



COMMONWEALTH of VIRGINIA

Virginia Passenger Rail Authority Board

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RESOLUTION OF THE VIRGINIA PASSENGER RAIL AUTHORITY BOARD

August 27, 2024

MOTION

Made By: Payne

Seconded By: Bulova

Action: Motion carried, unanimously

Title: Virginia Passenger Rail Authority FY25 Budget Amendment

WHEREAS, on June 4, 2024, the Board adopted the *Fiscal Year 2025 Budget* for the Virginia Passenger Rail Authority (“VPRA”); and

WHEREAS, VPRA recommends an amendment to the *Fiscal Year 2025 Budget* to include the financial components of an amended and restated comprehensive agreement with Norfolk Southern Railway Company, and other minor budgetary adjustments, as explained to the Board in a presentation on August 27, 2024.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby approves and adopts the FY25 VPRA Budget Amendment attached hereto as **EXHIBIT A**.

EXHIBIT A

FISCAL YEAR 2025 BUDGET AMENDMENT





VPRA Fiscal Year 2025 Budget Amendment



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Executive Summary

Budget Amendment Overview

The Virginia Passenger Rail Authority (VPR) amended the approved FY25 Budget to reflect the financial components of the Amended Comprehensive Rail Agreement (CRA) between VPR and Norfolk Southern, as well as other needed budgetary adjustments.

On June 4th 2024, the VPR announced that negotiations were underway with Norfolk Southern to acquire the Manassas Line and to pursue a better option to extend passenger rail service to the New River Valley on the Norfolk Southern main line. The transaction received overwhelming support from key stakeholders and the negotiations led to amending the CRA between VPR and Norfolk Southern. The amended CRA introduces new budget elements and adjustments to existing items. As presented in this document, the FY25 VPR Budget has been amended to include these financial components.

Additionally, further design development for two Phase 1 projects in the I-95 Corridor prompted VPR to add new utility relocation projects. While the projects will be funded by the impacted localities, VPR will lead the effort to expedite the work as the relocation of these utilities are a critical precursor activity to begin construction of the rail projects.

One other amendment to the budget was made to add funds to the Richmond Layover Facility project to advance design from 30% to 60%. This budget increase allows refinement of the required scope elements with key project stakeholders. Upon completion of 60% design, the full project cost will be presented to the VPR Board to determine if the project will be funded.

FY25 Budget Amendment Changes

The table below depicts the changes included in the FY25 amendment by budget component. The classification of the changes includes items that were previously included in VPR's budget that increased or decreased, and new items not previously included VPR's budget.

Budget Component	Adopted FY25 Budget	Amended FY25 Budget	Change (\$)	Decrease in Budget	Increase in Budget	New Budget Items
I-95 Corridor	\$4,123	\$4,141	\$18	-	\$1	\$17
Western Rail Corridor	433	87	(346)	(411)	-	65
Other Capital Projects	174	621	447	-	-	447
Capital & Operating Grants	542	537	(5)	(30)	-	25
Total Capital Budget	\$5,272	\$5,386	\$114	(\$441)	\$1	\$554
Operations	1,642	1,638	(4)	(11)	-	7
Total VPR Uses	\$6,914	\$7,024	\$110	(\$452)	\$1	\$561

Updated FY25 Financial Planning Results

The update to the FY25 financial plan included \$88M of new sources to offset the \$110M increase in budgeted uses. The net \$22M increase of uses over sources resulted in a recommendation to decrease the FY24 Q4 Management Reserve to a balance of \$128M.

