



## MONTHLY COMMISSION MATERIALS

October 2017

## MEETING OVERVIEW – October 5, 2017

### Action Items Include:

- Minutes of NVTC's September Meeting
- Resolution #2343: Refer VRE Preliminary FY2019 Budget to Jurisdictions
- Consent Agenda (two items for the Envision Route 7 effort, Notice of Direct Contributions to Jurisdictions, Smart Scale letter to DRPT, and letter of support of Loudoun County's TIGER grant applications)

### Other Meeting Highlights:

- WMATA Reform Discussion with Secretary LaHood
- Report from Virginia's WMATA Board Members
- I-395 Express Lane Multimodal Program
- NVTC Analysis of Virginia Metrorail Ridership
- DC2RVA Update

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**NVTC COMMISSION MEETING  
THURSDAY, OCTOBER 5, 2017  
MAIN FLOOR CONFERENCE ROOM  
2300 Wilson Blvd.  
Arlington, VA 22201**

**7:30 P.M.**

**6:00 P.M. Governance and Personnel Committee - Closed Session  
6:40 P.M. Dinner is Available for Commissioners and Staff  
6:45 P.M. Executive Committee**

**AGENDA**

1. Opening Remarks
2. **ACTION ITEM: Approve the Minutes of the September 7, 2017 NVTC Meeting**
3. Discussion with Former U.S. Secretary of Transportation Ray LaHood on the Independent Review of WMATA
4. **ACTION ITEM: Approve the CONSENT AGENDA** (subject to approval by the Chairman)
  - A. Authorize the Executive Director to Sign the Route 7 Conceptional Engineering Memorandum of Agreement with the Jurisdictions
  - B. Authorize the Issuance of a Request for Proposals for Consultant Services for the Route 7 Conceptual Engineering Study
  - C. Authorize the Notice of Direct Contributions to Jurisdictions
  - D. Authorize the Chairman to Send a Letter to DRPT with Comments on Smart Scale
  - E. Authorize the Chairman to Send a Letter of Support for Loudoun County's TIGER Grant Applications
5. I-395 Express Lanes Multimodal Program
  - A. Program Overview
  - B. Proposed Memorandum of Agreement

6. Washington Metropolitan Area Transit Authority

- A. Board of Directors Report
- B. Committee Reports
- C. Other WMATA News
- D. Virginia Ridership and Parking Facility Utilization
- E. Schedule of Upcoming Board Decisions
- F. NVTC Analysis of Virginia Metrorail Ridership

7. Virginia Railway Express

- A. VRE CEO Report and Minutes
- B. **Action Item: Approve Resolution #2343: Referral of the Preliminary FY2019 VRE Operating and Capital Budget to the Jurisdictions**
- C. Crystal City Station Improvement Project Update

8. Department of Rail and Public Transportation (DRPT)

- A. DRPT Report
- B. DC2RVA High Speed Rail Update

9. Report of the Chair of the NVTC Governance and Personnel Committee

10. Executive Director Report

- A. Executive Director Newsletter
- B. NVTC Financial Report

11. Closed Session



**MINUTES**  
**NVTC COMMISSION MEETING – SEPTEMBER 7, 2017**  
**NAVY LEAGUE BUILDING – FIRST FLOOR CONFERENCE ROOM**  
**ARLINGTON, VIRGINIA**

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman McKay at 7:37 P.M.

**Members Present**

Sharon Bulova  
John Cook  
Katie Cristol  
Christian Dorsey  
Adam Ebbin  
John Foust  
Libby Garvey  
Catherine Hudgins  
James LeMunyon  
Matt Letourneau  
Tim Lovain  
Jeff McKay  
Ron A. Meyer  
J. Randall Minchew  
Jennifer Mitchell (Alternate, Commonwealth of Virginia)  
Paul Smedberg  
David Snyder  
Jennifer Wexton

**Members Absent**

Jim Corcoran  
Jeff Greenfield  
David LaRock

**Staff Present**

Karen Finucan Clarkson  
Andrew D'huyvetter  
Nobuhiko Daito  
Rhonda Gilchrest  
Dan Goldfarb  
Patricia Happ  
Scott Kalkwarf  
Kate Mattice  
Zachary McCoy  
Steve MacIsaac (counsel)  
Doug Allen (VRE)  
Joe Swartz (VRE)

## Opening Remarks

Chairman McKay stated the Commission has several important actions as part of this meeting, including two action items for the I-66 Commuter Choice Program, an action on NVTC's Resolution for WMATA reforms, and an action to accept the findings of NVTC's *Report on the Value of Metrorail and VRE to the Commonwealth of Virginia*. He stated that NVTC's action regarding WMATA reform is timely since Secretary LaHood will be joining NVTC at its October 5<sup>th</sup> meeting.

## Minutes of the July 6, 2017 NVTC Commission Meeting

Mr. Snyder moved, with a second by Ms. Bulova to approve the minutes. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Minchew, Mitchell, Snyder and Wexton. Mr. Smedberg abstained.

## I-66 Commuter Choice Program

Ms. Mattice announced NVTC and VDOT are hosting a ribbon cutting event for the FY2017 projects on September 20<sup>th</sup> at 2:00 P.M. in Falls Church. Governor McAuliffe and Secretary Layne are confirmed as speakers.

Mr. Meyer arrived at 7:39 P.M.

Ms. Mattice explained that as a requirement of the Amended Memorandum of Agreement (MOA) for the Transform 66: Inside the Beltway Project (now branded as "I-66 Commuter Choice"), NVTC is required to submit an annual report to the Commonwealth Transportation Board (CTB). She stated that the initial program for FY2017 consists of 10 component projects totaling \$9.8 million. Some of the projects are already operational and the remainder will start by toll day one.

Mr. Smedberg moved, with a second by Ms. Cristol, to authorize the executive director to submit the NVTC I-66 Commuter Choice Program FY2017 Annual Report to the CTB. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg, Snyder and Wexton.

Ms. Mattice stated that the FY2018 Call for Projects is the first opportunity to fund new projects after tolling begins. With approval by the Commission, on-line applications will be accepted via NVTC's website from September 21<sup>st</sup> through December 8, 2017. Beginning the process in fall 2017 will allow for a thorough review and evaluation of the submitted projects, culminating in Commission action (target May 2018) followed by CTB approval (target June 2018).

Mr. Dorsey moved, with a second by Ms. Bulova, to approve the FY2018 I-66 Commuter Choice Program Call for Projects. The vote in favor was cast by Commissioners Bulova,

Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg, Snyder and Wexton.

### Washington Metropolitan Area Transit Authority

Ms. Hudgins reported that with the retirement of the 1000 and 4000 series railcars and the acceptance of additional 7000 series railcars, as well as other maintenance efforts, the General Manager's Back2Good goals of reducing passenger offloads and reducing railcar related delays are being met and exceeded. Mr. Dorsey stated that the key driver of the FY2018 capital budget has been the acquisition of railcars and buses. These capital investments are resulting in better customer service experience for riders. His opinion is that it has been money well invested.

Mr. Smedberg reported that the WMATA Board approved six parking enhancement proposals intended to increase WMATA's revenues by maximizing the use of its existing parking portfolio. Proposals include expansion of hours of operation; variable parking rates at selected stations; flexibility to attract non-Metro users and commercial usage; and authority to sell food and beverages on weekends to attract events (i.e. farmer markets, community or commercial events). Chairman McKay stated he is happy to see the WMATA Board looking at parking initiatives because any effort to bring in riders and additional revenues is a good thing. Many of the parking facilities are currently underutilized.

Mr. Dorsey announced WMATA will hold public hearings on Metrobus services changes on September 26, 2017. He encouraged the public to attend.

Mr. Smedberg reported that the WMATA Governance Committee recommended a set of strategic priorities that included Board and organization effectiveness, fiscal health, safe and reliable operations, and capital planning and real estate. The changes would have consolidated and streamlined the committee structure to five committees. Mr. Smedberg stated that unfortunately the proposal was withdrawn at the July 27<sup>th</sup> WMATA Board of Directors meeting.

### Report of the Chairs of NVTC Committees

Governance and Personnel Committee. Mr. Cook, chair of the Governance and Personnel Committee, stated that the committee is also tasked with conducting the executive director's annual performance evaluation. He will send individual Commissioners the executive director's job assessment and a brief evaluation form. The committee will discuss the evaluation in Closed Session on October 6<sup>th</sup> at 6:00 P.M., followed by a full Commission Closed Session at the November 2<sup>nd</sup> meeting. Chairman McKay stated that the Commission is committed to keeping this timeline.

Chairman McKay stated that NVTC Resolution #2342 Principles for WMATA Reform was circulated among the Commissioners prior to this meeting. He thanked Commissioners for providing feedback. The intent of the resolution is to capture as many issues the Commission can agree upon in a balanced way. This resolution reflects the Commission's

position as an organization, although individual members may have different views. With Secretary LaHood finalizing his recommendations, NVTC needs to act on this tonight if the Commission wants to provide input. Chairman McKay thanked Mr. Cook for his leadership and hard work to bring this resolution forward for approval.

Mr. Cook stated that the resolution is structured along the issues the General Assembly directed NVTC to address in SB1251. It does not address funding. He thanked Roy Kienitz, from Secretary LaHood's team, for his presentations to the committee throughout the process.

Mr. Cook reviewed the recommendations listed in the resolution. He explained that the resolution is not meant to be the final answer to solving all of WMATA's problems. It is, however, Northern Virginia putting a recommendation on the table for regional discussion.

Mr. Cook moved, with a second by Mr. Letourneau, to approve Resolution #2342.

In response to a question from Senator Ebbin, Mr. Cook stated that in terms of ethics, the resolution is referring to the WMATA Board. Senator Ebbin asked if there have been concerns raised by the community regarding WMATA Board ethics since 2016, when WMATA revised its code of ethics. Ms. Hudgins expressed her concern that the wording implies the community thinks the WMATA Board is unethical. Senator Ebbin suggested a wording change to #4 in the first resolve clause (page 4): "The WMATA Board should maintain a strong commitment to ethics pertaining to fiduciary duties and conflicts of interest."

Ms. Bulova stated that there is a difference between ethics and conflicts of interest. Mr. Cook observed that doing an ethics analysis does not mean anyone has done anything wrong. Since the resolution recommends a change in the composition of the WMATA Board, it would be logical to conduct an ethics analysis. The resolution wording reaffirms strong analysis of conflicts of interest issues and fiduciary duties are critical. He stated that the public needs to have confidence in the governance of WMATA.

Chairman McKay suggested the following wording change as a friendly amendment: "The WMATA Board should engage in a robust review of its policies on conflicts of interests and fiduciary interests so that it will maintain its strong commitment to ethics pertaining to fiduciary duties and conflicts of interest." Mr. Cook agreed to this friendly amendment and there were no objections.

Mr. Foust stated he will abstain from the vote because of his strong opinion that elected officials should not serve on the WMATA Board.

Delegate LeMunyon observed that more than just the General Manager's Action Plan will be needed to get WMATA closer to full reform. He suggested a friendly amendment to the last resolve clause (page 5) to read:

"...NVTC recommends that the WMATA Board direct the General Manager to set forth, by January 1, 2018, a detailed business plan for implementing the operational reforms outlined in his April 2017 Action Plan and any other actions necessary to meet the requirements of item (vi) of Enactment Clause 4 of

HB2136/SB1251 (2017) so the legislatures of the respective jurisdictions will have the opportunity to review such plan prior to the commencement of their legislative sessions.”

Mr. Cook agreed to this friendly amendment. There were no objections.

Senator Wexton expressed her concern regarding the wording “competitive contracting of targeted functions” as she can’t see how safety won’t be jeopardized if WMATA only uses low bid procurement. She is not comfortable with the proposed language and asked if Mr. Cook would consider striking “...including the use of tools such as competitive contracting of targeted functions” as a friendly amendment. Mr. Cook did not accept Senator Wexton’s amendment since the resolution language was drafted with intent. He stated that the resolution does not endorse a particular action but gives the General Manager the authority to have competitive contracting in his tool box. Senator Wexton observed that by specifically calling out one factor, it implicitly endorses it.

Senator Wexton moved, with a second by Ms. Cristol, to amend the second resolve clause (page 4) to strike “...including the use of tools such as competitive contracting of targeted functions.”

Mr. Letourneau stated he would not support the amendment. He stated that the committee had a robust discussion on this topic. Certain functions, including potential competitive contracting, require action that the Board and General Manager currently do not have. A management agency should be able to do competitive contracting without having to renegotiate a contract. In his opinion, it is important to keep this language as an example of issues that need to be addressed. In order for Virginia to obtain funding for WMATA, the General Assembly will want to see major reforms.

Mr. Dorsey stated that without judgement on the policy itself, he observed that outlining a specific objective is out of place in this type of resolution. He stated that Senator Wexton’s amendment outlines the principle.

Mr. Cook stated that the resolution is a compromise document, but necessary to support what is needed. The wording is intentional. Senator Ebbin noted that the other tools the General Manager asked for are not listed in the resolution, so he will support the amendment.

Mr. Meyer observed that if NVTC does not have language like this, he does not see gaining support from the General Assembly. Delegate LeMunyon stated that competitive contracting is fundamentally included in Virginia’s procurement law. Every other transit agency in the state complies with the law. Ms. Bulova stated she will not support the amendment, since the resolution is just giving an example not dictating that it should be used. These are the types of tools local governments have available to consider.

Mr. Snyder stated that it is a general statement in the resolution. He does not want it to be assumed or not assumed that competitive contracting will be used. It should depend on the circumstances, such as stakeholder participation. So, he sees the resolution not endorsing or excluding a potential tool.

Chairman McKay observed that NVTC would not be the body to make the decision if competitive contracting would be used. The resolution language is to offer an option among a pool of options. Ms. Garvey agreed and thanked Mr. Cook for his leadership and his plea as to why to keep the language.

The Commission then voted on the amendment. The vote in favor was cast by Commissioners Cristol, Dorsey, Ebbin, Hudgins, Smedberg and Wexton. The vote in opposition was cast by Commissioners Bulova, Cook, Foust, Garvey, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell and Snyder. The amendment did not pass.

Senator Wexton observed that the resolution language (page 4) about the three percent cap to the jurisdictional subsidies is stronger than aspirational. By requiring three percent and making it a mandatory factor in contract negotiations, it ties the hands of everyone in negotiations and limits options. Senator Ebbin shared the same concerns and stated he is more comfortable with the language "...strive to keep it at three percent..."

Ms. Bulova stated that when considering a budget, Fairfax County provides targets to its county executive. In the same way, the General Manager has indicated that this is a reasonable target. She sees the three percent cap as a reasonable target or benchmark, but that does not mean it is the end of the discussion. Chairman McKay noted the resolution uses "should" and it is not a mandatory requirement; it's a recommendation. He reminded the Commission that NVTC sent a letter to WMATA during the last budget process reiterating the concerns of the jurisdictions that the growth and amount of subsidy cannot be sustained by the jurisdictions year after year.

Delegate Minchew stated that the resolution references Senator Barker's bill SB1251, but observed that Delegate LeMunyon was highly influential in getting his companion bill HB2136 passed in the House. He requested the resolution reference both bills. Mr. Cook agreed to this friendly amendment and thanked Delegate LeMunyon for his hard work to get this legislation passed. There were no objections to this friendly amendment.

Delegate Minchew stated he is still conflicted on the issue of jurisdictional veto, but will support the motion. Mr. Dorsey agreed that there are issues that individual Commissioners may have different views. He personally thinks the overall process defaulted to comparing WMATA to other transit agencies. WMATA is a unique organization and there are no other three state compact transit agencies. To try to make WMATA identical to other agencies in his opinion is misguided. He commended Mr. Cook for bringing Commissioners to a point where they can agree and put forth a resolution.

The Commission then voted on the amended Resolution #2342. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg and Snyder. Senator Wexton and Mr. Foust abstained.

