



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

Agenda item # 2

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 18, 2019

MOTION

Made By: Mr. Dodson, Seconded By: Dr. Smoot
Action: Motion Carried, Unanimously

Title: Economic Development Access to
Kilgour Industries Ltd. (deallocation)
ECON-044-024, C501
Henry County

WHEREAS, Section 33.2-1509 of the *Code of Virginia* provides funds to "...be expended by the Board for constructing, reconstructing, maintaining or improving access roads within localities to economic development sites on which manufacturing, processing, research and development facilities, distribution centers, regional service centers, corporate headquarters, or other establishments that also meet basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Small Business and Supplier Diversity will be built under firm contract or are already constructed ..."; and

WHEREAS, on April 16, 2014, the Commonwealth Transportation Board allocated \$650,000 from the Economic Development, Airport and Rail Access Fund to provide access to the planned development of Kilgour Industries Ltd. in Henry County, Project ECON-044-024, C501, subject to certain contingencies; and

WHEREAS, Henry County has stated that the approved project intended for the prospective establishment is no longer being pursued under the Economic Development Access Program; and

WHEREAS, it is deemed that administration of the Economic Development Access Program can best be served by the return of these separately approved allocations to the Economic Development, Airport and Rail Access Fund.

Resolution of the Board

Economic Development Access Program – Kilgour Industries Ltd. – Henry County

September 18, 2019

Page Two

NOW, THEREFORE, BE IT RESOLVED, that the action of the Commonwealth Transportation Board on April 16, 2014, allocating Economic Development, Airport and Rail Access funds for the access Project ECON-044-024, C501, is hereby rescinded and the \$650,000 project allocation shall be returned to the Economic Development, Airport, and Rail Access Fund.

#####

CTB Decision Brief

Economic Development Access – Henry County Kilgour Industries Ltd. – De-allocation of Funds

Issue: Economic Development Access Program funds previously allocated to provide access to the planned Kilgour Industries Ltd. Development in Henry County are no longer needed because Henry County's plans for the development did not proceed as anticipated. The County has stated that the previously planned and approved access road project is no longer required and therefore the funding will not be utilized.

Facts: Section 33.2-1509 of the *Code of Virginia* authorizes the Commonwealth Transportation Board (CTB) to expend funds set aside for constructing economic development access roads for establishments as prescribed by Code that also meet the basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Small Business and Supplier Diversity.

The Henry County Board of Supervisors requested funding from the Economic Development Access Program to assist in providing road access to Kilgour Industries Ltd. within Patriot Centre at Beaver Creek and the CTB allocated those funds, by resolution, on April 16, 2014. The access road project was neither constructed nor initiated; no charges are warranted against the project's Economic Development Access Program allocation and Henry County has requested that the project be cancelled.

Recommendations: VDOT staff recommends that Project ECON-044-024, C501 be cancelled and that the \$650,000 allocation for this project be returned to the Economic Development, Airport and Rail Access Fund in order that the funds may be made available for new projects.

Action Required by the CTB: The *Code of Virginia* and the CTB's Economic Development Access Policy give the CTB authority to approve the allocation of funds for the construction of access road projects. Having established the access road project to assist in the development of the Kilgour Industries Ltd. operation and allocated funding by resolution, it is now recommended that the CTB rescind its original action for this project. The April 16, 2014 resolution is also attached for reference.

Result, if Approved: The \$650,000 total allocated to this project will be returned to the Economic Development, Airport and Rail Access Fund and made available for allocation to new projects.

Options: Approve, Deny or Defer.

Public Comments/Reactions: None