Operations



- »» **One year budget** (FY2025)
- »» Anticipated **accrual basis** expenditures
- »» Three main elements:
 1. Passenger Train Operations
 2. Other Operating Expenses
 3. Operations Administrative Expenses

OPERATIONS BUDGET

Operations Category	Adopted FY25 Budget	Amended FY25 Budget	Change (\$)
Train Operating Revenues			
Train Revenue	\$49.7	\$49.7	-
Food Service Revenue	1.3	1.3	-
Other Revenue	1.3	1.3	-
NEC Through Revenue	32.2	32.2	-
Norfolk Southern Access Fee	2.2	2.2	-
Total Operating Revenues	86.7	86.7	-
Train Operations Expenses			
Route Costs and Additives	58.1	58.1	-
Fuel Costs	6.2	6.2	-
NEC Through Credit Expense	26.4	26.4	-
Host Railroad Costs	5.0	5.0	-
Host RR Performance Incentives	1.3	1.3	-
Total Train Operations Expense	97.0	97.0	-
Other Operating Expenses			
Capital Equipment Maintenance	8.3	8.3	-
Bedford Amtrak Thruway Bus Connector	1.2	1.2	-
Amtrak Marketing	0.9	0.9	-
Asset Maintenance Expense ①	10.9	11.0	(0.1)
Western Rail Access Fee	3.7	3.7	-
Operations Administrative Budget ②	5.8	5.8	-
Total Other Operating Expenses	\$30.8	\$30.9	(\$0.1)
Total Operating Expenses	\$127.8	\$127.9	(\$0.1)
Overall Cost Recovery	68%	68%	0%

① Assets maintenance lines have been combined; budget line includes Manassas Line, I-95 Corridor (VRE access fee) & other owned assets.

② Reflects deployment of cost allocation plan; budget line includes insurance & administrative costs allocated to the operations function.

Capital Projects



- »» This budget category includes expenditures for rail infrastructure that will be retained by the Authority as a **capital asset**.
- »» The **Total Project Budget** is the estimated full project costs through completion.
- »» The capital project budget is presented in **three sections**;
 1. I-95 Corridor
 2. Western Rail Corridor
 3. Other Capital Projects

I-95 CORRIDOR CAPITAL PROJECTS

(IN MILLIONS)

Project Description	Estimate Level	Expenses Incurred to Date	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Project Budget
Phase 1 Required											
Alexandria Fourth Track	5	\$8.1	\$8.0	\$36.2	\$57.2	\$99.4	\$1.6	-	-	-	\$210.5
Franconia to Lorton Third Track	4	3.2	14.2	12.4	21.8	122.4	96.6	4.4	-	-	275.0
Franconia-Springfield Bypass	3	3.9	12.3	56.2	121.5	105.8	80.0	25.3	-	-	405.0
Railroad Bridges over Newington Road	4	0.9	0.9	3.1	4.6	35.5	16.0	-	-	-	61.0
Potomac Creek Third Track (Siding A) Trackwork	3	1.0	8.4	15.9	8.9	68.7	45.6	8.9	-	-	157.4
Potomac Creek Third Track (Siding A) Roadwork	3	-	0.2	1.4	2.1	6.1	10.4	3.8	-	-	24.0
Woodford to Milford Third Track (Siding B)	3	0.1	3.6	8.7	10.4	36.6	10.9	-	-	-	70.3
Hanover Third Track (Siding C) Trackwork	3	0.1	2.1	9.9	8.6	26.1	22.1	1.1	-	-	70.0
Hanover Third Track (Siding C) Roadwork	3	-	1.1	8.5	46.5	15.9	-	-	-	-	72.0
Phase 2 Required											
Long Bridge - North	3	16.3	37.1	117.2	141.2	156.9	168.6	219.5	182.8	40.2	1,079.8
Long Bridge - South	3	16.3	8.8	55.3	170.2	308.5	238.1	232.5	114.5	55.0	1,199.2
Neabsco Creek to Woodbridge Third Track (Siding D)	2	0.1	0.1	6.0	6.4	2.8	32.9	33.6	33.9	-	115.8
Aquia Creek Third Track (Siding E)	2	0.1	0.2	3.9	5.3	2.8	28.1	28.1	28.1	-	96.6
Crossroads Third Track (Siding F)	2	0.1	0.1	5.6	6.4	2.1	32.4	32.8	32.9	-	112.4
L'Enfant Fourth Track and Station Improvements	2	0.3	-	2.1	18.2	18.2	14.1	-	-	-	52.9
Phase 1 Timeline (not required for service)											
King and Commonwealth Bridges	4	0.5	2.6	24.5	37.4	19.1	-	-	-	-	84.1
Richmond Layover Facility	2	0.6	1.2	1.8	-	-	-	-	-	-	3.6
Other											
TRV Right of Way Transaction Costs	7	19.6	7.8	7.4	-	-	-	-	-	-	34.8
Total I-95 Corridor Rail Projects		\$71.2	\$108.7	\$376.1	\$666.7	\$1,026.9	\$797.4	\$590.0	\$392.2	\$95.2	\$4,124.4
Utility Relocation Projects											
Franconia to Lorton Third Track: Fairfax	1	-	-	5.4	10.5	-	-	-	-	-	15.9
Potomac Creek Third Track: Stafford	1	-	-	1.0	-	-	-	-	-	-	1.0
Total I-95 Corridor		\$71.2	\$108.7	\$382.5	\$677.2	\$1,026.9	\$797.4	\$590.0	\$392.2	\$95.2	\$4,141.3

