

February 1, 2022

Executive Director's Report





Executive Director Update

DJ Stadtler, Executive Director, VPRA

VPRA Administrative Updates

- The Commonwealth of Virginia and Norfolk Southern (NS) finalized a definitive agreement that will increase existing Amtrak service to Roanoke and expand service to the New River Valley
 - The Comprehensive Rail Agreement was signed on January 10, 2022, after the VPRA Board authorized the Executive Director to execute the agreement
 - The agreement will go into effect upon financial close in mid 2022 once title work, environmental due diligence, and STB approval are complete
- Amtrak is temporarily cancelling some service nationwide due to staff shortage
 - Employees calling in sick due to COVID, coupled with high attrition rate has led to severe staff shortage
 - One of two Virginia Supported Newport News round trips has been cancelled through March 27, 2022
 - These cancellations affect state supported as well as Amtrak long distance service nationwide



VPRA Administrative Updates (Continued)

- Virginia will participate in Amtrak's National Valentine's Day Free Companion Sale
 - Sale Dates: February 9 – 16, 2022
 - Travel Dates: March 1 – August 31, 2022
 - No Blackouts



VPRA Administrative Updates (Continued)

Staffing

- Current Employee Count: 16 FTEs
- Current Openings: 13 FTEs
- Offers Accepted: 5

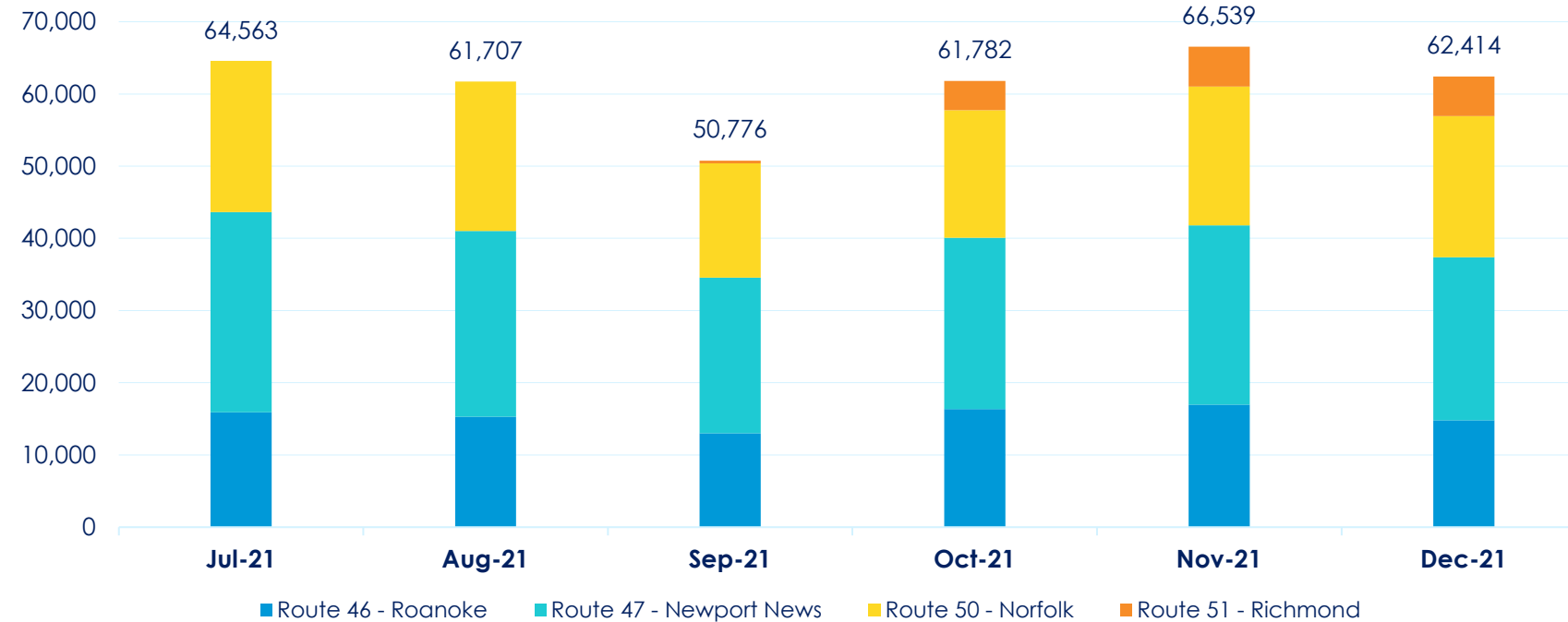
January Hiring Activities

- Cheryl Openshaw, Program Oversight Manager, started on January 25, 2022
- John Kostyniuk, Director of Procurement, started on January 25, 2022
- Rachel Harvey, Project Engineer, starts on February 10, 2022
- MaryEstelle Douglas, Executive Assistant, starts on February 10, 2022
- Three other positions have been accepted
- Interviews continue to be held for multiple positions

State-Supported FY-22 Monthly Ridership

- Ridership declined by 6.2% in December (-4,125) compared to the previous month.
- The increase in Omicron variant cases starting in mid-December 2021, may have contributed to the decline in ridership.

