

AGENDA ITEM 9-A
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH CSXT

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with CSXT to January 31, 2010.

BACKGROUND:

The VRE has an Operating/Access Agreement with CSXT related to VRE operations in the Fredericksburg to Washington corridor. That agreement, entered into in 1994, has been amended and extended several times, most recently this past December, with an agreed upon extension to July 31, 2009. A further extension is being requested at this time to provide sufficient time to complete negotiation of a new agreement.

Since December 2005, numerous negotiation sessions have been held with CSXT representatives on the terms of a new, long-term agreement. Preliminary agreement was achieved in a number of areas to include:

- Term of the agreement
- Change in method of calculating the annual escalation
- Incentive agreement for improved on time performance
- Additional CSXT supervision in the VRE operating territory
- Approval of infrastructure improvements at VRE facilities

Progress has slowed, however, due to a failure to reach an agreement on the level of liability coverage. CSXT continues to insist on including a higher level of liability and terrorism coverage in the new agreement. Although we were able to cap commuter rail liability at the state level, the legislation does not provide protection from gross negligence claims or claims of third parties, i.e. nonpassengers. Therefore, CSXT and Norfolk Southern continue to press for higher liability insurance coverage. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while this issue is resolved.

FISCAL IMPACT:

Funding for the CSX track access fee has been included in the FY 2010 budget, including an escalation of 4%.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 19, 2009
RE: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH CSXT

RESOLUTION
9A-06-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the Commissions currently have an amended Operating/Access Agreement with CSXT relating to VRE operations in the Fredericksburg to Washington corridor, with said agreement extension ending on July 31, 2009; and,

WHEREAS, staff is currently engaged in ongoing discussions with CSXT concerning a new agreement and does not anticipate conclusion of these discussions prior to the expiration of the Amended Operating/Access Agreement; and,

WHEREAS, a proposal to extend the existing agreement to January 31, 2010, without any changes to the current agreement is expected from CSXT; and,

WHEREAS, the purpose of this extension is to allow time to negotiate and resolve the outstanding liability issues relating to a new agreement; and,

WHEREAS, necessary funding has been incorporated into the FY 2010 budget to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with CSXT to January 31, 2010.

AGENDA ITEM 9-B
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH NORFOLK SOUTHERN

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to January 31, 2010.

BACKGROUND:

VRE has an Operating/Access Agreement with Norfolk Southern (NS) relating to VRE operations in the Manassas to Washington corridor. That agreement, entered into in 1999, has been amended and extended several times, most recently this past December, with an agreed upon extension to July 31, 2009. A further extension is being requested at this time to provide sufficient time to complete negotiations of a new agreement.

Following detailed negotiation sessions with Norfolk Southern representatives, an agreement in principle was reached on all contract items with the exception of liability coverage. The Operations Board and Commissions approved these terms at their June and July, 2005 meetings respectively, and authorized execution of a new agreement that conformed to each of those items.

Subsequent to the Commissions' action, however, it became clear that an agreement on the level of liability coverage could not be reached and the contract could not be executed. Norfolk Southern insists on including \$500 million in liability and terrorism coverage in the new agreement. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while staff continues to attempt to resolve the insurance issue.

FISCAL IMPACT:

Funding for the Norfolk Southern track access fee has been budgeted in the FY 2010 budget, including an escalation of 4%.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 19, 2009
RE: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS
AGREEMENT WITH NORFOLK SOUTHERN

RESOLUTION
9B-06-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the Commissions currently have an Operating/Access Agreement with Norfolk Southern related to VRE operations in the Manassas to Washington corridor, with said agreement ending on July 31, 2009; and,

WHEREAS, staff has reached an agreement in principle on many substantive items relating to a new agreement following detailed negotiation sessions with Norfolk Southern representatives; and,

WHEREAS, a proposal to extend the existing agreement to January 31, 2010, without any changes to the existing agreement is expected from NS; and,

WHEREAS, the purpose of this extension is to allow time to negotiate and resolve the outstanding insurance issues relating to a new agreement; and,

WHEREAS, necessary funding has been incorporated into the FY 2010 budget to allow VRE to continue its operations over Norfolk Southern tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to January 31, 2010.

AGENDA ITEM 9-C
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

**RE: AUTHORIZATION TO MODIFY THE CONTRACT FOR NEW
LOCOMOTIVE PURCHASE**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to modify the contract with Motive Power, Inc., for the purchase of locomotives so that the base order is increased from nine to twelve locomotives, increasing the contract value by \$10,971,549, plus a 10% contingency of \$1,097,155, for a total contract value not to exceed \$48,482,380.

