, the County and the City have determined that the economic growth and development of the region and the comfort, convenience, and welfare of their citizens require the development of industrial and business facilities; and,

WHEREAS, the County and the City have recognized that regional cooperation in industrial and business development will increase the opportunities for the localities to achieve a greater degree of economic stability; and,

WHEREAS, the County and the City have agreed that this Agreement will modify and supersede the Original Agreement as it relates to the joint development of industrial and

business facilities in the County's Patriot Centre described in the attached Schedule "A"; and,

WHEREAS, the Patriot Centre Expansion will continue to be owned by the Henry County IDA; and,

NOW THEREFORE, in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

1. The Henry County IDA agrees to use funds transferred to it pursuant to this Agreement to develop the Patriot Centre Expansion for industrial and business facilities as directed by the County and the City.
2. This Agreement does not obligate the City to expend any of its own funds to support the development of Patriot Centre Expansion; however, payment shall be made after the County is reimbursed for land, infrastructure costs, and operating expenses in excess of grant funds and after repayment of any cash incentives that may be paid by the County.
3. The parties agree that the County will be responsible for the marketing and the sale of sites within Patriot Centre Expansion.
4. The County agrees that when a business locates in Patriot Centre Expansion the County will pay to the City one-third of all revenues generated by the real estate, personal property, machinery and tools, and consumer utility taxes collected by the County from the business located on such site.
5. If the County sells more than 5% of the combined acreage within Patriot Centre Expansion to a non- taxpaying entity, the County must obtain the City's approval. While the City will not withhold its approval unreasonably, under certain circumstances the City may condition its approval upon the County compensating the City for the loss of revenues the City otherwise would have received if a taxpaying business had purchased the site.
6. The County's obligation to make any payments to the City pursuant to this Agreement shall be subject to the annual appropriation of sufficient funds by the County Board of Supervisors.
7. The County shall pay any portion of tax revenues due to the City within sixty (60) days of receipt.

8. This Agreement shall be binding upon and inure to the benefit of the County and the City, and each of the future governing bodies of the County and the City, and upon any successor to either the County or the City.
9. The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
10. The parties acknowledge that this Agreement incorporates all terms and conditions agreed to between them, and further agree that the Agreement may be amended, modified or supplemented, in whole or in part, by mutual consent of the County and the City, by a written document of equal formality and dignity duly executed by the authorized representatives of the County and the City.
11. The parties agree that, in accordance with Virginia Code Section 15.2-1301 A. (1950), as amended, each party to this Agreement shall, on or before March 1 of each year, provide a written report to each other party to this Agreement describing for the previous fiscal year (i) the amount of money transferred by such party to other parties to this Agreement and (ii) the use that such party made of such funds received under this Agreement.

WITNESS the following signatures and seals.

COUNTY OF HENRY, VIRGINIA,

a political Subdivision of the Commonwealth of Virginia

By: _____

Its: _____

CITY OF MARTINSVILLE, VIRGINIA,

a municipal Corporation of the Commonwealth of Virginia

By: _____

Its: _____

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
HENRY COUNTY,**

a political Subdivision of the Commonwealth of Virginia

By: _____

Its: _____

Approved as to form:

County Attorney

Approved as to form:

City Attorney

SCHEDULE A

A certain parcel of land lying in the Collinsville Magisterial District (formerly known as Martinsville) of Henry County and consisting of 1,206 acres, more or less, all as shown on a "Plat of Survey for Clayton C. Bryant Sr." dated August 9, 2006 and being the same property conveyed to Seller by deed dated May 9, 2006 and of record in the Henry County Circuit Court Clerk's Office as Instrument Number 060003051.

AMENDED AND RESTATED
REVENUE SHARING AGREEMENT FOR
COMMONWEALTH CROSSING BUSINESS CENTRE

This Agreement is made and entered into this ____ day of _____, 2023, and executed in quintuplicate originals (each executed copy constituting an original) by and between the County of Henry, Virginia, a political subdivision of the Commonwealth of Virginia (the “County”), the City of Martinsville, Virginia, a municipal corporation of the Commonwealth of Virginia (the “City”), and the Industrial Development Authority of Henry County, a political subdivision of the Commonwealth of Virginia (the “Henry County IDA”).

