



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item # 9

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

April 15, 2015

MOTION

Made By: Mr. Kasprowicz, Seconded By: Mr. Dyke

Action: Motion Carried, Unanimously

Title: Industrial Access Railroad Track Program Policy Changes

WHEREAS, § 33.2-1600 establishes the fund for construction of industrial access railroad tracks; and

WHEREAS, in § 33.2-1600 the General Assembly declared it to be in the public interest that access railroad tracks and facilities be constructed to certain industrial commercial sites; and

WHEREAS, pursuant to § 33.2-1600, the Industrial Access Railroad Track fund is intended to be comparable to the fund for access roads to economic development sites established pursuant to § 33.2-1509 and administered by the Virginia Department of Transportation (“VDOT”); and

WHEREAS, the Department of Rail and Public Transportation (the “Department”) administers the Rail Industrial Access (“RIA”) program, which is subject to the approval of the Commonwealth Transportation Board (“CTB”); and

WHEREAS, at its October 2014 meeting, the CTB asked the Department to conduct a two-phase review of the Rail Industrial Access program to identify ways to improve administration and performance and to encourage widespread use of the RIA program; and

WHEREAS, at its January 2015 meeting, the CTB considered the first phase of the review related to grantee performance and took action on repayment forgiveness; and

WHEREAS, as part of the second phase of the review, the Department presented policy considerations and policy options to the CTB Rail Committee at their March 2015 meeting, and the committee provided guidance; and

WHEREAS, the proposed recommendations incorporate the CTB Rail Committee's guidance, are intended to improve program administration and performance and encourage widespread use of the funds for economic development along the Commonwealth's railroad network.

NOW THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board hereby authorizes the following changes to the RIA program:

1. Applications shall require the grantee to estimate the rail and truck utilization ratio of the proposed facility.
2. Performance shall be based on achieving a minimum threshold for rail cars, with the following criteria:
 - A. The performance evaluation period shall last three years.
 - B. The minimum threshold is defined as the minimum number of rail cars required to achieve 50 application points.
 - C. The minimum threshold must be met in at least one of the three years of performance.
3. The Director of the Department may grant one (1) three-year extension to the performance period, subject to the following:
 - A. Determination of the extension shall include an evaluation of the actual mode split between rail and truck carloads compared to the forecasted mode split.
 - B. If an extension is granted, the grantee must meet the target threshold at least once during the total six-year performance period.
 - C. Determination of the extension shall also include evaluation of the grantee's progress toward its performance targets, including a review of the actual mode split of rail and truck loads.
4. The Department will maintain the current 15-year interest in the tracks.
5. Repayment shall be based on the percentage of performance target achieved. The percentage for partial repayment of the grant amount shall be determined by the difference between the highest actual carload count reported and the minimum threshold necessary to achieve 50 application points.

These changes shall be included in the grant agreements between the Department and the grantees.

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