



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 5, 2018

MOTION

Made By: Mr. Miller, Seconded By: Mr. Johnsen
Action: Motion Carried, Unanimously

Title: Rail Industrial Access – Superb Solutions for You, Inc.

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, Superb Solutions For You, Inc. has submitted an application for Rail Industrial Access grant funds in the amount of \$230,810 toward rehabilitation of two miles of track to serve a facility in the County of Sussex; 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 60 points, has recommended approval of the project; and

WHEREAS, the County of Sussex, Virginia has, by resolution dated April 19, 2018, shown support for the application of up to \$230,810 in Industrial Access Railroad Track funds for assistance in expanding track facilities to serve the proposed Superb Solutions For You, Inc. facility located in the County of Sussex; and

WHEREAS, Norfolk Southern, by letter dated May 16, 2018 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 \$230,810 of the Industrial, Airport, and Rail Access Fund be provided to rehabilitate approximately two miles 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 \$230,810 industrial rail access grant must be borne by Superb Solutions For You, Inc. 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 Superb Solutions To You, Inc. to perpetually maintain the track and make payment 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: County of Sussex, Virginia

Superb Solutions For You, Inc.

Summary: Superb Solutions For You, Inc. has submitted an application for Rail Industrial Access grant funds in the amount of \$230,810 to rehabilitate rail operations at their new facility in the County of Sussex, Virginia. The project will support their \$2.3 million capital investment by importing raw materials and exporting their finished product by rail.

Superb Solutions For You, Inc. is a start-up manufacturer of a better class of water treatment chemicals which will help to meet a growing market demand for more environmentally friendly ways to produce the chemicals that mitigate harmful agricultural waste, purify drinking water, and treat wastewater.

Facts:

- DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 60 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff.
- The Applicant will commit to 260 rail carloads annually.
- The minimum threshold for carloads is 10 carloads annually.
- The Applicant will commit to 25 new jobs with this start-up.
- The Applicant's track rehabilitation of approximately two miles will remove approximately 884 trucks from Virginia highways per year.
- Railcar versus truckload ratio for this project is approximately 55% shipping by rail of in and outbound materials.
- Total Capital Investment in the expanded facility is estimated at \$2.3 million.
- Total railroad track construction cost is estimated at \$360,810.
- 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 2019 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



Virginia Department of Rail and Public Transportation

Rail Industrial Access Program Application Briefing

Superb Solutions For You, Inc.

Town of Waverly, County of Sussex, Virginia

Michael McLaughlin
Chief of Rail

Project Location:

Superb Solutions For You, Inc.
Waverly, VA



Project Location:

Superb Solutions For You, Inc.
Waverly, VA



Project Summary

- **Superb Solutions For You, Inc. is a start-up water treatment chemical company which will be located in Waverly, VA.**
- **The new facility will allow shipment of 260 carloads per year and help divert in and outbound truck traffic from secondary roads and highways.**



Project Summary



- **Application for \$230,810 in Rail Industrial Access Funds**
 - **\$2.3M Total Estimated Capital Expenditure**
 - **Track rehabilitation and connection to mainline**
 - **Purchase of existing industrial facility in Waverly, VA**
 - **\$360,810 Estimated Rail Project Cost**
 - **Capital expenditures outside the \$230,810 grant will be paid for by the applicant**
 - **Cost overruns responsibility of applicant**

Public Benefits

- **Public Benefits:**
 - **260 railcars annually due to the new facility**
 - **25 newly created jobs associated with this start-up business**
 - **55% of in and outbound shipping will be by rail**
- **Application scores 60 of 100 points**
- **Minimum threshold will be 10 new carloads**



Questions?

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