

VRE Summit

6:33 began

Mr. Logan introduced himself and gave an overview of the VRE Summit including the purpose. Each member of the panel gave a brief introduction.

Mr. Logan stated that once the panel was finished with the written questions he would open up the microphone and anyone that had a question could come forward and state their question. He said time was of the essence and he wanted to be perfectly clear that each person would have 1 minute to ask their question and then at the end of the minute would be asked to sit down. He said this was not the time to opine on how you felt about VRE, that time would come at the public hearing. He asked the audience to respect what they were trying to do.

The first two questions speak to the issue of the authority of the panelists in many ways.

Question:

Show of hands: How many of the panel members and elected officials ride public transportation on a regular basis defined by the questioner as 5 or more days per month?

How are you qualified to assess VRE if you do not ride it on a regular basis?

Answer:

Actually if you look at a lot of Boards and Commissions that I serve on and make decisions on I don't necessarily partake of the services so I don't think having riding it necessarily in anyway detracts from our ability to basically look at the budgets, get the reports as we do with schools and a lot of other things we deal with on a regular basis and make informed decisions. I would say that I firmly support and as the region does firmly supports more transit not less. It is going to be an integral part of our regional transportation plan but I guess I do not see why whether I ride it or not should necessarily reflect my ability to make decisions.

I would echo that and also add that I do ride VRE occasionally just not 5 times per month but I've certainly sat in enough traffic around town and also heading to DC to know that I want some solution to that problem and recognize this as one of the options.

Question:

Show of hands: Who in this room has a copy of the VRE master agreement and has a vague or critical understanding of the document how it reads, the contract language, it's provisions and liabilities that come with signing on to the VRE agenda?

Question:

Could you tell us what the State of Virginia is looking at in the way of funding for VRE and what do you think the future is going to hold for that funding source?

Answer:

Thank you Jerry for the question and maybe before addressing it specifically I'd like to put it into the larger context of transportation overall. For me it's not just a topic to talk about VRE although I know that is the central issue here tonight at the level where I sit it's transportation for Virginia. I think where I've come down is that because of our geography we can't change where we live. The work force in this geographic area has been dominated by predominately by workers to the North. It's been that way in the history and it's been that way now and it will be that way in the future so part of what the discussion is for me at least to the framework of the questions and the discussion is really how do we as a people provide transportation effective good transportation for a large component of our work force which is very necessary. In terms of the specific question, the state of affairs in Virginia with transportation is probably as bad as it could possibly be. We are losing money constantly not only to the down turn in the economy but also to just the funding streams that we normally use to fund transportation; gasoline tax, vehicle sales tax, and other assortment of revenues. All of those have been woefully inadequate over the last several years and to give you just a tid bit of what it's all about the Department of Transportation just recently issued a report on the next 6 year plan and overall we're down about \$3 billion dollars of what is projected to be needed in transportation dollars this is just new construction dollars. Rail and public transit it's down over \$1 billion dollars. We've gone from about \$11.5 to about \$7.4. There is on the horizon looks like one of the things that has been keeping us propped up to some degree has been federal funding and that is not looking real promising. When you think about transportation as a core service that is necessary for economic vitality for people to go to and from work that's what this question becomes to me and that is why VRE is just another part of a multi-modal transportation initiative that we need. Specifically to the question of how the State funds VRE. In 2010 VRE is expected to receive \$25 million in State support that would be about \$8.6 million in operating assistance, about \$8million for tracks lease payments and a little over \$10 million in capital needs. That is subsidy that the State is currently providing to VRE and the reason we do that is because it is the funding mechanism the driving mechanism to get people to and from work and that's what economic vitality is all about.

To continue on what Senator Hauck was talking about on the federal level the prognosis is just as bad if not worse. Last fall the federal government had to bail out the highway trust fund the money that you pay into each time you fill up your tank it had basically gone bankrupt by last August so an \$8 billion transfer from the general fund which we use to fund schools, health care and other much needed things was transferred over because there was no money in the highway trust fund left and you can expect see later this summer a larger transfer from the general fund into the highway trust fund on the federal level because of their inability to keep up the gas tax revenue to be able to keep up with spending needs as well as the decline we're seeing in vehicle miles traveled and additionally the more efficient fuel efficient cars that are being produced. People are filling up less now which means less revenue coming to the federal level and then therefore less money being allocated down to the States by formula.

I think a little historical perspective that might be interesting is that VRE was born out of a Counties frustration up in the Northern Counties. Fairfax created VRE as a solution to the traffic congestion that we experience on the interstates and it's mostly funded even though we are very grateful to have federal and state funding it is still mostly funded by the 2% gas tax and the fare recovery that the money people pay to ride.

Question:

If Spotsylvania does indeed choose to join VRE how soon could a station potentially be built and ready for passengers and where would it be located?

Answer:

The first thing that has to be done and is required by CSX and Jay can talk to that is a third track must be built between Fredericksburg and our crossroads yard that is about 8 miles. Currently there is funding and construction going on from Fredericksburg to about the midway point that we call Hamilton, that is the name of a switch. My understanding is that work should be done by the end of June. Work from Hamilton to crossroads another 3 to 4 miles is not currently funded. We're working with the Sate to gain that funding but that work must be done before we can run revenue service or passenger service from crossroads or anywhere else in Spotsylvania up to Fredericksburg. I'll guess I would say 2 to 3 years if funding was available if funding is not available it starts to delay out. As far as the station and where would it reside is really a function of two things one the railroad and where that station sits because the platform is usually on railroad property so the railroad will have a say where that is and they have issues about where it will be a number of issues there and the second issue is where does the County want it in the sense of their planning and their comprehensive plan as to what they are doing in the area where the station is. Those are the two driving forces. VRE will enter their 2 cents in there and make suggestions but ultimately it is a decision of the railroad and the County.

I know there has been a great deal of criticism of the County for having not joined VRE and why we haven't. The truth of the matter is as our panel just expressed if we joined VRE tomorrow we're 2 to 3 years before the first passenger would ever be able to board VRE in Spotsylvania County. If membership were to occur this year obviously the 2% gas tax would start immediately and those funds would start accruing but there would be no immediate relief for Stafford or the City of Fredericksburg as far as parking concerns at least until that 3rd rail was completed down to the crossroads area and the VRE station was open in Spotsylvania County so let's make it clear that an immediate decision to join VRE does not mean you will immediately be able to go to Spotsylvania County and board the train we are still 2 to 3 years before the rail would actually be complete and then of course the station would have to be built as well and it could be done simultaneously we hopefully could have the station under construction while the rail was being constructed and both be completed hopefully close to the same time but we are at least 3 years out from ever having actual passenger service in Spotsylvania County in VRE under the best of circumstances.

Question:

Matt Kelly you've argued on several occasions that VRE promotes economic development can you identify a station on the Fredericksburg line where significant economic development was spurred by VRE commuter traffic?

