The Financial Plan has evolved to include all areas of the VPRA organizational mandate.

I-95 Corridor Phases 1 and 2

Western Rail Corridor

Capital and Operating Grants

Operations and Maintenance of the System
The Financial Plan Report has also been updated to reflect the entire plan.

Development of the Financial Plan was a collaborative effort among the project team.

The document covers the range of key issues integral to project success.

Chapter 1
Overview
Intro to the VPRA
Executive Summary

Chapter 2
Financial Approach
Financial Plan Methodology
Capital Projects
Operations and Maintenance
Capital & Operating Grants
Funding Sources
Financing Plan
Modeling Affordability and Feasibility

Chapter 3
Considerations for Success
Risks
Next Steps
The report summarizes the results of the financial model and provides a strategic view of VPRA’s budgeted spending.

The Financial Plan focuses on ensuring there is sufficient funding for all costs and lays the foundation for future investments.

The Financial Plan Report outlines:
- The purpose and need for investment
- The benefits of implementing the Financial Plan
- A summary of Capital Projects, Capital and Operating Grants and Operations costs (the uses)
- Sources of funds and the financing plan (funding sources)
- How funding sources were matched to uses
- Project risks
- Next steps for VPRA

The Financial Plan Tool

The Financial Plan and related feasibility analysis are underpinned by a bespoke financial model tool.

This Microsoft Excel-based model was constructed in line with leading financial modeling practices.
An “anchor diagram” is used throughout the report to provide structure and context.

The Financial Approach chapter (Chapter 2) identifies $6.4 billion of funds for the program up to FY30 and explains how these funds will be used to deliver the program.

<table>
<thead>
<tr>
<th>Financial Plan Uses</th>
<th>Sources of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects</td>
<td>PayGo</td>
</tr>
<tr>
<td>$4,118M</td>
<td>$3,564M</td>
</tr>
<tr>
<td>Operations</td>
<td>Proceeds of Financing</td>
</tr>
<tr>
<td>$1,507M</td>
<td>$1,001M</td>
</tr>
<tr>
<td>Capital and Operating Grants</td>
<td>Amtrak</td>
</tr>
<tr>
<td>$640M</td>
<td>$944M</td>
</tr>
<tr>
<td>Management Reserve</td>
<td>Federal and Local Grant Awards and Matches</td>
</tr>
<tr>
<td>$78M</td>
<td>$458M</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>Tolls and Concession Payments</td>
</tr>
<tr>
<td>$8M</td>
<td>$384M</td>
</tr>
<tr>
<td><strong>TOTAL USES</strong></td>
<td><strong>TOTAL SOURCES</strong></td>
</tr>
<tr>
<td><strong>$6,351M</strong></td>
<td><strong>$6,351M</strong></td>
</tr>
</tbody>
</table>

*Note that each source on the right hand side is not directly allocated to each use on the left hand side.
The Financial Plan includes two types of capital costs: Capital Projects and Capital & Operating Grants.

The Capital Projects section presents the funding plan for VPRA’s Capital Projects (including right-of-way purchases) through FY30.

For Capital and Operating Grants, VPRA provides capital funding to a third party that executes design, construction, and operations.

**Capital Expenditures by Year**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ USD M (Net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior</td>
<td>100</td>
</tr>
<tr>
<td>FY22</td>
<td>200</td>
</tr>
<tr>
<td>FY23</td>
<td>300</td>
</tr>
<tr>
<td>FY24</td>
<td>400</td>
</tr>
<tr>
<td>FY25</td>
<td>500</td>
</tr>
<tr>
<td>FY26</td>
<td>600</td>
</tr>
<tr>
<td>FY27</td>
<td>700</td>
</tr>
<tr>
<td>FY28</td>
<td>800</td>
</tr>
<tr>
<td>FY29</td>
<td>900</td>
</tr>
<tr>
<td>FY30</td>
<td>1000</td>
</tr>
</tbody>
</table>

- CSX Right of Way Acquisition
- I-95 Corridor - Phase 1
- Western Rail Corridor
- I-95 Corridor - Phase 2
- Other Capital Costs