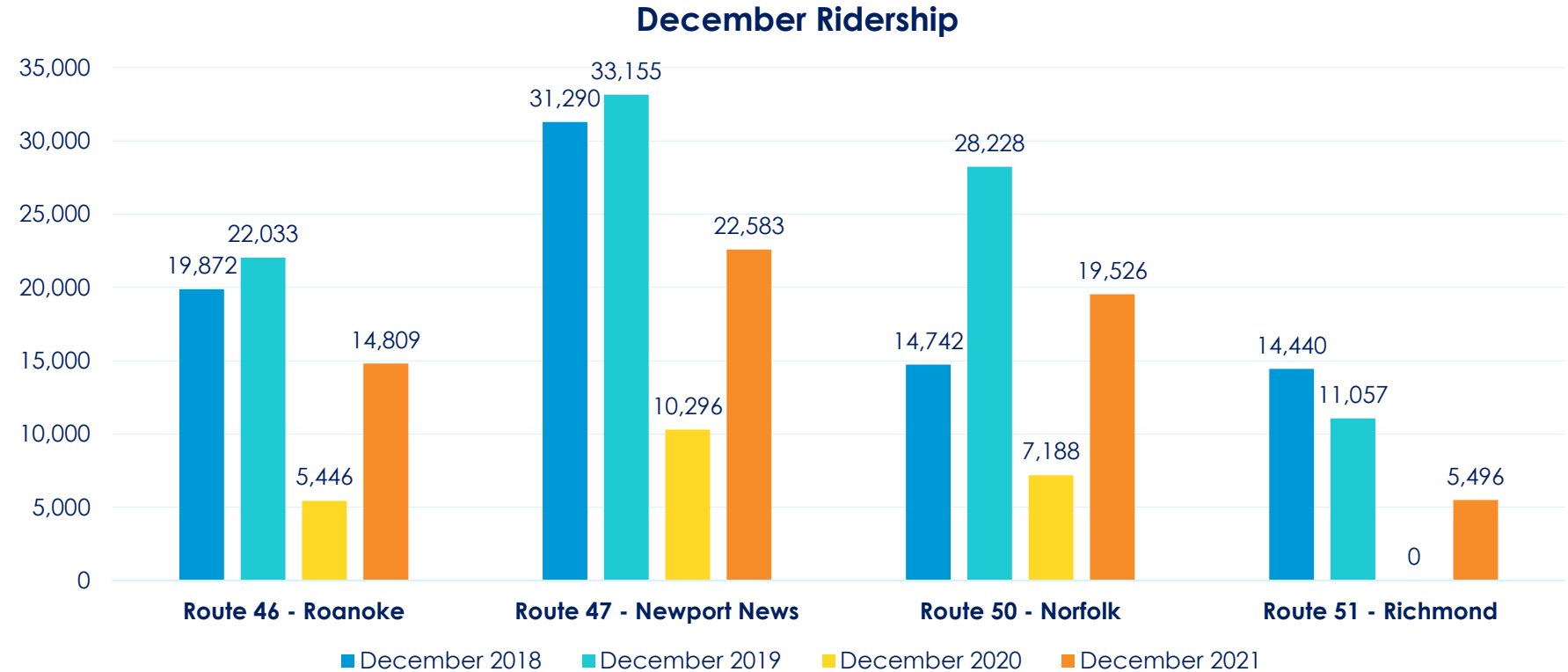
Virginia FY22 State Supported Monthly Ridership



Route	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Route 46 - Roanoke	15,903	15,280	13,026	16,358	16,991	14,809
Route 47 - Newport News	27,722	25,733	21,524	23,735	24,800	22,583
Route 50 - Norfolk	20,938	20,694	15,852	17,649	19,247	19,526
Route 51 - Richmond	0	0	374	4,040	5,501	5,496
Total	64,563	61,707	50,776	61,782	66,539	62,414

December Ridership Comparison: Year-over-Year

- Virginia ridership in December 2021 was down 33.9% compared to December 2019 (pre-pandemic) but was more than double December 2020.
- 2nd Norfolk roundtrip had not started in December 2018, but it was operational in December 2019. Richmond Route 51 was not operational in December 2020 due to pandemic related service cuts.

