

CEO REPORT

FEBRUARY 2019



OUR MISSION

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, reliable, convenient, and customer responsive commuter-oriented rail passenger service. VRE contributes to the economic vitality of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.



CEO REPORT | FEBRUARY 2019

TABLE OF CONTENTS

SUCCESS AT A GLANCE 3

ON-TIME PERFORMANCE 4

AVERAGE DAILY RIDERSHIP 6

SUMMONSES ISSUED 7

TRAIN UTILIZATION 8

PARKING UTILIZATION 9

FINANCIAL REPORT10

NVTC QUARTERLY C-ROC REPORT11

FACILITIES UPDATE.....12

UPCOMING PROCUREMENTS13

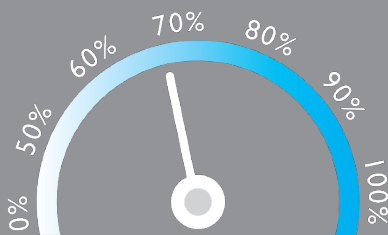
PROJECTS PROGRESS REPORT16



VIRGINIA RAILWAY EXPRESS
A better way. A better life.

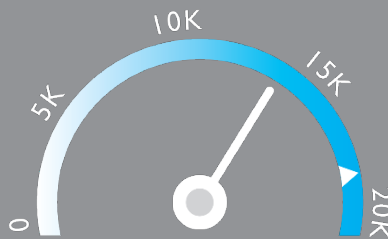


SUCCESS AT A GLANCE



**PARKING
UTILIZATION**

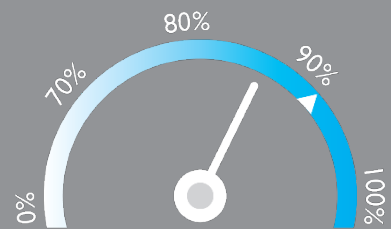
The total number of parking spaces used in the VRE system during the month, divided by the total number of parking spaces available.



**AVERAGE DAILY
RIDERSHIP**

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings but excluding "S" schedule operating days.

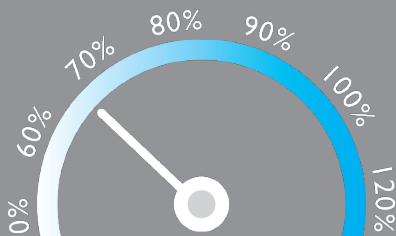
▲ Same month, previous year.



**ON-TIME
PERFORMANCE**

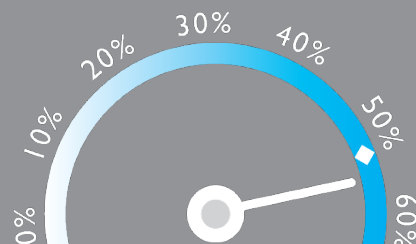
Percentage of trains that arrive at their destination within five minutes of the schedule.

▲ Same month, previous year.



SYSTEM CAPACITY

The percent of peak hour train seats occupied. The calculation excludes reverse flow and non-peak hour trains.



OPERATING RATIO

The monthly operating revenues divided by the monthly operating expenses, which depicts the percent of operating costs paid by the riders.

◆ Board-established goal.

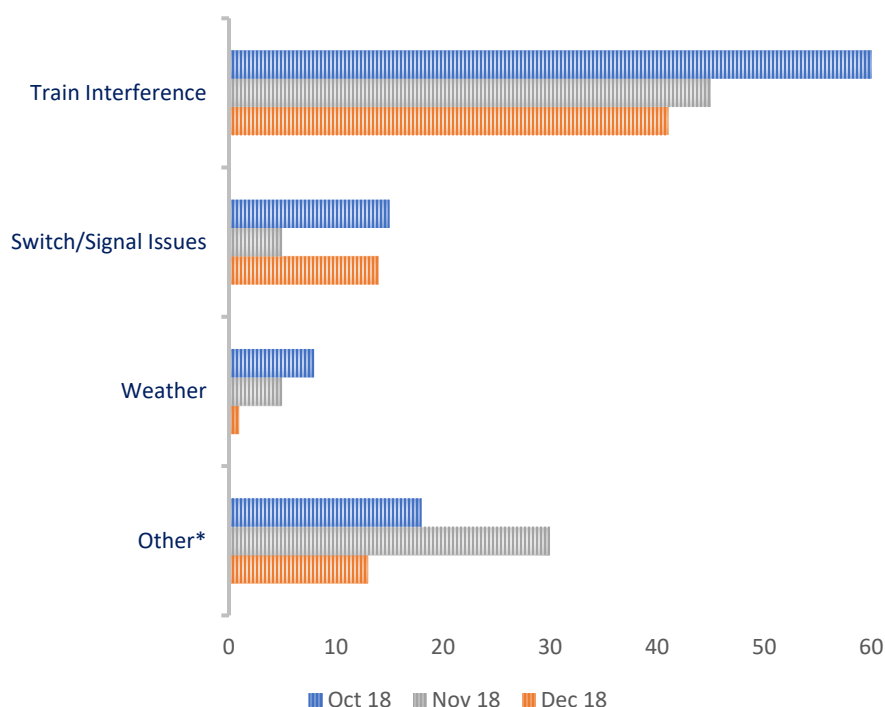
DECEMBER 2018

ON-TIME PERFORMANCE

OUR RECORD

	December 2018	November 2018	December 2017
Manassas Line	88%	82%	93%
Fredericksburg Line	86%	91%	90%
System Wide	87%	86%	92%

PRIMARY REASON FOR DELAY



VRE operated 543 trains in December.

Our on-time rate for December was 87%.

Sixty-nine of the trains arrived more than five minutes late to their final destinations. Thirty-two of those late trains were on the Manassas Line (88%), and thirty-seven of those late trains were on the Fredericksburg Line (86%).

Train Interference continues to be the largest contributor to delays and was the primary reason for not making our goal in the month of December. While the actual number of delays was lower than in the previous two months, when accounting for the lower number of trips overall in the month due to six "S" Schedule days, we come up just short of the OTP goal of 90%.

