



Norfolk Southern-VPRA Transaction Update

August 27, 2024

Executive Summary

Current Extension to Christiansburg on V-Line is Costly and Lengthy

- VPRA is currently extending rail service from Roanoke to Christiansburg on tracks known as the “V-Line,” which it acquired from NS in 2022
 - Total cost: **\$546M; Delivery in 2028**
 - Suboptimal station location

2024 NS Opportunity: Reach Christiansburg sooner/cheaper & acquire Manassas Line in NoVA

- NS extends passenger service to a more central location in Christiansburg on its Main Line
- VPRA also agrees to purchase the Manassas Line in NoVA (NS to gain tax benefits from sale)
 - Total Cost: \$599M – less potential \$155M contribution from VRE = **\$444M; Delivery no later than 2027**
- Since June, NS has reached 30% design, confirming time and schedule are within initial projections

Bottom Line

The proposed deal would allow VPRA to:

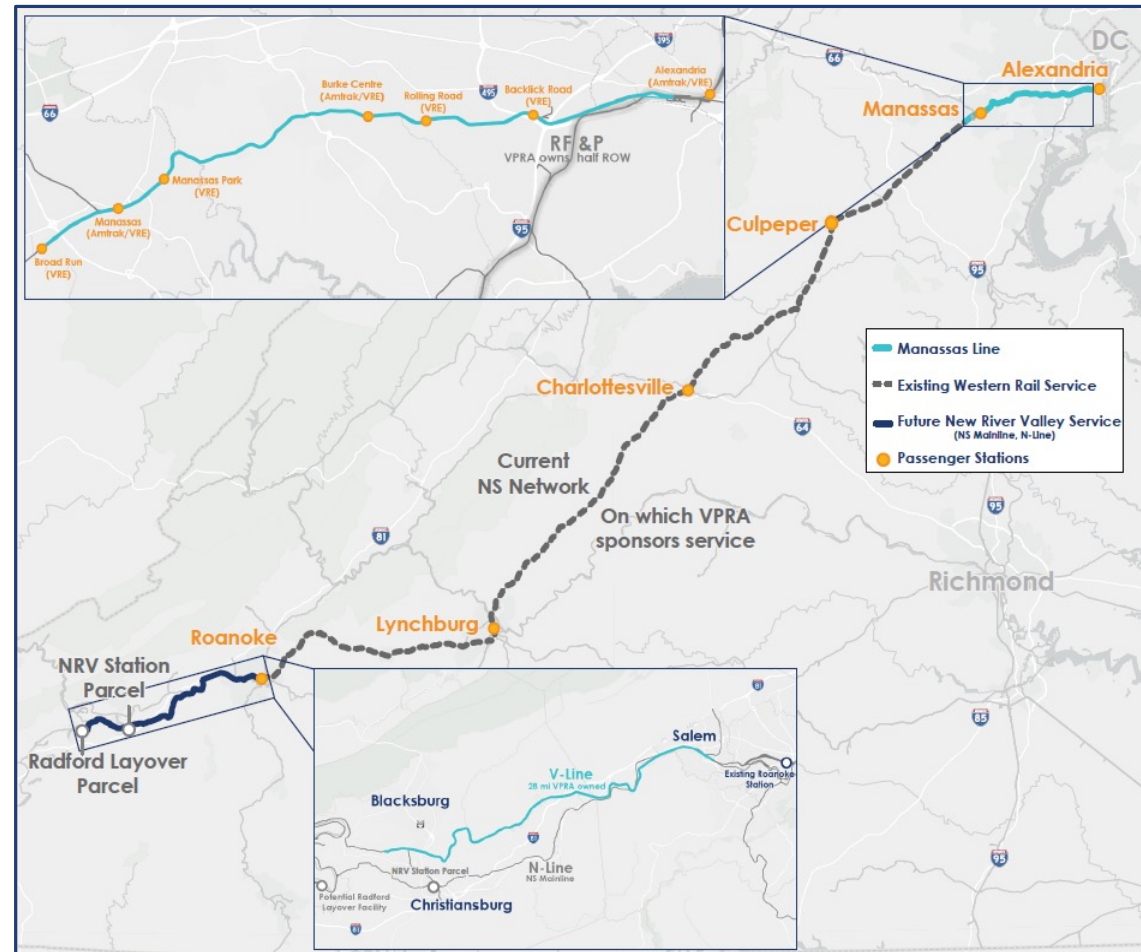
- Reach NRV **sooner** (by 2027 vs. 2028) for **\$102M less** than the current project
 - **Better location** in Christiansburg with historic station
- Also gain **control of the Manassas Line**, providing opportunities for better scheduling and cost certainty
- VPRA will recommend approval to its Board on August 27

Background: Relevant Territory & Current Passenger Service

Norfolk Southern Line: Alexandria to Roanoke

VPRA sponsors two types of passenger service:

