COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

1221 East Broad Street
Richmond, Virginia 23219

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

***Agenda item # 8***

**RESOLUTION**
**OF THE**
**COMMONWEALTH TRANSPORTATION BOARD**

**March 18, 2026**

**MOTION**

**Made By:** Ms. Sellers**, Seconded By:** Mr. Gribbin

**Action:** Motion Carried, Unanimously

**Title: Rail Industrial Access –**
**Virginia Poultry Growers Cooperative, Inc. – Rockingham 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,** Virginia Poultry Growers Cooperative, Inc. applied for RIA grant funds in the amount of $750,000 to construct 5,200 feet of new track to serve its facility in the County of Rockingham, 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 63 points, has recommended its approval; and

**WHEREAS,** the County of Rockingham, Virginia has, by resolution dated February 11, 2026, shown support for the application for RIA funds by Virginia Poultry Growers Cooperative, Inc. for use at its facility located in the County of Rockingham; and

**WHEREAS,** Chesapeake and Western Railroad Company, by letter dated February 2, 2026, has indicated its support for the Virginia Poultry Growers Cooperative, Inc. 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 $750,000 of the RIA Fund be provided to Virginia Poultry Growers Cooperative, Inc. to construct 5,200 feet of new 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 $750,000 RIA grant must be borne by Virginia Poultry Growers Cooperative, Inc. 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 Virginia Poultry Growers Cooperative, Inc. to maintain the track and make repayment of any costs related to the future relocation or removal of such track and facilities, in a form acceptable to the Director of DRPT.

####

**CTB Decision Brief**
**Rail Industrial Access Applicant**
**Location: County of Rockingham, Virginia**
**Virginia Poultry Growers Cooperative, Inc.**

**Summary:** Virginia Poultry Growers Cooperative, Inc. (VPGC) opened its feed mill site in Rockingham County in 2008. Due to the increase in growth of the poultry industry, VPGC has chosen their Rockingham County site for expansion. This expansion will supply feed to their nearly 200 member farms. The new rail will diversify their existing grain imports from the Midwest by adding soymeal and propane car imports. VPGC has applied for Rail Industrial Access grant funds in the amount of $750,000 to construct 5,200 feet of new track to serve its facility in the County of Rockingham, Virginia.

DRPT has evaluated the Project in accordance with the CTB's Rail Industrial Access Policy. The Project scores 63 points. Proposed Projects must reach a 50-point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans 500 new rail cars annually.
- The minimum threshold for carloads is 100 carloads annually.
- The Applicant commits to 6 new jobs.
- The Applicant's new rail spur will divert approximately 1,700 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at $85M.
- The total railroad track rehabilitation and construction cost is estimated at $1.5M.
- 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 2026 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

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VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

