

CTB Rail and Transit Subcommittee Meeting Minutes
The Virginian Lynchburg Hotel
712 Church Street
Lynchburg, Virginia 24504
8:30 am
July 16, 2019

The Meeting began at 8:40 am

CTB Rail Subcommittee Members Present: DRPT Director Jennifer Mitchell, Ray Smoot, Mary Hynes, Stephen Johnsen and John Malbon. Also present were CTB members Scott Kasprowicz and Cedric Rucker.

1. Approval of June 18, 2019 Minutes-Mary Hynes moved to approve the minutes, Ray Smoot seconded, and the minutes were unanimously approved.
 2. Director's Report-Director Mitchell gave her report. The following statements were noted.
- **DC2RVA**
 - Final Environmental Impact Statement is complete, and the Record of Decision, which marks the end of the NEPA process, is expected to be signed by FRA in mid-August.
 - FRA, DRPT, and Virginia Department of Historic Resources (DHR) have signed the Section 106 of the National Historic Preservation Act Memorandum of Agreement last week.
 - **Long Bridge**
 - DDOT in the process of cultural resource coordination and drafting a programmatic agreement for Section 106 of the National Historic Preservation Act.
 - **Amtrak Ridership**
 - Total ridership is up across all Commonwealth sponsored routes **7%**
 - Year-to-date ridership is up across all Commonwealth sponsored routes **5.3%**
 - Only one route (route 51 Richmond) is down year-over-year and year-to-date. This decline was expected due to the 2nd Norfolk train extension, which left the route 51 (Richmond) with only daily round-trip train.
 - Ridership on the Urban Crescent routes (47, 50, &51) is up **5.4%** year-to-date, which is an increase of over **25,000** riders.

Route	June 18	June 19	Change	FFY18 YTD	FFY19 YTD	Change
46 Roanoke	18,971	19,281	+1.6%	155,221	162,905	+5%
47 Newport News	28,995	29,529	+1.8%	236,799	245,200	+3.5%
50 Norfolk	13,777	22,131	+60.6%	112,272	150,553	+34.1%
51 Richmond	13,294	9,367	-29.5%	121,380	100,223	-14.7%
Total	75,037	80,308	+7%	625,672	658,881	+5.3%

<u>Year-to-Date Urban Crescent Ridership (Routes 47, 50, & 51)</u>		
<u>FFY18</u>	<u>FFY19</u>	<u>Change</u>
470,451	495,976	+25,525 (+5.4%)

Scott Kasprowicz inquired about the increase and the reasoning behind it. Director Mitchell responded that last year there were service interruptions which led to a decrease in ridership. Also, schedule changes and discounts had led to positive trends and increases in ridership.

3. Rail Industrial Access Status Update – Jeremy Latimer

At a prior subcommittee meeting Mary Hynes asked for a status update on the RIA program since the 2015 CTB Revised Performance Policy was instituted.

Jeremy Latimer gave updates on the RIA Program.

- In 2015 the CTB revised the Rail Industrial Access performance policy
 - There were 17 amended Agreements due to the revised policy
 - 94% of these projects received performance under the new policy; 69 percent achievement rate under old policy

- There are 11 new projects since 2015: 1 has met performance; 5 are still under performance; 3 are under construction; 1 withdrew application; and 1 is on July 17 CTB Action Agenda
- Program outcomes 2010 to present (Jeremy indicated that these dates were chosen to coincide with data reported to Virginia Department of Economic Partnerships)
 - 1,123 Jobs
 - 23,942 rail carloads shipped (81,403 truckload equivalents)
 - RIA Grant funds invested \$8.9M
 - Businesses' Capital Investment in Virginia \$308.3M
(Ray Smoot asked for an explanation of Capital Investment. Jeremy Latimer responded the total invested in the move or expansion to include land, buildings, equipment, etc. and the total rail spur expense.)
- A map of CTB districts was displayed with the number of RIA grants in each district
- Proposed Changes to Application Guidance by DRPT Staff
 - Applications will have to provide a statement of need in a project narrative; new and start-up businesses still have to provide a business plan
 - For extra points, businesses will have to provide a statement from Virginia Economic Development Partnerships stating whether or not Virginia is competing with other states for this business (new to VA businesses) or for existing businesses – does VEDP support the growth / expansion.

Mary Hynes expressed her gratitude for the comprehensive update.