1. **Amtrak between Alexandria and Roanoke** (two daily roundtrips)
 - VPRA pays capital and operations
2. **VRE commuter rail service between Alexandria and Manassas**
 - VPRA pays 84% of VRE fees charged by NS



Background: 2022 Plan to Extend to NRV & Challenges

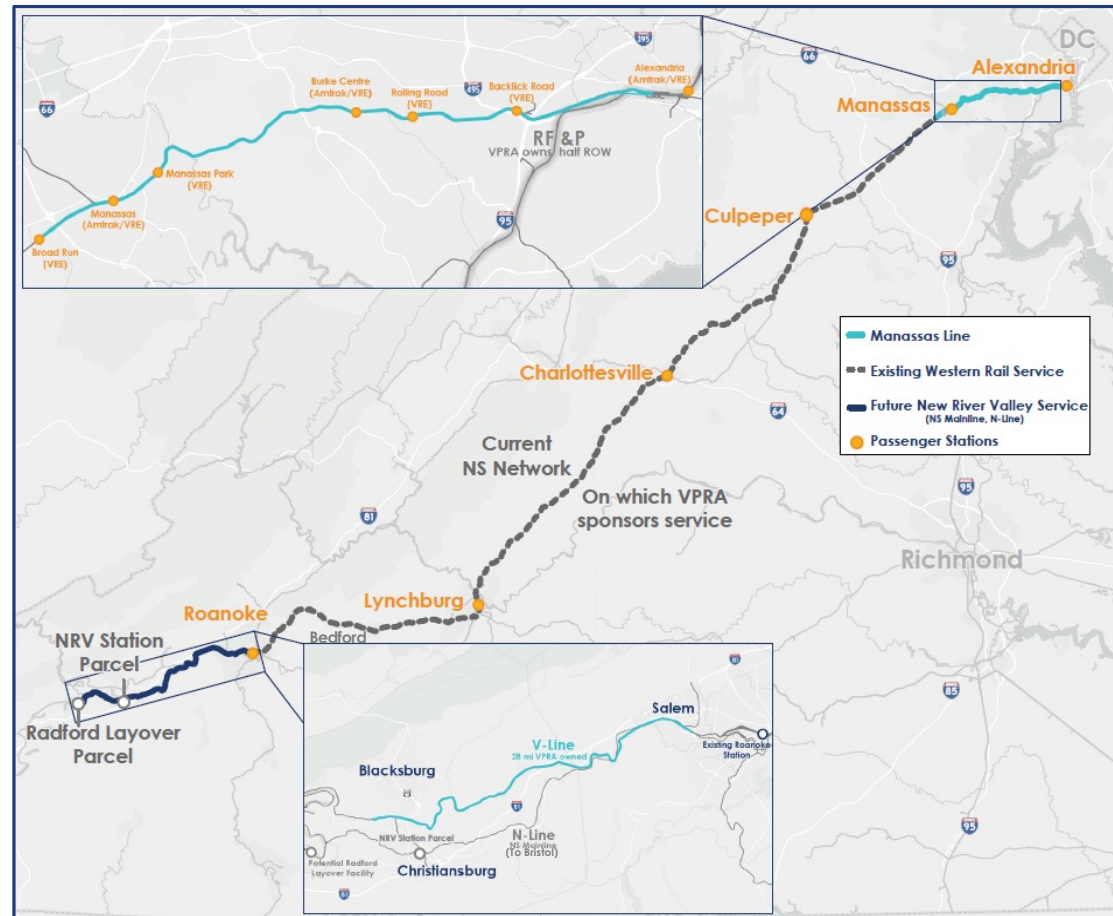
2022 Concept: Extend Amtrak service to New River Valley along NS's secondary "Virginian Line" (aka "V-Line")

2022 estimates at 0% design:

- Cost to extend to NRV: **\$257M**
- Start of passenger service: **2026**

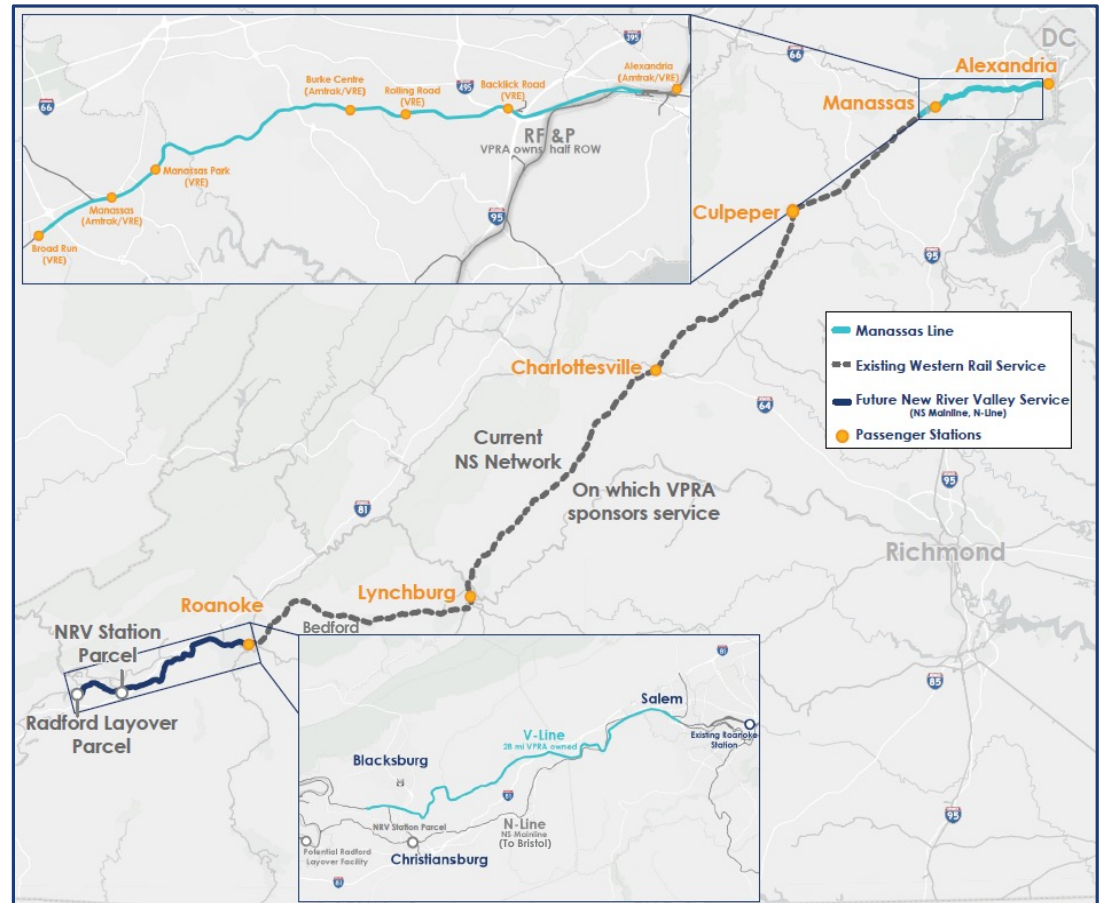
2024 Challenges: 30% design shows higher costs and longer schedule

- Least expensive option to New River Valley: **\$545M**
- Start of passenger service: **2028**
- Extension to preferred site an additional \$400M (service starts 2030)



