

September 28, 2021

Executive Director Report

www.drpt.virginia.gov/vpra/board-meeting/



Executive Director Update

DJ Stadtler, Executive Director, VPRA



VPRA Administrative Updates

- Washington-Richmond Amtrak Service: Amtrak's Richmond route will once again resume service on September 27, 2021 after it was put on hiatus due to the COVID pandemic in April 2020. As part of the agreements with CSX, the Richmond route will be extended from its previous terminus point at Staples Mill Station to serve the Main Street Station in downtown Richmond. With the start of the Richmond route, Amtrak Virginia service will be back at 100% of its pre-pandemic level.
- Amtrak 50% off National Fall Flash Sale: Virginia participated in Amtrak's nationwide 50% off sale to boost ridership. Sale was valid in coach and Acela Business Class for destinations nationwide.
 - Sale Dates: September 1 to September 9, 2021
 - Travel Dates: September 8 to November 18, 2021



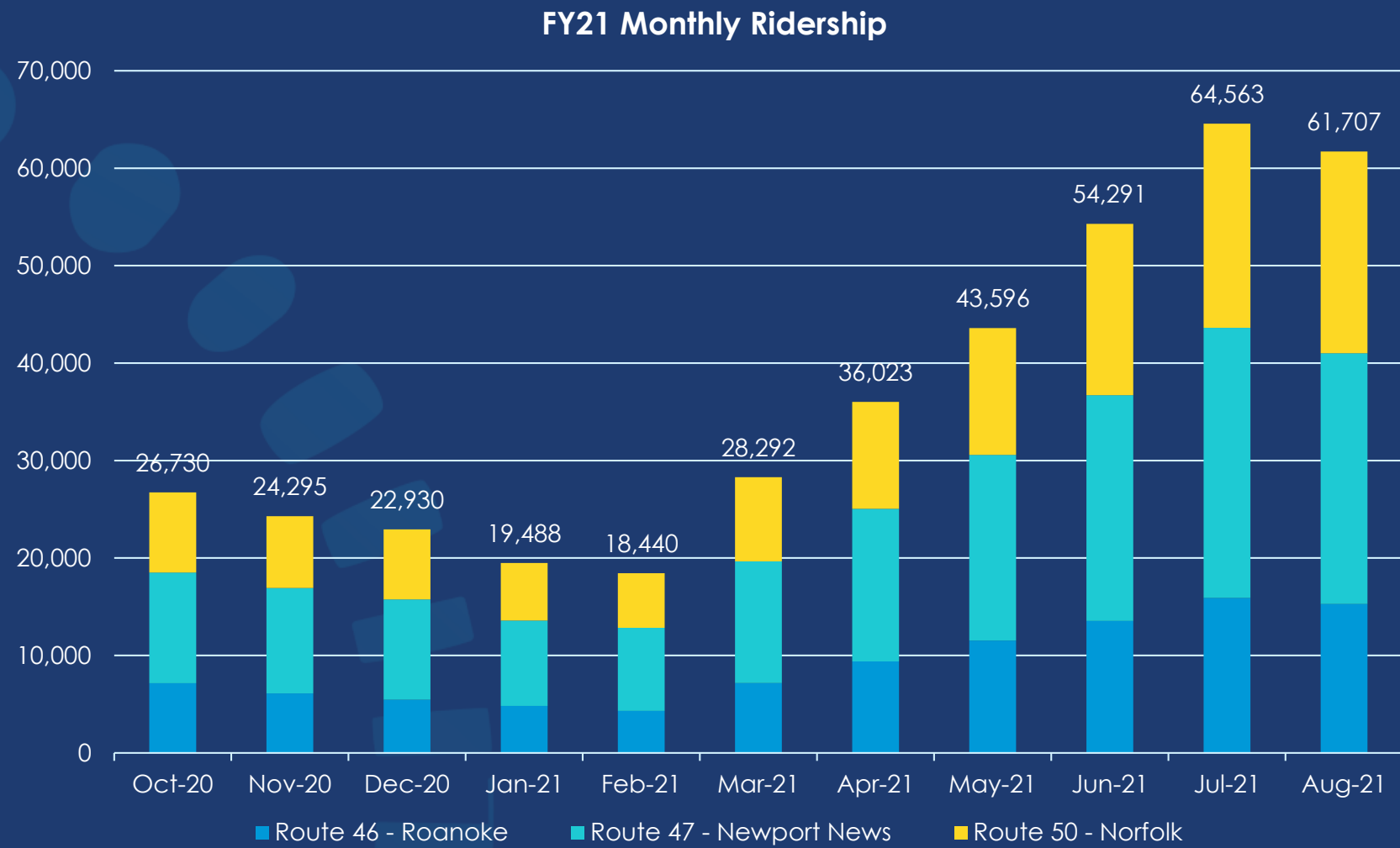
VPRA Administrative Updates (Continued)

- Buckingham Branch Railroad filed a “Notice of Exemption” with the Surface Transportation Board for the Buckingham Branch segment from Doswell to Clifton Forge. VPRA submitted a letter of support requesting favorable action. The filing is an important step in the transfer of the Buckingham Branch from CSX to Virginia by the November 30, 2021 conveyance date listed in the Comprehensive Rail Agreement with CSX.
- VPRA is following the status of infrastructure legislation on Capitol Hill and has been in contact with the Virginia Delegation to provide input and feedback on the passenger rail provisions.
- VPRA is reviewing potential candidate projects to apply for the 2021 CRISI grant program. Applications are due to the FRA by November 29, 2021



FY-21 Monthly Ridership

- The month of August saw a slight decline (↓4.4%) in ridership on the Virginia Supported Amtrak Service compared to July.
- As we approach the end of the summer travel season, a reduction in bookings and travel is expected in the coming months. Historically, ridership has declined between 1% - 8% in August compared to July.
- Concerns about the COVID Delta Variant surge in the last month may also have contributed to the decline in ridership in August.