Mr. Cook recognized Ms. Mattice and her staff for their hard work during this process. Chairman McKay also acknowledged Ms. Mitchell for her assistance.

Legislative and Policy Committee. Ms. Cristol stated the committee met prior to this meeting and heard a presentation about NVTC's *Report on the Value of Metrorail and VRE to the Commonwealth of Virginia*. She asked Mr. Goldfarb to give a brief presentation on the methodology and results of the study.

Mr. Goldfarb stated the study quantifies the value that high capacity transit modes (Metrorail and VRE) operating in Northern Virginia brings to the Commonwealth. The effort focused on quantifying the contribution of the state income tax and state retail sales tax to the state's general fund, as these two sources represent the vast majority of general fund revenues. This study differs from previous and current work as it evaluates the level of land use and development that the transportation system can support. It also looks beyond property tax revenues to local governments and focuses on those types of revenue that would be assessed at the state level and impact the Commonwealth's general fund.

Mr. Goldfarb stated that NVTC's analysis was conducted in coordination with the Washington Metropolitan Area Transit Authority (WMATA) and the Metropolitan Washington Council of Governments (MWCOC) Transportation Planning Board (TPB). The analysis was conducted using the MWCOC/TPB travel demand forecast model, and revenue and tax data obtained from the Virginia Department of Taxation and United States Internal Revenue Service. This effort also included a technical review team comprised of experts from Federal Transit Administration, George Mason University, TPB, WMATA, and nationally recognized transit consultants.

Mr. Goldfarb then reviewed the major findings of the study:

- The presence of Metrorail and VRE supports an additional 85,000 households and 130,500 jobs in Northern Virginia;
- Those households and jobs generate more than \$600 million annually in sales and income tax revenue that flow to the Commonwealth's general fund;
- Given Virginia's annual transit operating and capital contribution to Metrorail and VRE (approximately \$170 million budgeted in FY2018), the return on investment to the Commonwealth exceeds 250 percent; and
- \$600 million, which represents just over three percent of general fund revenues, easily covers Virginia's annual general fund expenditures on state colleges and universities (approximately \$316 million) and state police (approximately \$266 million).

Ms. Cristol moved, with a second by Ms. Bulova, to accept the findings of NVTC's *Report on the Value of Metrorail and VRE to the Commonwealth of Virginia*.

Chairman McKay thanked staff for their hard work to produce this in-house analysis. Besides the economic value to the Commonwealth, there is also a very compelling argument about congestion mitigation and what the region would look like without Metro. He suggested that NVTC repackage the study results to address different issues, such as quality of life issues. Ms. Garvey asked if staff looked at the impact of transit to large corporations relocating to this region. Mr. Goldfarb explained the study focused on the benefits to the Commonwealth. Ms. Garvey suggested the information could be

repackaged focusing on impacts to the business community. Senator Ebbin suggested having large corporations come speak to General Assembly members about the impact of transit. Chairman McKay stated the Joint NVTC-PRTC Legislative Briefing on December 4<sup>th</sup> will include a discussion with members of the business community about the benefits of transit.

Mr. Foust asked if there is a way to quantify the value of Metro and VRE to the federal government. Mr. Dorsey stated that this analysis does exist.

The Commission then voted on the motion and it passed. The vote in favor was cast by Commissioners Bulova, Cook, Cristol, Dorsey, Ebbin, Foust, Garvey, Hudgins, LeMunyon, Letourneau, Lovain, McKay, Meyer, Minchew, Mitchell, Smedberg, Snyder and Wexton.

Ms. Hudgins left the meeting at 9:08 P.M. and did not return.

### Transit Performance and Ridership

Ms. Mattice stated that as part of the Regional Bus Agenda, NVTC staff have concluded the initial analysis of bus operations and found that there are no significant regional gaps in service. Staff plans to present the complete set of findings at the November meeting.

Ms. Mattice noted that the FY2017 4<sup>th</sup> Quarter Ridership Report shows ridership among Northern Virginia transit agencies declined 5.2 percent when compared to the same time period in FY2016. This time period represents the last quarter of SafeTrack related ridership impacts. While nearly all transit agencies showed a decline, VRE showed an increase of 4.5 percent, which is most likely due to riders using it as an alternative mode of transportation during SafeTrack. For the FY2017 Annual Ridership Report, overall transit ridership is down nine percent between FY2016 and FY2017. Both VRE and ART saw increases.

### Virginia Railway Express

VRE CEO Report. Mr. Allen reported that ridership remains strong at 19,000 and on-time performance at 88 percent. VRE hosted a briefing for Senator Barker and a tour for congressional staff members. VRE is also preparing for potential heavy rain due to Hurricane Irma.

Mr. Allen also reported that the Northern Virginia Transportation Authority (NVTa) advanced VRE's submission for \$128,496,000 for the Manassas Line Capacity Expansion and Real-Time Traveler Information Project for consideration by the Commonwealth Transportation Board (CTB) regarding the use of the projected \$500 million I-66 Outside the Beltway (OTB) Concessionaire Payment. The CTB will take action at its September meeting.



## Department of Rail and Public Transportation

DRPT Director Mitchell stated the draft Environmental Impact Statement (EIS) for the DC2VA High Speed Rail project will be published in the Federal Register on September 8, 2017. This will launch the 60-day public comment period. Two public hearings will be held. NVTC will be briefed on the DC2RVA project at the October meeting.

Ms. Mitchell gave an update on the mobilization efforts of the Metro Safety Commission, which includes hiring an executive search recruiter, locating office space, and identifying MSC commissioners. It is anticipated that appointments by the governors and mayor of Virginia, Maryland and the District will be made in October.

Ms. Mitchell stated the Revenue Advisory Board submitted its final report to the Commonwealth Transportation Board. The \$130 million gap in transit capital does not include additional funding needed for Metro. The \$50 million match to PRIIA funding for Metro is part of this \$130 million gap. The Revenue Advisory Board did not make any specific recommendation for funding but they did identify a number of potential solutions to lay a framework for discussion.

Chairman McKay thanked NVTC staff for their assistance in providing their professional expertise to make sure Northern Virginia's interests were represented on this statewide board. Northern Virginia was already disadvantaged because this is an area that already does well in statewide transit capital funding. Smaller rural areas can lose their transit operations without state funding. He encouraged Commissioners to read the report.

Ms. Mitchell sees this from a statewide perspective and she is concerned about the impact to rural areas and small communities where they won't have other funding options to make up the funding gap. A drop in transit funding by 44 percent would be devastating to those communities where transit serves a different role than it does in Northern Virginia.

Ms. Bulova asked about next steps. Ms. Mitchell stated DRPT will vet the options to work towards a potential proposal. Governor McAuliffe plans to introduce a legislative proposal of funding for Virginia and WMATA. Chairman McKay noted that it is important to clarify that this is a statewide problem and a Metro problem. One can't be fixed without fixing the other.

## Executive Director Report

Ms. Mattice reminded Commissioners about the September 20<sup>th</sup> ribbon cutting event for the I-66 Commuter Choice Program. Governor McAuliffe and Secretary Layne are confirmed speakers. Secretary LaHood is confirmed to join NVTC at its October 5<sup>th</sup> meeting. The Legislative and Policy Committee is scheduled to meet on November 2<sup>nd</sup> at 6:00 P.M. to discuss the 2018 Legislative Agenda. The annual Joint NVTC-PRTC Legislative Briefing will be held at the Springfield Hilton on December 4<sup>th</sup>.

Ms. Mattice announced that this is Zach McCoy's last Commission meeting. Mr. McCoy has served as a NVTC fellow for the past six months. She also announced NVTC's new grants and compliance manager starts on September 11, 2017.

The Financial Report for July 2017 was provided to Commissioners. There were no questions.

Mr. Meyer stated he has received comments about the flashes off the toll readers on I-66. Apparently, there is testing underway. He asked for more public outreach to inform the public about the testing. Ms. Mattice stated staff will forward this request to VDOT.

Mr. Snyder recognized the attendance of ATU members at this meeting and their work on the job at WMATA. He conveyed that NVTC is working hard to strengthen and improve WMATA into the future.

#### Adjournment

Ms. Cristol moved, with a second by Ms. Garvey, to adjourn the meeting. Without objection, Chairman McKay adjourned the meeting at 9:32 P.M.

Approved this 5<sup>th</sup> day of October 2017.

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Jeffrey C. McKay  
Chairman

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Matthew F. Letourneau  
Secretary-Treasurer



## RESOLUTION #2342

**SUBJECT:** NVTC Principles for WMATA Reform

**WHEREAS:** The Washington Metropolitan Area Transit Authority (WMATA) is critical to Northern Virginia and the Commonwealth's transportation network and economic growth;

**WHEREAS:** The Northern Virginia Transportation Commission (NVTC) was founded in part to represent the interests of the Commonwealth during the establishment of WMATA;

**WHEREAS:** The General Assembly, through Enactment Clause 4 of HB2136/SB1251 (2017), directed the Secretary of Transportation, in coordination with the Northern Virginia Transportation Commission, to engage his counterparts in Maryland and Washington, D.C., and the appropriate officials in the federal government for the purpose of revising the Washington Metropolitan Area Transit Authority Compact of 1966 and implementing other reforms necessary to ensure the near-term and long-term viability of the Washington Area Metropolitan Transit Authority (WMATA);

**WHEREAS:** In doing so, the Secretary shall develop, propose, and seek agreement on reforms related to the following:

- (i) the legal and organizational structure of WMATA;
- (ii) the composition and qualifications of the WMATA Board of Directors and the length of terms of its members;
- (iii) labor costs and labor relations;
- (iv) measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits;
- (v) measures necessary to better ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area; and
- (vi) financial and operational improvements necessary to ensure that WMATA's performance is at least as efficient as its closest comparable transit systems in the United States.

**WHEREAS:** NVTC seeks to provide its recommendations to the Secretary of Transportation on these matters through this and subsequent resolutions;

**WHEREAS:** NVTC supports a legal and organizational WMATA Board structure that recognizes that Virginia is unique in the WMATA Compact region in that its local governments – the cities of Alexandria, Falls Church, and Fairfax and the counties of Arlington and Fairfax – are the Compact funding partners, with Loudoun County becoming a funding partner as the Silver Line Phase 2 becomes operational;

- WHEREAS:** NVTC supports the role of the federal government in providing dedicated funding for WMATA through the Passenger Rail Investment and Improvement Act (PRIIA), which provides \$150 million per year in dedicated funding to support capital improvements to WMATA, with the requirement that Maryland, the District of Columbia and Virginia provide matching funds;
- WHEREAS:** NVTC endorses the continued investment by the Commonwealth to provide funds that partially support NVTC jurisdictions' contributions to WMATA as well as matching funds under PRIIA;
- WHEREAS:** Under current law, the Virginia Secretary of Transportation or his/her designee and any NVTC Commissioner appointed by the Northern Virginia Transportation Commission are authorized to serve as members of the WMATA Board;
- WHEREAS:** Peer transit agency, foundation, and corporate boards in the United States average between 11.5 and 13.5 members and do not include alternate members. The current WMATA Board includes 16 members, eight of which are alternates with no full Board voting rights;
- WHEREAS:** No other peer transit agency uses alternates on their boards, and current WMATA alternates perform all the work of voting board members, including voting in committees, but cannot vote during full Board meetings;
- WHEREAS:** The WMATA Board has nine committees with four to 16 members each, tied for the most board committees among transit agencies peers. Between 2016 and 2017 each WMATA Board member attended an average of 41 meetings;
- WHEREAS:** Effective membership on the WMATA Board requires a large commitment of its members' time and energy. Compensation for that time should not be provided by entities that may represent real or perceived conflicts of interest for WMATA Board members;
- WHEREAS:** In November 2016, as a response to recommendations from a strategic advisor, the WMATA Board adopted an updated Code of Ethics that requires annual training on identifying and resolving actual and apparent conflicts, making disclosures and acknowledgments, and rules regarding acceptance of gifts;
- WHEREAS:** Board members, either corporate representatives with business connections or elected officials who must both represent the interests of their constituents while also representing WMATA's interest, must engage in rigorous and ongoing analysis of the ethics and balance of these multiple interests and responsibilities;
- WHEREAS:** The veto by a single jurisdiction inhibits jurisdictional collaboration and impedes regional policy decisions on the WMATA Board;
- WHEREAS:** A Department of Rail and Public Transportation review of WMATA operational cost drivers found that while WMATA's operational cost metrics are similar to peer transit agencies, it does have greater costs associated with rail maintenance activities;

**WHEREAS:** The WMATA General Manager, in his April 2017 Action Plan, expressed a desire to address operational cost drivers noting that, without changes, operating cost increases will outpace revenue growth by approximately 50 percent and the current public subsidy requirement for day-to-day operations would grow from \$980 million to \$1.6 billion annually in 10 years;

**WHEREAS:** On June 1, 2017, NVTC endorsed the spirit and direction of the WMATA General Manager's April 2017 Action Plan to significantly reform operations at WMATA that would yield reductions in operating and capital costs absent changes to the WMATA Compact;

**WHEREAS:** NVTC maintains interest in identifying near and long-term changes to reduce WMATA's operating costs to control the overall growth in jurisdictional contributions to no more than three percent per year; and

**WHEREAS:** In November 2016, WMATA's unfunded pension liability was estimated at \$1 billion with total plan assets at \$3.6 billion, and while comparable to peer transit and governmental agencies, poses a financial risk to its funding jurisdictions.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission, pursuant to items (i) and (ii) of Enactment Clause 4 of HB2136/SB1251, recommends the following:

**1. WMATA Governance Structure:**

- The WMATA Board should be comprised of 12 members, with three members representing each jurisdiction and the federal government.
- Federal government representation should be contingent upon the continued dedicated federal funding of at least \$150 million per year.
- The WMATA Board members from Virginia should include one member appointed by the Commonwealth and two members appointed by NVTC.
- All Virginia members of the WMATA Board should serve on NVTC.
- The term of each WMATA Board member should continue to be four years, limited to two terms.
- WMATA should reduce the number of committees and committee meetings.
- All WMATA Board members should have full voting authority (no alternates).

**2. Compensation:**

- WMATA Board members should receive equal financial compensation, to be paid by WMATA.

**3. Board Composition and Experience:**

- The WMATA Board should include a mix of elected and nonelected members, each of whom has experience in transit planning, transportation planning, or land use planning; transit or transportation management or other public-sector management; engineering; finance; public safety; homeland security; human resources; or the law; or knowledge of the region's transportation issues derived from working on the resolution of regional transportation issues. Some members of the Board should have significant senior executive experience with rail systems, transit agencies, airlines, airports, ports, or other transportation providers.
- All members of the WMATA Board should be familiar with the WMATA transit system.

**4. Board Fiduciary and Other Conflicts of Interest:**

- The WMATA Board should engage in a robust review of its policies on conflicts of interests and fiduciary interests so that it will maintain its strong commitment to ethics pertaining to fiduciary duties and conflicts of interest.

**5. Jurisdictional Veto:**

- The use of the jurisdictional veto should be eliminated.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to items (iii) of Enactment Clause 4 of HB2136/SB1251, recommends the following:

- In labor negotiations, the WMATA General Manager and Board should have greater authority to make operational decisions that improve the system's cost effectiveness without jeopardizing safety, including the use of tools such as competitive contracting of targeted functions.
- WMATA's annual operational cost increases should be comparable to those of its funding jurisdictions, and the jurisdictional subsidies it sets should hold within the three percent annual cap recommended by the General Manager in his April 2017 Action Plan, and that to maintain such funding discipline should be a mandatory factor used in consideration of establishing labor costs through collective bargaining or subsequent arbitration.