WHEREAS, the parties to this Agreement previously entered into a Revenue Sharing Agreement dated September 25, 2007 (the “Original Agreement”), pursuant to Virginia Code Section 15.2-1301 (1950), as amended, provided for the sharing of certain revenue between the two localities; and,

WHEREAS, the Original Agreement related to two (2) separate industrial and business sites in Henry County, namely the Patriot Centre Expansion (Commonly known as the “Bryant Property”) in Collinsville Magisterial District and Commonwealth Crossing Business Centre in Ridgeway Magisterial District; and,

WHEREAS, the parties have determined that it would be appropriate to separate the Original Agreement into two (2) separate Agreements, each relating solely to one of specific sites identified above; and,

WHEREAS, the County and the City have determined that the economic growth and development of the region and the comfort, convenience, and welfare of their citizens require the development of industrial and business facilities; and,

WHEREAS, the County and the City have recognized that regional cooperation in industrial and business development will increase the opportunities for the localities to achieve a greater degree of economic stability; and,

WHEREAS, the County and the City have agreed that this Agreement will modify

and supersede the Original Agreement as it relates to the joint development of industrial and business facilities in the County's Commonwealth Crossing Business Centre described in the attached Schedule "A"; and,

WHEREAS, the Commonwealth Crossing Business Centre will continue to be owned by the Henry County IDA; and,

NOW THEREFORE, in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

1. The Henry County IDA agrees to use funds transferred to it pursuant to this Agreement to develop Commonwealth Crossing Business Centre for industrial and business facilities as directed by the County and the City.
2. This Agreement does not obligate the City to expend any of its own funds to support the development of Commonwealth Crossing Business Centre; however, payment shall be made after the County is reimbursed for land , infrastructure costs, and operating expenses in excess of grant funds and after repayment of any cash incentives that may be paid by the County.
3. The parties agree that the County will be responsible for the marketing and the sale of sites within Commonwealth Crossing Business Centre.
4. The County agrees that when a business locates in Commonwealth Crossing Business Centre the County will pay to the City one-third of all revenues generated by the real estate, personal property, machinery and tools, and consumer utility taxes collected by the County from the business located on such site.
5. If the County sells more than 5% of the combined acreage within Commonwealth Crossing Business Centre to a non- taxpaying entity, the County must obtain the City's approval. While the City will not withhold its approval unreasonably, under certain circumstances, the City may condition its approval upon the County compensating the City for the loss

of revenues the City otherwise would have received if a taxpaying business had purchased the site.

6. The County's obligation to make any payments to the City pursuant to this Agreement shall be subject to the annual appropriation of sufficient funds by the County Board of Supervisors.
7. The County shall pay any portion of tax revenues due to the City within sixty (60) days of receipt.
8. This Agreement shall be binding upon and inure to the benefit of the County and the City, and each of the future governing bodies of the County and the City, and upon any successor to either the County or the City.
9. The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
10. The parties acknowledge that this Agreement incorporates all terms and conditions agreed to between them, and further agree that the Agreement may be amended, modified or supplemented, in whole or in part, by mutual consent of the County and the City, by a written document of equal formality and dignity duly executed by the authorized representatives of the County and the City.
11. The parties agree that, in accordance with Virginia Code Section 15.2-1301 A. (1950), as amended, each party to this Agreement shall, on or before March 1 of each year, provide a written report to each other party to this Agreement describing for the previous fiscal year (i) the amount of money transferred by such party to other parties to this Agreement and (ii) the use that such party made of such funds received under this Agreement.

WITNESS the following signatures and seals.

COUNTY OF HENRY, VIRGINIA,

a political Subdivision of the Commonwealth of Virginia

By: _____

Its: _____

CITY OF MARTINSVILLE, VIRGINIA,

a municipal Corporation of the Commonwealth of Virginia

By: _____

Its: _____

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
HENRY COUNTY,**

a political Subdivision of the Commonwealth of Virginia

By: _____

Its: _____

Approved as to form:

County Attorney

Approved as to form:

City Attorney

SCHEDULE A

Parcel I: All that certain tract or parcel of land situated in the Ridgeway District of Henry County, Virginia, as shown on a Record Plat for Eugene A. Eggleston and Sarah H. Eggleston, dated November 3, 1972, prepared by Marvin E. Scarce, CLS, containing 77.82 acres, more or less and being Tax Map #71.7(000)000/014A.

