



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 13

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

March 17, 2021

MOTION

Made By: Mr. Dodson **Seconded By:** Mr. Brown

Action: Motion Carried, Unanimously

Title: Rail Industrial Access – Tucker Timber 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, Tucker Timber Products, Inc. has submitted an application for RIA grant funds in the amount of \$422,678 toward construction of 1,200 feet of track to serve a facility in the Town of Keysville; 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 53 points, has recommended approval of the project; and

WHEREAS, the Town of Keysville, Virginia has, by resolution dated July 16, 2020, shown support for the application of up to \$422,678 in RIA funds for assistance in expanding track facilities to serve the Tucker Timber Products, Inc. facility located in the Town of Keysville; and

WHEREAS, Buckingham Branch Railroad, by letter dated August 31, 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 \$422,678 of the RIA Fund be provided to construct approximately 1,200 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 \$422,678 RIA grant must be borne by Tucker Timber 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 Tucker Timber 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.

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CTB Decision Brief

Rail Industrial Access Applicant

Location: Town of Keysville, Virginia

Tucker Timber Products, Inc.

Summary: Tucker Timber Products, Inc. produces railroad cross ties, flooring lumber and pallets in the Town of Keysville, Virginia. They have submitted an application for Rail Industrial Access grant funds in the amount of \$422,678 to construct a new rail spur at their existing facility.

This project is part of Tucker Timber's initiative to ship rail cross ties to various locations throughout the country. The construction of the industrial sidetrack is critical to Tucker's future business and will secure employment for their existing 40 employees as well as add 2 additional employees.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 53 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff.

- The Applicant plans 201 rail carloads annually in its application.
- The minimum threshold for carloads is 101 carloads annually.
- The Applicant committed to 2 new jobs.
- The Applicant's new 1,200 foot rail siding will remove approximately 683 trucks from Virginia highways per year.
- Railcar versus truckload ratio for this project is approximately 14% shipping by rail of outbound products.
- Total Capital Investment in the expanded facility is estimated at \$603,825.
- Total railroad track construction cost is estimated at \$603,825.
- 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 2021 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