Answer:

I am going to turn that question around a little if I may. In the City and I can only speak for the City that is what I represent we did not have a lot of opportunities, we are 10.4 square miles and had a station already in place and most of the development downtown but what Spotsylvania has is probably a unique opportunity that a lot of localities along the line have not had in the sense that you have the space, you have the land, and you have a development community that is ready to work with the County to build you probably not only help you build that train station but help you develop the infrastructure and the businesses and the residence around it that will in fact increase the tax base for Spotsylvania County. Frankly, the County is in a very unique situation to really take advantage of this opportunity if they put the planning in and the effort in you can have not only a top notch train station but also as your own business community they are ready to start locating down here as long as they know they have a good clean access up north. Your tech community, the tech Board have already told we are ready to do a tech center in Spotsylvania County if you give us frankly the railroad and the access north so without giving you a specific one because frankly most localities that are on the line right now don't have the opportunity that Spotsylvania County does with the land and the ability to develop.

Lorton when the platform was put in about 1996 there was nothing there except a platform and a parking lot and you can go to Lorton today and it's a residential area that is one, Rippon is another area that has condos and apartments and Woodbridge is another area. All that development that is around those 3 stations has occurred after VRE arrived there.

To point out at Woodbridge you had the residential development but you're also seeing a redevelopment finally of the Bridgewood Plaza and some of the shopping centers that had gone down hill as a result of that station.

Question:

Is there anyway that the master agreement could be amended so that the locality would not have to dip into its general funds to make up a shortfall in revenue? Is there some mechanism available that a locality would never have to worry about dipping into its general fund to meet its subsidy obligation to VRE either through a federal or state fund that was set aside to make up that shortfall or an amendment to the master agreement that would relieve a member locality of having to make that shortfall up if it occurred for market reasons beyond their control?

Answer:

There are 8 jurisdictions that own VRE. I think it's very important for me to state Fairfax, Alexandria, Arlington all their gas tax goes to Ramada Metrorail/Metro bus. It

just straight goes to them. All payments that they make to VRE are out of their general fund that was known at the time that they joined VRE. They felt as 3 of the jurisdictions VRE was critical an essential service and they were willing to fund it out of their general fund. It is important for you to know that 3 of them already pay out of their general fund. The PRTC jurisdictions Prince William and south are paying their VRE subsidy from 2% gas tax, none that I know have dipped into their general fund.

The question really goes back to the beginnings of the VRE and when the master agreement was initially crafted and the question the concern that Spotsylvania has is a concern that every jurisdiction that is involved with VRE has. The way that the master agreement was crafted in the end was in part to design to address that issue and it was also designed in part to provide a mechanism to be able to fund some of the very high capital costs that VRE was invariably going to run into as it began to develop the system. First and foremost there is no as we would call it stable and reliable funding source that the VRE jurisdictions could rely upon to fund all the expenses it was going to run into. As Dale was saying, some of the jurisdictions had access to the 2% gas tax but it was recognized that that is not a very predictable funding source because gas consumption and gas prices vary so much and it was unknown how reliable it was going to be over time so you will note in the master agreement there is no mention made of the 2% gas tax the only funding source that is mentioned is the contributions made each year by the jurisdictions that are involved in VRE so all of the jurisdictions are very involved on an annual basis in making sure that the projected budget for the upcoming year is going to be something they all can afford. Each jurisdiction has a unilateral veto over that budget in other words they have to reach consensus unanimous agreement actually on the budget and what their share of that budget would be. If they can't reach agreement then it forces all the jurisdictions back to the drawing board to recut the budget in a way that all the jurisdictions can agree they can afford and the principal problem is the lack of a stable and reliable funding source that would be sufficient to essentially provide assurances to the jurisdictions that their general fund would not be hit and in a year in which expenses look like they are going to be higher than the jurisdictions might otherwise want to afford. Supervisor Logan mentioned this \$25 million pot of money, that was something VRE was very hopeful of having it was part of legislation approved by the general assembly signed by the Governor and then challenged and ultimately found to be unconstitutional by the Virginia Supreme Court. That would have provided a \$25 million source of funds annual funds for VRE expenses unfortunately that bill was invalidated that \$25 million does not exist. It is really incumbent upon the General Assembly and Congress I would say to help as best they can in coming up with some alternative to that \$25 million so that again the jurisdictions wouldn't have to look to their own tax base to fund this sort of thing. As far as amendments to the master agreement go, that is a subject of discussion between the VRE folks and Spotsylvania. The outcome of that discussion has not been reached and we are not sure how it is going to play out but one concern though that I share with you is that as I said the master agreement was put together as a way to afford the capital costs that VRE was going to run into in the future what it is in effect is a financing document that was written in large part by bond lawyers and underwriters council who wanted to be able to take this document show it to the Wall Street people and say look the VRE wants to borrow \$25 million \$100 million whatever

it is to buy locomotives, rail cars to build stations whatever it is they need to do and this document here this master agreement is the way in which money will be raised to pay the debt service on those bonds and there was a great deal of concern at the time the document was crafted in putting some kind of a cap on how much money would be contributed by the jurisdictions not so that the cap could be unlimited because that was no jurisdictions desire or intent but simply because it would signal the possibility that the debt would not be paid and therefore there would be no possibility of ever issuing any debt at all so that is kind of a happy medium that was reached in the way the document was crafted. As far as the discussions go in Spotsylvania we all the jurisdictions understand the concern I think there is an interest in accommodating that concern but the question is whether Spotsylvania should get with the other localities and work hard to keep the expenses at an affordable level or whether we'd be able to actually write something in the document that guarantees it won't happen that's the question that is being addressed now.

I would just add 2 points. Obviously VRE has a long track record of satisfying its debt obligation to some extent that is a positive. Secondly there are some other creative mechanisms that can be helpful in that and could perhaps provide some additional flexibility for example in Spotsylvania we have a double A bond rating and we can sometimes go out and buy insurance that actually insures our bonds and allows us to obtain triple A rates so those are just a couple of things that are a positive in terms of perhaps allowing the Spotsylvania County Board to have this discussion on some protection from the general fund.

The answer of course is yes we could amend the master agreement it would take a lot to have it done but it would be highly unlikely in the case of Stafford County since 1991 or 1992 the revenue has been about \$40 million off the 2% gas tax and our cost our subsidy has been about \$20 million. The only reason it was a perfect storm right now with the economy and gas prices and really it's not just the gas prices it's the use the consumption of gasoline that fell that put us in a position where our fiscal year 2010 projections showed us actually breaking even or maybe even losing \$50,000 I came out and I'll say it again I came out in February and said that I felt that it was very unrealistic that gas prices and consumption would stay down. Overall this area grows, gas consumption goes up and I don't expect gas prices to see \$1.89 anytime soon again but it took both things lining up for us to even get close and the other problem that happened and I don't consider it a problem is our ridership, Stafford County ridership has been going up disproportionate to the other member jurisdictions so that was the plan. That was the plan 17 or 15 years ago to try to get people off the highway so if one day we come to a point in Stafford again and we find ourselves in this same boat as these Northern Virginia jurisdictions where we don't have enough gas tax because our ridership is up, I would consider that a problem worth having because we are trying to take people off the highways and find other forms of transportation. Spotsylvania County doesn't have that exposure right now or anytime in the future. The projections no matter how you look at them show a huge net revenue after you pay your subsidy for many years to come and furthermore if Spotsylvania County decides to get on board as I think they should Stafford won't have that problem anytime in the near future either because the costs we

bare to pay for the riders that are riding from Spotsylvania County that aren't paying their member subsidy is significant and the hundreds of thousands would buy us a lot more time before we would even have to have this conversation again.