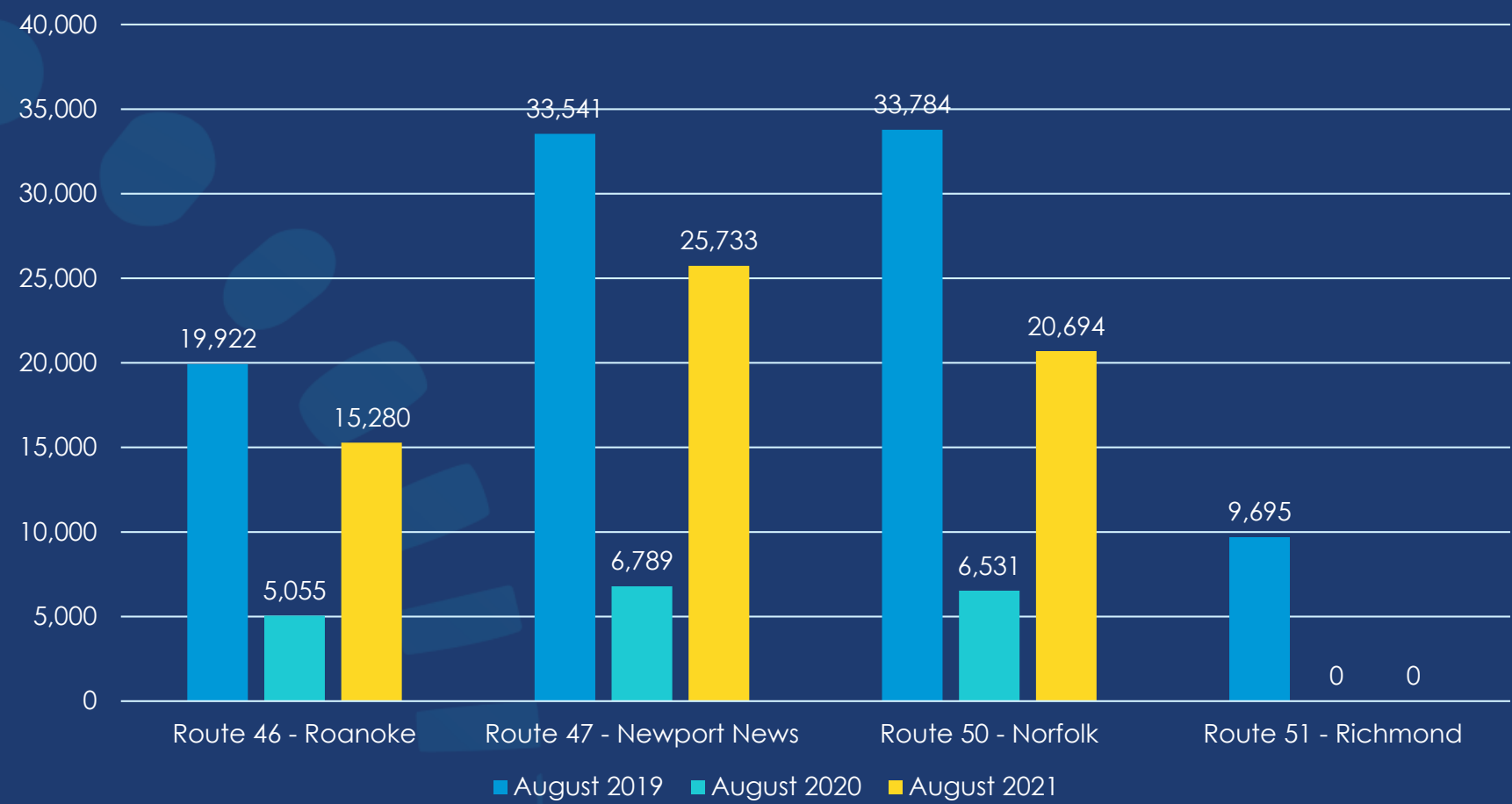


| Monthly Ridership, FY2021 | | | | | | | | | | | | |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Route | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | FY21 YTD Total |
| Route 46 - Roanoke | 7,156 | 6,099 | 5,446 | 4,818 | 4,303 | 7,160 | 9,385 | 11,523 | 13,545 | 15,903 | 15,280 | 100,618 |
| Route 47 - Newport News | 11,347 | 10,816 | 10,296 | 8,763 | 8,536 | 12,486 | 15,661 | 19,058 | 23,157 | 27,722 | 25,733 | 173,575 |
| Route 50 - Norfolk | 8,227 | 7,380 | 7,188 | 5,907 | 5,601 | 8,646 | 10,977 | 13,015 | 17,589 | 20,938 | 20,694 | 126,162 |
| Route 51 - Richmond | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 26,730 | 24,295 | 22,930 | 19,488 | 18,440 | 28,292 | 36,023 | 43,596 | 54,291 | 64,563 | 61,707 | 400,355 |

August Ridership Comparison: Year-over-Year

- Ridership for Virginia supported Amtrak service in August 2021 was 63.7% of August 2019 (pre-pandemic) ridership (↓36.3%).
- For the week ending September 13th - Amtrak system wide bookings were at 59% of the bookings for the same week in 2019.

