

# Virginia Passenger Rail Authority Board Meeting

January 25, 2021

Workshop Agenda	Presenter	Estimated Time Allotted
Board Chair Update	Jennifer Mitchell, Chairperson	10 mins
Executive Director Search Committee Update	Wick Moorman, Committee Chair	10 mins
Finance Committee Update	Hossein Sadid, Committee Chair	10 mins
VPRA FY22 Recommended Budget • <i>Proposed Action: Recommend FY22 Budget to CTB</i>	Steve Pittard, Chief Financial Officer – DRPT	20 mins
Virginia Passenger Rail Authority Employee Policy Manual • <i>Proposed Action: Adopt Policy</i>	Jeremy Latimer, Director of Rail Programs – DRPT	15 mins
Amtrak Presentation	Ray Lang, VP of State Supported Services – Amtrak	30 mins
Transforming Rail in Virginia Major Procurements Update	Michael McLaughlin, Chief of Rail – DRPT	15 mins
Public Comment		

# Board Chair Update

Jennifer Mitchell, Chairperson

# Executive Director Search Committee Update

Wick Moorman, Committee Chair

# Finance Committee Update

Hossein Sadid, Committee Chair

# Recommended FY 22 VPRA Budget

Steve Pittard, Chief Financial Officer – DRPT

# Changes from December Draft Budget

- More detail – summary section and detailed project narratives
- Capital Grants forecast budget increased from \$374.3M to \$401.5M
  - Three capital grants projects removed
  - Additional future allocations from non-VPRA sources (primarily SmartScale) on Alexandria Station, Brooke/Leeland/Potomac Shores, and Quantico Station
  - Impacts budget data in FY22 through FY25
- Table 3 on page 4 updated to reflect gross VPRA revenues

# VPRA FY2022 Budget

Budget Component (\$ in millions)	FY 2021	FY 2022	Variance Amount	Variance Percentage
Operations	\$21.7	\$51.2	\$29.5	136%
Capital Projects	289.8	321.1	31.3	11%
Capital Grants	31.5	78.4	46.9	149%
Total	<b>\$343.0</b>	<b>\$450.7</b>	<b>\$107.7</b>	<b>31%</b>

- Significant increase in FY22 for Operations reflects a conservative estimate of ridership and does not include potential Covid relief bill funding
- Capital projects and grants increase between FY21 and FY22 reflects the advancement of projects



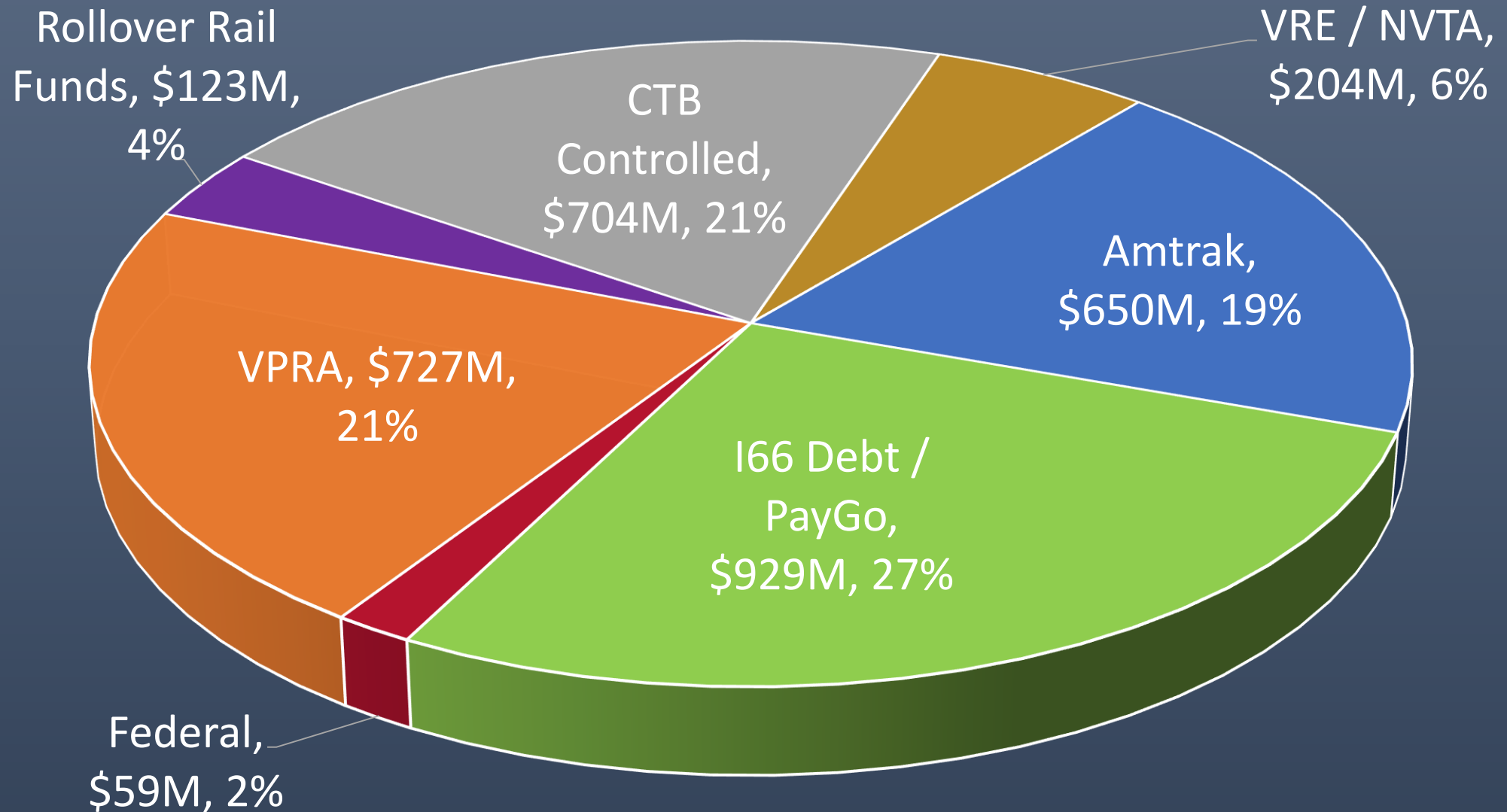
# VPRA Six Year Capital Forecast

Capital Budget Category (\$ in millions)	FY 21	FY22	FY23	FY 24	FY25	FY26	FY27	Total
Capital Projects	\$289.8	\$321.1	\$329.3	\$321.5	\$890.6	\$840.2	\$403.1	\$3,395.6
Capital Grants	31.5	78.4	94.3	74.6	60.0	43.2	19.5	401.5
Total	\$321.3	\$399.5	\$423.6	\$396.1	\$950.6	\$883.4	\$422.6	\$3,797.1