- NVTC endorses an amendment to the Wolf Act (National Capital Area Interest Arbitration Standards Act of 1995, Pub L. 104-50) that would require arbitrators in WMATA contract arbitrations to consider these fiscal restrictions in all cases.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to item (iv) of Enactment Clause 4 of HB2136/SB1251, calls upon the WMATA General Manager and Board to identify a specific plan to address its unfunded pension liability and other post-employment benefits.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to item (v) of Enactment Clause 4 of HB2136/SB1251, calls upon the WMATA's General Manager and Board, to take measures to ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area.

**BE IT FURTHER RESOLVED** that NVTC recommends that the WMATA Board direct the General Manager to set forth, by January 1, 2018, a detailed business plan for implementing the operational reforms outlined in his April 2017 Action Plan and any other actions necessary to meet the requirements of item (vi) of Enactment Clause 4 of HB2136/SB1251 (2017) so the legislatures of the respective jurisdictions will have the opportunity to review such plan prior to the commencement of their legislative sessions.

Approved on this 7<sup>th</sup> day of September 2017.



Jeffrey C. McKay  
Chairman



Matthew F. Letourneau  
Secretary-Treasurer

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## Agenda Item #3: Discussion with Secretary Ray LaHood on WMATA Reform



**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice

**DATE:** September 28, 2017

**SUBJECT:** Discussion with Secretary Ray LaHood on WMATA Reform

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Former U.S. Secretary of Transportation Ray LaHood will join the Commission at its October 5<sup>th</sup> meeting to discuss the efforts he is leading to review the Metro system. NVTC Commissioners will be asked to share their perspectives and echo the positions passed by the Commission under [NVTC Resolution #2342, NVTC Principles for WMATA Reform](#), adopted at the September 7<sup>th</sup> meeting.

Secretary LaHood, along with Secretary of Transportation Aubrey Layne and Department of Rail and Public Transportation Director Jennifer Mitchell, received NVTC's resolution immediately following passage by NVTC. This meeting will be the first opportunity for the Secretary to react to NVTC's recommendations.

### Background

In April 2017, Governor McAuliffe announced a [top-to-bottom review of the Metro system](#), and named Mr. LaHood to spearhead the initiative. At the request of Secretary LaHood, and supporting the direction provided under Enactment Clause 4 of SB1251/HB2136 (2017), NVTC developed options for reforms of WMATA articulated through [Resolution #2339](#) and [Resolution #2342](#). The Commonwealth, through its efforts [led by former U.S. Secretary of Transportation Ray LaHood](#), intends to complete draft recommendations by October and report to the General Assembly in November 2017.

The scope of Secretary LaHood's WMATA Reform Study includes:

- Undertaking a strategic assessment of WMATA, reviewing board governance, labor policies, and the transit agency's long-term financial stability;
- Benchmarking conditions at WMATA, relative to comparable transit systems across the country, on key issues over time such as system costs and expenses, governance, funding levels, cost recovery, maintenance costs, and rail safety incidents;
- Developing recommendations for potential WMATA reforms, including mitigating growth in annual operating costs and sustainable funding; and
- Recommending executive and legislation actions.

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## RESOLUTION #2342

**SUBJECT:** NVTC Principles for WMATA Reform

**WHEREAS:** The Washington Metropolitan Area Transit Authority (WMATA) is critical to Northern Virginia and the Commonwealth's transportation network and economic growth;

**WHEREAS:** The Northern Virginia Transportation Commission (NVTC) was founded in part to represent the interests of the Commonwealth during the establishment of WMATA;

**WHEREAS:** The General Assembly, through Enactment Clause 4 of HB2136/SB1251 (2017), directed the Secretary of Transportation, in coordination with the Northern Virginia Transportation Commission, to engage his counterparts in Maryland and Washington, D.C., and the appropriate officials in the federal government for the purpose of revising the Washington Metropolitan Area Transit Authority Compact of 1966 and implementing other reforms necessary to ensure the near-term and long-term viability of the Washington Area Metropolitan Transit Authority (WMATA);

**WHEREAS:** In doing so, the Secretary shall develop, propose, and seek agreement on reforms related to the following:

- (i) the legal and organizational structure of WMATA;
- (ii) the composition and qualifications of the WMATA Board of Directors and the length of terms of its members;
- (iii) labor costs and labor relations;
- (iv) measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits;
- (v) measures necessary to better ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area; and
- (vi) financial and operational improvements necessary to ensure that WMATA's performance is at least as efficient as its closest comparable transit systems in the United States.

**WHEREAS:** NVTC seeks to provide its recommendations to the Secretary of Transportation on these matters through this and subsequent resolutions;

**WHEREAS:** NVTC supports a legal and organizational WMATA Board structure that recognizes that Virginia is unique in the WMATA Compact region in that its local governments – the cities of Alexandria, Falls Church, and Fairfax and the counties of Arlington and Fairfax – are the Compact funding partners, with Loudoun County becoming a funding partner as the Silver Line Phase 2 becomes operational;

- WHEREAS:** NVTC supports the role of the federal government in providing dedicated funding for WMATA through the Passenger Rail Investment and Improvement Act (PRIIA), which provides \$150 million per year in dedicated funding to support capital improvements to WMATA, with the requirement that Maryland, the District of Columbia and Virginia provide matching funds;
- WHEREAS:** NVTC endorses the continued investment by the Commonwealth to provide funds that partially support NVTC jurisdictions' contributions to WMATA as well as matching funds under PRIIA;
- WHEREAS:** Under current law, the Virginia Secretary of Transportation or his/her designee and any NVTC Commissioner appointed by the Northern Virginia Transportation Commission are authorized to serve as members of the WMATA Board;
- WHEREAS:** Peer transit agency, foundation, and corporate boards in the United States average between 11.5 and 13.5 members and do not include alternate members. The current WMATA Board includes 16 members, eight of which are alternates with no full Board voting rights;
- WHEREAS:** No other peer transit agency uses alternates on their boards, and current WMATA alternates perform all the work of voting board members, including voting in committees, but cannot vote during full Board meetings;
- WHEREAS:** The WMATA Board has nine committees with four to 16 members each, tied for the most board committees among transit agencies peers. Between 2016 and 2017 each WMATA Board member attended an average of 41 meetings;
- WHEREAS:** Effective membership on the WMATA Board requires a large commitment of its members' time and energy. Compensation for that time should not be provided by entities that may represent real or perceived conflicts of interest for WMATA Board members;
- WHEREAS:** In November 2016, as a response to recommendations from a strategic advisor, the WMATA Board adopted an updated Code of Ethics that requires annual training on identifying and resolving actual and apparent conflicts, making disclosures and acknowledgments, and rules regarding acceptance of gifts;
- WHEREAS:** Board members, either corporate representatives with business connections or elected officials who must both represent the interests of their constituents while also representing WMATA's interest, must engage in rigorous and ongoing analysis of the ethics and balance of these multiple interests and responsibilities;
- WHEREAS:** The veto by a single jurisdiction inhibits jurisdictional collaboration and impedes regional policy decisions on the WMATA Board;
- WHEREAS:** A Department of Rail and Public Transportation review of WMATA operational cost drivers found that while WMATA's operational cost metrics are similar to peer transit agencies, it does have greater costs associated with rail maintenance activities;

**WHEREAS:** The WMATA General Manager, in his April 2017 Action Plan, expressed a desire to address operational cost drivers noting that, without changes, operating cost increases will outpace revenue growth by approximately 50 percent and the current public subsidy requirement for day-to-day operations would grow from \$980 million to \$1.6 billion annually in 10 years;

**WHEREAS:** On June 1, 2017, NVTC endorsed the spirit and direction of the WMATA General Manager's April 2017 Action Plan to significantly reform operations at WMATA that would yield reductions in operating and capital costs absent changes to the WMATA Compact;

**WHEREAS:** NVTC maintains interest in identifying near and long-term changes to reduce WMATA's operating costs to control the overall growth in jurisdictional contributions to no more than three percent per year; and

**WHEREAS:** In November 2016, WMATA's unfunded pension liability was estimated at \$1 billion with total plan assets at \$3.6 billion, and while comparable to peer transit and governmental agencies, poses a financial risk to its funding jurisdictions.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission, pursuant to items (i) and (ii) of Enactment Clause 4 of HB2136/SB1251, recommends the following:

**1. WMATA Governance Structure:**

- The WMATA Board should be comprised of 12 members, with three members representing each jurisdiction and the federal government.
- Federal government representation should be contingent upon the continued dedicated federal funding of at least \$150 million per year.
- The WMATA Board members from Virginia should include one member appointed by the Commonwealth and two members appointed by NVTC.
- All Virginia members of the WMATA Board should serve on NVTC.
- The term of each WMATA Board member should continue to be four years, limited to two terms.
- WMATA should reduce the number of committees and committee meetings.
- All WMATA Board members should have full voting authority (no alternates).

**2. Compensation:**

- WMATA Board members should receive equal financial compensation, to be paid by WMATA.

**3. Board Composition and Experience:**

- The WMATA Board should include a mix of elected and nonelected members, each of whom has experience in transit planning, transportation planning, or land use planning; transit or transportation management or other public-sector management; engineering; finance; public safety; homeland security; human resources; or the law; or knowledge of the region's transportation issues derived from working on the resolution of regional transportation issues. Some members of the Board should have significant senior executive experience with rail systems, transit agencies, airlines, airports, ports, or other transportation providers.
- All members of the WMATA Board should be familiar with the WMATA transit system.

**4. Board Fiduciary and Other Conflicts of Interest:**

- The WMATA Board should engage in a robust review of its policies on conflicts of interests and fiduciary interests so that it will maintain its strong commitment to ethics pertaining to fiduciary duties and conflicts of interest.

**5. Jurisdictional Veto:**

- The use of the jurisdictional veto should be eliminated.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to items (iii) of Enactment Clause 4 of HB2136/SB1251, recommends the following:

- In labor negotiations, the WMATA General Manager and Board should have greater authority to make operational decisions that improve the system's cost effectiveness without jeopardizing safety, including the use of tools such as competitive contracting of targeted functions.
- WMATA's annual operational cost increases should be comparable to those of its funding jurisdictions, and the jurisdictional subsidies it sets should hold within the three percent annual cap recommended by the General Manager in his April 2017 Action Plan, and that to maintain such funding discipline should be a mandatory factor used in consideration of establishing labor costs through collective bargaining or subsequent arbitration.

- NVTC endorses an amendment to the Wolf Act (National Capital Area Interest Arbitration Standards Act of 1995, Pub L. 104-50) that would require arbitrators in WMATA contract arbitrations to consider these fiscal restrictions in all cases.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to item (iv) of Enactment Clause 4 of HB2136/SB1251, calls upon the WMATA General Manager and Board to identify a specific plan to address its unfunded pension liability and other post-employment benefits.

**BE IT FURTHER RESOLVED** that NVTC, pursuant to item (v) of Enactment Clause 4 of HB2136/SB1251, calls upon the WMATA's General Manager and Board, to take measures to ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area.

**BE IT FURTHER RESOLVED** that NVTC recommends that the WMATA Board direct the General Manager to set forth, by January 1, 2018, a detailed business plan for implementing the operational reforms outlined in his April 2017 Action Plan and any other actions necessary to meet the requirements of item (vi) of Enactment Clause 4 of HB2136/SB1251 (2017) so the legislatures of the respective jurisdictions will have the opportunity to review such plan prior to the commencement of their legislative sessions.

Approved on this 7<sup>th</sup> day of September 2017.



Jeffrey C. McKay  
Chairman



Matthew F. Letourneau  
Secretary-Treasurer

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## RESOLUTION #2339

**SUBJECT:** Initial Reforms to the Washington Metropolitan Area Transit Authority (WMATA)

**WHEREAS:** The Washington Metropolitan Area Transit Authority (WMATA) is critical to Northern Virginia and the Commonwealth's transportation network and economic growth;

**WHEREAS:** WMATA faces significant operational and fiscal challenges;

**WHEREAS:** The Northern Virginia Transportation Commission (NVTC) was founded in 1964 in part to represent the interests of the Commonwealth during the establishment of WMATA;

**WHEREAS:** NVTC has an ongoing role in managing Northern Virginia's funding of WMATA and appointing Virginia's representatives to the WMATA Board of Directors;

**WHEREAS:** NVTC is involved in strategic decision-making to find solutions to the challenges facing WMATA;

**WHEREAS:** NVTC is engaged with the Commonwealth of Virginia on longer-term reform discussions for purposes of revising the Washington Metropolitan Area Transit Authority Compact of 1966 (WMATA Compact) and implementing other reforms necessary to ensure the near-term and long-term viability of WMATA;

**WHEREAS:** On April 19, 2017 Paul Wiedefeld, WMATA's General Manager and CEO, announced an action plan, attached to this resolution, to significantly reform operations at WMATA without changes to the WMATA Compact;

**WHEREAS:** The General Manager's plan recognizes that WMATA's capital funding agreement and the Federal Passenger Rail Investment and Improvement Act authorization will expire next year and that operating costs are growing at nearly twice the rate of revenue;

**WHEREAS:** The General Manager's plan proposes a change in WMATA's business model to address operating and capital costs; and

**WHEREAS:** His plan provides an excellent foundation for the continued discussion of solutions to WMATA's challenges.

**NOW, THEREFORE, BE IT RESOLVED** that, as a first step in the effort to reform WMATA, NVTC endorses the direction and spirit of Mr. Wiedefeld's proposal.

**BE IT FURTHER RESOLVED** that NVTC supports WMATA's approach to operate both within fiscal parameters and under policies and practices that assure high levels of safety and efficiency.

Approved this 1st day of June 2017.

  
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Jeffrey C. McKay  
Chairman

  
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Matthew F. Letourneau  
Secretary-Treasurer

## Keeping Metro Safe, Reliable and Affordable

By WMATA GM/CEO Paul J. Wiedefeld, April 19, 2017

### Introduction

Metro represents a \$40 billion asset and enterprise that has generated returns on regional and national investments through mobility, traffic congestion relief, improved air quality, and economic development. Now more than 40 years old, customers are feeling the effects of an aging system that is jeopardized by decades of deferred maintenance. Today, the system has a total of \$25 billion in unfunded capital needs. **With only one more year of committed capital funding, Metro needs \$15.5 billion over the next 10 years to remain safe and reliable.** Significantly, Metro is still one of the only major American transit systems without funding dedicated to preserve its assets, and to invest in safety and reliability.

Metro also has a unique business model for operating bus and rail services that flows from WMATA's charter and governance structure, which has become financially unsustainable with cost growth that far exceeds revenue. While rider fares and commercial sources, such as advertising, fund more than 45 percent of Metro's operating costs – one of the highest cost recovery rates in the country – Metro's operating expense is rising at nearly twice the rate of Metro's (fare and commercial) revenues.

Left unchecked, Metro's public subsidy requirement for day-to-day operations would grow from \$980 million to \$1.6 billion annually in 10 years – driven primarily by wage and benefit costs. Even if Metro were to regain tomorrow the 100,000 average daily riders lost over the last decade, its public subsidy need for day-to-day operations would still grow to \$1.5 billion in 10 years.

**Without a change to this business model, the funding jurisdictions will have to continue to choose every year between substantially reducing service or finding \$12 billion more in public money for Metro's operations over the next 10 years.**

Failure to act, and/or continued reliance on insufficient capital and unchecked operating expense growth, could result in cannibalization of capital funding to the detriment of system safety and reliability, erasing the gains Metro has made through SafeTrack and perpetuating the unreliable service riders have endured for too long. New railcar delivery would slow or end, necessary transfer station safety and passenger flow improvements would linger on the drawing board, the bus fleet would age in place, the nation's largest escalator fleet would fall back into disrepair, and customer satisfaction would remain in the 65-70 percent range or decline. Further, because Metro is a key component of the Capital's national security cordon, providing WMATA with the necessary resources to discharge this duty is imperative.

Not only would Metro safety and service be compromised, but inaction would worsen Metro's financial condition, as it becomes more unsustainable each year.

