



Legislation Details (With Text)

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Title: Consideration of a Resolution Consenting to the Issuance of Bonds for Virginia Railway Express.
[ROLL-CALL VOTE]
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Attachments: 1. 22-0893_Resolution-CSX-VRE Bond Issuance, 2. 22-0893_Final Resolution

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 15, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: EMILY A. BAKER, DEPUTY CITY MANAGER
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DOCKET TITLE:

Consideration of a Resolution Consenting to the Issuance of Bonds for Virginia Railway Express. [ROLL-CALL VOTE]

ISSUE: Should Council consent to the issuance of bonds by the Virginia Railway Express (VRE) as authorized

by the Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission to purchase right-of-way from CSX transportation?

RECOMMENDATION: That City Council adopt the attached resolution consenting to the issuance of bonds for Virginia Railway Express.

BACKGROUND: In 2018, the Virginia legislature created the Commuter Rail Operating and Capital (C-ROC) Fund. C-ROC funding is dedicated to “retaining, maintaining, improving, and developing commuter rail-related infrastructure improvements and operations” that are “essential to the Commonwealth’s continued economic growth, vitality, and competitiveness.” C-ROC funding may be used to support the cost of commuter rail operations as well as to make necessary capital investments and improvements through the issuance of debt. Some \$15 million annually is dedicated to the C-ROC Fund from fuel tax revenues generated in the Northern Virginia Transportation Commission (NVTC) and Potomac and Rappahannock Transportation Commission (PRTC) regions.

In December 2019, Governor Ralph Northam announced the Transforming Rail in Virginia program, which includes a landmark agreement between the Commonwealth and CSX Transportation (CSXT) for the acquisition of railroad right-of-way in the Richmond, Fredericksburg and Potomac Corridor. This ambitious program of capital improvements, which includes the construction of a new passenger-dedicated two-track Long Bridge across the Potomac River, will occur in phases over the next decade and beyond. The investments will improve the capacity and reliability of both commuter and intercity passenger (Amtrak) rail services while maintaining freight interoperability in the corridor.

DISCUSSION: In December 2021, NVTC and PRTC authorized VRE to advance a public sale of bonds backed by the of C-ROC Fund, the state fund purchasing rail. The proceeds of this planned debt issuance will be used to assist the Virginia Passenger Rail Authority in the purchasing of a right-of-way from CSX Transportation. The bonds will be backed only by future C-ROC revenues and bondholders will have no recourse to the Commonwealth or any participating or contributing jurisdiction, including the City.

The Master Agreement for Provision of Commuter Rail Services in Northern Virginia, of which the City is a party as a contributing jurisdiction, requires that each contributing and participating jurisdiction consent to the debt issuance.

FISCAL IMPACT: Adopting the proposed resolution will not incur any fiscal impact to the City.

ATTACHMENT: Resolution

STAFF:

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Yon Lambert, Director, T&ES

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