

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 12, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER

SUBJECT: BUDGET MEMO #41: VIRGINIA RAILWAY EXPRESS (VRE) SUPPORT FROM THE CITY (COUNCILWOMAN WOODSON'S REQUEST)

The City's proposed \$97,734 budget amount to help subsidize the Virginia Railway Express (VRE) operations derives from an inter-jurisdictional agreement approved prior to the start of VRE operations in 1992. Initially, the other local governments in the region wished Alexandria and Arlington to share in full responsibilities of financing (i.e. backing bond issuance), tort claim liability in the event of an accident, as well as subsidizing the operations of VRE.

However, because it was unlikely that any Alexandria or Arlington commuters would ride VRE there was substantial reluctance on the part of both jurisdictions to take on full financial and risk responsibilities. In recognition of the fact that VRE would bring non-residents into Alexandria and Arlington to work, and in the interest of regional cooperation, two classes of jurisdictional financial support were created. Alexandria and Arlington agreed to "contributory" status while the other Northern Virginia jurisdictions agreed to "participating" status. A low base amount which inflates each year was set for Alexandria and Arlington while the other members are responsible for dividing up the balance of the needed subsidy.

Of the \$6.4 million annual local government subsidy for FY 2005, Alexandria's share will be \$97,734, Arlington's \$142,992 while the Fairfax County subsidy is some \$3.0 million and the Prince William subsidy is \$2.1 million. Four other localities provide the \$1.1 million subsidy balance. For this \$97,734 Alexandria has 31 VRE trains stop in Alexandria during each weekday. The average number of passengers using VRE who use the Alexandria stop is about 1,267 per average weekday (counting both the boardings and alightings). This is expected to increase in the future due to the growth of the Carlyle East Eisenhower area including the presence of PTO.