COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818

Agenda item # 1

OF THE
COMMONWEALTH TRANSPORTATION BOARD

June 16, 2026

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

Action: Motion Carried

Title: Rail Industrial Access –
Fairwinds Terminal Services, LLC – City of Norfolk

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, Fairwinds Terminal Services, LLC (Fairwinds) applied for RIA grant funds in the amount of $750,000 to rehabilitate 12,000 feet of track to serve its facility in the City of Norfolk, 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 68 points, has recommended its approval; and

WHEREAS, the City of Norfolk, Virginia has, by resolution dated July 15, 2025, shown support for the application for RIA funds by Fairwinds for use at its facility located in the City of Norfolk; and

WHEREAS, Norfolk Southern Railway, by letter dated April 2, 2026, has indicated its support for the Fairwinds 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 Fairwinds Terminal Services, LLC to rehabilitate 12,000 feet of 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 Fairwinds 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 Fairwinds 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: City of Norfolk, Virginia
Fairwinds Terminal Services, LLC

Summary: Fairwinds Terminal Services, LLC (Fairwinds) is a veteran-owned, Virginia-based company that is revitalizing the 131-acre waterfront facility, formerly Lamberts Point Docks. The docks have been rebranded as Fairwinds Landing. Their business targets defense, energy, and niche non-containerized dry cargo markets with a focus on operations that require moving big and heavy components for third parties on a water-to-rail or rail-to-water basis. Their primary imports are large electrical transformers which are shipped to domestic locations and primary exports are locomotives for international destinations. Fairwinds is also launching railcar transloading at this site to move products between local container terminals and the mid-west. Fairwinds has applied for Rail Industrial Access (RIA) grant funds in the amount of $750,000 to rehabilitate 12,000 feet of track to serve its facility in the City of Norfolk, Virginia.

Approval by the CTB at the June Board Meeting will allow the company to stay on schedule. Fairwinds plans to execute its grant Agreement with DRPT, advertise and receive bids, and then advance into the active construction phase of its project, scheduled August 1 – December 31.

DRPT has evaluated the Project in accordance with the CTB's RIA Policy. The Project scores 68 points. Proposed projects must reach a 50-point threshold to receive a recommendation by DRPT staff. For this project:

- The Applicant plans to add 310 new rail cars to the network annually.
- The minimum threshold for carloads is 10 carloads annually.
- The Applicant commits to 250 new jobs.
- The Applicant's rehabilitated rail spur will divert approximately 1,054 trucks from Virginia highways per year.
- The total capital investment in the facility is estimated at $200M.
- The total railroad track construction cost is estimated at $1.1M.
- 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 RIA requires Board action on the resolution.