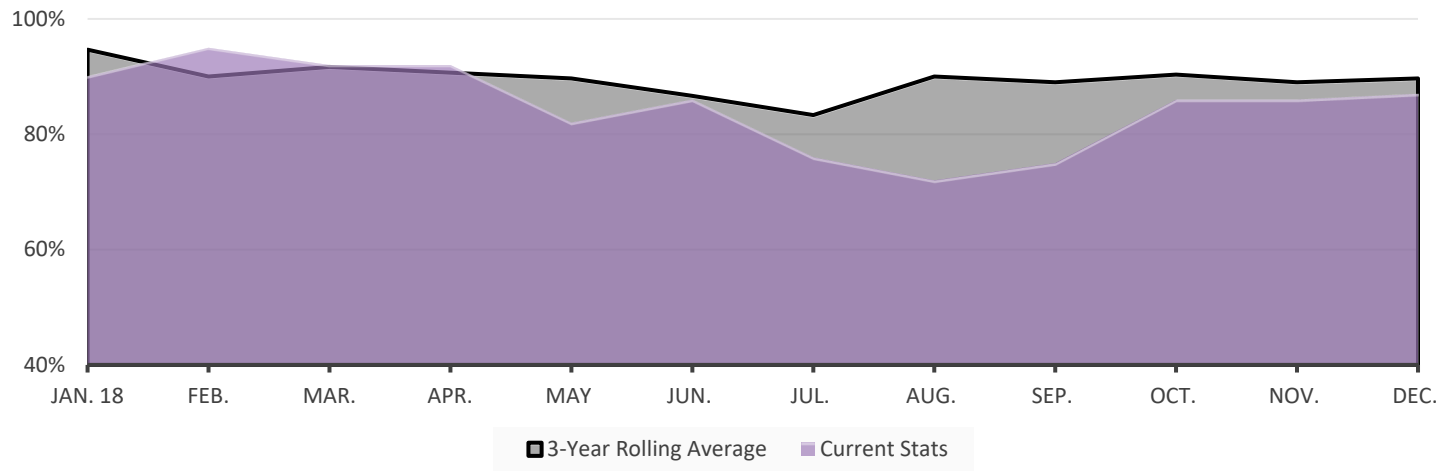
*Includes trains that were delayed due to operational testing and passenger handling.

LATE TRAINS

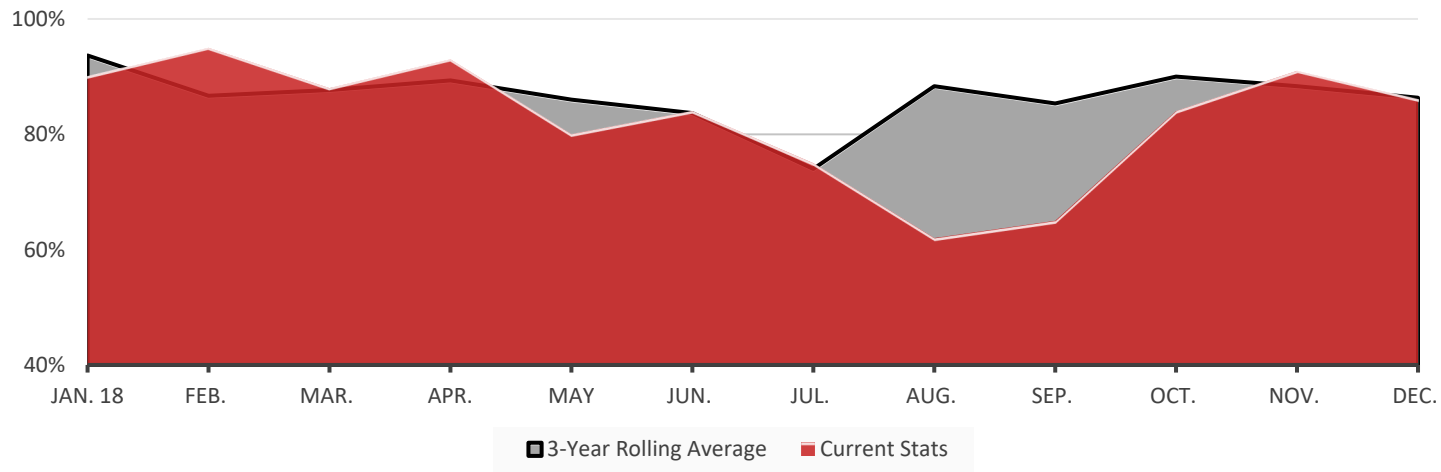
	System Wide			Fredericksburg Line			Manassas Line		
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
Total late trains	102	85	69	55	28	37	47	57	32
Average minutes late	20	13	14	27	11	15	13	14	14
Number over 30 minutes	22	4	5	18	0	3	4	4	2
Heat restriction days / total days	0/22	0/20	0/20						

