

VIRGINIA PASSENGER RAIL AUTHORITY



APPROVED FISCAL YEAR 2022 AMENDED BUDGET

BUDGET OVERVIEW

BUDGET OBJECTIVE		
To compile accurate data reflective of the Authority's operations and future commitments in order to provide guidance and inform decision making to enable the Authority to deliver its program wide objectives.		
BUDGET CLASSIFICATIONS		
<u>OPERATIONS</u>	<u>CAPITAL PROJECTS</u>	<u>CAPITAL & OPERATING GRANTS</u>
Expenditures related to the core passenger rail service operations.	Expenditures for rail infrastructure that will be retained by the Authority as a capital asset.	Funds provided to third party entities to build and improve their rail infrastructure or operate their rail service.

The FY22 budget has been amended utilizing the best available data to capture the total project budget and forecasted annual expenditures based on known changes since December of 2020. The following sections summarize the key changes from the original budget adopted in May of 2021 by budget classification.

OPERATIONS

The amended FY22 operations budget decreased \$33.1M, primarily due the change in net train operations. The drivers of this decrease relate to two new roundtrip services that have been delayed to FY23, additional federal credits applied by Amtrak to train operations expenses, and ticket revenues exceeding the initial FY22 forecast. Administrative expenses have increased \$1.4M or 28% over the approved FY22 budget amount. The budget has been updated to reflect the accelerated hiring of VPRA employees and additional professional service needs. It is important to note that the presentation of the Operations Budget has been modified to report train operations revenues and expenses gross, as opposed to the net presentation in the original budget. A comparison between the net FY22 Approved Budget and gross FY22 Amended Budget has been included herein.

CAPITAL PROJECTS

The total capital projects budget has increased \$358.3M, of this amount \$209.9M relates to the capital project components of the Western Rail Corridor that were not included in the original budget. Additionally, there was a net increase of \$148.3M related to the I-95 Corridor capital project elements. The primary driver of this increase is the budget alignment to the executed Comprehensive Rail Agreement ('CRA') between DRPT and CSX which was finalized on March 26, 2021.

CAPITAL AND OPERATING GRANTS

The total capital and operating grants budget had a net increase of \$129.0M. A net total of \$55.7M of grant expenditures have been removed from the budget as the underlying project is no longer moving forward or was reclassified between budget components. Additionally, the VRE grants were reduced by \$31.1M due to project scope changes offset by two new projects funded by CTB allocated funds. Other additions to the budget include \$168.5M related to the Western Rail Corridor, \$24.6M of increases to the positive train control and station related grants, and \$22.7M of grants that are managed by DRPT but funded by the VPRA. Although VPRA will not provide the oversight on the DRPT grants, the expected cash flows will be included for cash management and decision-making purposes.

OPERATIONS BUDGET

- One year budget (FY2022)
- Anticipated expenditures using an accrual basis
- Two main elements:
 1. Passenger Train Operations
 2. Administrative Expenses

VIRGINIA PASSENGER RAIL AUTHORITY

OPERATIONS BUDGET

(IN MILLIONS)

Operations Category	FY22 Amended Budget
Train Operating Revenues	
Train Revenue	28.5
Food Service Revenue	0.9
Other Revenue	0.5
NEC Through Revenue	24.3
Total Operating Revenues	\$54.2
Train Operations Expense ①	
Route Costs and Additives	36.9
Fuel Costs	2.5
NEC Through Credit Expense	15.1
Host Railroad Costs	1.9
Host RR Performance Incentives	1.9
Total Train Operations Expense	\$58.3
Other Operating Expenses	
Capital Equipment Maintenance ②	5.6
Bedford Amtrak Thruway Intercity Bus Connector	-
Amtrak Marketing Costs	0.9
I-95 Corridor Maintenance of Way (VRE Access Rate) ③	-
Insurance	0.5
Depreciation ④	0.4
Administrative Budget	6.6
Total Operating Expenses	\$72.3
Additional Funding Required	\$18.1
<i>Federal Credits Applied to Train Operations Expense</i>	10.3
Additional Funding Required - Without Federal Credits	\$28.4
Overall Cost Recovery	75%
Overall Cost Recovery - Without Federal Credits	66%

① Train operations expenses have been ratably reduced by federal credits applied by Amtrak

② Route 46 Equipment Maintenance expenses covered by existing receivable from Amtrak

③ Per CSX Agreement, VRE access rate covers VPRA track maintenance; FY22 covered by VRE