Question:

How can we be sure that joining VRE will not create more residential growth causing more Northern Virginians to move here to buy cheaper houses that will only entrench us as a bedroom community and the increased traffic on local roads and increase infrastructure costs?

Answer:

The average VRE rider doesn't buy a cheap home they buy an expensive home. We have tools as Supervisors to control growth. You hear a lot of cop outs people saying that building roads brings more people in, that only works if the Supervisors allow that to happen. We have tools at our disposal to down zone, to restrict development if we choose to use them. The news flash is that we're going to see growth in this area as we have for my lifetime and many lifetimes past mine so the question is how we manage it and how we move people around.

I have spent 7 years now on FAMPO which is our transportation planning for the region. We are the fourth largest fastest growing region in the commonwealth of Virginia. By 2035 this region by all projections is roughly 600,000 people. We have just finished a 2 ½ year process in establishing how are we going to deal with that influx of people. Sorry you can't build a wall and say don't come. We do as Paul mentioned there is a component here and regionally we are looking at it right now for the first time this region is looking at doing a regional review of land use and how we as localities can possibly make some changes to our land use to help us deal with this because frankly the one constant that came out of this 2 ½ year study was there is no way we can build and lay enough asphalt in this region to meet that growth. Ain't going to happen. Transit is a critical stress critical component to our long range plans. Frankly in Spotsylvania it's turning into a critical component. You have been talking about and as we get and I know Paul gets the same thing when are you going to start bringing higher paying jobs to this locality, when are you going to start being able to get us the type of developments and shopping opportunities and things and the amenities that we want. Well to be able to do that and your own business community is telling you this we have been able to unlike most of the Country weather this economic downturn better than most because of our proximity to Washington, D.C. and frankly that is not going to change. What you need to start doing and we as elected officials and you as our constituents need to be hammering it home that we do need to start looking at how are we going to develop how do we put a train station here and build the roads and infrastructure to it and maybe put a mixed use development instead of the sprawl in our Counties which is the biggest problem we're facing right now. Again, I guess my concern sometimes and a lot of discussion about VRE is everybody is looking at VRE in a fishbowl in itself and you can't do that, you've got to look at it in the context of where it fits in a regional plan. You've got to put it in the context of how our region has developed and is going to develop and start looking at how do we turn this into a positive. Yes, it has upfront costs to it but again if you've read

the newspaper from some of our Northern Virginia localities they also get a large benefit from it. They are pulling it out of general funds but they are getting more money from businesses, restaurants, development that are offsetting the costs. You need to look at the bigger picture when you are looking at this issue and frankly again for Spotsylvania County; you guys have some very good opportunities if you get ahead of the game in planning for this development in the future.

Question:

Where in the Constitution of the United States and Virginia Constitution does it allow for VRE?

Answer:

If you are looking for me to cite article 2 section 3 of the United States Constitution the answer is it is not there however, it is absolutely implicit in the Constitution that localities are given the ability to provide for the needs of their citizens. You hear the phrase health, safety and welfare all the time that's clear. And while the Constitution of Virginia doesn't speak to VRE the Code of Virginia certainly does. There is absolutely no debate that the formation of VRE is both legal and constitutional.

I will actually agree with him. I think it's unquestionable that the transportation district act expressly contemplates what exactly what VRE is doing and it specifically enables Counties and Cities to participate in it so I think it is beyond question that all the jurisdictions involved are authorized completely to do this.

Question:

Would it require an amending of the master agreement to have a unilateral withdraw clause for a locality? What are the prospects of a locality that once you join VRE if you decide that this is it you want out what is the procedure and the likely hood that a County would be able to unilaterally leave VRE?

Answer:

I would give you this prospective. 8 jurisdictions form VRE. In the late 80's started operating service in 1992, those 8 jurisdictions as large as Fairfax as small as Manassas Park banded together and viewed this as essential service. Steve was there, he was the attorney at the time, I was not but I would say they don't consider backing out of this thing. This is essential service. This is the same as building a school and maintaining it and hiring fire and police officers, social services that other Counties and Cities provide. That's how they view VRE so in their minds they are not thinking of backing out of it. I think you have to look at that perspective of the founding 8 jurisdictions.

I do think it's important to emphasize what Dale is saying because the way in which VRE got started and the way the master agreement came together the jurisdictions involved really wanted to do this. They weren't equivocating about it they were very much committed to its success and all of us sort of were aware of potential unwind strategies that if it really just failed completely we knew we had capital equipment that we could sell off and there were different things we would do to basically wind the thing down but

we also knew at the time that we were incurring a fairly sizeable amount of debt to buy some equipment and to the extent we couldn't pay it off we'd still have to worry about that debt for the period to just pay off the balance the difference between the value of the equipment at that time and whatever the debt was but all were committed to doing it. In the course of developing the master agreement there was a lot of talk about what would it take to get out and it's the kind of conversation we are having with Spotsylvania now. What was talked about at the time was at a minimum we have to worry about the debt that is out there and the County or the City that is withdrawing ought to at least pay its share of the remaining debt that existed that they participated in incurring and maybe that would be a fair way of doing it. The reason why the concept of withdraw was never developed further was because it is a complicated question and it was felt it was better to address it when the time comes because we'd know better what the circumstances were but secondly and more importantly again the bond council and the underwriters were saying if you start putting specific steps to get out then it will signal to the investors that the jurisdictions aren't really that committed to the project they don't regard it as an essential public service the way they would police or fire and rescue or roads or other things they are spending a lot of money on and that might make it very very difficult to sell bonds to get the equipment and other capital facilities we needed. So what was done was to simply mirror really or simply state the way out of the master agreement is by mutual agreement. The parties would just agree on the terms and conditions under which the jurisdiction could depart. What that specifically is is not known. It's a conversation we're going to have now but one of the principal concerns the degree to which it undermines the ability to use the master agreement to sell debt.

Politically speaking, imagine I don't see the average person in Stafford or in Spotsylvania County not appreciating a multimodal transportation. Some people use the VRE many people don't but I think the problem is the paying for it and remember you only pay for VRE if you use it. That was one of the big changes we made in the last couple of years in the master agreement. Stafford County saw a huge increase in cost because we decided to stop being subsidized by the Northern Virginia Counties but the idea of getting out of it I'm trying to picture in my mind how you tell your residents that you are going to stop VRE service once it becomes accustomed to it. In my mind, you pay about 35.4 cents in State and Federal tax on gasoline, it would be like trying to roll up the highways and stop paying your gas tax. It's part of a multimodal transportation solution and you don't pay unless you're using it and Spotsylvania County residents more and more are using VRE so the question is how are we going to encourage multimodal transportation. I don't think there is a realistic scenario that you would ever want to get out; I just don't think that could happen.

Question:

What is the scenario for Spotsylvania County to leave VRE under the master agreement? Would we still be liable for the debt that was incurred while we were there and what we voted to approve would be still be able to collect the 2% gas tax until that debt was paid off even though we had exited the master agreement?