ON-TIME PERFORMANCE

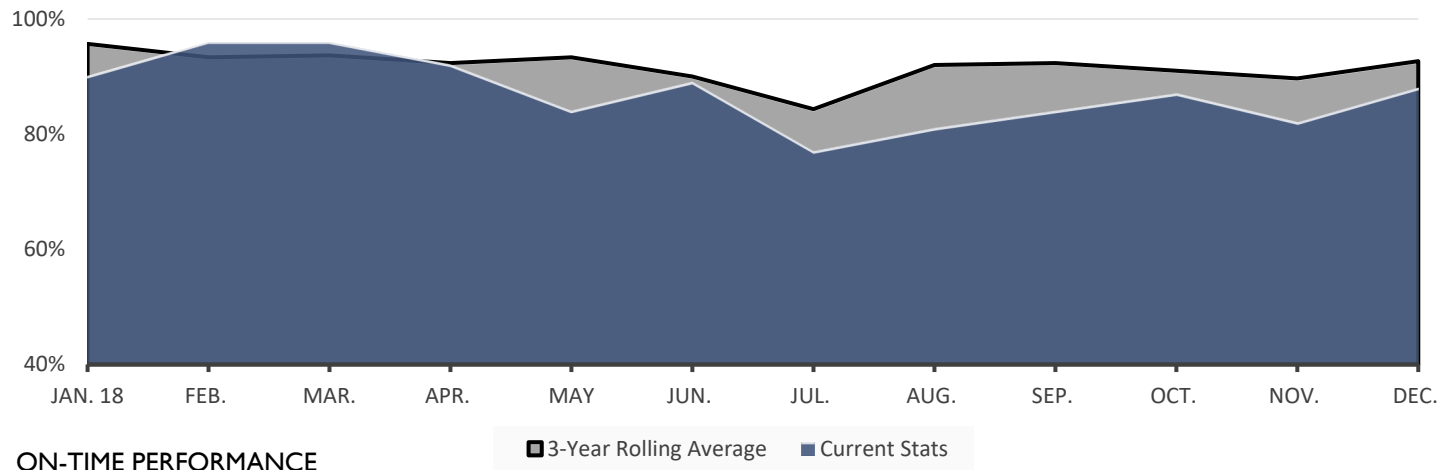
VRE SYSTEM



FREDERICKSBURG LINE

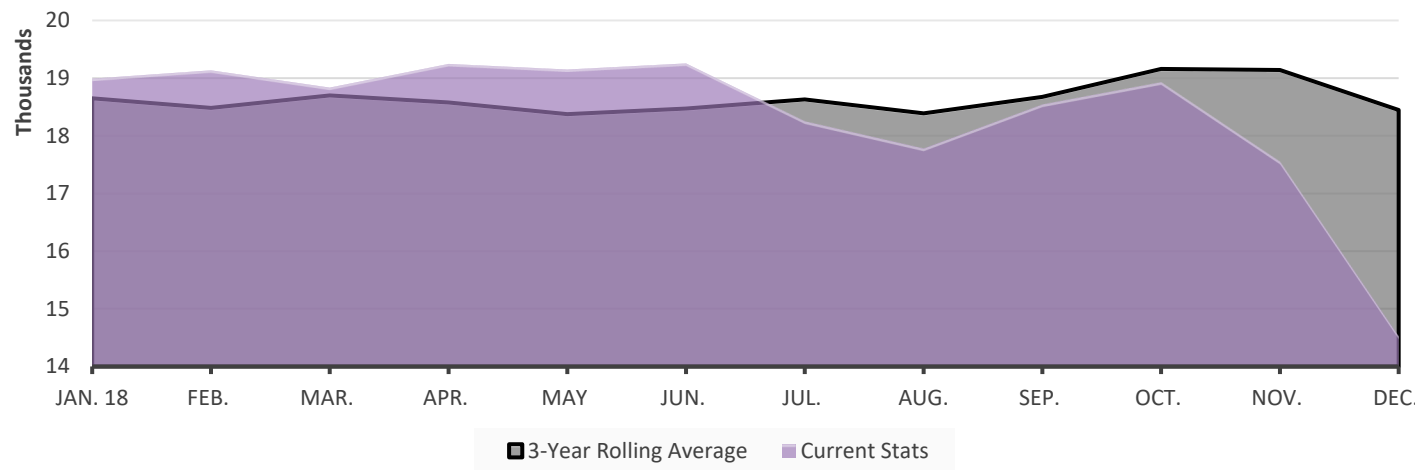


MANASSAS LINE

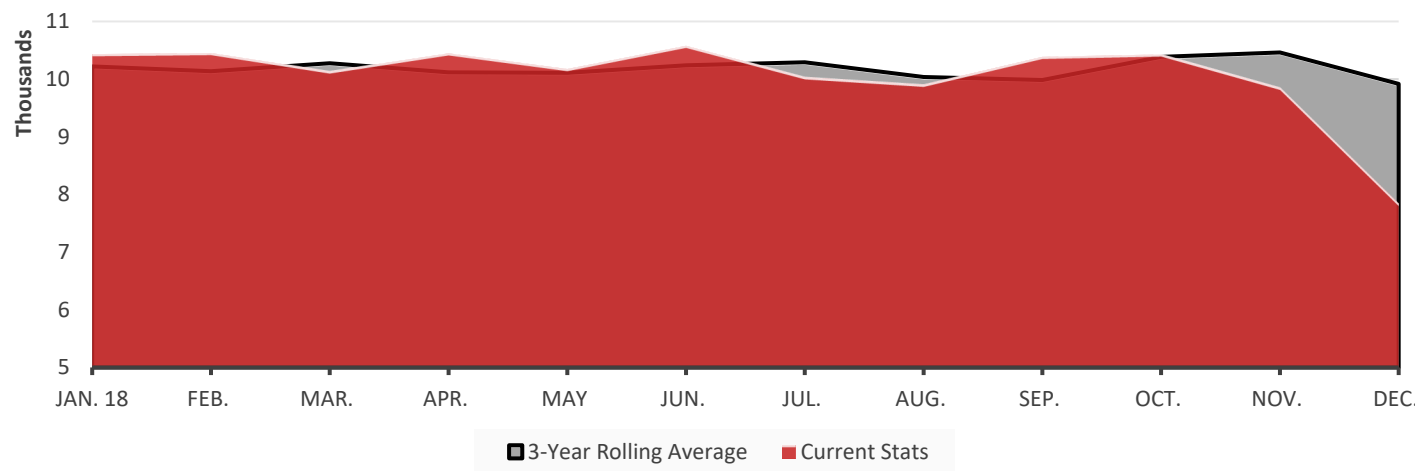


AVERAGE DAILY RIDERSHIP

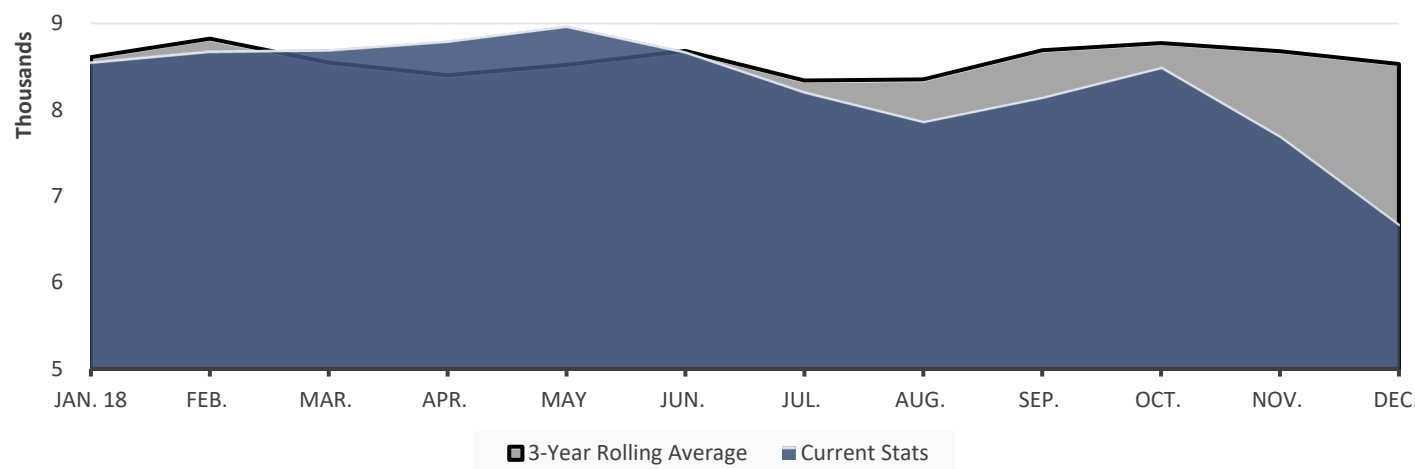
VRE SYSTEM



FREDERICKSBURG LINE



MANASSAS LINE

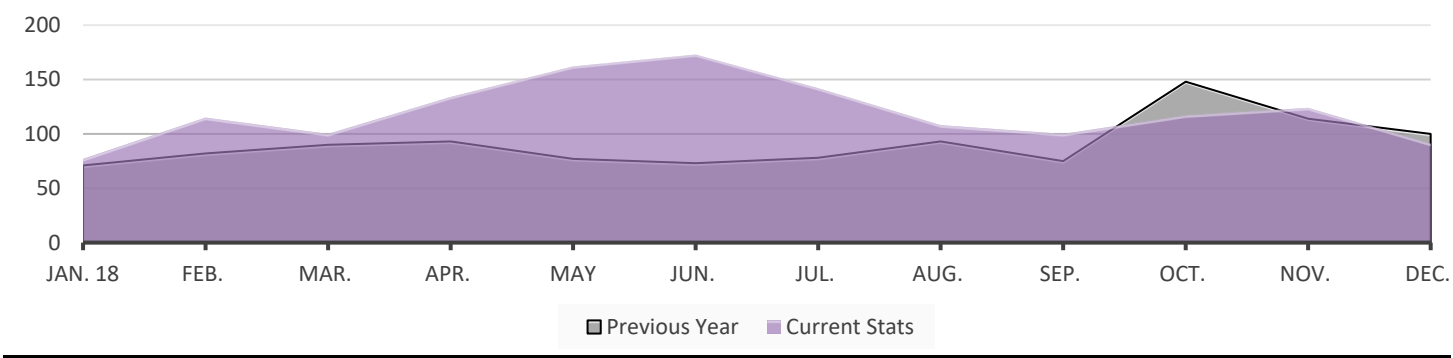


