

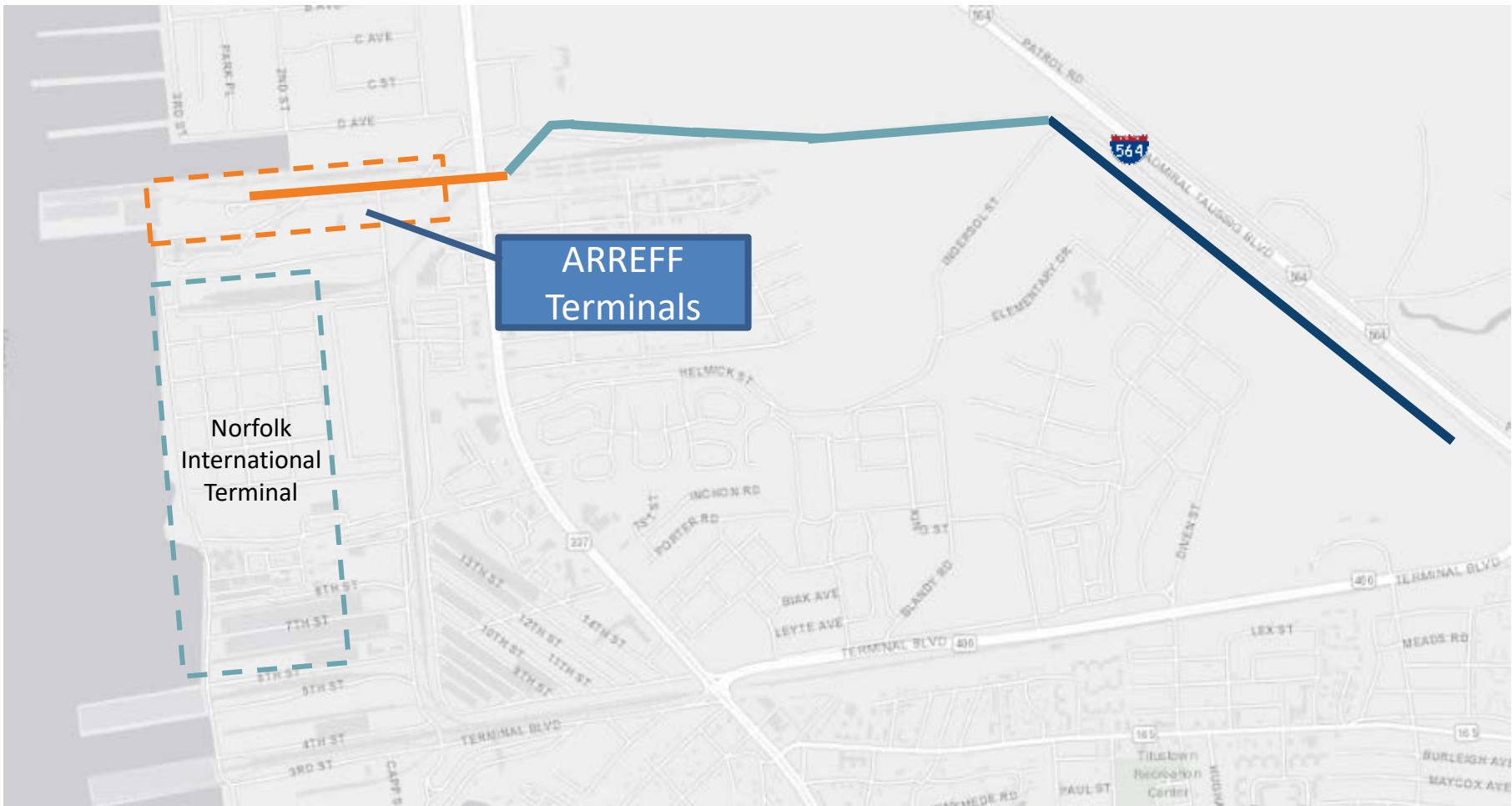
Rail Industrial Access Program Application Briefing
AAREFF Terminals, Inc.
City of Norfolk

Commonwealth Transportation Board, September 16, 2020

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Virginia Department of Rail and Public Transportation



**ARREFF
Terminals**

Norfolk
International
Terminal

- Norfolk Portsmouth Belt Line access over Norfolk Southern Tracks
- New and Existing Private Rail Spur
- Norfolk International Terminals' Tracks
- - - AAREFF Terminals Site
- - - Norfolk International Terminals

Project Location



Project Overview and Background

- AAREFF Terminals, Inc. is a transloading and bagging facility located in Portsmouth, VA, servicing the Port of Virginia.
 - The facility is leased on Port of Virginia NIT property
 - Served by Norfolk & Portsmouth Beltline Railway (over NS)
 - They export agricultural products from railcar to ocean containers at NIT
- This *application* can be described as Phase 2 of ONE *project*.
 - Project was broken into two phases because of permitting restrictions
 - Phase 1: AAREFF Terminals, Inc. received a grant of \$140,000 in FY20 to rehab an existing spur
 - Phase 2 will construct a 1,250 foot siding with two switches to allow hopper railcars to unload into ocean containers

Project Overview and Background

- CTB Policy limits total awards to \$450,000 per project
- Since this is ONE Project in two phases, DRPT is recommending \$310,000 for Phase 2
 - Total Phase 1 and Phase 2 award: \$450,000
- \$3M total capital investment is same for both phases
- Both applications score above 50 point threshold:
 - 1st Application: 60 points
 - 2nd Application: 61 points
- Benefits scored in Phase 2 were net gains over the benefits scored in Phase 1 (i.e. no “double dipping” on carloads, employment, or capital investment number.)

Application Summary

- DRPT recommends award of \$310,000.
 - \$3M Total Estimated Capital Expenditure
 - \$780,000 Total Estimated Phase 1 & 2 Rail Cost
 - Applicant is required to provide minimum 30% match
 - Reduced award recommendation increased match to about 50%
- Standard Program requirements:
 - All capital expenditures above grant amount will be paid for by the applicant.
 - Cost overruns responsibility of applicant.

Public Benefits

- Application scores 61 of 100 points
 - Minimum 50 points needed to be recommended to CTB
- Public Benefits of Phase 2 application:
 - Additional 300 railcars annual commitment
 - currently under contract for 201 carloads/year from Phase 1 (FY20) Application
 - Minimum threshold will be 10 new carloads above the 201 carloads
 - Phase 1 and Phase 2 performance will be reported separately
 - 1,020 additional trucks off of Virginia highways annually
 - 4 new jobs associated with Phase 2 expansion
 - 14% of shipping will be by rail

Questions?

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