Parcel II: All those certain tracts or parcels of land situated in the Ridgeway District of Henry County, Virginia, as shown on a survey for The Price Estate, dated October 20, 1980, surveyed Jointly by Bakkum-DeLoach & Assoc. and William S. May, Jr., being known as designated on said Plat as follows:

Lots #32, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #43, #46, #47, #48, #49, #50, and #56

**FIRST ADDENDUM TO
AMENDED AND RESTATED REVENUE SHARING AGREEMENT
FOR COMMONWEALTH CROSSING BUSINESS CENTRE**

WHEREAS, the County of Henry, Virginia (the “County”), the City of Martinsville, Virginia (the “City”) and Industrial Development Authority of Henry County (the “Henry County IDA”) entered into a Revenue Sharing Agreement dated September 25, 2007 (the “Original Agreement”); and

WHEREAS, the parties have this date entered into an Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (the “Amended Agreement”); and

WHEREAS, the Amended Agreement made provision for the sharing of revenues generated from certain taxes collected by the County from businesses locating in the County’s Commonwealth Crossing Business Centre; and

WHEREAS, the parties have agreed to modify the Amended Agreement as set forth hereinafter to provide partial funding to Martinsville-Henry County Economic Development Corporation (the “EDC”);

WITNESSETH, that for and in consideration of obligations set forth herein, the parties agree as follows:

1. Upon the conveyance of Lot 2 located in the Commonwealth Crossing Business Centre as shown on the attached Exhibit A to a third party, the parties agree that all real estate, personal property and machinery and tools taxes collected from the business and improvements on said site shall be paid according to the following schedule:

2.
 - a. Year 1: One-hundred percent (100%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
 - b. Year 2: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
 - c. Year 3: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
 - d. Year 4: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
 - e. Year 5: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the

EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.

- f. Years 6 through 10: All rebates due pursuant to Enterprise Zone incentive law, if any, shall be paid to the company /landowner. Ten percent (10%) of the remaining tax revenue collected shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.

3. At the expiration of said ten (10) year period, the parties agree to negotiate in good faith a possible extension to this Addendum.

4. Except as modified herein, the terms of the Amended Agreement shall remain in full force and effect.

In witness whereof, the parties hereto execute this Addendum as of the ____ day of _____, 2023.

County of Henry, Virginia

By: _____

City of Martinsville, Virginia

By: _____

Industrial Development Authority of Henry County

By: _____

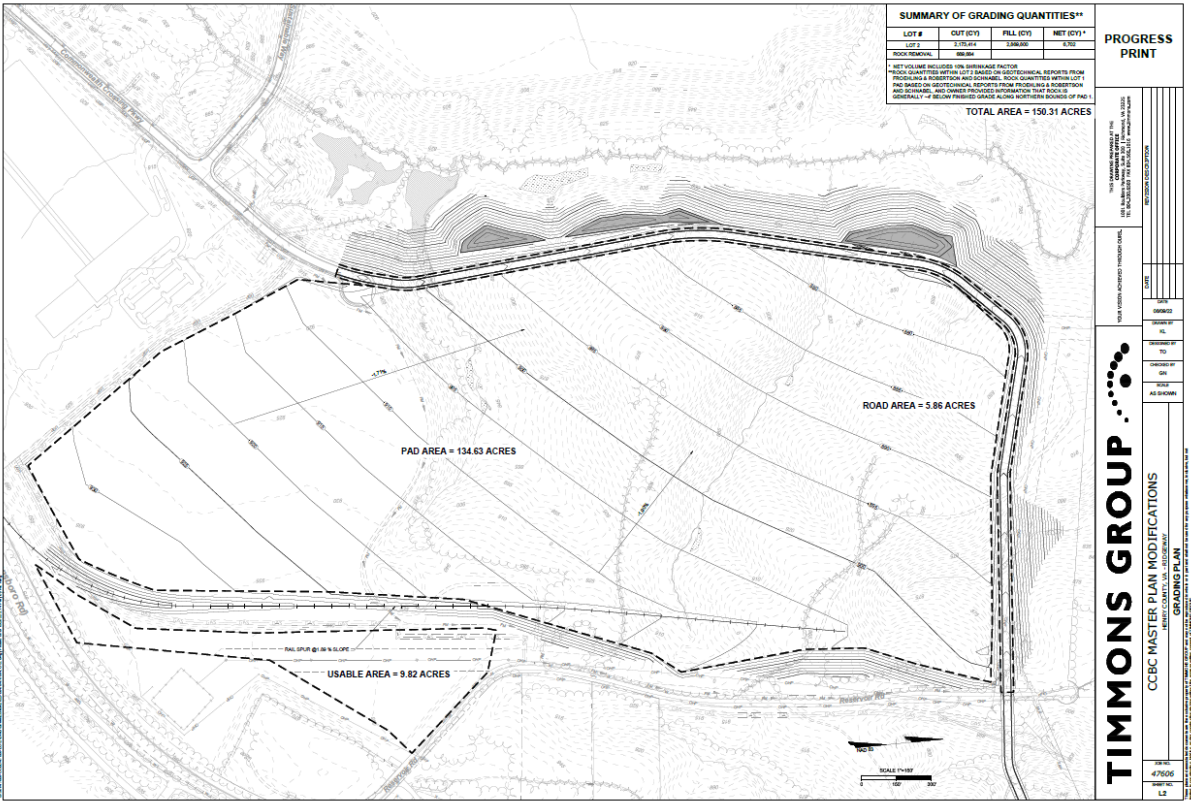
Approved as to form:

