

Rail Industrial Access Program Application Briefing

Kevin Page

Director of Rail Transportation

Rail Industrial Access Application Briefing

- ❑ 6 Projects Recommended for Funding
- ❑ Total CTB Allocation \$2,051,250
 - Alderman Railcar Services, Inc.
Charlotte County, Virginia - \$450,000
 - Hardy Management Company, LLC
Orange County - \$186,250
 - Intertape Polymer Group
Pittsylvania County - \$65,000
 - John W. Hancock, Jr. LLC d/b/a New Millennium
Building Systems - Salem, Virginia - \$450,000
 - Kraft Foods Global, Inc.
City of Suffolk - \$450,000
 - The Mennel Milling Company – Phase II
Roanoke County - \$450,000

**Alderman Railcar Services, Inc.
Charlotte County, Virginia**

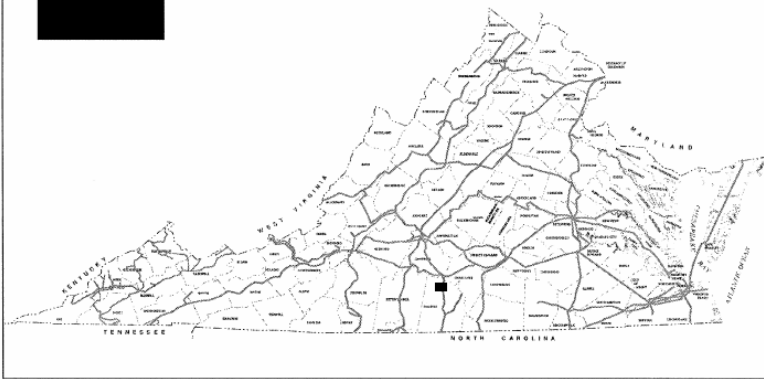
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Alderman Railcar Services, Inc. Charlotte County



AREA OF DETAIL



Project Facts

Alderman Railcar Services, Inc.

- ❑ Located in Charlotte County, Alderman Railcar Services, Inc. has applied for Rail Industrial Access Funds in the amount of \$450,000 (\$300K unmatched and \$150K matched dollar-for-dollar) for construction of its railcar repair facility and storage yard
- ❑ Total estimated cost of capital investment - \$3.5 M
- ❑ Rail Construction - approximately 13,500 track feet
- ❑ Total estimated cost of rail construction - \$1,687,500 = \$450K state and \$1,237,500 local/applicant
- ❑ Project will generate 120 annual railcars
- ❑ Project will add 110 new jobs to county employment
- ❑ Charlotte County unemployment is 5.5%
Commonwealth unemployment is 3.1%
- ❑ Charlotte County endorsed this project application by Resolution on May 1, 2007
- ❑ Project is included by the Virginia Economic Development Partnership as part of initiatives to expand industry in Virginia
- ❑ Announced by Governor Kaine on May 17, 2007

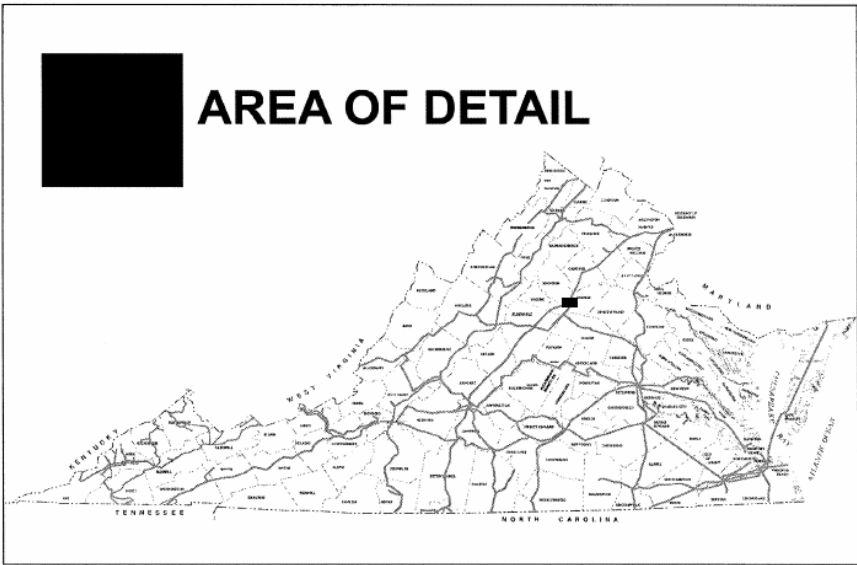
Hardy Management Company, LLC

Orange, Virginia

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Hardy Management Company, LLC Orange County, Virginia



