

**Caroline County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: September 13, 2022

Title: Consent Agenda – Approval of Payment of Economic Development Incentive for Ladysmith Road Project

(Check Mark)

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|---|--|
| <input checked="" type="checkbox"/> Consent | <input type="checkbox"/> Closed Meeting |
| <input checked="" type="checkbox"/> Action | <input type="checkbox"/> Public Hearing |
| <input type="checkbox"/> No Action (Information Only) | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> PowerPoint Presentation |

Summary: In 2019, the Board of Supervisors approved an Economic Development Performance Agreement with SH Development Company, LLC, concerning the development of a retail business (Sheetz Convenience Store) on Ladysmith Road and the remainder of the adjacent 20 acres (Tax Map numbers 52-3-1 and 52-A-129). As part of the agreement, SH Development Company committed to making certain off site road improvements and the installation of deceleration turn lanes along the frontage of the property constructed in accordance with applicable state, VDOT and County requirements and regulations.

In exchange, Caroline County agreed to provide a grant of \$300,000 through the Economic Development Authority of the County of Caroline as an incentive for the development. Under the Performance Agreement, the grant is payable to SH Development Company after the following conditions have been met: 1) enter into a legally binding lease with the end user; 2) VDOT certification that the road improvements have been constructed to VDOT standards and the road is eligible for acceptance into the secondary road system, and 3) completion of all site work for the proposed development to County standards.

SH Development Company has now met all conditions for payment of the incentive. VDOT has inspected and approved the improvements for the Sheetz Convenience Store on Ladysmith Road. The only remaining work to be completed is the activation of the traffic signal, which has been delayed pending the arrival of the cabinet and equipment to enable VDOT to control the signal wirelessly (both of which have been on order by the

developer for some time). VDOT holds a bond for over \$300,000 that will enable it to complete the remaining work itself should it become necessary (which is not expected).

Therefore, VDOT Fredericksburg Resident Engineer Kyle Bates has indicated that there is no need for the County to hold the bond in relation to the signal activation and that payment of the \$300,000 incentive to the developer is appropriate at this time.

Budget Impact: Funds for the payment will come from the FY 2023 Undesignated General Fund Balance.

Requested Action from Board of Supervisors: Approve payment of \$300,000 as discussed above.