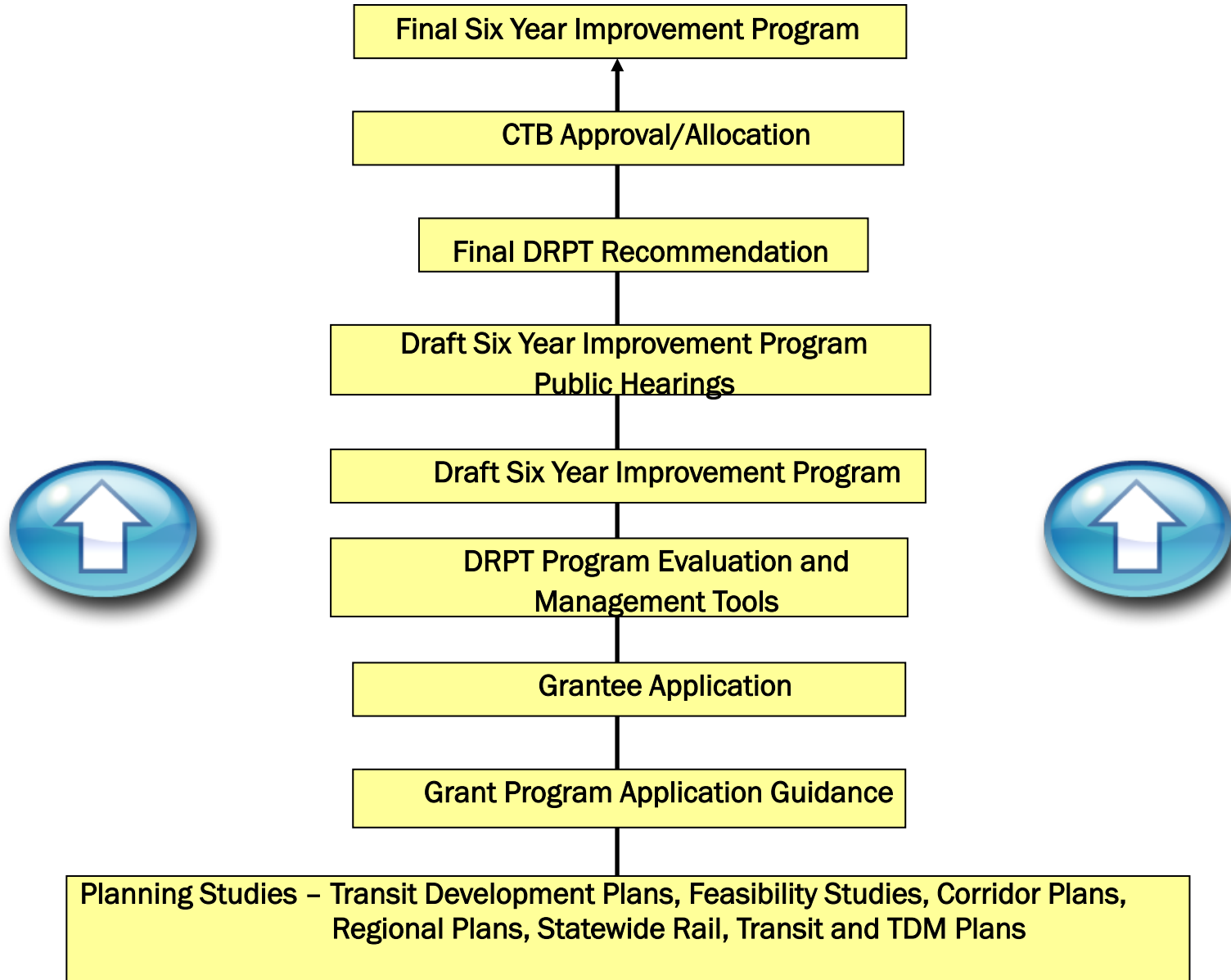


DRPT
Draft Six-Year Improvement
Program
FY 2013 - 2018

Steve Pittard, Chief Financial Officer
April 18, 2012

Six Year Improvement Program



Five Year Comparison of Six Year Program

(\$ in millions)