**Capital and Operating Grants by Year**

<table>
<thead>
<tr>
<th>Year</th>
<th>$ USD M (Net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior</td>
<td>100</td>
</tr>
<tr>
<td>FY22</td>
<td>200</td>
</tr>
<tr>
<td>FY23</td>
<td>300</td>
</tr>
<tr>
<td>FY24</td>
<td>400</td>
</tr>
<tr>
<td>FY25</td>
<td>500</td>
</tr>
<tr>
<td>FY26</td>
<td>600</td>
</tr>
<tr>
<td>FY27</td>
<td>700</td>
</tr>
<tr>
<td>FY28</td>
<td>800</td>
</tr>
<tr>
<td>FY29</td>
<td>900</td>
</tr>
<tr>
<td>FY30</td>
<td>1000</td>
</tr>
</tbody>
</table>

- VPRA Managed Projects
- DRPT Managed Projects
Operations and Maintenance costs for current and future service levels are considered for a further 5 years through FY35.

Post FY30, the VPRA Fund will no longer need to be used for capital costs and is expected to sufficiently cover all O&M expenses.

O&M Expenditures through FY35

- Bedford Amtrak Thruway Intercity Bus Connector
- VPRA Administrative Budget
- Western Rail Maintenance of Way
- Western Rail Access Fee
- Insurance
- Amtrak Marketing
- Amtrak Re-Fleet Effort
- I-95 Corridor Maintenance of Way
- Amtrak Capital Equipment Maintenance
- Amtrak Charge per Passenger mile on the NEC
- Amtrak Operational Support

Additional flexibility has been built into the Financial Plan in the form of a Board Management Reserve.

The Reserve holds funds that can be used at the Board’s discretion for unforeseen costs or new opportunities.

$15M has initially been allocated and it is estimated that the total may increase to $78M by FY30.
Numerous funding sources have been identified to fund the Capital Projects, Capital & Operating Grants and Operations costs. Financial Plan costs (Capital Projects, Capital & Operating Grants and Operations) are funded through a mix of PayGo sources, proceeds of financing, federal and local grant awards & matches, capital contributions and toll/concession revenues.

Total Funding Sources through FY30

- PAYGO Sources: $3,564 M (56%)
- Amtrak: $1,001 M (16%)
- Federal and Local Grant Awards and Matches: $944 M (15%)
- Financing Proceeds: $458 M (7%)
- Tolls and Concession Payments: $1,001 M (16%)

Total: $6,351 M

Annual Funding Sources through FY30

- Prior Years
- FY22
- FY23
- FY24
- FY25
- FY26
- FY27
- FY28
- FY29
- FY30

*Note that this chart shows sources at the time that the funds are received. This will not always match the year in which they are used.*
Following extensive analysis, three funding sources were identified to be leveraged for financing.

VPRA will be responsible for Amtrak ticket revenue debt, including debt service payments. VRE and CTB will be responsible for CROC and I-66 (ITB) toll revenue debt (including direct debt service payments), respectively.

*Note that VPRA is only responsible for the Amtrak ticket revenue debt service.*
The financial model is regularly updated by the VPRA team to reflect the latest assumptions and actual data.

The Financial Plan Report is also intended to be a “living document” which will be updated at key milestones, such as:

- Significant changes to costs
- Changes to funding availability
- Technical design milestones (e.g. 30% design on the New Long Bridge)
- Updates to the risk profile

VPRA has undertaken preliminary risk management activities for a range of categories, including:

- Commercial and financial risks
- Technical risks
- Institutional/other risks

**Example Risk Registers**

The images below represent outputs of ongoing risk management efforts to date.
The Financial Plan Report ends with a summary of VPRA’s next steps for achieving our mandate

Over the next nine years and beyond, VPRA will continue to advance financial planning efforts along with key commercial and organizational initiatives.

Opportunities that VPRA is undertaking and/or evaluating in order to meet this goal include:

- Ongoing financial planning
- Enterprise Risk Management
- Analysis of capital project delivery options
- Stakeholder engagement
- Market engagement

The VPRA Financial Plan

The result of the VPRA team’s analysis is a Financial Plan which:

- Is robust yet flexible
- Balances costs and funding sources
- Accounts for funding availability, project priority and policy constraints
- Leverages appropriate revenues for financing
- Is affordable through FY30
- Will be sustainable into the operating period
Discussion