COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 5

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

March 18, 2025

MOTION

Made By: Mr. Coleman, **Seconded By**: Mr. Fowlkes

Action: Motion Carried, Unanimously

Title: Rail Industrial Access –
The DeLong Co., Inc. – City of Portsmouth

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, The DeLong Co., Inc. applied for RIA grant funds in the amount of $750,000 to rehabilitate 4,200 feet of track and construct 3,200 feet of new track to serve its facility in the City of Portsmouth, 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 City of Portsmouth, Virginia has, by resolution dated January 14, 2025, shown support for the application for RIA funds by The DeLong Co., Inc. for use at its facility located in the City of Portsmouth; and

WHEREAS, CSX Transportation, by letter dated October 22, 2024, has indicated its support for The DeLong Co., 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 The DeLong Co., Inc. to rehabilitate 4,200 feet of track and construct 3,200 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 The DeLong Co., 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 The DeLong Co., Inc. 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: City of Portsmouth, Virginia
The DeLong Co., Inc.

Summary: The DeLong Co., Inc., is a Wisconsin-based company that specializes in containerized agricultural exports. DeLong currently operates transload facilities in Illinois, Kansas, Nebraska, Ohio, and New Jersey. The Portsmouth, Virginia, location will be its newest transload facility. The purpose of this process is to aid in the movement of procuring, processing, and globally distributing grains, oilseeds, and byproducts such as dried distiller grains and soybean meals. DeLong has applied for Rail Industrial Access grant funds in the amount of $750,000 to rehabilitate 4,200 feet of track and construct 3,200 feet of new track to serve its investment in the City of Portsmouth, Virginia.

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 3,000 new rail cars annually.
- The minimum threshold for carloads is 301 carloads annually.
- The Applicant commits to 12 new jobs.
- The Applicant's new and rehabilitated rail spur will divert approximately 10,200 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at $26.8M.
- The total railroad track rehabilitation and construction cost is estimated at $2.2M.
- 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