March 2026

# Rail Industrial Access

## Virginia Poultry Growers Cooperative Application

## SUMMARY

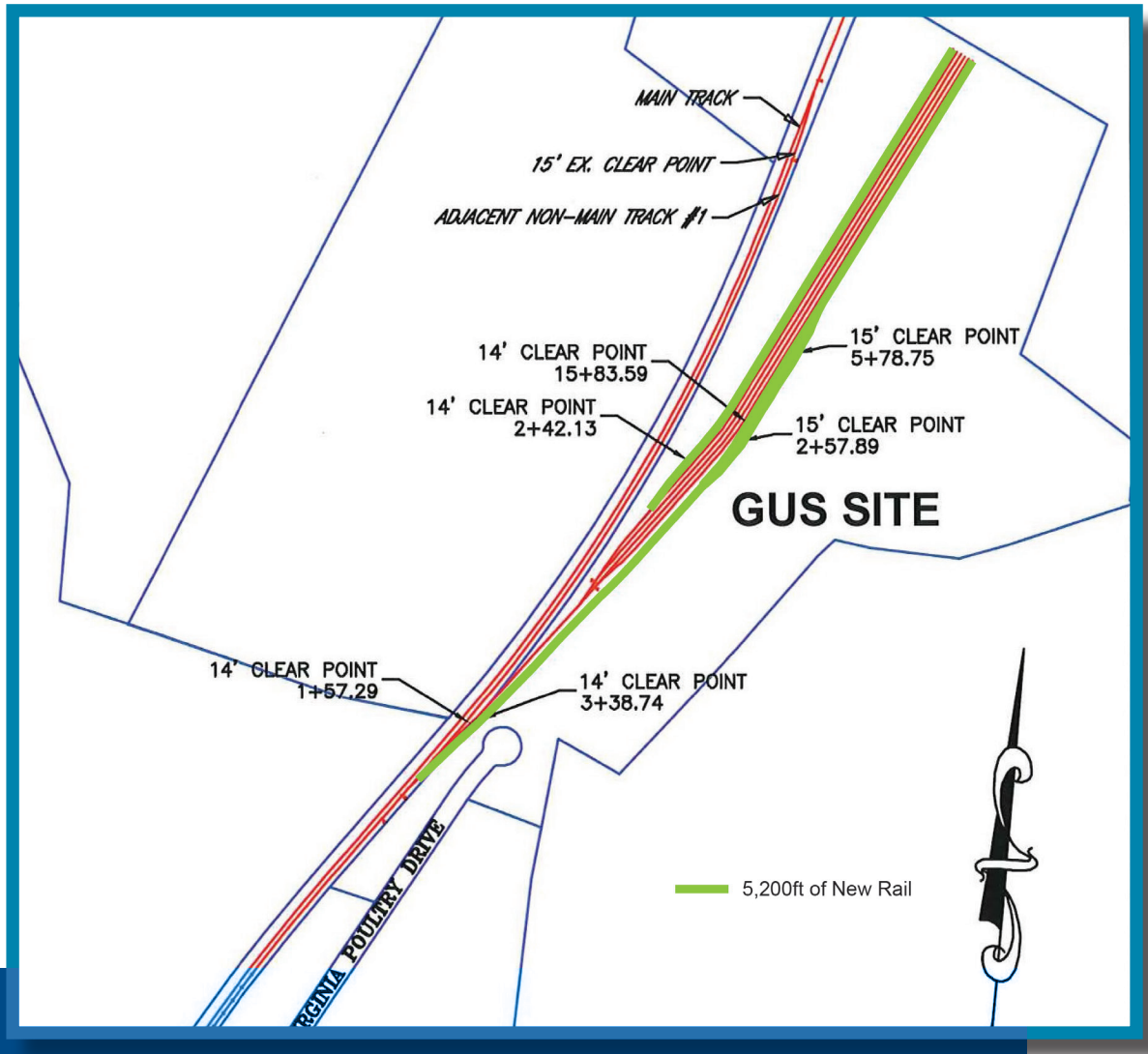
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|---|---|
| REQUEST | $750,000 |
| LOCALITY | Rockingham Co. |
| CTB DISTRICT | Staunton |
| APPLICATION SCORE | 63 |
| TOTAL INVESTMENT | $85M |
| RAIL INVESTMENT | $1.5M |

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# Project Description

The Virginia Poultry Growers Cooperative, located in Rockingham County, near Harrisonburg, VA, in the Staunton CTB District, has applied for $750,000 of Rail Industrial Access funding to support expansion of their Grain Unloading Station. The business has grown over 25% in recent years, and this investment will increase rail throughput and create jobs. These benefits, along with significant private investment causes the application to score above 50 points, therefore DRPT recommends this application for approval.




VPGC is seaking $750,000 from the Rail Industrial Access Program, to support the $1.5M construction of 5,200 ft of new track to serve its facility in Rockingham County, VA. Project benefits include:

- $85 M Total Investment in VA Economy
- 6 New Jobs
- 500 Additional Rail Carload Throughput Annually
- Removing Approximately 1,700 Trucks from VA Highways Annually