Answer:

The way you have to think about this is there is actually 2 separate things that are occurring with Spotsylvania's consideration of becoming part of VRE. The first is joining the Potomac and Rappahannock Transportation Commission. By virtue of becoming a member just by joining PRTC automatically this 2.1% gas tax kicks in and it's collected. That money the way it works under the agreement with PRTC the County would have an absolute say in how the money is spent and typically it would be used for VRE expenses. The second action is actually signing on to the master agreement where you actually become a participating jurisdiction in the annual costs and expenses of VRE. The annual cost for VRE are simply annual costs there is no legal obligation to continue to pay, it is subject to appropriation each year by the jurisdiction so if you were to get out the master agreement there would be no legal obligation to continue to pay the only obligation that you would have be whatever terms and conditions were agreed upon with the member jurisdictions to allow the exit and then whether or not you could continue to collect the 2% gas tax is a function of your membership in PRTC so it is possible under the master agreement to negotiate if you will an exit. You could at the same time remain a member of PRTC not participating in VRE any longer but as a member of PRTC you could continue to collect gas tax. One thing I would want to make clear with regard to simply paying for debt that had been incurred while you were a member, that has been sort of speculated as perhaps a fair way for a jurisdiction to exit VRE that is not been spelled out as the way to get out. Right now there is no explicitly defined way to exit the VRE master agreement but you'd be a subject of discussion now with the VRE member jurisdictions to decide whether or not they want to lay out a specific strategy or leave the language as it is which is to simply say when and if the times comes you would negotiate those terms.

Question:

Assuming Spotsylvania joins, the operations board has the authority to amend the agreement or how does the agreement get amended? If Spotsylvania joins I understand we would have 2 votes on the operations board is that correct?

Answer:

First of all the master agreement is amended by the Commissions themselves and all the member jurisdictions. The VRE operations board would review it certainly and would make a recommendation to the 2 commissions PRTC and NVTC but ultimately the agreement is with is between and among the 2 commissions and each of the member jurisdictions. The way the operations board which is the principal sort of body for making VRE decisions the way that is constituted is based on ridership.

Question:

Am I correct that the amendments to the VRE master agreement require unanimous consent of the commissions and the participating jurisdictions?

Answer:

Like an agreement, all parties must agree. It would have to be unanimous vote to get an amendment.

As far as the members on the operations board you get one member up until you have more than 15% of the ridership. If you have more than 15% of the ridership then you have 2 members. Right now you have one member; I think you are around 10 or 11%. If you would join today you would have one member on that board.

The VRE membership arrangements are governed by an annual survey at the VRE ridership that is done each October and so this percentage thresholds that govern whether you have one member or two members or conceivably as many as three members is driven by the annual ridership survey.

Question:

At any point over the years that you have been involved has any member of City Council or any member of the Stafford Board ever talked about wanting out?

Answer:

There has never been any discussion in Fredericksburg City with regards to that matter and I don't see it ever happening frankly.

It is a little more different in my County. I have at least one Board member who I don't think has ever supported the notion of VRE and has not come out and said publicly that he would like to get out but I suspect he might vote that way out of the six. I have couple others that certainly are worried about the cost being more to subsidize than the 2% gas tax but that has manifested itself in a attitude towards Spotsylvania County that's what you read about in the paper so they seem to believe with the exception of the one seems to believe that if the major riders the jurisdictions that are riding the most were to all equally pay their fair share that this would not be an issue anymore. But I think I have one although you might disagree with me that probably doesn't see much use but he won't say it publicly because politically you run into a real obstacle with a lot of people who are either commuting on the highways and don't like traffic or are riding the VRE.

Question:

We are a County that is part of a larger region the question is is Spotsylvania damaging it's larger interests particularly in terms of regionalism because of hard feelings associated with not pulling it's weight with VRE?

Speaking for the City of Fredericksburg, I don't see the City ever making a decision on one region to another based strictly on whether or not Spotsylvania County is a member of VRE. We would judge any agreement obviously based on regional goals and obviously our goals but I don't see the City getting to the point where we are going to go ahead and say until Spotsylvania County joins VRE we just aren't going to talk about regionalism anymore.

The solution to so many of our problems that we deal with day to day are regional. There is no question I would not come across sincere if I were to tell you there weren't some hard feelings in Stafford County right now but I don't think that it is gone to the point where it's damaging other regional efforts or agreements.

Question:

People say that transit alternatives such as VRE improve quality of life. Can you tell me for the short or long run just what aspects of our quality of life we should expect to be improved by VRE?

Answer:

I would strongly suggest if you have not already gotten a copy of it to get a copy of the regional long range transportation plan which in a sense touching on this and take a look at the conditions of our roads should we take frankly no action what so ever to improve our situation. It's a quality of life issue from the standpoint economically because it is as you have read in the newspaper on numerous occasions, the business community has made it quite clear the business development opportunities for the County and for anyone on VRE go up when you have this ability to move up and down the 95 corridor which frankly most people sit in their cars and ride on. Also think of the fact that if you went ahead and took VRE away what the condition of 95 you are basically adding a lane of traffic on. I've heard a lot of people talk about well we should run more vans, well to take on the ridership for VRE just from our area we would have to double the number of vans and unless anybody in here is ready to sign up to start running a van up and down the road I don't see that happening anytime soon. And the other issue of course is bus services and we do have some but you're still going to have to do pretty extensive bus service to be able to pull this off. Another corollary to that is if we don't have this access to the North or we don't have something that takes some of that traffic stress off our roads going North you are probably looking at a situation where your tax base in the years to come will start doing down because businesses don't like to be in areas where they can't move and they don't like to be in areas where their employees take over an hour to get to work their employees quality of life is down graded, fighting traffic at street corners and everywhere else like this. Again, transit is extremely important not only is it a quality of life issue but frankly for you all it's an economic development opportunity that you really shouldn't pass up on. As I said before you have an opportunity to start from the ground up and develop something top notch whereas again in the City we did not have that opportunity. But again the people are coming, you can't build a wall, you can't stop it. We as elected officials do have a role to play in making sure that we can channel that and try to take actions to hopefully to stop the sprawl that we're dealing with now and that it is something that I mentioned with before that we are dealing with at a regional level. I guess my point to a lot of people who keep saying no no no to this you are also looking at probably and I would no I will say you will be damaging frankly your long term economic development of your County. You won't have it, you won't worry about it a few people are riding up and down the road right now but frankly over the next few years there is going to be more people going up and eventually if you want again those tech businesses and everything that everyone keeps

talking about they are going to come back and forth and everybody has said you need to have this mode of transportation available to do that so saying no also has a cost.

Question:

Why is it that the 2% gas tax can not be used for other types of mass transit pointedly the question is if we are going to collect the 2.1% gas tax and use it for transportation projects in Spotsylvania County why couldn't we not help or subsidize in some way our van pools and our buses that are operating out of the County who carry thousands of riders every day as well?

Answer:

One, I always love an opportunity to slam the Dillon Rule but again when it comes to revenues in a lot of cases and a lot of things we are stuck with whatever Richmond allows us to do but unless I am incorrect and I will stand corrected if somebody else wants to say it if Spotsylvania County wants to use some of it's VRE money to start bus services or anything else it's a transportation related expense and they can do it. We use some of our gas tax money right now for FRED, that's what is paying our FRED bills is basically our VRE funds.

Question:

There's no restrictions or limitation on that?