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

WESTERN RAIL CORRIDOR CAPITAL PROJECTS

(IN MILLIONS)

Project Description	Estimate Level	Expenses Incurred to Date	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Project Budget
New River Valley Passenger Rail Project	3	\$2.1	\$6.0	-	-	-	-	-	-	-	\$8.1
Capital Improvements - Bridges	1	0.5	1.0	-	-	-	-	-	-	-	1.5
Capital Improvements - Other	1	2.3	9.3	-	-	-	-	-	-	-	11.6
Cambria Platform & Radford Layover	2	-	-	13.1	42.5	9.8	-	-	-	-	65.4
Total Western Rail Corridor Projects		\$4.9	\$16.3	\$13.1	\$42.5	\$9.8	-	-	-	-	\$86.6

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

OTHER CAPITAL PROJECTS (IN MILLIONS)

Project Description	Estimate Level	Expenses Incurred to Date	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Project Budget
Ettrick Station Improvements - SOGR	4	\$0.2	\$1.1	\$2.5	\$8.0	-	-	-	-	-	\$11.8
S-Line 30% Design	7	0.3	2.2	18.5	13.5	5.0	-	-	-	-	39.5
Platform & Station Improvements - SOGR/ADA	1	0.1	5.7	5.8	4.0	2.5	2.5	-	-	-	20.6
Arkendale to Powell's Creek Third Track Construction	6	85.7	11.0	4.7	-	-	-	-	-	-	101.4
Manassas Line - Transaction	7	-	-	315.0	-	42.0	-	-	-	-	357.0
Seminary Passage - Transaction	7	-	-	55.3	-	-	-	-	-	-	55.3
Manassas Line & Seminary Passage Transaction Costs	7	-	-	6.0	-	-	-	-	-	-	6.0
Manassas Line - Capital Maintenance	1	-	-	3.0	3.9	4.1	4.3	4.4	4.6	4.7	29.0
Total Other Capital Projects		\$86.3	\$20.0	\$410.8	\$29.4	\$53.6	\$6.8	\$4.4	\$4.6	\$4.7	\$620.6

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

Capital & Operating Grants



- »» This budget category includes funding **provided to third party** entities to build and improve their rail infrastructure or operate their rail service.
- »» The **Total Project Budget** includes all funding for a project including funds that do not pass through the VPRA financial system of controls.
- »» The **VPRA Grant Funding** includes the total funding that flows through the VPRA financial system of controls for a grant.

