

VRE OPERATIONS BOARD MEETING

October 15, 2021

The meeting will begin at 9 a.m.

Meeting materials are available at wre.org/about/board/board-agenda-minutes/2021/October



Pledge of Allegiance





Roll Call



Walter Alcorn Fairfax County



Andrea Bailey
Prince William County



Preston Banks Manassas Park



Elizabeth Bennett-Parker Alexandria



Meg Bohmke Stafford County



Katie Cristol Arlington County



Margaret Franklin Prince William County



Matt Kelly Fredericksburg



Cindy Lamb Stafford County



Jeanine Lawson
Prince William County



Jennifer Mitchell Virginia DRPT



Gary Skinner Spotsylvania County



Ralph Smith Manassas



Dan Storck Fairfax County



James Walkinshaw Fairfax County



Safety Moment





Approval of Agenda

- Pledge of Allegiance
- 2. Roll Call
- 3. Safety Moment
- 4. Approval of the Agenda
- Approval of Minutes from the September 17, 2021 VRE Operations Board Meeting
- 6. Chair's Comments
- 7. Chief Executive Officer's Report
- 8. VRE Riders' and Public Comment
- Action Items
 - A. Authorization to Amend Contract for Final Design Services for the VRE Crystal City Station Improvement Project
 - B. Authorization to Issue a General Engineering
 Consulting Task Order for Construction Management
 Services for the Quantico Station Improvements
 Project

- Action Items (continued)
 - C. VRE Operations Board Resolution of Support for Prince William County Application for the Route 1 at Route 123 Interchange Funding for NVTA FY 2022-2027 Six Year Program
- 10. Information Items
 - A. Draft 2022 Legislative Agenda
 - B. 2021 Gainesville VRE Extension Capital & Operating Analysis
 - C. System Plan 2040 Update
 - Update on Financing Analysis of Proposed CROC-Backed
 Debt Issuance
 - E. Spending Authority Report
- 11. Closed Session
- 12. Operations Board Members' Time



Approval of Minutes

September 17, 2021

In-Person Meeting with YouTube Livestream

Members Present

Walter Alcorn (NVTC)

Andrea Bailey (PRTC)

Preston Banks (PRTC)

Elizabeth Bennett-Parker (NVTC)

Meg Bohmke (PRTC)

Katie Cristol (NVTC)

Margaret Franklin (PRTC)

Matt Kelly (PRTC)

Jeanine Lawson (PRTC)

Cindy Lamb (PRTC)

Jennifer Mitchell (DRPT)

Ralph Smith (PRTC)

Dan Storck (NVTC)

James Walkinshaw (NVTC)

Members Absent

Gary Skinner (PRTC)

Jurisdiction

Fairfax County

Prince William County

City of Manassas Park

City of Alexandria

Stafford County

Arlington County

Prince William County

City of Fredericksburg

Prince William County

Stafford County

Commonwealth of Virginia

City of Manassas

Fairfax County

Fairfax County

Spotsylvania County



Elizabeth Bennett-Parker

VRE Operations Board Chair

City of Alexandria



Chair's Comments

- Welcome to the October VRE Operations Board meeting.
- November meeting preview:
 - Audit Committee meets prior to board meeting
 - Katie Cristol Chair
- Jeanine Lawson

- Preston Banks
- Gary Skinner
- Elizabeth Bennett-Parker
- James Walkinshaw
- Nominating Committee members to be appointed
- Finance Committee meets following board meeting
 - Meg Bohmke Chair
- Matt Kelly

Preston Banks

Dan Storck

Katie Cristol



VRE Operations Board Chair City of Alexandria



- Safety
- Ridership
- Performance
- Project Spotlight
- FY 2023 Budget Update
- Clifton Day Festival