Answer:

The only restriction is that it has to be for a bonified transportation purpose and there is a history of Fredericksburg, Stafford County and the other PRTC member jurisdictions using portions of their 2% motor fuels tax for a variety of transportation improvements: road improvements; parking improvements; bus subsidization improvements, traffic demand management types of improvements. There is a whole host of investments that had been made that are not VRE related using the 2% monies by all of the PRTC member jurisdictions. Prince William County for example uses 100% of its 2% fuel tax revenue for transit purposes. What kind of transit purposes? VRE and bus sponsorship. The City of Fredericksburg uses its 2% money for roads, for its own local bus system and for parking deck debt retirement among other things. Stafford County has also had a history of using its 2% money for a variety of transportation investments.

Question:

Is there any chance stimulus money will come into like VRE or into Spotsylvania County to help out with some of these mass transit issues specifically VRE to help again the Counties with their subsidies?

Answer:

Yes I believe \$9 million of stimulus money.

\$9.8 million of Federal money was received from the Federal Government to us through PRTC and we have obligated that money for locomotives. It had to be capital in nature and we used all that money to procure locomotives. There is a State piece of stimulus

money also which the State may allocate as they would like and that allocation can be towards roads or toward transit but that allocation has not been made yet.

Question:

Indistinguishable

Answer:

We have an application to the State for additional stimulus money through the State program again for locomotives but again they have not made that decision.

Question:

If Spotsylvania County or any locality Stafford even was having difficulty with the subsidy would this stimulus money be available to offset that Counties shortfall?

Answer:

Not that I know of.

The stimulus money was one time money and as Mr. Zehner just indicated the \$9.8 million which is the extend of the guaranteed stimulus money that VRE stands to receive 100% of that is being devoted towards the acquisition of locomotives. VRE is aiming to replace 20 locomotives and has been cobbling together funding from various sources to acquire locomotives incrementally as resources permit so this \$9.8 million is another incremental source of funds for the locomotive acquisition so once stimulus is over then we have to rely on recurring sources of Federal funds and there are recurring sources of Federal funds that VRE has an entitlement to and those decisions about how that recurring Federal money gets used are part of the annual budget process with all the member jurisdictions weighing in.

If I may add one other thing, I hate stepping into Al's turf, Al is basically the most knowledgeable person there is on transit that I know of, is in all when the whole idea of stimulus and transportation and reauthorizations had been discussed and correct me if I'm wrong initially we were all looking at here's a chance to build a lot of some of the roads and stuff that we wanted to do. There has been a shift in thinking in Washington, we are no longer interested in putting down a lot of asphalt. We are now interested in doing more with trains and mass transit than before so there is a fundamental for now anyway a political shift in Washington to put more funding toward transit then necessarily putting down more asphalt.

And the reason we opted to go for locomotives of course is because it's the on time performance issue, besides CSX which was our number one obstacle for improving on time performance, locomotives are a close second.

Question:

Do you know of anything Congressman Wittman is working on or any programs that you think that would be coming to Spotsylvania County or to VRE in the future budget?

Answer:

In regards to VRE he does support \$20 million in funding in the service transportation reauthorization bill and that is money that was set for locomotives and that bill is due to come out towards the end of the year at least that is what the Chairman has promised. Should that \$20 million get authorized I don't know how that would relate to the \$9 million in the stimulus that went for locomotives. Perhaps VRE would know what they would do with the additional \$20 million.

Congressman Wittman has been a very strong supporter of VRE. If we were to get that \$20 million or any portion of it we would probably dedicate it totally to locomotives. We have taken the stance that we want to fully replace all locomotives. As of today we have 9 locomotives on board and we're going to go to a board meeting next week and I'm going to ask authorization to order 3 more because we got some more money that will be 12 total on order and we have options for 8 more to bring us up to 20 so we will continue to work until all those options are exercised and the fleet is totally all new locomotives.

Just another point on the Federal side, there's a very significant issue that the Congress is going to be deliberating about over the next year, it might wind up taking more than a year, and that is reauthorization. The way that Federal transportation funding is forthcoming is there's an authorization bill typically that spans a 6 year period of time. September 30, 2009 marks the expiration of the 6 years for the current authorization bill, you may have heard that referred to as safety LOU that's the acronym. Congress will be taking up the question of what should the complexion of the next 6 year authorization bill be over the course of this congressional session. Pundits are saying that we may wind up having to wait until next year before that gets legislated as a 6 year bill and we may have to content ourselves with a 1 year stop gap solution before we take up the question of the 6 year bill but as Councilmen and Commissioner Kelly indicated there is a strong Congressional sentiment that Federal funding for transportation in the aggregate needs to increase substantially because we've got assets that are being underfunded historically and we're suffering as a consequence of that. And secondly, that the complexion of the Federal transportation program needs to be tilted more in the direction of transit.

Question:

It seems likely that Caroline and even King George County citizens would benefit at least as much as Spotsylvania County citizens from a VRE station in Spotsylvania. Many would be living in fact closer to the station than most Spotsylvania citizens. Has any study been done on how many non Spotsylvania citizens would use that station and how these riders will impact Spotsylvania VRE costs and would Spotsylvania likely become the complainant and sufferer about moochers?

Answer:

Right now, currently, 116 residents of King George County ride VRE and 84 residents of Caroline County ride VRE so roughly a little over 200 residents from those 2 Counties ride VRE. No studies that I know of have been made to indicate if there would be more people from those Counties joining if there was a station in Spotsylvania but I think you can think about if it's more convenient for them then yes I would say they will probably

go there if they are commuting up north but how do you predict that, I don't know. The one thing I will say about commuter rail, I think it is important to understand about commuter rail, our market the real market that we have is the long haul commute. Fredericksburg is at capacity now in terms of parking on the other side there is Broad Run near Manassas it is at capacity. Those 2 stations have the highest demand of any stations we have because those people are the ones that want to make that long commute and they view the train as the easiest way to do that. As we move closer to D.C. like Woodbridge at Burke Center those residents although there is a number of people in those areas that ride VRE, the options for those people are much greater than they are for you out here. They have Metrorail, they can car pool, they have HOV lanes, there is bus service but multiple bus companies there is VRE so they have multiple options much more than you have here so we compete much heavier inside or closer in than we do out here. We do not have much competition out here maybe other than van pools. So the growth here is where it really is so if you have a station and you have parking it will probably get filled up for people that want to go into the central core. Now where do they come from? They are going to come from this area but I can't predict what County or City they would come from.

I would only add welcome to our world but beyond that right now looking at another component to this issue which is the parking issue from what I am aware of on some of the sites that Spotsylvania County is looking at potential sites for a train station fact of the matter is the vast majority right now the ridership will still find it easier to come down Lafayette Blvd and get on the train in Fredericksburg as opposed to potentially backing up or having to cut across to get to another site and we fully understand that and yes it's a problem for us and I've never said in any comments that I've made in response that this is a perfect system, that is a drawback for us but we live with it and we bounce it off and understand that yes this is a problem but the overall benefits are still on the positive side.

The answer is No in case you didn't glean that and the reason is because with only 11% of the ridership from Spotsylvania County you would only be forced to pay 11% of the cost of the free loaders if you will with Caroline only having 1% of the ridership yes you would pay about 11% of the cost of those non member jurisdiction riders but Spotsylvania County is the only large rider that is not a member. Fauquier County will probably, if I had to guess, looks like Fauquier might be the next jurisdictions that joins after Spotsylvania County at least we've had discussions with them and they have how many riders Dale?