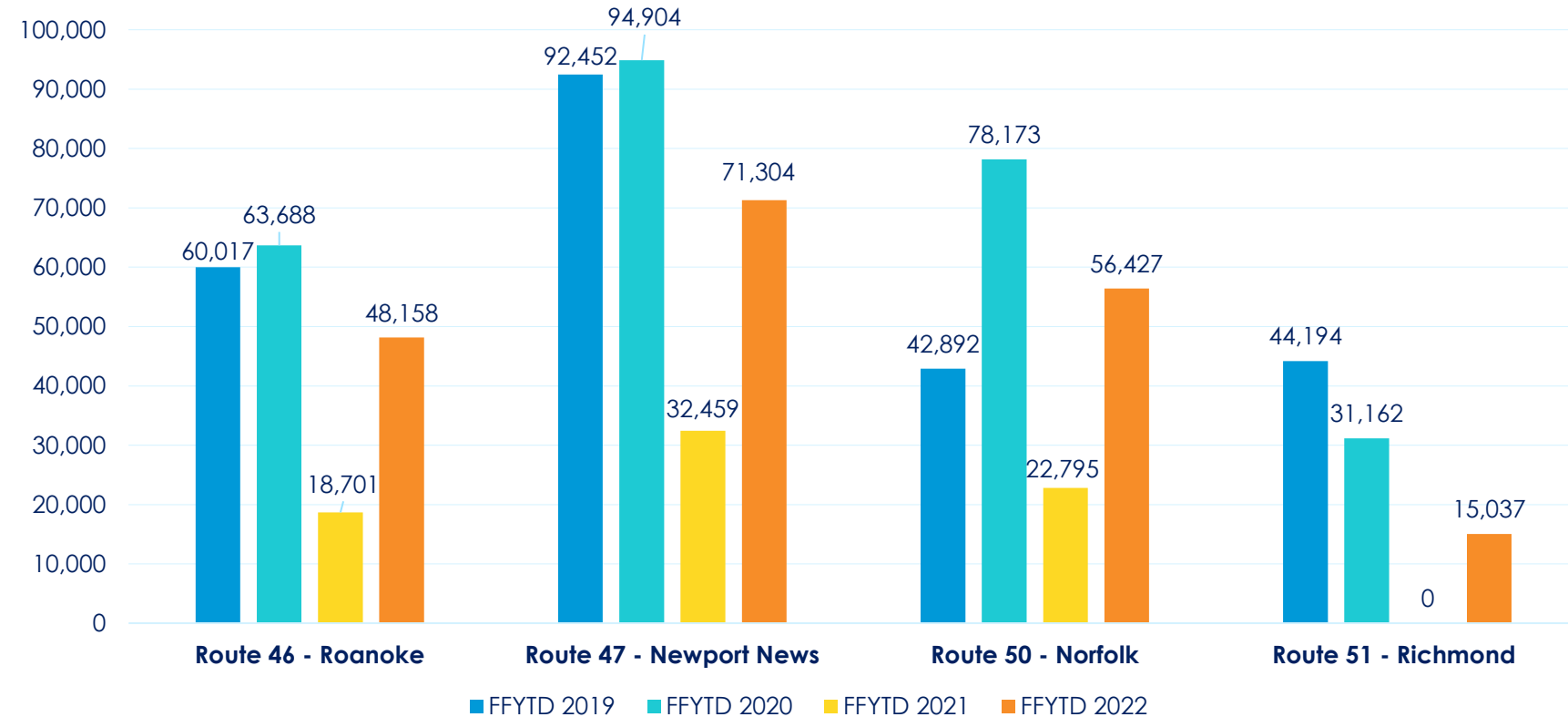


Route	December 2018	December 2019	December 2020	December 2021	Dec 2021 vs 2018	Dec 2021 vs 2019	Dec 2021 vs 2020
Route 46 - Roanoke	19,872	22,033	5,446	14,809	-25.5%	-32.8%	171.9%
Route 47 - Newport News	31,290	33,155	10,296	22,583	-27.8%	-31.9%	119.3%
Route 50 - Norfolk	14,742	28,228	7,188	19,526	32.5%	-30.8%	171.6%
Route 51 - Richmond	14,440	11,057	0	5,496	-61.9%	-50.3%	-
Total	80,344	94,473	22,930	62,414	-22.3%	-33.9%	172.2%

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

- FFY22 YTD ridership in December for Virginia supported Amtrak service was 20.3% lower compared to FFY19 (pre-pandemic). 2nd Norfolk route had not begun service in December of FFY19.
- FFY22 YTD ridership in December** for Virginia supported Amtrak service was 28.7% lower compared to FFY20 (pre-pandemic) but **was more than double last year (FFY21)**.
- Please note following pandemic service details: FFY2020 had five pre-pandemic ridership months. Second round-trip trains for both Newport News and Norfolk routes were suspended from April 2020 to September 2020. Richmond Route 51 was not operational from April 2020 to September 26, 2021.

Virginia Supported Amtrak Ridership (FFYTD October-December)