August Ridership



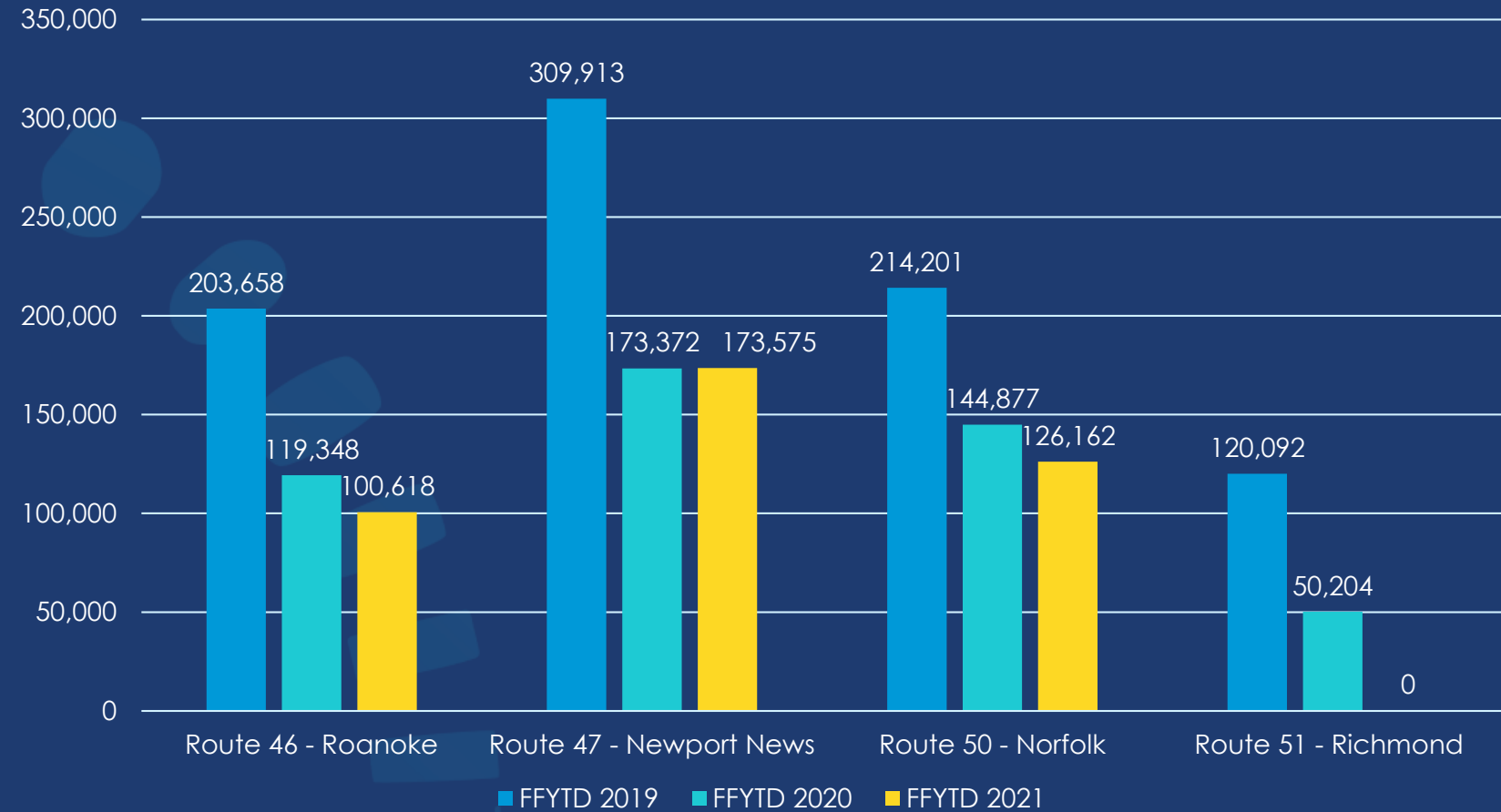
Ridership: Percentage Change

| Route | August 2019 | August 2020 | August 2021 | % Change: 2021 vs 2019 | % Change: 2021 vs 2020 |
|-------------------------|-------------|-------------|-------------|------------------------|------------------------|
| Route 46 - Roanoke | 19,922 | 5,055 | 15,280 | -23.3% | +202.3% |
| Route 47 - Newport News | 33,541 | 6,789 | 25,733 | -23.3% | +279.0% |
| Route 50 - Norfolk | 33,784 | 6,531 | 20,694 | -38.7% | +216.9% |
| Route 51 - Richmond | 9,695 | 0 | 0 | -100.0% | 0.0% |
| Total | 96,942 | 18,375 | 61,707 | -36.3% | +235.8% |

Federal Fiscal Year-to-Date (FFYTD) Ridership: (Oct-Aug)

- Virginia supported Amtrak service FFYTD ridership in August 2021 was ~53% lower compared to the same time period in FY2019 (pre-pandemic).
- Only five out of the six round trips of the Virginia supported service have been operational in FFY2021 till date.
- Please note that service disruption due to COVID pandemic started in March of FFY2020. FFY2020 had five pre-pandemic ridership months.

Virginia Supported Amtrak Ridership (Oct-Aug)



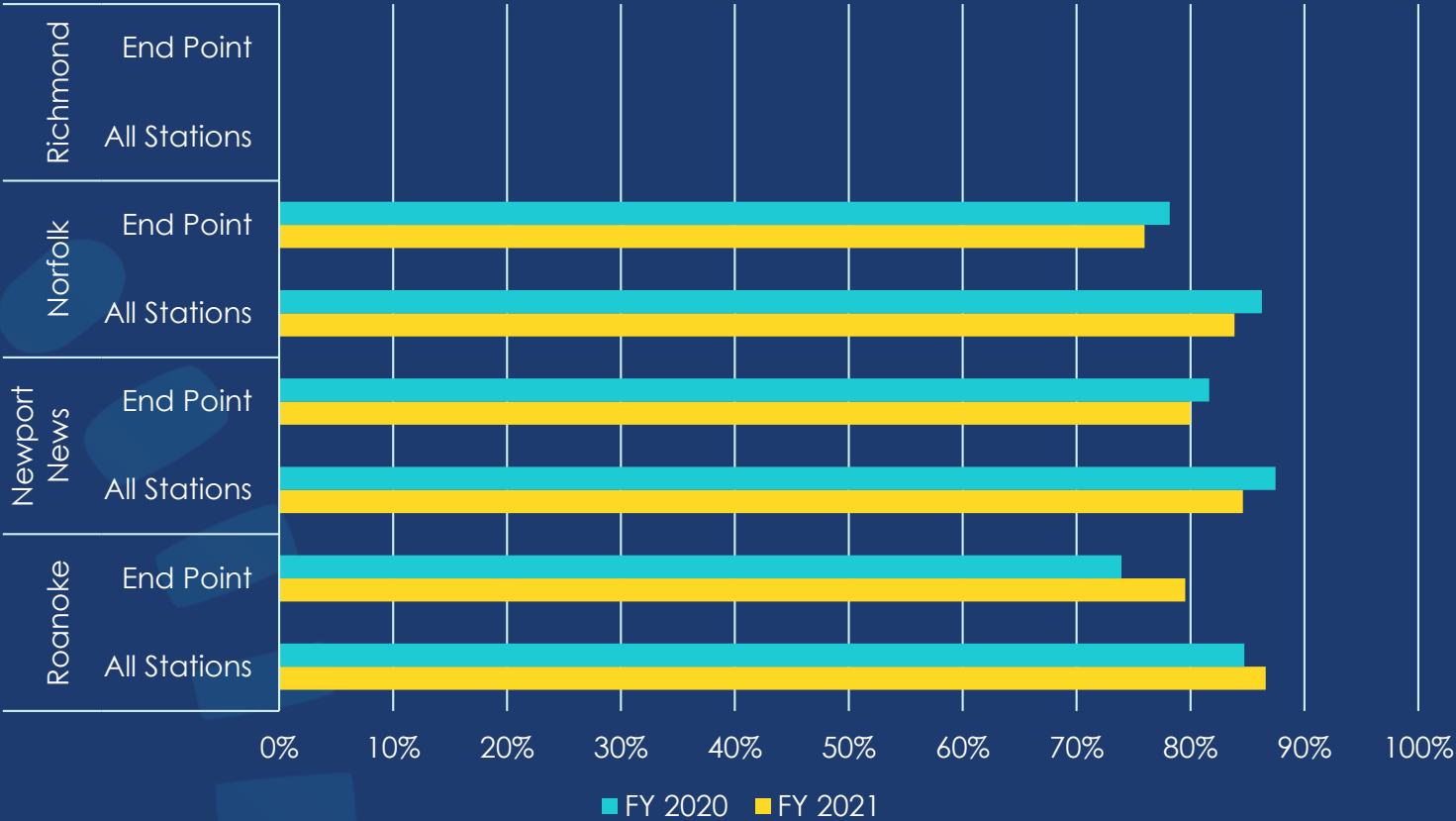
Year-to-Date Ridership: Percentage Change

