



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 12

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 6, 2026

MOTION

Made By: Mr. Good, **Seconded By:** Dr. Smoot
Action: Motion Carried

Title: Agreement with the Virginia Passenger Rail Authority Relating to the Shenandoah Valley Rail Trail

WHEREAS, there has been an interest in, and 20-year history of study and advocacy regarding, development of a trail on the Norfolk Southern (NS)-owned rail corridor that traverses the Shenandoah Valley between the Town of Broadway in Rockingham County and the Town of Front Royal in Warren County (Shenandoah Valley Rail Trail, or SVRT); and

WHEREAS, a previous 2021 feasibility study requested by the General Assembly, conducted jointly by the Department of Conservation and Recreation and the Virginia Department of Transportation, entitled *Feasibility Study for a Linear Park in the Shenandoah Valley*, identified involvement by a state agency or regionally sponsored nonprofit as potential methods of owning and maintaining the rail corridor; and

WHEREAS, the 2021 Feasibility Study noted establishment of the Virginia Passenger Rail Authority (VPRA) and its responsibility for promoting, sustaining, and expanding the availability of passenger and commuter rail service in the Commonwealth and further noted that if the state rail authority takes ownership of this corridor, a rail with trail is a possibility; and

WHEREAS, in 2023, pursuant to Item 452 (I) of Chapter 1, the General Assembly provided funding for the development of trails, directing that up to \$35 million be allocated to the SVRT for the purpose of land acquisition, initial planning and site development and stipulating that related efforts not preclude options that would maintain rail transportation in the corridor; and

WHEREAS, VDOT studied the constraints, considerations, and costs for constructing a trail alongside the rail line as an alternative to the previously studied rail-to-trail option for the corridor, and published the third and final phase of the study in November 2025; and

WHEREAS, the Administration believes that pursuing a plan that provides for a trail while leaving the rail in place delivers the greatest benefit to the citizens of the Commonwealth as leaving the rail in place, while building the trail allows for excursion rail, biking, short line use and eventually the possibility of commuter and/or passenger rail; and

WHEREAS, given the desire to preserve the rail corridor for future rail service along with development of a trail, transferring the remaining unspent SVRT funding and project to VPRA has been proposed, subject to an agreement between the Commonwealth Transportation Board and VPRA (SVRT Grant Agreement); and

WHEREAS, the terms of the SVRT Grant Agreement, attached hereto as Exhibit A, provide that VPRA will accept the funding and facilitate the purchase of the corridor from Norfolk Southern by the Shenandoah Valley Battlefield Foundation (SVBF) or another partnering entity for \$23M, the previously agreed to amount, and supply the residual funding, on a reimbursement basis for trail only design and construction; and.

WHEREAS, SVBF is a private, non-profit organization formed in 2000 as the “management entity” with respect to the management and administration of the Congressionally-created Shenandoah Valley Battlefields National Historic District. (Public Law 104-333) and is charged with, among other things, preserving historical transportation linkages among Civil War battlefields within the district, including investigating the establishment of walking trails within the district, and the potential re-establishment of passenger rail service along historic rail lines within the District; and

WHEREAS, SBVF has had a decades-long partnership with the Virginia Department of Historic Resources and has demonstrated its ability to effectively raise and administer millions of dollars in grant funding and manage an increasingly complex portfolio of parks and tourism infrastructure projects; and

WHEREAS, while SVBF has a track record of success and is prepared to partner with VPRA on this project, if an additional proposal is received by the VPRA by Feb 15, 2026, from an established organization that seeks to leave the rail intact and build a trail alongside the rail, their proposal will be given due consideration; and

WHEREAS, the terms of the SVRT Grant Agreement also provide that VPRA will conduct public meetings to discuss the planned agreement for purchase of the corridor and development of the project prior to execution of an agreement between the parties.

