



FY24 Recommended Budget

Ongoing Development of VPRA Financial Strategy

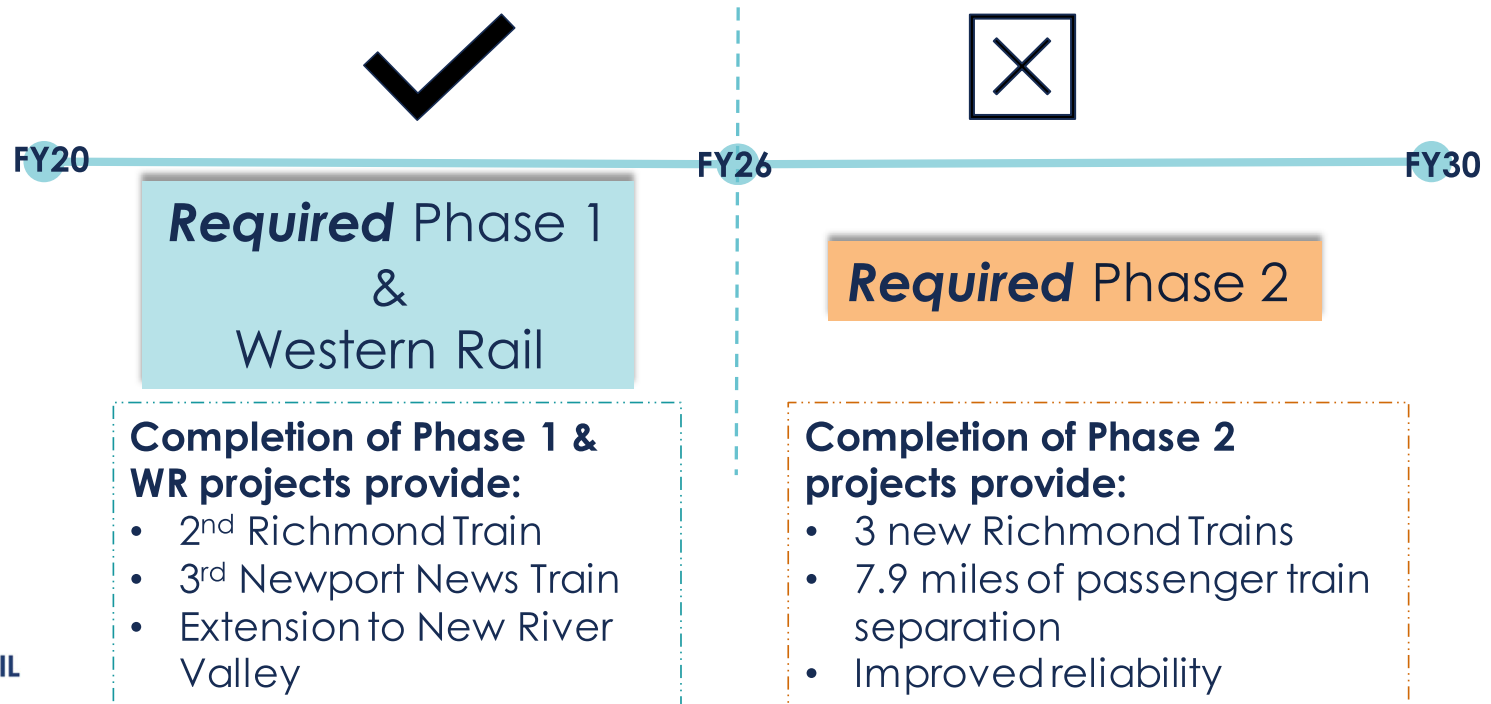
- Reassessed **Funding Priorities Methodology** in relation to contractual commitments and benefits
- Created a **New Project Methodology** to enable informed decision making
- Prioritized funding of the **Board Management Reserve** for unidentified risks & opportunities