County Attorney

Approved as to form:

City Attorney

Exhibit A





REVENUE SHARING AGREEMENT

This AGREEMENT is made and entered into this 28th day of September, 2007, and executed in quintuplicate originals (each executed copy constituting an original) by and between the **COUNTY OF HENRY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County"), the **CITY OF MARTINSVILLE, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City"), and the **HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Henry County IDA").

WHEREAS, the County and the City have reached this Agreement, pursuant to Virginia Code Section 15.2-1301 (1950), as amended, providing for the sharing of certain revenue between the two localities; and,

WHEREAS, the County and the City have determined that the economic growth and development of the region and the comfort, convenience, and welfare of their citizens require the development of industrial and business facilities; and,

WHEREAS, the County and the City have recognized that regional cooperation in industrial and business development will

increase the opportunities for the localities to achieve a greater degree of economic stability; and,

WHEREAS, the County and the City have agreed that the most appropriate location to commence joint development of sites for industrial and business facilities is an expansion of the County's Patriot Centre and a new industrial park located 220 South, more specific descriptions of said property being attached to, and incorporated into, this agreement as Schedule "A" and "B"; and

WHEREAS, expansion of the Patriot Centre and the 220 South project will be owned by the Henry County IDA; and,

NOW THEREFORE, in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

- 1) The Henry County IDA agrees to use funds transferred to it pursuant to this Agreement to develop the designated sites for industrial and business facilities as directed by the County and the City.
- 2) This Agreement does not obligate the City to expend any of its own funds to support the development of the designated sites; however, payment shall be made after the County is reimbursed for land and infrastructure costs in excess of grant funds and after repayment of any cash incentives that may be paid by the County.
- 3) The parties agree that the County will be responsible for the marketing and the sale of the designated sites.
- 4) The County agrees that when a business locates on one of the designated sites the County will pay to the City one-third of all revenues generated by the real estate, personal property,

machinery and tools, and consumer utility taxes collected by the County from the business located on such site.

- 5) If the County sells more than 5% of the combined acreage to a non-taxpaying entity, the County must obtain the City's approval. While the City will not withhold its approval unreasonably, under certain circumstances the City may condition its approval upon the County compensating the City for the loss of revenues the City otherwise would have received if a taxpaying business had purchased the site.
- 6) The County's obligation to make any payments to the City pursuant to this Agreement shall be subject to the annual appropriation of sufficient funds by the County Board of Supervisors.
- 7) The County shall pay any portion of tax revenues due to the City within sixty days of receipt.
- 8) This Agreement shall be binding upon and inure to the benefit of the County and the City, and each of the future governing bodies of the County and the City, and upon any successor to either the County or the City.
- 9) The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
- 10) The parties acknowledge that this Agreement incorporates all terms and conditions agreed to between them, and further agree that the Agreement may be amended, modified or supplemented, in

whole or in part, by mutual consent of the County and the City, by a written document of equal formality and dignity duly executed by the authorized representatives of the County and the City.

WITNESS the following signatures and seals.

COUNTY OF HENRY, VIRGINIA, a political
Subdivision of the Commonwealth of Virginia

By: H. D. Vaughn
Chairman

ATTEST:

Benjamin Clerk

CITY OF MARTINSVILLE, VIRGINIA, a municipal
Corporation of the Commonwealth of Virginia

By: James Russell
Mayor

ATTEST:

Conrad Clerk

**HENRY COUNTY INDUSTRIAL DEVELOPMENT
AUTHORITY**, a political subdivision of the
Commonwealth of Virginia

By: W. Long M. Danner
Chairman

ATTEST:

Benny Simms Clerk

Approved as to form:

[Signature]
County Attorney

Approved as to form:

[Signature]
City Attorney

SCHEDULE A

Parcel I: All that certain tract or parcel of land situated in the Ridgeway District of Henry County, Virginia, as shown on a Record Plat for Eugene A. Eggleston and Sarah H. Eggleston, dated November 3, 1972, prepared by Marvin E. Searce, C.L.S., containing 77.82 acres, more or less and being Tax Map #71.7(000)000/014A.

Parcel II: All those certain tracts or parcels of land situated in the Ridgeway District of Henry County, Virginia, as shown on a survey for The Price Estate, dated October 20, 1980, surveyed jointly by Bakkum-Deloach & Assoc and William S. May, Jr, being known as designated on said Plat as follows:

Lots #32, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #43, #46, #47, #48, #49, #50, and #56

SCHEDULE B

A certain parcel of land lying in the Collinsville Magisterial District (formerly known as Martinsville) of Henry County and consisting of 1,206 acres, more or less, all as shown on a "Plat of Survey for Clayton C. Bryant Sr." dated August 9, 2006 and being the same property conveyed to Seller by deed dated May 9, 2006 and of record in the Henry County Circuit Court Clerk's Office as Instrument Number 060003051.

**JOINT RESOLUTION OF HENRY COUNTY AND THE CITY OF MARTINSVILLE
REFERRING THE PROPOSED AMENDED AND RESTATED REVENUE SHARING
AGREEMENTS BETWEEN HENRY COUNTY, THE CITY OF MARTINSVILLE AND
INDUSTRIAL DEVELOPMENT AUTHORITY OF HENRY COUNTY TO THE
COMMISSION ON LOCAL GOVERNMENT FOR REVIEW**

WHEREAS, Henry County, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**) have a history of cooperation in promoting regional economic development, including administration of a joint enterprise zone program and mutual support of and cooperation with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**); and

WHEREAS, the EDC is a public-private partnership among County, the City and the Harvest Foundation of the Piedmont with the goals of creating jobs in the City and the County and expanding the tax base in the County and the City, including support and development of local industry; and

WHEREAS, on or about September 25, 2007, the City, the County and the Industrial Development Authority of Henry County, Virginia (**the "IDA"**) entered into a Revenue Sharing Agreement related to two separate industrial and business sites in the County (**the "Original Agreement"**), specifically the subject of the Patriot Centre Agreement (as defined below) and the subject of the Commonwealth Crossing Agreement (as defined below); and

WHEREAS, the City and the County have determined it is appropriate to separate the Original Agreement into two separate agreements, each agreement to relate to its respective industrial and business park property and to modify the Commonwealth Crossing Agreement to provide partial funding to the EDC; and

WHEREAS, the two separate agreements are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**); copies of the Patriot Centre Agreement and the Commonwealth Crossing Agreement, including the First Addendum thereto, are attached to this Resolution; and

WHEREAS, on July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA held a joint meeting and each body voted to approve the Agreements; and

WHEREAS, Code of Virginia §15.2-1301 provides that economic growth sharing agreements such as the Agreements shall be referred to the Virginia Commission on Local Government (**the "Commission"**) for review and the making of findings as to the probable effect of such agreements on the people residing in the area affected by the agreements; and

WHEREAS, 1 VAC50-20-382 requires that referral of such agreements to the Commission shall be accompanied by resolutions, joint or separate, of the governing bodies of the localities that are parties to the proposed agreements requesting that the Commission review the agreement, stating the parties' intention to adopt the agreement, and providing certain information to the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HENRY COUNTY, VIRGINIA AND THE CITY COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA THAT:

1. The County and the City each (a) request that the Commission review the Agreements and issue its findings in accordance with the requirements of Code of Virginia § 15.2-1301 and (b) state their intention to adopt the Agreements in final form subsequent to the Commission's review.
2. The County Administrator, the City Manager and the County's and City's attorneys are authorized and directed to refer the Agreements, together with all necessary data and materials, to the Commission and to take all other actions as may be required to accomplish the Commission's review of the Agreements.
3. The County designates the following individual as the County's contact persons for communications with the Commission regarding the review of the Agreements:

Dale Wagoner, County Administrator. Henry County, Virginia

Physical Address:

3300 Kings Mountain Road
Martinsville, VA 24112

Mailing Address:

P.O. Box 7
Collinsville, VA 24078

Phone: 276-634-4601

Email address: dwagoner@co.henry.va.us

4. The City designates the following individual as the City's contact person for communications with the Commission regarding the review of the Agreement:

Glen Adams, Interim City Manager, City of Martinsville, Virginia

P.O. Box 1112
55 W Church Street, Room 216
Martinsville, VA 24112

Phone: 206-403-5182

Email: gadams@ci.martinsville.va.us

Adopted by the Board of Supervisors of the County this 22nd day of August, 2023.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Henry County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of a Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restated Revenue Sharing Agreements between Henry County, the City of Martinsville and Industrial Development Authority of Henry County, adopted by the Board of Supervisors at a meeting held on August 22, 2023.

Date: August 22, 2023

[SEAL]

Dale Waggoner

Clerk of the Board of Supervisors
Henry County, Virginia

Adopted by the City Council of the City this 22nd day of August, 2023.

CERTIFICATE

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct copy of a Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restated Revenue Sharing Agreements between Henry County, the City of Martinsville and Industrial Development Authority of Henry County, adopted by the City Council at a meeting held on August 22, 2023.

Date: 8/22, 2023

[SEAL]

Haven B Roberto

Clerk of the City Council
City of Martinsville, Virginia

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: AMENDED AND RESTATED REVENUE)
SHARING AGREEMENTS BETWEEN HENRY)
COUNTY, THE CITY OF MARTINSVILLE AND)
INDUSTRIAL DEVELOPMENT AUTHORITY)
OF HENRY COUNTY)

JOINT SUBMISSION OF HENRY COUNTY, VIRGINIA AND THE CITY OF
MARTINSVILLE, VIRGINIA PROVIDING INFORMATION REGARDING COMMISSION
REVIEW OF RESTATED AND AMENDED REVENUE SHARING AGREEMENTS
BETWEEN AND AMONG HENRY COUNTY, THE CITY OF MARTINSVILLE AND
HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

County of Henry, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**), by their counsel, hereby provide the Commission on Local Government (**the "Commission"**) with information and data related to the factors listed in § 1 Virginia Administrative Code ("VAC") 50-20-612 concerning two proposed economic growth sharing agreements between and among the County, the City and the Industrial Development Authority of Henry County (**the "IDA"**).

A. INTRODUCTION

The City and the County have cooperated for decades in mutually beneficial economic development efforts, including establishing a joint enterprise zone program, working together with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**)¹ and entering into a Revenue Sharing Agreement to share the benefits of development of two separate industrial and business sites in the County (described below as the Original Agreement).

The two agreements that are the subject of this submission are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**).

The Agreements are "Amended and Restated" because they relate to an original Revenue Sharing Agreement dated September 25, 2007 among the County, the City and the IDA providing

¹ The EDC is Virginia not-for-profit corporation, described as a public-private partnership between the County, the City and the Harvest Foundation of the Piedmont; its mission is to support and develop local industry, create new job opportunities and expand the tax base in the Martinsville-Henry County area.

for the County and the City to share tax revenues generated by development at the property that is subject to the Patriot Centre Agreement (**the "Patriot Centre Property"**) and the property that is subject to the Commonwealth Crossing Agreement (**the "Commonwealth Crossing Property"**). As Amended and Restated Agreements, the actions of the Commission in reviewing the Agreements and making findings as provided for under Code of Virginia §15.2-1301 will allow the County and the City to proceed with holding public hearings on the Agreements and consider final adoption of the Agreements as new economic growth sharing agreements, all in accordance with Code of Virginia §15.2-1301.