NOW THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board approves the transfer of the remaining unspent SVRT funding and project to VPRA and authorizes the Chair to execute the agreement between the Board and VPRA attached hereto as Exhibit A, with such changes and additions that the Chair deems appropriate provided that the terms of the executed agreement require VPRA to:

1. Conduct public hearings on the intended use of the funds received from the CTB for this project; and
2. Ensure that any action related to the existing corridor provides for a trail alongside the rail while preserving the rail for other rail uses;
3. Give due consideration to any additional proposal received by the VPRA by Feb 15, 2026 from an established organization that seeks to leave the rail intact and build a trail alongside the rail.

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EXHIBIT A

AGREEMENT

FOR

**GRANT FUNDING IN SUPPORT OF THE SHENANDOAH VALLEY RAILROAD
CORRIDOR**

BETWEEN

THE COMMONWEALTH TRANSPORTATION BOARD

AND

THE VIRGINIA PASSENGER RAIL AUTHORITY

DATED JANUARY [●], 2026

This agreement is between (i) the Commonwealth Transportation Board (“**CTB**”) and (ii) the Virginia Passenger Rail Authority (“**VPRA**”). The parties hereto agree as follows.

1. This agreement relates to the railroad corridor of historic significance between approximately (i) MP B51.0 near Front Royal in Warren County, VA and (ii) MP B99.5 (formerly CW99.5) near Broadway in Rockingham County, VA (the segment between (i) and (ii) being the “**Rail Corridor**”).
2. Pursuant to Item 452.I.3.a. of Chapter 1 (2023 Special Session I) and Item 452.I.3.a. of Chapter 1 (2024 Special Session I), the Virginia General Assembly has appropriated up to \$35,000,000 (the “**Grant Funds**”) for the purposes of “land acquisition, initial planning, and site development” with respect to the Rail Corridor, and the development of a trail therein while leaving the rail in place for other rail uses. Such uses are hereinafter referred to as the “**Permitted Uses**”.
3. By resolution dated January 5, 2026, the CTB authorized the transfer of the unspent Grant Funds to VPRA for administration. The CTB agrees to transfer all unspent Grant Funds to VPRA within thirty (30) days after VPRA delivers to the Commissioner of Highways a written transfer request and transfer instructions.
4. VPRA agrees to hold the Grant Funds and to apply them exclusively for the Permitted Uses, except that VPRA may return the Grant Funds to the CTB under the conditions stated in section 7 below.
5. VPRA will provide, for the acquisition of the Rail Corridor, \$23 million of the Grant Funds received to either (i) the Shenandoah Valley Battlefield Foundation (Foundation) or (ii) after giving due consideration to any additional proposal(s) received by the VPRA by Feb 15, 2026 from an established organization that seeks to leave the rail intact and build a trail alongside the rail, to such organization that the VPRA determines in its sole discretion to be appropriate. VPRA shall enter into an agreement designating either the Foundation or such other organization as “the **Grantee**”, and governing the use of the Grant Funds.
6. The remaining unspent Grant Funds will be available to the **Grantee** for reimbursement of costs it incurs for development and construction of the trail.
7. VPRA will return any unused Grant Funds to the CTB upon the following conditions:
 - a. VPRA reasonably determines that it no longer has any reasonable ability to apply the Grant Funds for the Permitted Uses; or
 - b. there remains an unspent balance of the Grant Funds on or after December 31, 2030.

8. VPRA shall engage in a public input process regarding VPRA's planned use and administration of the Grant funds transferred herein by conducting public hearings at one or more locations along the Rail Corridor.
9. This agreement is executed by the parties' duly authorized representatives.

VIRGINIA PASSENGER RAIL AUTHORITY

By: _____

Name: DJ Stadtler

Title: Executive Director

COMMONWEALTH TRANSPORTATION BOARD

By: _____

Name: W. Sheppard Miller, III

Title: Secretary of Transportation, Chairman of the Board

[SIGNATURE PAGE TO AGREEMENT FOR GRANT FUNDING IN SUPPORT OF THE SHENANDOAH VALLEY RAILROAD CORRIDOR]