	Funded	Unfunded
January	\$6.48B	\$712M
May	\$6.41B	\$705M
Change	↓ \$74M	↓ \$7M

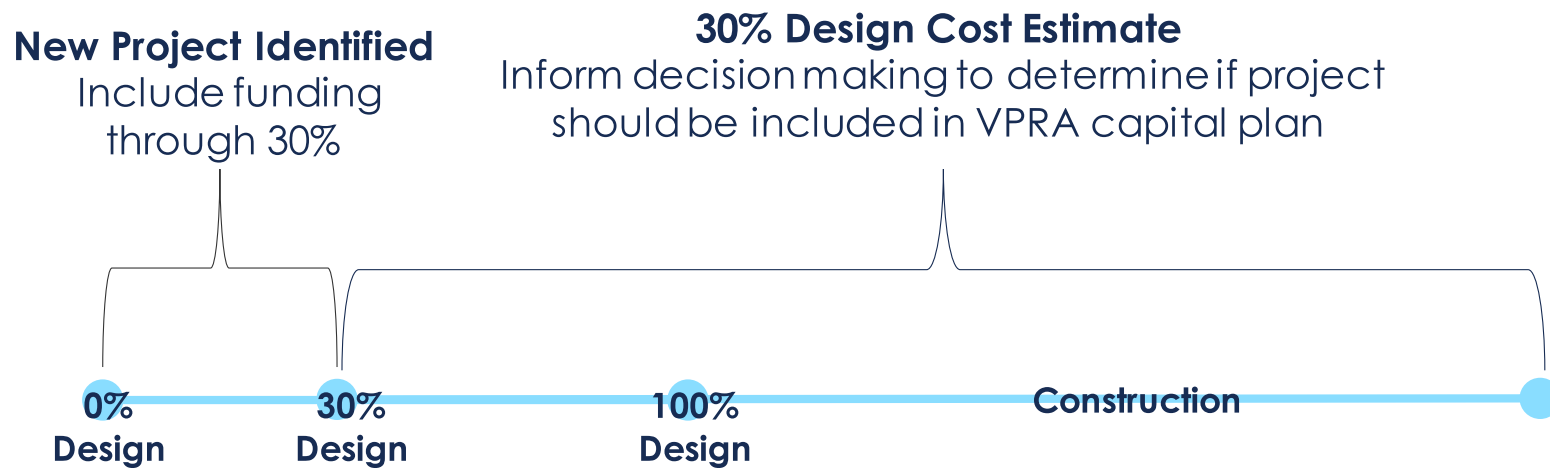
Summary of
Financial Plan
Changes

Funding Priorities Methodology

- ✓ Operations
- ✓ Capital & Operating Grants
- ☐ Capital Projects



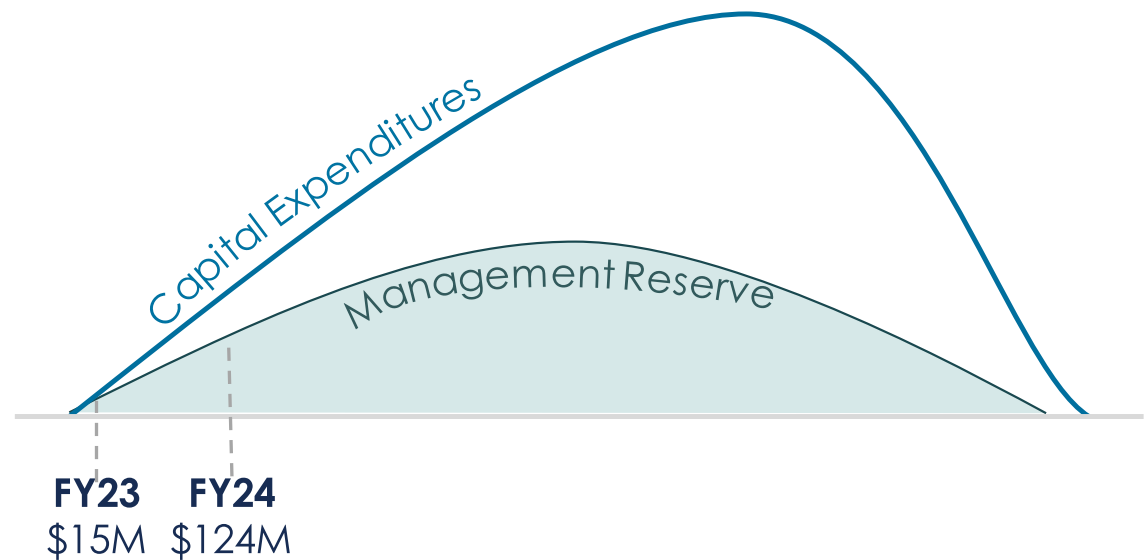
VPRA New Project Methodology



Board Management Reserve

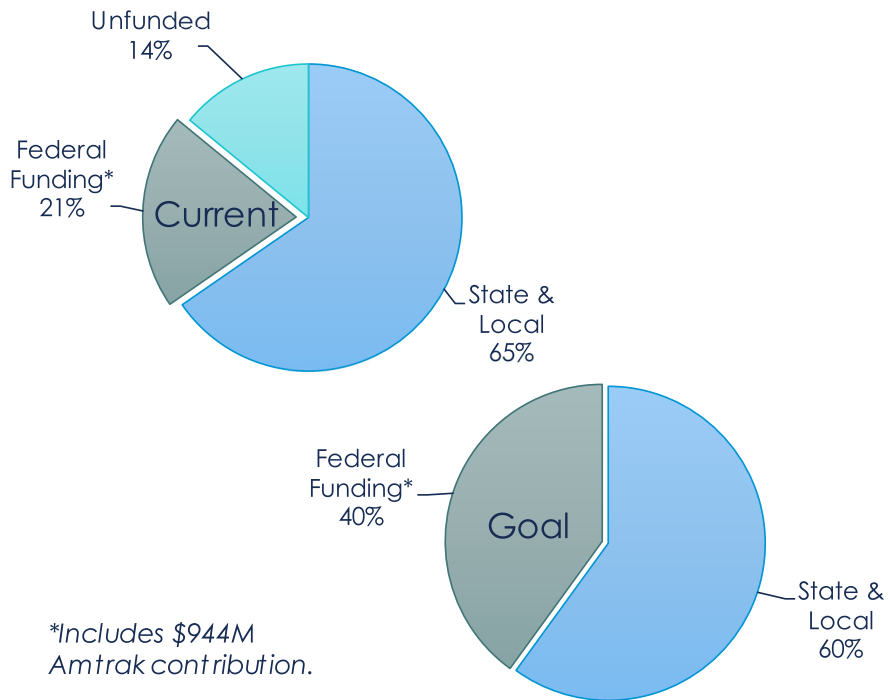
The board management reserve is a risk mitigation strategy to be utilized upon BOD approval to cover unidentified risks or uncertainty in capital costs and revenues. Additionally, the reserve provides some unallocated funding for new opportunities that may arise.

The funding goal for the reserve balance will be a percentage of future capital spend. The goal percentage to be determined with Finance Committee.



Potential Financial Plan Resources

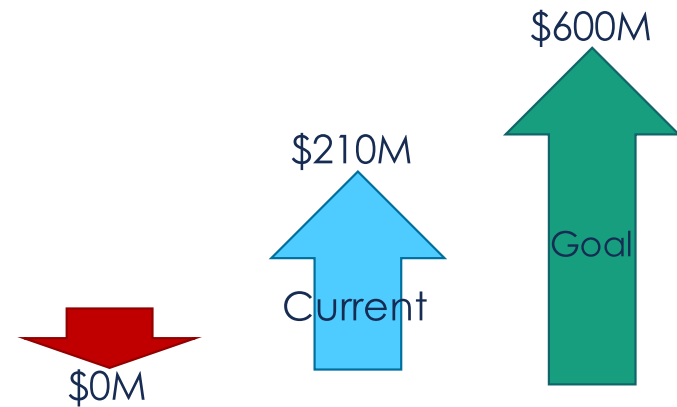
Federal Investment



VPRA Investment

Amtrak Revenues (Intra-VA & NEC)

\$100M+ Annual Revenues



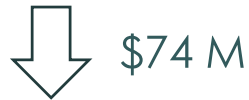
Financial plan resources reassessment anticipated in December.

FY24 Financial Plan

Inception through FY30



\$6.48 B



\$6.41 B



\$7.19 B

Funding Available for
VPRA Projects
\$6.48 B

