



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

W. Sheppard Miller, III  
Chairperson

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*Agenda item # 4*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**February 21, 2023**

#### **MOTION**

**Made By:** Mr. Brown, **Seconded By:** Mr. Merrill,

**Action:** Motion Carried, Unanimously

#### **Title: Rail Industrial Access – Ashton Creek Industrial Park LLC**

**WHEREAS**, the General Assembly provides funding for Industrial, Airport, and Rail Access projects (“RIA”); and

**WHEREAS**, Section 33.2-1600 of the *Code of Virginia* declares it to be in the public interest that access railroad tracks and facilities be constructed to certain industrial commercial sites where rail freight service is or may be needed by new or substantially expanded industry; and

**WHEREAS**, Ashton Creek Industrial Park LLC has submitted an application for RIA grant funds in the amount of \$450,000 toward construction of 1,365 feet of track to serve its facility in the County of Chesterfield, Virginia; and

**WHEREAS**, the Department of Rail and Public Transportation (“DRPT”) has evaluated the project in accordance with the Board’s RIA Policy and, because the project scores 58 points, has recommended approval of the project; and

**WHEREAS**, the County of Chesterfield, Virginia has, by resolution dated December 14, 2022, shown support for the application of up to \$450,000 in RIA funds for assistance in expanding track facilities to serve the Ashton Creek Industrial Park LLC facility located in the County of Chesterfield; and

**WHEREAS**, CSX Transportation, by letter dated November 30, 2022, has indicated its support for the project and has agreed to serve the facility; and

**WHEREAS**, the funding request falls within the intent of Section 33.2-1600, and because the project is in accordance with the provisions of the Board’s Policy on the use of Industrial Access Railroad Track funds, funding may be allocated to this project; and

**WHEREAS**, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose.

**NOW THEREFORE, BE IT RESOLVED**, that the Board hereby approves that \$450,000 of the RIA Fund be provided to construct approximately 1,365 linear feet of track subject to the following requirements:

1. All necessary right of way and utility adjustments must be provided at no cost to the Commonwealth.
2. All costs above the \$450,000 RIA grant must be borne by Ashton Creek Industrial Park LLC or sources other than those administered by DRPT.
3. Execution of an agreement acceptable to the Director of DRPT.
4. Execution of a contractual commitment by Ashton Creek Industrial Park LLC to maintain the track and make repayment of any costs related to the future relocation or removal of such track and facilities, in form acceptable to the Director of DRPT.

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**CTB Decision Brief**  
**Rail Industrial Access Applicant**  
**Location: Chesterfield County, Virginia**  
**Ashton Creek Industrial Park LLC**

**Summary:** Ashton Creek Industrial Park LLC submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 to construct a new rail spur at its Chesterfield County facility. This spur is being constructed to serve the rail needs for the Industrial Park's tenant, Commonwealth Building Materials, a large drywall distribution company. Rail will be used to import sheetrock / drywall from North Carolina and two locations in Pennsylvania.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 58 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 1,365 new rail cars annually.
- The minimum threshold for carloads is 301 carloads annually.
- The Applicant commits to 18 new jobs.
- The Applicant's new 1,320 foot rail spur will divert approximately 4,641 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at \$3.55M.
- The total railroad track construction cost is estimated at \$850,000.
- The applicant is responsible for minimum 30% match toward rail costs.
- There will be a claw-back provision in the grant agreement for failure to meet performance requirements based on the CTB adopted program performance policies.

**Source of State Funds:** FY 2023 Industrial, Airport, and Rail Access Fund

**Recommendation:** In accordance with the CTB Rail Industrial Access policy, DRPT recommends the Board approve the project.

**Action Required by CTB:** CTB policy for Rail Industrial Access requires Board action on the resolution.

**Options:** Approve, Deny, or Defer