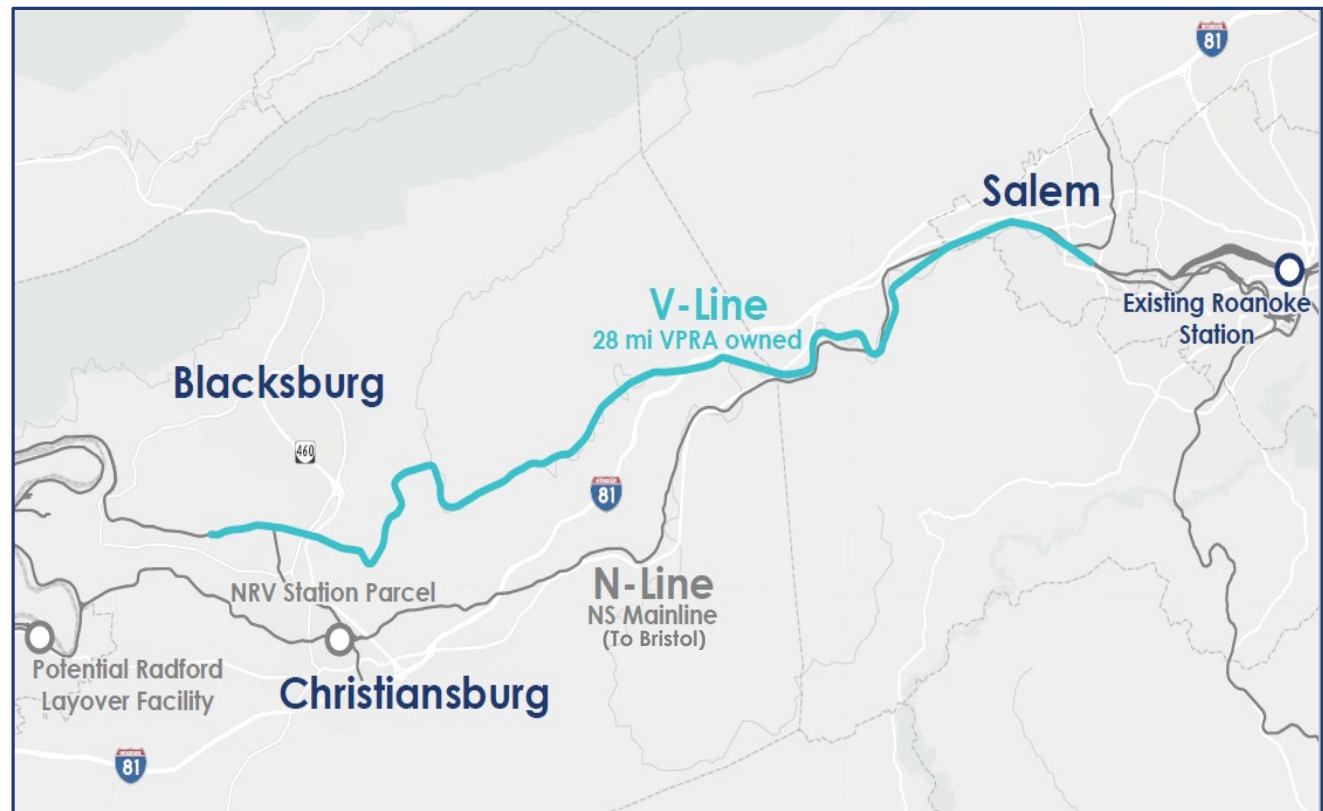
2024 NS Deal: Saving Time and Money

- VPRA approached NS in January 2024 seeking better options to reach the New River Valley
- NS open to extending passenger service on NS Main Line ("N-Line") if VPRA acquires Manassas Line
 - Manassas Line disposal yields NS tax benefits from like-kind exchange and reduces their future maintenance liabilities
- **Term Sheet** negotiated between Virginia and NS reached May 2024; parties nearing **Final Agreement**
- **Cost to extend to New River Valley and purchase Manassas Line saves over \$100M**
 - On NS main line at historic Cambria station in Christiansburg
- Start of passenger service **no later than 2027**
 - About **two years sooner** than 2022 location
- VPRA control of Manassas Line
 - Dispatch services
 - Enables night and weekend VRE service



2024 NS Deal: New River Valley

- Extend to Christiansburg on NS Main Line ("N-Line")
- Sale of the V-Line back to NS
- **NS Constructs platform, pocket track, and layover facility**
 - Service no later than **2027**
- **Acquire historic depot building**
 - Served passengers from 1906 - 1979
- Adds **Bedford** station stop
- Opens door for **Radford** service and **Third Daily Roanoke Train**
- Keeps **Bristol** expansion possible by avoiding costly Merrimack Tunnel on V-Line



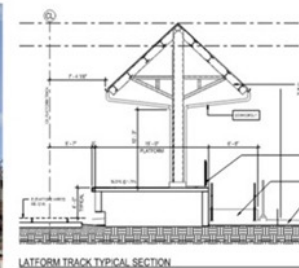
2024 NS Deal Details: Manassas Line

- **VPRA to acquire ~24 miles of the Manassas Line**
 - VPRA would control two passenger tracks and **select dispatcher**
 - Ability to add/modify VRE frequencies
 - Acquire Seminary Yard for VRE storage
 - Enables 3rd Track to Broad Run in future
- **Cost control for VRE access**



2024 NS Deal is Better for Virginia

1. **Faster:** Expands to New River Valley about two years sooner
2. **Less Risk:** Shifts risk of construction delivery to NS and incentivizes early and under-budget delivery
3. **Cheaper:** Saves VPRA over \$100M
4. **Better Location:** More central Christiansburg location; includes historic depot building
5. **More Service:** New Bedford service and opens door to possible Radford service and third Roanoke train
6. **Cost Avoidance:** Obviates maintenance costs on aging bridges and structures on V-Line
7. **Favorable to Expansion:** Locates passenger rail station on the mainline to Bristol, reducing future cost of potential SW expansion by avoiding costly tunnel upgrades
8. **More Control:** Dispatch and control of Manassas Line; add weekend and night VRE service
9. **OpEx Certainty:** Guarantees VRE cost-controlled access to Manassas Line



See appendix for detailed pros/cons

Next Steps

Immediate next-steps:

- **August 27: Present final legal agreements to VPRA Board for approval**
- **September 5: Closing for Manassas Line**
 - Timeline driven by like-kind-exchange deadline for NS
- **September / October: VRE Board and parent commissions of NVTC and PRTC approve VPRA and VRE Funding Agreement**
 - Chair of each Board briefed their members in July and recommended approval
- **Prior to end of 2024: Exchange V-Line for Seminary Passage**

Later steps:

- NS to finalize design and begin construction at Christiansburg in January
- NS to convey Christiansburg and Radford sites no later than August 2027
- Passenger rail extends to Christiansburg



Cambria Site: Platform and Parking Plans

