

Rail Industrial Access Program Application Briefing Phoenix Packaging Operations, LLC Pulaski County

Commonwealth Transportation Board, January 14, 2020

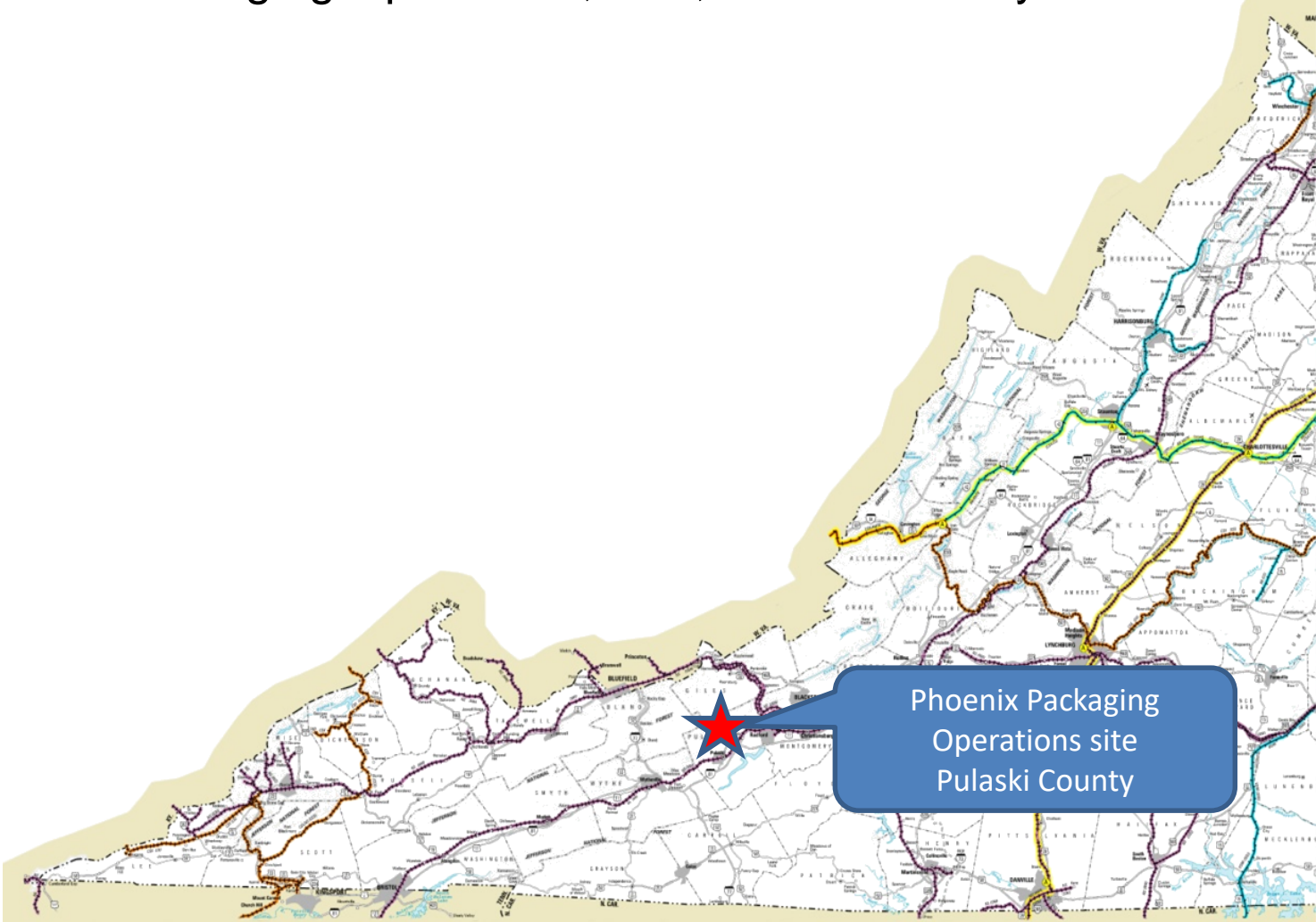
**Jeremy Latimer, Director of Rail Transportation Programs
Department of Rail and Public Transportation**