| Route | FFYTD 2019 | FFYTD 2020 | FFYTD 2021 | % Change: 2021 vs 2019 | % Change: 2021 vs 2020 |
|-------------------------|------------|------------|------------|------------------------|------------------------|
| Route 46 - Roanoke | 203,658 | 119,348 | 100,618 | -50.6% | -15.7% |
| Route 47 - Newport News | 309,913 | 173,372 | 173,575 | -44.0% | 0.1% |
| Route 50 - Norfolk | 214,201 | 144,877 | 126,162 | -41.1% | -12.9% |
| Route 51 - Richmond | 120,092 | 50,204 | 0 | -100.0% | -100.0% |
| Total | 847,864 | 487,801 | 400,355 | -52.8% | -17.9% |

Federal Fiscal Year-to-Date (FFYTD) (Oct to July) On-Time Performance

- Weather related delays and speed restrictions due to defects or slow orders were the primary reasons for delay on all three routes.
- FFYTD average OTP for all routes is ~82% in FFY2021. FFYTD2021 OTP has been trending higher compared to an average of ~78% in the last five years.
- Passenger and commuter rail traffic has been ramping up in 2021 and was higher compared to 2020. Virginia supported Amtrak service was running at 83% of pre-pandemic level in July and all Amtrak Long Distance trains were restored to daily service in June 2021.
- In July 2020, Virginia Supported Amtrak service was running at 50% of it's pre-pandemic level. VRE service and Amtrak Long Distance service were running at reduced levels as well.

Year-to-Date (October to July) On Time Performance



| Route On-Time Performance | | | | | |
|---------------------------|--------------|-----------|-----------|---------|---------|
| | | July 2020 | July 2021 | FY 2020 | FY 2021 |
| Roanoke | All Stations | 88.6% | 77.0% | 84.7% | 86.6% |
| | End Point | 83.9% | 59.7% | 73.9% | 79.5% |
| Newport News | All Stations | 75.4% | 70.2% | 87.5% | 84.6% |
| | End Point | 58.5% | 59.6% | 81.6% | 80.0% |
| Norfolk | All Stations | 76.8% | 68.2% | 86.3% | 83.9% |
| | End Point | 61.4% | 42.6% | 78.2% | 76.0% |
| Richmond | All Stations | - | - | - | - |
| | End Point | - | - | - | - |

Note: Amtrak trains are considered on time if arrival at the endpoint is within 15 minutes of scheduled arrival time.

Human Capital Updates



Human Capital Planning

Staffing

- Current Employee Count: 9 FTEs
- Projected Headcount (12/31/2021): 21 FTEs

Openings

- Current Openings: 10
- Outstanding Offers: 2

September Hires

- Jason Cheeks was appointed Manager of Information Technology and starts in October. This position will lead all information technology needs with an initial focus on enterprise software selection and implementation.

90-Day Hiring Plan

1. Chief Administrative Officer – Oct 25
2. General Counsel – interviews underway
3. Director of External Affairs – posted
4. Director of Engineering and Construction (External Recruiter)
5. Engineering Project Manager, Alexandria Fourth Track (Offer Out)
6. Engineering Project Manager, Sidings A-F
7. Engineering Project Manager, VRE
8. Project Controls Manager
9. Program Oversight Manager
10. Capital Program and Policy Manager
11. Passenger Operations and Contracts Manager

