

CEO REPORT

FEBRUARY 2023



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.



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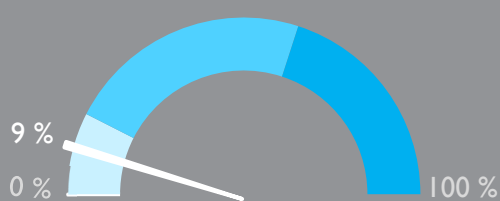
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VIRGINIA RAILWAY EXPRESS
A better way. A better life.

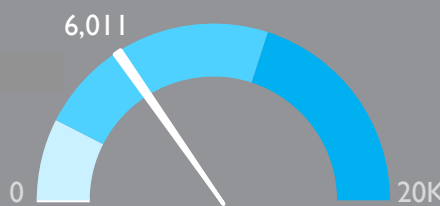


PERFORMANCE AT A GLANCE



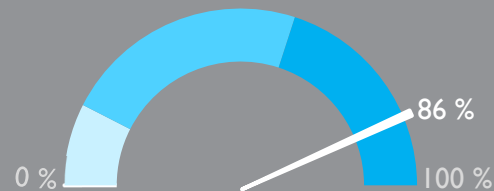
PARKING
UTILIZATION

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



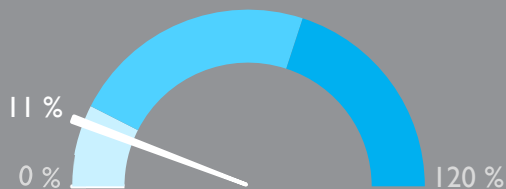
AVERAGE DAILY
RIDERSHIP

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings and reduced, "S" schedule, service.
Same month, previous year: 2,083



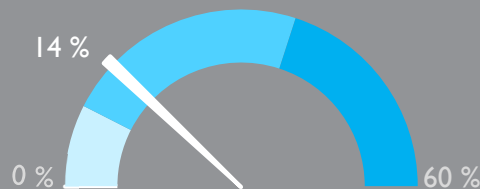
ON-TIME
PERFORMANCE

Percent of trains arriving at their destination within 5 minutes of the schedule.
Same month, previous year: 92%



SYSTEM CAPACITY

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



OPERATING RATIO

Through December 2022

Year-to-date operating revenues divided by year-to-date operating expenses, which represents the share of operating costs paid by the riders.

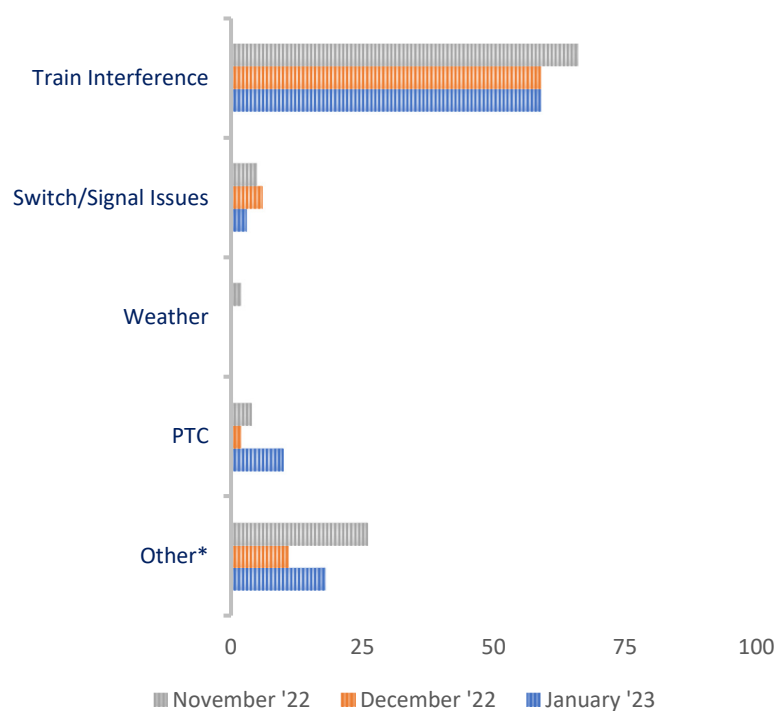
January 2023

ON-TIME PERFORMANCE

OUR RECORD

	January 2023	December 2022	January 2022
Manassas Line	85%	85%	90%
Fredericksburg Line	87%	88%	93%
Systemwide	86%	87%	92%

PRIMARY REASON FOR DELAY



VRE operated 640 trains in January. The on-time rate for January was 86 percent.

Ninety trains arrived more than 5 minutes late to their final destinations. Of those late trains, 48 were on the Manassas Line (53 percent), and 42 were on the Fredericksburg Line (47 percent).

This month's OTP closely aligned with last month, with train interference once again the leading cause for delay.

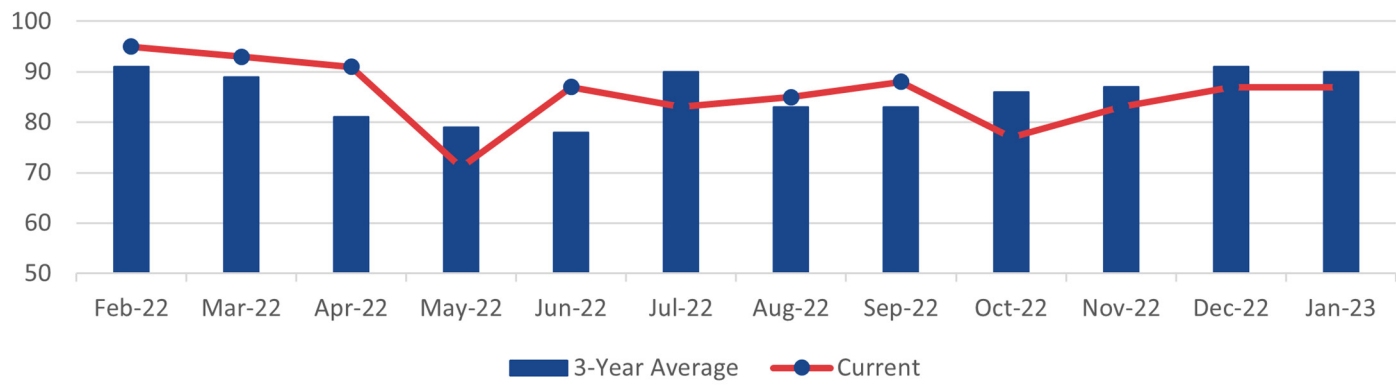
*Includes trains that were delayed due to operational testing and passenger handling.

