

Rail Industrial Access Fund Program Update



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Rail Industrial Access Program Overview

- **Code of Virginia § 33.2-1600.**

The General Assembly declares it to be in the public interest that access railroad tracks and facilities be constructed to certain industrial commercial sites...

- Provides grant funds for rail access tracks to new or expanding industry.
- Grantees must achieve public benefit in exchange for public funds/investment.

Rail Industrial Access Program Overview



RIA Project: Carmeuse Lime & Stone f Northern Virginia

- Applications must achieve 50 points or greater for staff recommendation.
- Grantees must achieve Performance Requirements within 5 years.
- Up to \$450,000 per jurisdiction each year

Rail Industrial Access Repayment Policy

- Failure to achieve Performance Requirements qualifies Grantee for repayment of grant funds.
- Due to the recession, many Grantees failed to achieve full carload commitments.
- In 2013 the CTB approved a partial repayment policy. This calculates repayment based on the Performance not achieved.
- Two year extensions were granted to 11 of the 20 Grantees within their 5 year Performance window during the recession.

Grants Awarded since 2004

Grants Awarded by CTB	Grantees Still Reporting	Grantees Meeting Performance	Grantees Not Meeting Performance	Grants Not Advanced	Grantees Not Yet in Performance
88	11	22	20	24	11

Grantees in Repayment

	Grantee	Amount Repaid
1.	City of Danville	\$450,000
2.	County of Pittsylvania	\$450,000
3.	Mohawk Carpets	\$120,463
4.	84 Lumber (2 grants)	\$98,690
5.	Austin Sales	\$ 7,872
6.	Annandale Mill Works	\$10,667
7.	BleachTech	\$ 4,621
8.	Alderman Railcar	\$265,000

Grantees Up for Repayment (extensions expired in 2014)

	Grantee	Repayment Amount
1.	Pounding Mill Quarry	\$63,900
2.	Bellwood Investments	\$228,000
3.	Best Eastern Transfer & Storage	\$201,243
4.	Toll Integrated Systems	\$405,000
5.	Gerdau Ameristeel	\$193,860
6.	James Hardie Building Products	\$282,690
7.	Total Distribution of Virginia	\$62,257
8.	Quality Culvert	\$401,625
9.	Lane Enterprises	\$277,721
10.	New Millennium	\$100,800
11.	Kraft Foods Global	\$104,400

Requests for Exceptions

DRPT has two pending requests for exceptions to contract terms:

1. Carmeuse Lime & Stone

- Entered into an Agreement with the Commonwealth on October 24, 2011
- Committed in their Agreement to 2,600 carloads
- Is currently in its third year of performance
- Requested an amendment to their carload commitment from 2,600 to 1,950 carloads

Requests for Exceptions (cont.)

DRPT has two pending requests for exceptions to contract terms:

2. Best Eastern/Rhapsody Land

- Entered into an Agreement with the Commonwealth on June 17, 2004
- Committed in their Agreement to 315 carloads
- Was granted a two year extension to meet Performance
- Highest performing year during their Performance period (7 years) was 116 carloads
- Has been notified by DRPT they must repay \$201,243 or 63% of their grant

CTB Options

- Uphold current Repayment Policy adopted in 2013.
- Grant one additional three-year extension per grant on a programmatic basis provided that the Grantee is still conducting business and has expressed an attempt to meet its goal within the next 12 months.
- Allow Grantees to negotiate their own repayment options to the satisfaction of the Director of DRPT.

Considerations for the CTB

- Consistency in program enforcement.
- Responsible use of taxpayer money.
- Use of public funds must achieve public benefit.
- Exceptions may undermine the ability of the Department to manage future repayments.
- Only the Commonwealth Transportation Board can make exceptions.



Virginia Department of Rail and Public Transportation

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