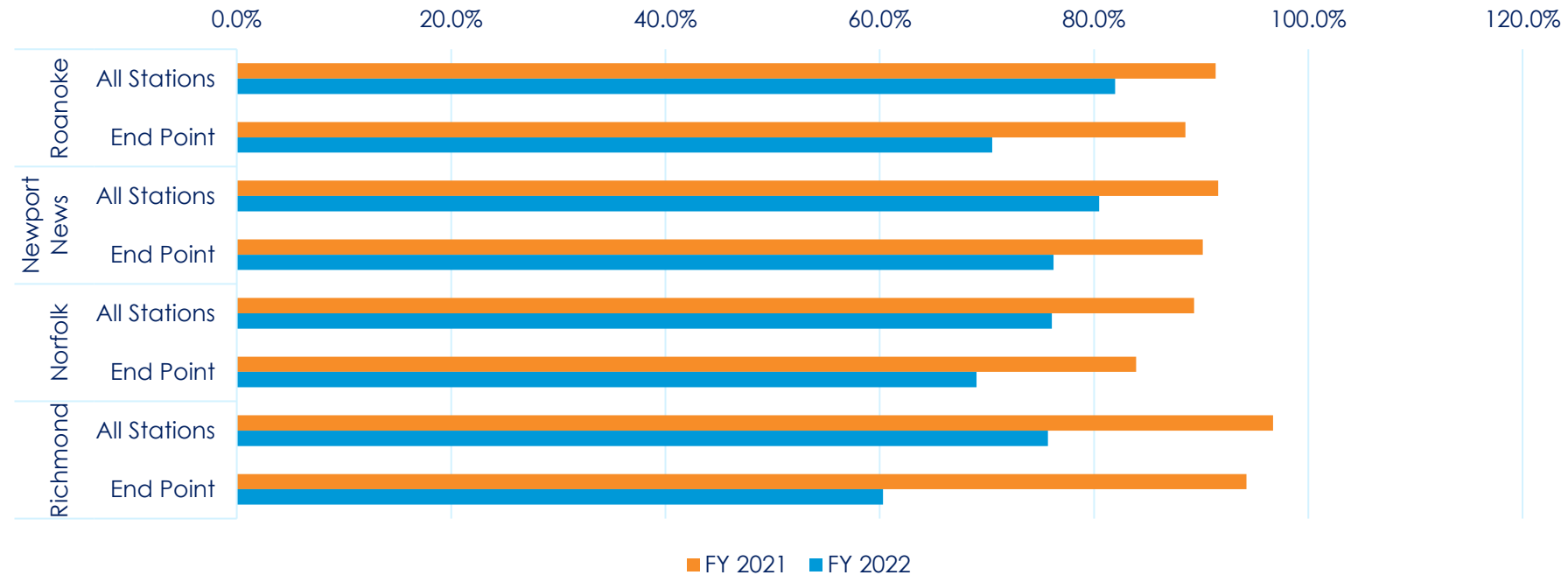


Route	FFYTD 2019	FFYTD 2020	FFYTD 2021	FFYTD 2022	FFYTD 2022 vs 2019	FFYTD 2022 vs 2020	FFYTD 2022 vs 2021
Route 46 - Roanoke	60,017	63,688	18,701	48,158	-19.8%	-24.4%	157.5%
Route 47 - Newport News	92,452	94,904	32,459	71,304	-22.9%	-24.9%	119.7%
Route 50 - Norfolk	42,892	78,173	22,795	56,427	31.6%	-27.8%	147.5%
Route 51 - Richmond	44,194	31,162	0	15,037	-66.0%	-51.7%	-
Total	239,555	267,927	73,955	190,926	-20.3%	-28.7%	158.2%

Federal Fiscal Year-to-Date (FFYTD) (November 2021) On-Time Performance

- Host and third-party delays such as speed restriction due to defect/slow orders and weather-related delays were some of the major factors affecting OTP in December 2021.
- FFYTD FY22 All Station average OTP for Virginia routes was ~74%, compared to an average of ~80% in the last five years.
- Passenger, commuter and freight rail traffic was higher in 2021 compared to 2020.

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



Route On-Time Performance

		November 2020	November 2021	FY 2021	FY 2022
Roanoke	All Stations	90.7%	81.6%	91.4%	82.0%
	End Point	81.7%	66.7%	88.5%	70.5%
Newport News	All Stations	91.6%	79.4%	91.6%	80.5%
	End Point	90.0%	73.3%	90.2%	76.2%
Norfolk	All Stations	85.7%	74.7%	89.3%	76.1%
	End Point	80.7%	65.2%	83.9%	69.0%
Richmond	All Stations	97.2%	80.3%	96.7%	75.7%
	End Point	96.6%	68.8%	94.2%	60.3%

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

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. 30% design ongoing.
Alexandria Fourth Track	\$210	2025	CSX	■	■	■	●		NTP issued for CSX final design November 11, 2021 - kickoff meeting held Dec 14, 2021. Early works crash wall project construction complete November 5, 2021. Bi-weekly project status meetings scheduled with CSX - first meeting to be held Jan. 18, 2022.
Franconia to Lorton Third Mainline	\$208	2025	CSX	●		■			Project Authorization Notice issued to CSXT on December 1, 2021.
Franconia-Springfield Bypass	\$241	2026	VPRA	●		■			Negotiations for preliminary engineering (30% design) in final stages.
Railroad Bridge over Newington Road	\$36	2025	CSX	●		■			Newington bridge project being incorporated into Franconia-Lorton project. PAN issued December 1, 2021.
Railroad Bridge over Route 1	\$57	2025	CSX	●		■			VDOT funding for Rt. 1 project included in SYIP. PAN issued December 1, 2021.



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 Spring 2022.
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



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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. Grant to NS.
Roanoke West Yard	\$37M	2025	NS	●					Bypass Track. LONP signed on June 9, 2021. Grant to NS.
New River Valley Station and Service Facility	\$74M	2025	VPRA	●					Planning and feasibility study for station location by consultants continues. Community outreach began December 22, 2021, expected to be complete by Feb 2022.

Note: Project costs added to Amended FY22 VPRA budget; LONP = Letter of no Prejudice

Capital Grants Update: Other Major Construction Projects

Project	Project Cost (\$M)	Completion Year	Project Lead	CD	PE	EC	FD	CN	Notes
L'Enfant Fourth Track	\$85	2028	VRE	●					VRE led project, \$22M from VPRA, and VPRA will own the 4th Track. VRE is working on survey and developing alternatives for the Environmental process.
Arkendale to Powell's Creek	\$101	2022	CSX	■	■	■	■	●	3 rd track construction. \$75M in Federal funds and \$26M in State Commonwealth Rail Funds. Construction 83% complete. CSX to begin signal construction for entire length of project and track work from Possum Pt. to North Possum Pt. in second quarter of 2022.
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 funds. Contractor currently installing new utility infrastructure & relocating existing utilities. 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. Construction 40% complete.



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Contracting Updates

Budget Component	Month	Project	Vendor/Grantee	Project Descriptions	Amount
Capital Projects	January	Franconia Third Track Project	CSXT	Project Authorization Notice	\$23.4M



Financial Updates

VPRA Financial Report Summary – December FY22

- ✓ Financial update includes the FY22 Budget Amendment amounts as approved by the VPRA Board on January 10, 2021.
- ✓ The FY21 year-end accrual reversal has been recorded. Expenses previously recorded in FY21 have been removed from current year expenditures. As a result, certain projects appear to have a negative expense. These projects will carry negative balances until the FY21 invoices/reimbursement requests are received. The total impact of the reversing entries is \$2.1M on Capital Projects and \$2.2M on Capital and Operating Grants.