Unfunded VPRA
Projects
\$712 M



\$7.11 B

Funding Available for
VPRA Projects
\$6.41 B

Unfunded VPRA
Projects
\$705 M

January
FY2024
Financial
Plan

May
FY2024
Financial
Plan



Sources: Change January – May



\$74M Decrease in Sources

	Prior	Current	Change
I-66 ITB Financing	652	578	(74)

Various sources are derived from underlying estimates, adding an element of uncertainty and risk to VPRA's Financial Plan. The continued development of the Management Reserve is a core strategy to mitigate this risk.

Source	Risk Rating	Plan \$
I-66 ITB Toll Revenues Financing	High	578
Amtrak Ticket Revenue Financing	High	210
Priority Transportation Fund	Moderate	300
Commonwealth Rail Fund	Moderate	1,380

Uses: Change January – May



↓ **\$80M** Net Decrease in Uses

	Change
Operations	
Amtrak Operations (Route Costs & NEC through FY30)	\$(40)
Capital Projects: I-95 Corridor	
Updated Cost Estimates	36
Methodology Adjustments (30% Design Only)	(170)
Capital Projects: Other	
Board Management Reserve	94
Total	\$(80)

Project Changes for New Methodology

Funding Priorities: Fund projects that are required for new service.

New Project: Fund through 30% Design. Decision to fund project to be made once 30% cost estimate completed.

