



# COMMONWEALTH of VIRGINIA

## *Commonwealth Transportation Board*

Shannon Valentine  
Chairperson

1401 East Broad Street  
Richmond, Virginia 23219

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

*Agenda item # 7*

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

**November 24, 2020**

#### **MOTION**

**Made By: Mr. Dodson, Seconded By: Mr. Yates**

**Action: Motion Carried, Unanimously**

#### **Title: Rail Industrial Access – Eastern Engineered Wood Products, Inc.**

**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**, Eastern Engineered Wood Products, Inc. is currently leasing a facility in Emporia, Virginia and is expanding and relocating to the County of Charlotte; and

**WHEREAS**, Eastern Engineered Wood Products, Inc. has submitted an application for RIA grant funds in the amount of \$385,000 toward construction of 1,259 feet of track to serve a facility in the County of Charlotte; 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 58 points, has recommended approval of the project; and

**WHEREAS**, the County of Charlotte, Virginia has, by resolution dated August 31, 2020, shown support for the application of up to \$385,000 in RIA funds for assistance in expanding track facilities to serve the Eastern Engineered Wood Products, Inc. facility located in the County of Charlotte; and

**WHEREAS**, Buckingham Branch Railroad, by letter dated August 8, 2020, 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 \$385,000 of the RIA Fund be provided to construct approximately 1,259 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 \$385,000 industrial rail access grant must be borne by Eastern Engineered Wood Products, 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 Eastern Engineered Wood Products, Inc. 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 Charlotte, Virginia**

**Eastern Engineered Wood Products, Inc.**

**Summary:** Eastern Engineered Wood Products, Inc. (EEWP) is a wholesale distributor and technical services provider of engineered wood products (joists, trusses, beams, etc.) in the northeast and mid-Atlantic. EEWP is headquartered in Bethlehem, Pennsylvania. They currently lease a facility in Emporia, VA, but require more frequent rail service, resulting in a need to move their location. VEDP worked with EEWP to ensure the relocation would remain in Virginia, as sites in North Carolina were also considered. The new facility will locate in the County of Charlotte, Virginia in the Heartland Industrial Park. Buckingham Branch Railroad will provide rail service to the new operation.

EEWP has submitted an application for Rail Industrial Access grant funds in the amount of \$385,000 to construct a new rail spur at the proposed new facility located in the Heartland Industrial Park.

This project is part of an expansion of EEWP's engineered wood products wholesale next-day distribution to the residential and light commercial construction industry. The rail spur is part of the company's \$6.5M capital investment to grow their engineered wood products business. Reliable, frequent rail service was a critical component in selecting a new location for their expansion. Rail service will give EEWP access to more competitively priced suppliers of wood products in Canada, Oregon and Washington State to remain competitive in the Mid-Atlantic market they serve.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 58 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff.

- The Applicant plans 101 rail carloads annually in its application.
- The minimum threshold for carloads is 10 carloads annually.
- The Applicant committed to 7 new jobs.
- The Applicant will relocate 7 existing jobs from its Emporia facility.
- The Applicant's new 1,259 foot rail siding will remove approximately 343 trucks from Virginia highways per year.
- Railcar versus truckload ratio for this project is approximately 34% shipping by rail of outbound engineered wood products.
- Total Capital Investment in the expanded facility is estimated at \$6.5M.
- Total railroad track construction cost is estimated at \$550,000.

- 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 2020 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