



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 2

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 20, 2023

MOTION

Made By: Mr. Davis, **Seconded By:** Ms. Green

Action: Motion Carried, Unanimously

Title: Rail Industrial Access – Carolina Ave LLC

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, Liberty Property Limited Partnership submitted an application for RIA grant funds in the amount of \$336,890 toward the replacement of approximately 1,400 crossties to rehabilitate an existing 4,000-foot spur to serve its facility in the County of Henrico, Virginia (Project); and

WHEREAS, the Department of Rail and Public Transportation (DRPT) evaluated the Project in accordance with the Commonwealth Transportation Board's (Board) Rail Industrial Access (RIA) Policy and, because the Project scores 50 points, has recommended its approval; and

WHEREAS, the County of Henrico, Virginia has, by resolution dated April 24, 2023, shown support for the application for RIA funds by Liberty Property Limited Partnership for use at its facility located in the County of Henrico; and

WHEREAS, in July, 2023, Liberty Property Limited Partnership sold its County of Henrico facility to Carolina Ave LLC who has agreed to replace Liberty Property Limited Partnership as the applicant for this Project and assume all the requisite responsibilities; and

WHEREAS, Buckingham Branch Railroad, by letter dated December 1, 2022, 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 of the *Code of Virginia*, 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 \$336,890 of the RIA Fund be provided to replace approximately 1,400 crossties to rehabilitate an existing 4,000-foot spur 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 \$336,890 RIA grant must be borne by Carolina Ave LLC or sources other than those administered by DRPT;
3. Execution of an agreement acceptable to the Director of DRPT; and
4. Execution of a contractual commitment by Carolina Ave LLC 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: County of Henrico, Virginia
Carolina Ave LLC

Summary: Liberty Property Limited Partnership submitted an application for Rail Industrial Access grant funds in the amount of \$336,890 to rehabilitate a rail spur at its County of Henrico facility. Liberty Property applied on behalf of its leasee, TemperPack Technologies, Inc.. TemperPack is a manufacturer of sustainable cold-chain packaging products. The spur will be used for incoming raw material from the Midwest. In July 2023, Liberty Property Limited Partnership sold its Henrico facility to Carolina Ave LLC who has agreed to replace Liberty Property Limited Partnership as the applicant for this Rail Industrial Access project and assume all the requisite responsibilities.

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

- The Applicant plans 101 new rail cars annually.
- The minimum threshold for carloads is 101 carloads annually.
- The Applicant commits to 5 new jobs.
- Rail access at this location will also secure employment for TemperPack's current 300 employees.
- The Applicant's rehabilitated 4,000-foot rail spur will divert approximately 343 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at \$3.175M.
- The total railroad track construction cost is estimated at \$571,000.
- The Applicant is contributing a 41% match toward rail costs. Minimum match for RIA is 30%.
- 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 2024 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