WMATA's unfunded liabilities would grow, and its deteriorating financial condition would impact the agency's credit rating, increase its debt profile and costs to borrow money, which is necessary to ensure proper cash flow. The \$1.0 billion unfunded pension liability would not be addressed and could grow, and the active employee health care costs and \$1.8 billion retiree and other post-employment benefits (OPEB) liability would continue to climb.

Rather than continue a yearly process of lurching from one funding exercise to another to keep Metro afloat, the region would be better served by establishing a new approach to funding that preserves Metro's value, delivers safe and reliable transit service, supports a world-class transit experience for residents and visitors to the nation's capital, and provides stability for Metro's valued customers and employees.

To that end, WMATA has completed a detailed analysis of the financial challenges it faces and practical requirements necessary to keep Metro safe, reliable and affordable. The analysis is focused on two priorities: dedicated capital funding to provide safe and reliable service, and changes to WMATA's business model to keep service affordable for riders and taxpayers.

This framework for WMATA seeks to inform the public and the urgent discussions underway among stakeholders about how to meet Metro's needs next year and beyond. While respecting that WMATA wages and benefits are established through collective bargaining, this analysis also sets forth certain principles intended to enable Metro to provide fair compensation to its current employees, while identifying management tools and other opportunities to achieve efficiencies.

Several significant requirements are contained here that address both capital and operating expenses, as well as financial management best practices, including:

- Grow Metro's capital program to \$1.5 billion average annual investment to fund safety and reliability with a dedicated revenue stream
- Reauthorize and fund federal capital investment (PRIIA) in safety and reliability at least at current level (\$1.5 billion over 10 years)
- Commit to a regional multi-year, stable revenue source to generate \$500 million per year for a Capital Trust Fund
- Provide a lock box feature to ensure the Fund is dedicated to capital investment
- Maintain the current level of jurisdictional capital funding with three percent annual growth cap
- Preserve pensions for active employees and retirees, but provide 401K-like plans for new hires
- Provide flexibility to reduce costs of day-to-day operations with tools including competitive contracting of targeted functions, where permitted (e.g. new services, operations and facilities, such as Silver Line Phase II)

- Amend the National Capital Area Interest Arbitration Standards Act (aka Wolf Act) to require arbitration process consideration of financial realities
- Create a Rainy Day Fund of to incrementally provide 10% of the operating budget over 10 years
- Cap jurisdictional contributions for operating at three percent annual growth

### **Metro's Capital Requirement**

Capital investment is the lifeblood of transit systems, particularly (capital-intensive) rail properties, and is absolutely vital to maintaining the current system and new Silver Line extension in safe and reliable condition. For Metro, capital is necessary to pay for new and rebuilt railcars and buses, tracks, infrastructure, the power system required for 8-car trains, and much needed safety and passenger flow improvements in transfer and other high ridership stations.

**While Metro has \$25 billion in total unfunded capital needs, WMATA will require \$15.5 billion of this amount over the next ten years for critical capital projects.**

WMATA's Capital Funding Agreement and PRIIA authorization both expire next year, imperiling the current (annually appropriated) stream of capital for safety and reliability projects. WMATA's annual capital program is currently funded by:

- *Federal Formula Grants: \$300M*
- *Federal PRIIA: \$150M*
- *Regional match for PRIIA: \$150M*
- *Jurisdictions' commitment: \$210M*

To supplement the \$810 million in federal and jurisdictional capital funding, the Board and jurisdictions authorized borrowing \$291 million to be repaid by future jurisdictional annual contributions.

**Even if this level of effort continues, the capital funding shortfall for Metro's safety and reliability requirements will be at least \$7 billion over 10 years. To maintain a safe and reliable bus and rail network, WMATA must ramp up to a \$1.5 billion average annual capital investment program.**

To address this substantial need, levels of investment must be committed by both federal and regional stakeholders. To adequately fund Metro safety and reliability requirements, **PRIIA should be reauthorized and funded at least at the current level of effort (\$1.5 billion over 10 years).** And the region needs to establish a **new dedicated revenue stream and Capital Trust Fund to provide \$500 million annually, exclusively for capital projects.** This new revenue source would demonstrate sustained regional support for the Metro system and create a foundation for planning, contracting, and delivering critical safety and reliability projects. This

commitment will differ significantly from the current Capital Funding Agreement that governs jurisdictional capital contributions to WMATA only through FY2018.

The annual nature of year-to-year capital allocations from the funding jurisdictions limits the region's ability to efficiently and effectively leverage those dollars in the capital markets through bonding. The new Capital Trust Fund must be well-defined – it needs to be funded by a multi-year revenue source that contains a specific, dedicated revenue stream for WMATA. For Metro, “dedicated” refers to capital funding that is predictable, multi-year, has no expiration, and is not subject to annual appropriations.

This structure would separate WMATA's Capital Trust Fund for safety and reliability from the annual competition within governments for funding other state and municipal priorities. It also reduces borrowing costs, which benefits both WMATA and its funding partners, and enables the capital markets to provide WMATA with the best available ratings.

Additionally, the new Capital Trust Fund should be shielded from day-to-day operations to ensure this new funding goes to capital investments. Historically, WMATA has offset certain shortfalls in operating funding by shifting federal grant funding to pay for eligible maintenance costs, a practice the WMATA Board of Directors took a step towards reducing this year.

**The new Capital Trust Fund must be permanently and structurally precluded from use as a de facto reserve for day-to-day operations of bus, rail, and paratransit.**

### **Changing the Business Model**

Today, operations are funded by fare-paying riders, commercial revenues, and support from taxpayers who benefit from transit service through traffic mitigation, development, jobs, and economic growth.

Operating expenses are rising at twice the rate of Metro fares and commercial revenues. **Left unchecked, operating cost growth will generate invoices to funding jurisdictions totaling \$1.1 billion next fiscal year.**

Operating costs include materials and energy, but by far the most significant cost drivers are wages and benefits for the people who operate and maintain rail and bus services – comprising more than 70 percent of total operating expenses. To curb operating cost growth, WMATA and its stakeholders need to take action in several areas, including:

#### **Improving Efficiency**

- Continue to eliminate inefficient business practices and outdated functions to drive accountability
- Improve productivity through strengthening management of absenteeism, overtime, and workers' compensation

- Increase ridership by providing more reliable service
- Open to competition those functions that Metro has the ability to outsource where efficiencies can be gained (e.g. new functions, operations and facilities, such as Silver Line Phase II)
- Develop new technologies (e.g. track inspection, fare collection, online customer care) and automation to improve productivity
- Timely right-size service to demand

### **Changing Policy**

- Amend the National Capital Area Interest Arbitration Standards (aka Wolf) Act to mandate that arbitrators who preside over interest arbitrations render awards that are consistent with WMATA's financial condition and do not exceed the ability or willingness of the funding jurisdictions to pay, as Congress originally intended
- Cap annual increases in jurisdictional portion of operating and capital subsidies for the system (after including new bus facilities, Potomac Yard station and Silver Line Phase II) at three percent
- Avoid unfunded service expansion beyond currently approved levels
- Create and contribute to a "Rainy Day Fund" that incrementally provides 10% of the operating budget over 10 years

### **Stabilizing Workforce Costs**

- Continue to fund OPEB Trust through efficiency savings
- Provide all new employees defined contribution (i.e. 401K) benefit plans
- Continue providing defined benefit pension plans to eligible active employees and protect legacy pensions to eligible current retirees
- Reduce reliance on overtime and prevent fatigue by staffing up key operating positions
- Invite WMATA Labor Unions to compete for new work, such as Silver Line Phase II

These tools and policy changes borrow from best practices nationally in capital investment and transit cost controls, including the practice of opening various functions and services to competitive bidding, where permitted. Such a process could invite proposals from both private companies and WMATA Labor Unions when possible. Further, these changes are responsive to the needs of funding jurisdictions to curb annual cost growth, and enable Metro to maintain a policy of fare increases not more frequently than every other year. Metro also needs to generate revenue from increased ridership, advertising, real estate and concessions by an annual average of 1.5 percent.

It is encouraging that the Metropolitan Washington Council of Governments (MWCOC) and others are considering funding and governance changes to WMATA's structure.

Those bodies are in a position to assess practices among funding jurisdictions for lessons learned by municipal and state governments with respect to managing public sector employees to determine if there are other policies that might benefit WMATA.

WMATA has and will continue to reach out to share cost and revenue assumptions in further detail with funding partners, WMATA's Board of Directors, former Department of Transportation Secretary Ray LaHood, MWCOG and the Jurisdiction CAOs/CFOs, and the region's business and community leaders, as well as employees and riders in the National Capital Region, to reach solutions that keep Metro safe, reliable and affordable.



**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice

**DATE:** September 28, 2017

**SUBJECT:** Consent Agenda (Subject to Chairman Approval)

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### **ACTION ITEM: Approve the Consent Agenda**

#### **A. Authorize the Executive Director to Sign the Route 7 Conceptual Engineering Memorandum of Agreement with the Jurisdictions**

The Commission is asked to authorize the executive director to sign the Route 7 Conceptual Engineering Memorandum of Agreement (MOA) with the City of Alexandria, Arlington County, Fairfax County, and City of Falls Church to provide matching funds to a Department of Rail and Public Transportation (DRPT) grant for conceptual engineering work along the proposed Route 7 bus rapid transit (BRT) route.

In July, NVTC was awarded a grant from DPRT for \$150,000 to support conceptual engineering. This conceptual engineering study is the next step for the Envision Route 7 effort. The grant requires a 50 percent local cost share of \$150,000. The memorandum of agreement outlines the amount of requested funding from each jurisdiction. The cost sharing was determined based on the ridership forecast for the project and assigns cost as a function of the jurisdictional trip productions and attractions.

#### **B. Authorize the Executive Director to Issue a Request for Proposals for Consulting Services for the Route 7 Conceptual Engineering Study**

The Commission is asked to authorize the executive director to issue a Request for Proposals for Consulting Services for the Route 7 Conceptual Engineering Study. This conceptual engineering study is the next step for the Envision Route 7 effort. The draft Scope of Work for the Route 7 Conceptual Engineering Study will help to refine the project cost, identify potential areas of concern, develop a potential staging strategy, and provide guidance on preserving the required right-of-way. This study will be identifying right-of-way that could be utilized by the BRT and guide jurisdictions in their subarea and sector planning. NVTC will be issuing a request for proposal to select a qualified engineering firm to perform the work.

The overall objectives of this study are:

- To continue the planning for a high-quality transit mode along Route 7 from Tysons to Mark Center;

- To identify right-of-way needs and develop a conceptual foot print for the proposed BRT along Route 7 as outlined in the Envision Route 7 Phase II report; and
- To provide a guidance for the local jurisdictions as they pursue redevelopment along the corridor.

NVTC staff will leverage an existing contracting mechanism from one its member jurisdictions to procure a qualified engineering firm.

### C. Authorize the Notice of Direct Contributions to Jurisdictions

The Commission is asked to authorize staff to provide notice of the FY2019 direct contributions to NVTC's member jurisdictions for planning purposes. Each fall, NVTC staff proposes a preliminary budget for the next fiscal year to be used by its member jurisdictions in planning their own budgets. NVTC funds its General and Administrative (G&A) Budget through direct payments from the member jurisdictions, as well as an amount taken off the top of state aid received by NVTC on behalf of its member jurisdictions. While the direct contributions are fixed in total, each jurisdiction is assigned a share based on its percentage of revenue received through NVTC during the previous year.

#### NORTHERN VIRGINIA TRANSPORTATION COMMISSION PRELIMINARY FY2019 DIRECT G&A JURISDICTION CONTRIBUTIONS

	<u>FY2017 Actual</u>	<u>Approved Budget FY2018</u>	<u>Preliminary Budget FY2019</u>	<u>FY2019-2018 Budget Increase (Decrease)</u>
Alexandria	\$ 37,846	\$ 38,378	\$ 39,689	\$ 1,311
Arlington	57,038	55,451	57,815	2,364
City of Fairfax	4,855	4,841	4,660	(181)
Fairfax County	170,160	173,721	169,598	(4,123)
Falls Church	2,336	2,270	2,325	55
Loudoun	12,012	9,586	10,160	574
	<u>\$ 284,247</u>	<u>\$ 284,247</u>	<u>\$ 284,247</u>	<u>\$ -</u>

### D. Authorize the Chairman to Send a Letter to DRPT with Comments on Smart Scale

The Commission is asked to authorize the executive director to send a [letter to the Department of Rail and Public Transportation](#) identifying some potential concerns on the revised policy changes to Smart Scale. The Commonwealth released its [Smart Scale Technical Guide \(Revised August 21, 2017\)](#) for public comment. NVTC staff actively participated in the [comments approved by the Northern Virginia Transportation Authority](#) to submit to the Commonwealth as the regional planning body for Northern Virginia. Following submission by the Authority to the Commonwealth, however, NVTC staff identified two transit-specific items for the Commission's consideration:

## 1. Include NVTC as an eligible entity to apply for Smart Scale funding.

While other jurisdictions, transit agencies, and the Northern Virginia Transportation Authority are identified as eligible applicants to the Smart Scale program, NVTC is not specifically listed as an organization that may submit projects. As the co-owner of the Virginia Railway Express (VRE), NVTC is the entity that submits projects on behalf of VRE to the Commonwealth. NVTC recommends that the Commonwealth explicitly identify the Commission as an eligible entity.

## 2. Ensure transit agencies are considered a separate entity if Commonwealth limits number of applications.

VDOT presented staff recommendations to the Commonwealth Transportation Board on August 31, 2017 that proposed a limit on the number of applications for Smart Scale funding consideration based on locality size and organizational type. The desire by the Commonwealth to limit the number of applications was to reduce the administrative burden on the Commonwealth due to this popular program. In its approach to limiting applications, however, these recommendations were not clear whether a jurisdiction that runs its own public transit system would be limited in applications differently than a jurisdiction with a separately operated public transit system.

In his [presentation to the Commonwealth Transportation Board on September 19, 2017](#), Deputy Secretary Nick Donohue clarified that the intent was for the application limit be separate for jurisdictions and any public transit systems, regardless of whether that transit system is legally a part of the jurisdiction or a separate public entity. NVTC seeks to affirm the approach recommended by Deputy Secretary Donohue to allow transit agencies to be considered a separate entity if the Commonwealth sets application limits.

## E. Authorize the Chairman to Send a Letter of Support for Loudoun County's TIGER Grant Applications

The Commission is asked to authorize the chairman to send a letter of support for Loudoun County's two TIGER grant applications, which are due on October 16, 2017. On September 20<sup>th</sup>, the Loudoun County Board of Supervisors endorsed two projects for submission to USDOT under the TIGER 2017 Program. These projects are:

- Northstar Boulevard- New Road Construction between Shreveport Drive to Route 50
- Prentice Drive/Lockridge Road West- New Road Construction

**Northstar Boulevard** is planned to open as a four-lane controlled access divided road within a six-lane right-of-way from US 50 to Shreveport Drive. The proposed Northstar Boulevard project provides an alternative to Route 606 to points north from Route 50, alleviating congestion on Route 606 and creating better access to the Brambleton and Stone Ridge areas. Northstar Boulevard addresses needs in all three critical areas identified by VTRANS 2040 – Corridor of Statewide Significance, Regional Network, and Urban Development Area. It is identified as a primary highway facility of the North South

Corridor which connects I-95 to Loudoun County. Passenger travel along this project alignment will include Loudoun County Transit long haul bus service for commuter traveling from clusters of park-and-ride lots in the county to Washington, DC.

This project offers connectivity to major activity centers in the Dulles South area and further supports transit trips from the Stone Ridge park-and-ride lot to Washington D.C. and Metro connections. This project addresses another VTRANS need through operational and capacity improvements to alleviate bottlenecks and reduce acute congestion. This (3.2 mile) segment will complete the critical North South link between US 50 and Route 7. Northstar Boulevard also addresses another VTRANS need by expanding and improving multimodal accessibility to existing and emerging economic activity hubs including Stone Ridge and Brambleton mixed use developments.

