



# COMMONWEALTH of VIRGINIA

## Commonwealth Transportation Board

W. Sheppard Miller, III  
Chairperson

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*Agenda item # 3*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

May 14, 2024

#### MOTION

**Made By:** Mr. Stant **Seconded By:** Mr. Davis

**Action:** Motion Carried, Unanimously

**Title: Rail Industrial Access –**  
**SharpTech USA, LLC**  
**Queen City Logistics Center, LLC**  
**Norfolk Terminal, LP**

**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**, SharpTech USA, LLC submitted an application for RIA grant funds in the amount of \$450,000 to rehabilitate an existing 2,104-foot spur to serve its facility in the County of Accomack, Virginia; and

**WHEREAS**, Queen City Logistics Center, LLC submitted an application for RIA grant funds in the amount of \$301,000 to construct a 360-foot spur and rehabilitate an existing 1,115-foot spur to serve its facility in the City of Staunton, Virginia; and

**WHEREAS**, Norfolk Terminal, LP submitted an application for RIA grant funds in the amount of \$560,000 to construct a 1,524-foot spur to serve its facility in the City of Norfolk, Virginia; and

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**WHEREAS**, the Department of Rail and Public Transportation (DRPT) evaluated the Projects in accordance with the Commonwealth Transportation Board's (Board) Rail Industrial Access Policy and, because the Projects each score 50 or more points, has recommended its approval; and

**WHEREAS**, the County of Accomack, Virginia has, by resolution dated February 21, 2024, shown support for the application for RIA funds by SharpTech USA, LLC for use at its facility located in the County of Accomack; and

**WHEREAS**, the City of Staunton, Virginia has, by resolution dated September 28, 2023, shown support for the application for RIA funds by Queen City Logistic Center, LLC for use at its facility located in the City of Staunton; and

**WHEREAS**, the City of Norfolk, Virginia has, by resolution dated December 5, 2023, shown support for the application for RIA funds by Norfolk Terminal, LP for use at its facility located in the City of Norfolk; and

**WHEREAS**, Delmarva Central Railroad, by letter dated January 31, 2024, has indicated its support for the SharpTech USA, LLC Project and has agreed to serve the facility; and

**WHEREAS**, Buckingham Branch Railroad, by letter dated August 7, 2023, has indicated its support for the Queen City Logistics Center, LLC Project and has agreed to serve the facility; and

**WHEREAS**, Norfolk Southern Railway Company, by letter dated April 28, 2023, has indicated its support for the Norfolk Terminal, LP Project and has agreed to serve the facility; and

**WHEREAS**, the funding requests fall within the intent of Section 33.2-1600 of the *Code of Virginia*, and because the Projects are in accordance with the provisions of the Board's Policy on the use of Industrial Access Railroad Track funds, funding may be allocated to these projects; and

**WHEREAS**, the Board believes that these projects are for the common good of regions of the Commonwealth and serve a public purpose.

**NOW THEREFORE, BE IT RESOLVED**, that the Board hereby approves that \$450,000 of the RIA Fund be provided to SharpTech USA, LLC to rehabilitate an existing 2,104-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;

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2. All costs above the \$450,000 RIA grant must be borne by SharpTech USA, 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 SharpTech USA, 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.

**NOW THEREFORE, BE IT RESOLVED**, that the Board hereby approves that \$301,000 of the RIA Fund be provided to Queen City Logistics Center, LLC to construct a 360-foot spur and to rehabilitate an existing 1,115-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 \$301,000 RIA grant must be borne by Queen City Logistics Center, 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 Queen City Logistics Center, 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.

**NOW THEREFORE, BE IT RESOLVED**, that the Board hereby approves that \$560,000 of the RIA Fund be provided to Norfolk Terminal, LP to construct a 1,524-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 \$560,000 RIA grant must be borne by Norfolk Terminal, LP 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 Norfolk Terminal, LP 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 Accomack, Virginia**  
**SharpTech USA, LLC**

**Summary:** SharpTech USA, LLC submitted an application for Rail Industrial Access grant funds in the amount of \$450,000 to rehabilitate a rail spur at its County of Accomack facility. SharpTech USA produces virgin grade glycols and operates a custom blending system for specialized glycol-based products. They are the only glycol producer on the East Coast.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 52 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 2 new jobs.
- The Applicant's rehabilitated 2,104-foot rail spur will divert approximately 343 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at \$700,000.
- The total railroad track construction cost is estimated at \$650,000.
- 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

**CTB Decision Brief**  
**Rail Industrial Access Applicant**  
**Location: City of Norfolk, Virginia**  
**Norfolk Terminal LP**

**Summary:** Norfolk Terminal, LP is a multi-customer terminal. This expansion will primarily move plastics / PVC through storage, handling, packaging, and shipping in the City of Norfolk, Virginia. This project is part of Norfolk Terminal's initiative to import containers and export product through the Port of Virginia. They have submitted an application for Rail Industrial Access grant funds in the amount of \$560,000 to construct a new rail spur at their facility.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 69 points. Projects must reach a 50-point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 3000 new rail cars annually.
- The minimum threshold for carloads is 10 carloads annually.
- The Applicant commits to 76 new jobs.
- The Applicant's new 1,524-foot rail spur will divert approximately 10,200 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at \$59.9M.
- The total railroad track construction cost is estimated at \$800,000.
- 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

**CTB Decision Brief**  
**Rail Industrial Access Applicant**  
**Location: City of Staunton, Virginia**  
**Queen City Logistics Center, LLC**

**Summary:** Queen City Logistics Center, LLC has submitted an application for Rail Industrial Access grant funds in the amount of \$301,000 to rehabilitate a rail spur at its City of Staunton facility. Queen City Logistics Center has applied in support of its tenant, Pilot Company. Pilot will receive raw materials to blend diesel exhaust fluid which is used to reduce harmful diesel engine emissions in trucks.

DRPT has evaluated the project in accordance with the CTB's Rail Industrial Access policy. The project scores 52 points. Projects must reach a 50-point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 301 new rail cars annually.
- The minimum threshold for carloads is 301 carloads annually.
- The Applicant commits to 1 new jobs.
- The Applicant's new 360-foot and 1,115-foot rehabilitated rail spurs will divert approximately 1,023 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at \$2.9M.
- The total railroad track construction cost is estimated at \$430,000.
- 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