244

Question:

As far as freeloaders go, Spotsylvania County takes the prize right?

Answer:

That is correct

Question:

The Fredericksburg Area Association of Realtors gas report sites figures from Stafford County that say the County collected approximately 23.4 million in 2% gas tax revenue between 2001-2008 but only paid 7.4 million for VRE commuters and membership costs. Where did the 16 million go?

The Fredericksburg Area Association of Realtors gas report sites figures from the City that say that the City collected almost \$9.9 million in 2% gas revenue between 2001-2008 but only paid \$1.1 million for VRE commuters and membership costs. Where did the 8.8 million go?

Answer:

We built roads besides subsidizing FRED busing which is a couple hundred thousand dollars per year. Some major improvements you'll see the Centerport Parkway interchange, and Route 610 improvements were paid for by gas tax money. We use it for everything, our airport subsidy as the airport has been getting off the ground, everything down to street signs that is where the money has gone, transportation related items.

For the City right now it's paying the debt service on our parking deck which a lot of Spotsylvania riders are actually using right now, our FRED subsidy for bus, repaving we just did a major project on rebuilding a section of Route 1 we used that. Road surfacing and road reconstruction is an interesting point that I want to clarify it is going to impact you all in the very near future you all right now as Counties have VDOT to thank for spending the money to maintain your roads, rebuild your roads and take care of your roads. Cities do not. We get an allowance, we get a road construction allowance and we get a road maintenance allowance and if you've been following the news one of the things that VDOT is talking about right now is turning over the responsibility for the maintenance of roads to the localities. I can tell you right now that whatever they are going to give you is got not going to be sufficient to take care of the maintenance and upkeep of your roads. Because that is why we have to basically use some of our VRE gas tax money because the amount provided to us by the State for road maintenance doesn't come close.

I must say that on a County level I'm not at all concerned that the State is going to force maintenance of roads on us right now. House Bill 3202 gave us an option and Stafford County was one of the only Counties who even walked down the path of looking at that option. We decided we didn't want it. There has been no room and things have changed a little politically in Richmond since then. I don't think they've changed toward that and Ed would probably confirm that I don't think that the State is trying to make the Counties take over their roads.

The only comment I can make about the political dynamic in Richmond as it relates to transportation it couldn't be worse. We have fallen so far behind in this State on our transportation initiatives that it is almost embarrassing. As citizens it is important that you understand that it has been since 1986 since your State legislature stepped forward with providing additional funding for our transportation system in Virginia. You and I

both know that a lot has changed since 1986 so at the State level we are caught in a political quagmire that we can't seem to extricate ourselves out of. The problem keeps getting worse and worse and worse the costs keep going higher and higher which only makes the political dilemma more difficult to try to achieve. In that context though I just have to use the occasion to tell you that as citizens you need to understand money to take care of our transportation problems and whether we agree with VRE or not, I particularly do myself because I think it is necessary to have multiple ways to get people to and from work and make commerce happen, but the reality of it is this money doesn't fall out of the sky. It comes out of your pockets and my pockets and all the other people around the Commonwealth of Virginia and I think it's just really important for us to keep reminding ourselves we can't just keep letting this transportation thing this dream that somehow it is going to fix itself. Are you going to let politicians get away with the verbiage oh I support a good transportation system but I don't believe you all should have to pay anymore for it? That's just pure poppy cock. It's not going to work in Virginia and part of the dilemma the localities are caught up in right now is the State just hasn't lived up to its responsibilities. That's why in Spotsylvania County and I'll be very frank with you I didn't disagree with the Board's initiative for the bond referendum on transportation but I don't think the County should have really had to do that. I don't think my real estate taxes in Spotsylvania should be going to pay for road transportation system that the State really should have the responsibility for that's my point and when the politicians tell you oh we're not going to raise your gas tax, we're not going to raise any taxes, we don't believe you should pay anymore for transportation you go ask those same ones are you paying more on your real estate taxes now in the County because they had to have the bond referendum. They like to talk out of both sides of their mouth is what goes on. The reality that we all need to understand is that we've got a core function of government, transportation couldn't be more basic and our State is abysmally behind and I really don't see in the near future the political will to get out of it, I wish I could tell you different and some of us are willing to do it and then take the licks election time for however they want to fall but the reality is this is too important this is too important to our commerce because that is what really drives us is our economy.

Question:

If the Board of Supervisors are ready to vote this summer why aren't all the Supervisors in attendance at this important informational summit? It would show the residents of Spotsylvania that they are indeed trying to educate themselves as much as possible before the vote?

Answer:

This question comes from the Chancellor District and I would be happy to tell you that your Supervisor from the Chancellor District is here, Supervisors Hap Connors good to have you. As far as the other Supervisors, Supervisor Gary Skinner and Supervisor Benny Pitts is also here from the Battlefield District. Am I missing anybody? So we do have some of our Supervisors here.

Question:

What was the reason for the Board of Supervisors to ignore the 2005 bond vote to build a station in the County?

Answer:

The best way I can answer that, I go back to the discussion we had earlier. At this point and time, and if you think this is an out it is, if we had built the station right after the bond referendum what would we be doing with it? It would be setting down at crossroads empty right now because CSX has not got the third rail to the station at this point in time. It is just a matter of fact. So, as we had discussed earlier if Spotsylvania does join this year sometime this fall we are looking at a minimum of 2 to 3 years before you will ever see actual rail service for passengers in Spotsylvania County simply because the third rail has to be built, it'll take that long to build it and if we do join VRE we can build it in concert have the two projects go on simultaneously hoping they will both finish at the same time so when CSX and VRE are ready to handle passenger service in the County the County would have its station. If that sounds like an out it probably is because we haven't joined VRE yet so we would not build a station until that decision is made regardless of whether the tracks were built. So stayed tuned.

Amtrak operates the trains for the Virginia Railway Express and we are affectively the host railroad is what it is called in contractual terms but we are the landlord. We don't make any money off VRE infact we loose money off VRE and the reason for that is back in the day when VRE was envisioned the company recognized its corporate responsibility to the communities and continues to work with the communities to allow the operation of the commuter trains but believe that is at no profit in fact it is at a loss so what we try to do is cooperate with the communities that are interested in having service and beginning service and in this particular case, the current VRE operating agreement does not provide for service to be extended south to Spotsylvania County. So when Mr. Zehner approached us as far as an opportunity to extend the service what we envisioned was a way to not enter into contract negotiations again with Virginia Railway Express which as you've heard the contract negotiations with the Counties or entities or the communities is challenging, it's challenging with the entities involved in the operating agreement as well so what we provided for them was an opportunity to begin service with really no impact to the operating agreement and the reason we chose that path was that there was a tracking envision the third track that the commissioner refers to that the State had opted to build to enhance the VRE service and to provide capacity for passing trains including Amtrak on the two lines that we had that operate through Spotsylvania County so if you can envision there's as these trains leave the what's referred to as the layover facility the overnight facility for Virginia Railway Express the way we could see providing the service with no impact at all to the other existing rail service was to position to the station conceptually on this new third track that the State had opted to construct. Since that time the budget was not sufficient to construct that track and we stand by ready to cooperate with any and all additions that would provide that service but I do want to be clear we don't make any money off of VRE and we certainly would not build the facility. That is a cooperative agreement with our railroad and the people that manage and operate VRE

but we stand by to cooperate with them and make sure that they can do what they need to do and again anytime the track would be asked for or the station would be needed we certainly stand by to cooperate in that effort.