Rich Dalton VRE CEO

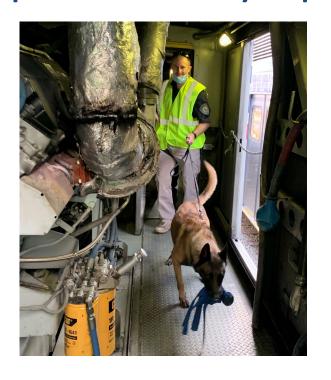


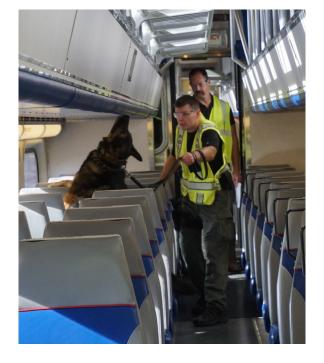
CEO Report – Safety Update

First Responders Training September 27, 2021















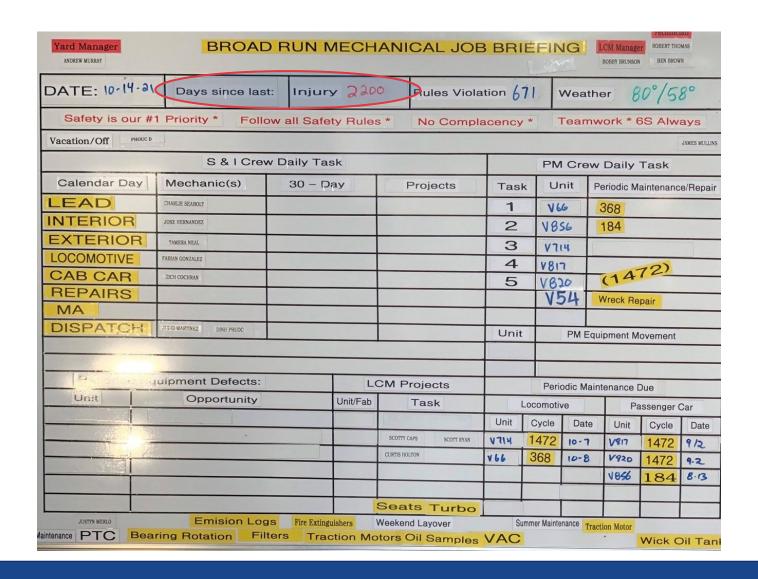




CEO Report – Safety Update

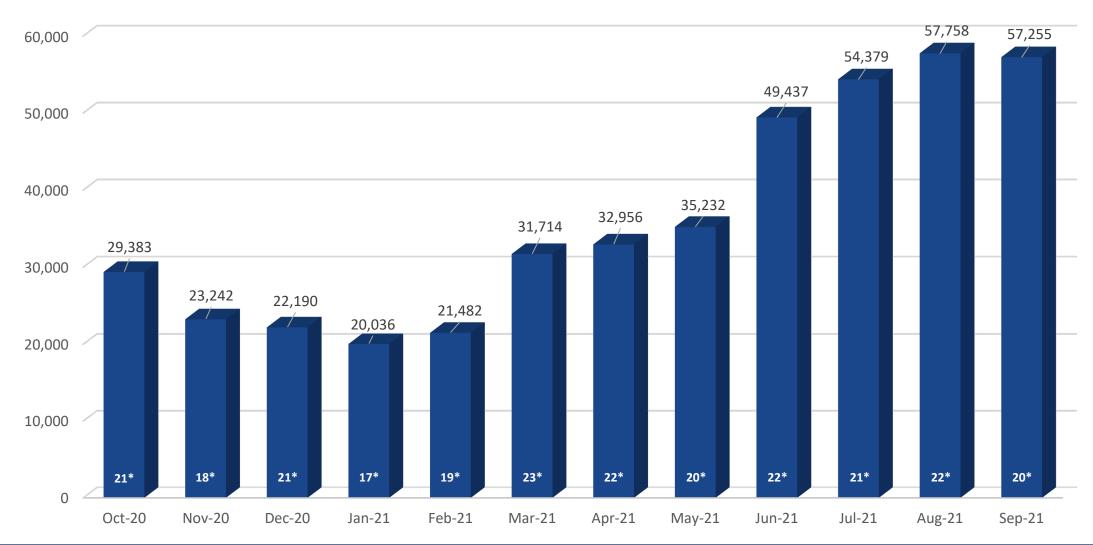






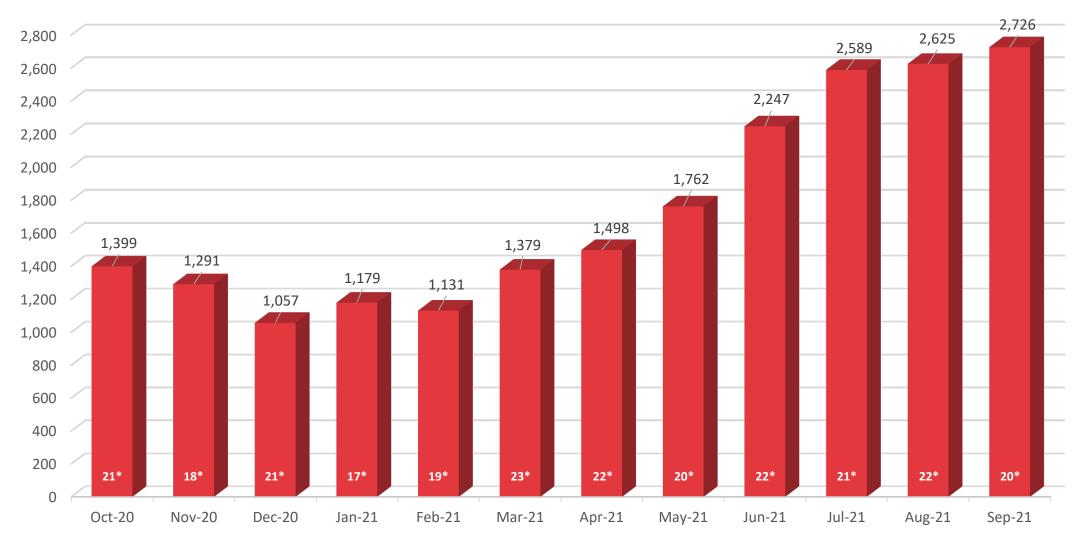


CEO Report – Monthly Ridership





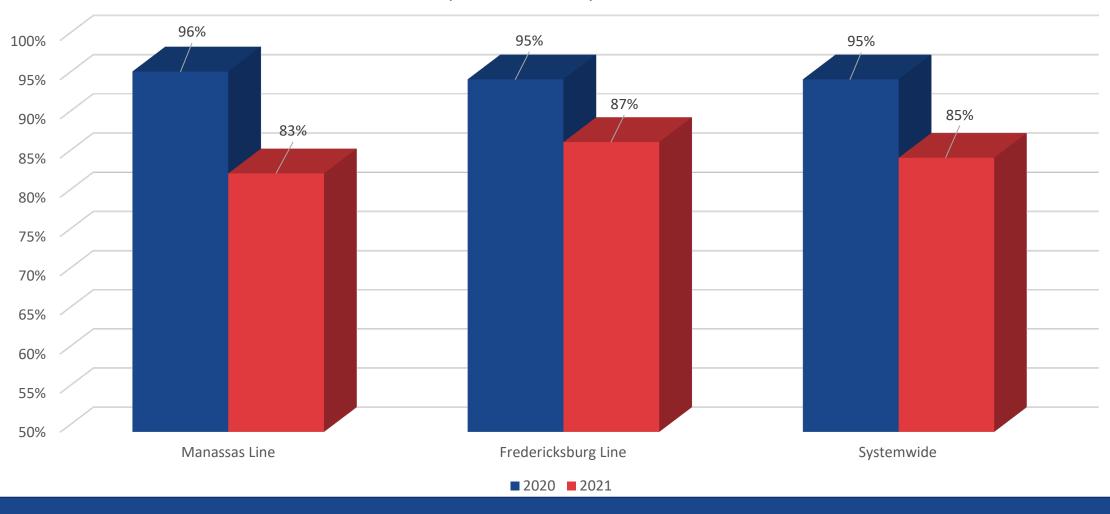
CEO Report – Monthly Average Daily Ridership





CEO Report – On-time Performance

September Comparisons





CEO Report – On-time Performance

	JULY 2021	AUG 2021	SEPT 2021	OCT 2021	
	21 Days	22 Days	21 Days	8 Days	
LATE TRAINS					
Manassas	68	77	54	27	
Fredericksburg	50	62	42	14	
Systemwide	118	139	96	41	
AVERAGE MINUTES DELAYED					
	17	14	14	22	
# TRAINS 30+ MINUTES LATE					
	18	10	2	9	
ОТР					
Manassas	80%	78%	83%	79%	
Fredericksburg	85%	82%	87%	89%	
Systemwide	82%	80%	85%	84%	



CEO Report – On-time Performance

