



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 14

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 20, 2021

MOTION

Made By: Ms. Hynes **Seconded By:** Mr. Rucker
Action: Motion carried, unanimously

Title: Rail Industrial Access – North Branch Resources

WHEREAS, funding is provided by the General Assembly 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, North Branch Resources has submitted an application for RIA grant funds in the amount of \$230,000 toward construction of 900 feet of track to serve a facility in the County of Hanover; 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 56 points, has recommended approval of the project; and

WHEREAS, the County of Hanover, Virginia has, by resolution dated May 26, 2021, shown support for the application of up to \$230,000 in RIA funds for assistance in expanding track facilities to serve the North Branch Resources facility located in the County of Hanover; and

WHEREAS, Buckingham Branch Railroad, by letter dated March 17, 2021, 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 \$230,000 of the RIA Fund be provided to construct approximately 900 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 \$230,000 RIA grant must be borne by North Branch Resources 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 North Branch Resources 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: County of Hanover, Virginia

North Branch Resources

Summary: North Branch Resources is a company which deals in Calciment, a soil stabilization by-product of cement, in the County of Hanover, Virginia. The company has submitted an application for Rail Industrial Access grant funds in the amount of \$230,000 to construct a new rail spur at their facility.

This project is part of North Branch Resources' initiative to resurrect the Calciment market in the southeastern United States. The construction of the industrial sidetrack is critical to North Branch Resource's expansion for capacity and will add an additional four employees.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 56 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 101 new rail carloads annually.
 - Applicant incorrectly filled out original application and combined current and expected annual carloads for a total of 300 annual carloads in the space for "carloads expected on net track". The original application scored based on 180 new carloads.
 - The revised application reflects current annual carloads of 83 plus 101 new carloads on the new rail spur for a total of 184 annual carloads. The new application scored based on 101 new carloads.
 - This change did not affect the Applicant's score of 56 points and the Department still recommends this project.
- The minimum threshold for carloads is ten carloads annually.
- The Applicant commits to four new jobs.
- The Applicant's new 900 foot rail siding will divert approximately 343 trucks from Virginia highways per year.
- Total capital investment in the expanded facility is estimated at \$1.8M.
- Total railroad track construction cost is estimated at \$355,000.
- 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 2022 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