④ Non-cash operating expense

VIRGINIA PASSENGER RAIL AUTHORITY

OPERATIONS BUDGET

FY22 Approved - FY22 Amended
(IN MILLIONS)

Operations Category	FY22 Approved Budget	FY22 Amended Budget	Change (\$)
Net Train Operations	\$39.7	\$4.1	(\$35.6)
Capital Equipment Maintenance	5.1	5.6	0.5
Amtrak Marketing Costs	0.9	0.9	-
Administrative Budget	5.2	6.6	1.4
Bedford Amtrak Thruway Intercity Bus Connector	0.3	-	(0.3)
Insurance	-	0.5	0.5
Depreciation	-	0.4	0.4
Total Operating Budget	\$51.2	\$18.1	(\$33.1)

Note: The FY22 Amended Operations Budget has been revised to report train operations with gross revenues and expenses. The FY22 Approved Operations Budget detailed the train operations with expenses net of revenues. The table above compares the FY22 Amended Budget to the net train operations expense included in the FY22 Approved Budget.

VIRGINIA PASSENGER RAIL AUTHORITY
AMTRAK OPERATING REVENUES AND EXPENSES BY ROUTE
(IN MILLIONS)

Train Operations Category	Route 46 Roanoke	Route 47 Newport News	Route 50 Norfolk	Route 51 Richmond	Total FY22 Amended Budget
	1 Train	2 Trains	2 Trains	1 Train	
Revenues					
Train Revenue	\$6.7	\$10.9	\$9.2	\$1.7	\$28.5
Food Service Revenue	0.2	0.4	0.2	0.1	0.9
Other Revenue	0.1	0.2	0.2	0.0	0.5
NEC Through Revenue	6.0	8.0	8.0	2.3	24.3
Total Revenue	\$13.0	\$19.5	\$17.6	\$4.1	\$54.2
Expenses					
Route Costs and Additives	7.9	12.6	13.8	2.6	36.9
Fuel Costs	0.6	0.9	0.8	0.2	2.5
NEC Through Credit Expense	3.9	5.2	5.0	1.0	15.1
Host Railroad Costs	0.5	0.4	0.9	0.1	1.9
Host RR Performance Incentives	0.1	0.6	1.1	0.1	1.9
Total Train Operations	\$13.0	\$19.7	\$21.6	\$4.0	\$58.3
Capital Equipment Maintenance	1.0	1.5	2.4	0.7	5.6
Other Operating Expense	0.3	0.6	0.6	0.3	1.8
Net Operating Income/(Loss)	(\$1.3)	(\$2.3)	(\$7.0)	(\$0.9)	(\$11.5)
Total Federal Credits Applied	(\$1.9)	(\$3.4)	(\$3.3)	(\$1.7)	(\$10.3)

VIRGINIA PASSENGER RAIL AUTHORITY

ADMINISTRATIVE BUDGET

Expense Category	FY22 Adopted Budget	FY22 Amended Budget	Change (\$)
Payroll & Benefits	\$3,423,000	\$3,998,000	\$575,000
Professional Services	531,000	1,190,000	659,000
Information Technology	904,000	1,067,000	163,000
Building & Office Related	157,000	181,000	24,000
Other Employee Costs	151,000	200,000	49,000
Total	\$5,166,000	\$6,636,000	\$1,470,000

CAPITAL PROJECTS

- **Total Budget** - Full project costs including expected expenditures past the end of the budget period.
- **Total FY22-FY27** - Total forecasted expenditures for the listed project during the seven year forecast period of FY2022 through FY2027.

VIRGINIA PASSENGER RAIL AUTHORITY

CAPITAL PROJECTS

(IN MILLIONS)

