



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Aubrey L. Layne, Jr.  
Chairman

1401 East Broad Street  
Richmond, Virginia 23219

(804) 786-2701  
Fax: (804) 786-2940

*Agenda Item #12*

### **RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD**

**October 24, 2017**

#### **MOTION**

**Made By: Mr. Rosen., Seconded By: Mr. Whitworth**

**Action: Motion Carried**

**Title: Rail Industrial Access – Steel Dynamics Roanoke Bar Division**

**Location: City of Roanoke, Virginia**

**WHEREAS**, funding is provided by the General Assembly for Industrial, Airport, and Rail Access projects; 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**, Steel Dynamics Roanoke Bar Division has submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 toward construction of 1,700 feet of track to serve a facility in the City of Roanoke; and

**WHEREAS**, the Department of Rail and Public Transportation (DRPT) has evaluated the project in accordance with the Board's Rail Industrial Access policy and, because the project scores 64 points, has recommended approval of the project; and

**WHEREAS**, the City of Roanoke, Virginia has, by resolution dated September 5, 2017, shown support for the application of up to \$450,000 in Industrial Access Railroad Track funds for assistance in expanding track facilities to serve the proposed Steel Dynamics Roanoke Bar Division facility located in the City of Roanoke; and

**WHEREAS**, Norfolk Southern, by letter dated August 7, 2017 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 Industrial, Airport, and Rail Access Fund with a \$150,000 requirement for local match be provided to construct approximately 1,700 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 industrial rail access grant must be borne by Steel Dynamics Roanoke Bar Division or sources other than those administered by DRPT.
3. Execution of an agreement acceptable to the Director of DRPT.

#####

## **CTB Decision Brief**

### **Rail Industrial Access Applicant**

**Location: City of Roanoke, Virginia**

### **Steel Dynamics Roanoke Bar Division**

**Summary:** Steel Dynamics Roanoke Bar Division has submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 to construct a siding and for loading and unloading of materials to serve their City of Roanoke location. The project will support their manufacturing, scrap processing, and marketing of merchant steel products and billets. The facility will be served by Norfolk Southern Railroad.

The company is a state-of-the-art steel mini mill. The facility melts scrap steel in electric furnaces and continuously casts the molten steel into billets which are rolled into merchant steel products. The expansion of this facility will enable the Company to increase volume by 1,988 railcars per year and more efficiently serve Roanoke, Virginia.

#### **Facts:**

- DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 64 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff.
- The Applicant will commit to an additional 1,988 rail carloads annually.
- The minimum threshold for carloads is 401 carloads annually.
- The Applicant will commit to 12 new jobs (425 currently employed) with this expansion.
- The Applicant's track expansion of 1,700 feet will remove approximately 6,759 trucks from Virginia highways per year.
- Railcar versus truckload ratio for this project is approximately .409 (40% shipping by railcar).
- Total Capital Investment in the expanded facility is estimated at \$28 million.
- Total Track Construction is estimated at \$450,000.
- There will be a claw-back provision in the agreement for failure to meet performance requirements based on the new performance policies adopted by the CTB in April 2015.

**Source of State Funds:** FY 2018 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