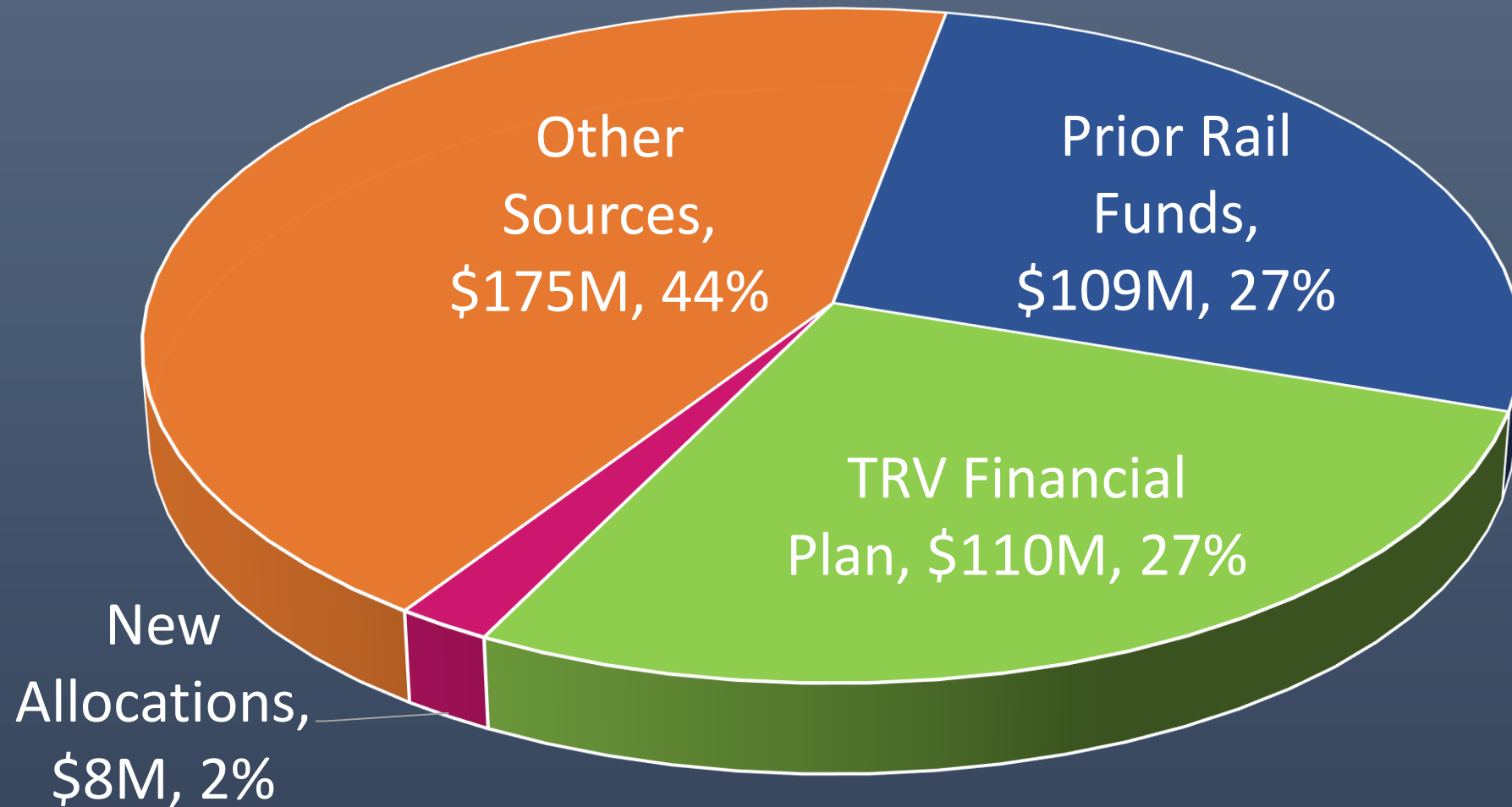
- Capital Projects forecast reflects the construction of the new Long Bridge beginning in FY25
- Capital Grants allocations decline in the outer years as currently planned projects are completed

# VPRA Capital Projects - \$3.4B

## FY21 – FY27



# VPRA Capital Grants - \$401.5M FY21 – FY27



# VPRA Six Year Revenue Forecast

Capital Budget Category (\$ in millions)	FY 21	FY22	FY23	FY 24	FY25	FY26	FY27	Total
<b>VPRA Revenues</b>	\$91.6	\$104.5	\$122.2	\$137.6	\$141.6	\$145.6	\$146.3	\$889.4
<b>Passenger Ticket Financing</b>	-	-	-	-	210.0	-	-	210.0
<b>Total</b>	91.6	104.5	122.2	137.6	351.6	145.6	146.3	1,099.4
<b>Less: Capital Projects Needs</b>	48.8	30.1	74.0	84.3	300.6	94.3	95.1	727.2
<b>Total Available – Operations / Grants</b>	<b>\$42.8</b>	<b>\$74.4</b>	<b>\$48.2</b>	<b>\$53.3</b>	<b>\$51.0</b>	<b>\$51.3</b>	<b>\$51.2</b>	<b>\$372.2</b>

- Covers VPRA share of capital grants funding of \$118M for FY21-FY27
- Remaining funding is needed to fund operational costs

# Next Steps

- January 25<sup>th</sup> - Final budget presentation sent to the VPRA Board for approval to submit to the Commonwealth Transportation Board (CTB)
- February 1<sup>st</sup> – Transmit budget to CTB
- Mid February – Provide detailed presentation to CTB on budget
- May - Update budget based on feedback received from CTB and any other significant changes
- Late May / June - Final VPRA Board adoption of FY2022 budget

# Proposed Timeline for FY2023 Process

- August / September 2021 – Finance and Audit Committee Meeting to discuss budget assumptions for FY2023
- November 2021 – Draft budget provided to the Finance and Audit Committee
- December 2021 – Draft budget document with Committee input provided to full Board
- January 2022 – Board approval of recommended budget presentation transmitted to the CTB

# Recommended FY 22 VPRA Budget - Appendix

# Code of Virginia

- The law establishing the Virginia Passenger Rail Authority (VPRA) also established that the CTB should prescribe the form of the VPRA operating plan and budget.