Average daily ridership (ADR) in December was approximately 14,500.

	December 2018	November 2018	December 2017
Monthly Ridership	290,480	351,049	333,071
Average Daily Ridership	14,524	17,552	18,689
Full Service Days	14	20	16
"S" Service Days	6	1	4

SUMMONSES ISSUED

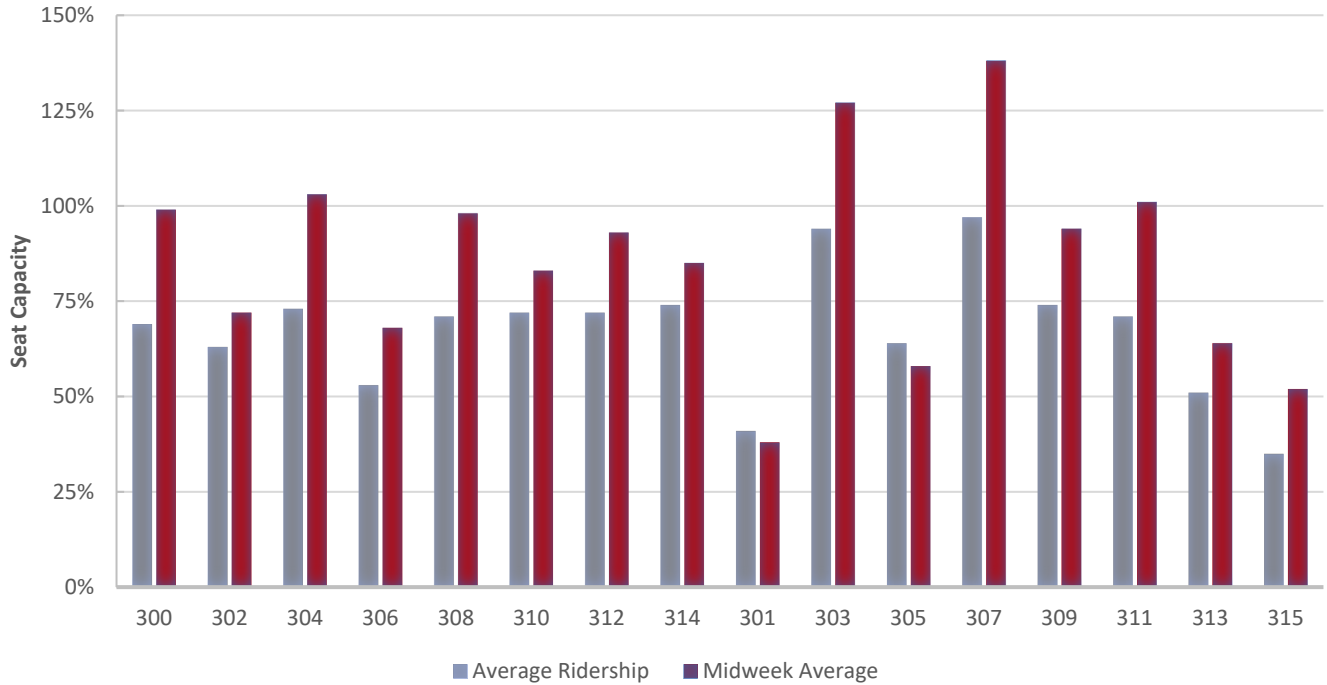
VRE SYSTEM



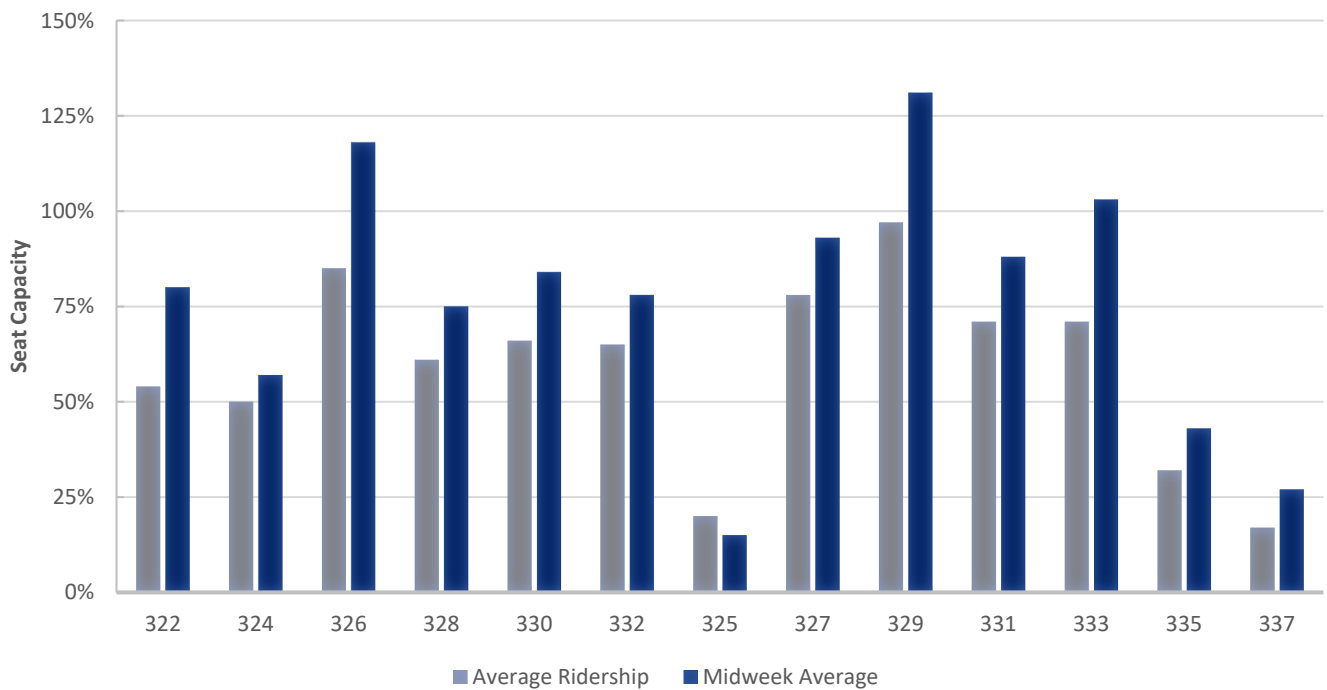
Note: No court in December.