LATE TRAINS

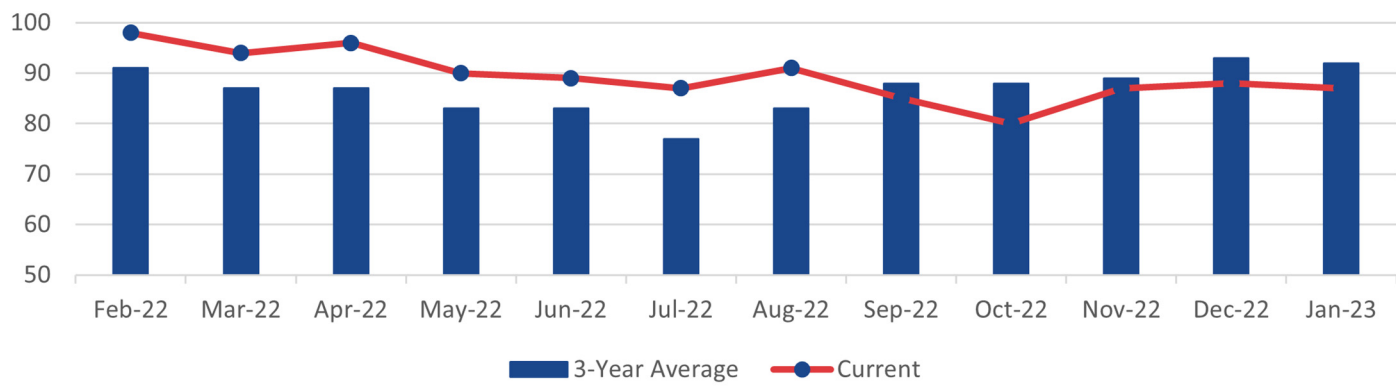
	System Wide			Fredericksburg Line			Manassas Line		
	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.
Total late trains	103	78	90	41	34	42	62	44	48
Average minutes late	14	15	17	16	14	19	13	15	16
Number over 30 minutes	7	4	12	5	3	6	2	1	6
Heat restrictions	0	0	0	0	0	0	0	0	0

