Assignment to VPRA of Amtrak & VRE Agreements

June 28, 2021
Six Agreements To Be Assigned

- Passenger Rail Improvement Funding and Partnership Agreement (March 26, 2021)
- Master Property Lease (March 26, 2021)
- Operating Agreement (April 14, 2021)
- Passenger Rail Improvements and Funding Agreement (March 26, 2021)
- Passenger Station Ground Lease Agreement (March 26, 2021)
- Passenger Rail Operations and Access Agreement (March 26, 2021)
Scope and Effect of Proposed Amtrak and VRE Assignments

• 3 Amtrak Agreements and 3 VRE Agreements recommended to be assigned from DRPT to VPRA
  • Follows the 7 previously assigned CSX agreements.
• VPRA will be bound to DRPT’s duties.
AMTRAK AGREEMENTS
Bottom Line: Doubles
State-Supported Amtrak Service in Virginia

All current and future trains travel from Virginia to the Northeast Corridor
Amtrak Funding Agreement

Amtrak invests $944M for Phases 1&2

- Exclusive right to operate six new train starts; seven if Norfolk Southern agrees to another train to Roanoke
- Exclusive intercity operator between Washington and Richmond for 30 years after final new train start in Phase 2

Amtrak Dispatch Rights

- North of Alexandria after Phase 2;
- South of Alexandria after maximum feasible separation between passenger and freight tracks
- 24-month trial period to optimize service
- Virginia has rights to terminate dispatching rights based on performance (10-year grace period)

Amtrak Maintenance Rights

- Right of first refusal to provide maintenance of Virginia track after Phase 2 completion.
Amtrak Funding Agreement

Additional Amtrak Rights

- Right of first refusal to purchase 1) DC to Richmond or 2) S-Line from Petersburg to NC if VPRA sells.
- Design and construction review and approval limited to dispatching, interoperability, safety, and operations.
  - Can request beneficial changes that fit within ROW and project budget, and do not cause delay; changes at Amtrak’s costs as long as no material delay.

Key VPRA Responsibilities

- Provide balance of Phase 1 and 2 funding
- Fund six new trains for 30-year period from end of Phase 2
- Complete Phases 1 and 2 before Long Stop Date at end of 2032
  - Amtrak has agreed to re-baseline Long Stop Date before construction of Long Bridge
Remedies in Case of Default

Amtrak

• Can halt payments if Virginia does not proceed on the program of projects.

• Can purchase assets such as the S-Line.

• If Virginia defaults before end of Phase 1, Virginia must repay Amtrak all funds contributed to date.

• If default is after Phase 1 Virginia must repay all non-Phase 1 Amtrak funds, and Virginia must fund operations of three Phase 1 train starts.

Virginia

• If Amtrak does not provide service, Virginia can convert train slots into use by VRE.

• Virginia and Amtrak must review and agree on “Long Stop” date before start of Long Bridge construction.
Amtrak Master Property Lease

Washington-Petersburg

- Richmond (Staples Mill)
- Petersburg

Buckingham Branch (once acquired)

- Staunton
- Charlottesville (Virginia has up to 7 years to acquire)

10-Year Term

- Automatic Renewal
- Nominal rent $1/year
- Amtrak: Maintenance
- VPRA: ADA Compliance
- Amtrak indemnifies VPRA for injuries at stations
## Amtrak Master Property Lease

**Use**
- Permits Amtrak to use the VPRA-owned facilities for passenger service

**Improvement**
- Permits Amtrak to undertake improvements with advance notice to VRPA

**Other Stations**
- Provides Amtrak right to construct and operate a new Amtrak Crystal City Station
- Commits to provide Amtrak an easement to land underlying newly-constructed platforms at Ashland station
Amtrak Operating Agreement

<table>
<thead>
<tr>
<th>Amtrak Access to VPRA Rail Lines</th>
<th>Preliminary Service Plan</th>
<th>Amtrak Maintenance Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Carry out rail service</td>
<td>• Refined among VRE, CSX, Amtrak, and VPRA</td>
<td>• Right of First Refusal to Maintain Virginia-owned portion after Phase 2 completion</td>
</tr>
<tr>
<td>• Basis for Amtrak payments to VPRA</td>
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<td>• Build rail connections with VPRA consent</td>
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<tr>
<td>• VPRA cannot dispose of rail lines used for regular Amtrak service w/out approval</td>
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Amtrak Operating Agreement

<table>
<thead>
<tr>
<th>Amtrak Liability – No-fault Indemnity</th>
<th>VPRA – Liability Commitments</th>
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</thead>
<tbody>
<tr>
<td>• Amtrak indemnifies VPRA against injuries/damage to Amtrak employees and property, Amtrak patrons, third parties struck/collided by Amtrak, and for Amtrak fuel spills</td>
<td>• Pays $125K annual “risk fee” for first five years because VPRA cannot indemnify Amtrak</td>
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<td>• Responsible for own property (without regard to fault)</td>
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<td></td>
<td>• Maintains $5M cash reserve to ensure prompt repairs</td>
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<td></td>
<td>• Will obtain property insurance for bridge over Potomac unless premium exceeds $1M</td>
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<td></td>
<td>• Contractors must indemnify Amtrak and carry agreed-upon levels of liability insurance</td>
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<td>• Already obtained liability insurance with Amtrak as additional insured</td>
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VRE AGREEMENTS
Bottom Line: 75% increase in VRE Fredericksburg Line Service

Introduces late night and weekend service in ~2026
VRE Access & Operating Agreement

Agreement between Virginia and PRTC & NVTC (as owners of VRE)

• Provides VRE Service Access
  • Rights consistent with VPRA property interests in RF&P corridor
  • Establishes operating and safety rules

• Additional Commuter Service
  • Unlocked by Phases 1 and 2
  • VRE right to operate new starts

• Preliminary Passenger Schedules – to be refined

• Continue Direct Payment to CSX for maintenance and dispatching

• VRE indemnifies VPRA
  • Any losses or claims arising from VRE service without regard to fault
  • Backstopped by $322M of liability insurance maintained by VRE
VRE Funding Agreement

VRE Funding Commitment: Estimated at $215M

- Issue Commuter Rail Operating and Capitol Fund (CROC) backed debt no later than November 2022
  - used for acquisition costs and fully expended within 18 months of issuance
  - debt service capped at $7.5 million annually
  - term of debt anticipated to be 30 years

- Pay-Go CROC funding
  - 10-year commitment; extended recapture period if payments reduced to fund reserves
  - $15 million minus CROC debt service for same year
## VRE Station Ground Lease

<table>
<thead>
<tr>
<th>PREMISES</th>
<th>TYPE OF PROPERTY</th>
<th>RESPONSIBILITIES</th>
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<tbody>
<tr>
<td>• 13 Passenger Stations Acquired from CSX</td>
<td>• Land underlying station assets at all sites</td>
<td>• Nominal rents of $1/year</td>
</tr>
<tr>
<td>• Virginia Granted Land at Crossroads Property for Storage and Maintenance</td>
<td>• Land and platform(s) at Woodbridge, Alexandria, and Fredericksburg sites</td>
<td>• VRE responsible for maintenance</td>
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<tr>
<td></td>
<td>• Station Buildings at Fredericksburg and Quantico</td>
<td>• Some duties flowed down to third parties</td>
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Thank You

Questions?