Budget Component (in millions)	FY22 Amended Budget	FY22 Pro Rata Budget	FY22 YTD Actual	Variance	
				\$	%
Operations	\$18.1	\$9.1	\$4.8	\$4.3	47%
Capital Projects	313.6	230.4	202.7	27.7	12%
Capital & Operating Grants	74.5	28.3	(0.6)	28.9	102%
Total	\$406.2	\$267.8	\$206.9	\$60.9	23%

Operations Budget – FY2022

- Payroll costs Train operations are reported on a one-month lag, pro rata budget and YTD actuals included are from July to November.
- Other Operating Expenses budget and YTD actuals included are through December.
- Overall positive variance of \$4.3M year-to-date; \$2.4M relates to train operations and \$1.9M is attributable to the Administrative Budget.

Operations Category (in millions)	FY22 Amended Budget	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)
Train Operating Revenues				
Train Revenue	\$28.5	\$11.8	\$12.2	(\$0.4)
Food Service Revenue	0.9	0.4	0.8	(0.4)
Other Revenue	0.5	0.2	0.3	(0.1)
NEC Through Revenue	24.3	10.1	9.5	0.6
Total Operating Revenues	\$54.2	\$22.5	\$22.8	(\$0.3)
Train Operations Expenses				
Route Costs and Additives	36.9	15.5	12.5	3.0
Fuel Costs	2.5	1.1	1.0	0.1
Host Railroad Costs	1.9	0.8	0.9	(0.1)
Host RR Performance Incentives	1.9	0.8	0.8	-
NEC Through Credit Expense	15.1	6.3	6.3	-
Total Train Operations Expense	\$58.3	\$24.5	\$21.5	\$3.0
Other Operating Expenses				
Capital Equipment Maintenance	5.6	2.8	4.1	(1.3)
Amtrak Marketing	0.9	0.5	0.4	0.1
I-95 Corridor Maintenance of Way (VRE Access Rate)	-	-	-	-
Insurance	0.5	0.3	0.1	0.2
Depreciation	0.4	0.2	0.1	0.1
Administrative Budget	6.6	3.3	1.4	1.9
Total Operating Expenses	\$72.3	\$31.6	\$27.6	\$4.0
Additional Funding Required	\$18.1	\$9.1	\$4.8	\$4.3
<i>Federal Credits Applied to Train Operation Expense</i>	10.3	4.3	2.8	1.5
Additional Funding Required - w/o Federal Credits	\$28.4	\$13.4	\$7.6	\$5.8
Overall Cost Recovery	75%	71%	83%	
Overall Cost Recovery - Without Federal Credits	66%	63%	75%	

Train Operations by Route – FY2022

	Route 46 Roanoke - 1 Train -			Route 47 Newport News - 2 Trains -			Route 50 Norfolk - 2 Trains -			Route 51 Richmond - 1 Train -			Total Train Operations		
Train Operations Category (in millions)	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)	FY22 Pro Rata Budget	YTD Actual Total	Variance (\$)
Revenues															
Train Revenue	\$2.8	\$3.1	\$0.3	\$4.5	\$5.0	(\$0.5)	\$3.8	\$3.8	\$0.0	\$0.7	\$0.3	\$0.4	\$11.8	\$12.2	0.4
Food Service Revenue	0.1	0.1	-	0.2	0.2	-	0.1	0.2	0.1	-	0.3	0.3	0.4	0.8	0.4
Other Revenue	-	0.1	0.1	0.1	0.1	-	0.1	0.1	-	-	-	-	0.2	0.3	0.1
NEC Through Revenue	2.5	2.6	0.1	3.3	3.5	0.2	3.3	3.4	0.1	1.0	-	(1.0)	10.1	9.5	(0.6)
Total Revenue	\$5.4	\$5.9	\$0.5	\$8.1	\$8.8	(\$0.3)	\$7.3	\$7.5	\$0.2	\$1.7	\$0.6	(\$0.3)	\$22.5	\$22.8	\$0.3
Expenses															
Route Costs and Additives	3.3	3.4	0.1	5.3	5.5	0.2	5.8	3.6	(2.2)	1.1	-	(1.1)	15.5	12.5	(3.0)
Fuel Costs	0.3	0.3	-	0.4	0.4	-	0.3	0.3	-	0.1	-	(0.1)	1.1	1.0	(0.1)
Host Railroad Costs	0.2	0.6	0.4	0.2	0.1	(0.1)	0.4	0.2	(0.2)	-	-	-	0.8	0.9	0.1
Host RR Performance Incentives	-	0.1	0.1	0.3	0.3	-	0.5	0.4	(0.1)	-	-	-	0.8	0.8	-
NEC Through Credit Expense	1.6	1.4	(0.2)	2.2	2.5	0.3	2.1	2.1	-	0.4	0.3	(0.1)	6.3	6.3	-
Total Train Operations Expense	\$5.4	\$5.8	\$0.4	\$8.4	\$8.8	\$0.4	\$9.1	\$6.6	(\$2.5)	\$1.6	\$0.3	(\$1.3)	\$24.5	\$21.5	(\$3.0)
Capital Equipment Maintenance	0.4	1.0	0.6	0.8	0.8	0.0	1.2	2.0	0.8	0.4	0.3	(0.1)	2.8	4.1	1.3
Other Operating Expense	0.2	0.1	(0.1)	0.3	0.2	(0.1)	0.3	0.2	(0.1)	0.2	0.1	(0.1)	1.0	0.6	(0.4)
Net Operating Income/(Loss)	(\$0.6)	(\$1.0)	(\$0.4)	(\$1.4)	(\$1.0)	(\$0.6)	(\$3.3)	(\$1.3)	\$2.0	(\$0.5)	(\$0.1)	\$1.2	(\$5.8)	(\$3.4)	\$2.4
Total Federal Credits Applied	(\$0.8)	(\$0.6)	\$0.2	(\$1.4)	(\$1.1)	\$0.3	(\$1.4)	(\$1.1)	\$0.3	(\$0.7)	-	\$0.7	(\$4.3)	(\$2.8)	\$1.5

- Train operations are reported on a one-month lag; pro rata budget and YTD actuals included are from July to November.

