To: Chairman Smedberg and the VRE Operations Board
From: Doug Allen
Date: January 27, 2017
Re: Recommend Authorization to Execute an Agreement for the Sale of Seven Legacy Passenger Railcars

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize the Chief Executive Officer to execute an agreement for the sale of seven legacy passenger railcars to The Foxville & Northern Railroad Company, LLC of Pelion, SC for the sum of $3,500.

Background:

In February of 2013, the Operations Board authorized the CEO authority to sell the remaining legacy Gallery railcars as new passenger railcars are delivered and placed into revenue service. Since that time, a Request for Interest (RFI) has been posted on the VRE website for public. As such, Metra Rail of Chicago, IL responded twice and subsequent sales agreements were executed for six and then seven railcars respectively.

VRE staff received a proposal from The Foxville & Northern Railroad Company, LLC for the purchase of the remaining seven legacy passenger railcars (V413, V415, V421, V424, V426, V427 and V428).

In anticipation of receiving new railcars that will be put into service in the Spring to replace the legacy railcars, VRE staff recommends execution of a sales agreement with The Foxville & Northern Railroad Company, LLC. No other offers have been received and the cost to VRE to dispose of these railcars is higher than this proposal. The sale agreement will include no warranties, implied or expressed, and the sale will be considered “as is, where is”. There is
no federal, state or local interest remaining on these railcars. Upon execution of this sales agreement, VRE will no longer have legacy Gallery passenger railcars in inventory and the RFI will be closed.

**Fiscal Impact:**

The proceeds from this sale will be placed into the capital reserve and used for the future purchase of rolling stock equipment.
Recommend Authorization to Execute an Agreement for the Sale of Seven Legacy Passenger Railcars

WHEREAS, in February of 2013, the VRE Operations Board authorized the CEO to sell the remaining legacy Gallery railcars in anticipation of the delivery of new railcars; and,

WHEREAS, VRE posted a Request for Interest (RFI) on the VRE website for public sale; and,

WHEREAS, a proposal was received from The Foxville & Northern Railroad Company, LLC for the purchase of the V413, V415, V421, V424, V426, V427 and V428; and,

WHEREAS, VRE anticipates receiving new railcars that will be put into service in the Spring to replace these legacy railcars; and,

WHEREAS, upon execution of this sales agreement, no legacy Gallery railcars will remain in inventory and the Request for Interest (RFI) will be closed;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to execute an agreement for the sale of seven legacy passenger railcars to The Foxville & Northern Railroad Company, LLC of Pelion, SC for the sum of $3,500.

Approved this 27th day of January 2017

________________________________________
Paul Smedberg
Chairman

______________________________
Katie Cristol
Secretary