



A handwritten signature in black ink, appearing to read 'D. Whitley', located to the right of the city logo.

MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Amending the FY 2022 Budget to Utilize \$40,000 of General Fund Contingency to Supplement EDA Grants to Businesses to Offset Costs of Renaming U.S. Route 1
DATE: September 17, 2021

ISSUE

Shall the City Council adopt a resolution that provides an amount of \$40,000 in General Fund Contingency to the Economic Development Authority to supplement EDA grants to offset business costs of renaming U.S. Route 1?

RECOMMENDATION

Staff recommends that the City Council approve the attached resolution, which requires one reading.

BACKGROUND

In 2021, the Virginia General Assembly enacted a law that states that any section of U.S. Route 1 in Virginia that is designated as “Jefferson Davis Highway” shall hereafter be known as “Emancipation Highway” effective January 1, 2022. The City of Fredericksburg does not plan to rename the portion of U.S. Route 1 prior to January, and intends for the name Emancipation Highway to be the new name of the road in the City in accordance with the statute.

There are currently 141 businesses that have active business licenses with addresses of Jefferson Davis Highway. The City’s Economic Development Department, at the request of City Council, studied the potential cost to businesses along the corridor of the renaming effort, and came up with costs varying based on the size of the business of between \$100 and \$2000. The median cost to a business was about \$500. Examples of expenses include changing stationery, business cards, graphics, signs, checks, marketing collateral, envelopes, and return-address labels.

The Economic Development Authority has pledged an amount of \$35,000 to fund a grant of \$250 per business to help offset these costs. City Council members requested that staff explore ways to supplement this amount.

ITEM #11A

The attached resolution provides \$40,000 to the Economic Development Authority to increase the amount of the grant to \$500 per affected business. Outreach would be conducted in the October / November time frame to verify current status and addresses. Affected businesses with active business licenses would then receive a grant in the amount of \$500 to offset expenses related to the name change to Emancipation Highway. Of the \$40,000 amount, \$35,000 matches the initial pledge of the EDA, with an additional \$5000 allowance for up to ten additional businesses that may have opened along the corridor in the past few months.

FISCAL IMPACT

The attached resolution appropriates \$40,000 in the General Fund to the Economic Development Authority to increase the amount of the grant to offset the economic impact of the name change of U.S. Route 1 to Emancipation Highway. The source of the funds is the General Fund Contingency, and the amount remaining in the General Fund Contingency in FY 2022 if this resolution is adopted would become \$466,354.

Attachment: Resolution

cc: Bill Freehling, Director of Economic Development and Tourism
Robyn Shugart, Director of Finance
Lois Jacob, Commissioner of the Revenue



September 28, 2021
Regular Meeting
Resolution 21-

MOTION:

SECOND:

RE: Amending the Fiscal Year 2022 Budget to Provide Funds to the Economic Development Authority to Supplement Grants to Businesses along U.S. Route 1 to Offset Costs of Changing the Name of U.S. Route 1 to Emancipation Highway

ACTION: APPROVED: AYES: 0; NAYS: 0

APPROVED: Ayes: 0; Nays: 0

In 2021, the Virginia General Assembly enacted a law that states that any section of U.S. Route 1 in Virginia that is designated as “Jefferson Davis Highway” shall hereafter be known as “Emancipation Highway” effective January 1, 2022. The City of Fredericksburg does not plan to rename the portion of U.S. Route 1 prior to January, and intends for the name Emancipation Highway to be the new name of the road in the City in accordance with the statute.

The City’s Economic Development Authority has approved a grant program for businesses in the corridor to help offset the costs of the name change. The City Council wishes to provide additional funding to the Economic Development Authority to increase the amount available.

Therefore, the City Council resolves that a total appropriation of \$40,000 from the General Fund Contingency be made in the General Fund, as follows.

General Fund (Fund 100)

Sources

Contingency	0100 990100	\$ 40,000
Total		<u>\$ 40,000</u>

Uses

Transfers

Transfer to EDA Fund	10093100 492170	\$ 40,000
Total		<u>\$ 40,000</u>

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 21-, adopted at a meeting of the City Council held September 28, 2021, at which a quorum was present and voted.

Tonya B. Lacey, MMC
Clerk of Council