Administrative Budget – FY2022

Expense Category	FY22 Amended Budget	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)
Payroll & Benefits	\$3,998,000	\$1,999,000	\$1,050,084	\$948,916
Professional Services	1,190,000	595,000	115,108	479,892
Information Technology	1,067,000	533,500	81,004	452,496
Building & Office Related	181,000	90,500	43,690	46,810
Other Employee Costs	200,000	100,000	100,943	(943)
Total	\$ 6,636,000	\$ 3,318,000	\$ 1,390,829	\$ 1,927,171

- 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

- YTD expenditures reduced by accrual reversal of \$2.1M.
- FY22 YTD Budget based on quarterly expenditure estimates.
- See operational report on capital projects for variance explanation.

Project Description (in millions)	FY22 Amended Budget	FY22 YTD Budget*	FY22 YTD Actual	Variance (\$)
I-95 Corridor				
New Long Bridge for Passenger Rail	\$24.3	\$12.2	\$0.3	\$11.9
Alexandria 4th Track	10.4	2.2	0.1	2.1
Franconia to Lorton 3rd Mainline	6.1	0.9	0.1	0.8
Franconia-Springfield Bypass	4.0	0.6	0.1	0.5
Richmond to DC Sidings - Phase 1	0.9	0.2	0.1	0.1
Richmond to DC Sidings - Phase 2	0.3	0.2	0.1	0.1
TRV Right of Way Acquisition	200.0	200.0	200.0	-
TRV Right of Way Transaction Costs	12.0	6.0	1.3	4.7
Newington Bridge	0.1	0.1	-	0.1
Route 1 Bridge	0.1	0.1	-	0.1
L'Enfant 4th Track	0.7	0.4	-	0.4
Richmond Layover Facility	0.1	0.1	-	0.1
Lorton to Route 1	0.6	0.3	-	0.3
Other TRV Infrastructure	0.5	0.3	-	0.3
Western Rail Corridor				
Salem Right of Way Acquisition	38.0	-	-	-
New River Valley Platform & Track Improvements	1.0	0.5	0.1	0.4
Salem Right of Way Transaction Costs	12.6	6.3	0.5	5.8
Other				
Purchase of St. Julian's Yard: Amtrak Service Facility	1.9	-	-	-
Total Capital Projects	\$313.6	\$230.4	\$202.7	\$27.7

Capital & Operating Grant Expenditures – FY2022

- YTD expenditures reduced by accrual reversal of \$2.2M.
- See operational report on capital grants for variance explanation.

Project Description (in millions)	Grantee	FY22 Amended Budget	FY22 Pro Rata Budget	FY22 YTD Actual	Variance (\$)
L'Enfant Platform	VRE	\$0.4	\$0.2	-	\$0.2
Broad Run Station & 3rd Track Improvements	VRE	26.7	13.4	(0.2)	13.6
Manassas Park Parking Garage and Bridge	VRE	2.1	1.1	(0.1)	1.2
Manassas Station and Platform	VRE	-	-	(0.1)	0.1
Quantico Station Improvements	VRE	8.9	4.5	(0.1)	4.6
Rolling Road Platform Extensions	VRE	0.9	0.5	(0.1)	0.6
Crossroads Storage Expansion	VRE	0.3	0.1		0.1
Newport News Station, Platform, and Service Facility	Newport News	5.2	2.6	0.8	1.8
Arkendale to Powell's Creek Third Track Construction & Island Platforms	CSX	4.0	2.0	(0.6)	2.6
Amtrak Passenger Information Display System: Ashland & Richmond Main St. Stations	Amtrak/DRPT	\$0.4	0.2	-	0.2
Station Program & Planning	Amtrak	2.8	1.4	-	1.4
Western Rail Initiative Grant*	Norfolk Southern	13.1	-	-	-
Roanoke Yard Improvements*	Norfolk Southern	5.0	-	-	-
S-Line Planning & Development	Various	0.5	0.2	-	0.2
DRPT Managed	Various	4.2	2.1	(0.2)	2.3
Total		\$74.5	\$28.3	(\$0.6)	\$28.9

* FY22 expenditures expected in Spring 2022.