This project can be found in Loudoun County's Capital Improvement Program, the Constrained Long Range Plan (CLRP# 3318), and missing link #79 in Eastern Loudoun's Transportation Study. It is also one of the Tier 1 recommended projects (NOVA 36) in the VTRANS2040 2025 draft Recommendations and included in the updated NVTA TransAction plan (ID# 119)

**Prentice Drive** (VA Route 1071/VA Route 1071 Extended/Route 789 Extended) will provide an additional east west connection across Broad Run. This roadway adds approximately 3.2 miles of four new through lanes of Prentice Drive from Shellhorn Road at Metro Center Drive to Lockridge Road and includes an additional connection of Lockridge Road West between Waxpool Road and Prentice Drive. The connection will provide multimodal access between the future Loudoun Gateway and Ashburn Metrorail stations. Specifically, the project provides a new alignment extension of Prentice Drive from the intersection with Lockridge Road to the west where it ties into Metro Center Drive at Shellhorn Road. This link will address a critical need for an additional east west route across Broad Run to relieve congestion from Waxpool Road. Prentice Drive will also provide an option to using the Dulles Greenway Toll Road. Commuters and commercial vehicles avoid the tolls by using a limited supply of collector roads and which thereby creates congestion on those roadways.

Preliminary studies have been completed and the project is being designed as an urban, four lane divided roadway facility with Bike and Pedestrian Facilities. It will connect Pacific Boulevard (VA Route 1036) to Shellhorn Road (VA Route 643) at Metro Center Drive in the Ashburn Community. This project will address needs identified by VTRANS 2040 as it will enhance the multimodal network around future transit access points; walking and biking services and facilities will be accommodated with the shared use path on either side of the new roadway facility.

This project can be found in Loudoun County's Capital Improvement Program, the Constrained Long Range Plan (CLRP# 3320 & 3321), and missing link # 36 & 37 in Eastern Loudoun's Transportation Study. It is also one of the Tier 1 recommended projects (NOVA 33) in the VTRANS2040 2025 draft Recommendations, and included in the updated NVTA TransAction plan (ID# 150).

MEMORANDUM OF AGREEMENT

REGARDING COORDINATION OF TECHNICAL ANALYSIS, TESTING, FUNDING AND  
ADMINISTRATION FOR PHASE III OF THE ENVISION ROUTE 7 PROJECT

This Memorandum of Agreement (MOA) is entered into between and among the Northern Virginia Transportation Commission (NVTC) and the below identified participating jurisdictions and transportation agencies (collectively, the Entities and individually, an Entity) as a means of demonstrating their joint commitment to the funding of Phase III of the Envision Route 7 project, as is fully described below.

WITNESSETH:

WHEREAS, this MOA addresses an immediate need to fund a planning level conceptual engineering study to continue progress on the Envision Route 7 project and identify right-of-way concerns and other high-level engineering concerns along the proposed project corridor that need to be integrated into future subarea and sector planning activities;

WHEREAS, this MOA sets forth the principles agreed upon by NVTC and the Entities which will be used in continuing the Envision Route 7 project for a Phase III study and for Entity participation.

NOW, THEREFORE, in consideration of the foregoing recitals, each of which are incorporated in this MOA, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, NVTC and the Entities agree as follows:

**1.0 PURPOSE**

NVTC and the Entities mutually desire, and with the assistance of grant funding agencies including the Virginia Department of Rail and Public Transportation (DRPT), to provide additional study and analysis for the continuation of the Envision Route 7 project. Accordingly, in accordance with the terms of this MOA, NVTC is authorized to act on behalf of the following Entities as the contracting and coordinating entity for the Phase III planning level conceptual engineering study:

- City of Alexandria
- Arlington County
- Fairfax County
- City of Falls Church

## **2.0 BACKGROUND AND GOALS**

The Envision Route 7 project, which is generally described in the Route 7 Corridor Transit Study Final Report (January 2017), incorporated herein by reference the “Envision Route 7 Project”, recently completed the Envision Route 7 Phase II Study. The key findings from Phase II were that a Bus Rapid Transit (“BRT”) along Route 7 from Mark Center to Tysons, via the East Falls Church Metro Station is a viable transit solution for the corridor, generally described as the “Corridor”, providing added connectivity and multimodal choices. The key activities in the Phase II work were to estimate the potential demand and forecast the ridership, compare possible alternative modes, determine possible funding mechanisms and strategies, and provide a high-level cost estimate for both capital and operating cost. The BRT showed high demand across all trip purposes. The service would benefit not only commuters with key connections to Mark Center, Tysons, and Metro; but serve other trip purposes including shopping and recreational trips. The travel demand forecast showed approximately two-thirds of the new riders traveling for non-work purposes. The Phase II Study focused on determining which mode best serves the Corridor, and if and where the BRT should deviate from Route 7.

The next step for the Envision Route 7 Project effort, Phase III, is to conduct a conceptual engineering study (the “Envision Route 7 Phase III Planning Level Conceptual Engineering Study”). The conceptual engineering study will help to refine the project cost, identify potential areas of concern, develop a potential staging strategy, and provide guidance on preserving the required right-of-way. This study will identify right-of-way that could be utilized by the BRT and serve as a point of reference for jurisdictions in their subarea and sector planning. The conceptual engineering study is a logical next step in the process.

The conceptual engineering study will involve the development of planning level drawings of the BRT alignment, right-of-way requirements, and roadway geometry (e.g., typical sections and critical vertical clearance) along the Corridor. The development of a concept level design will help identify and allow for mitigation strategies of possible fatal flaws or locations of concerns, including issues related to right-of-way and/or structural limitations that would (or would not) accommodate the proposed BRT (e.g., exclusive lane). This conceptual planning level design will be based on an approximately 10 percent level of design detail.

The Entities concur with the following goals for the Envision Route 7 Phase III Planning Level Conceptual Engineering Study:

- To fully clarify and quantify the transportation needs and deficiencies identified during the planning and programming phase;
- To develop a general course of proposed action, and identify and evaluate with engineering analyses the feasible and reasonable solutions (alternatives) to these needs and deficiencies; and
- To document the engineering analyses, preliminary design, and the project delivery plan, to guide implementation of the BRT project.

There may also be procedural issues that will require a coordinated response, which can best be addressed by NVTC, through its coordination with the Entities, as a whole, or with a standing committee of the Entities, as may be agreed.

### **3.0 TECHNICAL SUPPORT**

Each Entity authorizes NVTC to enter into a contract, subject to availability of funds, to provide technical support for executing the Envision Route 7 Phase III Planning Level Conceptual Engineering Study scope of work, and to work with the Entities in identifying sources of funding to achieve the goals set forth in this MOA. NVTC will provide management and technical support on behalf of the Entities. Support work in this task will include but not be limited to:

- Reviewing and responding to requests for technical information or resources from the hired consultant team;
- Program management for the Phase III study; and
- Coordinating with the Envision Route 7 Technical Advisory Committee (TAC).

The scope of work for the Envision Route 7 Phase III Planning Level Conceptual Engineering Study includes but is not limited to the following:

1. Base Map Development and Data Compilation
2. Compile Relevant Development and Highway Design Plans
3. Station Location Recommendations
4. Develop Conceptual Level Drawings for the Corridor
5. Determine Right-of-Way Needs
6. Capital Costs Estimates
7. Report and Documentation
8. Project Management

The scope of work is an attachment to this Memorandum of Agreement as Attachment I.

### **4.0 FUNDING AND FINANCING**

NVTC was awarded a FY 2018 DRPT grant in the amount of \$300,000 (\$150,000 State share with a \$150,000 required local match) for the Envision Route 7 Phase III Planning Level Conceptual Engineering Study. The scope of technical assistance needed by the Entities has been estimated based on the Phase II travel demand forecast modeling and ridership projections. The required local share for each Entity was calculated using the boardings, trip end productions, and trip end attractions by jurisdiction.

## **5.0 COORDINATION AND ADMINISTRATION**

NVTC will coordinate and administer the Entities' participation in development and implementation of the Envision Route 7 Phase III Planning Level Conceptual Engineering Study. NVTC will convene regular meetings among the Entities and other regional stakeholders to demonstrate progress and discuss and seek agreement on all issues concerning the progress of the study. The required local match to be provided by Entity is as follows:

Jurisdiction	Required Match
City of Alexandria	\$30,000
Arlington County	\$22,000
Fairfax County	\$75,000
City of Falls Church	\$23,000
Total	\$150,000

## **6.0 PARTICIPANT ROLES AND RESPONSIBILITIES**

Entities executing this MOA agree to:

- Work to consensus insofar as possible in resolution of all matters;
- Confirmation of the designate lead and appropriate additional representatives to participate in TAC; and
- Identify appropriate funding sources of local match.
- NVTC will invoice the jurisdictions for the local match within 30 days of the execution of the contract with the selected consultant.
- Jurisdictional payment is expected within 45 days of invoicing.

## **7.0 AMENDMENTS**

Any signatory to this MOA may propose an amendment at any time. Any such amendment shall become effective upon the approval of the amendment by all participating Entities and execution of a written amendment by each.

## **8.0 DURATION OF MEMORANDUM OF AGREEMENT**

This MOA shall be effective upon the signature of the NVTC and each of the Entities, and shall last for the duration of the Phase III study.

This MOA also may be terminated in whole or in part by the Entities in accordance with this clause whenever the majority of Entities determines that such a termination is in their best interest. Any such termination shall be effected by delivering to NVTC a written notice of termination signed by the majority of the Entities specifying the extent to which performance shall be terminated and the date upon which termination becomes effective, which date shall be not less than ninety (90) days from the date of the notice. If this MOA is terminated in whole or in part, the Entities



shall use the ninety (90) calendar day period prior to the expiration of the MOA for the orderly termination of their further participation in those aspects of the study.

#### **9.0 APPROPRIATIONS REQUIREMENTS**

All requirements for funding by any signatory party to this Agreement are subject to annual or other appropriations by their respective governing body or the Virginia General Assembly, as may be applicable.

#### **10.0 ASSIGNMENTS**

No Entity shall have the power to assign either their rights or obligations under this MOA, provided however, that any reorganization of an Entity shall automatically transfer the former Entity's rights and obligations to its successor.

#### **11.0 NO PERSONAL LIABILITY**

Nothing herein shall be deemed or construed to impose upon or give rise to any personal liability on behalf of any official, employee or individual who was acting in his or her authorized official capacity in the execution and/or implementation of the terms or conditions of this Agreement.

#### **12.0 NO THIRD PARTY BENEFICIARY RIGHTS CREATED**

Nothing herein shall be deemed or construed to create or vest any rights in any party which is not a signatory to this Agreement.

#### **13. NO WAIVER OF SOVEREIGN IMMUNITY**

Nothing herein shall be deemed a waiver of the sovereign immunity of any signatory party to this Agreement.

**IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Agreement by their duly authorized representative;**

**AGENCY: City of Alexandria**

By: \_\_\_\_\_  
Name: Mark B. Jinks (Date) \_\_\_\_\_  
Title: City Manager

**AGENCY: Arlington County**

By: \_\_\_\_\_  
Name: Mark Schwartz (Date) \_\_\_\_\_  
Title: County Manager

**AGENCY: Fairfax County**

By: \_\_\_\_\_  
Name: Tom Biesiadny (Date) \_\_\_\_\_  
Title: Director of Transportation

**AGENCY: City of Falls Church**

By: \_\_\_\_\_  
Name: Wyatt Shields (Date) \_\_\_\_\_  
Title: City Manager

**AGENCY: Northern Virginia Transportation Commission (NVTC)**

By: \_\_\_\_\_  
Name: Katherine A. Mattice (Date) \_\_\_\_\_  
Title: Executive Director, NVTC



## Envision Route 7 Conceptual Engineering Scope of Work

### Introduction

The Envision Route 7 project recently completed the Envision Route 7 Phase II Study. The key findings from Phase II were that a Bus Rapid Transit (BRT) along Route 7 from Mark Center to Tysons, via the East Falls Church Metro Station is a viable transit solution for the corridor providing added connectivity and multimodal choices. The key activities in the Phase II work were to estimate the potential demand and forecast the ridership, compare possible alternative modes, determine possible funding mechanisms and strategies, and provide a high-level cost estimate for both capital and operating cost. The BRT showed high demand across all trip purposes. The service would benefit not only commuters with key connections to Mark Center, Tysons, and Metro; but serve other trip purposes including shopping and recreational trips. The travel demand forecast showed approximately two-thirds of the new riders traveling for non-work purposes. The Phase II Study focused on determining which mode best serves the corridor, where and if the BRT should deviate from Route 7.

The next step for the Envision Route 7 effort, is to conduct a conceptual engineering study. The conceptual engineering study will help to refine the project cost, identify potential areas of concern, develop a potential staging strategy, and provide guidance on preserving the required right-of-way. This study will be identifying right-of-way that could be utilized by the BRT and guide jurisdictions in their subarea and sector planning. This conceptual engineering study is a logical next step in the process. This study is estimated to cost approximately \$300,000 and is to take one year to complete.

This conceptual engineering study will involve the development of planning level drawings of the BRT alignment, right-of-way requirements, and roadway geometry (e.g., typical sections and critical vertical clearance) along the corridor. The development of a concept level design will help identify and allow for mitigation strategies of possible fatal flaws or locations of concerns, including issues related to right-of-way and/or structural limitations that would (or would not) accommodate the proposed BRT (e.g., exclusive lane). This conceptual planning level design will be based around the idea of an approximately 10 percent level of design detail.

The overall objectives of this study are:

- To continue the planning for high quality transit mode along Route 7 from Tysons to Mark Center;
- To identify right-of-way needs and develop a conceptual foot print for the proposed BRT along Route 7 as outlined in the Envision Route 7 Phase II report; and
- To provide a guidance for the local jurisdictions as they pursue redevelopment along the corridor.

## Tasks

### Task 1: Base Map Development and Data Compilation

#### Activity

The consultant will compile a list of available GIS data required for mapping and conceptual planning level of design. An electronic base map will be developed by obtaining and utilizing current base map and right of way information. The base mapping background should consist of aerial imagery of the corridor. The consultant will be responsible for compiling the data. The consultant will need to coordinate with the jurisdictional staff and the Virginia Department of Transportation Northern Virginia District to obtain the GIS data and aerial imagery. NVTC will help assist with facilitating this coordination.

#### Product

GIS incorporating the required base map and data for the conceptual engineering work. A technical memorandum outlining the data in the GIS, the architecture of the GIS, and the source of the information.

### Task 2: Compile Relevant Development and Highway Design Plans

#### Activity

The consultant will compile the relevant development and future highway plans that would impact the BRT corridor. This will include but is not limited to redevelopment of Route 7 in Tysons, the Falls Church's high school site redevelopment, East Falls Church Metro Station, Seven Corners, Bailey's Crossroads, Skyline, West End Transitway, and any other similar redevelopment sites or projects along the corridor. The consultant will also review any plans pertaining to highway improvements and expansion along the corridor. This data will be incorporated into the project GIS.

#### Product

A technical memorandum listing all additional future plan data that is incorporated into the GIS as well as sources documentation for the information.

### Task 3: Station Location Recommendations

#### Activity

In addition to the alignment, the conceptual planning level design will identify potential locations for stations and possible type of stations (e.g., a bus stop or a larger transfer center), but further development of station concepts will not be part of this scope. Under the conceptual planning level design, a relative station footprint for each station type will be assumed based on other similar BRT projects (for cost estimating purposes). This study will not produce site-specific locations and layout plans will not be developed for the assumed sites. The study will identify key locations within the guidelines for station spacing. The travel

demand forecasting and ridership presented in the Phase II report will be used as an input to this task.

#### Product

A technical memorandum identifying station stop location, cost information, and guidelines for station design.

