



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of July 19, 2008**

DATE: July 1, 2008

SUBJECT: Resolution Consenting to Virginia Railway Express Purchase of Railcars

C. M. RECOMMENDATION:

1. Adopt the attached resolution consenting to the Virginia Railway Express (VRE) purchase of railcars.
2. Authorize the County Manager to execute any agreements to enable this purchase, subject to review by the County Attorney

ISSUES: The VRE Operations Board is asking that the Northern Virginia Transportation Commission, Potomac & Rappahannock Transportation Commission and member jurisdictions authorize the VRE Chief Executive Officer to sell thirteen Kawasaki railcars to the Maryland Transit Administration and to concurrently purchase ten new Gallery style cars from the Sumitomo Corporation of America.

SUMMARY: The funding for the ten new railcars would come from two sources: (1) the net cash generated by the sale of the Kawasaki cars; and (2) the remaining available loan funds previously authorized by the Commissions and included in the Federal Railroad Administration (FRA) financing that was used for the purchase of the 50 railcar option. The increased payments for the FRA loan would then, in turn, be paid for using funding originally allocated for the repayment of the Kawasaki bonds.

BACKGROUND: VRE operates under a Master Agreement such that any debt issued by its sponsoring commissions (the Northern Virginia and Potomac and Rappahannock Transportation Commissions --- NVTC and PRTC) must be consented to by all participating and contributing jurisdictions to VRE. Arlington is a contributing jurisdiction, but unlike for participating jurisdictions, Arlington's contributions are not affected by fare and service levels, or by VRE expenditures.

DISCUSSION: VRE intends to purchase new railcars under an option to be exercised by August 31, 2008. The purchase of the Gallery railcars offers the benefit of standardizing VRE's

County Manager: _____

County Attorney: _____

Staff: Lynn M. Rivers, DES Transportation Division, Transit Bureau

railcar fleet, reduces railcar maintenance costs, increases fleet flexibility and provides an exceptional sales price for the existing railcars.

FISCAL IMPACT: Arlington's contribution level for VRE is unaffected by this action.