

ITEM 10-C

(2 PAGES)

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 08-02-____
OFFICIAL COMMISSION MEETING
FEBRUARY 14, 2008**

SECOND: _____

RE: AUTHORIZATION TO SELL TEN GALLERY CARS

WHEREAS, in March 2007, the Operations Board granted authority to sell up to twenty-five (25) railcars in anticipation of the new railcar delivery that began this past December; and,

WHEREAS, VRE received an offer to purchase ten gallery cars; and,

WHEREAS, no federal or state interest will remain in these cars at the time of sale.

WHEREAS, the VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the VRE Chief Executive Officer to sell ten Gallery cars to the Regional Transit Authority of Nashville, Tennessee, in an amount to be provided confidentially, but made public following concurrent action by NVTC and PRTC.

BE IT FURTHER RESOLVED that this sale is contingent upon disposition approval from the Federal Transit Administration and will not occur until such approval is received.

AGENDA ITEM 9-C
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 18, 2008

RE: AUTHORIZATION TO SELL TEN GALLERY CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to sell ten Gallery cars to the Regional Transit Authority of Nashville, Tennessee, in an amount to be provided confidentially to Board Members at the Operations Board meeting.

BACKGROUND:

In March of 2007, the Operations Board granted authority to sell up to 25 railcars in anticipation of the new railcar delivery that began this past December. Since that time, the available equipment, including these Gallery cars, was posted on VRE's web site for public sale and existing and developing commuter rail agencies were notified of the sale. VRE staff since received a proposal from the Regional Transit Authority of Nashville, Tennessee to purchase ten of the remaining twenty Gallery cars available.

The proposal is for the amount indicated in the confidential envelope which will be provided to each Operations Board Member at the meeting. This transaction also includes the buyer paying freight to remove the cars from VRE property. Because ten additional Gallery cars remain for sale and prices are being negotiated, any additional discussion on the price proposal must take place in closed session.

If approved for sale, VRE estimates that the cars will be shipped by mid-February. While VRE has calculated that no federal or state interest will remain in these cars at the time of sale, formal approval from the Federal Transit Administration is still pending. Sale of these cars is contingent on this approval and will not occur until this approval is received.

FISCAL IMPACT:

This additional revenue will be allocated to the restoration of the operating reserve as required by the bond indenture.