ON-TIME PERFORMANCE

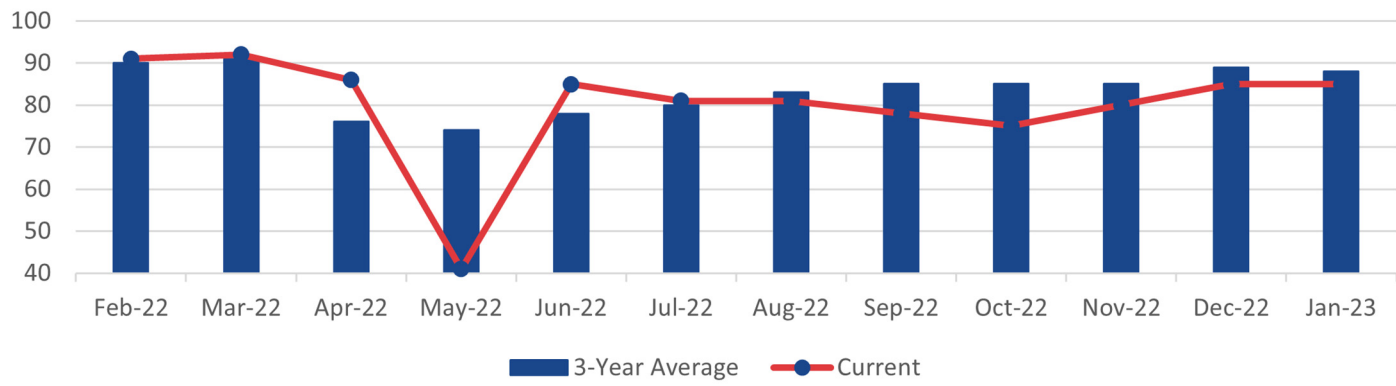
VRE SYSTEM



FREDERICKSBURG LINE

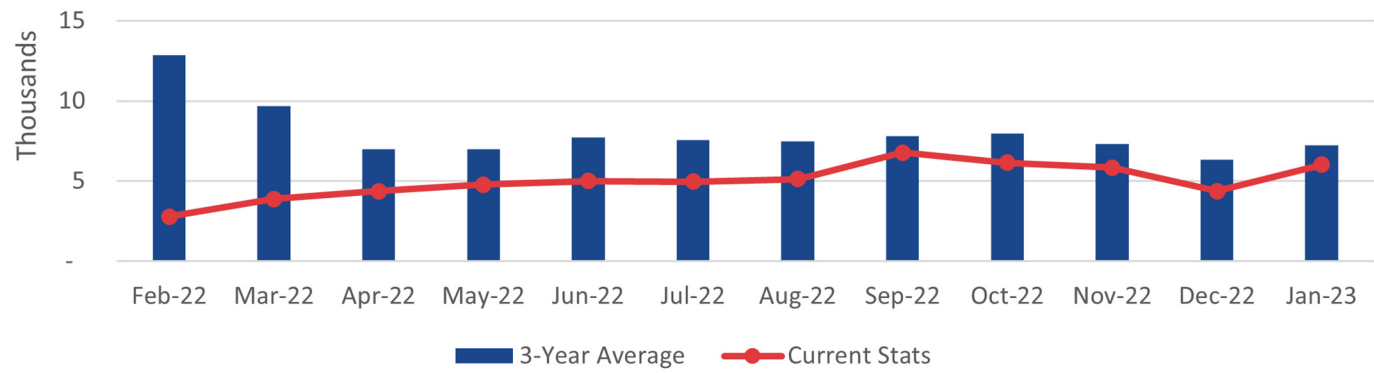


MANASSAS LINE

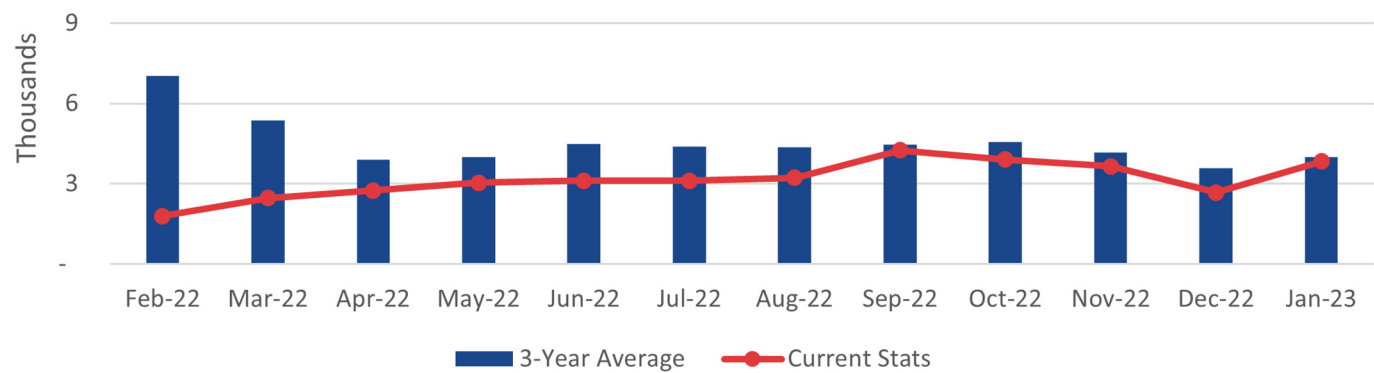


AVERAGE DAILY RIDERSHIP

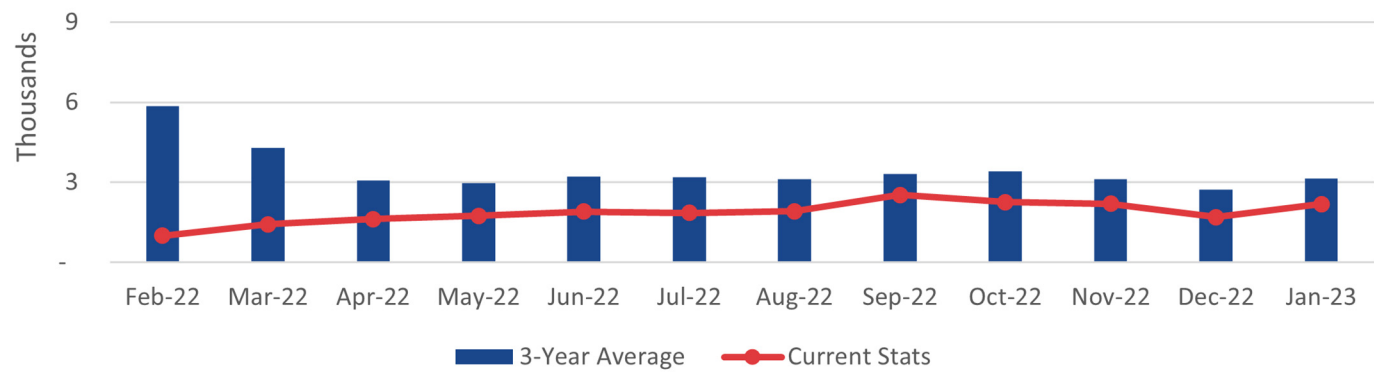
VRE SYSTEM



FREDERICKSBURG LINE



MANASSAS LINE



RIDERSHIP UPDATES

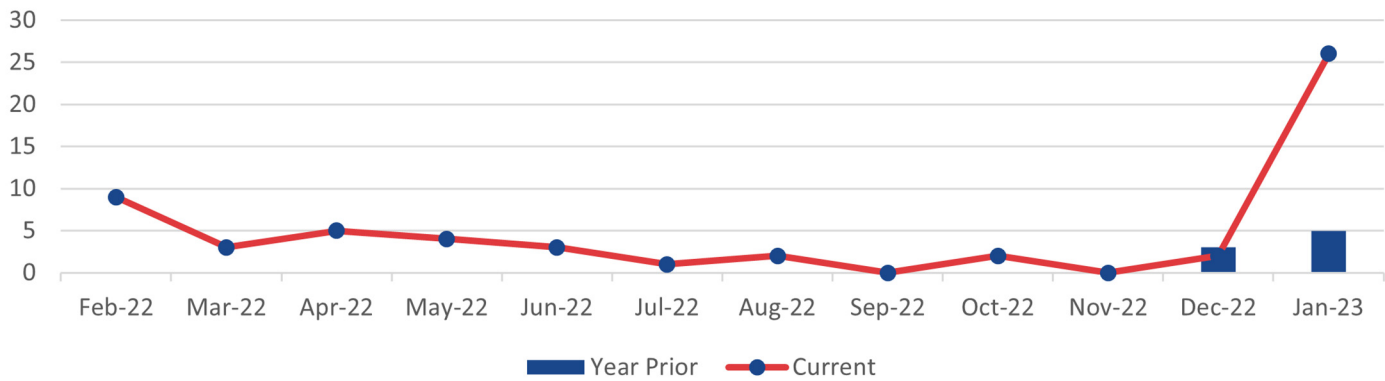
Average daily ridership in January was 6,011. There were 20 service days.

