



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

April 19, 2022

MOTION

Made By: Mr. Johnsen **Seconded By:** Dr. Smoot
Action: Motion carried, unanimously

Title: Rail Industrial Access – Henrico County

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, Mondelez International has submitted an application for RIA grant funds in the amount of \$450,000 toward construction of 2,300 feet of track to serve their facility in the County of Henrico; 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 70 points, has recommended approval of the project; and

WHEREAS, the Board of Supervisors for the County of Henrico, Virginia has, by resolution dated February 8, 2022, shown support for the application of up to \$450,000 in RIA funds for assistance in expanding track facilities to serve the Mondelez International facility located in the County of Henrico; and

WHEREAS, CSX Railroad, by letter dated January 27, 2022, 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 2,300 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 Mondelez International 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 Mondelez International 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.

CTB Decision Brief
Rail Industrial Access Applicant
Location: County of Henrico, Virginia
Mondelez International

Summary: Mondelez International has submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 to construct a new rail spur at its Henrico County facility. Mondelez is a bakery which produces a variety of cookies and snacks, including Oreos, Chips Ahoy, Wheat Thins, and Ritz Crackers. The Henrico County location was identified by Mondelez as their primary East Coast location. As a part of this initiative, the Bakery will move to a 7-day operation and a high speed Oreo Line will be installed. This project was announced by Henrico County in November 2021.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 70 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 1,030 new rail carloads annually (the minimum threshold for carloads is ten annually).
- The Applicant commits to 140 new jobs.
- The Applicant's new 2,300 foot rail spur will divert approximately 3,234 trucks from Virginia highways per year.
- The plant is located south of Richmond near I-95, 295, and 64.
- The total capital investment in the facility is estimated at \$55M.
- The total railroad track construction cost is estimated at \$4M.
- 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