BACKGROUND:

In January of 2008, the Operations Board authorized VRE to enter into a contract with Motive Power of Boise, Idaho for the manufacture of two new locomotives in an amount not to exceed \$9.6 million. In October of 2008, VRE received additional grant funding which allowed three additional units to be added to the base order for a contract total of \$20.3 million.

In March of this year, the Operations Board further authorized VRE to increase the base order by four additional units, using a combination of the stimulus funds, federal formula funds and a federal earmark approved in FY 2008. That action put the total locomotive purchase at nine units. VRE negotiated the price of these three additional units at \$3,657,183 each, the same unit price as the last four units.

In January 2008, the Operations Board also authorized up to \$4,145,920, including contingency, to STV, Inc. for construction engineering and inspection services for the purchase of all twenty locomotives. Similar to the locomotive contract, this contract was structured to allow incremental notices to proceed, such that authorization will be issued concurrently and proportionately with locomotive option orders. As such, no additional Board authorization is needed for the oversight work.

FISCAL IMPACT:

Funding is available from the locomotive acquisition project in the VRE capital budget. This additional funding is via a federal earmark approved in FY 2009 and federal formula funds from prior years.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 19, 2009
RE: AUTHORIZATION TO MODIFY THE CONTRACT FOR NEW LOCOMOTIVE PURCHASE

**RESOLUTION
9C-06-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, in January of 2008, the Operations Board approved the award of a contract to Motive Power, Inc. for the manufacture of two new locomotives; and,

WHEREAS, in October of 2008, VRE received additional grant funding which allowed three additional units to be added to the base order for a contract total of \$20.3 million; and,

WHEREAS, in March of 2009, VRE received additional funding which allowed four additional units to be added to the base order for a contract total of \$36,413,676; and,

WHEREAS, authorization is now being sought for three additional units.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to modify the contract with Motive Power, Inc., for the purchase of locomotives so that the base order is increased from nine to twelve locomotives, increasing the contract value by \$10,971,549, plus a 10% contingency of \$1,097,155, for a total contract value not to exceed \$48,482,380

AGENDA ITEM 9-D
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

**RE: AUTHORIZATION TO AMEND MATCHING POLICY FOR
PROJECTS FUNDED WITH EARMARKS**

RECOMMENDATION:

The VRE Operations Board is being asked to amend the matching policy so that earmarks received by or on behalf of local jurisdictions for parking and station projects will be matched by the local jurisdiction in which the project is located. Earmarked funds include federal, state and local funds, including regional CMAQ and RSTP allocations if the state discontinues matching. Match can be provided in the form of cash, property or other in-kind contributions.

BACKGROUND:

On June 18, 2004, the VRE Operations Board adopted a policy stating that earmarks received by or on behalf of local jurisdictions for parking projects would be matched by the local jurisdiction in which the parking project is located. This policy was adopted to formalize the historical practice of jurisdictions providing matching funds and has worked without incident since implementation.

As VRE expands its pursuit of grant funds beyond parking projects, a request was made by jurisdictional staff to also expand the matching policy to include station improvements within each respective jurisdiction.

Earmarked funds include federal, state and local funds, including regional CMAQ and RSTP allocations if the state discontinues matching. Match can be provided in the form of cash, property or other in-kind contributions, providing it is

acceptable to the granting agency. This policy is intended to level the playing field for jurisdictional participation and will apply to station expansions including platform extensions, second platforms, canopy extensions and new stations. Periodic station maintenance, such as station painting or repairs, will not be subject to this policy.

This policy is not intended to apply to projects already underway or that are currently funded. The policy will not preclude VRE from managing a project on behalf of the jurisdictions, affect MOUs regarding ownership, operations and maintenance, apply to system projects for which earmark funds are sought, preclude VRE pursuit of project funding that does not require match, or prevent a jurisdiction from making an Operations Board request to apply another matching method to a specific project.

VRE will continue to prioritize projects through the Strategic Planning effort and encourage jurisdictional support of these priorities. VRE staff will also continue to work with jurisdictional staff to obtain any earmarks through application preparation, the provision of data and coordination with legislative offices.

This policy amendment was discussed at the June VCC meeting and both jurisdictional and Commission staff participated and provided input.

FISCAL IMPACT: No fiscal impact on VRE funds.