- 33.2-298. *Annual budget.*

*The Authority shall prepare and submit a detailed annual operating plan and budget to the Transportation Board by February 1 of each fiscal year. The Authority shall also prepare and submit for approval any proposed capital expenditures and projects for the following fiscal year to the Transportation Board by February 1. The Transportation Board shall have until May 30 to approve or deny any capital expenditures, and, in the event the Transportation Board has not approved or denied the Authority's proposed capital expenditures by such deadline, such expenditures shall be deemed approved. The operating plan and budget shall be in a form prescribed by the Transportation Board and shall include information on expenditures, indebtedness, and other information as prescribed by the Transportation Board.*



# Basic Assumptions – Operating Budget

- One year budget (FY2022); includes an estimate for FY2021 for comparison
- Based on anticipated expenditures as accrual basis required
- Zero-based estimate for FY2022
- Two main elements of Operating Budget:
  - Amtrak Operations Costs
  - VPRA Administration

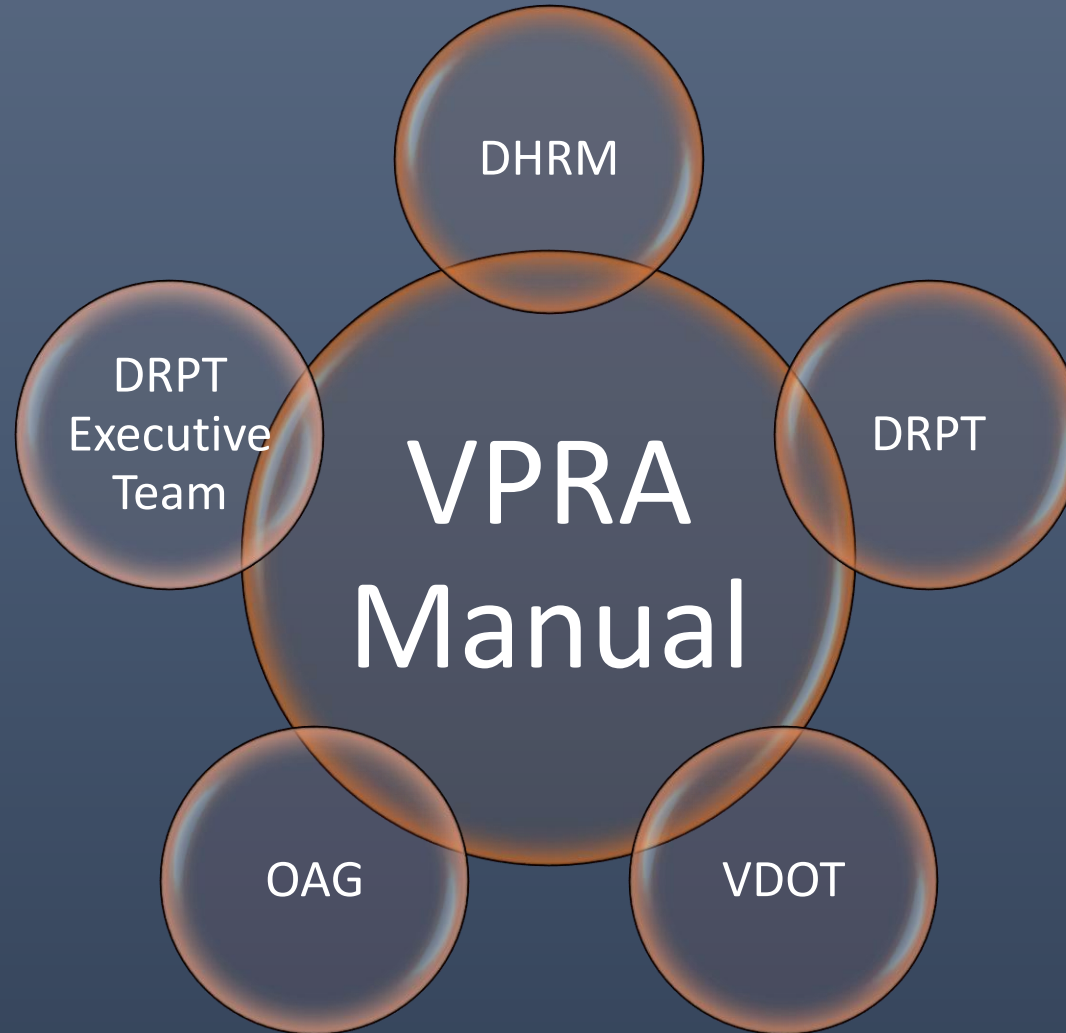
# Basic Assumptions – Capital Budget

- Includes project life to date expenditures through June 30, 2020, an estimate for FY2021, budget for FY2022, and a five-year forecast (FY2023-FY2027)
- Based on cash flows - approximate accrual based expenditures
- Includes existing projects (~30 projects) and planned future efforts (Transforming Rail Initiative)
- Two sections:
  - **Capital Projects** section: VPRA-managed projects
  - **Capital Grants** section: Projects managed by external grantees
- Includes one-page narrative description with status update on each project