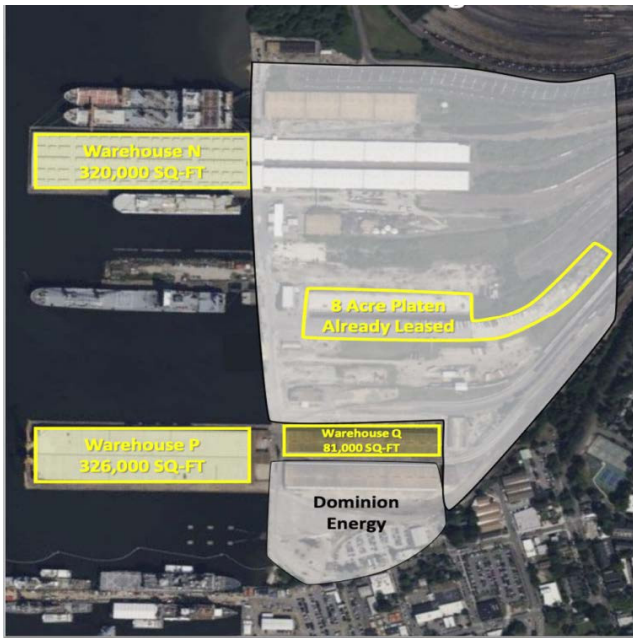
Options: Approve, Deny, or Defer

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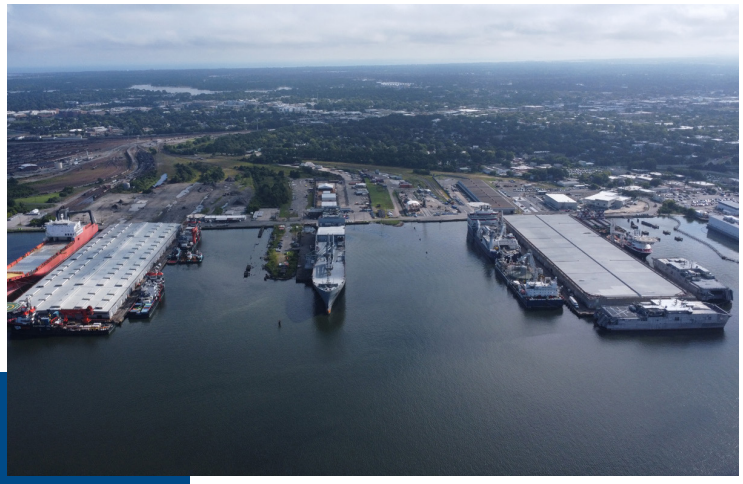
Rail Industrial Access

Fairwinds Terminal Services, LLC Application

AMOUNT: $750,000
LOCALITY: City of Norfolk
DISTRICT: Hampton Roads
DATE: June 2026



Project area for the Fairwinds Norfolk site.



Fairwinds Norfolk site.

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Project Background

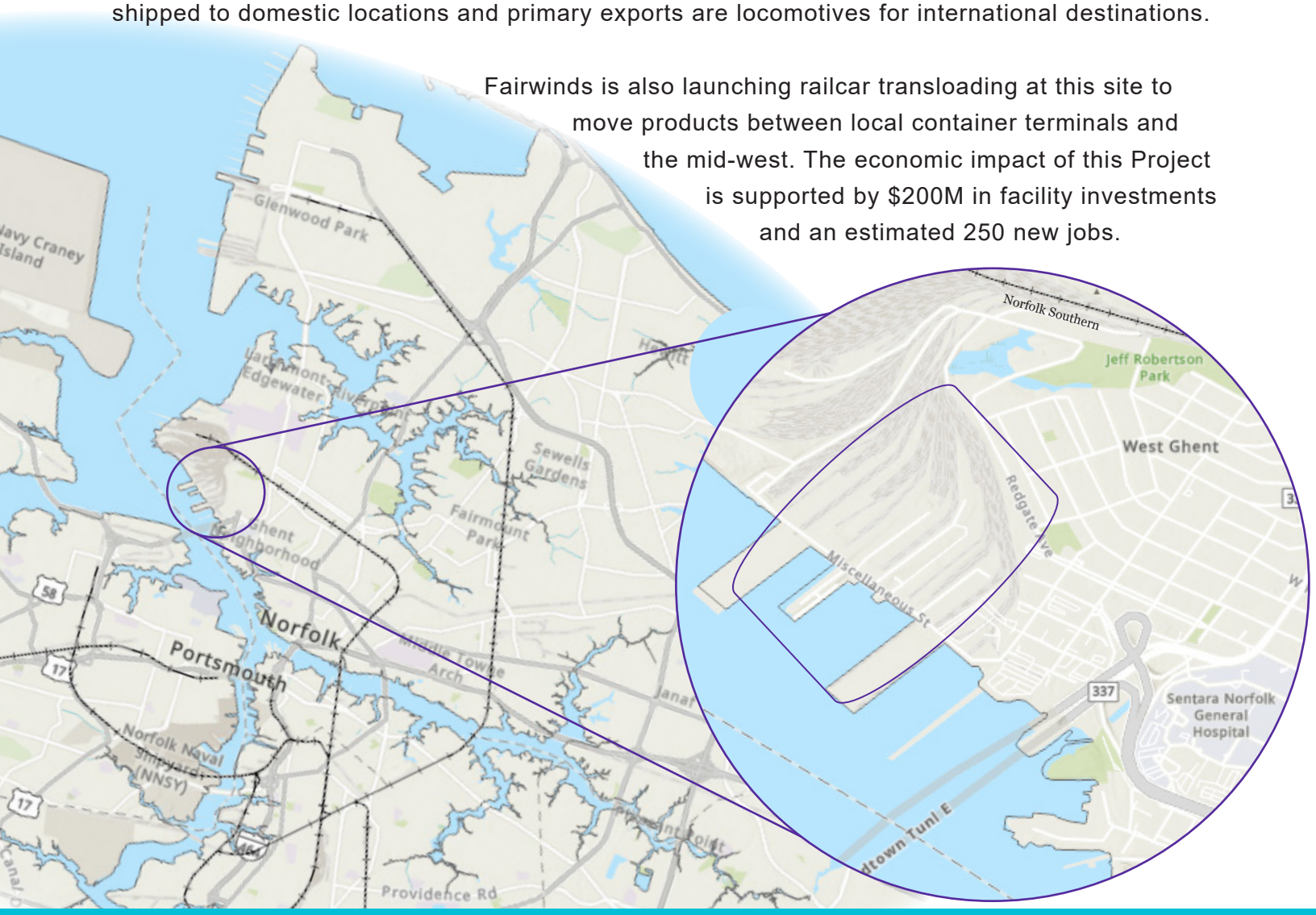
Fairwinds Terminal Services, LLC (Fairwinds) located in the City of Norfolk, in the Hampton Roads CTB district, has applied for Rail Industrial Access (RIA) grant funds in the amount of $750,000 to rehabilitate 12,000 feet of track to serve its facility in the City of Norfolk, Virginia. The project will increase rail throughput and create jobs. These benefits, along with a significant private investment, contribute to an application score above 50 points. Based on RIA program guidance, this score warrants DRPT's recommendation for approval.