# Applicant Description

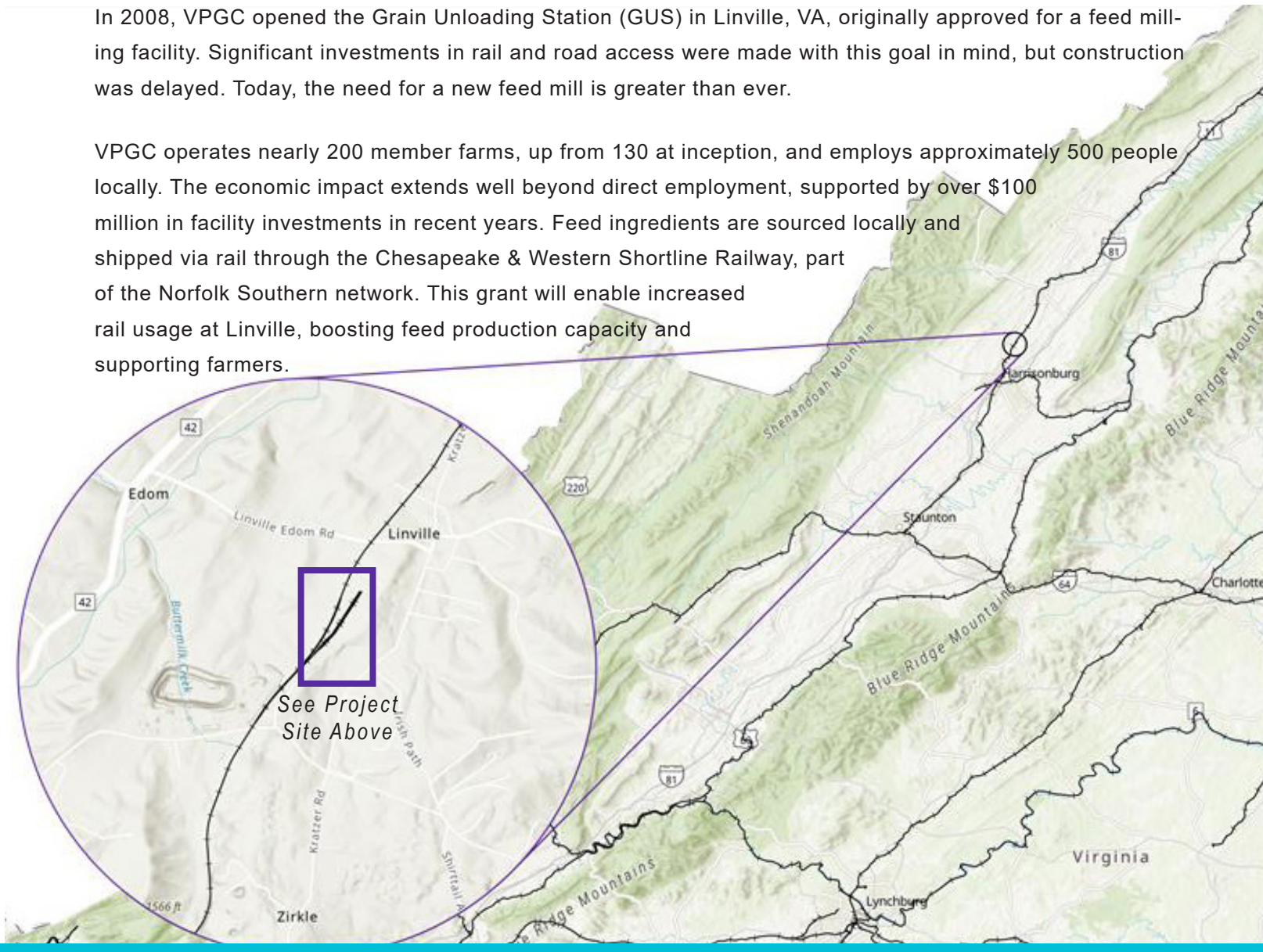
The Linville site's central location reduces truck travel, improving efficiency and environmental impact. Existing grain storage infrastructure makes it an ideal location for expanding feed manufacturing and introducing new products. Rail access, via the Chesapeake & Western Shortline, is essential for growth, enabling delivery of grain, soymeal, and propane. Approximately 15 soymeal cars per week (over 500 annually) and several propane cars for boiler operations are anticipated.

## Virginia Poultry Growers Cooperative

Virginia Poultry Growers Cooperative (VPGC) was established in 2004 when local farmers united to preserve turkey production after the previous owner planned to close operations. Since then, VPGC has grown by over 25% and continues to experience steady annual increases, making additional infrastructure critical to support future growth.