### Task 4: Develop Concept Level Drawings

#### Activity

Planning level design drawings for the BRT along the corridor will be developed to a planning level. The drawings should provide enough detail to review and identify potential engineering issues or concerns related to right-of-way. This conceptual level drawings will be developed to show the alignment of the BRT on the current right-of-way and roadway. The goal of the drawings will be to help provide context and identify right-of-way needs. This will include developing typical cross sections (e.g., exclusive right-of-way, in-street, at-grade, etc.) to show new construction as well as associated modifications to existing roadways and structures.

This task will also include conceptual level evaluation of key structures along the corridor. The suitability of each structure type to accommodate the needs of the BRT will be evaluated.

#### Product

Design drawings of the corridor. The CAD drawings shall show the following features:

- BRT runningway lane configuration and alignment
- Typical sections
- Proposed channelization of all lanes - dimensions clearly labeled.
- Vehicle and pedestrian crossings and related protections
- Identification of locations for potential stations
- Right of way limits obtained from GIS data
- Identification of parking impacts
- Identification of structure footprints for roadways that could involve reconstruction or replacement of roadway due to the transit project.

### Task 5: Determine Right-of-Way Needs

#### Activity

Under this task, the preliminary limits of rights-of-way will be estimated using available Geographic Information System (GIS) and Task 1 and 2 mapping data. Using the available right-of-way information, a concept level evaluation of the alternative will be performed for potential impacts on existing buildings, infrastructure, businesses, residents and community activities, and additional right-of-way needs. A concept level analysis of possible impacts on

utilities will be conducted based on readily available information. This task will include identifying areas where right-of-way could be set aside for the BRT as future development or redevelopments happen.

#### Product

A technical memorandum outlining corridor needs and areas where there are right-of-way issues or other design issues.

### Task 6: Capital Costs Estimates

#### Activity

Capital costs estimates will be developed using the most current version of FTA's *Standard Cost Categories for Capital Projects* (SCC) worksheet format. The summed costs will be factored by an accepted contingency rate, accepted program design and management rate and the anticipated construction year of expenditure (YOE).

#### Product

A technical memorandum presenting the cost worksheets and all assumptions.

### Task 7: Report

A final report will be written. It should be a narrative and visual description of major elements such as stations, track location, key structures and locations, traffic analysis, and cost estimation. The consultant shall take all the technical memorandum and create a final document based on these memoranda. The final report will need to include 10 hard copies and electronic files associated with the report and the project. The consultant will develop a draft report and the project technical team will review the document and provide comments. The comments will be incorporated into the final document.

### Task 8: Project Management

The consultant will provide bi-weekly meetings via telephone with the project management team. These meeting will include a project update and identify any up-coming deliverables or activities. Progress reports will be required monthly. The progress reports should outline on-going activities and the current budget. The report should identify any issue or concerns and present the project budget burn rate.

The consultant should also plan on meetings with the project management team and jurisdictional stakeholders after completion of each task. The purpose will be to present the product from each task and review progress.



DRAFT  
October 6, 2017

**Chairman**  
Hon. Jeffrey C. McKay

**Vice Chairman**  
Hon. Paul C. Smedberg

**Secretary/Treasurer**  
Hon. Matthew F. Letourneau

**City of Alexandria**  
Hon. Timothy B. Lovain  
Hon. Paul C. Smedberg

**Arlington County**  
Hon. Katie Cristol  
Hon. Christian Dorsey  
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**City of Falls Church**  
Hon. David F. Snyder

**Loudoun County**  
Hon. Matthew F. Letourneau  
Hon. Ron A. Meyer

**Commonwealth of Virginia**  
Hon. Jim Corcoran

**Virginia General Assembly**  
Sen. Adam Ebbin  
Sen. Jennifer Wexton  
Del. David LaRock  
Del. James LeMunyon  
Del. J. Randall Minchew

**Executive Director**  
Katherine A. Mattice

Public Information Officer  
Virginia Department of Rail and Public Transportation  
600 E. Main St., Suite 2102  
Richmond, Virginia 23219

To Whom It May Concern:

On behalf of the Northern Virginia Transportation Commission, I appreciate the opportunity to comment on the Commonwealth's August 2017 Smart Scale Technical Guide. The Commission applauds the Commonwealth's multimodal approach to transportation investments and appreciates the open and transparent process of the Smart Scale program.

As the Commonwealth finalizes its guidance for the next round of Smart Scale applications, it is important that transit projects continue to be supported. To assist in providing clarity on the important role of transit in the Smart Scale program, NVTC offers two items for consideration:

**1. Ensure transit agencies are considered a separate entity if the Commonwealth limits the number of applications.**

In a presentation by VDOT staff to the Commonwealth Transportation Board on August 31, 2017, VDOT proposed a limit on the number of applications for Smart Scale funding consideration based on locality size and organizational type. While we understand the need to reduce the administrative burden on the Commonwealth, we want to ensure that this approach does not inadvertently penalize public transit agencies that are run by jurisdictions. As proposed, it appears that jurisdictions operating their own public transit system would have to divide their applications between roads and transit, whereas those with separately operated public transit systems would be permitted the maximum number of applications for both the jurisdiction and the transit agency.

NVTC proposes that the application limit be separate for jurisdictions and any public transit systems, regardless of whether that transit system is legally part of the jurisdiction or a separate public entity. This would allow for equal treatment of transit agencies across the Commonwealth. This approach was shared verbally by Deputy Secretary Nick Donohue at the CTB meeting on September 19. NVTC would like to see that approach formally included in the Smart Scale guidance.

**2. Include NVTC as an eligible entity to apply for Smart Scale funding.**

While other jurisdictions, transit agencies, and the Northern Virginia Transportation Authority are identified as eligible applicants under Smart Scale, NVTC is not listed as an organization that may submit projects. As the co-owner of the Virginia Railway Express (VRE), NVTC is the entity that submits projects on behalf of VRE to the Commonwealth. NVTC recommends that the Commonwealth explicitly identify the Commission as an eligible entity.

Transit projects have been strong competitors in the Smart Scale program, demonstrating their ability to address traffic congestion, increase access to jobs, enhance land use, and support economic development. As the Smart Scale program continues to evolve, we look forward to continued engagement with Commonwealth on this important multimodal program.

Sincerely,

Katherine A. Mattice  
Executive Director



Item III



# Process/Policy Changes

## Staff Recommendations to CTB

8/31/17

# SMART SCALE Update

## Policy/Process - Proposed Changes

- **Biennial Schedule**
  - Begin application intake March 1<sup>st</sup> 2018
  - June 1<sup>st</sup> deadline for creation of an application
  - August 1<sup>st</sup> submission deadline
  - Early Screening and Eligibility Decisions
- **Application Limits**
  - Two-Tiered Population-based approach

Localities	MPOs/PDCs/Transit Agencies	Maximum Number of Applications
Less than 200K	Less than 500K	4
Greater than 200K	Greater than 500K	8

## SMART SCALE Update

### Policy/Process - Proposed Changes

- **Project Readiness**

- Formalize and strengthen policy on required level of project planning
  - ***New interchange on limited access facility***
    - IJR with preferred alternative
  - ***Grade separation of at-grade intersection***
    - At-grade improvement options have been assessed
  - ***New signal***
    - Signal warrants have been met and signal justified
  - ***Major widening***
    - Corridor optimization and alternatives to new lanes have been evaluated
- ***Demonstrate*** that a project has ***public support***, requiring resolution of support from governing body

# SMART SCALE Update

## Policy/Process - Proposed Changes

- **Project Eligibility**

- Clarify the ineligibility of maintenance and State of Good Repair (SGR) projects
- If project scope is mostly the repair or replacement of existing assets then it is not eligible for SMART SCALE. Examples include:
  - Signal system replacement (mast arms, signal heads)
  - Bridge replacement with wider lane widths and/or ped accommodations

- **Full Funding Policy**

- Program not intended to replace committed local/regional funding sources, proffers, and/or other committed state/federal funding sources
- If \$ request is to add components to existing fully funded project then requested components will be analyzed independently

- **Relationship of Major Project Elements**

- Add guidance that project elements must be associated (contiguous or same improvement type)

# SMART SCALE Update

## Scoring/Technical - Proposed Changes

- **Congestion**
  - Person throughput – scale based on length
- **Safety**
  - Remove DUI crashes and use blended rate for fatal and severe injury crashes
- **Accessibility – A.1 and A.2 - Access to Jobs**
  - Eliminate the 45 and 60 minute cap for auto and transit job access respectively
- **Land Use**
  - More specific definitions of mixed-use development
  - New methodology - Accessibility to key non-work destinations such as grocery, healthcare, education, etc.

# SMART SCALE Update

## Scoring/Technical - Proposed Changes

- **Economic Development - ED.1 - Site Development**
  - Zoned properties must get primary access from project
  - Remove 0.5 points for consistent with local and regional plans - project specifically referenced in local comp plan or regional economic development strategy = 0.5 points
  - Project within economically distressed area up to 0.5 points
  - Reduce buffer to max of 3 miles
  - Conceptual (0.5, 1) vs detailed site plans (2, 4 points) – points based on whether submitted or approved
  - Considering establishment of maximum square footage based on project type and based on current level of development - cannot exceed x% of total current square footage in jurisdiction(s)
- **Economic Development - ED.2 - Intermodal Access**
  - Scale freight tonnage-based measure by the length of the improvement

# SMART SCALE Update

## Scoring/Technical - Proposed Changes

- **Additional Resources and comments**
  - Link to draft technical guide
  - [http://vasmartscale.org/documents/dr1\\_ss\\_technical\\_guide\\_aug2017\\_final.pdf](http://vasmartscale.org/documents/dr1_ss_technical_guide_aug2017_final.pdf)
  - Link to CTB Presentations
  - [http://www.ctb.virginia.gov/resources/2017/june/ctb\\_retreat\\_recommendations\\_for\\_improving\\_smart\\_scale2.pdf](http://www.ctb.virginia.gov/resources/2017/june/ctb_retreat_recommendations_for_improving_smart_scale2.pdf)
  - [http://www.ctb.virginia.gov/resources/2017/july/pres/5\\_smart\\_scale.pdf](http://www.ctb.virginia.gov/resources/2017/july/pres/5_smart_scale.pdf)
- Comments on proposed changes can also be entered on the SMART SCALE website at [http://smartscale.org/provide\\_feedback/default.asp](http://smartscale.org/provide_feedback/default.asp) or via email at [SMARTPORTAL@CTB.Virginia.gov](mailto:SMARTPORTAL@CTB.Virginia.gov).
- **Next Steps**
  - Special training session on the SMART SCALE application process and Smart Portal on **Wednesday, September 20<sup>th</sup> from 1:00PM to 3:30PM** in the Potomac Conference Room at the VDOT NoVA District office building.

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DRAFT  
October 5, 2017

**Chairman**  
Hon. Jeffrey C. McKay

**Vice Chairman**  
Hon. Paul C. Smedberg

**Secretary/Treasurer**  
Hon. Matthew F. Letourneau

**City of Alexandria**  
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Hon. David F. Snyder

**Loudoun County**  
Hon. Matthew F. Letourneau  
Hon. Ron A. Meyer

**Commonwealth of Virginia**  
Hon. Jim Corcoran

**Virginia General Assembly**  
Sen. Adam Ebbin  
Sen. Jennifer Wexton  
Del. David LaRock  
Del. James LeMunyon  
Del. J. Randall Minchew

**Executive Director**  
Katherine A. Mattice

The Honorable Elaine Chao  
Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Ave, SE  
Washington, DC 20590

RE: Loudoun County, Virginia's TIGER Grant Applications for Prentice Drive/Lockridge Road West and Northstar Boulevard Road Construction Projects

Dear Secretary Chao:

I am writing to express the Northern Virginia Transportation Commission's support for two Loudoun County road construction projects, which seek funding under the U.S. Department of Transportation's FY 2017 Transportation Investment Generating Economic Recovery (TIGER) competitive grant program.

Prentice Drive/Lockridge Road West will provide the county with an additional east-west connection, adding approximately 3.2 miles of four new through lanes. This will allow multimodal access between the future Loudoun Gateway and Ashburn Metrorail stations. It also will accommodate walking and biking services and facilities through a shared use path on either side of the new road.

Northstar Boulevard – a 3.2 mile, four-lane, controlled-access divided road – will serve as a primary highway in the north-south corridor connecting I-95 to the county. Loudoun County Transit's long-haul bus service will traverse the roadway, taking commuters from its park-and-ride lots to points in Washington, D.C., including Metrorail stations.

We recognize the importance of TIGER grants in ensuring that Loudoun County's efforts to enhance multimodal connectivity and improve the commutes of its residents will meet with success. Grants through the 2018 TIGER program are key to facilitating construction of these two deserving projects.

Thank you for your consideration.

Sincerely,

Jeffrey C. McKay  
Chairman

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**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice

**DATE:** September 28, 2017

**SUBJECT:** I-395 Express Lanes Multimodal Program

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## **A. Program Overview**

Governor Terry McAuliffe joined the Virginia Department of Transportation (VDOT) and its private partner and operator of the I-95 Express Lanes, Transurban, to [break ground on the start of construction of an eight-mile extension of the I-395 Express Lanes](#) from the northern end of the 95 Express Lanes up to the D.C. line, with reversible toll lanes operating in the northbound direction during morning rush hour and southbound in the afternoon. Carpoolers with three or more occupants will ride free.

Included in the multi-year public private partnership agreement is a yearly payment of \$15 million (to be escalated annually) that will be paid by Transurban to the Commonwealth. The Commonwealth is seeking an agreement with NVTC and PRTC to administer these funds for projects within their jurisdictions that would directly support the toll payers on this corridor. The project is expected to be operational and initial tolls to be collected by the end of 2019.

## **B. Proposed Memorandum of Agreement**

DRPT staff will give a [presentation on the draft I-395 Memorandum of Agreement](#) at the October 5<sup>th</sup> meeting.

In November, the Commission will be asked to approve the Memorandum of Agreement among the Commonwealth Transportation Board (CTB), the Virginia Department of Transportation (VDOT), the Virginia Department of Rail and Public Transportation (DRPT), the Potomac and Rappahannock Transportation Commission (PRTC), and NVTC to administer a 70-year multimodal program funded by the \$15 million/year (plus escalation) payment. These funds would be available for projects that support the I-395 Express Lanes.

The “Memorandum of Agreement Regarding the Annual Transit Investment from the 395 HOT Lanes” would define the roles and responsibilities of NVTC, PRTC and the Commonwealth with respect to use of toll revenues, and planning and implementing the multimodal improvements. The [Commonwealth’s proposed draft agreement \(September 25, 2017\)](#) is attached for your review.

Under the proposed agreement, the I-395/95 Concessionaire would provide a minimum of \$15 million/year to VDOT for transit investments on the corridor. These funds would be transferred to DRPT who would provide annual funding to NVTC and PRTC. The agreement proposes an allocation approach that would proportion annual funding based upon the populations of jurisdictions along the corridor. For NVTC, the population calculation is proposed to include the Counties of Fairfax and Arlington and the City of Alexandria; for PRTC, the population calculation is proposed to include the Counties of Prince William, Stafford, and Spotsylvania and the City of Fredericksburg. The agreement does permit NVTC and PRTC to develop an alternate funding approach, subject to approval by the Commonwealth.

Eligible applicants would include all NVTC and PRTC jurisdictions and any public transit providers that serve those jurisdictions. Similar to the I-66 agreement, eligible projects would include transit capital and operations, park and ride lots, Transportation Demand Management (i.e., carpool/vanpool, transit incentives), and roadway operational improvements. Metrorail, Metrobus, and the Virginia Railway Express operations and capital are specifically called out as eligible projects in the proposed agreement.

As with the I-66 Commuter Choice (Transform 66) Program, all projects would be required to benefit the toll payers of the corridor. Under the proposed agreement, the corridor is inclusive of the entire I-395/95 37-mile Express Lane corridor.