What Jay did not say there was a set of projects, there were 8 projects this third track from Fredericksburg to crossroads was a project, one of the 8. We knew we had no demand for Spotsylvania to join and as the other projects were being built the primary one you all know about was the Quantico bridge, \$25 million bridge that we built. As those other projects were built, we started to get short on money so we took money from this project, the third track. There was no urgency at that point in time to build that third track because Spotsylvania didn't want to join. Now I can always in a sense have a little out here myself. Had Spotsylvania wanted to join 5 years ago I would have moved that project up and shorted out another project. We are committed to Spotsylvania joining. I want Spotsylvania to join and I'll tell you why I want it to join because I haven't said that yet. There are people that ride the train now from this area, Spotsylvania, Fredericksburg, Caroline, King George and other counties; they want to go in earlier. I am committed to running an earlier train and CSX is committed to do that and even potentially an express train but it makes no sense to add another train where no one can park to get on the train anyway. All you would be doing is taking those people that ride now and let them go on an earlier train but I could not increase the total number of passengers from this area because there is nowhere for them to park right now. As you know if you take the train today the last 3 trains are very very hard to get onto because you can't park there. So that is really what is going on. If we are going to expand service down here, and I know the riders that we currently have want that, that we have to be able to put, from my perspective, we have to have another station with parking so we can raise the number of riders coming out of this area. That is the only way it could be done. We have the ability to add the trains, we will build the third track, yes it will take probably 2 to 3 years, CSX is committed to doing this. The States is committed to doing it and our agreement with CSX right now allows us to add additional trains because of work we've done on their railroad over the last 5 to 10 years. Funding is very critical for operations and as a number of these Board members have indicated to you tonight that funding is really really difficult to get now because the economy, the State funding and also the Federal funding but I think as time goes on, I tend to be the optimist, that that will come to us and we'll be able to do additional service out of here but it will take the commitment of Spotsylvania to join. Without that I can't do it. The Board will not do anymore down here without Spotsylvania becoming a partner with the other 8 jurisdictions. That's my assessment and that is my personal assessment from the VRE operation board. I think they want Spotsylvania to join but they also want them to be a partner in the process.

Question:

Is it safe to assume if Spotsylvania was to join in the next couple of months that that timetable could possibly be moved up once there is a commitment from the County to join?

Answer:

I've always felt once you have the commitment the political commitment behind something the rest of the pieces tend to fall in place. Nobody is going to come forward and give us money for the third track or to assist in the construction of a station or a parking lot in Spotsylvania until Spotsylvania says I want it. No one is going to come forward State or Federal without your commitment as a County that says you want to join and you are willing to join and you've joined what I call the consortium. Until that occurs, there's not going to be a lot of action so that's the first step. You've got make that commitment and then I think a lot of things will fall into place and a lot of stuff will start to happen because people I know there is a lot in numbers for people who want it and number of the other local politicians Stafford county is a perfect example they want you to join and they are going to put pressure on me and other people to say let's get it going and let's get it going as fast as we can so things will start to roll but the first step is your step and then we'll move from there.

Question:

Why don't we put the VRE on a referendum to get the public's position on VRE through the referendum process?

Answer:

The short answer is no. Virginia Law has some pretty sharp constraints you heard a reference to the Dillon Rule we have to do what the General Assembly in its infinite wisdom thinks that we should be able to do and what the Code of Virginia says is that you can have referenda when it's authorized by statute or contained in a charter. Spotsylvania County is not one of that very small number of Counties that has a charter so that option is not available to us and there is simply no statutory authority that would allow us to conduct an advisory referendum on joining VRE.

Question:

What is the amount of the Transportation Bond in Spotsy? What is the cost per year? Can the gas tax not used for VRE be used to pay the Bond?

Answer:

My understanding would be it's a transportation related project and you would be putting money towards transportation so you could use that money to pay down the bonds.

Clearly the answer is yes. Stafford County just passed a bond referendum and part of our revenue stream projected to pay down that debt is excess 2% gas tax and of course the question you are going to ask staff you haven't borrowed all of the money that the voters approved you've only borrowed a portion of it so I guess in it's full maturity you might have 2 figures one which you've incurred so far and one which you intend to incur.

I think the bond referendum was for \$144 million and we haven't spent but a fraction of that. When we get that number I will pass it along.

Question:

Why are we wasting our time with this half measure stuff? When gas goes back up and it will and it will stay up VRE will not be able to handle the capacity. Why not build high speed rail?

Answer:

Because high speed rail is much more expensive and it is not a half measure it's a tenth measure compared to high speed rail but that is something the Federal government is going to have to take the initiative on and you may have read they are considering our corridor might be, I doubt it, but might be a recipient.

I would say perfection is the enemy of good. The cost for high speed rail is as Supervisor Milde just observed prohibitive. Will there be higher speed rail on the Washington/Richmond corridor there surely will be as a consequence of the third track improvements being made incrementally but there is a limit beyond which it becomes prohibitive to increase the speeds of the rail service and there is a legitimate prospect for Virginia joining forces with North Carolina and others to take advantage of the high speed rail element of stimulus and Virginia intends to seek a portion of that stimulus funds for so called high speed rail which is really in fact higher speed rail.

To the capacity question, I don't think that is an accurate depiction. The capacity for VRE can increase substantially and some of our projections in the out years 20 and 30 years out we show many more trains running and trains running eventually both directions. We would have to negotiate more slots with CSX and continue to make improvements but there is the capacity is limitless for rail.

One of the issues here is high speed rail is great for long distance between points it is not frankly worth the time and effort to do with the number of stops that commuter rail has between even Richmond and Washington, DC. From a commuter standpoint which we are looking for primarily it doesn't make a lot of sense. That is if you are going from Chicago to the West Coast but when you are stopping in Fredericksburg and then 2 or 3 stops in Stafford and Woodbridge you are never going to be pick up the speed enough to take advantage of it.

The high speed proposal for the Richmond/Washington DC corridor I believe only stops in Fredericksburg if I read that correctly.

Jay and I and a number of State Officials have started to put a package together, this is being sponsored by the State, of which they are going to make application for a high speed rail. High speed rail is really intercity rail it is Washington to Richmond that type of thing. It is not what we run, commuter rail. I think the beauty of the project as it's taking full with the State is part of that is adding a 3rd track between Washington and hopefully all the way to Richmond and we're talking a long time to do that. Once that's done and there is more capacity and we could run on the out board tracks at a lesser speed because we'll never get 90 mph because we have to start and stop about every 8-10 miles because of the stations but I think you will eventually see high speed rail but I always tell

people if you want high speed you don't want to stop. It takes a long time to get up to 90mph + and it takes a long time to slow down to make the stop so you probably talking limited stops, one maybe none at all between Washington to Richmond and that is how you get high speed and you also get a quick travel time. For VRE that is not really the case but VRE will benefit from this if it occurs is that additional capacity on the railroad, another track or more and we would be running on those tracks and then other tracks would be used for the high speed equipment.

