To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: November 15, 2013

Re: Authorization to Execute a Lease Agreement for Parking at the Fredericksburg VRE Station Lot H

_________________________________________________

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a lease agreement with New City Fellowship for 127 parking spaces near the Fredericksburg Station at 200 Prince Edward Street in the amount of $446,320 for a five (5) year term commencing January 1, 2014 through January 1, 2019.

Background:

In July 2000, the Operations Board approved a twenty-five (25) year lease for 127 parking spaces from New City Fellowship located adjacent to the Fredericksburg VRE Station at 200 Prince Edward Street. In December 2012, VRE was notified of New City Fellowships’ intent to terminate the agreement at the end of the fourteenth year in accordance with termination provisions provided for in the agreement. Since this time, VRE has been negotiating with New City Fellowship to establish a new lease agreement and those negotiations have since concluded.

The new lease agreement will be structured with a negotiated rate per space paid to New City Fellowship monthly. Over the course of the five (5) year term, the monthly rate will escalate at a rate of 3.5% annually. The base rate of $55.00 per space per month is on par with what VRE is currently paying for other spaces in the immediate area.
<table>
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<th>Year</th>
<th>Rate Per Month</th>
<th>Number of Spaces</th>
<th>Total Monthly Cost</th>
<th>Annual Cost</th>
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<td><strong>Total:</strong></td>
<td><strong>$446,320</strong></td>
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**Fiscal Impact:**

The current budget for facilities includes funding of $41,910 for the first six months of this activity. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express
Operations Board

Resolution
8F-11-2013

Authorization to Execute a Lease Agreement for Parking at the Fredericksburg VRE Station Lot H

WHEREAS, in July 2000, the Operations Board approved a twenty-five year lease with New City Fellowship for 127 parking spaces near the Fredericksburg Station at 200 Prince Edward Street; and,

WHEREAS, VRE was notified in December 2012 of New City Fellowships’ intent to terminate the agreement at the end of the fourteenth year as provided for in the agreement; and,

WHEREAS, VRE staff has worked with New City Fellowship to negotiate a new lease agreement.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a lease agreement with New City Fellowship for 127 parking spaces near the Fredericksburg Station at 200 Prince Edward Street in the amount of $446,320 for a five (5) year term commencing January 1, 2014 through January 1, 2019.

Approved this 15th day of November 2013

_________________________________
Paul Smedberg
Chairman

_________________________________
John Cook
Secretary