Selected projects would need to support the goals of the agreement, as follows:

1. Move more people;
2. Enhance transportation connectivity;
3. Improve transit service;
4. Reduce roadway congestion; and
5. Increase travel options

NVTC and PRTC would separately select projects and administer the program for its jurisdictions. An identical selection process would be agreed upon between PRTC and NVTC (established through a separate agreement) and all selected projects would be subject to the approval of the Commonwealth Transportation Board.

The Commonwealth Transportation Board is expected to be briefed on the proposed Memorandum of Agreement at its October 23<sup>rd</sup> meeting with action proposed for December 6<sup>th</sup>. NVTC and PRTC will be asked to consider the agreement for approval at their November Commission meetings.

# Overview of MOA regarding Annual Transit Investment from the I-395 Express Lanes

**NVTC & PRTC**  
**October 5, 2017**



Virginia Department of Rail and Public Transportation

## I-395 Express Lanes Project

- VDOT is converting eight miles of the two existing reversible HOV lanes on I-395 to three reversible managed Express Lanes
- Construction is underway
- Express Lanes to open in 2019
  - **Operated by 95 Express Lanes, LLC (Transurban)**
- 395 Express Lanes agreement provides for an annual transit payment from toll revenues for multimodal improvements in the corridor



Virginia Department of Rail and Public Transportation

# Annual Transit Payment

- The Commonwealth has committed that at least \$15 million will be provided annually through toll revenues for multimodal improvements in the corridor
  - **Annual transit payment will escalate each year**
  - **Some portion of any revenue sharing of excess revenues received by VDOT will be provided for transit and TDM purposes**
- Multimodal Improvements funded with annual transit payment must benefit toll payers



Virginia Department of Rail and Public Transportation

## Multimodal Project Selection

- As with I-66 Inside the Beltway, Commonwealth prefers local/regional selection of projects to receive funding from toll revenues
- Because projects along the entire length of the I-95/I-395 Express Lanes are eligible for funding from toll revenues, NVTC and PRTC will jointly determine projects to receive funding
  - **Separate agreement needed between NVTC & PRTC to define roles and responsibilities**



Virginia Department of Rail and Public Transportation



# I-95/I-395 Project Improvement Goals

- Selected multimodal projects must have capacity to attain one or more of the I-95/I-395 Project Improvement Goals:
  - **Move more people**
  - **Enhance transportation connectivity**
  - **Improve transit service**
  - **Reduce roadway congestion**
  - **Increase travel options**



Virginia Department of Rail and Public Transportation

## Multimodal Project Approval

- Commonwealth Transportation Board (CTB) must approve funding for multimodal projects selected by NVTC and PRTC each year as part of the Six-Year Improvement Program (SYIP)
  - **NVTC and PRTC governing boards will approve a proposed Program of Projects in April or May of each year for consideration by the CTB**
  - **DRPT will present the NVTC/PRTC Program of Projects to the CTB for approval in May and June of each year**



Virginia Department of Rail and Public Transportation

# MOA Terms & Conditions

- Proposed MOA for I-95/I-395 modeled after MOA for I-66 Inside the Beltway between NVTC and VDOT
- Key features of Proposed MOA:
  - **Five parties (CTB, VDOT, DRPT, NVTC & PRTC)**
    - Formalizes DRPT role that was not defined in I-66 MOA
    - Includes PRTC as a party to the MOA
  - **Funds to be included in annual DRPT SYIP and flow from DRPT to NVTC/PRTC (instead of VDOT)**



Virginia Department of Rail and Public Transportation

# MOA Terms & Conditions

- Key features of MOA (continued)
  - **DRPT will annually apportion available funds to NVTC and PRTC *pro rata* based on each commission's population in the corridor**
  - **Jurisdictions not counted in population totals:**
    - Loudoun County (NVTC)
    - City of Fairfax (NVTC)
    - City of Falls Church (NVTC)
    - City of Manassas (PRTC)
    - City of Manassas Park (PRTC)



Virginia Department of Rail and Public Transportation



# MOA Terms & Conditions

- Key features of MOA (continued)
  - **NVTC and PRTC may agree on an alternate mechanism of designating the proportion of Annual Transit Investment (ATI) funds available to either commission**
    - DRPT will abide by any such agreed upon alternate mechanism if endorsed by the CTB
  - **Use of toll revenues governed by state code and Meeks legal decision**
    - ATI funds may only be used for programs and projects reasonably related to or benefiting users of the I-95/I-395 corridor



Virginia Department of Rail and Public Transportation

# MOA Terms & Conditions

- Key features of MOA (continued)
  - **Term of the MOA runs concurrent with the amended and restated Comprehensive Agreement between the Commonwealth and 95 Express Lanes, LLC (Transurban)**
    - 68 years remaining when tolling begins in 2019
  - **A schedule of the expected ATI funds for each year of the MOA is attached**
    - Minimum of \$15 million per year, adjusted for inflation
    - \$2.7 billion over 68 annual payments (adjusted for inflation)



Virginia Department of Rail and Public Transportation

# MOA Terms & Conditions

- Key features of MOA (continued)
  - **Each ATI-funded project must meet each of the following four criteria:**
    - Must reasonably relate to or benefit toll-paying users of the I-95/I-395 project
    - Must have the capacity to attain or more of the five I-95/I-395 Project Improvement Goals (listed earlier)
    - Must be one of several specified types of multimodal transportation improvements serving the Corridor
    - Must demonstrate that the ATI-funded projects will be in compliance with all applicable laws, regulations, etc.



Virginia Department of Rail and Public Transportation

# MOA Terms & Conditions

- Key features of MOA (continued)
  - **ATI funds transferred to NVTC and PRTC must first be used to pay any ATI-related debt**
    - Restrictions on annual amount of ATI funds to be used for debt service
  - **Neither NVTC or PRTC may expend more than 50% of total annual ATI funds for ATI-funded project operating costs**
    - Same individual project limits as I-66 MOA



Virginia Department of Rail and Public Transportation

# MOA Terms & Conditions

- Key features of MOA (continued)
  - **Annual joint reporting requirement to the CTB by NVTC and PRTC**
  - **Termination only for breach for material non-compliance with terms of MOA**
  - **All obligations of CTB to allocate ATI funds are subject to appropriation by General Assembly**



Virginia Department of Rail and Public Transportation

## Schedule for Approval

- Initial Presentations to NVTC and PRTC
  - **Thursday, October 5, 2017 (TONIGHT)**
- Initial Presentation to CTB
  - **Monday, October 23, 2017 (CTB workshop)**
- Approval by NVTC and PRTC
  - **Thursday, November 2, 2017**
- Approval by CTB
  - **Wednesday, December 6, 2017**



Virginia Department of Rail and Public Transportation

# QUESTIONS?



Virginia Department of Rail and Public Transportation

OAG DRAFT 6  
9-25-17

**MEMORANDUM OF AGREEMENT REGARDING THE  
ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES**

This Memorandum of Agreement (“MOA”) is dated [\*, 2017 and is among: (i) the Commonwealth Transportation Board (“CTB”), (ii) the Virginia Department of Transportation (“VDOT”), (iii) the Northern Virginia Transportation Commission (“NVTC”), (iv) the Potomac and Rappahannock Transportation Commission (“PRTC”), and (v) the Virginia Department of Rail and Public Transportation (“DRPT”) ((i), (ii), (iii), (iv), and (v) collectively, the “Parties”).

**RECITALS**

WHEREAS, on July 31, 2012, VDOT and 95 Express Lanes, LLC (the “Concessionaire”) entered into a comprehensive agreement (the “Comprehensive Agreement”) under which the Concessionaire developed and now operates approximately 29 miles of high-occupancy toll lanes (“HOT Lanes”) in the median of Interstate 95 between the Route 610 interchange (Garrisonville Road) and Turkeycock Run (the “Original 95 HOT Lanes”);

WHEREAS, the Original 95 HOT Lanes have been in operation since December 2014;

WHEREAS, on June 8, 2017, VDOT and the Concessionaire amended and restated the Comprehensive Agreement (the “ARCA”) to add in the median of Interstate 395 approximately eight miles of HOT Lanes between Turkeycock Run and the Washington D.C. Line (the “395 HOT Lanes”);

WHEREAS, after the Concessionaire has designed and built the 395 HOT Lanes, the Original 95 HOT Lanes and the 395 HOT Lanes will be operated and maintained by the Concessionaire under the ARCA as a continuous and unified 37-mile HOT Lane facility (the “I-95/I-395 Project”);

WHEREAS, beginning upon service commencement of the 395 HOT Lanes, the ARCA requires the Concessionaire to pay to VDOT an annual transit investment (the “ATI”) from toll revenue attributable to the 395 HOT Lanes (the “395 Revenues”);

WHEREAS, the goals of the I-95/I-395 Project are to: (1) move more people, (2) enhance transportation connectivity, (3) improve transit service, (4) reduce roadway congestion, and (5) increase travel options (collectively, (1), (2), (3), (4), and (5) collectively the “Improvement Goals”), all of which will benefit the users of the I-95/I-395 Project;

WHEREAS, to fund projects designed to accomplish the Improvement Goals, VDOT desires to transfer periodically to DRPT, and DRPT desires to transfer periodically to NVTC and PRTC, the ATI funds received by VDOT under the ARCA; and

WHEREAS, such projects (“ATI-Funded Projects”) would be funded in whole or in part from the ATI funds transferred from VDOT to DRPT, and the CTB desires to delegate to NVTC and PRTC the authority to select and administer the ATI-Funded Projects.

### **AGREEMENT**

NOW THEREFORE, the Parties agree as follows:

#### **I. Purpose of this MOA**

This MOA provides for the transfer of the ATI funds received by VDOT under the ARCA to DRPT. It also provides for the transfer of the ATI funds received by DRPT under this MOA to NVTC and PRTC. NVTC and PRTC will select and administer ATI-Funded Projects, which must be approved by the CTB.

This MOA does not grant DRPT, NVTC, or PRTC any authority over Interstate 95 or Interstate 395, the tolling of Interstate 95 or Interstate 395, or any other roadways in the Interstate 95 / Interstate 395 corridor (the “Corridor”). It also does not obligate VDOT or the CTB to transfer

any funds to DRPT other than the ATI funds. It obligates VDOT to transfer the ATI funds to DRPT only to the extent VDOT actually receives such ATI funds from the Concessionaire (or its successor) under the ARCA.

## **II. Basic Agreement**

A. VDOT and the CTB shall have the following rights and duties:

- 1. Annual Transfers by VDOT.** VDOT shall transfer the ATI funds it receives, if any, to DRPT once per year, within 30 days of VDOT's receipt of the ATI funds from the Concessionaire under the ARCA. A schedule of the expected ATI funds for each year of this MOA is attached hereto as **EXHIBIT A**.
- 2. Duration of Tolling:** Nothing in this MOA shall obligate or be construed as obligating VDOT to continue or cease tolls after this MOA terminates, except as provided in IV.
- 3. CTB Annual Budget Process.** In preparation for the CTB's annual budget process, VDOT will ensure the Six Year Financial Plan reflects ATI funds due to VDOT from the Concessionaire under the ARCA.

The CTB agrees to do the following:

- (a) Each year and in accordance with the schedule of the Department of Planning and Budget of the Commonwealth, the CTB or the CTB's designee shall request the Governor to include in the budget to be delivered to the General Assembly during its next session a provision that the estimated ATI funds be appropriated to fund the ATI-Funded Projects during the next succeeding fiscal year or biennial period, as applicable.
- (b) The CTB shall use its best efforts to have (i) the Governor include, in each biennial or any supplemental budget that is presented to the General

Assembly, the amounts described in (a) above and (ii) the General Assembly deposit, appropriate, and re-appropriate, as applicable, such amounts.

(c) The CTB shall take all actions necessary to have payments which are made pursuant to (b) above charged against the proper appropriation made by the General Assembly.

(d) The CTB shall notify NVTC and PRTC promptly upon becoming aware of any failure by the General Assembly to appropriate for the next succeeding fiscal year or biennial period, as applicable, amounts described in (a).

B. DRPT shall have the following rights and duties:

**1. DRPT Annual Budget.** DRPT shall include in its annual budget presented to the CTB for approval in June of each year the ATI funds expected to be transferred to it from VDOT in the upcoming year, and the proposed allocation of all such ATI funds, including to pay any NVTC ATI-Related Debt Service and/or PRTC ATI-Related Debt Service (as defined below) in the upcoming year.

**2. Proportion of ATI Funds Available; Annual Transfers by DRPT.** Each year DRPT shall hold the ATI funds transferred to it from VDOT, and designate the proportion of such ATI funds available to NVTC and the portion of such ATI funds available to PRTC *pro rata*, based on each commission's population in the Corridor. The populations of all member jurisdictions of each commission will be included in determining the availability of ATI funds as between NVTC and PRTC under this MOA except the populations of the following jurisdictions will not be



counted: (i) the County of Loudoun, (ii) the City of Falls Church, (iii) the City of Fairfax, (iv) the City of Manassas, and (v) the City of Manassas Park. NVTC and PRTC may agree on an alternate mechanism of designating the proportion of ATI funds available to either NVTC or PRTC under this MOA, and DRPT shall abide by such alternate mechanism if it is endorsed by the CTB. Notwithstanding the provisions of this Section II.B.2 relating to holding the ATI funds and designating them as available for either NVTC or PRTC, DRPT will only transfer to NVTC and PRTC amounts approved by the CTB for CTB-approved ATI-Funded Projects.

**3. DRPT Assistance and Oversight; Presentation to CTB.** DRPT will provide technical assistance and oversight to NVTC and PRTC during the selection and implementation of ATI-Funded Projects. DRPT will also provide the CTB with an analysis of whether the proposed ATI-Funded projects meet the requirements of this agreement.

C. Limits on the Use of ATI Funds:

**1. Limits on Use of Toll Revenues.** Because the ATI funds are paid out of 395 Revenues, this MOA is governed by applicable state and federal laws restricting the use of toll revenues, including (without limitation) Va. Code § 33.2-309, 23 U.S.C. §§ 129 and 166, and the terms of any agreement between the Federal Highway Administration (“FHWA”) and VDOT required to toll the I-95/I-395 Project. The Parties agree that the ATI funds may be used for programs and projects reasonably related to or benefiting the users of the entire I-95/I-395 Project since the 395 Revenues, as defined under the ARCA, are inclusive of the incremental

increase in toll revenue generated on the Original 95 HOT Lanes, which incremental increase is attributable to the addition of the 395 HOT Lanes.

**2. Priority of Use of ATI Funds.** ATI funds transferred to NVTC must first be used to pay any NVTC ATI-Related Debt Service and thereafter may be used to fund ATI-Funded Projects. ATI funds transferred to PRTC must first be used to pay any PRTC ATI-Related Debt Service and thereafter may be used to fund ATI-Funded Projects.

**"NVTC ATI-Related Debt"** means (i) any bonds, promissory notes, loan, financing or credit agreements under which NVTC is obligated to repay money borrowed to finance an ATI-Funded Project, and (ii) all installment sales, conditional sales, and capital lease obligations incurred or assumed by NVTC to finance an ATI-Funded Project. The term "incurred" as used in the MOA with respect to NVTC ATI-Related Debt shall also mean issued or assumed.

**"NVTC ATI-Related Debt Service"** means for a fiscal year or other measurement period the aggregate of the payments to be made in respect of the principal of and interest on NVTC ATI-Related Debt and the associated financing or trustee's fees or charges and required deposits to any reserve funds.

**"PRTC ATI-Related Debt"** means (i) any bonds, promissory notes, loan, financing or credit agreements under which PRTC is obligated to repay money borrowed to finance an ATI-Funded Project, and (ii) all installment sales, conditional sales, and capital lease obligations incurred or assumed by PRTC to finance an ATI-Funded Project. The term "incurred" as used in the MOA with respect to PRTC ATI-Related Debt shall also mean issued or assumed.

