

AGENDA ITEM 9-G
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 20, 2008

**RE: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT FOR TOWER
INSTALLATION AT THE LEELAND ROAD STATION**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a five-year lease agreement, with renewal options up to fifty additional years, with Mid-Atlantic Tower Holding Company for tower installation at the Leeland Road VRE Station as part of the two-way VHF radio project

BACKGROUND:

On June 15, 2007, the VRE Operations Board approved a contract for design and construction of a VHF two-way radio communication system. This system will provide VRE with an assigned railroad radio frequency on which information can be exchanged between VRE trains and the VRE offices in Alexandria and the Amtrak offices in Washington, DC. Additionally, VRE will be able to monitor two Norfolk Southern and two CSXT radio frequencies utilized to dispatch and control freight, VRE, and Amtrak trains.

The radio system requires the utilization of three towers, to be located in Alexandria, Fairfax Station, and Leeland Road. On March 21, 2008, the VRE Operations Board approved a license agreement to lease space on the Fairfax Station antenna tower. The Alexandria antenna location has been established and is currently going through the local permitting process. This authorization will allow a small portion of unused land at the Leeland Road station to be leased to Mid-Atlantic Tower Holding Company.

As part of this lease, Mid-Atlantic will construct and maintain the tower at no expense to VRE. As VRE will own the tower, Mid-Atlantic will pay VRE \$2,000 per month and allow VRE space on the tower to support the VHF radio project. This revenue will be used to offset operating expenses for the project. The tower also has the added benefit of improving cellular reception in the Leeland Road area. Mid-Atlantic will be the recipient of any additional revenue generated from the tower. It is estimated that additional leased space could generate up to \$1,600 per month, per space with potential for three to four spaces leased.

The initial lease will last for a term of five years. Upon completion of the first lease term, VRE has the option to renew the lease for ten additional periods of five years each. VRE will return to the Board after the initial lease term.

FISCAL IMPACT:

No funds are required for this agreement. The expected revenue will help offset other costs associated with operating the two-way radio communications system.

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RESOLUTION
9G-06-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, on June 15, 2007, the VRE Operations Board approved a contract for design and construction of a VHF two-way radio communication system; and,

WHEREAS, this system will provide VRE with an assigned railroad radio frequency on which information can be exchanged between VRE trains and the VRE offices in Alexandria and the Amtrak offices in Washington, DC; and,

WHEREAS, the radio system requires the utilization of three towers; to be located in Alexandria, Fairfax Station, and Leeland Road; and,

WHEREAS, VRE and Mid-Atlantic Tower Holding Company have negotiated terms of a license agreement at Leeland Road.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a five-year lease agreement, with renewal options up to fifty additional years, with Mid-Atlantic Tower Holding Company for tower installation at the Leeland Road VRE Station as part of the two-way VHF radio project