TRAIN UTILIZATION

FREDERICKSBURG LINE

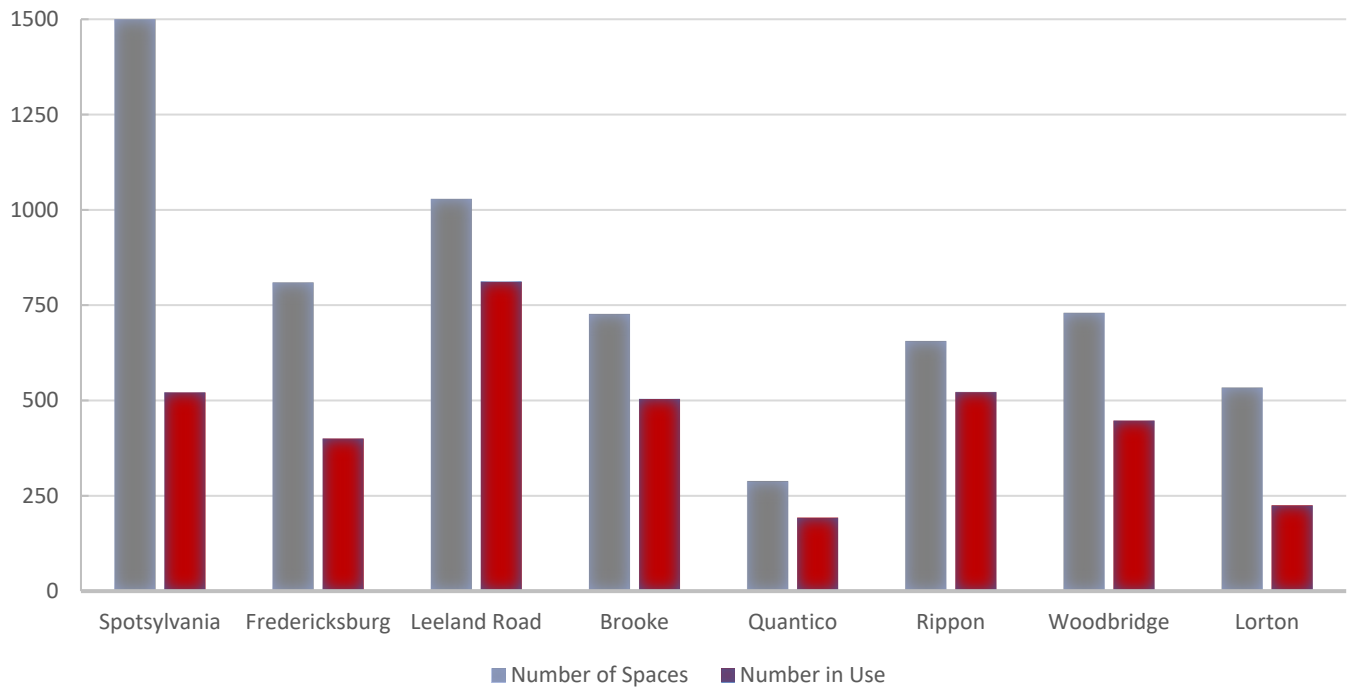


MANASSAS LINE

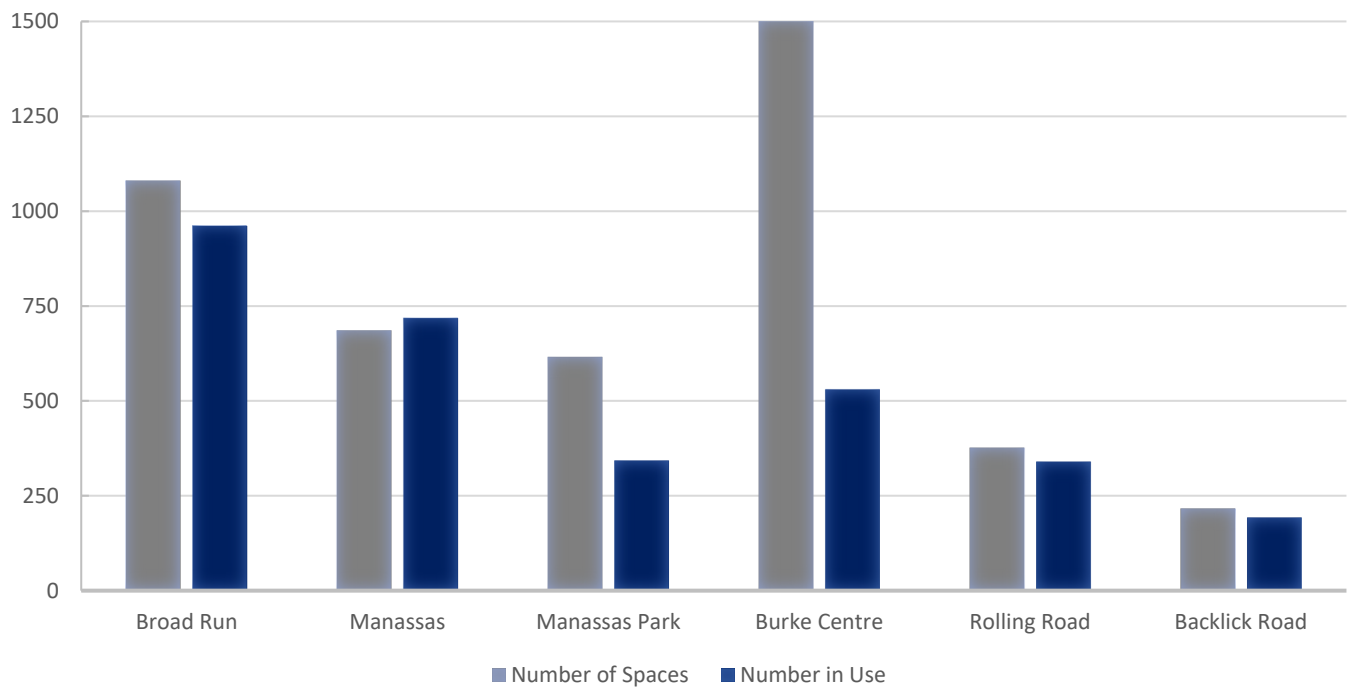


PARKING UTILIZATION

FREDERICKSBURG LINE



MANASSAS LINE



FINANCIAL REPORT

Fare revenue through the first half of FY 2019 is approximately \$169,000 below budget (an unfavorable variance of -0.8%) and is 0.5% below the same period in FY 2018.

