



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
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Agenda item # 3

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 18, 2018

MOTION

Made By: Mr. Johnsen, Seconded By: Mr. Malbon

Action: Motion Carried

Title: Change in Fiscal Year 2019-2024 Six-Year Improvement Program for Rail Preservation Fund

WHEREAS, §33.2-214(B) of the *Code of Virginia* (1950), as amended, requires the Commonwealth Transportation Board (Board) to adopt by July 1 of each year a Six-Year Improvement Program (SYIP) of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, the Board adopted the Fiscal Year 2019-2024 SYIP on June 20, 2018; and

WHEREAS, the Director of the Department of Rail and Public Transportation, and after consultation with the Commonwealth Transportation Board member for the district, is authorized up to \$200,000 to reallocate funds among existing grants, to allocate additional funds to existing projects up to \$200,000 per grant, to award additional federal and state funds for rail and public transportation projects up to \$200,000, and to deobligate funds from projects, as may be necessary to meet the goals of the Board, and that if such allocation exceeds \$200,000, the Director shall bring such request to the Board on a monthly basis for their approval prior to taking any action to record or award such action; further, the Director is authorized to make changes to the scope of a Board approved grant as needed in order to accomplish the intended project and/or outcome; and

WHEREAS, in May 2018, Bay Coast Railroad ceased operations on the Eastern Shore; and

WHEREAS, on June 8, 2018, the Surface Transportation Board approved Delmarva Central Railroad as the new lease operator for the northern 14.8 miles of the former Bay Coast Railroad line; and

WHEREAS, on June 15, 2018, the Department of Rail and Public Transportation (DRPT) received an out-of-cycle Rail Preservation Fund grant application from Delmarva Central Railroad in the amount of \$2,673,475 in Rail Preservation Funds for FY 2019 and FY 2020 for programmatic upgrades to the 14.8 miles of rail tracks; and

WHEREAS, in accordance with Item 446.A.2 of Chapter 2 of the 2019 Acts of Assembly, DRPT is transferring \$2,673,475 in Rail Enhancement funds to the Rail Preservation fund; and

WHEREAS, DRPT has reviewed the grant application and finds that the project meets the goals and criteria of the Rail Preservation Program; and

WHEREAS, DRPT recommends this request for approval.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby approves the new allocation to the Delmarva Central Railroad for \$2,673,475, and amends the Fiscal Year 2019 – 2024 SYIP to reflect this change.

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CTB Decision Brief

Rail Preservation Fund Applicant

Delmarva Central Railroad

Summary: Delmarva Central Railroad has submitted an out-of-cycle application for Rail Preservation grant funds in the amount of \$2,673,475 for programmatic upgrades to improve service reliability, safety, and state of good repair.

Facts:

- In May 2018, Bay Coast Railroad ceased operations on the Eastern Shore.
- In June 2018, the Surface Transportation Board (STB) approved the lease of the northern 14.8 miles to rail operator Delmarva Central Railroad (DCR) (from Hallwood, VA to Pocomoke City, MD).
- The railroad is petitioning the STB to discontinue service south of Hallwood to Cape Charles.
- All customers are located in the northern 14.8 miles.
- DCR operates north of Pocomoke City, Maryland to an interchange with Norfolk Southern Railroad in northern Delaware.
- DRPT has evaluated the project in accordance with the CTB's Rail Preservation Program priorities.
- Budget: \$2,673,475 Rail Preservation Fund for this two year project (FY2019 - \$1.3M and FY2020 - \$1.3M).
- The project will upgrade tracks to Class 1 Track Safety Standards (allows speed up to 10 mph).

Source of State Funds: FY 2019 and FY 2020 Rail Preservation Fund

Recommendation: DRPT recommends the approval of this additional allocation to the SYIP for Fiscal Years 2019 – 2024.

Action Required by CTB: CTB action on the allocation for Delmarva Central Railroad for \$2,673,475 from the Rail Preservation Fund in the Fiscal Year 2019 – 2024 SYIP.

Options: Approve, Deny, or Defer