



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

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*Agenda item # 4*

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

**November 20, 2019**

#### **MOTION**

**Made By: Ms. Hynes, Seconded By: Dr. Smoot**

**Action: Motion Carried, Unanimously**

**Title: Rail Preservation Fund Evaluation Criteria**

**WHEREAS**, the General Assembly declares it to be in the public interest that shortline railway preservation and development of railway transportation support facilities are important elements of a balanced transportation system of the Commonwealth for freight and passengers, and further declares it to be in the public interest that the retention, maintenance, and improvement of the shortline railway and development of railway transportation support facilities are essential to the Commonwealth's continued economic growth, vitality, and competitiveness in national and world markets as described in Section 33.2-1602 of the Code of Virginia, and;

**WHEREAS**, the Commonwealth Transportation Board (Board) desires to adopt better quantitative evaluation criteria of applications for the Shortline Railway Preservation and Development Fund (Rail Preservation Fund), and;

**WHEREAS**, the following is a summary of the updates to the Rail Preservation Fund evaluation criteria:

1. Phase 1: Threshold Criteria (*Applications must meet this minimum to advance*)
  - a. The Rail Preservation Fund is intended to retain, maintain, and improve the shortline railway network and support facilities for freight service. A project must meet at least one criteria as set out in Code of Virginia §33.2-1602 in order to meet this threshold and move forward into Phase 2.

2. Phase 2: Scoring Criteria (*Applications are scored and ranked*)

- a. Program Goals (48% weight): Projects that achieve a State of Good Repair Projects standard and Maintain Operational Efficiency received the most points.
- b. State Initiatives (24% weight): Projects that are Critical Infrastructure, Align with Additional State Priorities, provide greater Economic Benefit, support Past State Investments, or support Rail Industrial Access Projects receive additional points.
- c. Cost Effectiveness (14% weight): Project costs are divided by the total prioritization score to develop a cost effectiveness ratio. The top 2/3 of projects receive additional points.
- d. Applicant Priority (14% weight): Projects are awarded additional points if they are the top priority for the applicant/railroad.

3. Phase 3: Cost Considerations

- a. Top ranked projects are recommended for funding based on available grant funding.

**NOW, THEREFORE, BE IT RESOLVED**, that effective December 1, 2019, the outlined evaluation policy specified above, and administered by the Director of the Department of Rail and Public Transportation, or their designee, is adopted by the Board.

**BE IT FURTHER RESOLVED**, that the Director shall develop procedural guidelines for the implementation of the scoring criteria.

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## Decision Brief

### Rail Preservation Fund Evaluation Criteria

#### Department of Rail and Public Transportation

**Summary:** In recent years, grant requests for the Shortline Railway Preservation and Development Fund (Rail Preservation Fund) have exceeded the program's capacity. DRPT needs better quantitative evaluation criteria to make recommendations on projects which exceed the Rail Preservation Fund capacity. In February 2019 DRPT began developing new evaluation criteria with the CTB Rail and Transit Subcommittee and the Virginia Railroad Association (VRRRA) members.

DRPT staff is recommending an updated evaluation process which is intended to encourage a more quantitative evaluation of the applications per §33.2-1602. The following is a summary of the updates to the Rail Preservation Fund Evaluation Criteria, which will be presented for action in October:

1. Phase 1: Threshold Criteria (*Applications must meet this minimum to advance*)
  - a. The Rail Preservation Fund is intended to retain, maintain, and improve the shortline railway network and support facilities for freight service. A project must meet at least one criterion in order to move forward into Phase 2.
2. Phase 2: Scoring Criteria (*Applications are scored and ranked*)
  - a. Program Goals (48% weight): Projects that achieve a State of Good Repair standard and Maintain Operational Efficiency receive the most points.
  - b. State Initiatives (24% weight): Projects that are Critical Infrastructure, Align with Additional State Priorities, provide greater Economic Benefit, support Past State Investments, or support Rail Industrial Access Projects receive additional points.
  - c. Cost Effectiveness (14% weight): Project costs are divided by the total prioritization score to develop a cost effectiveness ratio. The top 2/3 of projects receive additional points.
  - d. Applicant Priority (14% weight): Projects are awarded additional points if they are the top priority for the applicant/railroad.
3. Phase 3: Cost Considerations
  - a. Top ranked projects are recommended for funding based on available grant funding.

**Source of State Funds:** Shortline Railway Preservation and Development Fund

**Recommendation:** DRPT recommends the approval of the resolution.

**Options:** Approve, Deny, or Defer