



**NVTC COMMISSION MEETING
MONDAY, MAY 16, 2005
NVTC CONFERENCE ROOM
12:30PM**

AGENDA

1. Virginia Railway Express Action Items.

- A. Contract Award for New Railcars--Resolution #1071.
- B. Contract Award for Railcar Financing--Resolution #1072.
- C. Authorization to Modify VRE's Fare Structure--Resolution #1073.

2. Other Business.



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MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: May 16, 2005
SUBJECT: VRE Items.

- A. Contract Award for New Railcars--Action Item/Resolution #1071.
- B. Contract Award for Railcar Financing--Action Item/Resolution #1072.
- C. Authorization to Modify VRE's Fare Structure--Action Item/Resolution #1073.



Contract Award for New Railcars

The VRE Operations Board recommends approval of Resolution #1071. This resolution provides a contract award to Sumitomo Corporation of America for 11 new cab cars. The price is not yet determined and will be provided on a blue sheet at the commission meeting. Sumitomo was the only firm to respond to VRE's request for proposals. These are stainless steel, two-level gallery type railcars with 125-seats per car, similar to VRE's existing gallery cars from Metra in Chicago. With notice to proceed in May, 2005, the new cars could be in service in 2006. Lease financing of these 11 railcars is provided in the next item (#1B).

The contract award also includes an option for 50 additional railcars that would need to be exercised by April 28,2006.



RESOLUTION #1071

SUBJECT: Contract Award for New Railcars.

WHEREAS: On October 29, 2004, a Request for Proposals was issued by VRE for the purchase of 11 new cab cars with an option to purchase 50 additional passenger cars;

WHEREAS: Proposals were due on December 30, 2004; and

WHEREAS: One proposal was received from Sumitomo Corporation of America for 11 two-level, balcony-style, gallery cab-control passenger cars plus the option for 50 railcars.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to enter into a contract with Sumitomo Corporation of America for the production of 11 new cab cars in an amount not to exceed \$22,943,833 plus a contingency of \$500,000 for a total of \$23,443,833.

Approved this 16th day of May, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



Contract Award for Railcar Financing

The VRE Operations Board recommends approval of Resolution #1072. The resolution provides lease financing for the purchase of 11 two-level railcars from Sumitomo Corporation. The winning bidder for the 20-year lease will be provided on a blue sheet at the commission meeting. Grant funds will be used to cover the lease payments, which are secured by a lien on the 11 railcars.



RESOLUTION #1072

SUBJECT: Contract Award for Railcar Financing.

WHEREAS: The Northern Virginia Transportation District Commission ("NVTC") and Potomac and Rappahannock Transportation District Commission ("PRTC," and, together with NVTC, the "Commissions"), joint owners and operators of the Virginia Railway Express ("VRE"), a commuter rail service serving Northern Virginia and the District of Columbia, have decided to jointly enter into a tax-exempt lease financing transaction in order to finance the leasing of railcars for the operation of VRE's commuter rail services (the "Equipment") in accordance with the terms and conditions set forth in VRE Invitation for Bids #05-009 (the "IFB") and the response thereto (the "Bid") of BTM Capital Corporation ("BTM"), copies of which have been provided to the Commissions; and

WHEREAS: NVTC desires to authorize the lease financing of the Equipment as described above (and as further described below) in furtherance of the purposes for which NVTC was formed.

NOW, THEREFORE BE IT RESOLVED by the Northern Virginia Transportation Commission as follows:

1. The lease financing of the Equipment from BTM, upon the terms and conditions set forth in the IFB and the Bid, with such changes thereto as may be approved in writing by the Chairman, Vice Chairman or Executive Director of NVTC, including, without limitation, the substitution of another responding bidder for BTM if the Commissions and BTM are not able to come to final agreement as to terms, is hereby authorized.
2. The Chairman, Vice Chairman or Executive Director of NVTC is authorized to determine and approve the final details of the lease financing, including, without limitation, the aggregate principal amount of the lease financing, the interest rates on the lease financing, the dates (including payment dates) of the lease financing documents, the appointment of the escrow agent and the servicer, if any, for the lease financing, and the amounts and prices of any optional or mandatory prepayments, provided, however, that the aggregate principal amount of the lease financing shall not exceed \$25,100,000, its term shall not exceed 21 years and its annual rate of interest shall not exceed 6.0%. The approval of the Chairman, Vice Chairman or Executive Director of NVTC of such details shall be conclusively evidenced by the execution and delivery of a Master Lease Agreement for the lease



financing, which Master Lease Agreement shall be prepared by VRE's bond counsel and reviewed by its general counsel.

3. The Chairman, Vice Chairman or Executive Director of NVTC is authorized to approve, execute and deliver on behalf of NVTC, and, if required, the Secretary or any Assistant Secretary of NVTC is authorized to affix and attest the seal of NVTC to, the Master Lease Agreement described above and such other documents, instruments or certificates as they deem necessary or appropriate, in consultation with VRE's bond counsel and general counsel, to carry out the lease financing transaction authorized by this resolution. The approval of the Chairman, Vice Chairman or Executive Director of NVTC shall be conclusively evidenced by the execution and delivery of such documents, instruments or certificates. Such officers of NVTC and the Executive Director are further authorized to do and perform such other things and acts as they deem necessary or appropriate, in consultation with VRE's bond counsel and general counsel, to carry out the lease financing transaction authorized by this resolution. All of the foregoing previously approved, executed, delivered, done or performed by such officers of NVTC are in all respects hereby approved, ratified and confirmed.
4. This resolution shall take effect immediately upon its adoption.

Approved this 16th day of May, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer

Authorization to Modify VRE's Fare Structure

The VRE Operations Board recommends approval of Resolution #1073. Consistent with the approved FY 2006 VRE budget and following six public hearings, this resolution authorizes several changes in VRE's fare structure effective June 27, 2005 to:

- 1) Increase the base fare and zone increment by 2.75%;
- 2) Increase the monthly and TLC ticket discount to 34%;
- 3) Decrease the 10-trip ticket discount to 8%;
- 4) Create a \$2 step-up ticket for VRE passengers using Amtrak.



RESOLUTION #1073

SUBJECT: Authorization to Modify VRE's Fare Structure.

WHEREAS: As part of the FY 2006 VRE budget, VRE must increase revenue nearly \$1 million to cover increased operating costs;

WHEREAS: In addition to voting to increase the jurisdictional subsidy, the commissions also authorized a fare increase of 2.75% on which public hearings were held; and

WHEREAS: Passengers and interested parties commented via e-mail, letter, fax, and in person at six public hearings.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to institute the following changes to the VRE fare structure effective June 27, 2005:

- 1) Increase the base fare and zone increment by 2.75%;
- 2) Increase the monthly and TLC ticket discount to 34%;
- 3) Decrease the 10-trip ticket discount to 8%; and
- 4) Create a \$2 step-up ticket for VRE passengers using Amtrak.

Approved this 16th day of May, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer