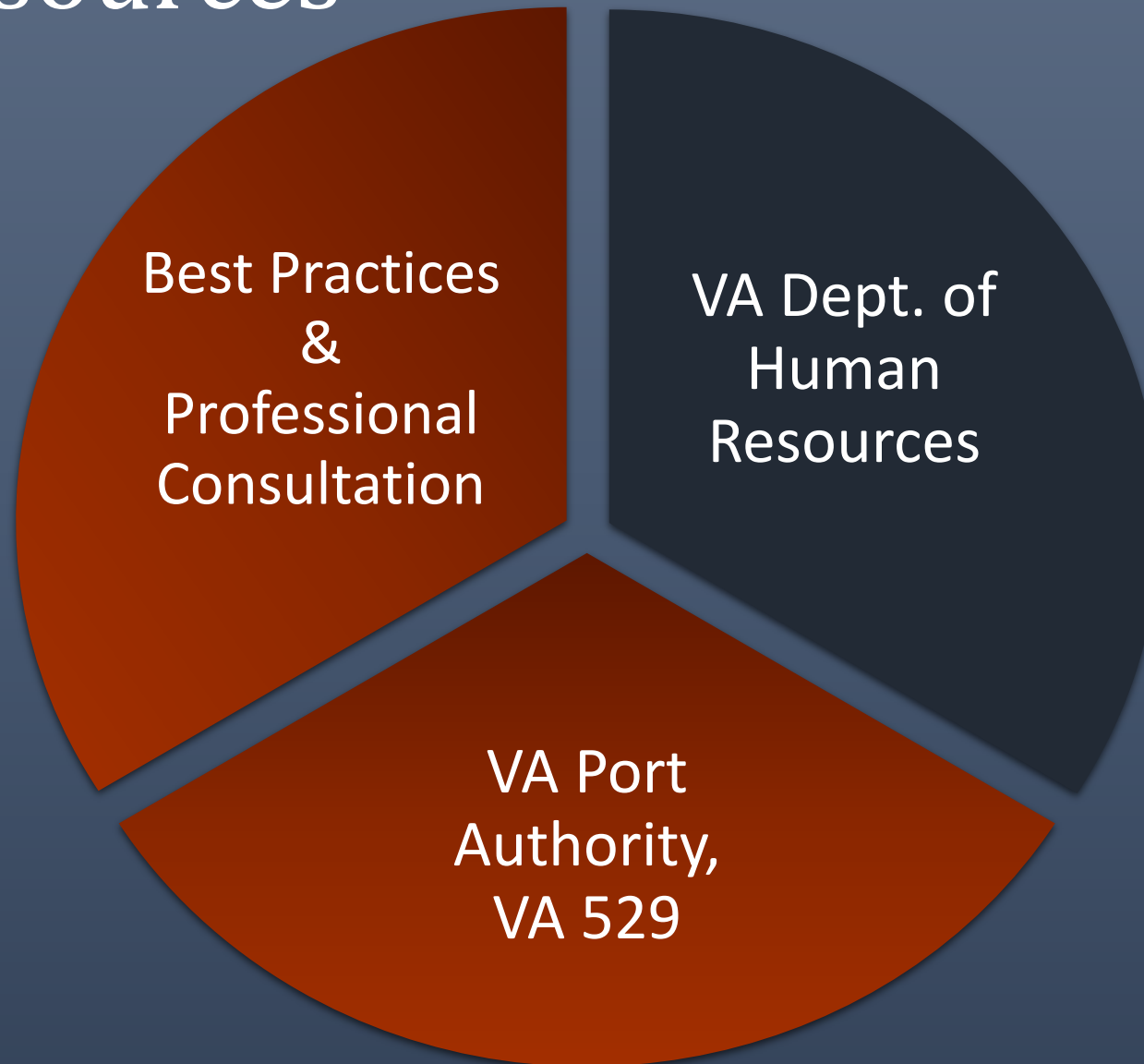
# VPRA Human Resource Policies & Procedures Manual

Jeremy Latimer, Director of Rail Programs – DRPT

# Development



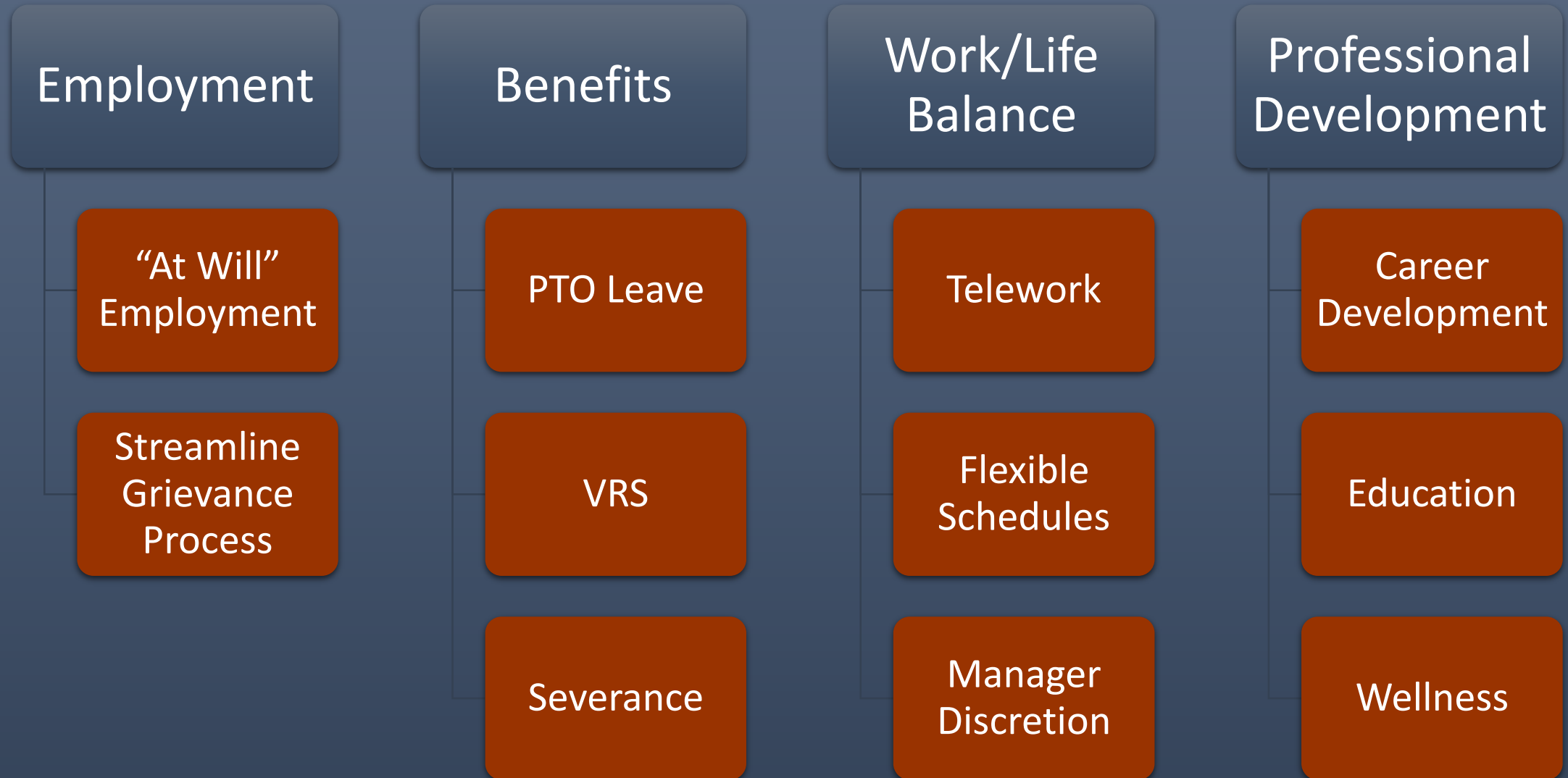
# Policy Resources



# Goals of the Policies and Procedures

- Initiate hiring, compensation, and management of VPRA staff
- Balance the best of public sector and private sector policies
- Provide a foundation for VPRA HR Director
- Encourage a professional environment to attract high caliber employees

# Notable Policies



# Amtrak Presentation

Ray Lang, Vice President of State Supported Services – Amtrak





# Amtrak 101

An Introduction to Amtrak

January 25, 2021

# Amtrak's Structure

- Amtrak is a federally-owned corporation, created by an Act of Congress in 1970 (began service on May 1, 1971).
- Amtrak has a Board of Directors and its Board members are nominated by the President of the United States and confirmed by the Senate.
- The Amtrak Board chooses the leadership team of the Company.

# Amtrak's Access Rights

- At its founding, Amtrak was given very unique access rights.
  - The access rights allow Amtrak the right of “Incremental Access” to the nations freight railroad system for the purpose of providing Intercity (not commuter) Rail Passenger Service.
  - Accompanying these access rights was the “Right of Preference”, which means that the railroads must do their best to give Amtrak passenger trains preferential treatment over their own freight trains (run them on-time) when they dispatch the trains.
- More recently, these rights were enhanced when the FRA issued its final rule on the PRIIA Metrics & Standards, which further defined what is considered “On-time.”
  - The rules were important in that they set a standard for “Customer OTP” as opposed to end point OTP.

# Amtrak Operates 3 Basic Types of Service

- Amtrak owns and operates most of the Northeast Corridor (NEC) between Boston-New York-Washington, DC. On the NEC, Amtrak runs fast, frequent regional trains and the high speed *Acela* trains. Amtrak also host commuter service from a number of northeastern commuter services on portions of the NEC (including VRE).
- Amtrak operates 15 Long-Distance trains around the country, several of which serve the Commonwealth of Virginia, including the *Auto Train*, the *Silver Service* trains, the *Crescent* and the *Cardinal*.
- Finally, Amtrak operates a series of short distance corridor trains under contracts with state transportation departments all over the country.
  - Currently 17 states, including Virginia contract with Amtrak to provide service on 27 different routes. These services account for 50% of Amtrak's ridership.

# Passenger Rail Investment & Improvement Act (PRIIA)

- PRIIA was a transformational piece of legislation that shifted the majority of funding responsibility for short distance trains from the federal government to the states.
- Prior to PRIIA, many Amtrak short distance trains, including much of the service in Virginia, were paid for through Amtrak's federal appropriation.
- PRIIA required ALL non-NEC short distance Amtrak trains be funded by a state by October of 2013 (or they would be discontinued).
- PRIIA defined "short-distance" as anything that operated 750 miles or less.
- PRIIA further required that Amtrak and the affected states agree on a common methodology for allocating costs associated with those services, that would apply to all routes (Section #209).

# PRIIA Continued

- PRIIA also covered capital – Amtrak and states developed an “Equipment Charge” for use of Amtrak’s rolling stock
- Finally, PRIIA indicated that should Amtrak and the states not unanimously agree on the methodology for the cost allocations and the equipment charge, that the Surface Transportation Board (STB) could determine the methodology. Amtrak and but one state (Indiana) agreed on a methodology and the STB did indeed rule on the methodology and sided with Amtrak and the other states.
- While Congress’ goals set out in PRIIA have largely been achieved, portions of PRIIA continue to be discussion and debate by the states, most notably, section #209.

# SAIPRC

- SAIPRC stands for the State-Amtrak Intercity Passenger Rail Committee
- This committee was formed by the states affected by PRIIA, Amtrak, and the FRA a few years after the #209 cost allocation methodology was created.
- The FAST Act formalized SAIPRC and specifically authorized it in federal statute and the entity now receives an annual federal appropriation.
- SAIPRC now has staff and is administratively supported by NNEPRA (Maine) and the organization meets regularly to discuss issues such as marketing, equipment procurement, funding goals and cost allocations.
- Amtrak is a member of SAIPRC as is the FRA.
- SAIPRC conducts bi-monthly Executive Committee meetings and Quarterly “all state” meetings. Since COVID began, we also conduct bi-monthly meetings with all of the states to discuss funding needs, recovery plans as well as health and safety issues.

# Pandemic Funding

- CARES provided \$239M to the states via Amtrak to help states through the pandemic in FY'20. The funding, some of which came to Virginia (\$17.4M so far) allowed the states to preserve service through the fiscal year. The funds will not be fully exhausted until the end of January of 2021.
- The most recent federal stimulus provided \$175M for states. The allocation of the dollars is going to be a little different. Legislative language says that each state will receive a fixed amount based on a formula developed by states made up of 7% of their expenses from 2019 (Virginia to receive about \$3,078,000) with the remaining funds allocated based on the revenue generated by each route in 2019, (Virginia to receive approximately \$9,528,000).



# Amtrak as Your Partner

- What do you get when you contract with Amtrak?
  - The Right of Incremental Access
  - The Right of Preference and the Metrics and Standards
  - Amtrak's Indemnity Agreements with the Host Railroads
  - Connectivity to Amtrak's National Network
  - Amtrak's National Reservation System
  - Amtrak's loyalty program, Guest Rewards (11.6 million members)
  - Amtrak's hiring, training and qualification programs for T&E and other skill sets
  - Amtrak's advocacy for funding for you and all state partners in Congress
  - Amtrak can and will provide matching capital funds for many state projects

# Thank you

## QUESTIONS?

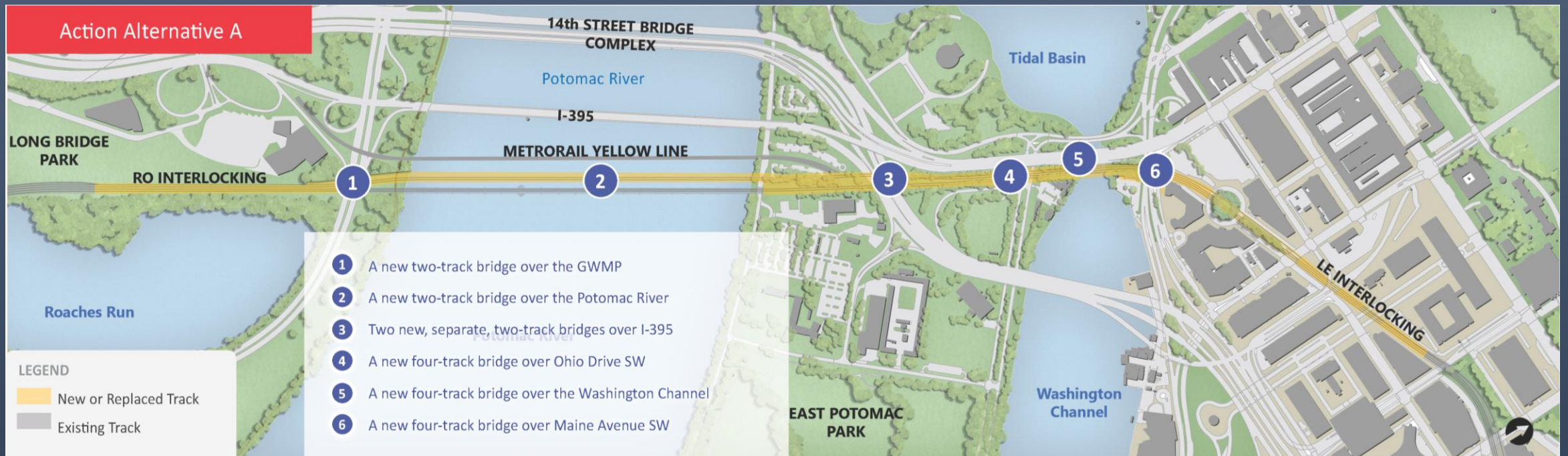


# Transforming Rail in Virginia Major Procurements Update

Michael McLaughlin, Chief of Rail – DRPT

# Long Bridge Expansion

- Two-track bridge - major rail bottleneck on the East Coast
- Bridge carries nearly 80 trains/day; over 100 years old
- At 98% capacity during peak hours.
- Environmental clearance finalized in September 2020



# Current Status and Next Steps

- Cost Estimate: \$1.9 billion
- Procurement for Preliminary Engineering (15% to 30% design); Can be assigned to VPRA
- Preliminary Engineering will determine the procurement method for construction
- Virginia is working with other stakeholders DDOT, National Parks Service, Amtrak and VRE
- PE will take 2 years and Final Design and Construction is estimated to be complete by 2030
- Long Bridge Act passed in December 2020; permits NPS land to be transferred for Project



# Project Phases and Activities

## 2016-2020 NEPA

**FEIS/ROD:  
9/3/2020**

**Preferred Alternative  
Selected**

**Order of magnitude  
cost: \$1.9 billion**

**Determined  
Mitigation  
Commitments**

## 2021-2023 Preliminary Engineering

**PE Contract Award:  
January 2021**

**Advance Design from  
15% to 30%**

**Determine Project Delivery  
Method**

**Land Acquisition  
Activities**

**Begin Environmental  
Mitigations**

**Agreements with Partner  
Organizations**

## 2023-2030 Final Design & Construction

**Design-Build  
OR  
Design-Bid-Build**

**Land Acquisition  
Activities**

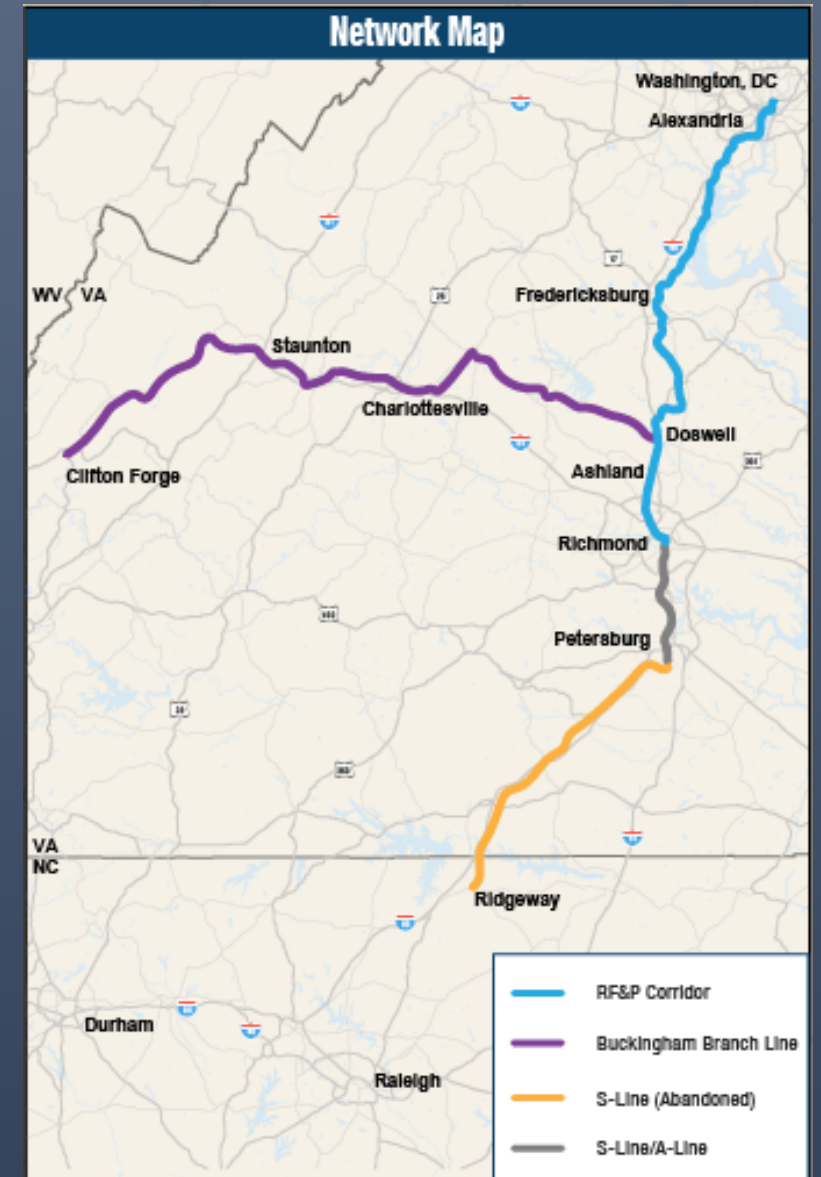
**Permitting**

**Final Design and  
Construction**



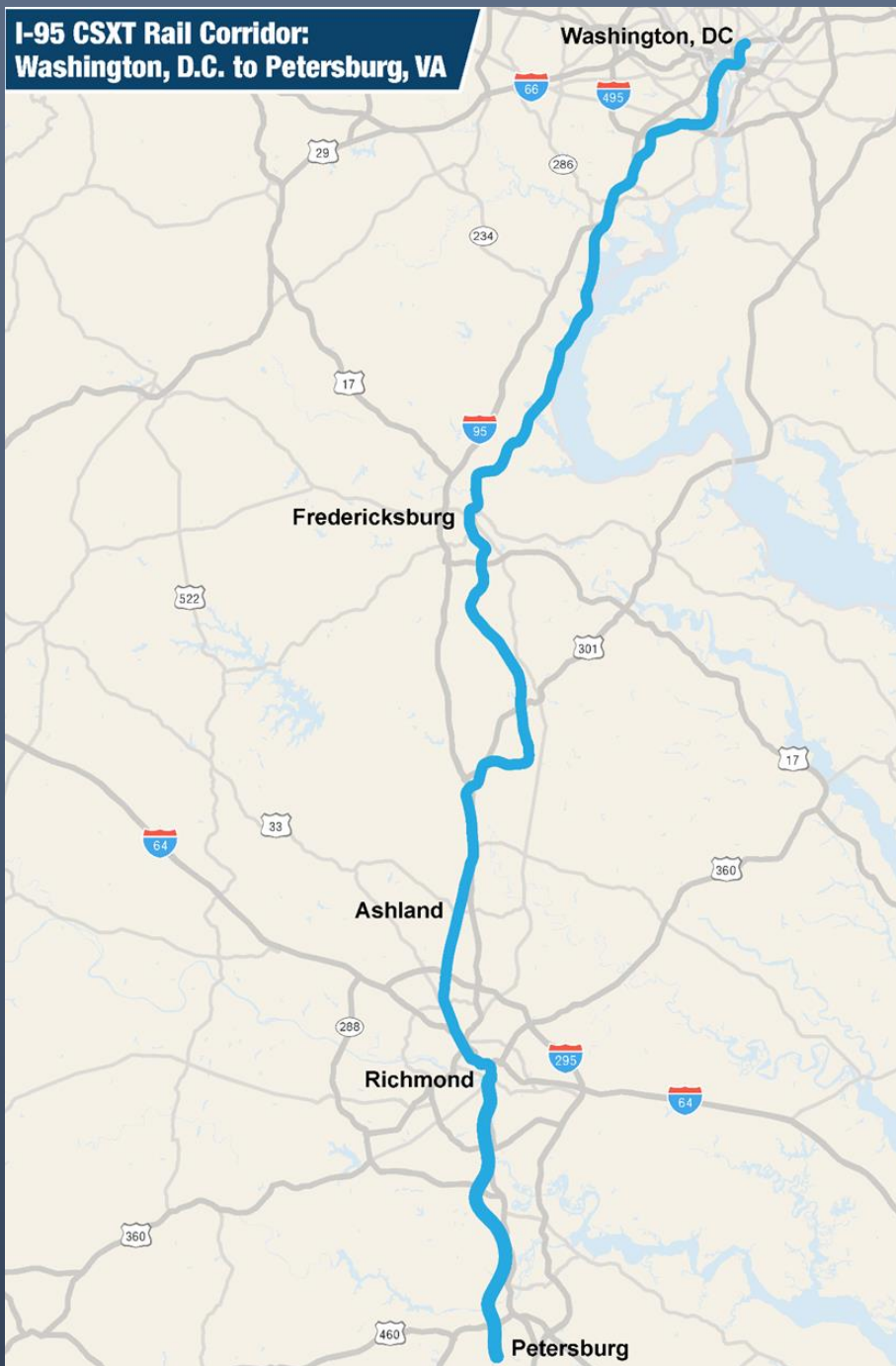
# Corridor Surveys Procurement

- Per CSX Term Sheet, by December 2022 DRPT must complete survey plats for:
  - DC to Petersburg along I-95 Corridor
  - Buckingham Branch from Doswell to Clifton Forge
  - S-Line from Petersburg to Ridgeway, NC
- Survey procurements released August 2020
  - Staggered response dates
- All three procurements include an assignability clause to VPRA





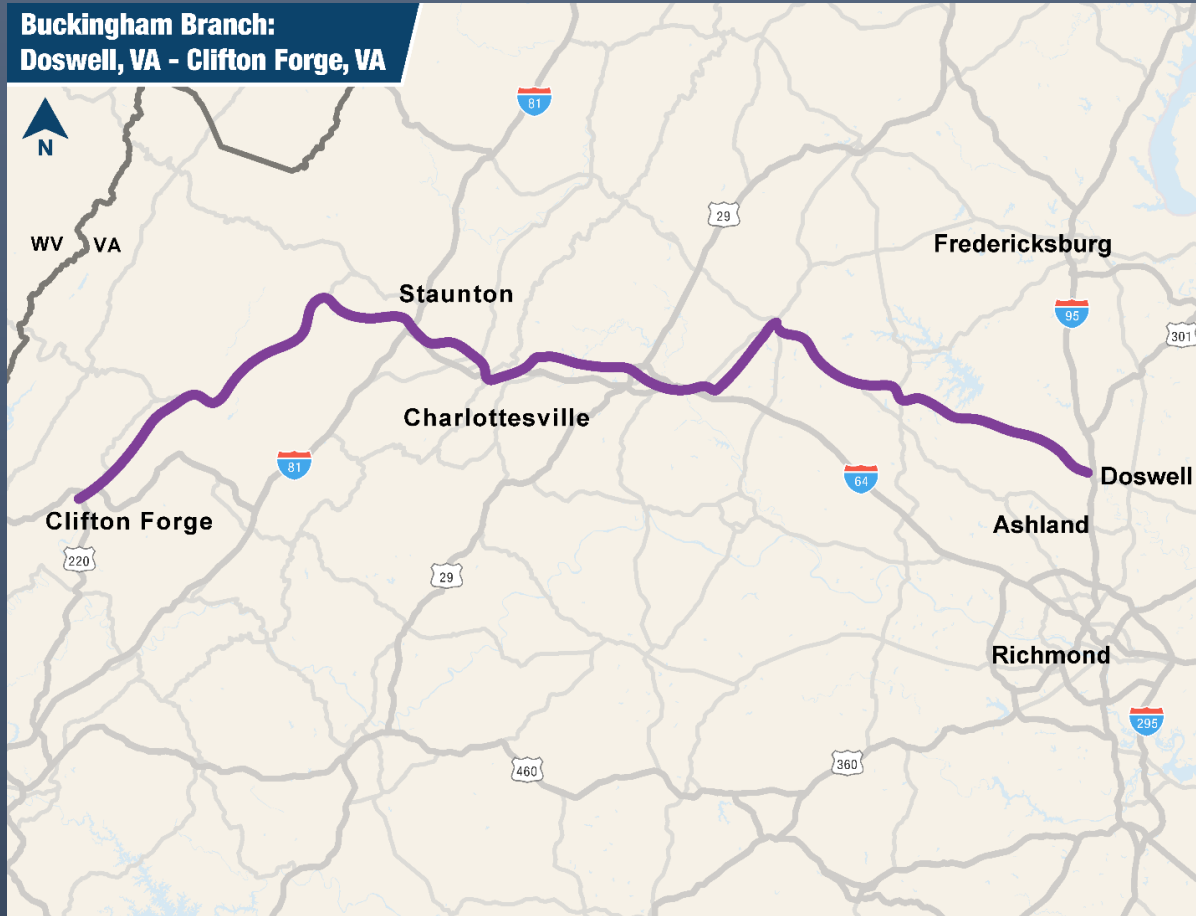
**I-95 CSXT Rail Corridor:  
Washington, D.C. to Petersburg, VA**



# I-95 CSXT Corridor Survey

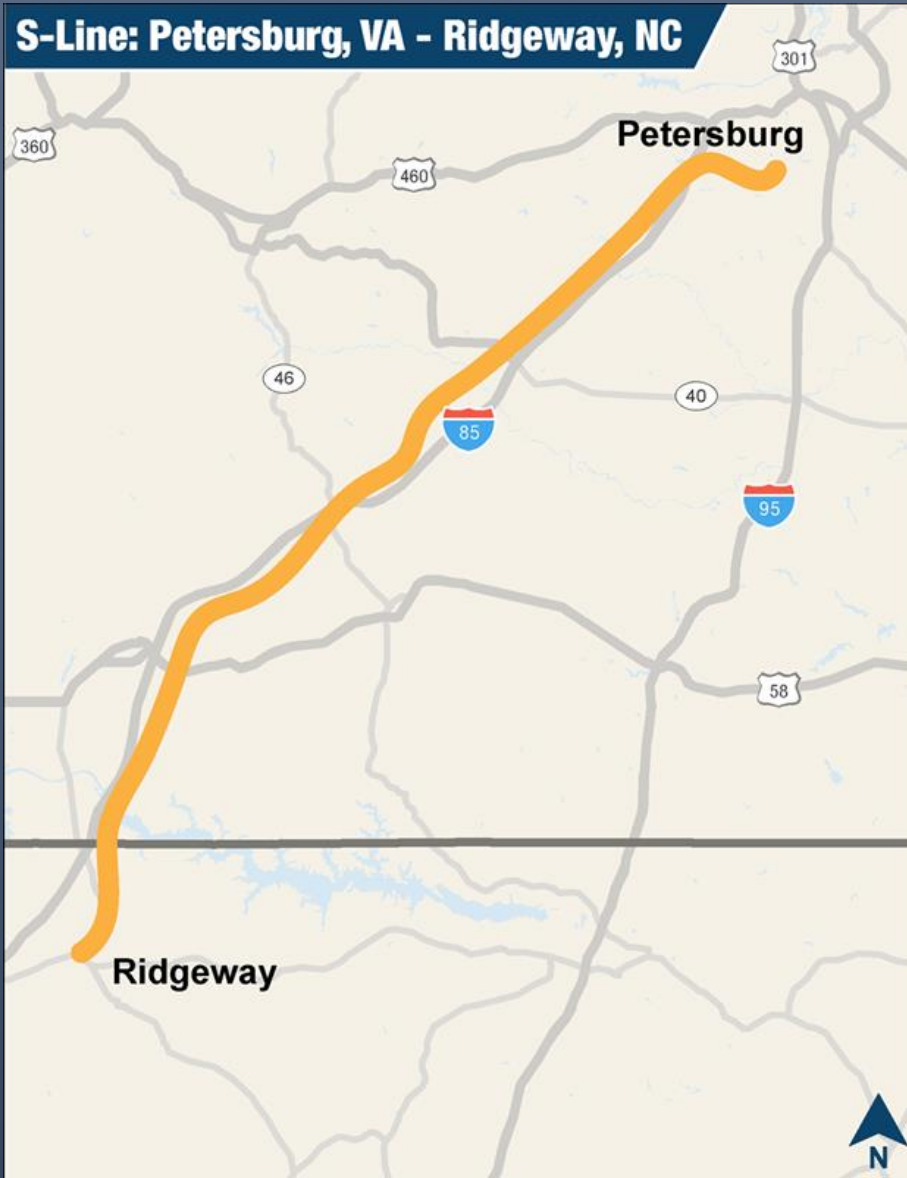
- Survey of 144 miles of existing CSXT ROW
- Project Limits - Milepost 112.2 in DC to Milepost A 29 in Petersburg, VA
- Deliverables:
  - Field verification and documentation of the existing ROW and tracks
  - Definition of the railroad ROW
  - ROW Strip Maps
  - Related documents
- Schedule:
  - RFP released August 2020
  - NTP expected February 2021
  - Deliverables due by November 1, 2022

# Buckingham Branch Survey



- Survey of 164 miles of CSXT ROW on BBRR
- Project Limits - JD Cabin Interlocking at milepost 276 in Clifton Forge, VA to milepost 111.7 in Doswell, VA
- Deliverables:
  - Field verification and documentation of the existing ROW and tracks
  - Definition of the railroad ROW
  - ROW Strip Maps
  - Related documents
- Schedule:
  - RFP released August 2020
  - NTP expected February 2021
  - Deliverables due by November 1, 2022

# S-Line Survey



- Survey of 75-miles of existing CSXT ROW along the Abandoned S-Line
- Project Limits - S. Collier Interlocking at Milepost 29 in Petersburg, VA to Ridgeway Junction at Milepost 100.2 in Ridgeway, NC
- Deliverables:
  - Field verification and documentation of the existing ROW and tracks
  - Definition of the railroad ROW
  - ROW Strip Maps
  - Related documents
- Schedule:
  - RFP released August 2020
  - NTP expected February 2021
  - Deliverables due by November 1, 2022

# Public Comment

# Live Public Comment

If you would like to provide comment:

- Please raise your hand in the participant panel
- If you are calling in, press \*3 to Raise Hand and \*6 to unmute yourself
- We will unmute you when it's your turn to speak
  - *Please mute all other devices to avoid audio interference*
- You will have 3 minutes to share your comments
- Share comment offline: [drptpr@drpt.Virginia.gov](mailto:drptpr@drpt.Virginia.gov)



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