Fairwinds Terminal Services LLC

Fairwinds is a veteran-owned, Virginia-based company that is revitalizing the 131-acre waterfront facility, formerly Lamberts Point Docks. The docks have been rebranded as Fairwinds Landing.

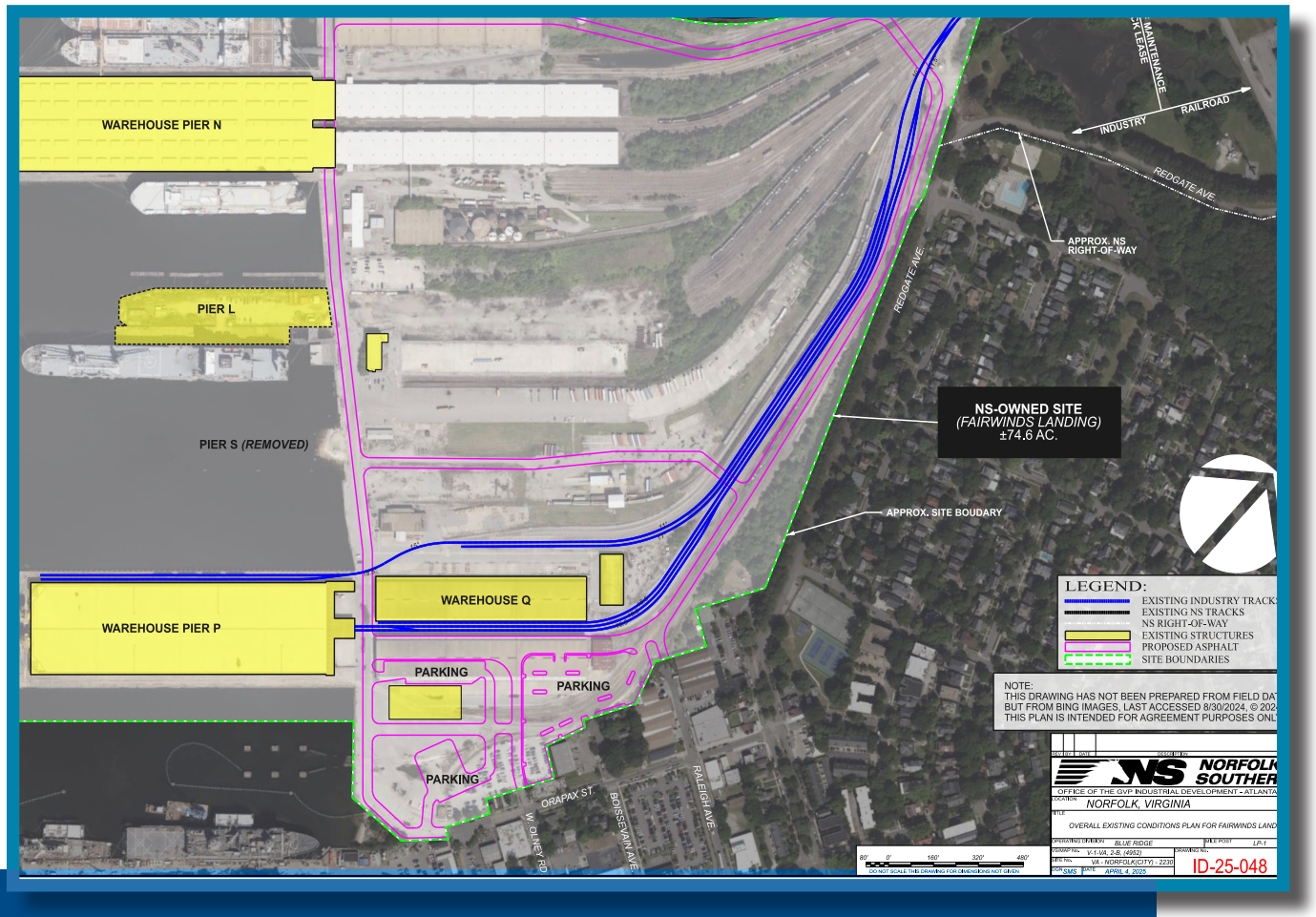
Their business targets defense, energy, and niche non-containerized dry cargo markets with a focus on operations that require moving big and heavy components for third parties on a water-to-rail or rail-to-water basis. Their primary imports are large electrical transformers which are shipped to domestic locations and primary exports are locomotives for international destinations.