Project Description	Estimate Level	Total Amended Budget	Expenses June 30, 2021	Amended FY22	FY23	FY24	FY25	FY26	FY27	Total FY22 - FY27
I-95 Corridor										
New Long Bridge for Passenger Rail	2	\$2,039.3	\$4.6	\$24.3	\$31.1	\$18.5	\$36.8	\$157.4	\$557.6	\$825.7
Alexandria 4th Track	3	210.4	0.2	10.4	42.6	45.9	63.4	47.9	-	210.2
Franconia to Lorton 3rd Mainline	3	208.5	0.1	6.1	10.9	59.5	103.1	28.8	-	208.4
Franconia-Springfield Bypass	2	241.4	0.2	4.0	10.2	12.3	79.6	86.4	48.7	241.2
Richmond to DC Sidings - Phase 1	2	233.1	0.1	0.9	12.8	24.6	124.3	70.4	-	233.0
Richmond to DC Sidings - Phase 2	2	236.4	0.3	0.3	0.3	0.3	0.3	8.8	16.0	26.0
TRV Right of Way Acquisition	7	525.0	200.0	200.0	125.0	-	-	-	-	325.0
TRV Right of Way Transaction Costs	7	38.0	10.4	12.0	10.6	5.0	-	-	-	27.6
Newington Bridge	2	36.2	-	0.1	3.0	14.5	17.9	0.7	-	36.2
Route 1 Bridge	2	57.4	-	0.1	3.6	13.8	30.9	9.0	-	57.4
L'Enfant 4th Track	1	22.4	0.1	0.7	1.1	1.1	1.5	6.0	6.0	16.4
Richmond Layover Facility	1	35.6	-	0.1	3.0	14.3	17.6	0.6	-	35.6
Lorton to Route 1	1	20.8	-	0.6	1.1	5.9	10.2	3.0	-	20.8
Other TRV Infrastructure	1	1.9	-	0.5	1.4	-	-	-	-	1.9
Western Rail Corridor										
Salem Right of Way Acquisition	7	38.0	-	38.0	-	-	-	-	-	38.0
New River Valley Platform & Track Improvements	1	74.2	-	1.0	9.8	14.2	25.4	23.8	-	74.2
V-Line Tunnels	1	47.9	-	-	15.5	16.0	16.4	-	-	47.9
Capital Improvements - Bridges	1	14.3	-	-	1.7	1.6	1.7	1.7	1.8	8.5
Capital Improvements - Other	1	22.5	-	-	3.2	6.5	2.3	2.1	2.2	16.3
Salem Right of Way Transaction Costs	7	13.0	0.4	12.6	-	-	-	-	-	12.6
Other										
Purchase of St. Julian's Yard: Amtrak Service Facility	7	1.9	-	1.9	-	-	-	-	-	1.9
Total Capital Projects		\$4,118.2	\$216.4	\$313.6	\$286.9	\$254.0	\$531.4	\$446.6	\$632.3	\$2,464.8

Estimate Level 1: Rough Order of Magnitude 2: Conceptual Design 3: 30% Design 4: 60% Design 5: Final Design 6: Construction 7: Explicit Cost

VIRGINIA PASSENGER RAIL AUTHORITY
CAPITAL PROJECTS
FY22 Approved - FY22 Amended
(IN MILLIONS)

Project Description	FY22 Total Approved Budget	FY22 Total Amended Budget	Change (\$)
I-95 Corridor			
New Long Bridge for Passenger Rail	\$1,979.3	\$2,039.3	\$60.0
Alexandria 4th Track	163.8	210.4	46.6
Franconia to Lorton 3rd Mainline	161.7	208.5	46.8
Franconia-Springfield Bypass	342.2	241.4	(100.8)
Richmond to DC Sidings - Phase 1	233.1	233.1	-
Richmond to DC Sidings - Phase 2	236.4	236.4	-
TRV Right of Way Acquisition	525.0	525.0	-
TRV Right of Way Transaction Costs	-	38.0	38.0
Newington Bridge	22.4	36.2	13.8
Route 1 Bridge	15.0	57.4	42.4
L'Enfant 4th Track	24.2	22.4	(1.8)
Amtrak New Equipment	55.0	-	(55.0)
Richmond Layover Facility	-	35.6	35.6
Lorton to Route 1	-	20.8	20.8
Other I-95 Corridor Projects	-	1.9	1.9
Western Rail Corridor			
Salem Right of Way Acquisition	-	38.0	38.0
New River Valley Platform & Track Improvements	-	74.2	74.2
V-Line Tunnels	-	47.9	47.9
Capital Improvements - Bridges	-	14.3	14.3
Capital Improvements - Other	-	22.5	22.5
Salem Right of Way Transaction Costs	-	13.0	13.0
Other			
Purchase of St. Julian's Yard: Amtrak Service Facility	1.8	1.9	0.1
Total Capital Projects	\$3,759.9	\$4,118.2	\$358.3

CAPITAL & OPERATING GRANTS

- **Total Project Budget** – All funding for a project including funds that do not pass through the VPRA financial system of controls.
- **Total VPRA Budget FY22-FY27** – Funding that flows through the VPRA financial system of controls for a grant, expected to be spent during the forecast period of FY2022 through FY2027.
- **VPRA Grant Funding** – Total funding that flows through the VPRA financial system of controls for a grant.