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Project Background

Hardy Management Company, LLC

- ❑ Project is to install 979 feet of rail to support new 84 Lumber Company truss manufacturing facility.
- ❑ Annual carloads expected to be 80 after completion
- ❑ Adds 35 new job
- ❑ Expected Capital Investment is expected to be \$4.4 Million
- ❑ Project has the support of the Virginia Economic Development Partnership and Orange County
- ❑ Project will contribute to the long-term viability of Buckingham Branch Railroad, a Commonwealth short-line railroad
- ❑ Two previous Rail Industrial Program projects with this company are completed and an additional one is under construction

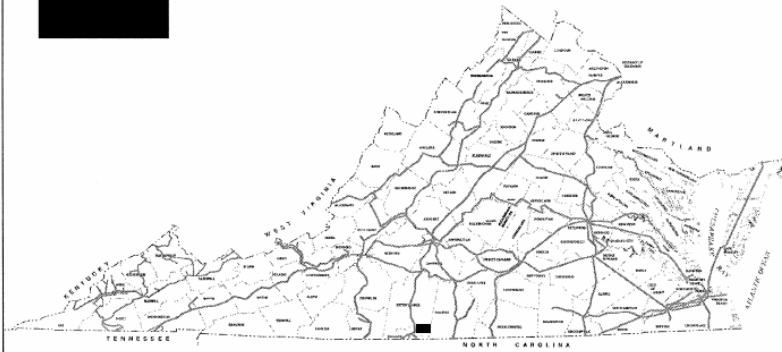
Intertape Polymer Group Pittsylvania County, Virginia

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Intertape Polymer Group Pittsylvania County



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Project Facts

Intertape Polymer Group

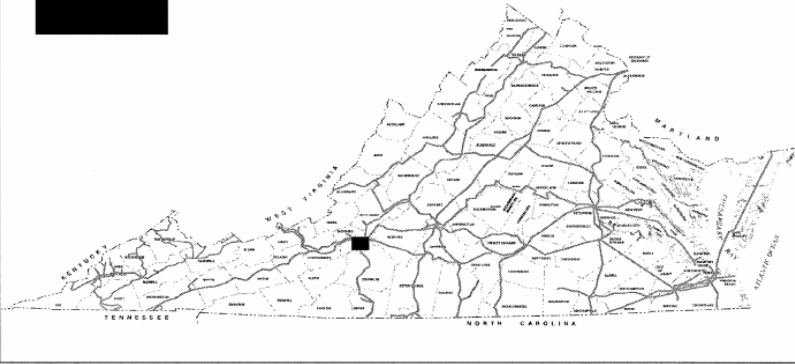
- ❑ Located in Pittsylvania County, Intertape Polymer Group has applied for Rail Industrial Access Funds in the amount of \$65,000
- ❑ Total estimated cost of capital investment - \$7.0 Million
- ❑ Pittsylvania County will provide an incentive package totaling \$45,000 to assist in defraying the cost of the rail expansion.
- ❑ Rail Construction approximately 250 track feet
- ❑ Project will generate 150 annual railcars
- ❑ Project will create 10 new jobs and retain 300 jobs
- ❑ Pittsylvania County Board of Supervisors approved this project on 3/6/2006 and Intertape began work without a DRPT letter of no prejudice proceed or CTB allocation of funds
- ❑ Due to this oversight, Pittsylvania County BOS on May 21, 2007 agreed to contribute \$45,000 to this project, reducing the application request from \$110,000 to \$65,000 of Rail Access funding
- ❑ Pittsylvania County unemployment is 6.7%
Commonwealth unemployment is 3.1%
- ❑ Project is included by the Virginia Economic Development Partnership as part of initiatives to expand industry in Virginia

