



## COMMONWEALTH of VIRGINIA

### Commonwealth Transportation Board

W. Sheppard Miller, III  
Chairperson

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*Agenda item # 5*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

March 15, 2022

#### MOTION

**Made By:** Mr. Fowlkes **Seconded By:** Mr. Yates

**Action:** Motion carried, unanimously

#### **Title: Rail Industrial Access – Wythe 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**, Wythe County has submitted an application for RIA grant funds in the amount of \$450,000 toward construction of 3,000 feet of track to serve the Blue Star facilities in the County of Wythe; 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 Wythe, Virginia has, by resolution dated October 12, 2021, shown support for the application of up to \$450,000 in RIA funds for assistance in expanding track facilities to serve the Blue Star facilities located in the County of Wythe; and

**WHEREAS**, Norfolk Southern Railroad, by letter dated December 15, 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 3,000 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 Wythe County 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 Wythe County 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 Wythe, Virginia**  
**Wythe County**

**Summary:** Wythe County has submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 to construct a new rail spur at its Progress Park Industrial Park facility to serve Blue Star. Blue Star is a nitrile rubber manufacturing plant which will manufacture medical / PPE gloves and will produce liquid nitrile rubber to ship to other domestic manufacturers. This project is part of an initiative announced by Governor Northam and Wythe County in October 2021 which brought Blue Star to Wythe County.

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 3,120 new rail carloads annually (the minimum threshold for carloads is ten annually).
- The Applicant commits to 2,464 new jobs.
- The Applicant's new 3,000 foot rail spur will divert approximately 10,608 trucks from Virginia highways per year.
- The plant is located along the I-81 and I-77 corridors.
- The total capital investment in the facility is estimated at \$714.3M.
- The total railroad track construction cost is estimated at \$1.6M.
- 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