

June 28, 2021

Assignment to VPRA of Amtrak & VRE Agreements



Six Agreements To Be Assigned

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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.

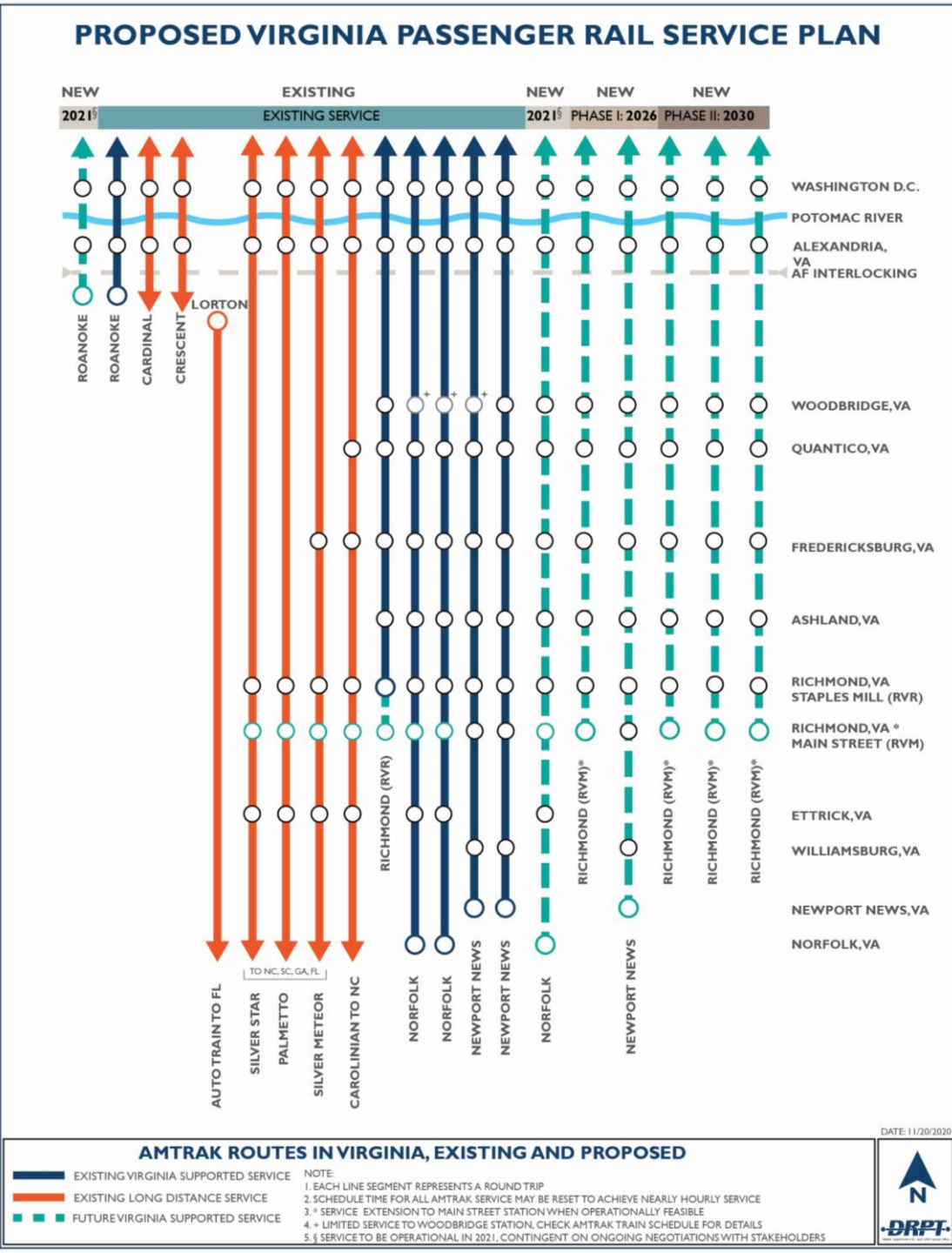


AMTRAK AGREEMENTS



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

Amtrak Access to VPRA Rail Lines

- Carry out rail service
- Basis for Amtrak payments to VPRA
- Build rail connections with VPRA consent
- VPRA cannot dispose of rail lines used for regular Amtrak service w/out approval

Preliminary Service Plan

- Refined among VRE, CSX, Amtrak, and VPRA

Amtrak Maintenance Rights

- Right of First Refusal to Maintain Virginia-owned portion after Phase 2 completion

Amtrak Operating Agreement

Amtrak Liability – No-fault Indemnity

- Amtrak indemnifies VPRA against injuries/damage to Amtrak employees and property, Amtrak patrons, third parties struck/collided by Amtrak, and for Amtrak fuel spills

VPRA – Liability Commitments

- Pays \$125K annual “risk fee” for first five years because VPRA cannot indemnify Amtrak
- Responsible for own property (without regard to fault)
- Maintains \$5M cash reserve to ensure prompt repairs
- Will obtain property insurance for bridge over Potomac unless premium exceeds \$1M
- Contractors must indemnify Amtrak and carry agreed-upon levels of liability insurance
- Already obtained liability insurance with Amtrak as additional insured