As stated in the Agreements, the City and County have now determined it would be appropriate to separate the Original Agreement into two separate agreements, with the Patriot Centre Agreement governing revenue sharing from development of the Patriot Center Property and the Commonwealth Crossing Agreement governing revenue sharing from development of the Commonwealth Crossing Property, and in addition to modify the Commonwealth Crossing Agreement to provide partial funding to the EDC (issues related to funding of the EDC are further described below).

Notice of this referral to the Commission, copies of the Agreements and an annotated listing of documents, exhibits and materials submitted to the Commission has been sent to each Virginia locality contiguous to the County and the City or with which either the County or the City shares any function, revenue, or tax source. These localities include the Counties of Patrick, Franklin and Pittsylvania, the City of Danville and the Town of Rocky Mount.

On July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA voted in favor of approval the Agreements. It is the intent of both the Board of Supervisors of the County and the City Council of the City by making this submission to consider final approval of the Agreements subsequent to the Commission's review and each of the governing bodies holding a public hearing thereon.

B. INFORMATION RESPONSIVE TO FACTORS LISTED IN 1VAC 50-20-612

Listed below are the factors set forth in 1VAC 50-20-612 and the information and data submitted by the County and the City responsive to each factor.

1. **A copy of the proposed agreement and a description of the economic growth-sharing plan.**

Copies of the Patriot Centre Agreement, the Commonwealth Crossing Agreement (including the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Addendum"**)) are attached hereto. The Commonwealth Crossing Addendum concerns a portion of the Commonwealth Crossing Property described in the Commonwealth Crossing Addendum as "Lot 2."

These Agreements modify and supersede the Original Agreement. The Agreements provide for the County and City to share in all revenues generated by the real estate, personal property, machinery and tools, and consumer utility taxes collected by the

County from the businesses located in the Patriot Centre Property and the Commonwealth Crossing Property (excluding Lot 2 thereof), with the County to retain 2/3 of such revenues and to pay the City 1/3 of such revenues. These provisions mirror those of the Original Agreement.

Lot 2 is to be subject to different provisions. The Harvest Foundation² has committed to invest \$6 million to further develop Lot 2. In addition, Lot 2 has been selected by the Governor of Virginia to receive a grant in the amount of \$22,237,705, to be administered by the Virginia Economic Development Partnership. Planned investments will allow Lot 2 to be marketed as a 200-acre site with a 150-acre graded pad, which would be the largest contiguous industrial site ever developed in Martinsville-Henry County.

Historically, the EDC has been funded by the County, the City and the Harvest Foundation, with the Harvest Foundation providing the largest amount of funding. Harvest Foundation now desires to reduce its funding of the EDC's annual operating costs. However, as noted above, Harvest Foundation has agreed to fund \$6 million of the development costs of Lot 2, and the County, the City and the IDA have provided in the Commonwealth Crossing Addendum for the EDC to receive a portion of revenues generated from the development of Lot 2, when it occurs, to help offset the reduced funding to the EDC from the Harvest Foundation. Details of EDC funding are set forth in Section 4 below.

2. **A description of the financial investment or other contributions which each participating locality will make to the projects(s) envisaged under the agreement.**

The County and City have to date made financial investments in the Patriot Centre Property and the Commonwealth Crossing Property to increase the marketability of the sites, primarily for engineering work roadways, landscaping, roadway and landscape maintenance, street lights, utility payments and construction of a shell building. The County and the City agree that the 2/3 – 1/3 split of net revenues (tax receipts) between the County and the City described in Section 1 above is a fair and equitable return reflecting the amounts of the parties respective investments.

3. **Projections of each participating locality's net annual receipt or net annual contributions to the projects(s) specified in the agreement for the next 10-year period, or for a lesser or greater period, as deemed appropriate.**

Future County and City contributions to development of the Patriot Centre Property and the Commonwealth Crossing Property are currently unknown. Significant potential investment by private industry could result in one or more Performance Agreements or similar arrangements whereby the County and/or City would make

² The Harvest Foundation was created about 20 years ago, funded with proceeds from the sale of Martinsville Memorial Hospital. The Harvest Foundation uses its assets and investment earnings on its assets to invest in a variety of public projects in the Martinsville-Henry County area.

investments to promote economic development, but the terms of any such agreements cannot presently be determined.