	JULY 2021	AUG 2021	SEPT 2021	OCT 2021	TOTAL #	TOTAL %	
	21 Days	22 Days	20 Days	8 Days	71 Days		
CAUSE	# OF TRAINS DELAYED						
Congestion	42	65	35	19	161	40.9%	
Signal Issue	32	27	41	6	106	26.9%	
Weather	16	5	12	1	34	8.6%	
Mechanical	5	3	6	4	18	4.6%	
PTC	2	7	2	4	15	3.8%	
Police Activity	-	12	-	1	13	3.4%	
Deer Strike	-	10	-	-	10	2.5%	
MOW	8	2	-	-	10	2.5%	
False Activation	8	-	-	-	8	2.0%	
CSX Outage	-	-	-	6	6	1.5%	
Bridge Strike	-	6	-	-	6	1.5%	
VIP Movement	4	-	-	-	4	1.0%	
Passenger Issue	-	2	-	-	2	0.5%	
Crew	1	-	-	-	1	0.3%	
Total Delays	118	139	96	41	394	100.0%	



CEO Report – Project Spotlight – Enterprise Resource Planning





CEO Report – FY 2023 Budget Update

October

- VRE departmental budget meetings and finalization of CIP project updates
- Outreach to jurisdictional staff (into November)

November

- Update to Operations Board on CIP, latest projections, bringing budget into balance
- Finance Committee meeting to review key items in detail