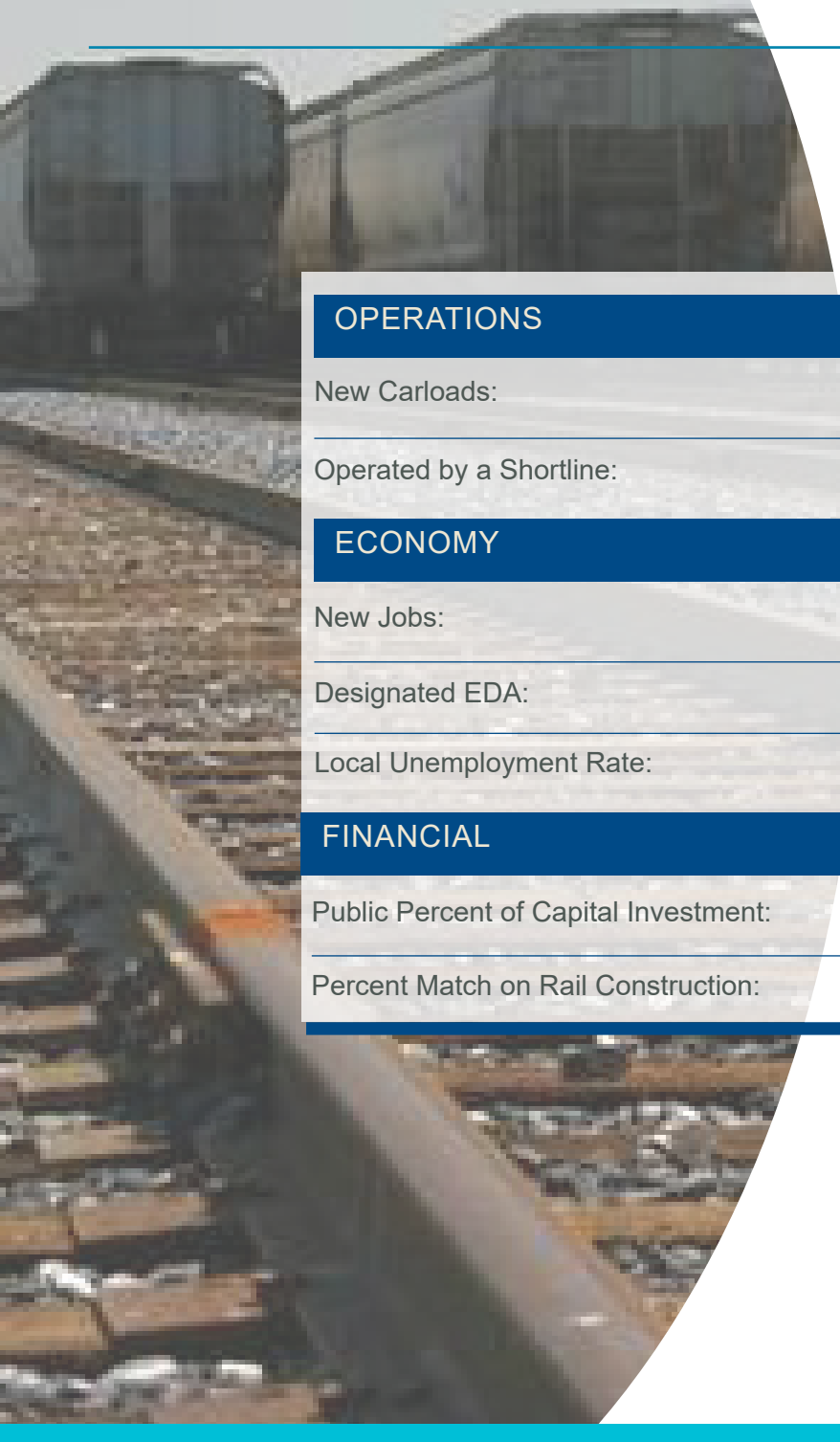
In 2008, VPGC opened the Grain Unloading Station (GUS) in Linville, VA, originally approved for a feed milling facility. Significant investments in rail and road access were made with this goal in mind, but construction was delayed. Today, the need for a new feed mill is greater than ever.

VPGC operates nearly 200 member farms, up from 130 at inception, and employs approximately 500 people locally. The economic impact extends well beyond direct employment, supported by over $100 million in facility investments in recent years. Feed ingredients are sourced locally and shipped via rail through the Chesapeake & Western Shortline Railway, part of the Norfolk Southern network. This grant will enable increased rail usage at Linville, boosting feed production capacity and supporting farmers.



# Application Scoring

The Board has final funding decision for all applications, DRPT recommends any project that scores at least 50 points. The VPGC project expects to generate a significant number of new carloads, includes a high percentage of private investment for both the overall property and the rail construction, the project is both within an existing EDA and will be operated by a shortline railroad. DRPT recommends project for approval.



| | | |
|---|---|---|
| **OPERATIONS** | | |
| New Carloads: | 500 Annually | 17 |
| Operated by a Shortline: | Yes | 10 |
| **ECONOMY** | | |
| New Jobs: | 6 | 8 |
| Designated EDA: | Yes | 10 |
| Local Unemployment Rate: | Below VA Rate | 0 |
| **FINANCIAL** | | |
| Public Percent of Capital Investment: | >1% | 10 |
| Percent Match on Rail Construction: | 50% | 8 |
| | **Total Score** | **63** |

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# Next Steps



## MARCH 2026

DRPT staff present and recommend the application for funding approval by CTB; as part of the Consent Agenda. A resolution, decision brief, and project report have been provided as part of the information packet.