Regarding projections of annual receipts to the County and City, see answer to Number 5 below.

4. A description of any dedication or restriction on the use of funds generated by the projects(s) specified in the agreement for the participating localities.

For the Patriot Centre Property and the Commonwealth Crossing Property (not including Lot 2), the County is to be reimbursed for land, infrastructure costs, and operating expenses in excess of grant funds, and after repayment of any cash incentives that may have been paid by the County there are no conditions that restrict the use of tax revenue shared by the County and the City.

For the Lot 2 portion of the Commonwealth Crossing Property, funds generated by project development are subject to the following provisions:

- a. Year 1: One-hundred percent (100%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- b. Year 2: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- c. Year 3: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- d. Year 4: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- e. Year 5: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- f. Years 6 through 10: All rebates due pursuant to Enterprise Zone incentive law, if any, shall be paid to the company /landowner. Ten percent (10%) of the remaining tax revenue collected shall be distributed to the EDC. The remainder of such tax

receipts shall be disbursed in accordance with the original terms of the Amended Agreement.

5. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the annual operating expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

Revenues received by either the County or the City under the Agreements may be applied by the County and the City, respectively, for any lawful purpose, including operating expenditures or capital expenditures. The County and the City have not planned for or budgeted any potential revenues that may be received under the Agreements due to future development at either the Patriot Centre Property or the Commonwealth Crossing Property.

The amounts of real estate, personal property, machinery and tools, and consumer utility taxes to be received by the County and City under the Agreements will depend on the amounts and types of investments at the Patriot Centre Property and the Commonwealth Crossing Property. Economic development consultants have advised local officials that a pad-ready site with rail access and the fully developed utilities currently in place would be highly desirable to large industries and should generate an investment of at least \$500 million. While highly speculative, and understanding that such investments could take more than 10 years to complete, given current patterns in advanced manufacturing, an investment of that amount could generate about \$6 million in real estate and personal property tax revenues (once all enterprise zone benefits are satisfied) to be shared by the County and the City in accordance with the terms of the Agreements.. These amounts will benefit the County and the City and be available to be utilized in annual operating budgets or annual capital expenditure budgets, or both.

6. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the current and prospective capital expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

See response to Number 5 above.

7. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the debt and annual debt service of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

Revenues received by the County and the City under the Agreements will have no impact on the debt of either the County or the City and will have no impact on the annual debt service of either the County or the City.

8. **Information indicating the general equity of the proposed plan for each participating locality.**

The Agreements reflect a County-City partnership in developing the Patriot Centre Property and the Commonwealth Crossing Property. The County and the City will

both benefit from increases in real estate, personal property, machinery and tools, and consumer utility taxes resulting from development of these properties, and employment opportunities resulting from development of these properties will benefit both County and City residents. The Agreements were crafted to reflect the contributions of both the County and the City to such development, as well as contributions made by the EDC to economic development in the region.

9. **Other information which would assist the Commission in analyzing the "probable effect on the people" in the participating jurisdictions of the proposed agreement**

There are no negative impacts anticipated for citizens of either the County or the City. Tax revenues to be shared are based on applicable tax rates with no additional tax increases. As noted above, the Harvest Foundation has committed to invest \$6 million in a portion of the Commonwealth Crossing Property. For tax reasons, the Harvest Foundation needs to do so by the end of the calendar year, and its commitment to do so is dependent on the County and City finalizing the Agreements. Thus, the County and the City request Commission review and subsequent issuance of Commission findings be completed by the middle of November, and in any event no later than the end of November. This will allow the County and the City each to hold the required public hearings and make final approvals of the Agreements in the late November/early December time frame. The required County and City public hearings cannot be held until the Commission issues its required findings. Issuance of the Commission's findings in accordance with this schedule will allow the County and the City to hold the public hearings and take necessary action by no later than early December, which action can then be communicated to the Harvest Foundation to allow the Harvest Foundation to undertake its necessary actions and provide its significant \$6 million investment by the end of December, 2023.

Respectfully submitted this 28th day of August, 2023 by:

HENRY COUNTY, VIRGINIA

By: 

George Lyle (VSB # 40372)

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