	Revised FY 09 - 14	Revised FY 10 - 15	FY 11 - 16	FY 12 - 17	FY 13 - 18
Public Transit	\$1,833	\$1,790	\$1,894	\$2,007	\$2,042
Rail	260	243	226	213	240
Dulles Metrorail	822	46	28	7	50
Total	\$2,915	\$2,079	\$2,148	\$2,227	\$2,332

Variance Explanation

- Mass Transit Trust Fund up 4%; recordation tax revenues up 11%
 - Offset by decline in transit bond funding (Dulles) and the lack of a large Flexible STP carryover in current year
- Rail increase due to funding dedicated to passenger rail fund
- Dulles funding in current SYIP is DRPT share of \$150 million pledge to the Metrorail project

Transit Programming Goals

- ❑ Focus investments on key priorities documented through comprehensive planning efforts:
 - State of Good Repair
 - Capacity Expansion
 - New Capacity
 - Security Enhancements
 - Technology Improvements
 - Coordinating Services

- ❑ Fund projects that are ready to incur expenses in the year for which funds are programmed

- ❑ Maximize federal funds

DRPT Draft SYIP FY 2013 – FY 2018

Transit Allocation Assumptions

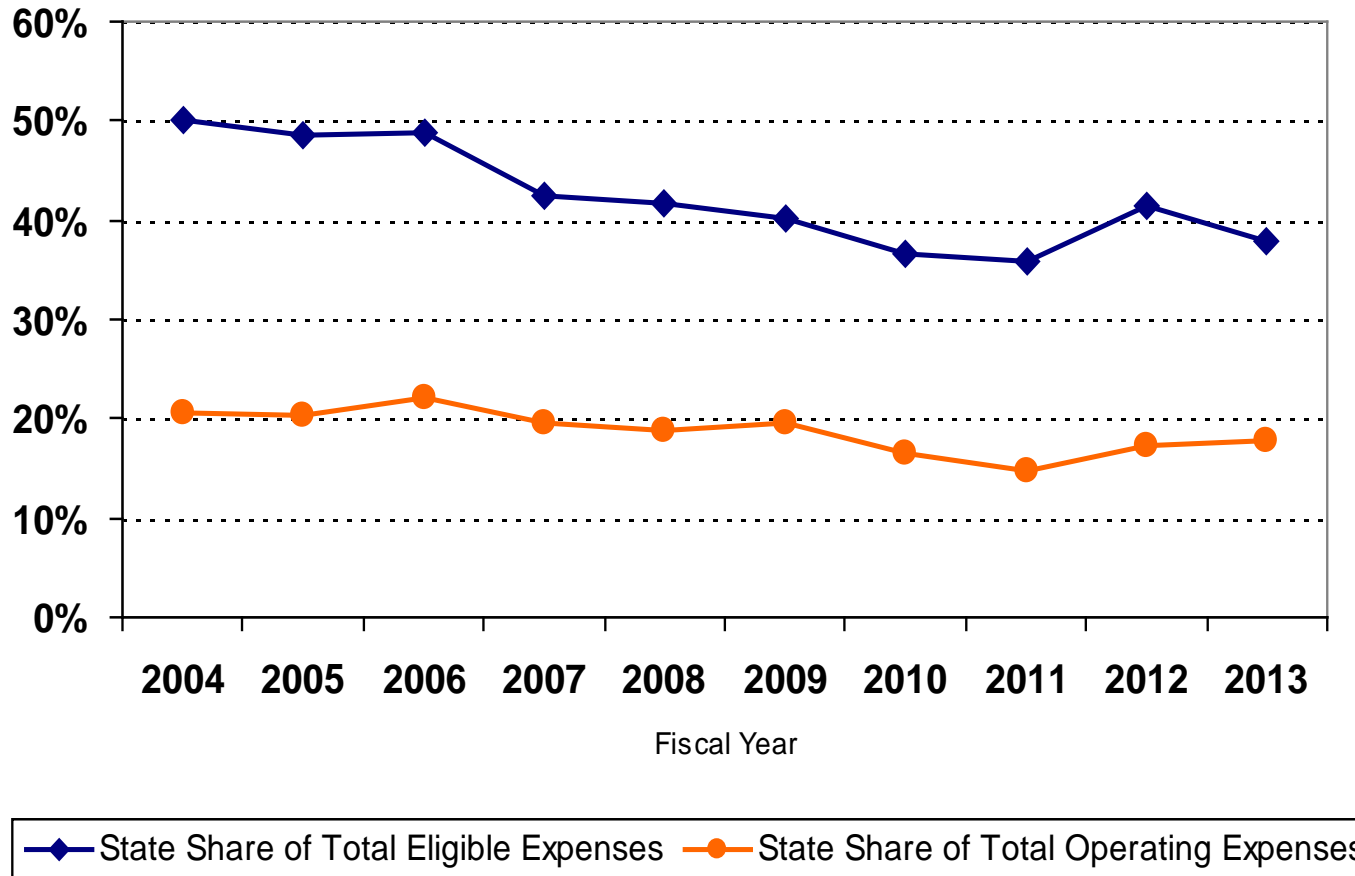
- ❑ Operating funding increased by \$7.0 M from FY 2012 amount
 - 17.9% of total cost – up from 17.2% in FY 2012
 - Deobligated state transit funds and a slight increase in recordation tax revenues

- ❑ Capital program focused on maintenance as the first priority
 - Replacement rolling stock - 80% state share of non-federal costs
 - Insufficient Flexible STP funds and FTA 5311 funds to fund at 80% federal share; 70% federal share provided for projects funded at 80% non-federal share using transit bonds. **This equates to a 94% state controlled funding project versus 96% in previous years.**
 - All other recommended capital projects received blended rate of 50% state match

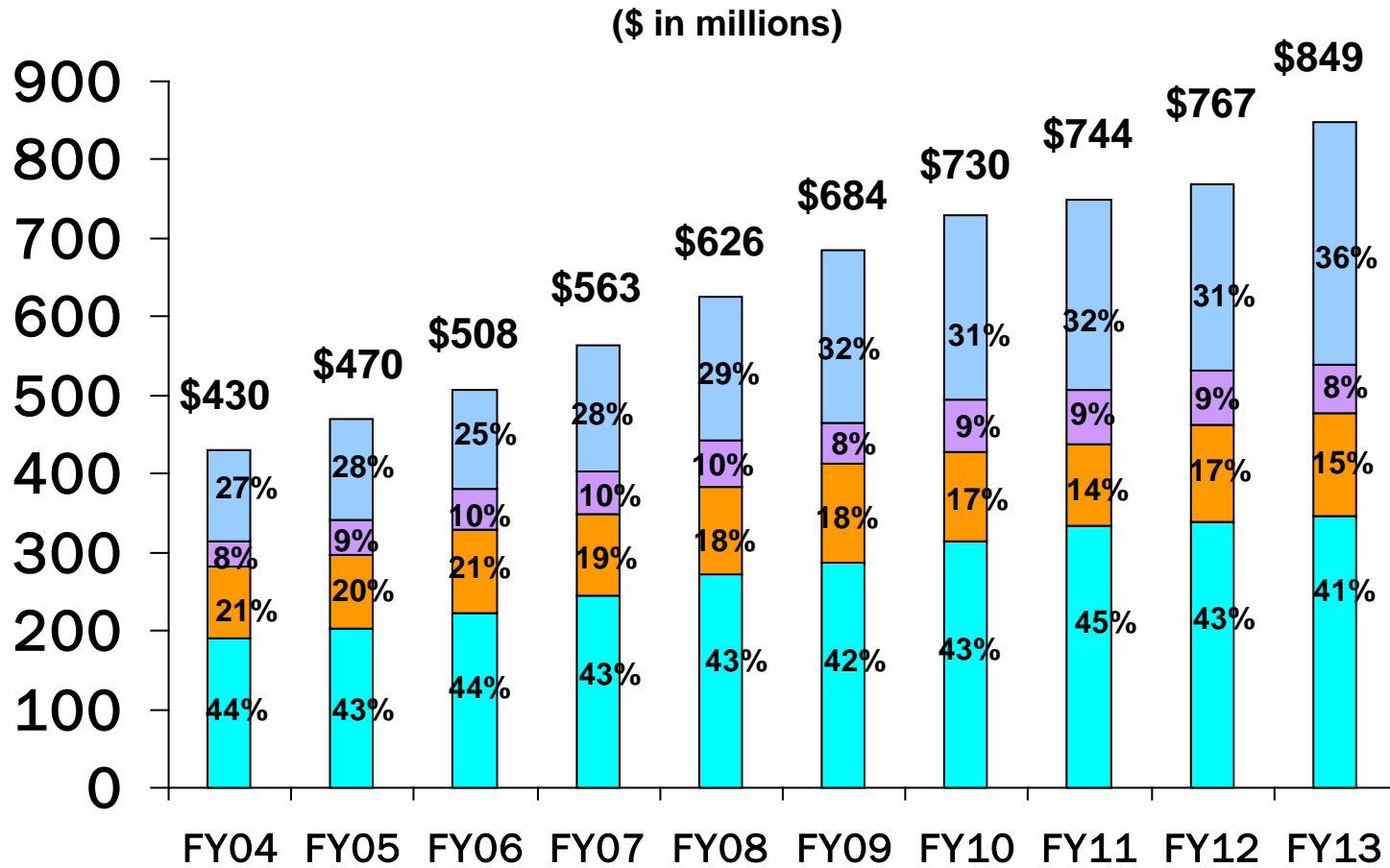
- ❑ Estimated 2.3% allocation for project development, administration and compliance activities from the Mass Transit Trust fund

Public Transportation Operations Funding

38% of Eligible Costs; 18% of FY 2011 Total Costs



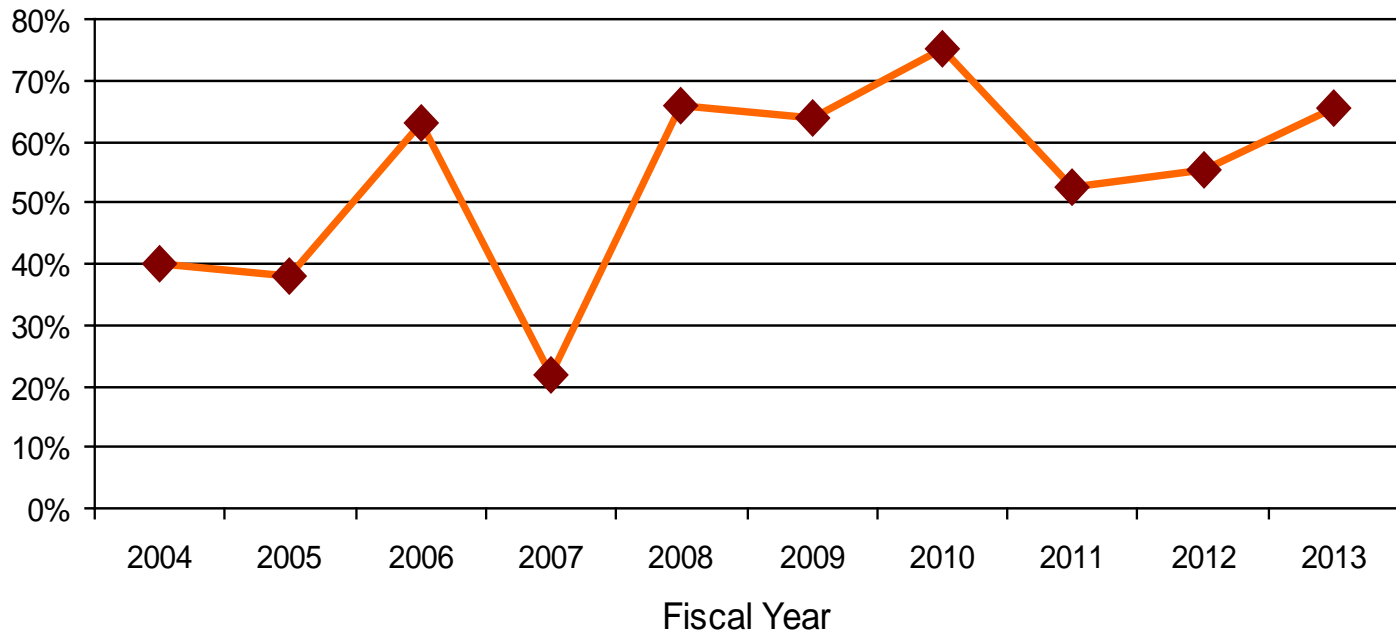
Public Transportation Operations Funding Funding Sources – 10 Yr. History