VIRGINIA PASSENGER RAIL AUTHORITY
CAPITAL & OPERATING GRANTS
(IN MILLIONS)

Project Description	Grantee	Total Project Budget	Expenses June 30, 2021	Amended FY22	FY23	FY24	FY25	FY26	FY27	Total VPRA Budget FY22-FY27	VPRA Grant Funding	VPRA Funding %
VPRA Managed												
Crystal City Platform	VRE	\$50.1	-	-	\$0.7	-	-	-	-	\$0.7	\$0.7	1%
L'Enfant Platform	VRE	84.6	-	0.4	1.4	0.4	-	-	-	2.2	2.2	3%
Alexandria Station Pedestrian Tunnel	VRE	30.9	-	-	3.8	3.0	-	-	-	6.8	6.8	22%
Brooke & Leeland Road Station Improvements	VRE	20.6	-	-	2.9	2.6	0.6	4.7	7.4	18.2	18.2	89%
Broad Run Station & 3rd Track Improvements	VRE	164.4	3.1	26.7	33.0	10.4	-	-	-	70.1	73.2	45%
Manassas Station Platform Extension	VRE	9.1	-	-	0.3	1.6	3.2	4.0	-	9.1	9.1	100%
Manassas Park Parking Garage	VRE	30.4	-	2.1	21.4	-	-	-	-	23.5	23.5	77%
Real Time Multimodal Information	VRE	3.5	-	-	1.8	1.7	-	-	-	3.5	3.5	100%
Quantico Station Improvements	VRE	24.0	1.0	8.9	10.2	3.9	-	-	-	23.0	24.0	100%
Rolling Road Platform Extensions	VRE	5.0	0.1	0.9	-	-	-	-	-	0.9	1.0	20%
Backlick Road Station Improvement	VRE	6.0	-	-	-	0.1	-	0.1	0.3	0.5	0.5	8%
Crossroads Storage Expansion	VRE	8.4	-	0.3	0.4	2.4	5.3	-	-	8.4	8.4	100%
Track Lease Payment-Amtrak	VRE ①	47.8	-	-	5.7	5.7	5.7	5.7	5.8	28.6	28.6	84%
Track Lease Payment-Norfolk Southern	VRE ①	22.7	-	-	2.7	2.7	2.7	2.7	2.8	13.6	13.6	84%
Newport News Station, Platform, and Service Facility	Newport News	43.9	5.3	5.2	5.0	5.0	-	-	-	15.2	20.5	47%
Ettrick Station Improvements – State-of-Good-Repair	Chesterfield County	11.5	-	-	0.5	1.0	5.0	5.0	-	11.5	11.5	100%
Arkendale to Powell's Creek Third Track Construction & Island Platforms	CSX	101.4	81.3	4.0	5.5	5.5	5.1	-	-	20.1	101.4	100%

① VRE did not request track lease assistance for FY22.

VIRGINIA PASSENGER RAIL AUTHORITY

CAPITAL & OPERATING GRANTS

(IN MILLIONS)

Project Description	Grantee	Total Project Budget	Expenses June 30, 2021	Amended FY22	FY23	FY24	FY25	FY26	FY27	Total VPRA Budget FY22-FY27	VPRA Grant Funding	VPRA Funding %
VPRA Managed (Continued)												
Amtrak Passenger Information Display System: Ashland & Richmond Main St. Stations	Amtrak/DRPT	\$1.2	-	\$0.4	\$0.4	\$0.4	-	-	-	\$1.2	\$1.2	100%
Station Program & Planning	Amtrak	20.6	-	2.8	2.4	2.0	4.4	4.0	2.5	18.1	20.6	100%
Positive Train Control	Amtrak	15.6	0.2	-	15.4	-	-	-	-	15.4	15.6	100%
Amtrak Train Equipment - New Service	Amtrak	34.0	-	-	16.0	-	-	18.0	-	34.0	34.0	100%
Western Rail Initiative Grant	Norfolk Southern	131.5	-	13.1	26.2	13.1	13.2	13.2	13.2	92.0	131.5	100%
Roanoke Yard Improvements	Norfolk Southern	37.0	-	5.0	20.0	12.0	-	-	-	37.0	37.0	100%
S-Line Planning & Development	Various	1.5	-	0.5	1.0	-	-	-	-	1.5	1.5	100%
Total VPRA Managed		905.7	91.0	70.3	176.7	73.5	45.2	57.4	32.0	455.1	588.1	65%
DRPT Managed												
DC2RVA FRA Grant Match	Various	6.6	-	0.3	0.8	0.2	-	-	-	1.3	1.3	20%
DRPT Planning Grants	Various	1.9	-	0.5	1.0	0.4	-	-	-	1.9	1.9	100%
Marshalling Yard Expansion	Port Authority	7.8	-	0.5	1.1	4.1	2.1	-	-	7.8	7.8	100%
Central Rail Yard Expansion	Port Authority	5.5	-	1.7	2.5	1.3	-	-	-	5.5	5.5	100%
Front Royal Expansion	Port Authority	6.2	-	1.2	3.7	1.3	-	-	-	6.2	6.2	101%
Total DRPT Managed		28.0	-	4.2	9.1	7.3	2.1	-	-	22.7	22.7	81%
Total Capital and Operating Grants		\$933.7	\$91.0	\$74.5	\$185.8	\$80.8	\$47.3	\$57.4	\$32.0	\$477.8	\$610.8	

