



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item #5

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 18, 2025

MOTION

Made By: Ms. Green, **Seconded By:** Ms. Sellers

Action: Motion Carried, Unanimously

**Title: Rail Industrial Access –
Hitachi Energy – Halifax 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, Hitachi Energy submitted an application for RIA grant funds in the amount of \$175,000 to rehabilitate a 1,000-foot spur to serve its facility in the Halifax County, 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 Policy and, because the Project scored 50 or more points, has recommended its approval; and

WHEREAS, the County of Halifax, Virginia has, by resolution dated December 2, 2024, shown support for the application for RIA funds by Hitachi Energy for use at its facility located in the County of Halifax; and

WHEREAS, Norfolk Southern Railway Company, by letter dated December 13, 2024, has indicated its support for the Hitachi Energy 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 \$175,000 of the RIA Fund be provided to Hitachi Energy to rehabilitate a 1,000-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 \$175,000 RIA grant must be borne by Hitachi Energy 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 Hitachi Energy 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: Halifax County, Virginia
Hitachi Energy

Summary: Hitachi Energy South Boston is one of the largest power and liquid-filled transformer manufacturers in the country. Its purpose is to advance a sustainable energy future for all. Hitachi Energy has three facilities located in Virginia. This Project will rehabilitate the Halifax facility's rail infrastructure in order to transport heavy oversized transformers that cannot be shipped by truck. They have submitted an application for Rail Industrial Access grant funds in the amount of \$175,000 to rehabilitate approximately 1,000 feet of rail at their facility.

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

- The Applicant plans 48 new rail cars annually.
- The minimum threshold for carloads is 10 carloads annually.
- The Applicant commits to 100 new jobs.
- The Applicant's rehabilitated rail spur will allow oversized generators to be shipped, without impacting Virginia highways.
- The total capital investment in the facility is estimated at \$26.25M.
- The total railroad track rehabilitation cost is estimated at \$250,000.
- 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 2025 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