John W. Hancock, Jr. LLC
d/b/a New Millennium Building Systems
Salem, Virginia

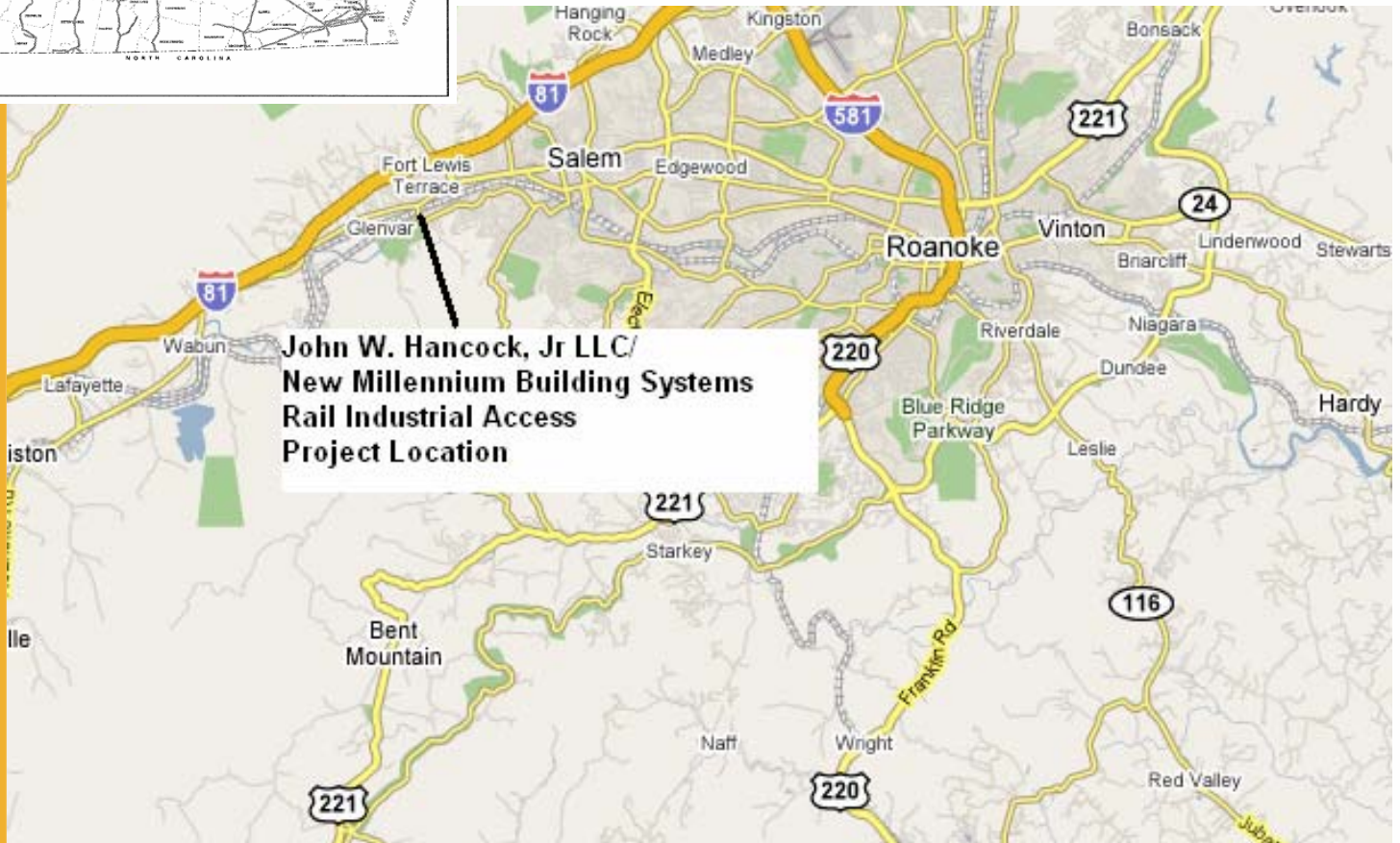
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John W. Hancock, Jr., LLC New Millennium Building Systems City of Salem



Project Facts

Existing Industry Expansion

- ❑ Located in the City of Salem and Roanoke County, John W. Hancock, Jr. LLC d/b/a New Millennium Building Systems has applied for Rail Industrial Access Funds in the amount of \$450,000 (\$300K unmatched and \$150K matched dollar-for-dollar)
- ❑ Total estimated cost of capital investment - \$32.7 Million
- ❑ Rail Construction approximately 2,980 track feet
- ❑ Total estimated cost of rail expansion - \$1.58 M total = \$450K state and \$1.13M local/applicant
- ❑ Project will generate 960 annual railcars
- ❑ Project will retain 218 jobs and adds five new jobs
- ❑ City of Salem endorsed this project application by Resolution on July 10, 2006
- ❑ Project is included by the Virginia Economic Development Partnership as part of initiatives to expand industry in Virginia