Ridership’s upward trajectory resumed in January as the holiday season concluded.

	January 2023	December 2022	January 2022
Monthly Ridership	120,228	91,691	37,487
Average Daily Ridership	6,011	4,366	2,083
Bicycles on Trains	1,145	863	N/A
Full Service Days	20	16	15
“S” Service Days	0	5	3

SUMMONSES ISSUED

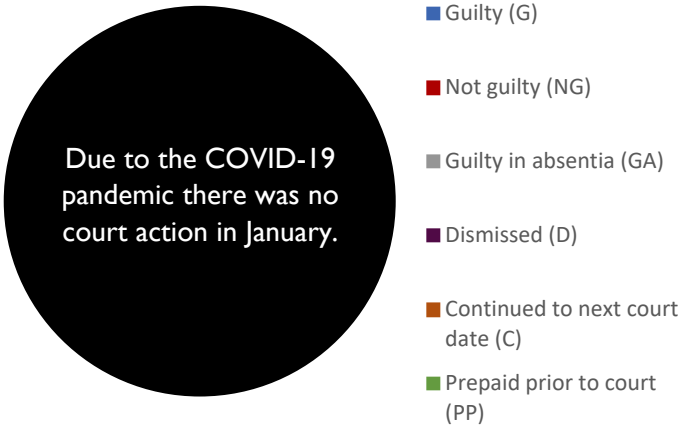
VRE SYSTEM



SUMMONSES WAIVED OUTSIDE OF COURT

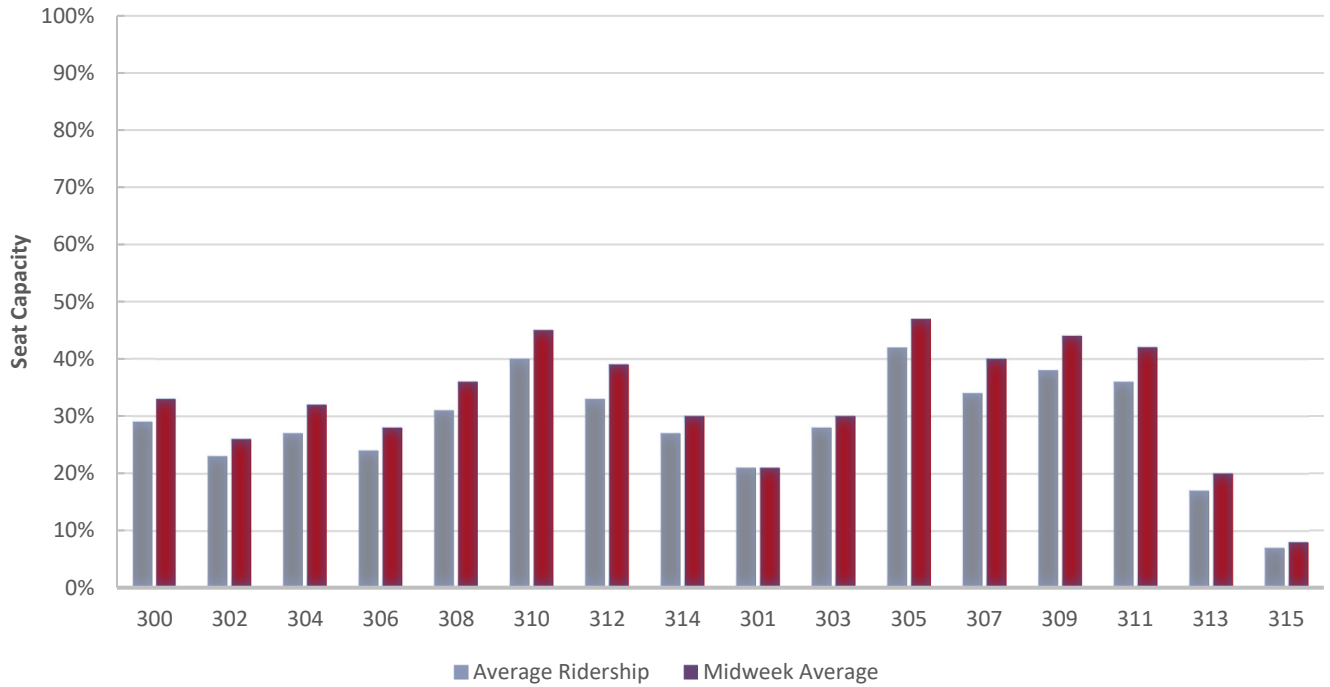
Reason for Dismissal	Occurrences
Passenger showed proof of a monthly ticket	0
One-time courtesy	0
Per the request of the conductor	0
Defective ticket	0
Per ops manager	0
Unique circumstances	0
Insufficient information	0
Lost and found ticket	0
Other	0
Total Waived	0

MONTHLY SUMMONSES COURT ACTION

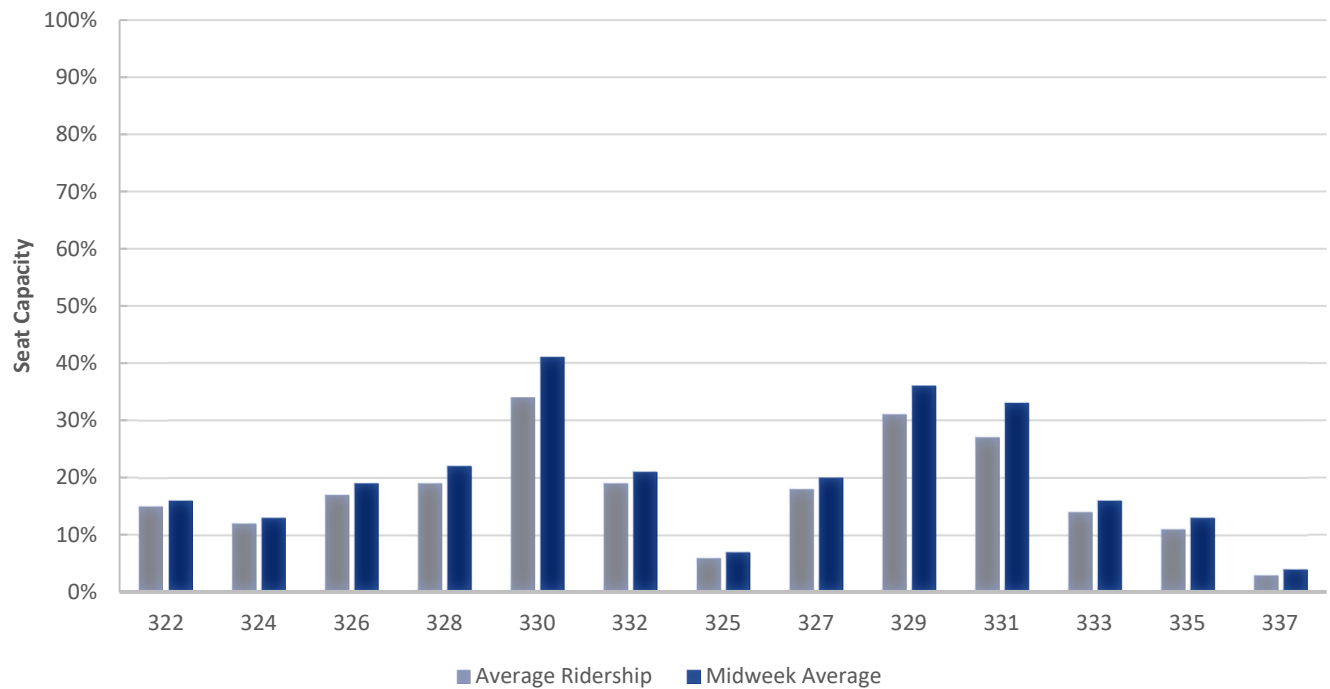


TRAIN UTILIZATION

FREDERICKSBURG LINE

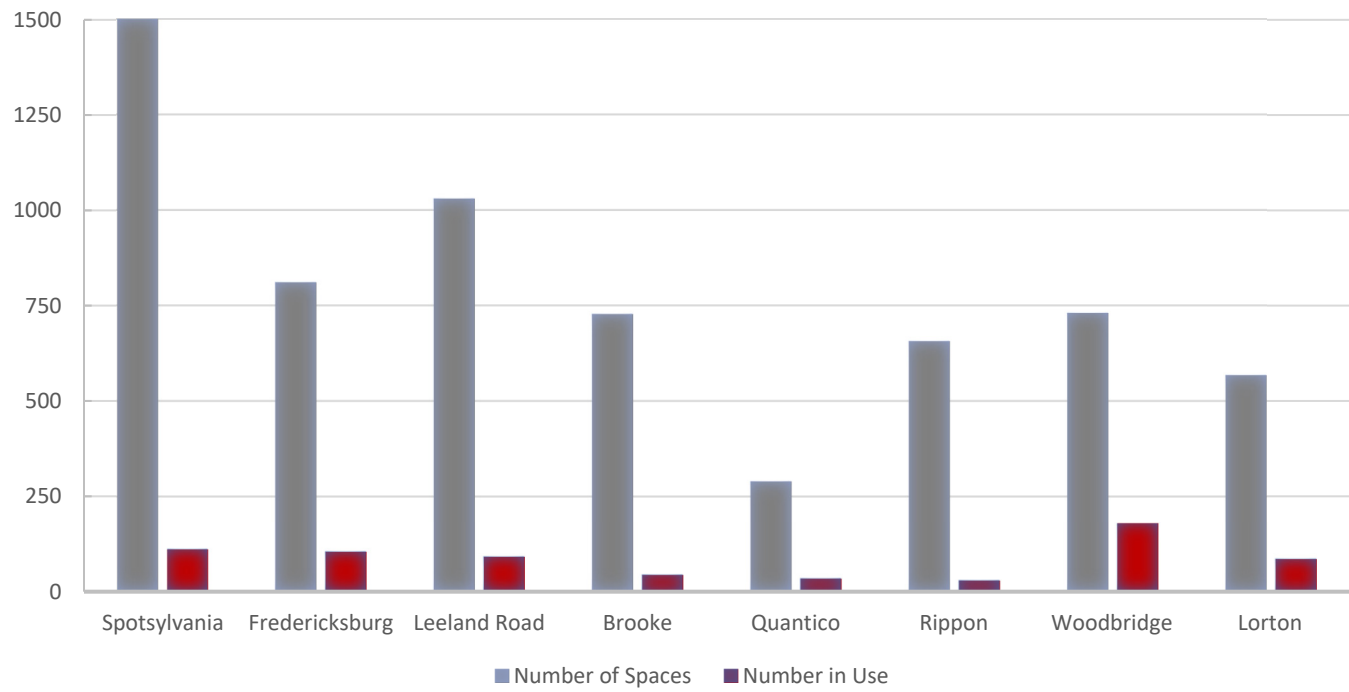


MANASSAS LINE

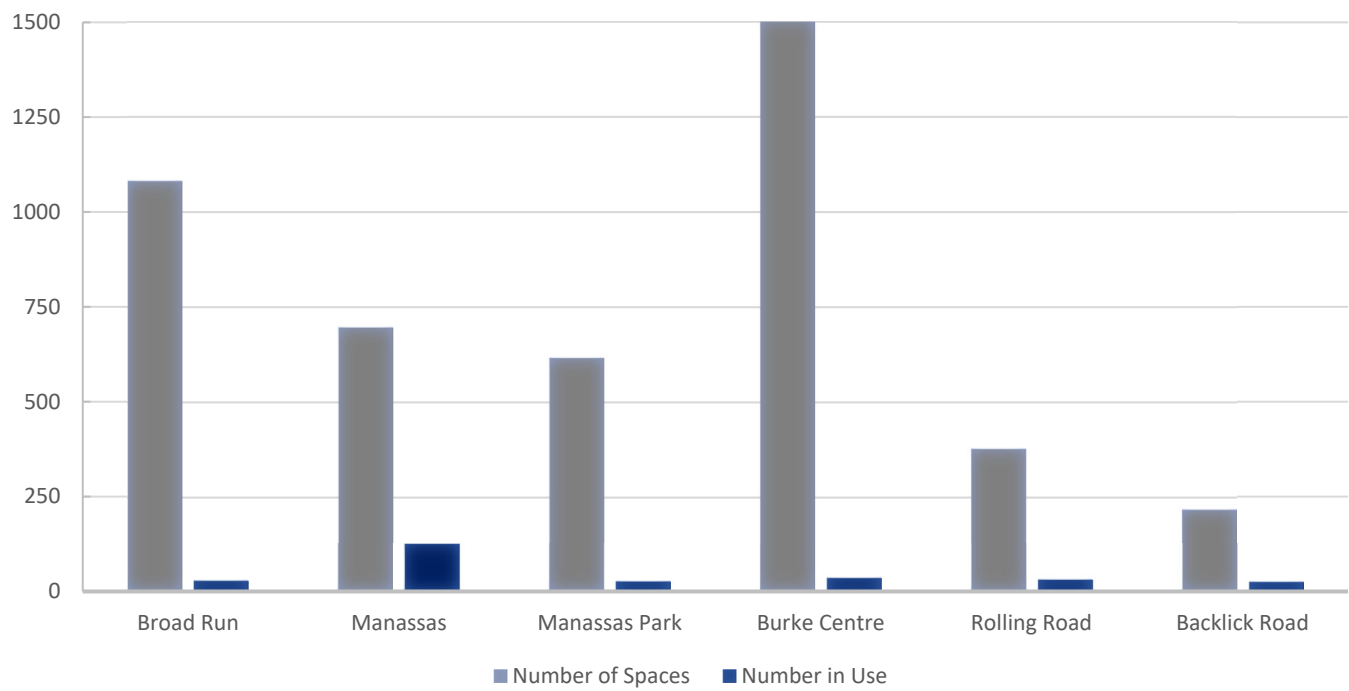


PARKING UTILIZATION

FREDERICKSBURG LINE



MANASSAS LINE



FINANCIAL REPORT

Fare revenue through the first six months of FY 2023 (December 2022) is approximately \$3.4 million below the amended budget (an unfavorable variance of -36%) and is 31% above the same period in FY 2022.

Although many sectors of the economy have rebounded following the coronavirus (COVID-19) pandemic, changes in employment and commuting patterns caused by the pandemic continue to have a significant impact on VRE. Ridership has remained well below pre-pandemic levels during the first six months of FY 2023, with a cumulative average daily ridership of 5,523 in FY 2023 thru Dec. 2022, compared to average daily ridership of well over 18,000 in February 2020 (the last full month not affected by the pandemic). We continue to coordinate with federal government representatives regarding potential changes to remote work policies while also expanding marketing and other outreach efforts to encourage new riders.

As part of those outreach efforts, in September 2022, VRE offered “Fare Free September” to show appreciation to the core group of VRE riders who stayed with the service throughout the pandemic; to promote VRE service and attract new riders; and to support to the region’s transportation network during scheduled Metrorail service disruptions. This initiative drove a 30% increase in average daily ridership from August to September but reduced total passenger fare revenue by over \$1 million.

The operating ratio for the first six months of FY 2023 is 14%, which is below VRE’s amended budget operating ratio of 21% for the full twelve months of the fiscal year. VRE is normally required to budget a minimum operating ratio of 50%, but this requirement has been waived for FY 2023 because of the effects of the pandemic.

A summary of the FY 2023 financial results through December 2022 follows on page 11, including information on major revenue and expense categories. Please note that these figures are preliminary and unaudited.



FY 2023 Operating Budget Report Month Ended December 31, 2022						
	CURR. MO. ACTUAL	YTD ACTUAL	YTD BUDGET	YTD \$ VARIANCE	YTD % VARIANCE	TOTAL FY23 BUDGET
Operating Revenue						
Passenger Ticket Revenue	1,161,142	6,102,079	9,484,109	(3,382,029)	-35.7%	19,119,963
Other Operating Revenue	60,000	172,997	99,206	73,790	74.4%	200,000
Subtotal Operating Revenue	1,221,142	6,275,076	9,583,315	(3,308,239)	-34.5%	19,319,963
Jurisdictional Subsidy (1)	-	4,658,036	4,658,036	-	0.0%	8,137,098
Federal/State/Other Jurisdictional Subsidy	3,899,265	23,458,001	24,024,028	(566,027)	-2.4%	55,445,982
Appropriation from Reserve/Other Income	1,160,035	12,800,635	15,313,714	(2,513,079)	-16.4%	23,171,167
Interest Income	276,932	1,274,954	744,048	530,906	71.4%	1,500,000
Total Operating Revenue	6,557,374	48,466,702	54,323,140	(5,856,438)	-10.8%	107,574,210
Operating Expenses						
Departmental Operating Expenses	6,886,829	46,455,533	50,540,650	4,085,117	8.1%	93,752,450
Debt Service	4,268,371	6,860,880	6,860,880	-	0.0%	13,721,760
Other Non-Departmental Expenses	-	-	-	-	0.0%	100,000
Total Operating Expenses	11,155,199	53,316,413	57,401,530	4,085,117	7.1%	107,574,210
Net income (loss) from Operations	(4,597,825)	(4,849,711)	(3,078,390)	(1,771,322)		-
Operating Ratio		14%	19%	Budgeted Goal	21% 50%	

(1) Total jurisdictional subsidy is \$13,544,122. Portion shown as budgeted and actual are attributed to Operating Fund only.