Virginia Railway Express

MATCHING POLICY FOR EARMARK FUNDS OBTAINED BY OR ON BEHALF OF VRE JURISDICTIONS FOR PARKING AND STATION PROJECTS

June 18, 2004

Amended June 19, 2009 to include stations in addition to parking

Policy: Earmarks received by or on behalf of local jurisdictions for parking and station projects will be matched by the local jurisdiction in which the parking or station project is located. Earmarked funds include federal, state and local funds, including regional CMAQ and RSTP allocations, if the state discontinues matching. Match can be provided in the form of cash, property or other in-kind contributions acceptable to the granting agency.

This policy is intended to:

- Apply to parking expansion projects and leases
- Apply to station projects including platform extensions, second platforms, canopy extensions and new stations
- Formalize the current practice
- Level the playing field for jurisdictional participation
- Ensure that projects are implemented in a prioritized and coordinated fashion

This policy is not intended to:

- Preclude VRE from managing the respective projects on behalf of the jurisdictions
- Affect MOUs regarding ownership, operations and maintenance
- Apply to system projects for which earmark funds are sought (equipment, yard improvements, etc)
- Preclude VRE pursuit of project funding that does not require match
- Apply to periodic station maintenance, such as station painting or repairs
- Apply to projects underway or currently funded
- Prevent a jurisdiction from making an Operations Board request to apply another matching method for a specific project

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 19, 2009
RE: AUTHORIZATION TO AMEND MATCHING POLICY FOR PROJECTS FUNDED WITH EARMARKS

**RESOLUTION
9D-06-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, the majority of VRE capital program discretionary funding is being absorbed by system projects such as fleet and yard improvements; and,

WHEREAS, VRE staff have been working with jurisdictional staff to secure funding outside of the VRE formula program for station and parking projects; and,

WHEREAS, on June 18, 2004, the VRE Operations Board adopted a policy stating that earmarks received by or on behalf of local jurisdictions for parking projects would be matched by the local jurisdiction in which the parking project is located; and,

WHEREAS, as VRE expands its pursuit of grant funds beyond parking projects, a request was made by jurisdictional staff to also expand the matching policy to include station improvements within each respective jurisdiction; and,

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board amends the matching policy so that earmarks received by or on behalf of local jurisdictions for parking and station projects will be matched by the local jurisdiction in which the project is located; and,

BE IT FURTHER RESOLVED THAT, earmarked funds include federal, state and local funds, including regional CMAQ and RSTP allocations if the state discontinues matching; and,

BE IT FURTHER RESOLVED THAT, match can be provided in the form of cash, property or other in-kind contributions.

AGENDA ITEM 9-E
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

RE: FY 2011 BUDGET GUIDELINES AND CONSIDERATIONS

RECOMMENDATION:

The VRE Operations Board is being asked to direct staff in the development of the FY 2011 budget options for train operations and capital projects.

BACKGROUND:

VRE has adopted a financial planning process that provides for early consideration of budget issues and assumptions. Each year, VRE meets with the member jurisdictions' Chief Administrative Officers (CAO) and Commission and jurisdictional staff to develop budget guidelines and examine the preliminary budget. An independent CAO recommendation is provided to the Operations Board and Commissions in conjunction with the final budget submission at the December Operations Board meeting.

As part of the budget process, the jurisdictional CAO Budget Task Force met on June 16, 2009 to review various budget issues, including the cost of fuel, insurance, the service provider contract, the fleet management plan, ridership projections, fuel tax projections, and subsidy. The goal is to permit the Budget Task Force to focus on material issues early in the budget process.

REVISIONS TO FY 2010 BUDGET

Each year, revisions to the current year budget are presented to the Operations Board in December, along with the recommendations for the next budget year. The following items are expected to be reflected in the revised FY 2010 Budget:

- **Higher than anticipated state revenue:** In December 2008, the State estimated that they would fund their portion of the match to the federal capital program at **17%** in FY 2010 and VRE's budget was adjusted accordingly. In May, the State published their draft Six-Year Improvement Program, with FY 2010 average funding of **78%**, which is expected to result in additional funding to VRE of nearly **\$3.3** million, net of a \$400,000 decrease to operating funds.
- **Diesel fuel costs:** The adopted budget was based on diesel fuel costs of \$2.65 per gallon for 1.76 million gallons. Because of fuel hedging activities we have locked into pricing for about 37% of our usage and are now projecting an average price of \$2.20, including an estimate of costs for the unhedged fuel purchases. If accurate, this would result in fuel costs of approximately \$500,000 less than the amount budgeted.
- **Insurance premium costs:** Insurance premium costs for FY 2009 are slightly lower than budgeted, although this will be balanced by less than anticipated earnings in the Trust Fund for FY 2009 and FY 2010.
- **Fare revenue:** Budgeted fare revenue of \$26.9 million appears to be reasonable based on current ridership. However, the impact on ridership of the 6% fare increase in July will have to be evaluated after the increase goes into effect.
- **Amtrak retroactive payments:** In January 2008, Amtrak agreed to a settlement with their employee groups that included retroactive payments for the period 2002 to April 2008. VRE is responsible for payments made to Amtrak employees assigned to VRE service during that period. VRE has been given estimates of this cost and we have set aside \$2 million for this purpose, but the final invoice may differ from the estimates.