VIRGINIA PASSENGER RAIL AUTHORITY
CAPITAL & OPERATING GRANTS
FY22 Approved - FY22 Amended
(IN MILLIONS)

Project Description	Grantee	FY22 VPRA Grant Funding		Change
		Approved Budget	Amended Budget	(\$)
VPRA Managed				
Crystal City Platform	VRE	\$0.7	\$0.7	-
L'Enfant Platform	VRE	2.2	2.2	-
Alexandria Station Pedestrian Tunnel	VRE	19.5	6.8	(12.7)
Brooke & Leeland Road Station Improvements	VRE	35.8	18.2	(17.6)
Broad Run Station & 3rd Track Improvements	VRE	65.3	70.1	4.8
Manassas Station Platform Extension	VRE	9.2	9.1	(0.1)
Manassas Park Parking Garage and Bridge	VRE	23.5	23.5	-
Real Time Multimodal Information	VRE	3.5	3.5	-
Quantico Station Improvements	VRE	23.3	23.0	(0.3)
Rolling Road Platform Extensions	VRE	0.2	0.9	0.7
Backlick Road Station Improvement	VRE	-	0.5	0.5
Crossroads Storage Expansion	VRE	-	8.4	8.4
Track Lease Payment-Amtrak	VRE	38.4	28.6	(9.8)
Track Lease Payment-Norfolk Southern	VRE	18.6	13.6	(5.0)
Newport News Station, Platform, and Service Facility	Newport News	15.2	15.2	-
Ettrick Station Improvements – State-of-Good-Repair	Chesterfield County	1.5	11.5	10.0
Arkendale to Powell's Creek Third Track Construction & Island Platforms	CSX	20.1	20.1	-

Note: \$24.7M of obligations fulfilled in FY21 have been removed from approved budget amounts for comparative purposes.

VIRGINIA PASSENGER RAIL AUTHORITY
CAPITAL & OPERATING GRANTS
FY22 Approved - FY22 Amended
(IN MILLIONS)

Project Description	Grantee	FY22 VPRA Grant Funding		Change
		Approved Budget	Amended Budget	(\$)
VPRA Managed (Continued)				
Amtrak Passenger Information Display System: Ashland & Richmond Main St. Stations	Amtrak/ DRPT	\$1.2	\$1.2	-
Station Program & Planning	Amtrak	16.1	20.6	4.5
Positive Train Control	Amtrak	6.8	15.4	8.6
Amtrak Train Equipment - New Service	Amtrak	-	34.0	34.0
Route 29 Rail Corridor Improvements	Norfolk Southern	31.6	-	(31.6)
Improvements Lynchburg to Roanoke	Norfolk Southern	21.0	-	(21.0)
Track Lease Payment- CSX	CSX	37.1	-	(37.1)
Western Rail Initiative Grant	Norfolk Southern	-	131.5	131.5
Roanoke Yard Improvements	Norfolk Southern	-	37.0	37.0
S-Line Planning and Development	Various	-	1.5	1.5
Total VPRA Managed		390.8	497.1	106.3
DRPT Managed				
DC2RVA FRA Grant Match	Various	-	1.3	1.3
DRPT Planning Grants	Various	-	1.9	1.9
Marshalling Yard Expansion	Port Authority	-	7.8	7.8
Central Rail Yard Expansion	Port Authority	-	5.5	5.5
Front Royal Expansion	Port Authority	-	6.2	6.2
Total DRPT Managed		-	22.7	22.7
Total Capital and Operating Grants		\$390.8	\$519.8	\$129.0

Note: \$24.7M of obligations fulfilled in FY21 have been removed from approved budget amounts for comparative purposes.