Question:

As a follow up to the referendum question, if it's not legal what can we do to make it legal? Is this something we can ask our legislators in Richmond to do for us?

Answer:

Yes, there is always an option when we have a specific legislative prohibition to seek to amend the law to allow it. One of the other options that has been discussed in lieu of a referendum would be some polling that the County could fund although there is some issues about the quality of a poll as opposed to a referendum but yes and all the Supervisors will be talking about it next month. The Supervisors will be discussing their legislative agenda and from time to time we add items and sometimes we are successful and sometimes we're not but we can certainly seek a change in the law to allow an advisory referendum.

Opened up floor for questions:

Question:

Ernest Swager, 9123 Sovereign Way, Berkeley District: Does the State have any concerns that by adding Spotsylvania to the VRE that every single road that would service this train station is a single 2 lane road one lane each direction and all the HCOD's that were discussed to support this train station were disapproved so we don't have the infrastructure to move the people in and out of the proposed train station if it was approved?

Answer:

We are committed to fixing Route 17 and it's like one of those things we'd have to fix it. But first things first. Route 17 is supposed to be expanded that is on our 6 year plan. We are going to run out of money. Our transportation fund is broke in 2011 now if you want me to fix roads in Spotsylvania County I need additional sources of revenue to do the things you are talking about even without VRE over there we've got to expand Route 17 you would agree with that so we need the source of revenue unless you want me to raise your property taxes and until the general assembly comes up with a transportation solution I need some new revenue sources and VRE is one of those so yes to your questions it makes sense and we are working on it.

I just want to point out while Gary is coming down to speak that the current 2 major routes that most Spotsylvania residents are coming to the City right now are Lafayette Blvd and Route 2 and Route 17 or basically Route 17 and they are both 2 lanes roads and

right now they are doing a pretty good job. I don't want to give any indication that we've got a situation where we're being mobbed right now with riders.

One of the issues you did mention was the HCOD's. The HCOD's you are referring to on Route 17 the HCOD's were put in places where we didn't have rezoning too and if you take a look at a rezoning it gives us the opportunity as the Supervisors to proffer and also cover the design standards that we have going into that section there. So it wasn't that we just didn't think about everything that we did when we assigned HCOD's we took a look, at least I did, took a look at the land that once it's developed it's going to go through a rezoning and then during the rezoning is where we can make the issues to help out the transportation issues and also the design issues at that point too.

I'll add that if we don't find a way to put more people on the trains in this region instead of trying to fix a couple miles of road we are going to be faced with trying to fix 66 miles of road to increase capacity that's the trade off.

Question:

Jerry Evans, 102 Goldvein Drive: I am an occasional rider of VRE. I love it, I get tired of driving up I95 and I want to go back I asked the question on the email the County Spotsylvania has lost a tremendous amount of money I look at it if we had joined in 1992 and collected the money between then and now and we had spent everything we should have spent to VRE between then and now my understanding if I get it from Stafford County there would be \$20-\$30 million that we could have spent on our damn transportation problems am I right or wrong?

Answer:

That is the only thing you could spend the money on is transportation.

Question:

Keith Campbell, Berkeley District: This percentage tax makes it hard on mom and pop operations. We pay more for gas than Wawa's, Wal-Mart, Costco. Costco actually sells gas sometimes to the public cheaper than I can buy by the trailer load. That means that customers that have to come to my stations is going to be a larger tax. Right now it is almost 5 cents a gallon this tax is going to cost on the 2%. A percentage tax is going to hurt the small businessman around here. If it was a cents per gallon maybe we could do a little better.

Answer:

Come January the service stations will not be collecting the tax the tax will be collected by the distributors.

Question:

Jim Steel, Lee Hill District: Are the locomotives American made or not?

Answer:

They are made by Motive Power out of Boise, Idaho it's almost all American there maybe some foreign parts but it is American built.

Question:

Christine Lynch, Lee Hill District: What is the reason for having an objection to it taking 2-3 years to build a station when a school takes much longer?

Answer:

My reason is because the rail will not be ready for service for 3 years. So even if we fast track the station the station would be of no use to us until the rail is complete. Assuming the scenario if the County was to join VRE certainly we would be looking at hopefully being able to step that process up so that the rail could be finished maybe on a fast track basis and be completed in a shorter time than the 3 years so if VRE came back to us and said we can have it done in 2 years or 1 ½ years then obviously we would set our construction to match VRE.

Question:

Christine Lynch, Lee Hill District: So the 2-3 year advance period is not an objection to VRE it is just as far as the coordination with the station part.

Answer:

If the County had gone forward and built this station it would be setting down there empty doing nothing and would set there until the rail is available for the passenger traffic. So it's kind of getting the cart before the horse so if we join then I'm sure those 2 construction project will go on and have a completion date of roughly the same time so that when the passenger service is available we'll have a station there for it.

Question:

Since a lot of the questions emailed before hand were not answered will they be answered and posted?

Answer:

Yes, the intent is to take all questions, the written ones and the emails that came in we will get answers to those and they will be posted on our website and will be available to everyone.

Question:

Is there a reason we can't hold some other kind of related issue not a referendum but something that would give an indication directly to VRE?

Answer:

I think the answer to this we've discussed already that possibly a poll would be one way to do it other than that that is really about the only alternative we would have at this point

Question:

Cliff Tuck, Livingston District: How is the gas tax levied?

Answer:

There is a difference between the State gas tax and the 2% tax. Right now that difference is about to go away as of January because right now the 2% tax is a tax at the retail level. There are over 1500 gas stations within PRTC member jurisdictions so every month there are over 1500 gas stations that are remitting gas tax payments to the State and the legislation that will change that was enacted in this past session of the General Assembly and it was enacted in part in the interest of tax simplification because while there are 1500 plus gas stations in the PRTC member jurisdictions there are fewer than 100 distributors and so by converting the tax effective January 1 from a retail tax to a wholesale tax/distributor tax the expectation is that collections will be easier, evasions will be lower and lag time between when taxes are due and when they are payable will also be abbreviated.

Question:

Since it's going to the wholesale level is there any question in your mind that that tax will not be passed forward to the retailer and eventually to the consumer as is the case now?

Answer:

What the statutory change requires is that the distributors keep careful accounts of where they are actually delivering the tax so that the jurisdictions where the fuel is ultimately delivered to the retailers are the jurisdictions that are credited for that particular portion of the distributor's tax.

Question:

Is there any doubt in your mind that the tax at the wholesale level being handed on to the retailer that the wholesale would not absorb it as some people have argued? Is there going to be a price increase?

Answer:

There is no doubt in my mind that the distributors will pass that tax on in the cost of selling the fuel to the retailers and the statute does require that the tax be accounted for in the price that the retailers charge for the fuel that is purchased but we see a lot of variation in fuel prices as you drive around and look at the gas stations at the retail level and there doesn't seem to be any correlation between what the price of gasoline is in jurisdictions that do have the 2% tax and in jurisdictions that don't have the 2% tax. You couldn't on any given day point to differences in gas prices in Spotsylvania and Stafford and conclude that is a consequence of one jurisdiction having the 2% tax and the other one not. There's more variation in retail prices internal to each jurisdiction than there is between the jurisdictions.