Kraft Foods Global, Inc.
Suffolk, Virginia

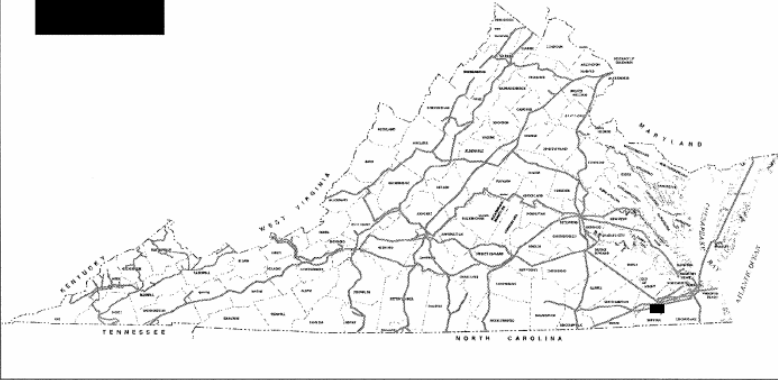
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Kraft Foods Global, Inc. City of Suffolk



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Project Facts

Kraft Foods Global, Inc.

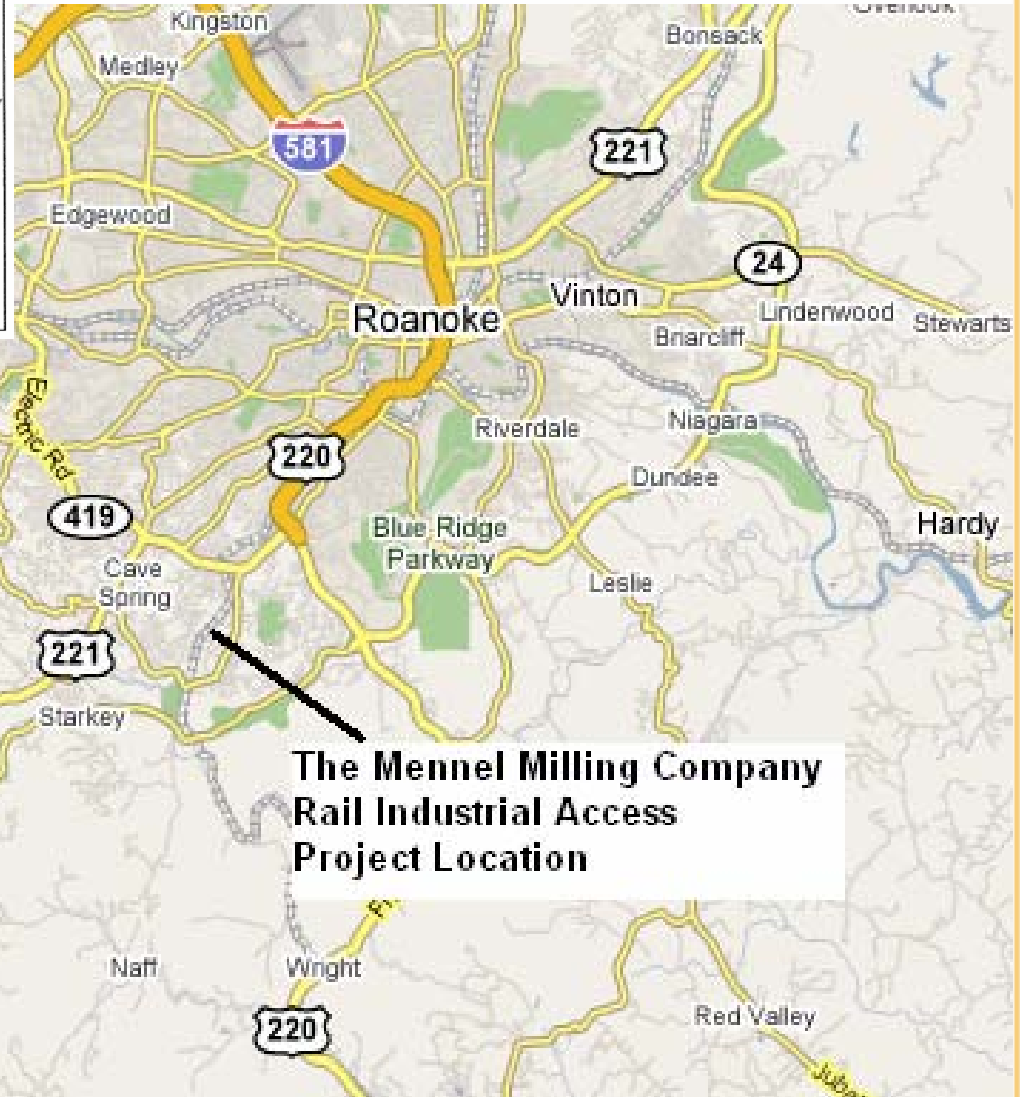
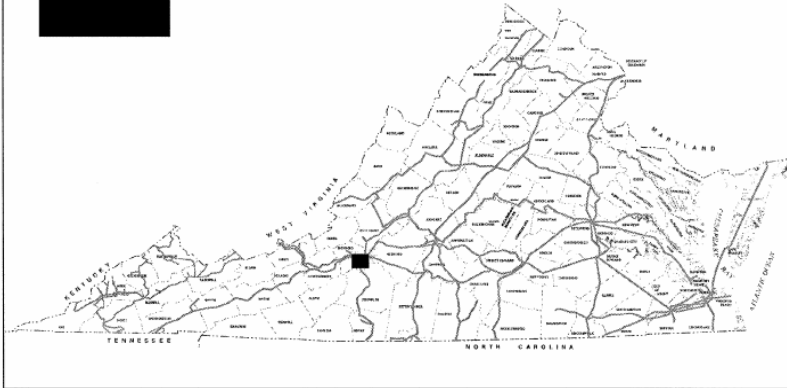
- ❑ Located in the City of Suffolk, Kraft Foods Global, Inc. has applied for Rail Industrial Access Funds in the amount of \$450,000 (\$300K unmatched and \$150K matched dollar-for-dollar)
- ❑ Total estimated cost of capital investment - \$3.3 Million
- ❑ Rail Construction approximately 2,700 track feet
- ❑ Total estimated cost of rail expansion - \$1.5 M total = \$450,000 state and \$1.05 M local/applicant
- ❑ Project will generate 250 annual railcars
- ❑ Project will create five new jobs and retain 100 jobs
- ❑ City of Suffolk endorsed this project application by Resolution on May 2, 2007
- ❑ Project is included by the Virginia Department of Business Assistance as part of initiatives to expand industry in Virginia

The Mennel Milling Company
Roanoke County, Virginia
Phase II

Mennel Milling Company Roanoke County



AREA OF DETAIL



**The Mennel Milling Company
Rail Industrial Access
Project Location**