Human Capital Planning

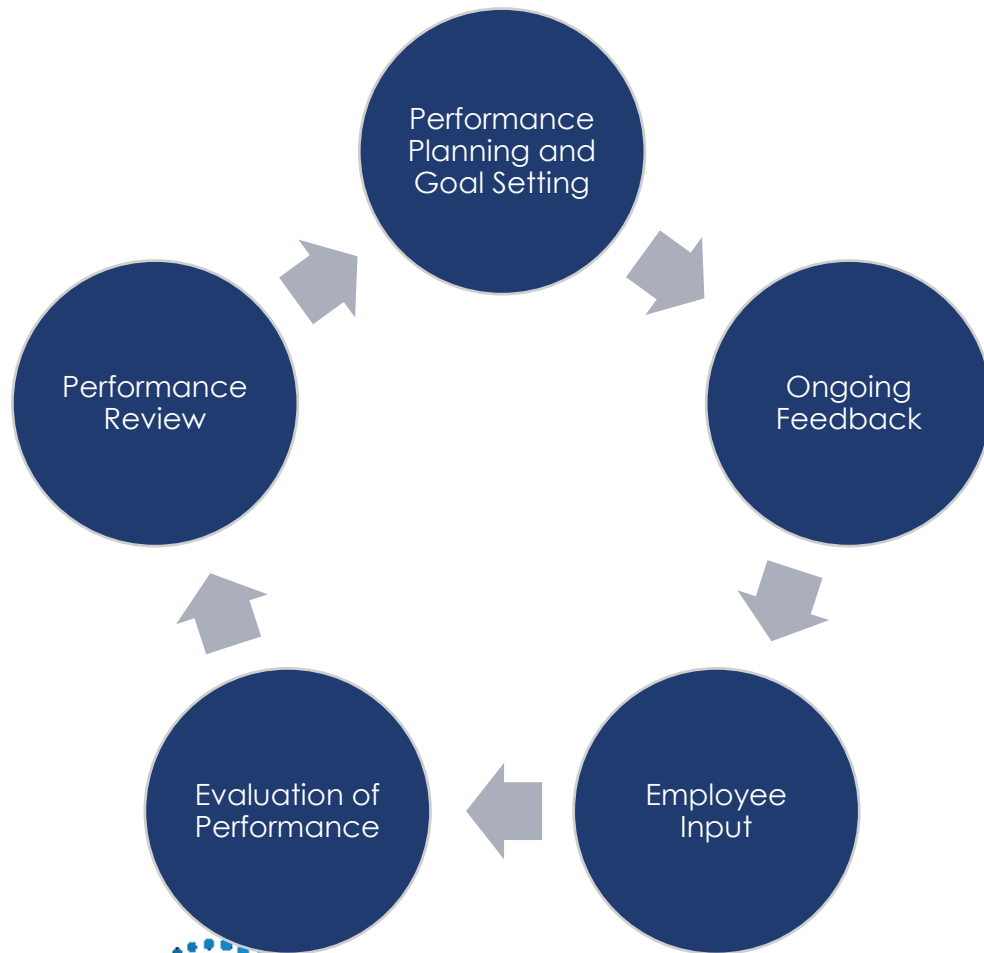
Administrative Accomplishments

- Developed performance management policy and program
- Developed hiring policy and process
- Established E-verify and Worker's Comp Program
- Met Executive Directive 18 deadline for COVID Vaccination Status requirements

Ongoing Activities

- Review employee manual and policies
- Build compensation philosophy and policy
- Build HR practices and tools

Human Capital Planning: Performance Management



- **Performance Year:** October – September
- **Three Section Plan**
 - Goals and Objectives (Rated)
 - Competencies (Rated)
 - Development Goals (Not Rated)
- **Three Point Rating Scale**
 - Exceeds Expectations
 - Solid Performance
 - Does Not Meet Expectations
- **Triannual Check-ins**
 - Reviewed as On or Off track
- **Year End Performance Evaluation**
 - Employee self evaluation
 - Manager rates Goals and Competencies
- **Other Tools**
 - Bonus / Incentive opportunities
 - Performance Improvement Plan (PIP)



Capital Project Updates



Capital Projects Update: RF&P Corridor

| Project | Project Cost (\$M) | Completion Year | Project Lead | CD | PE | EC | FD | CN | Notes |
|-------------------------------------|--------------------|-----------------|--------------|----|----|----|----|----|---|
| New Long Bridge for Passenger Rail | \$2 B | 2030 | VPRA | ■ | ● | ■ | | | Stakeholder meetings underway, discussions with DDOT regarding a MOA and funding opportunities continue. Survey & geotechnical work in process. |
| Alexandria Fourth Track | \$164 | 2025 | CSX | ■ | ■ | ■ | ● | | Alexandria 4 th Track design agreement executed August 2, 2021. CSX mobilizing resources for design task. VPRA working with stakeholders to incorporate Amtrak Crystal City Station. Early Works Crash Wall Project: design revisions complete, contractor expects to re-mobilize on-site by 9/27 with construction completion anticipated for early November. |
| Franconia to Lorton Third Mainline | \$208 | 2025 | CSX | ● | | ■ | | | Working on the Project Authorization Notice with CSXT. |
| Franconia-Springfield Bypass | \$298 | 2026 | VPRA | ● | | ■ | | | Interviews with proposers for preliminary engineering (30% design) underway. |
| Railroad Bridge over Newington Road | \$38 | 2025 | CSX | ● | | ■ | | | Draft interagency funding agreement between VDOT & VPRA is underway. Draft with VDOT for review. |
| Railroad Bridge over Route 1 | \$49 | 2025 | CSX | ● | | ■ | | | Awaiting authorization for VDOT signature. All language and terms are finalized. VDOT exploring whether CTB authorization is needed. |

CD = Conceptual Design;

■ = Complete

PE = Preliminary Engineering;

● = Ongoing

EC = Environmental Clearance;

▲ = On Hold

FD = Final Design;

CN = Construction



Capital Projects Update: RF&P Corridor (Continued)

| Project | Project Cost (\$M) | Completion Year | Project Lead | CD | PE | EC | FD | CN | Notes |
|--|--------------------|-----------------|--------------|----|----|----|----|----|---|
| Potomac Creek Third Track (Siding A) | \$108 | 2025 | CSX | ● | | ■ | | | Draft Project Authorization Notices with CSXT targeted Fall 2021. |
| Woodford to Milford Third Track (Siding B) | \$67 | 2025 | CSX | ● | | ■ | | | Draft Project Authorization Notices with CSXT targeted Fall 2022. |
| Hanover Third Track (Siding C) | \$59 | 2025 | CSX | ● | | ■ | | | Draft Project Authorization Notices with CSXT targeted Fall 2023. |
| Neabsco Creek to Woodbridge Third Track (Siding D) | \$91 | 2030 | CSX | ● | | ■ | | | No Update - Phase 2 Project |
| Aquia Creek Third Track South (Siding E) | \$53 | 2028 | CSX | ● | | ■ | | | No Update - Phase 2 Project |
| Crossroads Third Track (Siding F) | \$93 | 2030 | CSX | ● | | ■ | | | No Update - Phase 2 Project |