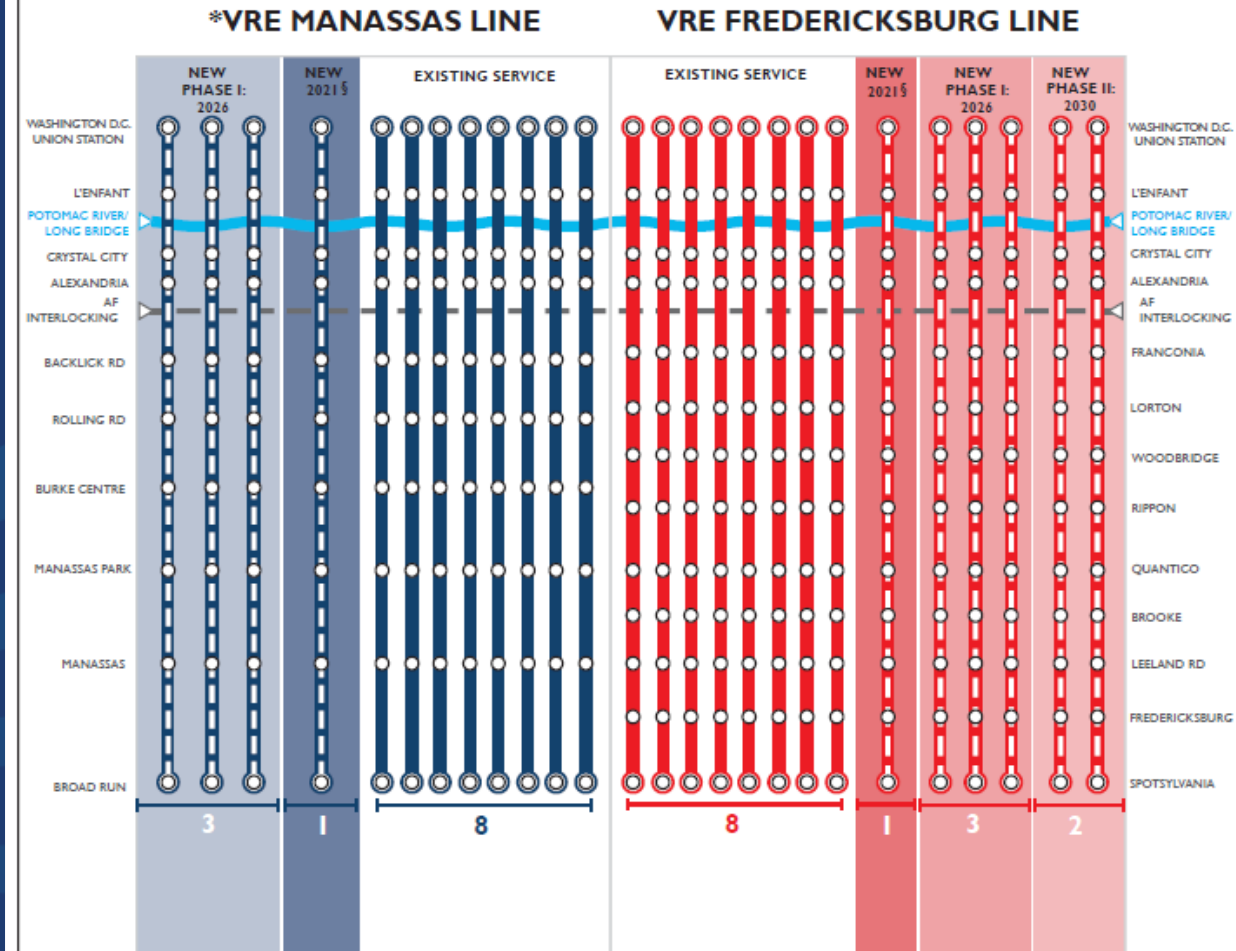
VRE AGREEMENTS



Bottom Line: 75% increase in VRE Fredericksburg Line Service

Introduces late night and weekend service in ~2026

VIRGINIA-CSX RAIL PROPOSAL PROPOSED VRE COMMUTER RAIL SERVICE PLAN



VRE SERVICE IN VIRGINIA, EXISTING AND PROPOSED

NOTE:

- * Subject to agreement with Norfolk Southern
- Each line segment represents a round trip
- § Service to be operational in year 2021 is contingent on ongoing negotiations with stakeholders

- STATION
- ~ RIVER
- MANASSAS LINE
- FREDERICKSBURG LINE
- FUTURE MANASSAS LINE
- FUTURE FREDERICKSBURG LINE

DATE: 5/20/2021



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

PREMISES

- 13 Passenger Stations Acquired from CSX
- Virginia Granted Land at Crossroads Property for Storage and Maintenance

TYPE OF PROPERTY

- Land underlying station assets at all sites
- Land and platform(s) at Woodbridge, Alexandria, and Fredericksburg sites
- Station Buildings at Fredericksburg and Quantico

RESPONSIBILITIES

- Nominal rents of \$1/year
- VRE responsible for maintenance
 - Some duties flowed down to third parties

Thank You
Questions?