The operating ratio through December is 54%, which is above VRE's budgeted operating ratio of 52% for the full twelve months of FY 2019. VRE is required to budget a minimum operating ratio of 50%.

A summary of the FY 2019 financial results through December follows, including information on major revenue and expense categories. Please note that these figures are preliminary and unaudited.

FY 2019 Operating Budget Report							
Month Ended December 31, 2018							
	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD \$ VARIANCE	YTD % VARIANCE	TOTAL FY19 BUDGET
Operating Revenue							
Passenger Ticket Revenue	3,292,821	3,392,000	21,031,179	21,200,000	(168,821)	-0.8%	42,400,000
Other Operating Revenue	600	18,000	170,149	112,500	57,649	51.2%	225,000
Subtotal Operating Revenue	3,293,421	3,410,000	21,201,328	21,312,500	(111,172)	-0.5%	42,625,000
Jurisdictional Subsidy (I)	-	-	9,119,260	9,062,209	57,051	0.6%	13,116,039
Federal/State/Other Jurisdictional Subsidy	2,558,382	2,526,431	15,492,250	15,503,325	(11,075)	-0.1%	31,388,025
Appropriation from Reserve/Other Income	-	79,200	-	495,000	(495,000)	0.0%	990,000
Interest Income	119,960	16,000	589,864	100,000	489,864	489.9%	200,000
Total Operating Revenue	5,971,763	6,031,631	46,402,702	46,473,034	(70,332)	-0.2%	88,319,064
Operating Expenses							
Departmental Operating Expenses	5,714,352	6,223,156	39,027,861	42,290,325	3,262,463	7.7%	82,050,714
Debt Service	510,363	309,794	3,062,113	3,061,639	(474)	0.0%	6,222,350
Other Non-Departmental Expenses	12	3,680	11,749	23,000	11,251	0.0%	46,000
Total Operating Expenses	6,224,728	6,536,630	42,101,723	45,374,964	3,273,241	7.2%	88,319,064
Net income (loss) from Operations	(252,965)	(504,999)	4,300,979	1,098,070	3,202,909		-
Operating Ratio			54%	50%	Budgeted	52%	Goal
						50%	

(I) Total jurisdictional subsidy is \$17,767,748. Portion shown as budgeted is attributed to Operating Fund only.

NVTC QUARTERLY C-ROC REPORT

Background

As part of the agreement between NVTC and PRTC for the distribution and allocation of the Commuter Rail Operating and Capital (C-ROC) Fund, NVTC must provide a quarterly report about the funds in the C-ROC Fund, including disbursements received, amounts expended and the purpose of the expenditures, and investment and interest earnings.

Dedicated funding for VRE through the C-ROC began on July 1, 2018. Under current legislation, the C-ROC Fund receives \$15 million annually (\$1.25 million monthly) from gasoline taxes collected in the NVTC and PRTC regions. C-ROC funds are received from the Department of Motor Vehicles (DMV) and are held by NVTC in a separate Local Government Investment Pool (LGIP) account, in accordance with §33.2-1525.A of the Code of Virginia. As part of the VRE budget process, the Operations Board and Commissions must approve the list of projects that are to be funded in whole or in part by the C-ROC Fund.

C-ROC Fund as of December 31, 2018

A summary of the C-ROC Fund is presented in the table below. Due to lags in the determination of total gasoline tax revenue by DMV and the transfer of funds from DMV to NVTC, total C-ROC funds received through December are less than total funds earned. Funds for July 2018 were received in October and funds for August and September were received in November.

C-ROC Fund as of 12/31/2018

Period	Funds Earned	Funds Received	Interest Earned	Expenditures	C-ROC Account Balance (LGIP)
FY 2019 (Jul-Dec)	\$7,500,000	\$3,750,000	\$14,627	\$0	
Life to Date (sum of all periods)	\$7,500,000	\$3,750,000	\$14,627	\$0	\$3,764,627

As part of the adoption of the FY 2019 Amended and FY 2020 Approved budgets in December 2018, the VRE Operations Board approved the commitment of a total of \$45 million in current and future C-ROC funds to key capital projects – \$30 million for the L’Enfant Station and Fourth Track project and \$15 million for the Crystal City Station project. The Commissions subsequently gave their approval to this project list in January 2019. This commitment reflects three years of expected C-ROC funding (FY 2019 through FY 2021), and expenditures will be reflected above when construction commences on these projects.

FACILITIES UPDATE

The following is a status update of VRE facilities projects:

Completed projects:

1. Repairs to wind-damaged right-of-way fence along access road at Franconia-Springfield Station
2. Replacement of station posters throughout VRE system

Projects scheduled to be completed this quarter:

1. Replacement of tactile warning strip at L'Enfant Station
2. Repairs to platform concrete at L'Enfant Station
3. Repairs to fascia and soffit at Woodbridge Station east building
4. Replacement of gutters and downspouts at Rippon Station
5. Repairs to platform concrete at Manassas Station
6. Installation of automated parking count system at stations with parking lots

Projects scheduled to be initiated this quarter:

1. Design of platform widening at L'Enfant Station
2. Development of IFB for painting of Franconia-Springfield Station, pending Operations Board authorization to issue solicitation
3. Replacement of signage at additional stations (locations TBD)
4. Development of IFB for pavement repairs and striping at Rippon and Leeland Road Stations and Fredericksburg Lot G, pending Operations Board authorization to issue solicitation

Ongoing projects:

1. Renovations to Alexandria Headquarters Suite 201
2. Development of specifications for modernization of east elevator at Woodbridge Station
3. Development of IFB for canopy roof replacement at Backlick Road Station
4. Replacement of parking lot entrance signs at various stations
5. Replacement of waste and recycling receptacles at various stations



Franconia-Springfield Station Right-of-Way Fence - Before



Franconia-Springfield Station Right-of-Way Fence - After

UPCOMING PROCUREMENTS

- Purchase of Passenger Elevators
- Construction of the Lifecycle Overhaul and Upgrade Facility
- Construction Management Services for the Lifecycle Overhaul and Upgrade Facility
- Program Management Services
- Graphic Design Services
- Canopy Roof Replacement at the Backlick Road Station
- Modernization of VRE Woodbridge Station East Elevator
- Passenger Car Wheelchair Lift Assemblies
- Seat Bottoms for Passenger Cars
- Construction of Benchmark Road Slope Stabilization
- Construction of Rolling Road Platform Extension
- Purchase of LED Light Fixtures
- Construction of L'Enfant South Storage Track Wayside Power
- Variable Messaging System Replacement
- Tactile Strip Replacements
- Banking Services
- Delivery of Diesel Fuel for VRE Locomotives

CAPITAL PROJECTS UPDATES

The following is a status update of VRE capital projects:

Completed projects or major project milestones:

1. Manassas Park Parking Improvements final design initiated
2. Rolling Road Station Improvements Construction Management (CM) initiated
3. Quantico Station Improvements IPROC grant agreement executed
4. Alexandria Station Track I Access (Slaters Lane) construction started
5. New York Avenue Midday Storage Facility Categorical Exclusion (CE) documentation submitted to FTA for approval

Projects or project phases scheduled to be completed this quarter:

1. VRE Transit Development Plan (TDP) Update

Projects or project phases scheduled to be initiated this quarter:

1. Invitation for Bids (IFB) for Rolling Road Station Improvements
2. Final design and construction of temporary platform for Quantico Station Improvements
3. Final design of Lorton Station Improvements
4. Final design of Franconia-Springfield Station Improvements
5. Re-design of Alexandria Station Improvements (modify existing tunnel and east platform)

Ongoing projects:

1. Broad Run Expansion (BRX)
2. Manassas Park Parking Improvements
3. Rolling Road Station Improvements
4. Crossroads Maintenance and Storage Facility (MSF) – Land Acquisition
5. Lifecycle Overhaul & Upgrade Facility (LOU)
6. Leeland Road Station Improvements
7. Brooke Station Improvements
8. Quantico Station Improvements
9. Rippon Station Improvements

FEBRUARY 2019

- 10. Lorton Station Improvements
- 11. Franconia-Springfield Station Improvements
- 12. Alexandria Station Improvements
- 13. Alexandria Station Track 1 Access (Slaters Lane)
- 14. Crystal City Station Improvements
- 15. L'Enfant Train Storage Track - South
- 16. L'Enfant Station Improvements
- 17. New York Avenue Midday Storage Facility
- 18. VRE Transit Development Plan (TDP) Update
- 19. Potomac Shores VRE Station – *design by others*
- 20. Long Bridge Project Environmental Impact Statement (EIS) - *study by others*
- 21. Washington Union Station Improvements Environmental Impact Statement (EIS) - *study by others*

Projects Progress Report to Follow

PASSENGER FACILITIES

PROJECT	DESCRIPTION	PHASE					
		CD	PD	EC	RW	FD	CN
Alexandria Station Improvements	Eliminate at-grade track crossing, add elevators, modify platforms.	◆	◆	◆	N/A	●	
	Modify Slaters Lane Interlocking for passenger trains on Track #1.	◆	◆	◆	N/A	●	
	Extend and widen East Platform and elevate West Platform.	◆	◆	◆	N/A	●	
Franconia-Springfield Station Improvements	Extend both platforms and widen East Platform for future third track. ◆	◆	◆	◆	N/A	●	
Lorton Station Improvements	Construct new second platform with pedestrian overpass. ◆	◆	◆	◆	N/A	●	
Rippon Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Potomac Shores Station Improvements	New VRE station and parking in Prince William County provided by private developer.	◆	●	◆	N/A		
Quantico Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass.	◆	◆	◆	N/A	●	
Brooke Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Leeland Road Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Manassas Park Parking Improvements	Parking garage to increase parking capacity to 1,100 spaces.	◆	◆	●	N/A		
Rolling Road Station Improvements	Extend existing platform and rehabilitate existing station	◆	◆	◆	N/A	●	
Crystal City Station Improvements	Replace existing side platform with new, longer island platform.	◆	●	●	N/A		
L'Enfant Station Improvements	Replace existing platform with wider, longer island platform. Add fourth track (VA-LE)	◆			N/A		

PHASE: CD - Conceptual Design PE - Preliminary Engineering EC - Environment Clearance RW - Right of Way Acquisition FD - Final Design CN - Construction

STATUS: ◆ Completed ● Underway ■ On Hold ◆ part of the "Penta-Platform" program

¹Total project cost estimate in adopted FY2020 CIP Budget

² Does not include minor (< \$50,000) operating expenditures

* \$2,181,630 authorization divided across five "Penta-Platform" program stations

ESTIMATED COSTS (\$)						STATUS	
Total ¹	Funded	Unfunded	Authorized	Expended ²	Percent Complete	Project Completion Date	
26,674,365	26,674,365	-	2,382,759	2,193,257	90%	4th QTR 2020	● VRE Ops. Board approval of revised design contract pending.
7,000,000	7,000,000	-	467,500	140,324	30%	2nd QTR 2019	● CSX forces on hold until after Jan. 1, 2019.
2,400,000	400,000	2,000,000	-	-	5%	4th QTR 2020	● Design work on East Platform only. West Platform improvements funded.
13,000,000	13,000,000	-	*	337,165	30%	4th QTR 2022	● PE design and EC complete; FD start pending with anticipated completion 4th QTR 2019.
16,150,000	16,150,000	-	*	414,156	30%	4th QTR 2022	● PE design and EC complete; FD start pending with anticipated completion 4th QTR 2019.
16,634,793	16,634,793	-	*	326,505	20%	4th QTR 2023	● PE design/EC completion pending CSXT design review with anticipated completion in 3rd QTR 2019.
No costs for VRE. Private developer providing station.					10%	TBD	● Potomac Shores VRE Station 30% re-design initiated to include parking structure.
18,372,949	18,372,949	0	-	-	30%	TBD	● FD start 1st QTR 2019. SMART SCALE grant agreement pending.
23,391,019	23,391,019	-	*	291,842	20%	4th QTR 2023	● DRPT LONP received; REF grant pending. PE design/EC anticipated completion 3rd QTR 2019.
15,527,090	15,527,090	-	*	292,727	20%	4th QTR 2023	● DRPT LONP received; REF grant pending. PE design/EC anticipated completion 3rd QTR 2019.
25,983,000	25,983,000	0	2,238,144	670,225	30%	4th QTR 2022	● FD underway. Meeting scheduled with Governing Body to discuss value engineering recommendations.
2,000,000	2,000,000	-	442,900	335,534	80%	3rd QTR 2020	● Invitation for Bids (IFB) pending start 2019 construction season and NS Construction Agreement.
49,940,000	5,410,000	44,530,000	399,121	393,642	100%	2nd QTR 2023	■ DRPT LONP received. CD complete. Completion of PE design & EC pending excution of REF grant.
70,650,000	3,226,000	67,424,000	2,980,000	58,793	2%	2nd QTR 2023	■ DRPT LONP received; completion of PD & EC pending excution of REF grant by DRPT.

