



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 15

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 – Recycling Management Resources Richmond LLC

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, Recycling Management Resources Richmond LLC has submitted an application for RIA grant funds in the amount of \$259,000 toward rehabilitation of 2,321 feet of track to serve a facility in the County of Henrico; 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 54 points, has recommended approval of the project; and

WHEREAS, the County of Henrico, Virginia has, by resolution dated May 11, 2021, shown support for the application of up to \$259,000 in RIA funds for assistance in rehabilitating track facilities to serve the Recycling Management Resources Richmond LLC facility located in the County of Henrico; and

WHEREAS, CSX Railroad, by letter dated July 29, 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 \$259,000 of the RIA Fund be provided to rehabilitate approximately 2,321 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 \$259,000 RIA grant must be borne by Recycling Management Resources Richmond 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 Recycling Management Resources Richmond 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: County of Henrico, Virginia

Recycling Management Resources Richmond LLC

Summary: Recycling Management Resources Richmond LLC (RMR) is a family owned, supplier focused, full-service recycler handling over 400,000 tons of materials annually, in the County of Henrico, Virginia. The company has submitted an application for Rail Industrial Access grant funds in the amount of \$259,000 to rehabilitate an existing rail spur at their facility.

This project is part of RMR's initiative to expand their footprint in the Richmond market by opening new markets for inbound volume as well as allowing new outbound marketing and shipping opportunities. The rehabilitation of the industrial sidetrack is critical to RMR's business plan for expanded capacity and will add an additional six employees.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 54 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 520 rail carloads annually.
- The minimum threshold for carloads is 301 carloads annually.
- The Applicant commits to six new jobs.
- The Applicant's rehabilitated 2,321 foot rail siding will divert approximately 1,768 trucks from Virginia highways per year.
- Total capital investment in the expanded facility is estimated at \$370,000.
- Total railroad track construction cost is estimated at \$370,000.
- 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