Non-Required New Projects (Phase 1 Timeline)	Required for service?	New project? (less than 30% design)	VPRA Methodology
Richmond Layover Facility	No	Yes	Fund 30%/Final Design, previously funded amount moved to management reserve for future BOD allocation.
King and Commonwealth	No	Yes	

Phase 3 Projects	Required for service?	New project? (less than 30% design)	VPRA Methodology
Railroad Bridges over Route 1	No	No	Fund 30% Design, remove unfunded project cost from plan.
Lorton to Route 1 Third Track	No	No	

I-95 Corridor



Budget informed by updated cost estimate

I-95 Corridor	Estimate Level	Current Plan	Prior Plan	Change	Funded Portion	Unfunded Portion
Phase 1 Required Projects						
Alexandria Fourth Track	③	210	210	-	210	-
Franconia to Lorton Third Track	③	275	230	45	275	-
Franconia-Springfield Bypass	③	405	435	(30)	405	-
Railroad Bridges over Newington Road	③	61	40	21	61	-
Potomac Creek Third Track South (Siding A)	②	143	143	-	143	-
Woodford to Milford Third Track (Siding B)	②	85	85	-	85	-
Hanover Third Track (Siding C)	②	84	84	-	84	-
Phase 2 Required Projects						
Long Bridge Project	2	2,279	2,279	-	1,818	461
Neabsco Creek to Woodbridge Third Track (Siding D)	2	100	100	-	9	91
Aquia Creek Third Track (Siding E)	2	59	59	-	5	54
Crossroads Third Track (Siding F)	2	103	103	-	10	93
L'Enfant Fourth Track Contribution	1	23	23	-	23	-
Non-Required New Projects						
Richmond Layover Facility	1	3	39	(36)	3	-
King and Commonwealth	1	4	56	(52)	4	-
Phase 3 Projects						
Railroad Bridges over Route 1	2	3	63	(60)	3	-
Lorton to Route 1 Third Track	2	1	23	(22)	1	-
Other						
Other: CIJ Grant	7	3	3	-	3	-
CSX Purchase	7	525	525	-	525	-
Transaction Costs	7	32	32	-	32	-
Total I-95 Corridor		\$4,398	\$4,532	(\$134)	\$3,699	\$699

Phase 1 Fully Funded

Phase 2 Design Funded

Non-Required New Project
30%/Final Design Funded

Phase 3
30% Design Funded



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

Western Rail Corridor



Western Rail Corridor	Estimate Level	Current Plan	Prior Plan	Change	Total Project Budget	Unfunded Portion
New River Valley Platform & Track Improvements	1	83	85	(2)	83	-
Service Facility & Temporary Platform	1	2	-	2	2	-
V-Line Tunnels	1	49	49	-	49	-
Capital Improvements - Bridges	1	31	31	-	31	-
Capital Improvements - Other	1	36	36	-	36	-
V-Line PTC	1	32	32	-	32	-
Salem Right of Way Transaction Costs	7	3	3	-	3	-
V-Line Purchase	7	38	38	-	38	-
Total Western Rail Corridor		\$274	\$274	\$0	\$274	-

New Project
30% Design Funded

Net Change \$0



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

FY24 Train Operations Budget



Operations	FY23 Budget	FY24 Budget	Change (\$)
Train Operating Revenues			
Train Revenue	\$33.1	\$42.3	\$9.2
Food Service Revenue	1.0	1.3	0.3
Other Revenue	0.6	1.0	0.4
NEC Through Revenue	28.0	32.1	4.1
Total Operating Revenues	62.7	76.7	14.0
Train Operations Expenses			
Route Costs and Additives	61.2	62.4	1.2
Fuel Costs	4.1	8.0	3.9
NEC Through Credit Expense	18.4	27.3	8.9
Host Railroad Costs	3.3	3.4	0.1
Host RR Performance Incentives	3.0	3.6	0.6
Total Train Operations Expense	90.0	104.7	14.7
Other Operating Expenses			
Capital Equipment Maintenance	6.7	8.7	2.0
Bedford Amtrak Intercity Bus Connector	0.4	0.4	-
Amtrak Marketing	0.9	0.9	-
I-95 Corridor Maintenance of Way (VRE Access Rate)	7.2	7.5	0.3
Western Rail Maintenance of Way	2.1	2.9	0.8
Western Rail Access Fee	3.7	3.8	0.1
Insurance*	1.1	1.4	0.3
Administrative Budget	10.2	16.6	6.4
Total Operating Expenses	\$122.3	\$146.9	\$24.6
Federal Credits Applied to Train Operation Expense	4.4	-	(4.4)
Total Operating Expenses (w/o Federal Credits)	\$126.7	\$146.9	\$20.2
Overall Cost Recovery	49%	52%	3%

* Includes FY23 budget reclassification made through Delegated Authority



THANK YOU

Questions?