TRACK AND INFRASTRUCTURE

PHASE

PROJECT	DESCRIPTION	CD	PD	EC	RW	FD	CN
Hamilton-to-Crossroads Third Track	2¼-miles of new third track with CSXT design and construction of signal and track tie-ins.	◆	◆	◆	N/A	◆	◆

MAINTENANCE AND STORAGE FACILITIES

L'Enfant Train Storage Track - South	Conversion of CSXT Temporary Track to VRE Storage Track (1,350 feet) and Associated Signal Work	◆	◆	◆	N/A	●	●
Lifecycle Overhaul & Upgrade Facility	New LOU facility to be added to the Crossroads MSF.	◆	◆	◆	N/A	◆	■
Crossroads Maintenance and Storage Facility - Land Acquisition	Acquisition of 16.5 acres of land, construction of two storage tracks and related site improvements.	◆	N/A	N/A	●	N/A	N/A
New York Avenue Midday Storage Facility	Midday storage facility replacement for Ivy City storage facility.	◆	●	●	●		

ROLLING STOCK

Passenger Railcar Procurement	Acquisition of 29 new railcars.	◆	N/A	N/A	N/A	◆	◆
Positive Train Control	Implement Positive Train Control for all VRE locomotives and control cars.	◆	N/A	N/A	N/A	◆	●

PLANNING, COMMUNICATIONS AND IT










Broad Run Expansion (was Gainesville-Haymarket Extension)	NEPA and PE for expanding commuter rail service capacity in Western Prince William County	◆	●	●	-	-	-
Mobile Ticketing	Implementation of a new mobile ticketing system.	◆	N/A	N/A	N/A	◆	●

PHASE: CD - Conceptual Design PE - Preliminary Engineering EC - Environment Clearance RW - Right of Way Acquisition FD - Final Design CN - Construction

STATUS: ◆ Completed ● Underway ■ On Hold

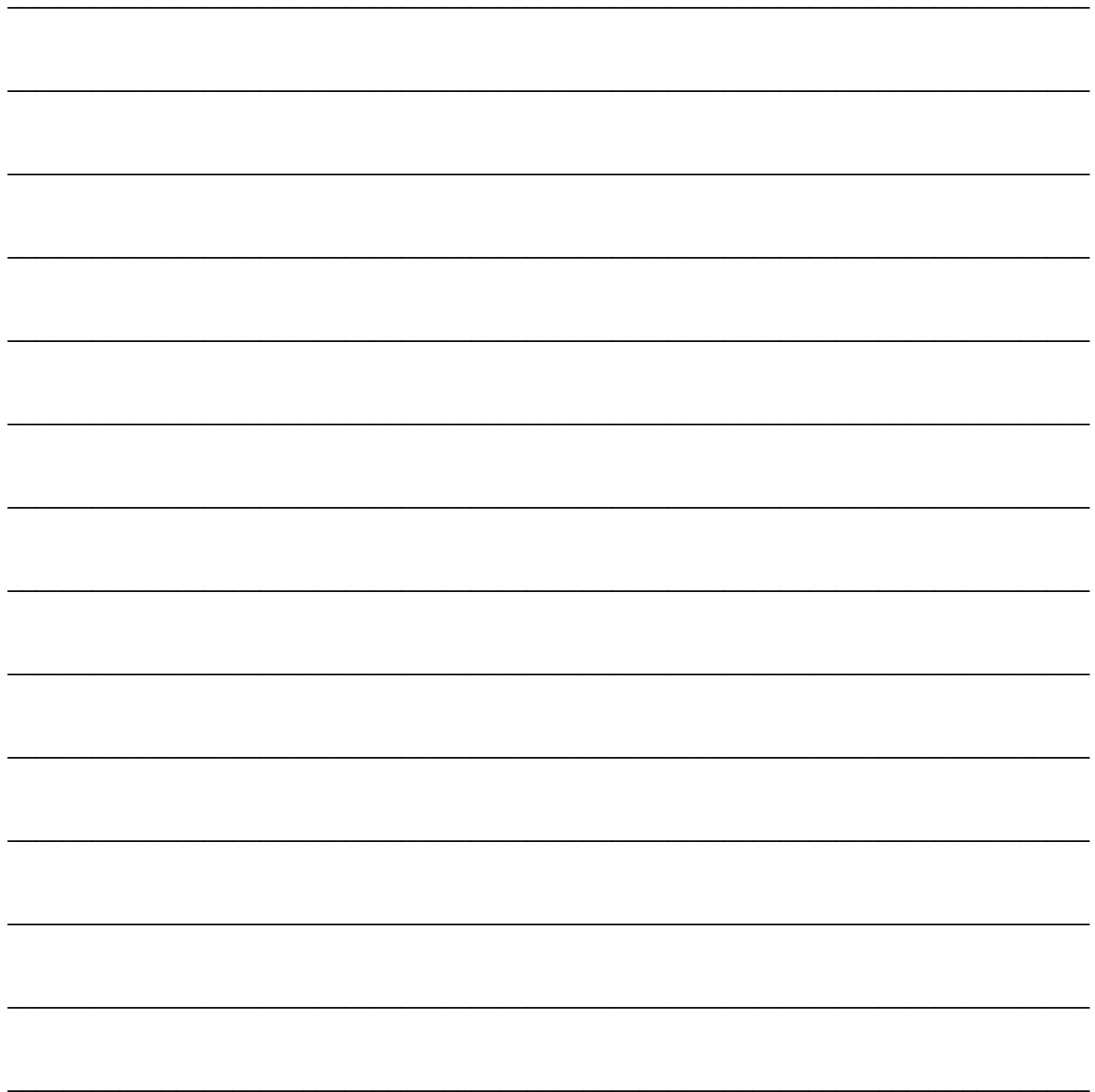
¹ Total project cost estimate in adopted FY2020 CIP Budget

² Does not include minor (< \$50,000) operating expenditures

ESTIMATED COSTS (\$)							STATUS	
Total ¹	Funded	Unfunded	Authorized	Expended ²	Percent Complete	Project Completion Date		
32,500,000	32,500,000	-	33,285,519	30,578,003	90%	3rd QTR 2018		Close-out pending repair of storm damage to embankment.
3,965,000	3,965,000	-	2,937,323	1,699,610	60%	2nd QTR 2019		CSXT Construction Agreement pending.
38,183,632	38,183,632	-	3,176,039	2,143,583	70%	TBD		Design 100% complete. On hold pending property acquisition.
2,950,000	2,950,000	-	2,950,000	139,154	5%	TBD		Revised appraisal pending.
89,666,508	89,666,508	-	3,588,305	1,437,976	40%	4th QTR 2020		Conceptual design under review by Amtrak. NEPA documentation submitted to FTA for approval.
75,264,693	75,264,693	-	69,457,809	47,915,644	70%	4th QTR 2020		All cars received. Completion date reflects end of warranty period.
10,553,000	10,553,000	-	10,294,079	7,984,451	80%	4th QTR 2018		Onboard installations ongoing.
137,230,000	83,825,501	53,404,499	5,208,845	4,466,492	90%	4th QTR 2022		Completion of PE design and EC pending NS review and force account agreement.
3,510,307	3,510,307	-	3,510,627	2,168,462	60%	2nd QTR 2019		Rate My Ride is live in app. Big Commerce/Moovel collaboration underway for web based ticketing portal.

NOTES

[illegible]





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