



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Chairperson

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Agenda item # 14

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 21, 2021

MOTION

Made By: Mr. Malbon, Seconded By: Mr. Miller
Action: Motion carried, unanimously

Title: Rail Industrial Access – Norfolk Terminal, LP

WHEREAS, funding is provided by the General Assembly for Industrial, Airport, and Rail Access projects (RIA); and

WHEREAS, Section 33.2-1600 of the *Code of Virginia* declares it to be in the public interest that access railroad tracks and facilities be constructed to certain industrial commercial sites where rail freight service is or may be needed by new or substantially expanded industry; and

WHEREAS, Norfolk Terminals, LP has submitted an application for RIA grant funds in the amount of \$450,000 toward construction of 10,815 feet of track to serve a facility in the City of Norfolk; and

WHEREAS, the Department of Rail and Public Transportation (DRPT) has evaluated the project in accordance with the Board's RIA policy and, because the project scores 78 points, has recommended approval of the project; and

WHEREAS, the City of Norfolk, Virginia has, by resolution dated April 13, 2021, shown support for the application of up to \$450,000 in RIA funds for assistance in expanding track facilities to serve the Norfolk Terminal, LP facility located in the City of Norfolk; and

WHEREAS, Norfolk Southern Railway Company, by letter dated January 25, 2021, has indicated its support for the project and has agreed to serve the facility; and

WHEREAS, the funding request falls within the intent of Section 33.2-1600, and because the project is in accordance with the provisions of the Board’s policy on the use of Industrial Access Railroad Track funds, funding may be allocated to this project; and

WHEREAS, the Board believes that this project is for the common good of a region of the Commonwealth and serves a public purpose;

NOW THEREFORE, BE IT RESOLVED, that the Board hereby approves that \$450,000 of the RIA Fund be provided to construct approximately 10,815 linear feet of track subject to the following requirements:

1. All necessary right of way and utility adjustments must be provided at no cost to the Commonwealth.
2. All costs above the \$450,000 RIA grant must be borne by Norfolk Terminal, LP or sources other than those administered by DRPT.
3. Execution of an agreement acceptable to the Director of DRPT.
4. Execution of a contractual commitment by Norfolk Terminal, LP to maintain the track and make repayment of any costs related to the future relocation or removal of such track and facilities, in form acceptable to the Director of DRPT.

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CTB Decision Brief

Rail Industrial Access Applicant

Location: City of Norfolk, Virginia

Norfolk Terminal, LP

Summary: Norfolk Terminal, LP is a multi-customer terminal which during phase one of its expansion will primarily move polymers through storage, handling, packaging, and shipping in the City of Norfolk, Virginia. The company has submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 to construct a new rail spur at their facility.

This project is part of Norfolk Terminal's initiative to receive, store, package, and ship product through the Virginia Port. The construction of the industrial sidetrack is critical to Norfolk Terminal's phase one expansion for capacity and will add an additional 31 employees.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 78 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 3,000 rail carloads annually.
- The minimum threshold for carloads is 10 carloads annually.
- The Applicant commits to 31 new jobs.
- The Applicant's new 10,815 foot rail siding will remove approximately 10,200 trucks from Virginia highways per year.
- Total capital investment in the expanded facility is estimated at \$61M.
- Total railroad track construction cost is estimated at \$7M.
- Applicant is responsible for minimum 30% match toward rail costs.
- There will be a claw-back provision in the grant agreement for failure to meet performance requirements based on the CTB adopted program performance policies.

Source of State Funds: FY 2022 Industrial, Airport, and Rail Access Fund

Recommendation: In accordance with the CTB Rail Industrial Access policy, DRPT recommends the Board approve the project.

Action Required by CTB: CTB policy for Rail Industrial Access requires Board action on the resolution.

Options: Approve, Deny, or Defer