



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Sheppard Miller III
Chairperson

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Agenda item #16

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD July 16, 2024 MOTION

Made By: Mr. Kasprowicz, **Seconded By:** Dr. Smoot

Action: Motion Carried, Unanimously

**Title: Amendments to VPRA FY25 Capital Budget and
Consent to Sale of Virginian Line**

WHEREAS, on March 19, 2024, in accordance with Va. Code § 33.2-298, the Commonwealth Transportation Board (the "**Board**") approved the budget proposed by the Virginia Passenger Rail Authority ("**VPRA**") for fiscal year 2025 capital projects and capital and operating grants (the "**VPRA FY25 Capital Budget**"); and

WHEREAS, VPRA is advancing a transaction with Norfolk Southern Railway Company (the "**Proposed Transaction**") that would require the amendments to the VPRA FY25 Capital Budget reflected in **EXHIBIT A** (*Proposed VPRA FY25 Capital Budget Amendments*); and

WHEREAS, Va. Code § 33.2-293(B) empowers VPRA to dispose of real property, provided that any disposition that involves property with a fair market value in excess of \$5,000,000 requires the consent of the Board; and

WHEREAS, the Proposed Transaction would include the sale of the VPRA-owned Virginian Line to Norfolk Southern Railway Company, which Virginian Line has a fair market value in excess of \$5,000,000; and

WHEREAS, VPRA intends to negotiate and execute a comprehensive rail agreement with Norfolk Southern Railway Company to consummate the Proposed Transaction.

NOW, THEREFORE, BE IT RESOLVED by the Commonwealth Transportation Board, conditioned on VPRA's execution of a comprehensive rail agreement with Norfolk Southern Railway Company in a form approved by the Board of Directors of VPRA, that:

1. the amendments to the VPRA FY25 Capital Budget in support of the Proposed Transaction and reflected in **EXHIBIT A** (*Proposed VPRA FY25 Capital Budget Amendments*) are hereby approved; and
2. the Commonwealth Transportation Board consents to VPRA's sale of the Virginian Line to Norfolk Southern Railway Company.

EXHIBIT A

PROPOSED VPRA FY25 CAPITAL BUDGET AMENDMENTS

Project Description (\$ in millions)	FY25 Approved Budget	FY25 Amended Budget	Proposed Change
New River Valley Passenger Rail Project	\$366	\$43	\$(323)
Capital Improvements - Bridges	31	-	(31)
Capital Improvements - Other	36	-	(36)
Roanoke Christiansburg Capacity Grant	-	25	25
Manassas Line Purchase	-	365	365
Seminary Passage Purchase *	-	54	54
Total	\$433	\$487	\$54

* The sale of the Virginian Line to Norfolk Southern Railway Company offsets the purchase cost of the Seminary Passage

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CTB Decision Brief

Amendments to VPRA FY25 Capital Budget and Consent to Sale of Virginian Line

July 16, 2024

Issue: The Commonwealth Transportation Board (the "**Board**") has approved the budget proposed by the Virginia Passenger Rail Authority ("VPRA") for fiscal year 2025 capital projects and capital and operating grants (the "**VPRA FY25 Capital Budget**"), which now requires amendment. In addition, VPRA desires to sell the Virginian Line, which requires consent of the Board.

Facts: After the Board approved the VPRA FY25 Capital Budget, VPRA has advanced a transaction with Norfolk Southern Railway Company that would require the following amendments to the VPRA FY25 Capital Budget:

Project Description (\$ in millions)	FY25		Proposed Change
	Approved Budget	Amended Budget	
New River Valley Passenger Rail Project	\$ 366	\$ 43	\$ (323)
Capital Improvements - Bridges	31	-	(31)
Capital Improvements - Other	36	-	(36)
Roanoke Christiansburg Capacity Grant	-	25	25
Manassas Line Purchase	-	365	365
Seminary Passage Purchase *	-	54	54
Total	\$ 433	\$ 487	\$ 54

* The sale of the Virginian Line to Norfolk Southern Railway Company offsets the purchase cost of the Seminary Passage

Under the same transaction, VPRA would sell to Norfolk Southern Railway Company the Virginian Line, which has a fair market value in excess of \$5,000,000 and, therefore, requires the consent of the Board under Va. Code § 33.2-293(B).

Recommendations: VPRA recommends (i) the Board's approval of the proposed amendments to the VPRA FY25 Capital Budget, and (ii) the Board to consent to the sale of the Virginian Line to Norfolk Southern Railway Company, in each case conditioned on VPRA's execution of a comprehensive rail agreement with Norfolk Southern Railway Company in a form approved by the Board of Directors of VPRA.

Action Required by CTB: The Board will be presented with a resolution for a formal vote to (i) approve the proposed amendments to the VPRA FY25 Capital Budget, and (ii) consent to the sale of the Virginian Line to Norfolk Southern Railway Company.

Options: Approve, Deny, or Defer.