Capital Projects Update: Western Rail Initiative

| Project | Project Cost (\$M) | Completion Year | Project Lead | CD | PE | EC | FD | CN | Notes |
|-------------------------|--------------------|-----------------|--------------|----|----|----|----|----|--|
| Nokesville to Calverton | \$50M | 2025 | NS | ● | | | | | 7 miles of double track. LONP signed on June 9, 2021. |
| Roanoke West Yard | \$35M | 2025 | NS | ● | | | | | Bypass Track. LONP signed on June 9, 2021. |
| Salem to Christiansburg | \$50M | 2025 | VPRA | ● | | | | | Planning and feasibility study for station location by consultants underway. |

Note: Project costs will be added to VPRA budget once definitive agreements between VPRA and Norfolk Southern are finalized; LONP = Letter of No Prejudice

Capital Grant Update: Other Major Construction Projects

| Project | Project Cost (\$M) | Completion Year | Project Lead | CD | PE | EC | FD | CN | Notes |
|-----------------------------|--------------------|-----------------|--------------|----|----|----|----|----|--|
| L'Enfant Fourth Track | \$80* | 2028 | VRE | ■ | ● | ● | | | *VRE led project, \$22M from VPRA financial plan. VRE is working on survey. |
| Arkendale to Powell's Creek | \$101* | 2022 | CSX | ■ | ■ | ■ | ■ | ● | 3 rd track construction. \$74.8M Federal ARRA Grant expended in 2017. *\$26.6M State Commonwealth Rail Funds. Construction 83% complete. CSX to begin signal construction. Completion of track construction work from Possum Pt. to North Possum Pt. in fall 2021. |
| Quantico Station | \$24 | 2023 | VRE | ■ | ■ | ■ | ● | | Quantico Station improvements part of Arkendale 3 rd Track Project. VRE will construct passenger elements and CSX will construct track. \$24M in State SmartScale and Commonwealth Rail Funds. NTP issued by VRE to contractor on July 8, 2021. Estimated completion December 2023. |
| Newport News Station | \$44* | 2022 | City of NPN | ■ | ■ | ■ | ■ | ● | Relocation and construction of new multimodal transportation center on Bland Boulevard. *\$20.5M from VPRA financial plan. Construction 30% complete. Utilities and grading work substantially complete, track construction underway. |

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■ = Complete

PE = Preliminary Engineering;

● = Ongoing

EC = Environmental Clearance;

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Financial Updates



VPRA Financial Report – August FY22

| Budget Component (\$ in millions) | FY22 Budget | FY22 Pro Rata Budget | FY22 YTD Actual | Variance | |
|--------------------------------------|----------------|----------------------|-----------------|---------------|------------|
| | | | | Amount | % |
| Operations | \$51.2 | \$8.6 | \$4.2 | \$4.4 | 51% |
| Capital Projects | 321.1 | 20.3 | 1.4 | 18.9 | 93% |
| Capital Grants | 80.4 | 13.6 | 0.9 | 12.7 | 93% |
| Total | \$452.7 | \$42.5 | \$6.5 | \$36.0 | 85% |

- The current pro-rata budget excludes the one-time payment to CSX required on November 30th. That planned outflow of \$200M will be added to the pro-rata budget for November's report.

Operations Budget – FY2022

- VPRA is still receiving credits of federal stimulus funds that Amtrak is applying to the monthly bills. At the time of budget development, the amount and timing of these credits were not known and therefore not included.

| Project Description (\$ in Millions) | FY22 Budget | FY22 Pro Rata Budget | FY22 YTD Actuals | Variance |
|---|----------------|----------------------------|---------------------|--------------|
| Administration | \$5.2 | \$0.9 | \$0.4 | \$0.5 |
| Passenger Service | | | | |
| Operations | 40.0 | 6.7 | 2.9 | 3.8 |
| Capital Equipment | 5.1 | 0.8 | 0.7 | 0.1 |
| Subtotal | 45.1 | 7.5 | 3.6 | 3.9 |
| Marketing | 0.9 | 0.2 | 0.2 | - |
| Total Operating | \$51.2 | \$8.6 | \$4.2 | \$4.4 |

Administrative Budget – FY2022

| Category | FY22 Budget | FY22 Pro Rata Budget | FY22 YTD Actuals | Variance |
|--------------------------------------|--------------------|----------------------|------------------|------------------|
| Payroll | \$3,423,000 | \$570,500 | \$226,237 | \$344,263 |
| Training Travel Other | 138,700 | 23,117 | - | 23,117 |
| Office Functions | 12,300 | 2,050 | - | 2,050 |
| Outside Support Services | 531,000 | 88,500 | 144,143 | (55,643) |
| Information Technology | 904,000 | 150,666 | 20,299 | 130,367 |
| Office Building & Related | 157,000 | 26,167 | 43,424 | (17,257) |
| Total | \$5,166,000 | \$861,000 | \$434,103 | \$426,897 |

- The office rent was paid for the full year as required by the lease
- Payroll costs should increase significantly in the coming months as the onboarding of employees accelerates
- The information technology budget exists to cover ongoing costs as well as the acquisition of an ERP system

Capital Project Expenditures – FY2022

| Project Description (\$ in Millions) | FY22 Budget | FY22 Pro Rata Budget | FY22 YTD Actual | Variance |
|---|----------------|----------------------------|--------------------|---------------|
| New Long Bridge for Passenger Rail | \$7.5 | \$1.3 | \$0.5 | \$0.8 |
| Alexandria 4th Track | 38.4 | 6.4 | 0.1 | 6.3 |
| Franconia to Lorton 3rd Mainline | 5.4 | 0.9 | 0.1 | 0.8 |
| Franconia-Springfield Bypass | 23.1 | 3.9 | 0.1 | 3.8 |
| Richmond to DC Sidings - Phase 1 | 25.1 | 4.2 | 0.1 | 4.1 |
| Richmond to DC Sidings - Phase 2 | - | - | 0.1 | (0.1) |
| TRV Right of Way Acquisition | 200.0 | - | 0.2 | (0.2) |
| TRV Other Infrastructure | 19.8 | 3.3 | - | 3.3 |
| Total TRV | \$319.3 | \$20.0 | 1.2 | \$18.8 |
| Purchase of St. Julian's Yard: Amtrak Train Service Facility | 1.8 | 0.3 | - | 0.3 |
| Western Rail Initiative | - | - | 0.2 | (0.2) |
| Total | \$321.1 | \$20.3 | \$1.4 | \$18.9 |

Note: See operational report on capital projects for variance explanation.