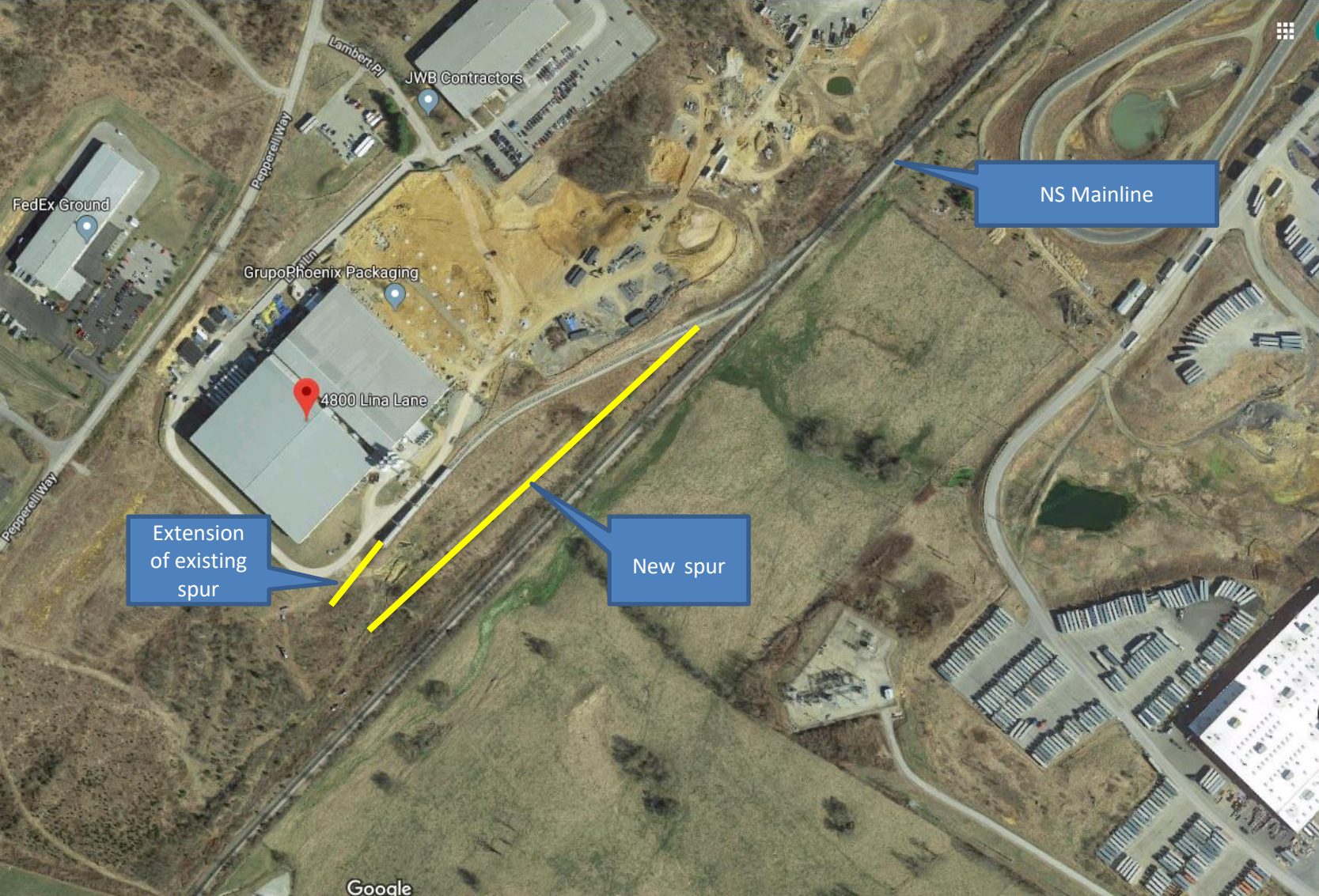
Virginia Department of Rail and Public Transportation

Project Location

- Phoenix Packaging Operations, LLC, Pulaski County



Project Location



Project Overview and Background

- Coordination with VEDP on the expansion since 2017.
- Phoenix has been working with the Port on incentives to increase shipments from the Port of Virginia.
- Phoenix Packaging Operations, LLC designs and manufactures rigid packaging solutions for commercial food and beverages, healthcare, and disposable consumer product industries.
- The expansion will serve national and international markets and will ship through the Port of Virginia.
- The facility will be served by Norfolk Southern Railroad.

Application Summary

- Application for \$450,000 in Rail Industrial Access Funds
 - Applicant will provide minimum 30% match
 - \$30M Total Estimated Capital Expenditure (\$30M package of loans and incentives)
 - New 176,000 square foot warehouse and manufacturing facility
 - Build new rail spur
 - Extend a former RIA grant funded rail spur
 - \$450,000 Grant in 2012
 - Met requirements of 2012 grant – 154 annual carloads
 - Approximately \$1M Rail Project Cost
 - Capital expenditures outside the \$450,000 grant will be paid for by the applicant as well as other state and local grants and incentives
 - Cost overruns responsibility of applicant

Public Benefits

- Public Benefits:
 - Additional 296 railcars annual commitment (currently 164 carloads per year)
 - 1,006 additional trucks off of Virginia highways annually (currently 558 annual trucks)
 - 145 new jobs associated with expansion
 - 96% of shipping will be by rail
- Application scores 69 of 100 points
 - Minimum 50 points needed to be recommended to CTB
- Minimum threshold will be 10 new carloads

Questions?

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