VIRGINIA RAILWAY EXPRESS

ADDING CAPACITY
IN CORRIDORS OF STATEWIDE SIGNIFICANCE (COSS)

Commonwealth Transportation Board
July 28, 2016

Doug Allen
Chief Executive Officer
Virginia Railway Express
WHO WE ARE

Commuter rail

2 Commissions, 9 Jurisdictions

Safe, Reliable, High Customer Satisfaction

4.5 million riders per year
On a typical weekday
VRE draws ridership from 39 Virginia Jurisdictions

Jurisdiction of Residence for VRE Riders
Responding to the 2015 Master Agreement Survey

- Top 20 Jurisdictions
- Other Jurisdictions
- VRE Member Jurisdictions

Source: 2015 Virginia Railway Express Master Agreement Survey
WHAT WE DO

We add **peak** capacity...

*Currently 5,400 peak seats/hour*

...in corridors of statewide significance...

*I-66, I-95 & I-395*

...for longer-distance commuters...

*Travelers that would otherwise drive on highways* *

...using non-highway rights-of-way

**CSXT, NS & Amtrak**
VDOT EFFORTS

...I-95/395 Express Lanes...

Opened in 2014, south/north extensions in 2018

... I-66 inside beltway...

Complete in 2020

...I-66 outside the beltway...

Two Express lanes/direction open in 2020

... total value...

$2.5B
VRE BENEFITS TO CoSS

“...contribution to congestion relief is significant...”

“...much greater congestion benefit in the evening peak period...”

“...contributes to a delay reduction of between 8 and 18%...”
VRE BENEFITS TO CoSS

“…[VRE] provides capacity for about 5,000 persons per hour…”

“…would require adding at least one freeway lane in each direction in both VRE corridors…”

“…total estimated construction cost required to provide [freeway] capacity to carry VRE passengers is over $1 billion.”
VRE SYSTEM PLAN 2040

- Longer trains
- Longer platforms
- More station parking
- Second platforms
- More trains
- Third track on CSX
- Storage yard expansion
- Gainesville-Haymarket Extension
- Long Bridge
VRE FINANCIAL PLAN

Complement to System Plan 2040

- Scenarios
  - Focus on Steady State, Natural Growth, System Plan 2040
- Refined cost estimates
- Detailed cost modeling
- Forecast future operating and capital needs
- Forecast revenues by source
- Identified revenue needs
- Key findings to inform decisions, next steps
VRE FINANCIAL PLAN
KEY FINDINGS

- Operating expenses escalate faster than revenues
OPERATING COST VS. REVENUE

NATURAL GROWTH

- Total Operating Revenue
- Annual Operating Need
- Total Operating Costs

2.6% Average Annual Increase
$84.5M to $152.3M

2.3% Average Annual Increase
$81.7M to $136.8M

FY17 to FY39

A BETTER WAY. A BETTER LIFE.
OPERATING COST VS. REVENUE
SYSTEM PLAN

Total Operating Revenue
Annual Operating Need
Total Operating Costs

FY17
FY19
FY21
FY23
FY25
FY27
FY29
FY31
FY33
FY35
FY37
FY39

$0
$50
$100
$150
$200
$250
$300

Millions

5.0% Average Annual Increase
4.5% Average Annual Increase

$81.7M
$84.5M
$226.0M
$257.2M

VRE
A BETTER WAY. A BETTER LIFE.
VRE FINANCIAL PLAN
KEY FINDINGS

- Operating expenses escalate faster than revenues
- Raising fares alone is not a viable solution
VRE FINANCIAL PLAN
AVERAGE FARE

- $7.69
- $7.48
- $6.75
- $6.08
- $5.40
- $4.89
- $4.19
- $3.95

Metro North (NY)  Virginia Railway Express  Long Island Railroad (NY)  New Jersey Transit  MBTA (Boston)  MARC (Maryland)  METRA (Chicago)  SEPTA (Philadelphia)
Funding from Jurisdictions is Limited

- Arlington, Alexandria — flat fee of approximately $150k
- Fairfax Co. — VRE funded thru general fund (gas tax to WMATA)
- Prince Wm Co. — PRTC bus service and VRE exceeds gas tax; NVTA
- M, MP, F — limited gas tax base
- Stafford Co. — gas tax only on VRE, stopped road projects
- Spotsylvania Co. — gas tax, new station opened in 2015
VRE FINANCIAL PLAN
KEY FINDINGS

- Operating expenses escalate faster than revenues
- Raising fares alone is not a viable solution
- Capital costs exceed expected sources, particularly in non-NVTA jurisdictions
VRE FINANCIAL PLAN
NATURAL GROWTH SCENARIO

Unfunded Capital Requirements by Fiscal Year

Long Bridge, Yards and Stations & Parking
Rolling Stock Replacement

Millions
$0
$20
$40
$60
$80
$100
$120
$140
$160
$180
$200
FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40

A BETTER WAY. A BETTER LIFE.
VRE FINANCIAL PLAN
KEY FINDINGS

- Operating expenses escalate faster than revenues
- Raising fares alone is not a viable solution
- Capital costs exceed expected sources, particularly in non-NVTA jurisdictions
- Today’s service is not sustainable over time
- Additional funding results in more riders
VRE FINANCIAL PLAN
SUMMARY OF FINDINGS

Estimated Additional Annual Need and Daily Ridership

- Steady State: $41.7M, 19,200 riders
- Natural Growth: $44.5M, 31,137 riders
- System Plan: $66.4M, 52,240 riders

- Average Annual Capital Requirement
- Average Annual Operating Need
- Ridership
VRE FINANCIAL PLAN
SUMMARY OF FINDINGS

Estimated Additional Annual Need and Daily Ridership

- **Steady State**:
  - $41.7M
  - Ridership: 19,200

- **Natural Growth**:
  - $44.5M
  - Ridership: 31,137

- **System Plan**:
  - $66.4M
  - Ridership: 52,240

Today’s service is not sustainable over time.
VRE FINANCIAL PLAN
SUMMARY OF FINDINGS

Estimated Additional Annual Need and Daily Ridership

- Steady State: $41.7M, $20.5M, 19,200
- Natural Growth: $44.5M, $34.8M, 31,137
- System Plan: $66.4M, $52.1M, 52,240

ADDITIONAL FUNDING RESULTS IN MORE RIDERS
CONCLUSIONS

1. VRE is a **vital component** of the Commonwealth’s transportation system.

2. VRE **provides significant capacity** during the rush hours in the I-66, I-95 and I-395 corridors.

3. The **cost to replace VRE capacity** in these CoSS would be **substantial**.

4. The **most cost effective way to increase capacity** in these CoSS is to expand VRE.

5. VRE needs **additional investment from the Commonwealth to continue and expand capacity** in the I-66, I-95 and I-395 CoSS.
SUMMARY OF KEY POINTS

- The I-66, I-95 and I-395 CoSS are some of the most congested in Virginia.
- VDOT has/will max out capacity in these corridors.
- VRE is the only viable option for significant additional capacity in these corridors.
- VRE is limited by existing sources of funding.
- VRE needs dedicated funding to continue and to provide significantly more capacity in these CoSS.