Fairwinds is also launching railcar transloading at this site to move products between local container terminals and the mid-west. The economic impact of this Project is supported by $200M in facility investments and an estimated 250 new jobs.



Project Details

The modernization and upgrades to the Norfolk site allows the facility to serve as a multi-function, multi-tenant maritime logistics center. Rail access allows Fairwinds to expand their terminal capabilities and allow their import/export operation volumes to expand considerably.

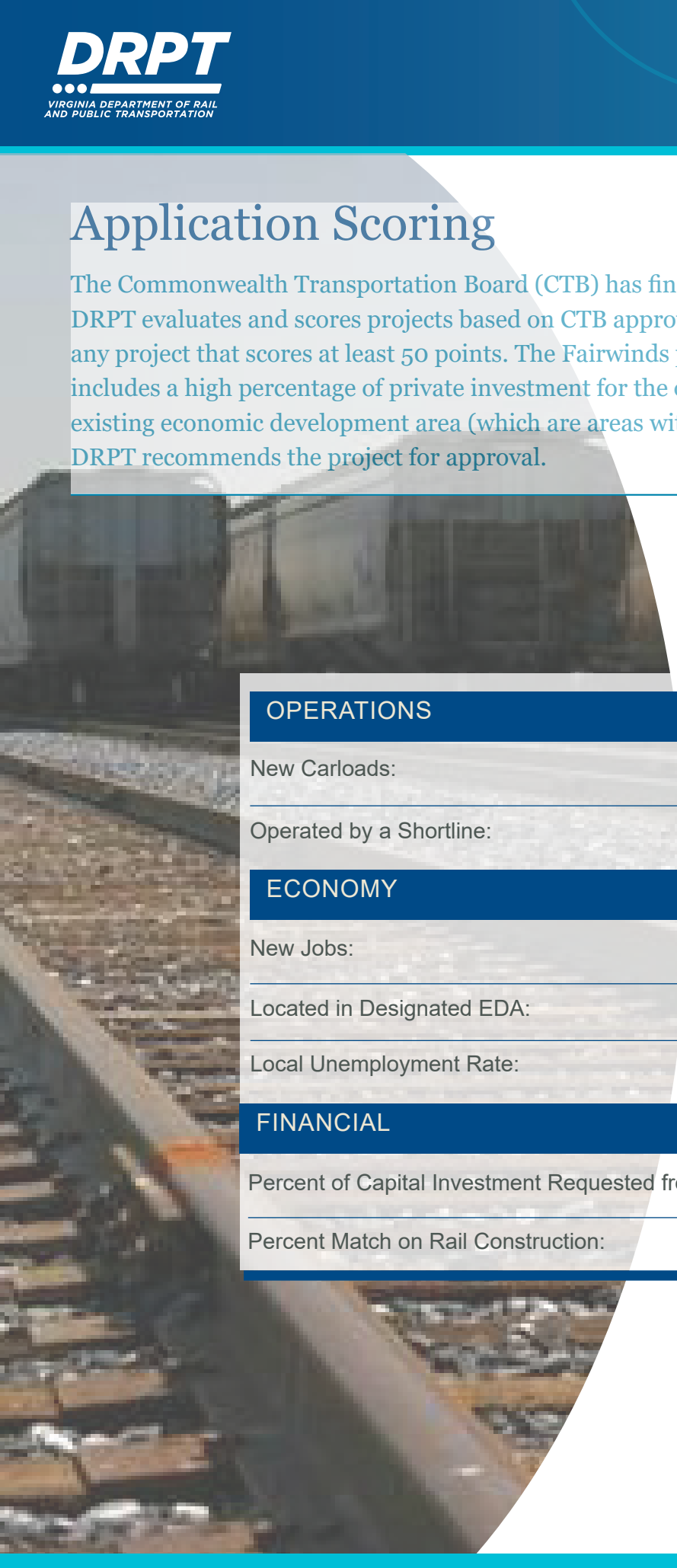


Fairwinds is seeking $750K from the Rail Industrial Access Program to support the $1.1M rehabilitation of 12,000 feet of track (shown in blue above) to serve its facility in Norfolk, Virginia. Project benefits include:

- $200M Total Investment in Virginia Economy
- 250 new jobs
- 310 New Rail Carload Throughput Annually
- Remove Approximately 1,054 Trucks from Virginia Highways Annually

Application Scoring

The Commonwealth Transportation Board (CTB) has final funding decisions for all applications. DRPT evaluates and scores projects based on CTB approved program guidance and recommends any project that scores at least 50 points. The Fairwinds project will generate 310 new rail carloads, includes a high percentage of private investment for the overall expansion, and is located within an existing economic development area (which are areas with new or expanding qualifying businesses). DRPT recommends the project for approval.



OPERATIONS		
New Carloads:	310 Annually	14
Operated by a Shortline:	No	0
ECONOMY		
New Jobs:	250	20
Located in Designated EDA:	Yes	10
Local Unemployment Rate:	> State Rate	8
FINANCIAL		
Percent of Capital Investment Requested from RIA:	0.3%	10
Percent Match on Rail Construction:	31%	6
	Total Score	**68**

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Next Steps



JUNE 2026

DRPT staff present and recommend the application for funding approval by CTB as part of its Consent Agenda. A resolution, decision brief, and project report are included as part of the information packet.



JULY 2026

If approved, DRPT staff will execute its 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 to 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.

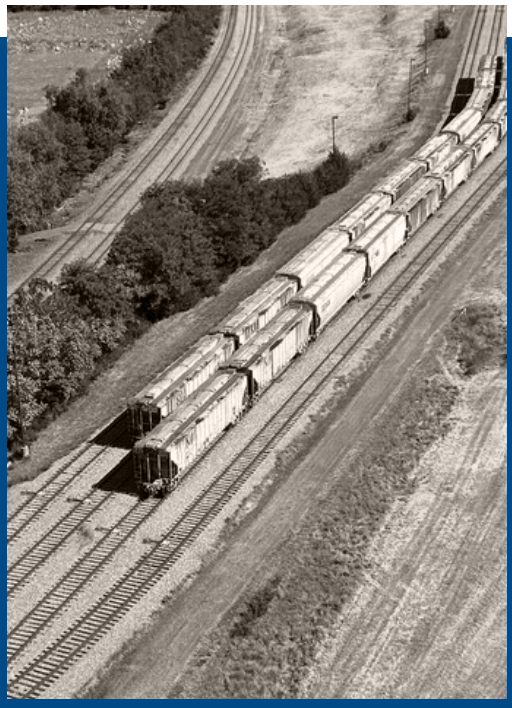
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Appendix

Rail Industrial Access Program Overview

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.

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.

*An economic development area, for the purposes of the Rail Industrial Access Program, is an area with new or expanding qualifying businesses. The RIA project must be supported by state or local economic development officials to receive these points. A Shortline Railroad is a small-to-medium sized, independently operated railroad company that operates over shorter distances, usually acting as a feeder to larger Class 1 railroads and are typically classified as Class II or Class III carriers by the Surface Transportation Board.