CAPITAL & OPERATING GRANTS

SOURCES & USES

(IN MILLIONS)

Project Description	Grantee	Expenses Incurred to Date	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total Project Budget	Total VPRA Budget FY24-FY31	VPRA Grant Funding	VPRA Funding %
VPRA Managed														
Crystal City Platform	VRE	-	\$0.7	-	-	-	-	-	-	-	\$68.9	\$0.7	\$0.7	1%
L'Enfant Platform	VRE	-	1.4	0.8	-	-	-	-	-	-	114.7	2.2	2.2	2%
Alexandria Station Pedestrian Tunnel	VRE	-	3.8	3.0	8.2	4.5	-	-	-	-	44.3	19.5	19.5	44%
Brooke & Leeland Road Station Improvements	VRE	-	0.1	1.0	1.9	5.2	5.0	5.0	-	-	31.9	18.2	18.2	57%
Broad Run Station & 3rd Track Improvements	VRE	3.5	3.0	22.3	22.3	22.2	-	-	-	-	130.5	69.8	73.3	56%
Manassas Station Platform Extension	VRE	-	0.1	0.7	4.2	4.1	-	-	-	-	9.1	9.1	9.1	100%
Manassas Park Parking Garage & Bridge	VRE	-	21.4	2.1	-	-	-	-	-	-	35.3	23.5	23.5	67%
Real Time Multimodal Information	VRE	-	1.8	1.7	-	-	-	-	-	-	4.5	3.5	3.5	78%
Quantico Station Improvements	VRE	10.1	10.9	3.0	-	-	-	-	-	-	27.5	13.9	24.0	87%
Backlick Road Station Improvement	VRE	-	-	2.5	-	-	-	-	-	-	8.5	2.5	2.5	29%
Crossroads Storage Expansion	VRE	-	1.2	6.2	-	-	-	-	-	-	7.4	7.4	7.4	100%
Woodbridge Platform Improvements	VRE	-	-	1.4	1.3	-	-	-	-	-	2.7	2.7	2.7	100%
Track Lease Payment-Amtrak	VRE	5.7	6.7	8.0	8.2	10.6	10.9	11.2	12.6	13.0	103.3	81.2	86.9	84%
Track Lease Payment-Norfolk Southern	VRE	2.9	2.9	1.0	-	-	-	-	-	-	8.1	3.9	6.8	84%
Newport News Station, Platform, & Service Facility	Newport News	19.0	2.7	-	-	-	-	-	-	-	52.0	2.7	21.7	42%
Amtrak PIDS: Ashland & Richmond Main St. Stations	Amtrak/DRPT	0.1	0.4	0.4	0.3	-	-	-	-	-	1.2	1.1	1.2	100%
Amtrak Train Equipment - New Service	Amtrak	-	-	-	17.0	-	-	-	-	-	17.0	17.0	17.0	100%
Roanoke Yard Improvements	Norfolk Southern	0.3	20.0	8.4	5.0	2.8	-	-	-	-	36.5	36.2	36.5	100%
Western Rail Initiative Grant	Norfolk Southern	26.3	13.2	13.2	13.2	13.2	13.1	13.1	13.1	13.1	131.5	105.2	131.5	100%
New River Valley Passenger Capacity Grant	Norfolk Southern	-	-	16.7	8.3	-	-	-	-	-	25.0	25.0	25.0	100%
Total VPRA Managed		67.9	90.3	92.4	89.9	62.6	29.0	29.3	25.7	26.1	859.9	445.3	513.2	
DRPT Managed														
DC2RVA FRA Grant Match	Various	0.1	0.8	0.9	-	-	-	-	-	-	9.0	1.7	1.8	20%
DRPT Planning Grants	Various	0.7	0.7	0.7	-	-	-	-	-	-	2.1	1.4	2.1	100%
Marshalling Yard Expansion	Port Authority	-	-	5.8	2.0	-	-	-	-	-	7.8	7.8	7.8	100%
Central Rail Yard Expansion	Port Authority	5.4	0.1	-	-	-	-	-	-	-	5.5	0.1	5.5	100%
Front Royal Expansion	Port Authority	-	1.5	4.7	-	-	-	-	-	-	6.2	6.2	6.2	100%
Total DRPT Managed		6.2	3.1	12.1	2.0	-	-	-	-	-	30.6	17.2	23.4	
Total		\$74.1	\$93.4	\$104.5	\$91.9	\$62.6	\$29.0	\$29.3	\$25.7	\$26.1	\$890.5	\$462.5	\$536.6	