December

Presentation of final balanced FY 2023 budget for Operations Board referral

January

• Commissions approval of final FY 2023 operating and capital budget



CEO Report – Clifton Day Festival – October 10, 2021









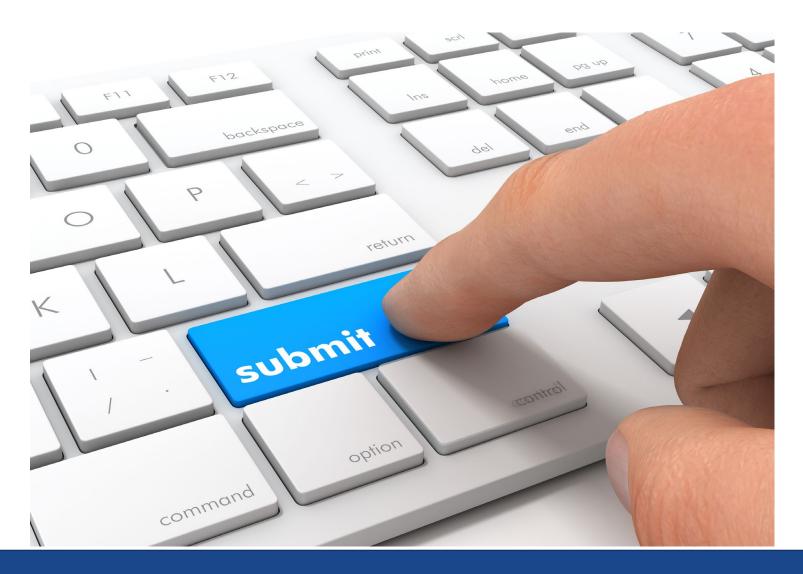








Virginia Railway Express Riders' and Public Comment





Elizabeth Bennett-Parker

VRE Operations Board Chair

City of Alexandria



Authorization to Amend Contract for Final Design Services for the VRE Crystal City Station Improvements Project

Recommendation:

The VRE Operations Board is asked to authorize the CEO to amend the contract for engineering and environmental services for VRE Crystal City Station improvements to Vanasse Hangen Brustlin, Inc. (VHB) to exercise Option A for final engineering design services in the amount of \$1,029,207, plus a 10 percent contingency of \$102,921, for a total increase of \$1,132,128. This will increase the authorization for this contract from \$1,368,716 to a total amount not to exceed \$2,500,844.

Summary:

By exercising Option A, VHB will be authorized to advance the preliminary engineering package to a 60 percent level of design. The 60 percent phase will address and incorporate all comments from the 30 percent submittal and then progress the remaining work to the 60 percent design stage.



Elizabeth Bennett-Parker Chair City of Alexandria



Rich Dalton VRE CEO



Authorization to Issue a General Engineering Consulting Task Order for Construction Management Services for the Quantico Station Improvements Project

Recommendation:

The VRE Operations Board is asked to authorize the CEO to issue a general engineering consulting services (GEC VIII) construction management task order to STV Incorporated of Fairfax, Virginia, for construction phase engineering services for the Quantico Station Improvements Project in the amount of \$381,603, plus a 10 percent contingency of \$38,160, for a total not to exceed \$419,763.

Summary:

The initial projected duration of construction of the Quantico Project was 18 months based on the original scope of anticipated design. As the project was further developed and expanded in collaboration and conjunction with stakeholder review and the permitting process, the construction duration is now projected at a total of 30 months. Design and construction-administration services budgets were both depleted through stakeholder/permit review cycles and subsequent design changes required in response to comments and requirements. VRE is therefore requesting a task order for construction phase services for the remaining project duration.



Chair
City of Alexandria



Rich Dalton VRE CEO



VRE Operations Board Resolution of Support for Prince William County Application for the Route 1 at Route 123 Interchange Funding for NVTA FY 2022-2027 Six-Year Program

Recommendation:

The VRE Operations Board is asked to support Prince William County's application for the Route 1 at Route 123 interchange project for funding consideration in the Northern Virginia Transportation Authority (NVTA) fiscal year (FY) 2022-2027 six-year program (SYP).

Summary:

This project will provide funding to design and construct a grade-separated intersection and interchange at Route 1 and Route 123, adjacent to VRE's Woodbridge station. It will include a new overpass over Route 1 and the existing CSX railroad and *provide improved connectivity to the Woodbridge station* for vehicles, bicycles and pedestrians. Prince William County plans to request up to \$80,000,000 in NVTA SYP funding for this project.



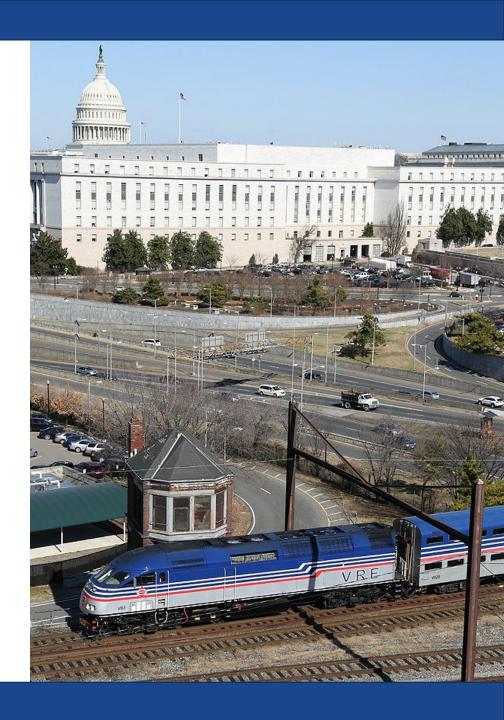
Elizabeth Bennett-Parker Chair City of Alexandria



Rich Dalton VRE CEO



Legislative Agenda





Legislative Agenda State Funding and Legislative Issues

- State Funding
- Virginia Passenger Rail Authority
- Northern Virginia Transportation Authority Funding

- Virginia Transit Association
- Meetings Held through Electronic Communication Means
- Transportation Authorities





Legislative Agenda Substitute Language

Advance legislation requiring that future gubernatorial appointees to the Virginia Passenger Rail Authority Board of Directors for the NVTC/PRTC districts are selected from lists provided by the NVTC and PRTC boards of commissioners.



Legislative Agenda

Federal Funding and Legislative Issues

- COVID Relief Funding
- Federal Grant Programs
- U.S. DOT Rulemaking

- Surface Transportation
 Reauthorization
- Surface Transportation
 Board Authority

- Liability Insurance Reform
- Broadband Infrastructure



2021 GAINESVILLE VRE EXTENSION CAPITAL & OPERATING ANALYSIS

VRE Operations Board Meeting October 15, 2021



Scope of Analysis

Item 443(f) of Chapter 1289 of the 2020 Acts of Assembly directed DRPT to "...evaluate the operating and capital costs associated with an extension of the Virginia Railway Express (VRE) commuter rail service from Manassas to Gainesville."

- DRPT used VRE's *Gainesville Haymarket Extension Study* (GHX Study), released in 2018, as a starting point.
- Independent cost estimate built upon earlier work with updated cost information and methodology considerations.



Capital Cost Methodology

KEY ASSUMPTIONS

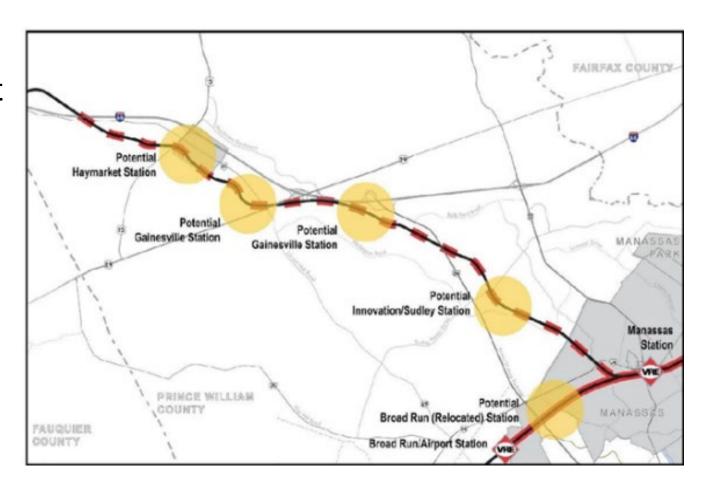
- Cost expressed in 2020 dollars with 30% contingency
- Includes DRPT-identified costs to preserve freight and passenger network fluidity, such as track connections to the existing quarry yard, grading, rail turnouts and crossovers, and associated right of way acquisition.
- Estimated using quantity take-offs based on conceptual designs from the GHX Study and refined through assembly-driven models.
- Includes the cost a new maintenance and storage facility (MSF) for the alternatives that terminate at Haymarket or Gainesville.

Additional coordination with NSR will be necessary as expansion plans develop in order to confirm and refine this and other potential track infrastructure improvements.



Capital Cost Methodology

- High build capital cost estimates include the cost for a third track along Norfolk Southern's B-line. (dashed red line)
- Low build estimates include the cost for a twotrack option on the B-line.





Operating Cost Methodology

- Used earlier VRE study as baseline. Disaggregated cost estimates and showed them by National Transit Database Cost Category.
- Used actual expenses 2013-2019 gauge the average breakdown of expenses per category over time.
- Used cost elasticities to account for the non-linear relationship between changes in service (measured as train miles) and its effect on costs.

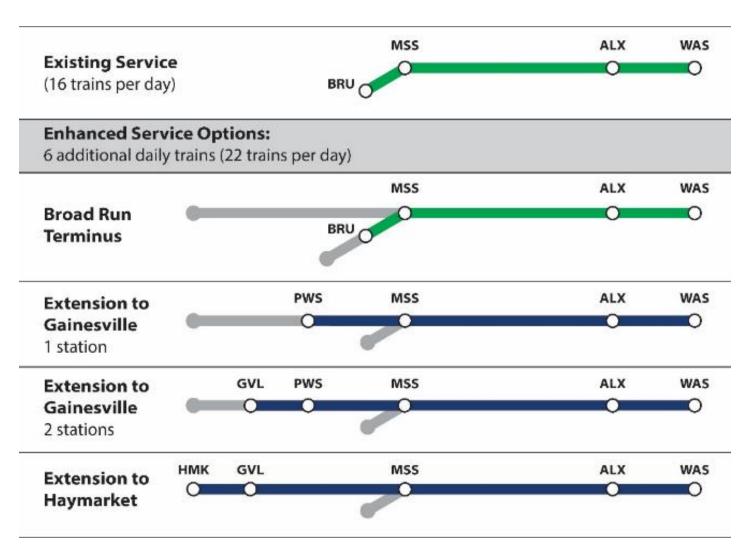
Based cost elasticities on data observed on comparable European systems.

Virginia Railway Express	Elasticity Factor
Vehicle Operations Costs	1.00





Alternatives Considered



STATION CODES

ALX Alexandria

BRU Broad Run

GVL Gainesville

(western)

MSS Manassas

PWS Gainesville

(eastern)

HMK Haymarket



Conclusions

- Capital cost estimate between \$783 million and \$865 million.
- Annual O&M cost estimate approximately \$27 million.
- Gainesville extension would bring between 677 and 787 net new riders to the system per day in 2030, when compared to the selected alternative, Broad Run.



Results

Description	Daily Trains	Low Build Estimate (2020 \$M)	High Build Estimate (2020 \$M)	Annual O&M Costs (2020 \$M)	Daily Ridership (2030)
Baseline (existing service)	16	N/A	N/A	19.4	9,498
'Broad Run Alternative' Broad Run Terminus ■ Relocated Broad Run Station ■ Expands existing yard	22	466	N/A	23.8	14,447
 'Alternative Gainesville 2 Stations' Extension to Gainesville (2 stations) Realigns Manassas Line to Gainesville-Prince William terminus Eliminates Broad Run station New end-of-line yard 	22	783	850	27	15,124
 'Alternative Gainesville 3 Stations' Extension to Gainesville (3 stations) Realigns Manassas Line to Gainesville US 29 terminus Eliminates Broad Run station New end-of-line yard 	22	816	865	27	15,231
'Alternative Haymarket' Extension to Haymarket Realigns Manassas Line to Haymarket terminus Eliminates Broad Run station New end-of-line yard	22	832	915	29.9	15,393



2021 GAINESVILLE VRE EXTENSION CAPITAL & OPERATING ANALYSIS

VRE Operations Board Meeting October 15, 2021





System Plan 2040 Update





System Plan 2040 Purpose and Goals

System Plan 2040 allows for the logical, incremental expansion of rail infrastructure and service. The goal of the system plan is to:

- Provide passengers with rolling stock, stations and service maintained and operated at the highest level of quality.
- Improve and expand service for current and future VRE passengers.
- Advance VRE's role as part of a multimodal regional mobility network.
- Invest in partnerships to add capacity in multiuse rail corridors.





System Plan 2040 Planning Assumptions

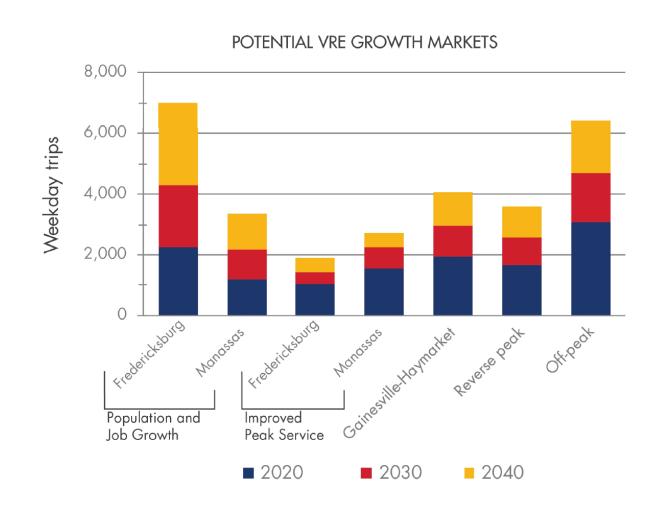
- Regional growth and congestion are inevitable
- VRE system and service expansion is a cost- and time-competitive travel option for the region
- The potential exists for increased capacity in CSXT/Norfolk Southern rail corridors
 - ➤ Future shared, interoperable passenger-freight network
 - 4 tracks between Alexandria and Washington,D.C. including Long Bridge
 - > 3 tracks south of Alexandria
- Focus VRE service and investment within existing service area





System Plan 2040 Service Improvements

- Tapping potential markets could double VRE ridership by 2040
- Proposed service improvements contingent upon:
 - Planned system investments
 - New agreements with host railroads





System Plan 2040 Ridership Forecasts

Phase 1 (2015-2020)

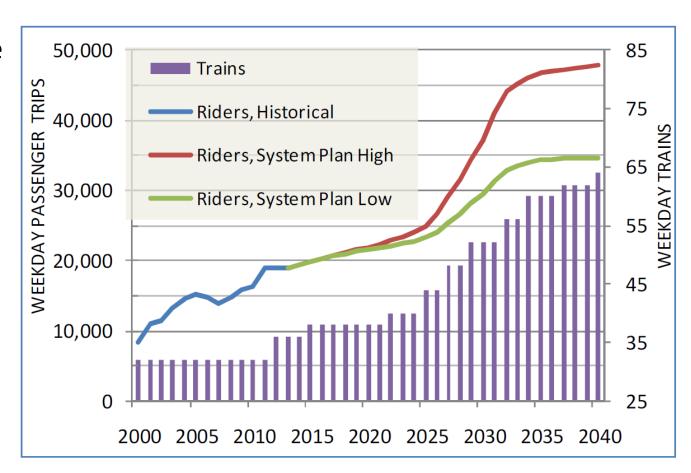
- Maximize VRE service within available train capacity of 34 daily trains
- Up to 25,000 daily trips

Phase 2 (2021-2030)

- Increase peak service frequency
- Introduce service to new markets
- Initiate major capacity expansion
- 30,000 40,000 daily trips

Phase 3 (2031-2040)

- Continued service expansion
- 35,000 50,000 daily trips





System Plan 2040 Capital Investments

Phase 1 (2015-2020)

- Relatively low-cost investments provide shorter-term capacity relief
- Focus on station improvements, train storage

Phase 2 (2021-2030)

- Long Bridge corridor
- Gainesville-Haymarket extension
- Fleet expansion

Phase 3 (2031-2040)

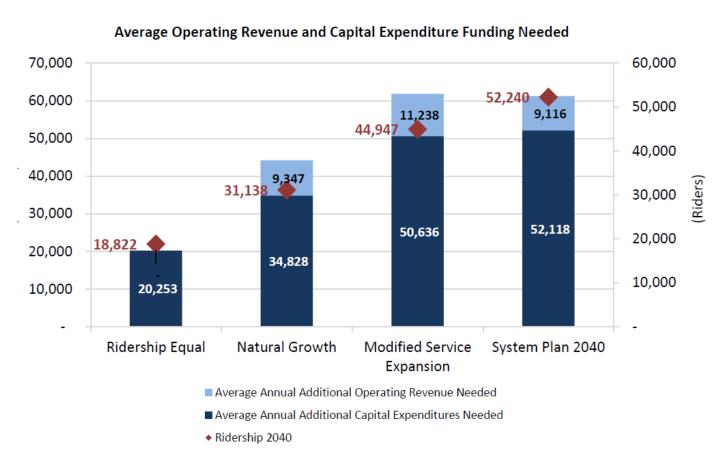
- Complete 3rd track
- Continue fleet expansion

	Estimated Capital Costs (millions of 2013 dollars)				
System Investments	Phase 1 2020	Phase 2 2030	Phase 3 2040	Total System Plan	
Additional Coaches and Locomotives	\$35	\$125	\$125	\$285	
Expand Platforms at Stations	\$50	\$80	\$35	\$165	
Additional Parking at Stations	\$90	\$20	\$30	\$140	
Central Core Station Improvements	\$20	\$20	\$0	\$40	
Train Storage, DC & VA	\$40	\$10	\$60	\$110	
Gainesville – Haymarket Extension	\$0	\$295	\$0	\$295	
Long Bridge Corridor Expansion	\$0	\$1,100	\$0	\$1,100	
Fredericksburg Line Third Track	\$50	\$100	\$440	\$590	
Total Capital Cost	\$285	\$1,750	\$690	\$2,725	
Estimated VRE/Local/Regional Share of the C	\$700	\$300	\$1,000		



System Plan 2040 Financial Plan

- Significant capital investment required to achieve full plan
- VRE operational expenses driven by VRE operating contractor cost and access fees
- Raising VRE fares to close the gap is not a viable solution on its own
- While increased ridership could defray some costs, additional revenue source(s) needed to even maintain the status quo





System Plan 2040 Implementation 2014-2021

- VRE Capital Improvement Program focused on system expansion
 - ➤ Stations (11 locations), equipment maintenance and storage (4 locations), additional rolling stock (21 units)
 - ➤ VRE federal formula, SMART SCALE, I-66 OTB, NVTA, state rail funding
- 2017 shift away from Gainesville-Haymarket Extension
- 2018 Commuter Rail Operating and Capital Fund or C-ROC
 - Dedicated funding for capital and/or operating expenses
 - > \$15 million annually

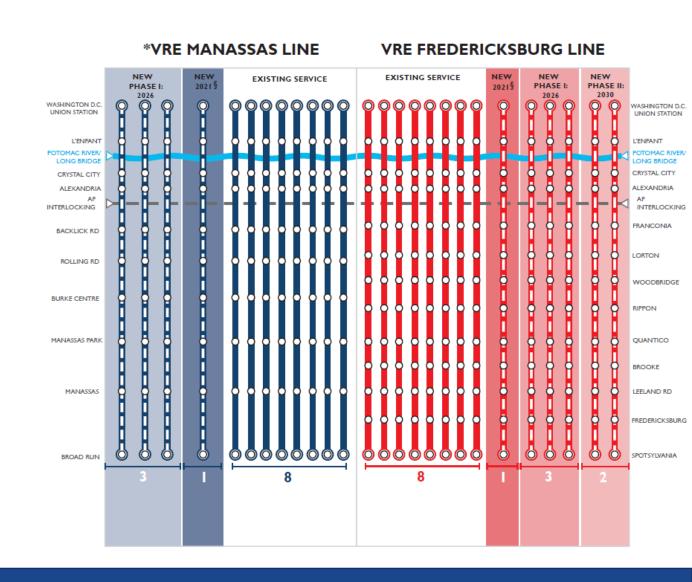


Lifecycle Overhaul and Upgrade Facility construction



Opportunities and Emerging Trends

- Transforming Rail in Virginia
- HOT lanes expansion
- Transit and alternative modes available
- Regional employment and population forecasts
- Travel trends
 - Increased midday travel
 - Weekend travel
 - > Telework
- COVID-related influences





System Plan 2040 Update – Potential Next Steps

- Understand current demand for VRE service
- Identify untapped markets
 - Within existing VRE service area
 - Beyond current service area
 - > Intermodal connections
- Incorporate system safety considerations and enhancements
- Environmental sustainability, climate change response, equity opportunities





Update on Financing Analysis of Proposed

CROC-Backed Debt Issuance





Timeline of Operations Board Action on CROC-Backed Debt

November 2020

Authorization to execute VRE-VPRA Funding Agreement (executed March 2021)

July 2021

Approval and referral of amended Financial and Debt Management Principles

November 2021

• Anticipated approval/referral to conclude Phase 1 financing analysis and proceed with Phase 2 steps to issue debt (due diligence, indicative credit ratings, selection of underwriter, etc.)

Early 2022 (TBD)

 Anticipated approval/referral of formal debt documents ahead of final credit ratings and marketing and sale of bonds



Credit Factors for Special Tax Bonds

Underlying economic drivers of the revenue streams

Breadth & concentration of tax base

Revenue trends/ performance, diversity & volatility/sensitivity of pledged streams

Revenue collection mechanics

Debt service coverage

Legal protections for bond holders, i.e., bond covenants such as ABT, reserves, flow of funds



Comparable Virginia Credits

	C-ROC Preliminary	I-81 Senior Lien	HRTAC Senior Lien	NVTA Senior Lien			
Moody's	Aa3	Aa1	Aa2	Aa1			
S&P	A+ or AA-	AA-	AA	AA+			
Fitch	TBD	NR	AA+	AA+			
As of Date	n/a	July 2021	July 2020	June 2020			
Select Features							
Additional Bonds Test (ABT)	2.0x	2.0x	2.0x	2.0x			
Debt Service Reserve Fund (DSRF)	3-prong test	None	None	MADs			



Overview of Financing Options

- Public Bond Issue
- Virginia Resources Authority (VRA)
- USDOT Transportation Infrastructure Finance and Innovation Act (TIFIA) Program
- USDOT Railroad Rehabilitation and Improvement Financing (RRIF) Program
- Virginia Transportation Infrastructure Bank (VTIB)
 Loan



Spending Authority Report

The VRE Operations Board in September 2020 approved an increase in the CEO's delegated spending authority from \$100,000 to \$200,000. It was resolved as part of that increased delegation that any purchase or contract award in the range of \$50,000 to \$200,000 would be communicated to the board as an information item.

• On September 14, 2021, VRE executed a contract for Overhaul of Emergency Generators in the amount of \$71,939.



Rich Dalton VRE CEO



Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711.A(3), (6) and (8) of the Code of Virginia), I move that the VRE Operations Board convene a closed meeting for the purpose of discussing (1) one matter involving the acquisition of real property for public purposes including rail operations and rail equipment storage where discussion in public would adversely affect the bargaining position and negotiating strategy of the commissions; (2) the investment of public funds related to the provision of commuter rail service where competition or bargaining is involved, and where, if made public initially, the financial interest of the commissions would be adversely affected; and (3) consultation with legal counsel concerning the terms and conditions of an agreement for the investment of such public funds.



Jeanine Lawson
Vice Chair
Prince William County



October 15, 2021

The livestream will recommence following this portion of the meeting



The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded closed session:

- 1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and,
- Only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered.



Jeanine Lawson
Vice Chair
Prince William County



Board Member Comment



Walter Alcorn Fairfax County



Andrea Bailey
Prince William County



Preston Banks Manassas Park



Elizabeth Bennett-Parker Alexandria



Meg Bohmke Stafford County



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Dan Storck Fairfax County



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VRE OPERATIONS BOARD MEETING

October 15, 2021

The meeting is adjourned

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