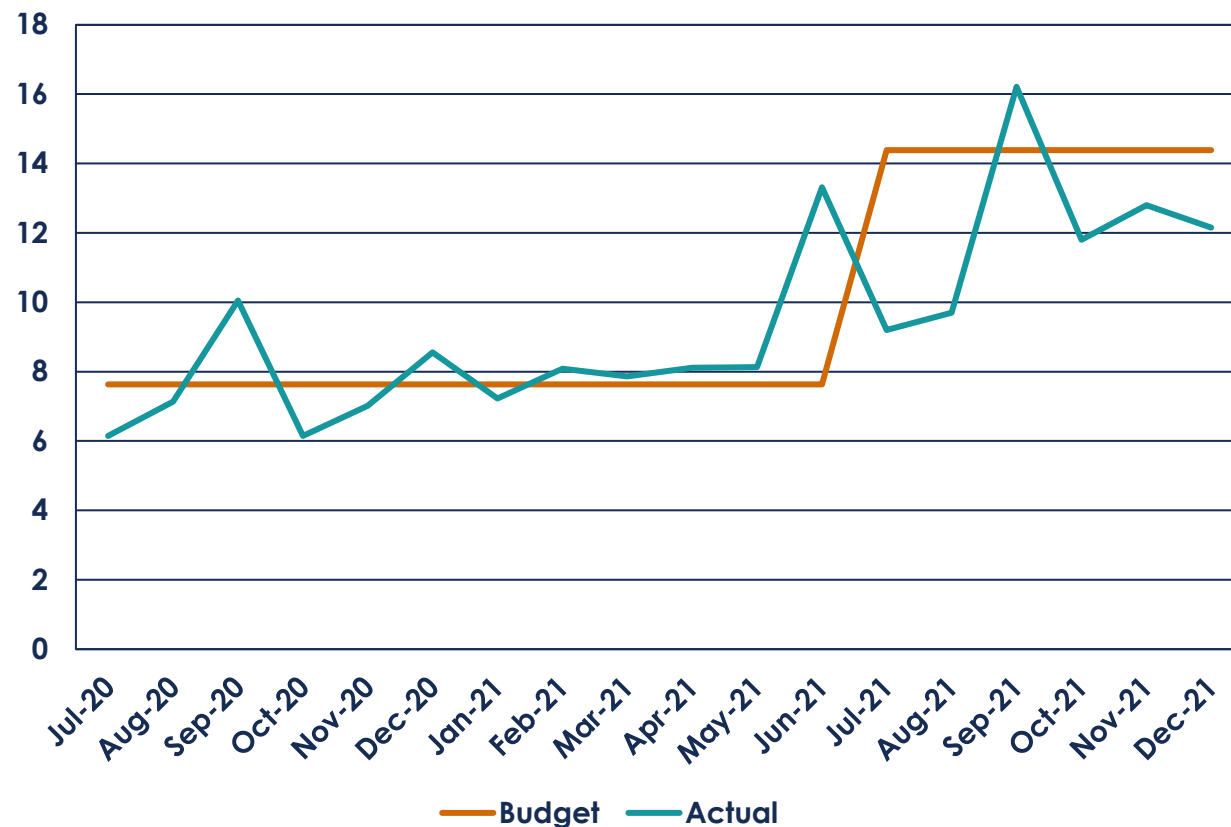
Budget Adjustments

- No budget adjustments per Bylaw 3.4.1 to report for December

VPRA Monthly Revenues

Trend Analysis – July 2020 to Present

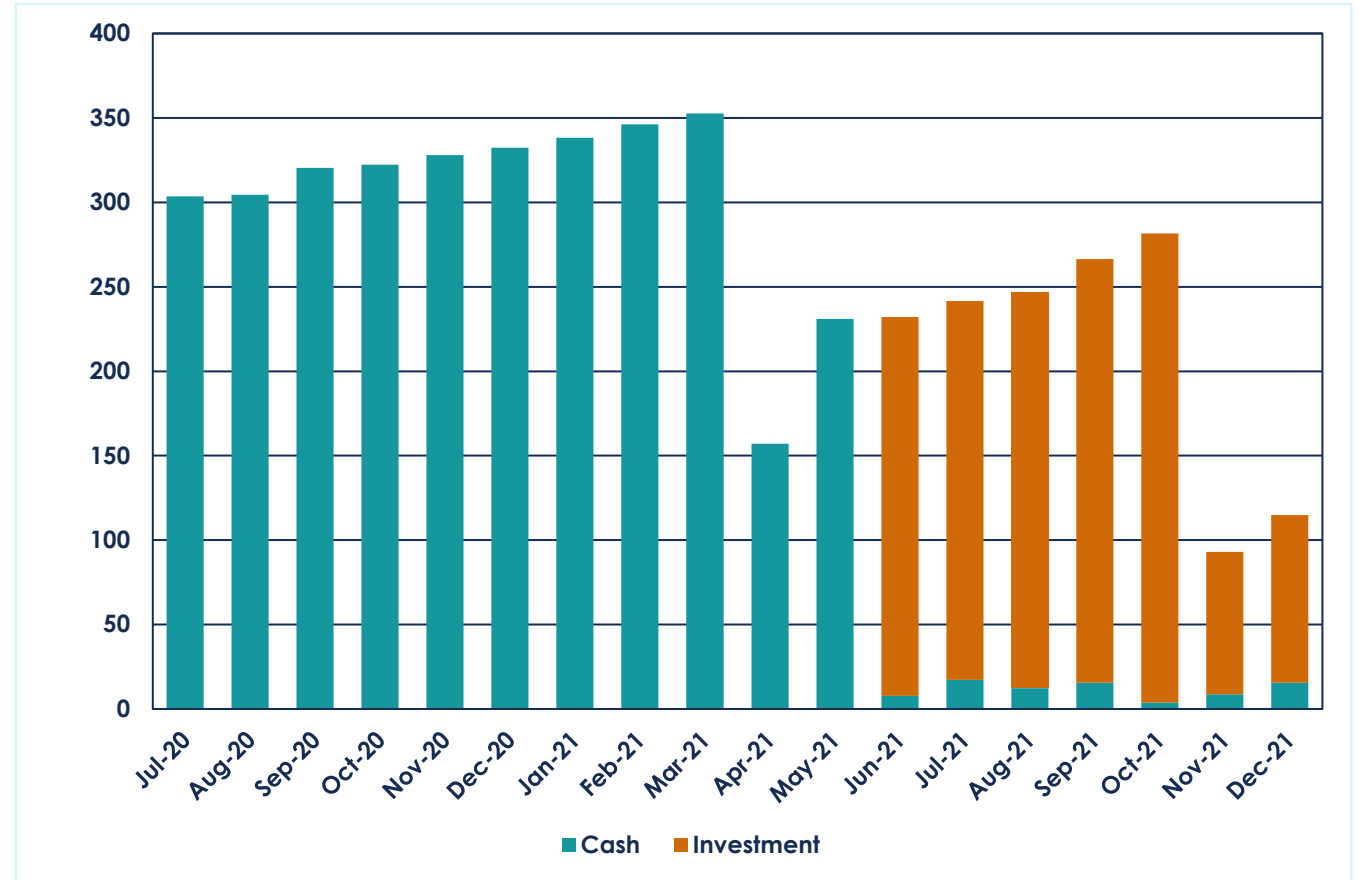
- Updated revenue forecast provided in December, increasing expected FY22 revenue to \$172.6M.
- January catch up payment expected to make-up the current year-to-date shortfall of \$14.5M.