The FY 2010 revised budget will also include a variety of proposals for the use of expected additional funds, including: the removal of one-time funding for ongoing operating costs that was included in the FY 2010 budget as the result of anticipated State grant decreases that have now been reversed; the restoration of the balances in the operating reserve and the insurance trust fund; and additional funding for locomotives.

The City of Fredericksburg passed a resolution on April 28, 2009, requesting that "the Operations Board of the Virginia Railway Express make every effort to prepare a budget based on level local support from the City in FY 2011; and...that should the result of operations lead to a budget surplus in FY 2010...the Operations Board of the Virginia Railway Express prepare a plan for the use of the proceeds that includes a reasonable rebate, or future discount, to the local jurisdictions."

FY 2011 BUDGET GUIDELINES

GUIDELINE #1: VRE staff will take all reasonable measures to continue to grow the ridership and improve the overall service to the riders. Measures to be reviewed include service levels, fares, train schedules, service amenities, and contracted services which bear on the ridership experience.

GUIDELINE #2: VRE staff will strive to ensure that the total jurisdictional subsidy for FY 2011 is less than the FY 2010 total subsidy. FY 2010 is the fourth and final year of the phasing in of the governance changes, so subsidy may increase for individual jurisdictions (with the exception of Fairfax County) due to the shift from population/ridership towards 100% ridership, even if the total subsidy is reduced.

GUIDELINE #3: The replacement of aging locomotives will be a priority for the use of capital grant funds and additional funding sources will be actively pursued. Nine new locomotives have been ordered and will arrive during FY 2011. Funding has been identified for an additional three units. The new locomotives will be cost and energy efficient and more reliable than the current fleet.

GUIDELINE #4: VRE staff will work to maintain fares at the FY 2010 level or, if unavoidable, limit the fare increase to one per fiscal year. The recent history of three fare increases between July 2008 and July 2009 cannot be repeated in FY 2011.

GUIDELINE #5: Fuel hedging strategies will be used to provide greater predictably in budgeting for diesel fuel costs.

GUIDELINE #6: Funding will be provided to restore the insurance trust fund balance to \$10 million, the level required by the Virginia Division of Risk Management, by FY 2012.

GUIDELINE #7: Funding will be provided over a multi-year period to restore VRE's level of working capital to a minimum of \$8.5 million, the level at the end of FY 2005, before several years of unexpected mid-year variability in revenue and expense amounts depleted these reserves. This level is necessary so that VRE can meet its obligations during the course of the year and to make orderly accommodation for significant shortfalls.

OTHER FY 2011 BUDGET ISSUES AND ASSUMPTIONS

- **Amtrak Contract:** Our contract with Amtrak for operating the trains and maintaining the fleet expires at the end of FY 2010. The RFP for the next contract period has been issued and responses will be received in time for cost implications to be reflected in the FY 2011 budget. We are completing construction at both outlying yards so that all maintenance can be performed there. VRE staff should have a better idea of the total contract and transition costs before final budget adoption in December, but early versions of the budget will continue to budget conservatively.
- **State Funding:** As indicated above, state funding varies considerably from year to year. Moreover, projections vary considerably between the time that the VRE budget is prepared and when the grant funds are awarded. VRE staff will continue to work closely with DRPT staff to develop estimates.

- Number of Trains. The FY 2010 Six Year Financial Forecast calls for no change to service levels in FY 2011 and a gradual increase from 30 daily trains to 34 daily trains over the period ending in FY 2015. A review of the costs and expected fare revenue of adding trains will be made during the budget process. Service additions will be difficult without a material and consistent increase in state funding.
- Cost Recovery Ratio. The budget forecast needs to ensure the cost recovery ratio remains in the 50% to 60% range.
- 2% Motor Fuels Tax: VRE staff is aware of jurisdictional concerns with fuels tax revenue projections and the ability to continue to support current VRE and PRTC expenses. Prince William County, in particular, has indicated that in the future all VRE and PRTC contributions must come from their 2% motor fuels tax receipts. The current projections for fuels tax revenue are \$10 million less than the combined PRTC and VRE subsidies on an annual basis, once the County's current surplus from prior years has been spent.

