Rail Industrial Access Program Application Briefing
Phoenix Packaging Operations, LLC
Pulaski County
Commonwealth Transportation Board, January 14, 2020

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Department of Rail and Public Transportation
Project Location

- Phoenix Packaging Operations, LLC, Pulaski County
Project Location

- Extension of existing spur
- New spur
- NS Mainline
Project Overview and Background

- Coordination with VEDP on the expansion since 2017.

- Phoenix has been working with the Port on incentives to increase shipments from the Port of Virginia.

- Phoenix Packaging Operations, LLC designs and manufactures rigid packaging solutions for commercial food and beverages, healthcare, and disposable consumer product industries.

- The expansion will serve national and international markets and will ship through the Port of Virginia.

- The facility will be served by Norfolk Southern Railroad.
Application Summary

• Application for $450,000 in Rail Industrial Access Funds
  • Applicant will provide minimum 30% match
  • $30M Total Estimated Capital Expenditure ($30M package of loans and incentives)
    • New 176,000 square foot warehouse and manufacturing facility
    • Build new rail spur
    • Extend a former RIA grant funded rail spur
      • $450,000 Grant in 2012
      • Met requirements of 2012 grant – 154 annual carloads
    • Approximately $1M Rail Project Cost
    • Capital expenditures outside the $450,000 grant will be paid for by the applicant as well as other state and local grants and incentives
  • Cost overruns responsibility of applicant
Public Benefits

- Public Benefits:
  - Additional 296 railcars annual commitment (currently 164 carloads per year)
    - 1,006 additional trucks off of Virginia highways annually (currently 558 annual trucks)
  - 145 new jobs associated with expansion
  - 96% of shipping will be by rail
- Application scores 69 of 100 points
  - Minimum 50 points needed to be recommended to CTB
- Minimum threshold will be 10 new carloads
Questions?

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