VPRA Cash & Investment Balance

Trend Analysis – July 2020 to Present

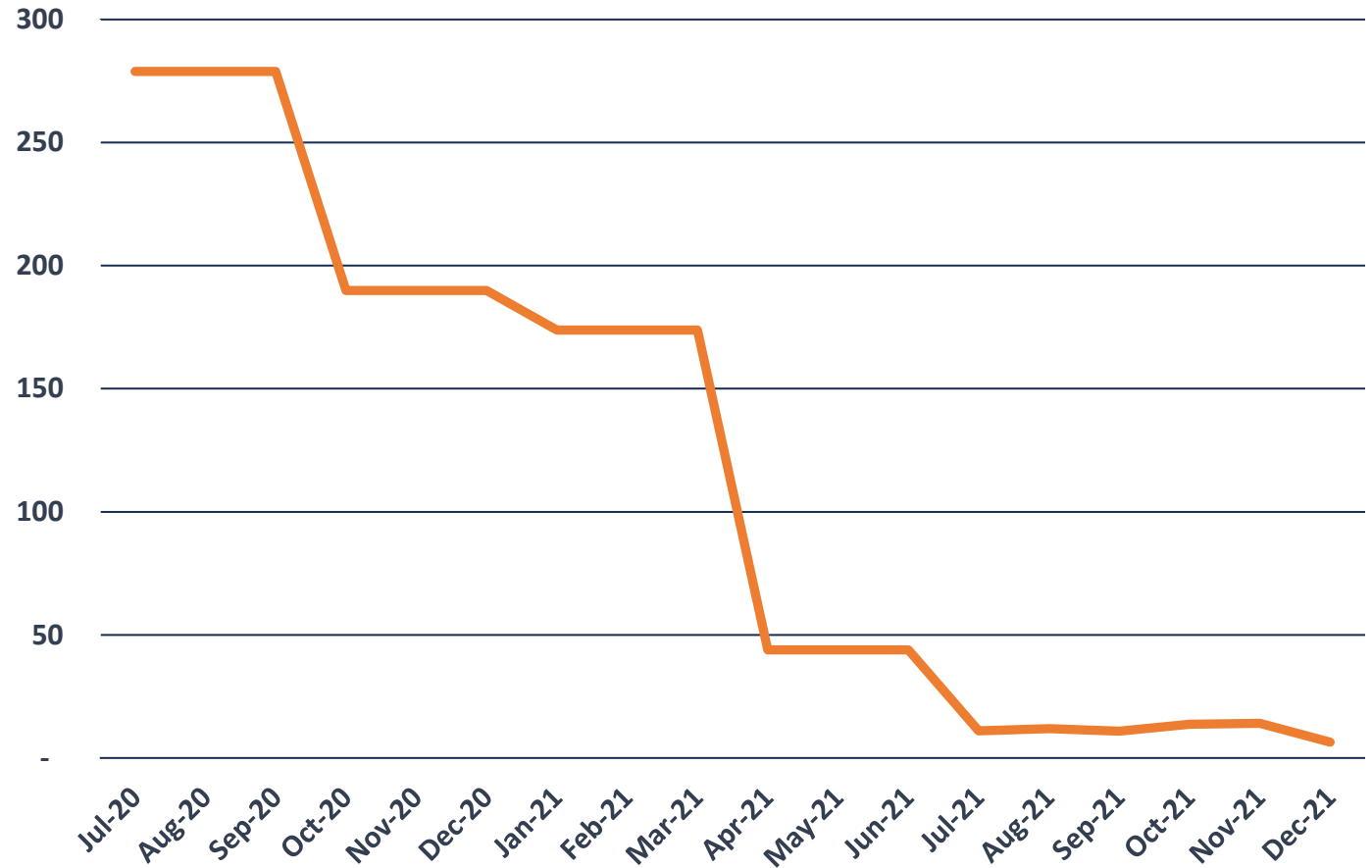
- \$99.3M is invested in the Virginia Local Government Investment Pool (LGIP) as of December 31, 2021.
- November cash balance decrease was due to the \$200 million payment to CSX for Segment 3.



VPRA Cash & Investment Earnings

Trend Analysis – July 2020 to Present

- VPRA is in process of establishing an investment management relationship with Allspring Global Investments (formerly Wells Fargo Asset Management) to manage excess cash in accordance with the approved investment policy.
- The decrease to earnings over the 18-month timeframe is caused by:
 - A significant decline in interest rates from July 2020 to July 2021
 - Large outflows for ROW acquisition in March and November of 2021





THANK YOU

Questions?

