Proposed
Six-Year Improvement Plan
Rail Allocations

November 19, 2008
Draft Statewide Rail Plan

- The Draft Statewide Rail Plan was released in July 2008, public input was gathered and final data validation is underway.

- The Plan identified $4.7 billion in potential rail projects to be considered for the VTRANS2025 update which has a planning horizon year of 2035.

- The total potential rail project costs have been updated to $6.5 billion
  - The current proposal excludes shortline railroad projects and public transportation projects such as Metro and Norfolk Light Rail, which are funded in other programs.

- Since the release of the Draft Plan, work has been underway to develop a recommended six-year approach to priorities and funding
  - The dramatic downturn in the national economic outlook, and its continued uncertainty, makes planning even for six years problematic.
  - Many of the potential rail projects are in the conceptual stage or in early planning, making budgets and schedules difficult if not impossible to validate.
Key Findings from the Draft Statewide Rail Plan

- Demand for freight and passenger rail continues to rise. The latest estimate shows $6.5 billion in unmet rail needs through 2035.

- The U.S. is an international leader in freight rail but lags behind in passenger rail. Conversely, the European Union is a leader in passenger rail but lags in freight rail.

- Rail tracks in Virginia are privately owned by freight rail companies.

- While public funding may be provided, freight rail companies control schedule and timing and improvements must conform to their business plans.

- The cost of right of way is expensive, and rail is a very capital intensive industry.

- Amtrak, through federal statute, has the right to operate on freight rail lines while other commuter rail services must negotiate with private railroads for access to their tracks.

- Passenger rail, similar to public transportation, typically requires a subsidy for operations.

- The Rail Enhancement Fund envisions public private partnerships for capital improvements that achieve public benefit.
Approach to Allocation of Rail Financial Resources

- The Proposed Six-Year Improvement Plan Rail Allocations focus on improvements that will deliver public benefits, such as:
  - Reducing congestion on highways, at ports, and at airports
  - Reducing energy consumption
  - Improving public safety
  - Improving air quality
  - Providing a timely and cost-effective travel alternative
  - Supporting transit-oriented development and walkable communities
  - Increasing mobility and improving quality of life
  - Creating jobs, supporting tourism and economic development
  - Providing a cost-effective freight shipping alternative
  - Providing another transportation choice in emergency situations
Project Selection Process: Step 1

- Step 1: Assess each project against the CTB Policy Goals for rail funding. Projects will:
  - Provide an additional or accelerated investment in Virginia rail projects, which are determined to have a substantial public benefit equal to or greater than the public investment
  - Address the needs identified in the applicable state, regional and/or local plans
  - Encourage competition or economic development by promoting or not precluding access by more than one rail operator, and whenever possible joint access by freight and passenger operators
  - Evolve from a focus on quick turnaround, high impact projects to a multi-year strategic program of projects that leads to an integrated six year program
  - Limit long term Commonwealth funding liability through achievable project schedules and budgets, with consideration given to funding multi-year projects
  - Leverage funds from sources other than the Rail Enhancement Fund
  - Protect the Commonwealth’s public interest in private facilities
  - Contribute to the effectiveness of the entire transportation system
  - Ensure that at least 90 percent of program funds will be spent on capital improvements
Project Selection Process: Steps 2 and 3

- **Step 2: Determine amount of capital funding available over the next six years**
  - Approximately $268 million in anticipated state rail capital funding is available over the next 6 years
  - With private and local matching funds, a total of $481 million is estimated to be available for capital projects
  - Approximately $17 million in operational subsidies over three years is necessary to demonstrate the benefits of new passenger rail service

- **Step 3: Recommend project components that can be funded and build upon previously funded project components**
## Proposed Projects for Six-Year Improvement Plan Rail Allocations

<table>
<thead>
<tr>
<th>Project Components to be Funded</th>
<th>Cost of Components</th>
<th>Committed REF Funding to Date</th>
<th>Key Annual Public Benefit Findings at Steady State</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-95/I-64 Passenger Rail</td>
<td>One new train Washington, DC- Staples Mill Station, One new train set, Improved service efficiency</td>
<td>$224.4 M</td>
<td>$26.9 M</td>
</tr>
<tr>
<td>Commuter Rail Improvements</td>
<td>Automatic train control system, track upgrades, final design Cherry Hill third track, engineering Gainesville-Haymarket extension</td>
<td>$18.3 M</td>
<td>$3.2 M</td>
</tr>
<tr>
<td>I-81/Route 29 Passenger Rail</td>
<td>One new train Washington, DC- Lynchburg, track upgrades, route analysis Roanoke-Bristol</td>
<td>$39.5 M</td>
<td>$0.0 M</td>
</tr>
<tr>
<td>National Gateway</td>
<td>Remove 5 bridge obstructions and begin construction of new Virginia Ave tunnel</td>
<td>$135.7 M</td>
<td>$0.0 M</td>
</tr>
<tr>
<td>Heartland Corridor</td>
<td>Relocate Cove Hollow Rd.</td>
<td>$6.3 M</td>
<td>$22.4 M</td>
</tr>
<tr>
<td>Port-Related Projects</td>
<td>On-dock rail yard at NIT, marshalling yard improvements</td>
<td>$2.2 M</td>
<td>$0.0 M</td>
</tr>
<tr>
<td>Crescent Corridor (I-81)</td>
<td>Engineering/construction of track upgrades</td>
<td>$33.9 M</td>
<td>$40.0 M</td>
</tr>
<tr>
<td>Southeast High Speed Rail</td>
<td>Complete Tier II Environmental Impact Statement Main St. Station- Raleigh</td>
<td>$3.9 M</td>
<td>$1.5 M</td>
</tr>
</tbody>
</table>
## Proposed Six-Year Improvement Plan

*(in millions 2008 $)*

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Cost</th>
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<tr>
<td>I-95/I-64 Passenger Rail Phase 1</td>
<td>$224.4</td>
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<td>Southeast High Speed Rail Phase 1</td>
<td>$3.9</td>
</tr>
<tr>
<td><strong>Total Capital Cost</strong></td>
<td><strong>$464.2</strong></td>
</tr>
<tr>
<td>Three-Year Passenger Rail Operating (Demo)</td>
<td><strong>$17</strong></td>
</tr>
<tr>
<td><strong>Total Costs (Capital and Operating)</strong></td>
<td><strong>$481.2</strong></td>
</tr>
</tbody>
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Funding by Project Type

Emphasis on dual benefit projects, consistent with the Draft Statewide Rail Plan