Public Transportation Capital Funding

65% State Share

State Share of Non-Federal Capital Expenses



Need stability
in state
matching
share

—◆— Actual State Share of Non-federal Cost

Transit Capital Programming Highlights

- ❑ State of Good Repair
 - 223 Replacement Service Buses and Vans
 - 15 Replacement railcars – final funding (VRE)
 - WMATA PRIAA matching funds – 300 railcars

- ❑ Capacity Expansion (areas with transit)
 - 27 Service Expansion Buses
 - Dulles Corridor Metrorail Extension
 - Columbia Pike Streetcar PE (Arlington)

- ❑ Facility Construction
 - Winchester, Bay Aging, Harrisonburg Transit, Fairfax
 - Land acquisition for PRTC and Fredericksburg Transit

Senate Joint Resolution No. 297

- ❑ DRPT has been directed to study transit-related issues as follows:
 - Performance – reward operator performance based on specific criteria
 - Prioritization - capital requests by categories
 - Stability – provide stable funding sources and shares
 - Allocation - evaluate the allocation of the 14.7% of TTF Revenues for Transit and the code language that allows transit funding up to 95% for capital and operating

Rail Enhancement Fund Program Goals

- ❑ Project proposal evaluation
 - Must follow policy goals as adopted the CTB
 - Must be aligned with regional or state plans
 - Must have a Benefit-Cost Ratio > 1.0

- ❑ Benefit-Cost Analysis:
 - Diversion from truck or automobile to rail
 - Reduction in road maintenance
 - Reduced pollution costs
 - Reduced accident costs

- ❑ Priority given to projects that are part of larger initiatives to benefit the Commonwealth

DRPT Draft SYIP FY 2013 – FY 2018

Rail Allocation Assumptions/Highlights

- ❑ Intercity Passenger Operating and Capital Program
 - Unfunded balance of \$190 million over the six year period
 - No dedicated source of funding
 - Includes operating costs for the following:
 - Two AmtrakVA trains – Lynchburg and Richmond/Norfolk
 - Beginning in FY 2014 the cost of two Newport News trains and two Richmond trains currently subsidized by Amtrak.
 - Includes capital costs as follows:
 - Estimated rail infrastructure costs for trains 2 and 3 to Norfolk
 - Estimated rail infrastructure costs for the extension of the Lynchburg train to Roanoke
 - Required capital contribution to Amtrak for 6 regional trains beginning in FY 2014
 - Revenues of \$26.1 million included based on proposed budget language to transfer funding from the Rail Enhancement fund

Virginia Regional Amtrak Passenger Service



DRPT Draft SYIP FY 2013 – FY 2018

Rail Allocation Assumptions/Highlights

- ❑ New projects
 - Crescent Corridor Phase II – Norfolk Southern 1-81 freight initiative
 - Total cost of \$74 million with construction through FY 2017; \$51.8 million of state rail funds allocated
 - VRE Extension to Spotsylvania - 3rd Track
 - Crossovers not included in original project
 - One of 19 projects for High Speed Rail from Richmond to Washington
 - Requirement for extension to Spotsylvania
- ❑ Matched SYIP allocations to expected cash flows; one project was removed – Craney Island Connector (construction)
- ❑ Estimated 2.3% allocation for project development, administration and compliance activities from the Rail Enhancement and Rail Preservation funds

Overall Program

- ❑ Transit operating share at 18%
 - Rising gas prices – impact?

- ❑ Transit capital state matches remain strong
 - Includes \$50 million of bond funding for Dulles project
 - Priority on replacement rolling stock

- ❑ Permanent solution needed for passenger rail subsidy
 - \$190 million funding gap for passenger rail operations and capital from FY 14 to FY 18

- ❑ Impact of items in Budget Bill

Next Steps

- ❑ Draft Six Year Improvement Program Presented to CTB April 18th

- ❑ Public Hearings
 - Salem April 24th
 - Richmond May 2nd
 - NOVA May 3rd
 - Hampton Roads May 7th

- ❑ CTB Action June 20th



www.drpt.virginia.gov

drptpr@drpt.virginia.gov

804-786-4440