

ITEM 10-C

(2 PAGES)

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 07-10-____
OFFICIAL COMMISSION MEETING
OCTOBER 4, 2007**

SECOND: _____

RE: AUTHORIZATION TO SELL FIVE GALLERY CARS

WHEREAS, in March 2007, the Virginia Railway Express (VRE) Operations Board granted authority to sell up to 25 railcars in anticipation of the new railcar delivery beginning this December; and

WHEREAS, the VRE received an offer to purchase Gallery cars 8730, 8731, 8739, 8740, and 8742 for \$1.00 each; and

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 five Gallery cars (numbers 8730, 8731, 8739, 8740, and 8742) to Dan Behr Associates for \$1.00 each.



Virginia Railway Express Operations Board

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AGENDA ITEM 8-A ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 21, 2007

RE: AUTHORIZATION TO SELL FIVE GALLERY CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to sell five Gallery cars to Dan Behr Associates for \$1 per car.

BACKGROUND:

In March 2007, the Operations Board granted authority to the CEO to sell up to 25 railcars in anticipation of the new railcar delivery beginning this December. Since that time, the equipment was posted on VRE's web site for public sale and staff received a proposal from Dan Behr Associates of Chicago, Illinois, to purchase five Gallery cars (car numbers 8730, 8731, 8739, 8740, and 8742) for \$1 each. The sale also includes the buyer placing freight costs into an escrow account to ensure removal of all cars.

VRE purchased these five cars for \$1 each and invested no money in them. As such, there is no federal, state, or local interest in these cars. By contrast, the remaining 20 Gallery cars do have a stated value which VRE will work to recoup as part of any sale. Some of these cars also have a residual federal interest which will need to be assumed or paid as part of any negotiated sale.

FISCAL IMPACT:

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