



## COMMONWEALTH of VIRGINIA

### Commonwealth Transportation Board

W. Sheppard Miller, III  
Chairperson

1401 East Broad Street  
Richmond, Virginia 23219

(804) 482-5818  
Fax: (804) 786-2940

*Agenda item # 12*

#### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 20, 2022

#### MOTION

Made By: Dr. Smoot Seconded By: Mr. Merrill

Action: Motion carried.

#### Title: Rail Industrial Access – Pittsylvania County

**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**, Westrock Corporation has submitted an application for RIA grant funds in the amount of \$298,410 toward reconstruction of 1,700 feet of track to serve their facility in the County of Pittsylvania; 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 Board of Supervisors for the County of Pittsylvania, Virginia has, by resolution dated April 19, 2022, shown support for the application of up to \$298,410 in RIA funds for assistance in expanding track facilities to serve the Westrock Corporation facility located in the County of Pittsylvania; and

**WHEREAS**, Norfolk Southern Railroad, by letter dated February 22, 2022, has indicated its support for the project and has agreed to serve the facility; and

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**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 \$298,410 of the RIA Fund be provided to reconstruct approximately 1,700 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 \$298,410 RIA grant must be borne by Westrock Corporation 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 Westrock Corporation 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 Pittsylvania, Virginia**  
**Westrock Corporation**

**Summary:** Westrock Corporation has submitted an application for Rail Industrial Access grant funds in the amount of \$298,410 to reconstruct an existing rail spur at its Pittsylvania County facility. Westrock Corporation's Cascade facility is a chip mill that purchases pulpwood from local logging contractors and converts it into chips which are shipped to their Covington facility and made into packaging paper.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 54 points. Projects must reach a 50 point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 600 new rail carloads annually (the minimum threshold for carloads is 401 annually).
- The Applicant commits to one new job.
- The Applicant's reconstructed 1,700 foot rail spur will divert approximately 2,040 trucks from Virginia highways per year.
- The plant is located north of Danville near Route 29.
- Railcar versus truckload ratio for this project is approximately 13% shipping by rail of outbound processed wood chips.
- The total capital investment is estimated at \$430,000.
- The total railroad track construction cost is estimated at \$430,000.
- 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 2023 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