Capital Grant Expenditures – FY2022

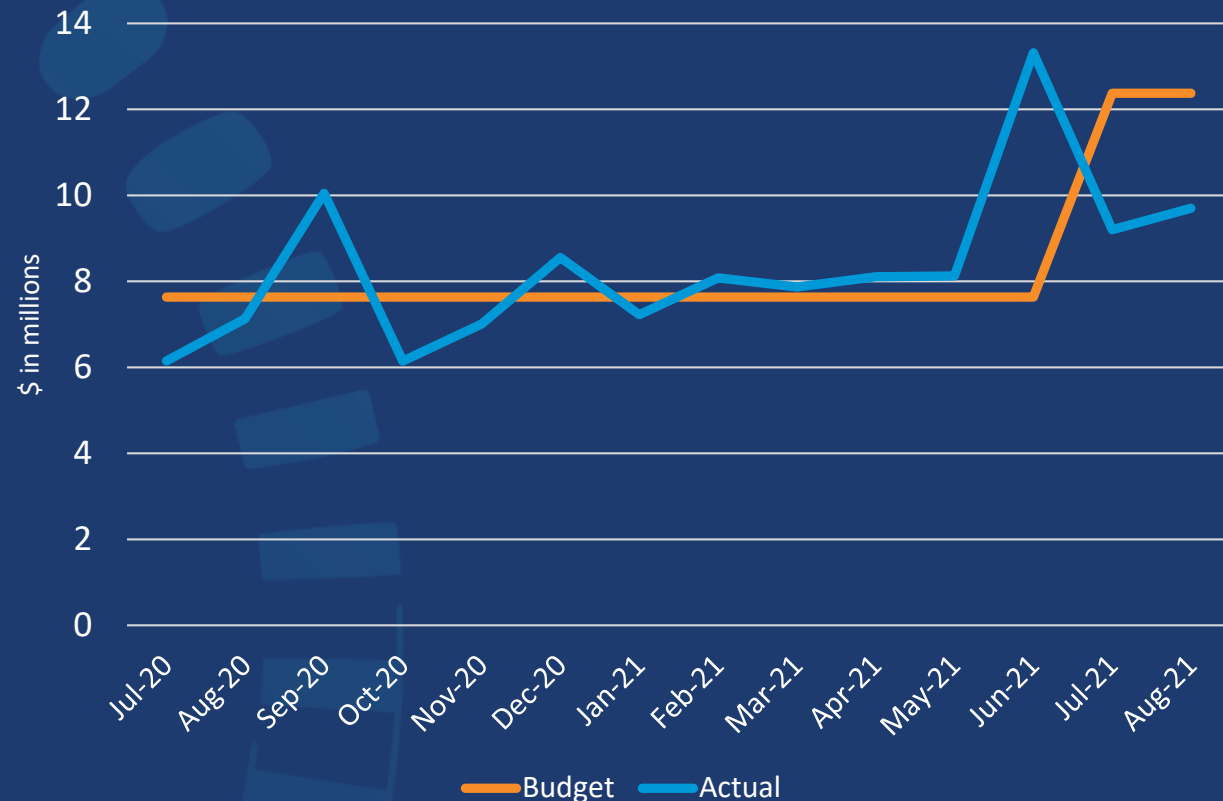
| Project Description (\$ in millions) | Grantee | FY22 Budget | FY22 Pro Rata Budget | FY22 YTD Actual | Variance |
|---|---------------------|----------------|----------------------------|-----------------------|---------------|
| Crystal City Platform Study | VRE | \$0.7 | \$0.1 | - | \$0.1 |
| L'Enfant Platform Study | VRE | 1.1 | 0.2 | - | 0.2 |
| Alexandria Station Pedestrian Tunnel | VRE | 8.6 | 1.4 | - | 1.4 |
| Brooke/Leeland Road/Potomac Shores Station Improvements | VRE | 9.7 | 1.6 | - | 1.6 |
| Broad Run Station & 3rd Track Improvements | VRE | 0.4 | 0.1 | - | 0.1 |
| Manassas Station Platform Extension | VRE | 2.3 | 0.4 | - | 0.4 |
| Manassas Park Parking Garage and Bridge | VRE | 3.9 | 0.7 | - | 0.7 |
| Quantico Station Improvements | VRE | 7.4 | 1.2 | - | 1.2 |
| Track Lease Payments - VRE | VRE | 14.5 | 2.4 | - | 2.4 |
| Newport News Station, Platform, and Service Facility | Newport News | 5.1 | 0.9 | 0.9 | 0.0 |
| Ettrick Station Improvements | Chesterfield County | 0.5 | 0.1 | - | 0.1 |
| Amtrak Passenger Information Display System | Amtrak/DRPT | 0.4 | 0.1 | - | 0.1 |
| Amtrak Station State-of-Good-Repair | Amtrak | 3.3 | 0.6 | - | 0.6 |
| Positive Train Control | Amtrak | 1.8 | 0.3 | - | 0.3 |
| Arkendale to Powell's Creek Third Track Construction | CSX | 5.3 | 0.9 | - | 0.9 |
| Improvements Lynchburg to Roanoke | Norfolk Southern | 7.5 | 1.3 | - | 1.3 |
| Route 29 Rail Corridor Improvements | Norfolk Southern | 7.9 | 1.3 | - | 1.3 |
| Total | | \$80.4 | \$13.6 | \$0.9 | \$12.7 |

