To: Chairman Nohe and the VRE Operations Board  
From: Doug Allen  
Date: December 14, 2018  
Re: Authorization to Extend a License Agreement for the Lease of Tower Space for the VHF Radio Communications System

**Recommendation:**

The VRE Operations Board is asked to authorize the Chief Executive Officer to extend a license agreement with American Towers, Inc. for the lease of space on their cell tower located in Fairfax Station, Virginia for a third five-year term at a cost of $193,503 for this five-year term and a total amount of $504,424 over the three five-year terms.

**Summary:**

On March 21, 2008, the Operations Board approved a five-year license agreement with American Towers, Inc. in the amount of $138,133 to utilize space on their Fairfax Station tower as a means of enabling communication through the transmission and receipt of radio frequencies for VRE’s VHF two-way radio system. The initial five-year term of the agreement, which commenced on February 1, 2009 following completion of design of the radio system, included an option to extend the agreement for three additional periods of five-years each.

On September 20, 2013, the Operations Board approved a five-year extension of the agreement in the amount of $172,788. The term of this extension will expire on January 31, 2019.
**Background:**

The radio system requires the use of three tower locations at VRE’s Headquarters in Alexandria, Fairfax Station and the Leeland Road Station and provides VRE with an assigned railroad radio frequency on which information can be exchanged between VRE trains and VRE Headquarters in Alexandria. Additionally, the system enables VRE to monitor two Norfolk Southern and two CSX radio frequencies used to dispatch and control freight, VRE and Amtrak trains.

VRE staff is requesting authorization to extend the license agreement for an additional five-year term at a cost not to exceed $193,503 during that period. This represents a three percent rate of escalation per year as outlined below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Period</th>
<th>Monthly Cost</th>
<th>Annual Cost</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
<td>February 1, 2019 – January 31, 2020</td>
<td>$3,037</td>
<td>$36,447</td>
<td>3% Increase</td>
</tr>
<tr>
<td>Year Two</td>
<td>February 1, 2020 – January 31, 2021</td>
<td>$3,128</td>
<td>$37,540</td>
<td>3% Increase</td>
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<tr>
<td>Year Three</td>
<td>February 1, 2021 – January 31, 2022</td>
<td>$3,222</td>
<td>$38,667</td>
<td>3% increase</td>
</tr>
<tr>
<td>Year Four</td>
<td>February 1, 2022 – January 31, 2023</td>
<td>$3,319</td>
<td>$39,827</td>
<td>3% increase</td>
</tr>
<tr>
<td>Year Five</td>
<td>February 1, 2023 – January 31, 2024</td>
<td>$3,418</td>
<td>$41,022</td>
<td>3% increase</td>
</tr>
<tr>
<td>Total</td>
<td>February 1, 2019 – January 31, 2024</td>
<td>$193,503</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Costs have been rounded in this table for ease of display

**Fiscal Impact:**

The FY 2019 operating budget for Facilities Maintenance - Office Leases includes funding for the first partial extension year of this activity. Funding for future years will be included in each proposed annual operating budget.
Virginia Railway Express
Operations Board

Resolution
9C-12-2018

Authorization to Extend a License Agreement for the Lease of Tower Space for the VHF Radio Communications System

WHEREAS, on February 1, 2009, a five-year license agreement with American Towers, Inc. commenced to utilize space on their cell tower in Fairfax Station, Virginia; and,

WHEREAS, the license agreement was extended for a term of five-years through January 31, 2019; and,

WHEREAS, the tower is used as a means of enabling communication through the transmission and receipt of radio frequencies for VRE’s VHF two-way radio system; and,

WHEREAS, VRE staff is requesting permission to extend the license agreement for five additional years through January 31, 2024;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to extend the license agreement with American Towers, Inc. for a third five-year term at a cost of $193,503 for this five-year term and a total amount of $504,424 over the three five-year terms.

Approved this 14th day of December 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary