

# VRE Overview Senate Finance

January 30, 2013





# VRE System



- Began service in 1992
- Serve 18 stations in 8 cities and counties
- Connect to Metro in 5 locations & Amtrak in 7 locations
- Operate on 90 miles of track
- 18k – 20k riders daily
- Approximately 5M riders annually



# VRE Basics



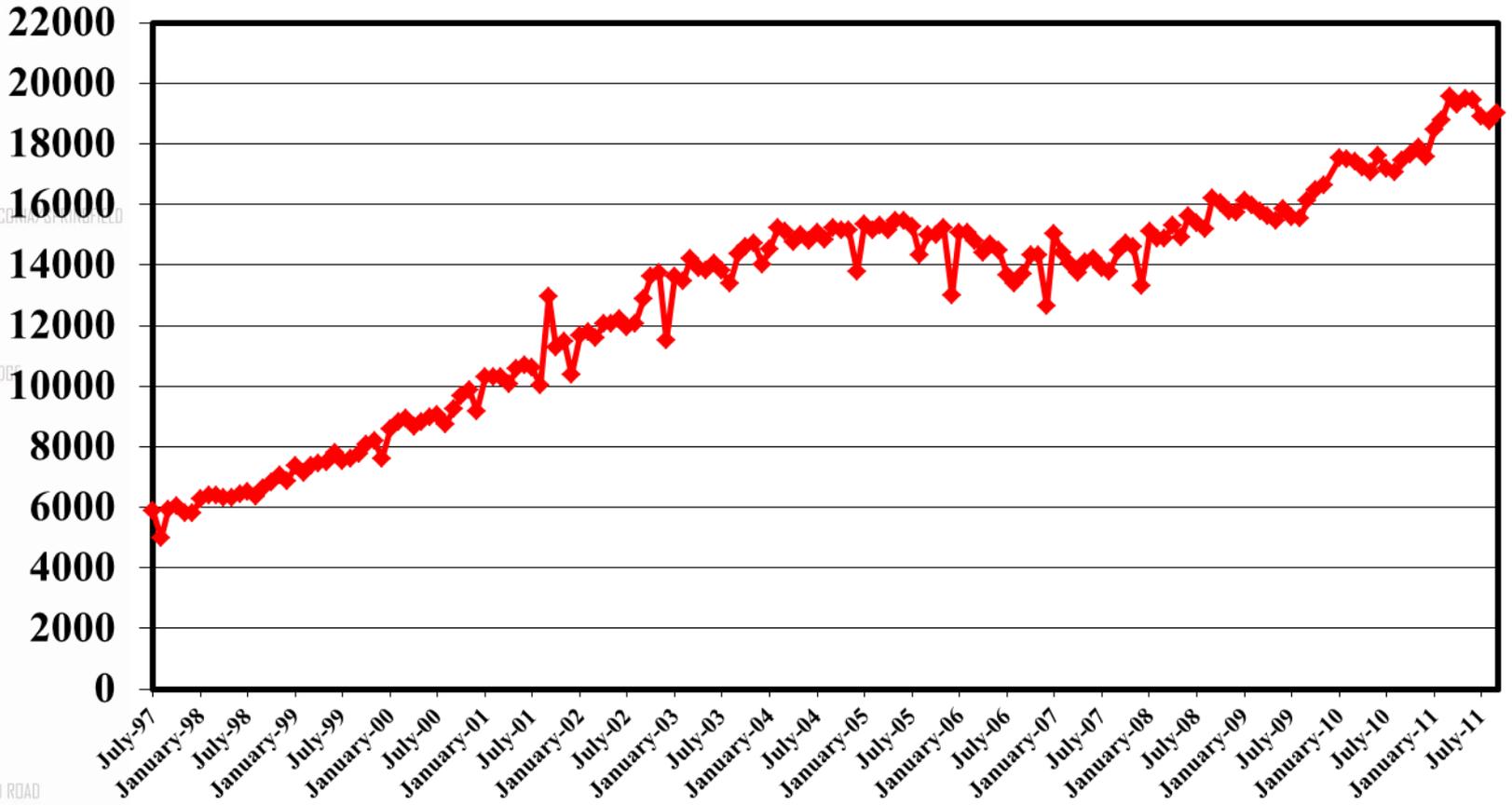
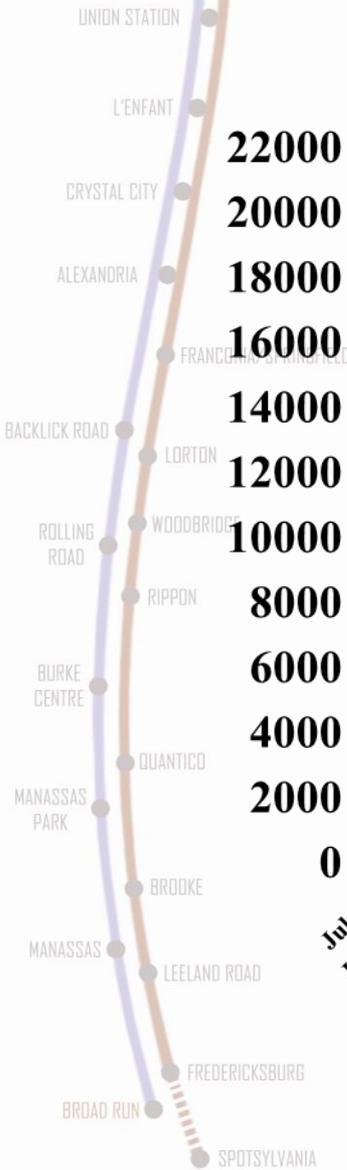
- VRE operates 32 trains on two lines – Manassas and Fredericksburg
- Removes over a lane of traffic from I-95, I-395 and I-66 during rush hour
- Lease track access from CSX and Norfolk Southern (NS)

- Lease mid-day storage space and access from Amtrak
- Number of trains limited by track rights with railroads
- Employ 37 full time staff

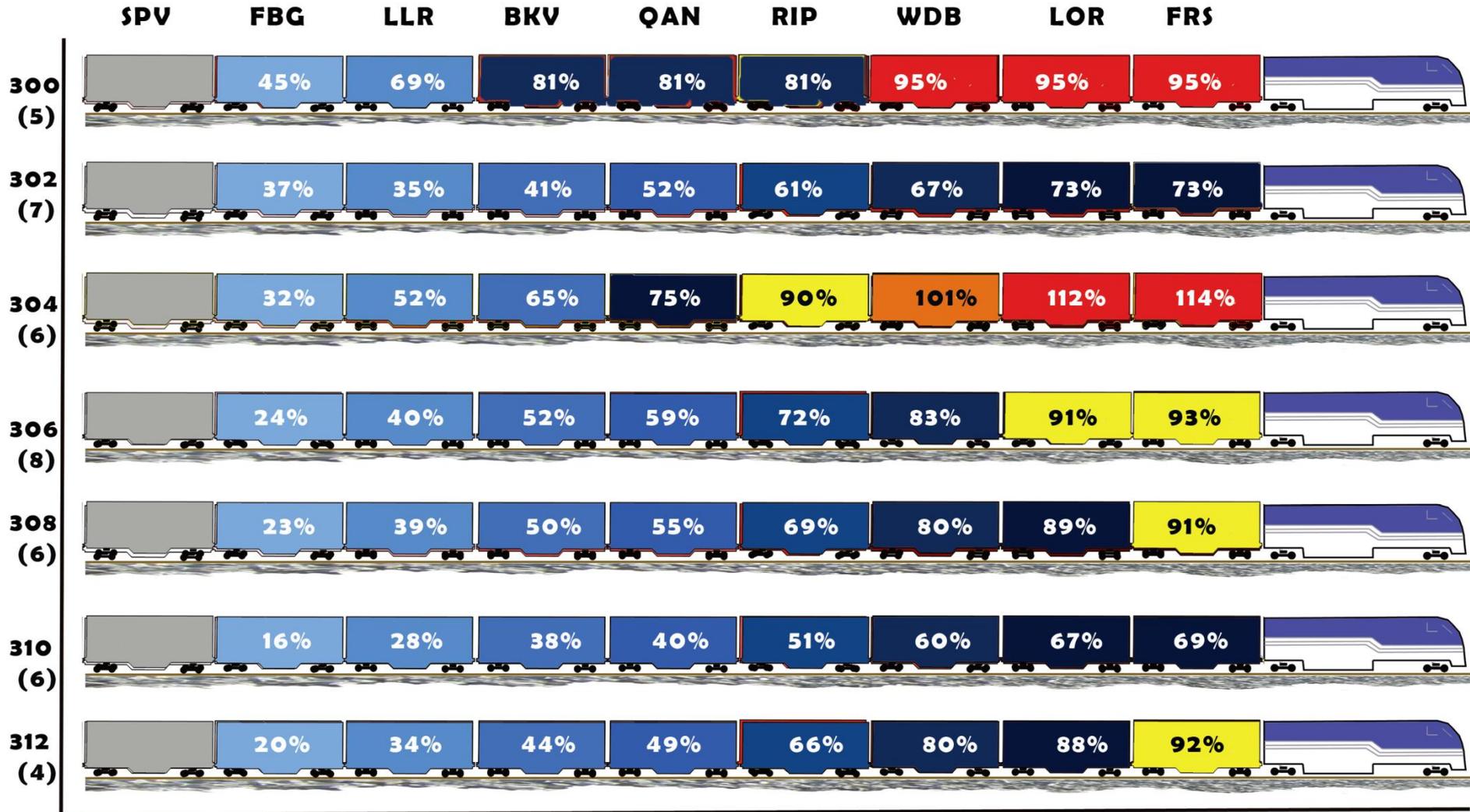


# VRE Ridership

July 1997 – October 2012

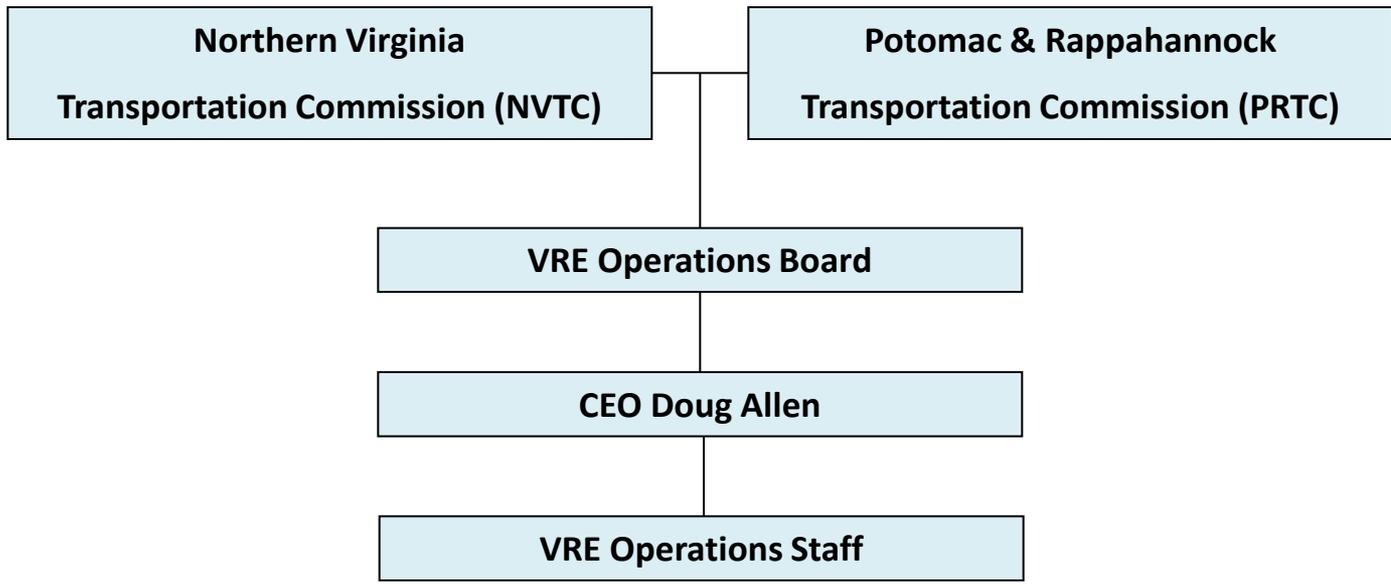


# Current Boardings





# VRE Structure





# VRE Master Agreement

- Crafted to support debt financing
- Jurisdictions obligated to meet financial needs, including any shortfalls
- Financial strength of the jurisdictions provide assurances to debt holders
- The Board structure reflects this financial commitment and is weighted accordingly
- Grant funds provided by the Commonwealth are extremely important, but are not the same type of obligation
- A change to the master agreement can trigger costly process to gain bond holder consent



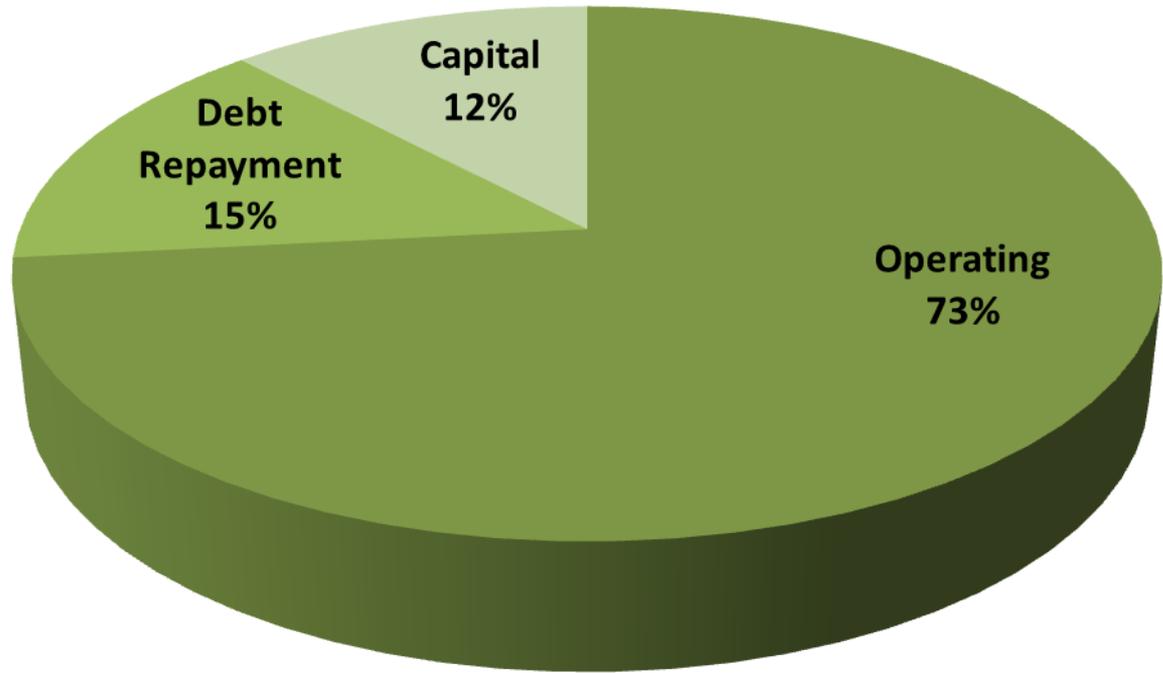
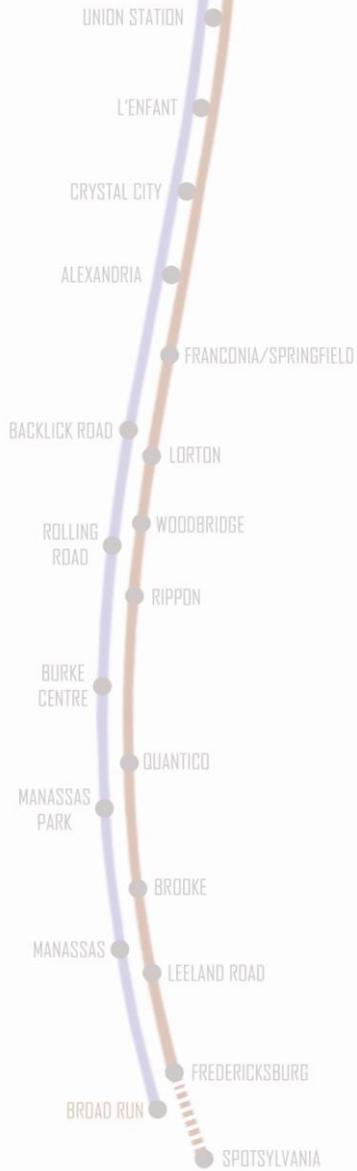
# FY 2014 Budget



Keolis	\$ 19,040,448	20.5%
Track Access Fees	14,400,000	15.5%
Bond/Debt Payments	13,714,795	14.7%
Capital Program	11,153,000	12.0%
Fuel	5,600,000	6.0%
Operations Group	4,723,834	5.1%
Equipment Operations	4,528,000	4.9%
Amtrak (Other)	4,459,000	4.8%
Insurance	4,400,000	4.7%
Facilities Maintenance	3,388,000	3.6%
Other	7,584,496	8.2%
<b>Total</b>	<b>\$ 92,991,573</b>	<b>100.0%</b>



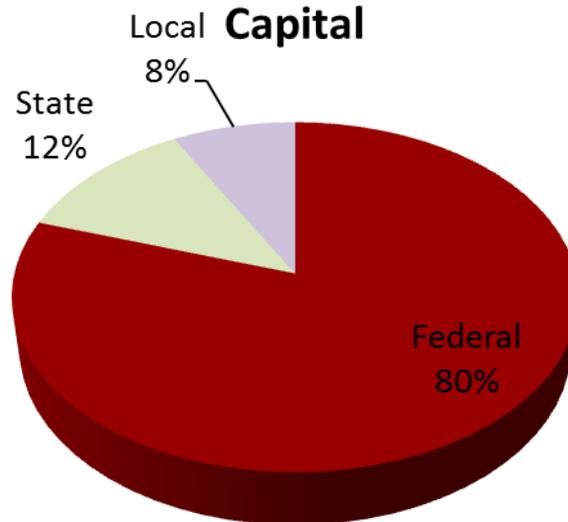
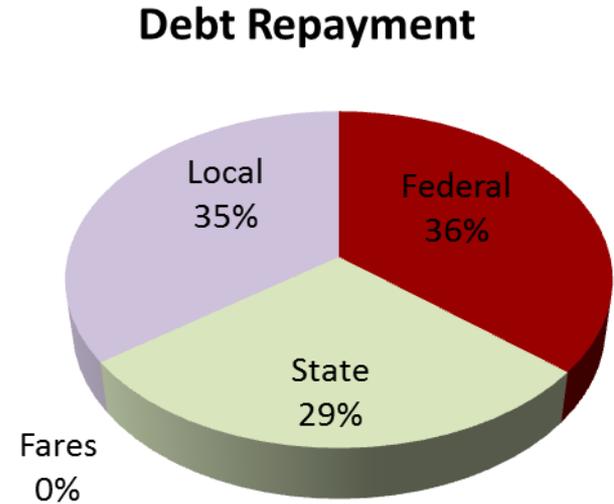
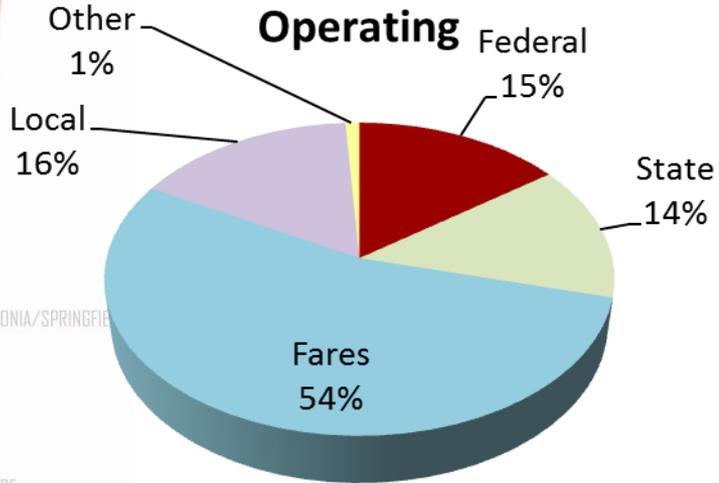
# FY 2014 Budget





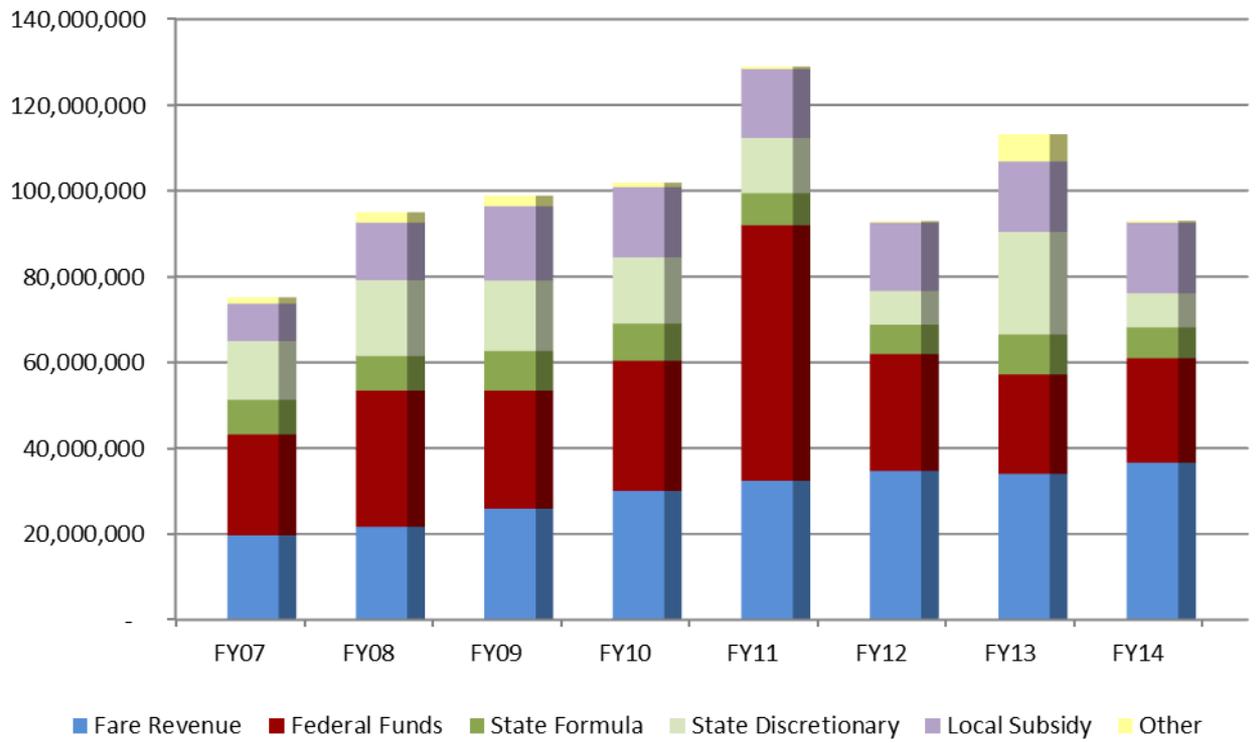
# FY 2014 Funding Sources

- UNION STATION
- L'ENFANT
- CRYSTAL CITY
- ALEXANDRIA
- FRANCONIA/SPRINGFIELD
- BACKLICK ROAD
- LORTON
- WOODBRIDGE
- ROLLING ROAD
- RIPPON
- BURKE CENTRE
- QUANTICO
- MANASSAS PARK
- BROOKE
- MANASSAS
- LEELAND ROAD
- FREDERICKSBURG
- BROAD RUN
- SPOTSYLVANIA

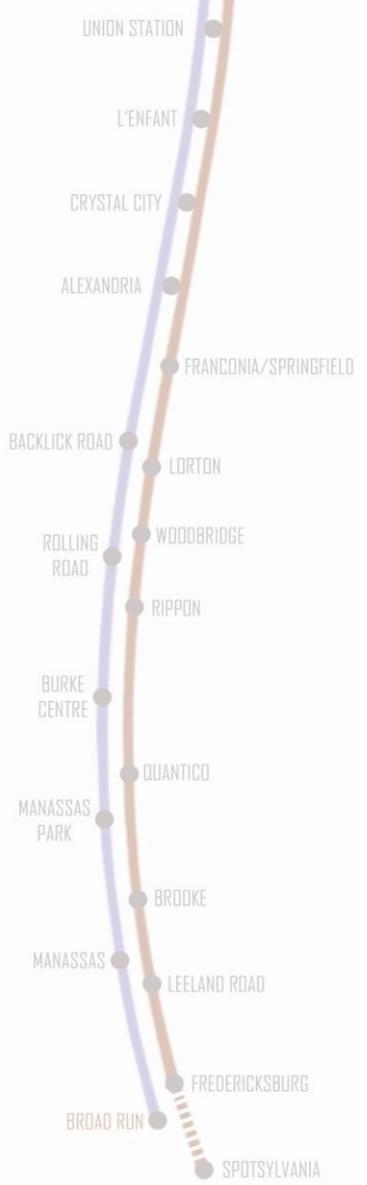




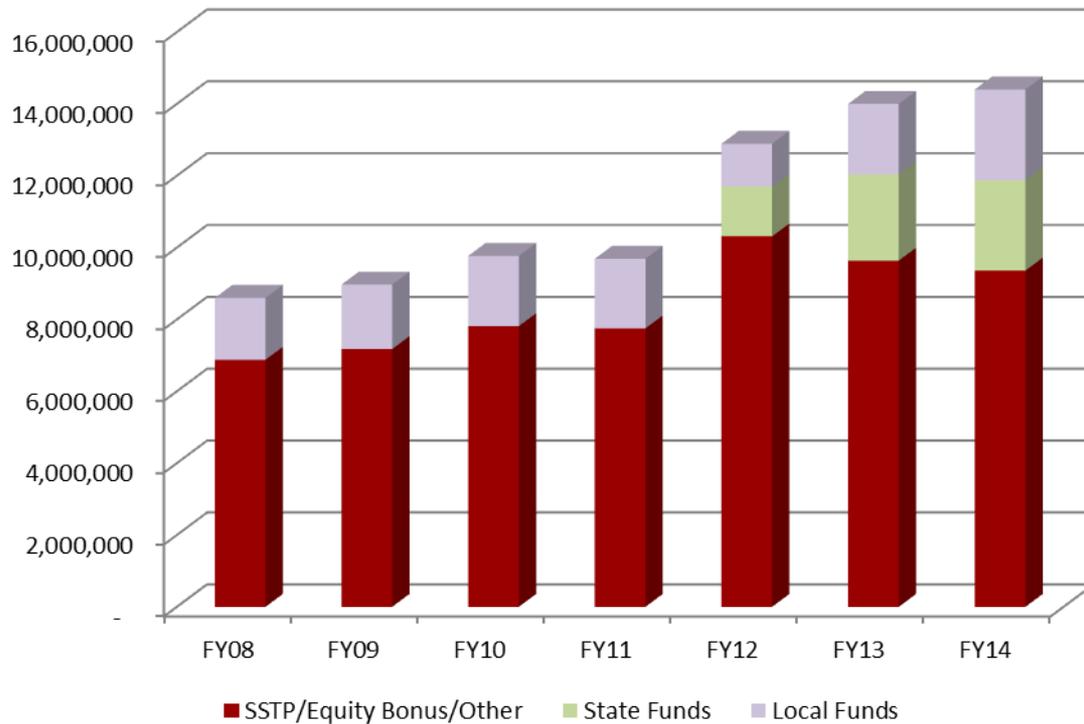
# Sources of Funds



Source: FY07 – FY12 audited statements; FY13 & FY14 VRE budgets



# Track Lease Funding



Source: FY08 – FY12 audited statements; FY13 & FY14 VRE budgets.  
 During FY08 – FY11, state also supported through operating assistance.



# HB2297

- DRPT informed VRE in October that track access funding would be cut dramatically (\$9.6M)
- This magnitude of loss of funding was too much to absorb
- Drastic actions were considered including shutting down the service
- The result would put VRE in default and require jurisdictional repayment of federal dollars
- Track access funding included in every Governor's budget since 2001
- HB2297 codifies past practice and creates stability

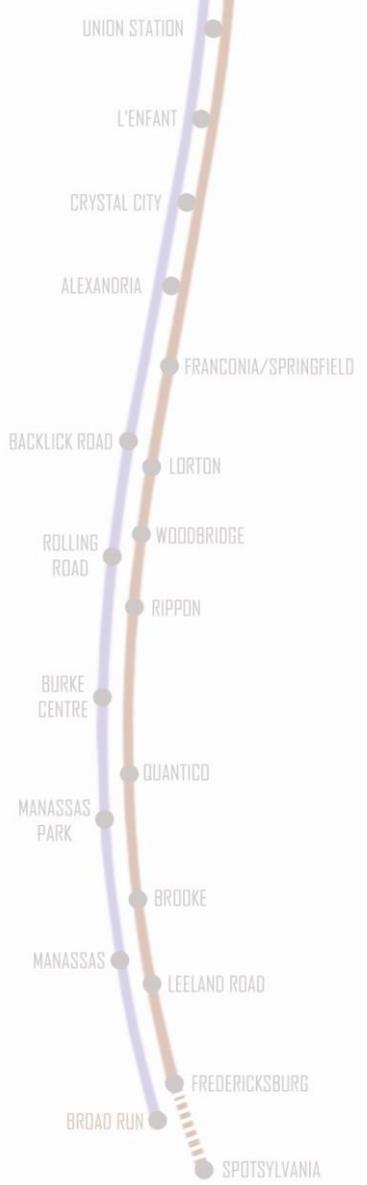




# Facing Critical Decisions



- Core needs are increasing
  - Station maintenance – costs rising as system ages
  - Railcars – replace aging cars
  - Mid-day storage – maxed out
  - Station parking – capacity needed for ridership growth
- Ridership growth is leveling off and funding is needed to increase service.
- To keep pace with growth, we will also need funding for capital needs.



# Questions?