FACILITIES UPDATE

The following is a status update of VRE facilities projects.

Completed projects:

1. Installation of quartz countertop on new cabinetry in Alexandria headquarters reception area
2. Installation of “No Trespassing” signage at Woodbridge station parking garage
3. Installation of ticket validator at Fredericksburg station



“No Trespassing” signage at Woodbridge station garage.

Projects scheduled to be completed this quarter:

1. Minor repairs to concrete platform at Crystal City station
2. Replacement of timber pedestrian crossing at Alexandria station
3. Replacement of LED lighting at Woodbridge station parking garage
4. Minor repairs to steel elements at Leeland Road station
5. Replacement of ceiling tiles at Fredericksburg office
6. Replacement of tile flooring in Crossroads MASF offices
7. Replacement of waste and recycling receptacles at various stations
8. Replacement of benches at various stations
9. Replacement/installation of pathfinder signage for Franconia-Springfield, Lorton, Woodbridge, Rippon, Quantico, Brooke, Leeland Road, Backlick Road, Rolling Road, Burke Centre, Manassas Park, Manassas and Broad Run stations
10. Installation of “988 Suicide & Crisis Lifeline” signage on station intertrack fences
11. Installation of “No Trespassing” signage at Rippon, Spotsylvania and Broad Run station parking lots



Ticket validator at Fredericksburg station.

Projects scheduled to be initiated this quarter:

1. Minor repairs to concrete platform at Alexandria station
2. Modernization of east elevator at Woodbridge station
3. Replacement of windscreen plexiglass panels at Lorton and Woodbridge stations
4. Sealcoating and restriping of parking lots at Woodbridge and Rippon stations
5. Improvements to various elements of Quantico station building

6. Minor repairs to concrete platform at Burke Centre station
7. Replacement of existing lighting with LED lighting at Manassas station parking garage
8. Replacement of parking lot entrance signs at various stations

Ongoing projects:

1. Issuance of construction task order for minor structural concrete repairs at Woodbridge station parking garage, pending permit issuance
2. Procurement of construction contract for L'Enfant Station Waiting Area project, pending permit issuance
3. Procurement of new five-year Maintenance/Custodial and Seasonal Services for VRE Facilities contracts

UPCOMING PROCUREMENTS

1. Station security camera upgrade
2. Modernization of VRE Woodbridge station east elevator
3. Alexandria station improvements
4. Broad Run and Crossroads security camera system power and network infrastructure upgrade
5. Locomotive master controllers
6. Engineering and environmental services for VRE L'Enfant track and station improvements
7. Hosted back-office services for positive train control
8. Ticket vending machine technical support services
9. Central diagnostic cloud services for VRE locomotives

CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget		Project Notes
Alexandria Station Improvements	Passenger safety will be improved by replacing an at-grade pedestrian track crossing with elevators to connect the two platforms. The elevators and the current and proposed stairs, will connect to the existing tunnel between the two platforms. Adjustments to platform elevation will eliminate the need for step-boxes to access VRE and Amtrak trains. The center platform will be widened and lengthened to accommodate trains on both tracks.	Final Design	\$	37,288,433.00	CSXT 60% track plans and 30% bridge plans anticipated in Mar. VRE CM/GC procurement documents, now underway, may require updates, following CSX submittals. (Jan & Feb)
Broad Run Expansion	To accommodate forecasted ridership growth and increase service reliability, improvements are needed at both the Maintenance and Storage Facility (MSF) and station. An enlarged MSF can store longer trains and additional equipment. That requires shifting the existing platform and adding a pedestrian tunnel between the platform and existing and proposed parking lots. A second, 600-space lot and third main track will be constructed.	Final Design	\$	139,381,862.00	Southern parking alternative presented as informational item to VRE board in Jan. Will seek board's formal endorsement in Feb.. (Feb) Design advancing. Meeting forthcoming for right-of-way needs with adjacent property owner. (Jan)
Brooke Station Improvements	Design and construction of a platform extension up to 700 feet to accommodate full-length VRE trains.	Development	\$	9,461,455.00	VRE has reengaged this project and returned it to the CIP budget for future years. Project schedule updates pending input from various stakeholders. (Jan & Feb)
Crystal City Station Improvements	Improved station access and service reliability will result from a new station. The platform at the relocated station will allow for the simultaneous boarding of two full-length trains. The station's design will accommodate a future pedestrian/bicycle connection between the station and the airport.	Development	\$	68,900,900.00	CSXT 4th track 60% design submittal anticipated Mar. VRE will advance station design to 60%, based on track design once received. Coordination ongoing with JBG Smith and Amtrak. (Jan & Feb)
Franconia-Springfield Station Improvements	Extended platforms will be able to accommodate eight-car trains, eliminating the need for passengers near the rear to move to a different railcar when disembarking. Enhanced passenger safety and reduced station dwell times will result. The longer platforms will increase operational flexibility and capacity. The design will allow for a future third mainline track.	Final Design	\$	25,351,100.00	NEPA documentation anticipated to be completed by end of Jan. for submittal to FTA. Coordinating with CSXT to perform survey and soil borings in Jan. (Jan & Feb)