Note: See operational report on capital grants for variance explanation

VPRA Monthly Revenues

Trend Analysis – July 2020 to Present

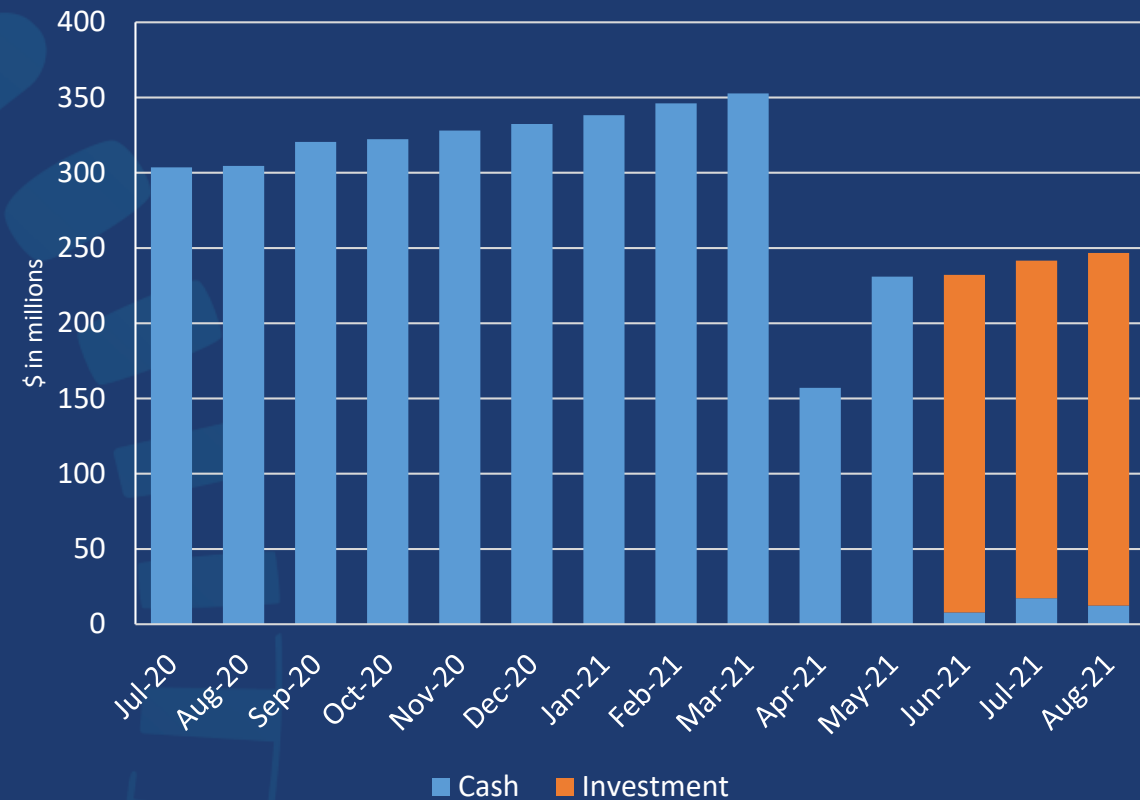
- FY 2022 revenues are \$5.9M less than anticipated.
- The shortfall in July and August is caused by fuel tax revenues that were not allocated in July and August. This source is approximately 20% of the total revenues received from the Transportation Trust Fund.



VPRA Cash & Investment Balance

Trend Analysis – July 2020 to Present

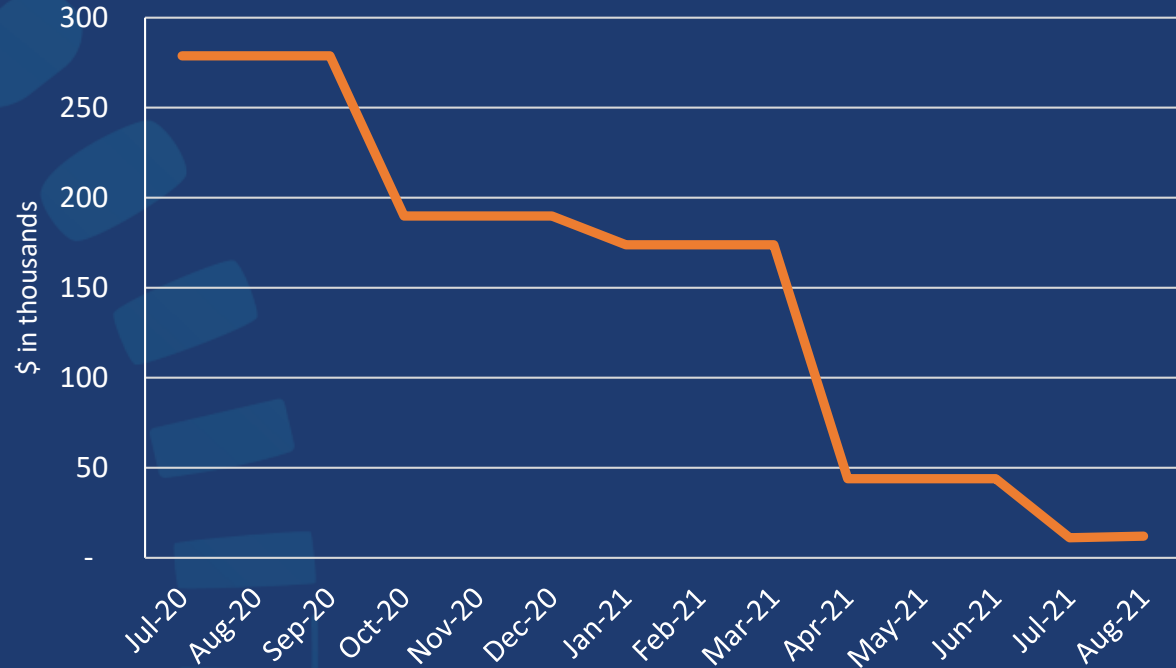
- \$234M is now invested in Virginia Local Government Investment Pool (LGIP).
- The proposed investment policy will enable the Authority to effectively manage available cash and seek new investment strategies.



VPRA Cash & Investment Earnings

Trend Analysis – July 2020 to Present

- FY22 return on the LGIP fund is roughly 0.05%, a significant decrease from the July 2020 rate of approximately 0.4%.
- In the coming months, sources and uses of funds will be modeled to allow the Authority to seek a higher return within the parameters of the Board approved investment policy.



THANK YOU

Questions?