## APRIL 2026

If approved, DRPT staff will execute the standard grant agreement with the applicant, so that project work may commence. The agreement includes all terms and conditions, and the monitoring performance criteria.

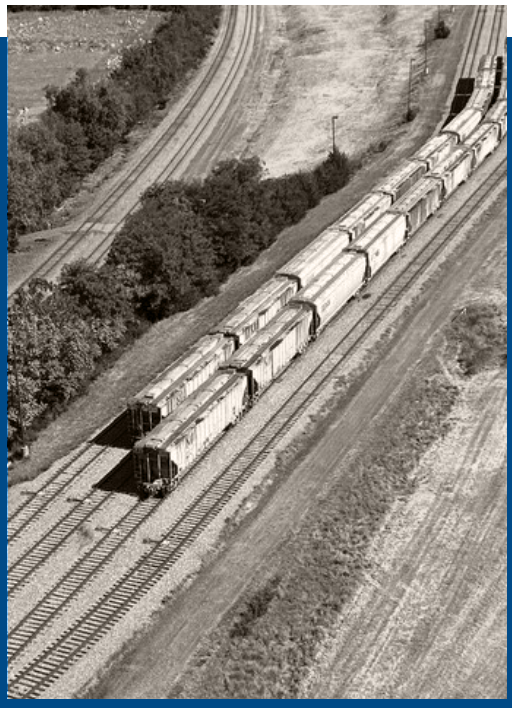


## DECEMBER 2027

Expect construction complete by end of 2027. Grantee will complete all work, and expenditures, prior to invoicing. DRPT staff will conduct a site visit, review expenditures, and if reimbursement is approved, close the project. The 3-year performance monitoring begins.

# Program Overview

The Rail Industrial Access Program is established in Virginia Code § 33.2-1600, dedicating the Commonwealth to creating a competitive multimodal network that provides choices for transportation users; system redundancies to increase network resilience; opportunities for economic growth; and increased access for all users.



RIA is designed for new or expanding businesses that have the need to access the rail network by building their own industrial lead tracks.

Funds must be used to construct, reconstruct, or improve part or all the necessary tracks and related facilities. Facilities must be directly associated with revenue carloads.

Relocation of utilities, acquisition of right-of-way, operation and maintenance, storage tracks, rail less than 115 lbs or work begun prior to project execution are not eligible.

## 01. APPLICATION

Once submitted, DRPT staff evaluates application eligibility and determines the application score based on the objective, data-driven, scoring criteria.

All requirements and scoring are included in the grant guidelines, posted publicly.

## 02. PROJECT EXECUTION

DRPT recommends all projects that receive a score of at least 50 points for funding consideration by the CTB. If funding is approved by the Board, DRPT staff will execute the project agreement.

All terms and conditions are posted publicly.

## 03. PROJECT IMPLEMENTATION

RIA is a reimbursement based program, which requires the grantee to complete all construction and expenditures prior to receiving any Commonwealth funds. Once complete, DRPT staff conducts a site visit to ensure proper implementation.

This process is designed to safeguard public funds.

## 04. CLOSEOUT AND PERFORMANCE

Once the project is complete, the Commonwealth maintains a 15-year interest in the improvements to ensure they remain operable, and requires annual performance reporting by the grantee to ensure the application commitments have been realized.

If either term is not met, DRPT may reclaim funding.

# Rail Industrial Access Application Process

DRPT staff reviews and scores each application using the same data-driven criteria. The scoring criteria was developed to evaluate diverse project needs across the diverse geography of the Commonwealth. The scoring criteria aims to award projects that maximize carload throughput, job creation, and maximum leverage of private investment. The scoring criteria is also tracked after project implementation to ensure project benefits are fully realized by the Commonwealth.



### New Rail Carloads

Annual revenue carloads as a result of investment; maximize the benefit to the VA highways by diverting trucks. Up to 20 points.



### Job Creation

New jobs created as a result of investment; maximize the benefit to the VA economy and quality of life. Up to 20 points.



### % of Capital Investment

Transportation portion of the overall investment; targets projects with higher % of private investment. Up to 10 Points.



### Private % of Track Construction

Measures % of private match for track construction only. Minimum 30% match required, up to 10 points.



### Local Unemployment

Local unemployment rate vs state average. Targets high unemployment areas to maximize job impact. Up to 10 points.



### Designated EDA / Shortline

Two different Yes / No measures. Is the project within a designated economic development area? Is it served by shortline? 10 points each.