



Virginia Department of Rail and Public Transportation

Rail Industrial Access Update

CTB Rail Subcommittee

May 15, 2018

Agenda

- Follow up on March & April CTB Discussion
 - Slides 3 – 7
- Discuss Policy Update Proposal
 - Slides 8 – 14



Objectives

Why reevaluate existing CTB Policy?

- Update RIA CTB Policy Resolution from 1995
- Section 33.2-1600: "...The Board shall adopt procedures to encourage widespread use of the funds..."
- Feedback from Shortlines:
 - Small projects cannot utilize the fund
 - Capital Expenditure is a barrier
 - Smaller projects could qualify with policy changes
 - Larger projects could qualify for more funds



2013-2017 Economic Benefit of Truck Diversion



What are the total benefits of the RIA Program?

- Performance measures carloads (truck diversion)
- 43 Grantees reporting between 2013 – 2017
- \$14M in Rail Industrial Access Funds expended
- \$57M in Public Benefits measured over 5 years
 - \$6.2M in Pavement Savings
 - \$9.4M in Congestion Savings
 - 26.4M in Emissions Savings
 - \$15.4M in Crash Reduction Savings

Source: State Rail Plan; Average distance of a truck trip in Virginia: 171 miles

Measuring Benefits

VEDP Evaluation

Benefits –
Incentives =
NPV

Benefits of
Taxes
Collected

Public Benefits of
Investment

Does Not Report

DRPT Evaluation

Employment,
Carloads,
Investment

50 points or
greater

Public Benefits of
Investment

Monetize congestion, air
quality, safety, etc.



2013-2017 Benefit of Employment

- 7 RIA Grantees (of 43) tracked by VEDP as recipients of other incentives.
- Total Benefit – Total State Incentive = NPV
- Total Incentives Received: \$4.3M
- Net Present Value (5 years): \$1.78M



Rollover of Funds



Rollover of unused funding

- DRPT receives up to \$3M of a \$5.5M pot of funds shared with the VDOT Economic Access Fund
- Avg RIA Awards (5 years): \$1M annually
- Funds not allocated each fiscal year roll over to VDOT as part of the VDOT Economic Access Fund.
- FY17 a balance of \$25M was reallocated from this program.
- Current Balance of VDOT Economic Access Fund is approximately \$4M

Recommended
Policy Changes

Updating the Rail Industrial Access Program Policies



Recommended Policy Changes

Current Policy

- Maximum grant amount is 15% of total Capital Expenditure up to \$450,000
- Mainline switch and support facilities are not eligible expenses
- 3 year performance period with minimum carload requirement
- 15 year Commonwealth Interest Period



Recommended Policy Changes

Recommended Changes Policy

- Remove Capital Expenditure and require 30% match.
- Maximum grant still \$450,000
- Allow mainline switch as eligible reimbursement expense



Recommended Policy Changes

Potential Impact

- Small Project: qualifies for more funding
 - Rail Cost: \$200,000
 - Current Policy: \$30,000
 - Option A: \$140,000
- Larger Project: qualifies for more funding
 - Rail Cost: \$500,000 (\$1.5M Cap Ex)
 - Current Policy: \$225,000
 - Option A: \$350,000



Recommended Policy Changes

Retain 2015 Performance Policy with a claw-back provision on performance.

- Current Policy:
 - 3 year carload reporting period
 - Director can approve three additional years
 - Grantee must meet a minimum threshold within 3-6 years or repay grant funds.
 - 15-year Commonwealth Interest Period in the rail



Next Steps

- May 31: Follow up with CTB-R members on Draft Resolution
- June CTB-R: Discuss Draft Resolution
- July CTB: Present Resolution for Action





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QUESTIONS?