NEXT STEPS:

- Continue discussing FY 2011 budgeting scenarios with the CAO Budget Task Force.
- Present preliminary budget forecasts to the Operations Board in August 2010.
- Begin review of all FY 2011 revenue and cost assumptions in September 2010 with CAO Budget Task Force.

FISCAL IMPACT:

There is no fiscal impact related to the development of the FY 2011 budget.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 19, 2009
RE: FY 2011 BUDGET GUIDELINES AND CONSIDERATIONS

RESOLUTION
9E-06-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, effective financial planning for the Virginia Railway Express is based on budget development with guidelines approved by the VRE Operations Board; and,

WHEREAS, the VRE Operations Board has directed that the development of each annual budget involve consultation and cooperation with the Chief Administrative Officers of VRE's participating and contributing jurisdictions; and,

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board directs staff to develop budget options for the FY 2011 operating and capital budget in accordance with the following guidelines:

- VRE staff will strive to ensure that the total subsidy amount for FY 2011 is less than the FY 2010 amount.
- The replacement of aging locomotives will be a priority for the use of capital grant funds and additional funding sources will be actively pursued.
- VRE staff will work to maintain fares at the FY 2010 level or, if unavoidable, limit the fare increase to one per fiscal year.
- Fuel hedging strategies will be used to provide greater predictability in budgeting for diesel fuel costs.
- Funding will be provided to restore the insurance trust fund balance to \$10 million by FY 2012.
- Funding will be provided over a multi-year period to restore VRE's level of working capital to a minimum of \$8.5 million.

AGENDA ITEM 9-F
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

RE: AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS FOR GAINESVILLE-HAYMARKET ENVIRONMENTAL ANALYSIS AND PRELIMINARY ENGINEERING SERVICES

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals for National Environmental Policy Act and preliminary engineering services for the Gainesville-Haymarket Extension project.

BACKGROUND:

A presentation will be made at the Operations Board meeting to provide the results of the recently complete Gainesville-Haymarket Alternatives Analysis and seek guidance from the Operations Board on specific next steps.

The VRE Strategic Plan, adopted by the Operations Board on May 21, 2004, recommended the extension of VRE service to the Gainesville-Haymarket area of Prince William County to serve expanding travel markets within the existing VRE service area. The Gainesville Haymarket Implementation Plan, completed in November 2005, provide planning level information on the project as well as documented the steps necessary to implement the extension. In December 2007, the Operations Board authorized the Chief Executive Officer to award a contract to Vanasse Hangen Brustlin, Inc. (VHB) to conduct an Alternatives Analysis for the Gainesville-Haymarket extension. The study was funded using a DRPT Rail

Enhancement Fund grant and a CMAQ grant. The study was completed in May 2009.

The next step in the project development process is to procure engineering and environmental services to conduct environmental analysis to fulfill National Environmental Policy Act requirements and to prepare the preliminary engineering design. The scope of work for this phase includes defining and analyzing various implementation alternatives; identifying potentially affected environments; conducting a capacity study to determine rail infrastructure needs; developing various design options for the proposed extension (including right-of-way acquisition and potential station locations); and refining the general project scope of work, project cost estimate, time line, and ridership projections developed for the Alternatives Analysis.

The environmental analysis and preliminary engineering work will take approximately three years to complete. Upon receipt and review of proposals, VRE staff will return to the Operations Board with a recommendation for award.

FISCAL IMPACT:

In September 2008, the CTB approved \$3,250,000 from the DRPT Rail Enhancement Fund. Of the required \$1,750,000 match, \$1.5 million is being provided by Norfolk-Southern. VRE is working to raise the remaining \$250,000 and will not issue the procurement until the match obligation is fulfilled or the Rail Enhancement Fund grant is reduced to an amount for which matching funds are available.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: JUNE 19, 2009
RE: AUTHORIZATION TO ISSUE REQUEST FOR PROPOSALS FOR
GAINESVILLE-HAYMARKET ENVIRONMENTAL ANALYSIS
AND PRELIMINARY ENGINEERING SERVICES

RESOLUTION
9F-06-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the first step in the project development process for the proposed VRE Gainesville-Haymarket extension, an Alternatives Analysis, has been completed; and,

WHEREAS, the next step is National Environmental Policy Act and preliminary engineering work; and,

WHEREAS, consulting services for this scope of work must be procured.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals for National Environmental Policy Act and preliminary engineering services for the Gainesville-Haymarket Extension project; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board provides this authorization contingent on the fulfillment of the match requirement or reduction of the Rail Enhancement Fund grant to an amount for which matching funds are available.