4. Rail Preservation Evaluation Criteria Update-Jeremy Latimer

Jeremy Latimer gave updates on the agency's process to update the scoring criteria for this program. The following discussion points were noted:

- Jeremy Latimer discussed the purpose and need for a more comprehensive evaluation of applications due to the fact that: requests exceed program capacity and bond funds are fully spent as of FY2020. Quantitative evaluation criteria have been developed with the assistance of the Virginia Railroad Association, CTB Rail & Transit Subcommittee input and staff recommendations. Director Mitchell stated that State of Good Repair (SOGR) is the purpose of the program and that it aligns with how we select and evaluate projects along with the State's goals. Ray Smoot asked why funding is going down. Director Mitchell responded because of competing needs in the REF program DRPT is expecting in future years the fund with the REF transfer will be close to \$6M. Cedric Rucker asked if the nature of the requests is changing or only the amount of funding. Jeremy Latimer responded that the nature of projects has changed over the years but the purpose of the program is SOGR. Director Mitchell responded high priority projects like bridges will have fund limitations but there is no other DRPT

sponsored program which will fit for vital structures. Cedric Rucker asked if DRPT is looking for a way to fund projects. Stephen Johnsen asked is DRPT identifying long term needs of the shortlines. Director Mitchell responded yes DRPT is looking for longer term funding to fill needs and that the REF requirement is to build new capacity so is not a fit for SOGR projects. Ray Smoot asked how does Norfolk and Portsmouth Belt Line qualify for funding with NS and CSX as parent companies. Jeremy Latimer responded that NPBL is classified by the STB as a shortline and thus qualifies for the program. Mary Hynes asked DRPT to identify and create a list of vital structures to be included with VDOT's list to request funding from the General Assembly. Director Mitchell indicated DRPT will do so. Scott Kasprowicz requested that critical infrastructure and potential failure be included in considering what projects are funded. John Malbon asked about the grantee match. Director Mitchell responded that the program requires minimum 30% match but that applicants could provide a higher match to receive more points. Scott Kasprowicz asked if any other shortlines in Virginia had larger corporate owners. Jeremy Latimer responded yes, three others are owned by Genessee and Wyoming, however, were expected by GW to operate as stand-alone businesses.

- Jeremy Latimer discussed the new scoring with a Phased Approach: 1. Meet a Threshold to move forward; 2. Prioritization; 3. Funding availability. He then went over the percentages for each of the categories in Prioritization/Scoring – program goals, state initiatives, cost effectiveness, and applicant priority. Mary Hynes asked the title of State Initiatives be changed to State “Priorities”, commented on whether the differentiators are correct under state priorities; should all the categories under state priorities all be 20%; and should critical infrastructure receive a higher percentage. Jeremy Latimer replied that the categories would be refined more. Mary Hynes stated that under the VTRANS process did not focus on Rail as much as it should and should the CTB members be thinking about how to include rail more. What approach should CTB members use in the future for Tier 1 process. She requested talking points and rail considerations to use for Tier 1 process and for DRPT to be part of the conversation for goals of each district. Director Mitchell indicated DRPT has worked with OIPI office and with rail projects sometimes the benefits are localized, however, sometimes investments can happen in NOVA but the benefit is for Southwest VA. DRPT will work on talking points. Ray Smoot suggested Mary Hynes comments on infrastructure were good, a bridge failure could put a shortline out of business. Scott Kasprowicz indicated DRPT should request service life on critical infrastructures before investing in tracks. John Lawson (audience) asked the subcommittee to keep in mind that these are RR owned assets not state owned assets and that DRPT should compile a list to find out the shortlines’ plans for the future for these assets and what state support would be needed.

- Jeremy Latimer went over the rest of the scoring matrix provided to the members and discussed the findings of the process. Director Mitchell told the subcommittee that DRPT will:
 - **Add weight to critical structures;**
 - **Add a definition and points to Economic Development;**
 - DRPT will present the scoring structure to the VRRA in August for their feedback;
 - Present the new Scoring/Evaluation process to the CTB Workshop in September. The Subcommittee members agree with this approach.
- **Director Mitchell also committed to DRPT compiling a list of Railroad critical infrastructure assets based on feedback from the Committee.**

5. Presentation from Buckingham Branch Railroad – Steve Powell, President

Steve Powell's presentation discussed the history of BBRR; its locations across the state; statistics on BBRR traffic; Rail Preservation Funding utilized for the railroad; and various aspects regarding hosting the Amtrak Cardinal service across its Richmond to Alleghany Division. The following discussion points were noted:

- Scott Kasprowicz asked about the length of the lease from CSX on the Richmond to Alleghany Division. Steve Powell indicated it was a 20-year lease to end in 2025, however, when BBRR updated the Signal System they negotiated two 5-year extensions and the lease is now 30 years ending in 2035. Kasprowicz asked if BBRR provided all dispatching on the line. Powell indicated that BBRR began dispatching 2 years into the 30-year lease per terms of their contract with CSX. Ray Smoot asked about the amount of state funding received. Powell indicated that projects would not have been done without state funding; that the line was in disrepair when they began the lease; that state funding maintains a SOGR; and without state assistance a SOGR could not be maintained on all 282 miles. Kasprowicz asked about Class 3 track for Amtrak only or does freight benefit as well. Powell BBRR maintains Class 3 by statute for Amtrak, and by lease for CSX. John Malbon asked if no state funding what would BBRR look like. Powell indicated that the railroad would have a hard time maintaining its track; that he would say it would not be the same railroad as it is today without state funding; that BBRR could not promote the RR for economic development; and that it would be a challenged property. Malbon asked for a definition of an overhead car. Powell indicated it is empty coal cars running "over" BBRR's track. Hynes asked if both Amtrak and Freight have priority. Powell indicated Yes and No. Amtrak has priority, but with a 2.5-mile-long freight train that has to continue until it gets to Clifton Forge because BBRR does not have any siding long enough to move the freight train to, that at times Amtrak will have to move to a siding for a few minutes to let freight pass. BBRR has a policy that holds

freight trains in a 6-hour window of a Cardinal train so that a slower freight train does not get in front of an Amtrak.

- Powell discussed PTC with the subcommittee and stated BBRR has an exclusion from Amtrak. Kasprowicz asked if there are lower cost alternatives being looked at like GPS instead of PTC. Powell responded yes.
- Malbon asked if Amtrak decides to shorten its long route trips would this impact BBRR? Powell responded yes and that Amtrak is not a revenue generator for BBRR and that Amtrak has discussed either extending the Cardinal to 7 days a week or stopping service altogether. Smoot stated that politically long distance trains will not go away or Amtrak could potentially lose funding.
- Steve Powell told the subcommittee that BBRR greatly appreciated the state's funding support; that DRPT was great to work with; and that the state understood the needs of the railroads. He thanked the committee for the opportunity to speak.

6. MERIT – Looking Ahead for FY2021 – Jennifer DeBruhl

Jennifer DeBruhl gave updates on the agency's MERIT process. The following discussion points were noted:

In FY2020, DRPT updated TDM program process to incorporate MERIT; completed an after action review; updated the grant management procedures; and held a Transit Grants Webinar. DRPT also scored 279 line items on State of Good Repair, 243 of which were funded. Items scoring 44 or greater were recommended for funding. Jennifer also stated that 85 items were scored on Minor Enhancement, 75 of which were funded with a score of 15 or greater. Under Major Expansion, 4 projects were scored and all were recommended for funding. DRPT anticipates an increase in applications for Major Expansion for FY2021 based on agencies' five-year budgets. DRPT plans to update project applications and the application interface; improve guidance; and make minor methodology adjustments to support scoring. DRPT has a new operating assistance allocation methodology. Looking ahead to 2021, DRPT plans to use the TSDAC recommended operating formula of 50% operating cost and 30% ridership.; review and improve methodology to calculate passenger miles traveled; and review data/performance relative to statewide trends. Guidance updates to special programs including Demonstration; Technical Assistance and Intern; and 5310-Human Service. Strategic Plan pilots are underway for Hampton Roads Transit and Greater Lynchburg Transit. PRTC/Omni Ride and Petersburg Area Transit strategic plans are in development. Ray Smoot asked if DRPT will change the formula for commuter buses regarding passenger miles traveled. Jennifer DeBruhl replied that the formula change will only affect VRE. Director Mitchell stated that on the passenger miles traveled side data is not as precise as necessary, VRE tracks by zones and not by station which makes the data not as precise as needed. Jennifer DeBruhl stated DRPT is working very closely with VRE to get the data as refined as possible.

7. Public Comment – None

8. The meeting adjourned at 9:56 a.m.