Project Facts

Mennel Milling Company - Phase II

- ❑ Located in Roanoke County, The Mennel Milling Company has applied for Rail Industrial Access Funds in the amount of \$450,000 (\$300K unmatched and \$150K matched dollar-for-dollar) for Phase II of its multiple phase project development
- ❑ Total estimated cost of capital investment - \$25.04M
- ❑ Rail Construction - approximately 4,744 track feet
- ❑ Total estimated cost of rail expansion - \$760,797 = \$450K state and \$310,797 local/applicant
- ❑ Project will generate 654 annual railcars
- ❑ Project will create 3 new jobs and retain 33 jobs
- ❑ Roanoke County endorsed this project application by Resolution on April 10, 2007
- ❑ Project is included by the Virginia Economic Development Partnership as part of initiatives to expand industry in Virginia

Total of Submitted Projects

| Applicant | Recommended Allocation |
|--|------------------------|
| Alderman Railcar Services, Inc. | \$450,000 |
| Hardy Management Company, LLC | \$186.250 |
| Intertape Polymer Group | \$65,000 |
| John Hancock/New Millennium Building Systems | \$450,000 |
| Kraft Foods Global, Inc. | \$450,000 |
| The Mennel Milling Company | \$450,000 |
| Total Submitted Projects | \$2,051,250 |



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