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CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Fredericksburg Station Rehabilitation	The rehabilitation of platforms, stairs and bridges will improve passenger safety and better accommodate the boarding and disembarking of riders from VRE and Amtrak trains. New stairs will allow passengers to move between the platform and a parking lot without crossing the street at grade level. New signage, sidewalks, lighting and paint are included, as is installation of a low-clearance warning sign to a bridge that has experienced numerous vehicle strikes.	Construction	\$ 11,480,622.00	Clark Construction has begun concrete sounding to identify locations requiring repairs. This requires intermittent lane closures in coordination with city. (Feb) Virtual pre-construction accomplished Nov. 10. Notice to proceed issued Nov.16. Contractor/subs proceeding with pre-construction submittals and reviews. (Jan)
HQ Office Renovations	The project will improve employee safety and security and maximize workspace efficiency at VRE Headquarters, and will include modifications to kitchen, supply room, mail room, bathroom/shower, office and cubicle areas in the north and south wings. The east wing will be modified to include additional offices.	Construction	\$ 250,000.00	Planning glass wall-enclosed work/meeting spaces adjacent to communications room. (Feb.) Quartz countertop installed on new cabinetry in reception area. (Jan.)
Leeland Road Parking Improvements	This project will expand the surface parking lot at the Leeland Road station by approximately 225 spaces to accommodate future demand.	Development	\$ 12,044,433.00	The project is funded through Virginia SMART SCALE. Funding is allocated for FY20 and 22. A funding agreement is pending. (Jan & Feb)
Leeland Road Station Improvements	Design and construction of a platform extension to accommodate full-length VRE trains.	Development	\$ 10,361,037.00	VRE has reengaged this project and returned it to the CIP budget for future years. Project schedule updates pending input from various stakeholders. (Jan & Feb)
L'Enfant Station Waiting Area	The existing platform at the L'Enfant station experiences overcrowding during the evening service period. The proposed project will create an additional paved area behind the existing platform, currently landscaped with shrubs and grass, for riders to wait for trains or to bypass riders waiting on the platform.	Final Design	\$ 350,000.00	Boston Properties (BP) responded to VRE legal counsel's second iteration of comments on draft agreement for temporary use of adjacent property during construction. (Feb) VRE legal counsel responded to second iteration of BP's comments on draft agreement for temporary use of adjacent property during construction. (Jan)
L'Enfant Track and Station Improvements	Expansion of the VRE L'Enfant Station to provide two platform edges and serve full-length trains. Add a new mainline track between LE and VA interlockings.	Development	\$ 110,857,683.00	Operations Board approved a preferred alternative in November. (Jan & Feb)

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CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Lifecycle Overhaul and Upgrade (LOU) Facility	Featuring 33,000 square feet of maintenance space, the LOU will allow VRE to cost-effectively maintain rolling stock, as well as systems and components, in a state of good repair. It will optimize maintenance and reduce costs by allowing the in-house replacement of items before they fail. The LOU will house two tracks that can hold up to four cars at one time and be equipped with a drop table and wheel truing machine. To maintain storage capacity within Crossroads Yard three new tracks are being constructed to provide enhanced flexibility to our operations crews for train movements and storage.	Construction	\$ 52,783,632.00	Overhead bridge crane, drop table, and wheel truing machine are being assembled and installed this month. (Feb) Building roll-up doors installed with skylights going in this month. Heavy equipment parts arriving on site. (Jan)
Manassas Park Parking Expansion	A new garage will nearly double the 600 spaces currently available in the existing surface lot. A pedestrian bridge will provide grade-separated access to the existing platform and lot. The VRE station and garage are an integral part of the City Center Redevelopment District, the proposed transit-accessible high-density mixed-use town center of Manassas Park.	Final Design	\$ 31,779,600.00	Invitation for bids (IFB) issued, Bids due by Feb. 23. (Feb.) IFB now anticipated in Jan. (Jan)
Manassas Station Improvements	The project expands the VRE Manassas Station platform to serve full length trains and enhances pedestrian access to the station. Alternatives to increase the platform length to enable boarding and alighting from all passenger cars will be evaluated.	Development	\$ 9,125,000.00	This project is funded with I-66 OTB funding. Initiation of project planning pending completion of a Force Account Addendum with Norfolk Southern Railway. (Jan & Feb)
New York Avenue Midday Storage Facility	This new facility will store trains currently located in Amtrak's Ivy City coach yard, as Amtrak now has need for the storage tracks. The New York Avenue site, which is proximate to Washington Union Station, will be able to accommodate additional VRE trains.	Development	\$ 137,362,557.00	Draft design phase agreement for NY Ave yard and MOU from Amtrak to be returned with VRE revisions later this month. (Feb) Reviewing new MOU provided by Amtrak. (Jan)
Potomac Shores Station	This new station, in a master-planned community in Prince William County, is being funded, designed, and constructed by the developer of Potomac Shores in consultation with VRE and other stakeholders. The station will be just a short walk from the town center. A new side platform will be constructed which is designed to be converted into an island platform in the future when the 3rd track is added to corridor operations.	Final Design	\$ -	Developer design team addressing final round of CSX comments along with finalizing design using adjacent property. (Jan & Feb)

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CAPITAL PROJECTS UPDATE

Project Name	Project Description	Current Phase	Budget	Project Notes
Quantico Station Improvements	Service and safety will be enhanced through the construction of a new center platform, ADA-compliant pedestrian bridges, existing platform extension, and third track. These improvements will allow the station to accommodate additional passengers and more frequent and longer trains and operations flexibility with three boardable platform edges.	Construction	\$ 25,573,060.00	Platform concrete and canopy installation progressing on both platforms. Structural steel welding nearing completion. Soil nail wall progressing. (Jan & Feb)
Rolling Road Station Improvements	An extended platform will accommodate eight-car trains, eliminating the need for passengers near the rear to move to a different railcar when disembarking. Enhanced passenger safety and reduced station dwell times will result. Rehabilitation and repair of the existing platform, replacement of stairs and the existing canopy roof, and an upgrade of the lighting and communication systems are planned.	Construction	\$ 5,000,000.00	Construction work is complete. Final construction amendment executed. Project to close (Jan & Feb)
Woodbridge Station Improvements	Expanded platforms will allow passengers to access trains from all station tracks.	Development	\$ 2,740,618.00	The scope and schedule for this project is being coordinated with the commonwealth's Transforming Rail in Virginia initiative, post-Phase 2 project (Feb)

For more information about VRE capital projects, visit <https://projects.vre.org/list>

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VIRGINIA RAILWAY EXPRESS

1500 KING STREET, SUITE 202 • ALEXANDRIA, VA 22314 • 703.684.1001

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