**"PRTC ATI-Related Debt Service"** means for a fiscal year or other measurement period the aggregate of the payments to be made in respect of the principal of and interest on PRTC ATI-Related Debt and the associated financing or trustee's fees or charges and required deposits to any reserve funds.

**3. NVTC ATI-Related Debt Limits.** The annual amount of NVTC ATI-Related Debt Service payments shall not exceed 60% of the ATI funds expected to be transferred from DRPT to NVTC in the year such debt service payments will be paid. In addition, no NVTC ATI-Related Debt may be incurred unless the ATI funds expected to be transferred from DRPT to NVTC in the fiscal year prior to the fiscal year the NVTC ATI-Related Debt would be incurred is at least two times the maximum annual scheduled NVTC ATI-Related Debt Service (in the then-current or any future fiscal year) on: (i) all outstanding NVTC ATI-Related Debt, plus (ii) the proposed new NVTC ATI-Related Debt.

**4. PRTC ATI-Related Debt Limits.** The annual amount of PRTC ATI-Related Debt Service payments shall not exceed 60% of the ATI funds expected to be transferred from DRPT to PRTC in the year such Debt Service payments will be paid. In addition, no PRTC ATI-Related Debt may be incurred unless the ATI funds expected to be transferred from DRPT to PRTC in the fiscal year prior to the fiscal year the PRTC ATI-Related Debt would be incurred is at least two times the maximum annual scheduled Debt Service (in the then-current or any future fiscal year) on: (i) all outstanding PRTC ATI-Related Debt, plus (ii) the proposed new PRTC ATI-Related Debt.

**5. Use of ATI Funds Limited to ATI-Funded Projects.** NVTC and PRTC shall have no right to use the ATI funds to pay any debt, obligation, or liability unrelated to a CTB-approved ATI-Funded Project, or for any purposes other than those specified in this MOA.

**6. Limit on Operating Costs.** Neither NVTC nor PRTC may expend more than 50% of the ATI funds (on an annual basis) transferred to it for ATI-Funded Project operating costs. In addition, NVTC and PRTC may use the ATI funds to pay operating costs for individual ATI-Funded Projects only in the following maximum amounts: (i) up to 100% of operating costs for the first five years, (ii) up to 75% of operating costs for year six, (iii) up to 50% of operating costs for year seven, (iv) up to 25% of operating costs for year eight, and (v) 0% of operating costs after year eight.

D. NVTC and PRTC shall have the following rights and duties:

**1. Project Criteria and CTB Approval of ATI-Funded Projects.** Each year, NVTC and PRTC shall submit to DRPT a list of proposed ATI-Funded Projects that NVTC and PRTC desire DRPT to present to the CTB for approval. Such proposed ATI-Funded Projects shall be selected by NVTC and PRTC in accordance with a process established by written agreement between NVTC and PRTC consistent with the terms of this MOA. Each proposed ATI-Funded Project presented to the CTB for approval shall be identified separately with supporting documentation, including a description of the benefits that were the basis for evaluation and selection of each such proposed ATI-Funded Project. If the proposed ATI-Funded Projects are selected in accordance with NVTC and PRTC's

selection process described in II.D.2, and in the judgment of the CTB the proposed ATI-Funded Projects meet the Project Criteria (defined below), then the CTB will consider and approve the proposed ATI-Funded Projects and, subject to appropriation by the General Assembly, allocate ATI funds for such ATI-Funded Projects. To be approved by the CTB, each proposed ATI-Funded Project must meet each of the following four criteria (the “Project Criteria”):

- (a) Must reasonably relate to or benefit the toll-paying users of the I-95/I-395 Project;
- (b) Must have the capacity to attain one or more of the Improvement Goals;
- (c) Must be one of the following types of multimodal transportation improvements serving the Corridor, including adjacent roadways that serve the Corridor:
  - i. New or enhanced local and commuter bus service, including capital and operating expenses (*e.g.*, fuel, tires, maintenance, labor, and insurance), and transit priority improvements,
  - ii. Expansion or enhancement of transportation demand management strategies, including without limitation, vanpool, and formal and informal carpooling programs and assistance,
  - iii. Capital improvements for expansion or enhancement of Washington Metropolitan Area Transit Authority rail and bus service, including capital and operating expenses, and improved access to Metrorail stations and Metrobus stops,

- iv. New or enhanced park and ride lot(s) and access or improved access thereto,
- v. New or enhanced Virginia Railway Express improvements or services, including capital and operating expenses,
- vi. Roadway operational improvements in the Corridor including roadways serving the Corridor,
- vii. Transportation Systems Management and Operations as defined in 23 U.S.C. § 101(a)(30) on September 30, 2017, or
- viii. Projects identified in Commonwealth studies and plans or projects in the region's constrained long range plan (including without limitation the I-95/395 Transit and TDM Study) as any such plan may be updated from time to time; and,

- (d) Must demonstrate that the ATI-Funded Projects will be in compliance with all applicable laws, rules, and regulations and have received or will receive all required regulatory approvals.

Under no circumstances shall the Project Criteria be modified except by written amendment to this MOA.

**2. Proposed ATI-Funded Project Selection Process.** Any ATI-Funded Project to be proposed for CTB approval shall be selected by NVTC and PRTC through a process established by written agreement between NVTC and PRTC. Such process shall include at least the following three elements:

(a) A request to the following entities to submit a list of their preferred proposed ATI-Funded Projects to NVTC and PRTC:

- (i) all jurisdictions that are members of either NVTC or PRTC, and
- (ii) other public transportation providers providing services in those jurisdictions;

(b) The evaluation, prioritization, and selection of proposed ATI-Funded Projects by NVTC and PRTC, and the submission of proposed ATI-Funded Projects by NVTC and PRTC to the CTB, through DRPT; and,

(c) A public hearing held by NVTC and PRTC prior to NVTC and PRTC's selection of proposed ATI-Funded Projects for submission to the CTB.

### **3. Financing of ATI-Funded Projects; No Recourse against Commonwealth.**

NVTC and PRTC may use ATI funds appropriated by the General Assembly and allocated by the CTB to NVTC and PRTC to support the financing of approved ATI-Funded Projects.

NVTC and PRTC, respectively, are solely responsible for obtaining and repaying all NVTC ATI-Related Debt and PRTC ATI-Related Debt at their own respective cost and risk, and without recourse to the Commonwealth of Virginia, the CTB, VDOT, and/or DRPT, for any ATI-Funded Project.

The Commonwealth of Virginia, the CTB, VDOT, and DRPT shall have no liability for any (i) NVTC ATI-Related Debt or NVTC ATI-Related Debt Service, (ii) PRTC ATI-Related Debt or PRTC ATI-Related Debt Service, or (iii) any other sum secured by or accruing under any financing document entered into by NVTC or PRTC as a result of this MOA. No document evidencing or associated with any

NVTC ATI-Related Debt or PRTC ATI-Related Debt shall contain any provisions whereby a trustee would be entitled to seek any damages or other amounts from the Commonwealth of Virginia, CTB, VDOT, or DRPT due to any breach of this MOA.

Each bond, promissory note, or other document evidencing NVTC ATI-Related Debt or PRTC ATI-Related Debt must include a conspicuous recital on its face stating: (a) payment of the principal and interest does not constitute a claim against VDOT's interest in I-95, I-395, or any part thereof; (b) payment is not an obligation of the Commonwealth of Virginia, VDOT, DRPT, the CTB, or any other agency of the Commonwealth of Virginia, moral or otherwise; and (c) neither the full faith and credit nor the taxing power of the Commonwealth of Virginia, VDOT, DRPT, the CTB, or any other agency of the Commonwealth of Virginia, is pledged to the payment of the principal and interest on such NVTC ATI-Related Debt or PRTC ATI-Related Debt.

NVTC and PRTC shall not enter into agreements with holders of any NVTC ATI-Related Debt or PRTC ATI-Related Debt incurred by NVTC, PRTC, or their member jurisdictions that contain a pledge or claim on the ATI funds or NVTC or PRTC's interest in the ATI funds under this MOA except such debt issued for ATI-Funded Projects. If, despite such efforts, ATI funds are applied to satisfy any debt of NVTC or PRTC that is not properly payable out of ATI funds in accordance with this MOA and state and federal law, NVTC or PRTC as applicable shall reimburse DRPT (which in turn shall reimburse VDOT an equal amount) in full any such ATI funds or accounts from any other available revenues other than the ATI funds.



**4. Monitoring.** NVTC and PRTC shall provide jointly an annual report to the CTB within 120 days of the end of NVTC's and PRTC's fiscal year. The report shall contain at a minimum the following three items:

- (a) A description of the ATI-Funded Projects selected for funding in the past fiscal year and the benefits that were the basis for evaluation and selection of each such ATI-Funded Projects;
- (b) Starting five years after the effective date of this MOA, a review of the ATI-Funded Projects funded in past fiscal years describing the degree to which the expected benefits were realized or are being realized; and,
- (c) In the event that an ATI-Funded Project is not providing substantially similar benefits to those that were the basis for evaluation and selection of the ATI-Funded Project, the report shall evaluate the viability of a plan to either (i) modify such ATI-Funded Project, or (ii) redeploy assets in such ATI-Funded Project to other eligible ATI-Funded Projects that are expected to provide greater benefits.

**5. Accounting.** NVTC and PRTC shall each receive and manage, as a fiduciary, the ATI funds appropriated by the General Assembly, allocated by the CTB, and transferred to them by DRPT. NVTC and PRTC shall each maintain all funds and accounts containing the ATI funds separate and apart from all other funds and accounts of NVTC and PRTC. The revenues and expenses relating to the use of the ATI funds and the ATI-Funded Projects undertaken shall not be commingled with any other funds, accounts, venues, or expenses of NVTC or PRTC. NVTC and PRTC shall each create and maintain for the term of this MOA segregated

accounting and financial reporting for the ATI-Funded Projects financed by ATI funds provided by this MOA and reported as a separate fund in NVTC and PRTC's financial statements, and such accounting shall constitute a proprietary "special revenue fund" as defined by the Governmental Accounting Standards Board. Expenditures will be recorded and reported for each ATI-Funded Project.

All ATI funds transferred to NVTC and PRTC pursuant to the terms of this MOA shall be held by NVTC and PRTC in accounts with a financial institution under an arrangement that, to the extent reasonably practicable, preclude such funds from being an asset subject to the claims of creditors of NVTC and PRTC, other than (i) a holder of NVTC ATI-Related Debt or PRTC ATI-Related Debt, or (ii) other claims related to the ATI-Funded Projects undertaken in accordance with this MOA.

**6. Quality Management.** NVTC and PRTC shall be responsible for all quality assurance and quality control activities necessary to properly manage the funding of the development, design, construction, purchases, acquisition, operation, and maintenance of any ATI-Funded Project they have undertaken pursuant to this MOA, and will develop and provide to VDOT and DRPT for information purposes NVTC's and PRTC's manuals, policies, and procedures.

**7. Public Information.** During the term of this MOA, NVTC and PRTC shall provide information to the public concerning the ATI-Funded Projects they have undertaken, including any public meetings and public hearing that may be required by law or regulation.

**8. Regulatory Approvals.** NVTC and PRTC shall obtain, keep in effect, maintain, and comply with all regulatory approvals necessary to fund the development, design, construction, purchases, acquisition, operation, and maintenance of any ATI-Funded Projects.

**9. Contracting Practices.** During the term of this MOA, NVTC and PRTC covenant and agree that, with respect to the ATI-Funded Projects they have undertaken, they will comply with all requirements of state and federal laws relating to anti-discrimination, including (without limitation) Titles VI and VII of the Civil Rights Act of 1964, as amended, and the Americans with Disabilities Act, and shall contractually require the same of all contractors, subcontractors, vendors, and recipients of any ATI funds. NVTC and PRTC recognize the importance of the participation of minority, women-owned and small businesses through the federal and local Disadvantaged Business Enterprise programs and will abide by such programs in implementing ATI-Funded Projects.

NVTC and PRTC shall comply with all applicable federal requirements, including those applicable to highways that are part of the National Highway System.

**10. Losses.** “Losses” are losses actually suffered or incurred arising from: (a) any failure by NVTC or PRTC to comply with, to observe or to perform in any material respect any of the covenants, obligations, agreements, terms or conditions in this MOA, or any breach by NVTC or PRTC of its representations or warranties in this MOA; (b) any actual or willful misconduct or negligence of NVTC or PRTC, their employees or agents in direct connection with the I-95/I-395 Project or any related

ATI-Funded Projects; (c) any actual or alleged patent or copyright infringement or other actual or alleged improper appropriation or use of trade secrets, patents, proprietary information, know-how, trademarked, or service-marked materials, equipment devices or processes, copyright rights or inventions by NVTC or PRTC in direct connection with the I-95/I-395 Project or any related ATI-Funded Projects; (d) any inverse condemnation, trespass, nuisance, or similar taking of or harm to real property committed or caused by NVTC or PRTC, their employees, or agents in direct connection with the I-95/I-395 Project; or (e) any assumed liabilities.

NVTC and PRTC shall each include the Commonwealth of Virginia, the CTB, VDOT, DRPT, and their officers, employees, and agents, (collectively “State Indemnitees”) as additional insureds on NVTC and PRTC’s insurance policies so the State Indemnitees are protected from and against any Losses.

In addition, NVTC and PRTC shall contractually require their contractors, subcontractors, vendors, and others providing goods or performing services related to any ATI-Funded Project to indemnify the State Indemnitees against any Losses.

All insurance purchased by NVTC and PRTC or their contractors pursuant to this section shall name each of the State Indemnitees as additional insureds. This provision shall survive the expiration or earlier termination of this MOA.

In the event any third-party claim to which this section II.D.10 applies is asserted in writing against a State Indemnatee, VDOT will as promptly as practicable notify NVTC and PRTC in writing of such claim, which shall include a copy and any related correspondence or documentation from the third party asserting the claim. However, any failure to give such prompt notice shall not

constitute a waiver of any rights of any State Indemnatee unless such failure limits or precludes the availability of those rights.

**11. Records.** NVTC and PRTC agree to provide DRPT and VDOT access to all records relating to ATI-Funded Projects. Further, NVTC and PRTC will provide all such records for inspection and audit by VDOT, DRPT, and federal agencies including (without limitation) the United States Department of Transportation, the FHWA, and the Federal Transit Administration, or their designees, upon reasonable notice at all times during the term of this MOA. NVTC and PRTC agree promptly to furnish to VDOT and DRPT copies of all reports and notices they deliver to bondholders or other credit providers or any trustee relating to the use of the ATI funds.

**III. Term.** Unless this MOA is otherwise terminated in accordance with Section VII below, the term of this MOA shall commence on the date last signed by the Parties (“the Effective Date”) and shall expire concurrent with the expiration of the ARCA (as may be amended and restated from time to time).

**IV. Temporal Limit on Debt Financing.** NVTC and PRTC shall not incur any NVTC ATI-Related Debt or PRTC ATI-Related Debt that is dependent on ATI funds and which matures or extends beyond the term of this MOA. If this MOA is terminated in accordance with Section VII prior to the end of the term of the ARCA, and there is outstanding NVTC ATI-Related Debt or PRTC ATI-Related Debt for which ATI funds have been pledged to pay NVTC ATI-Related Debt Service or PRTC ATI-Related Debt Service, or there are pay-as-you-go ATI-Funded Projects that are not complete (and provided the use of ATI funds to pay NVTC ATI-Related Debt Service or PRTC ATI-Related Debt Service or the costs of the pay-as-you-go ATI-Funded Projects is not a

misuse of ATI funds under this MOA and the cause or basis of the termination), then, subject to CTB approval, tolls shall continue to be imposed on the I-95/I-395 Project and the CTB will allocate 395 Revenues to pay NVTC ATI-Related Debt Service or PRTC ATI-Related Debt Service, as applicable, or to complete the pay-as-you-go ATI-Funded Projects. The CTB will not approve funding for pay-as-you-go ATI-Funded Projects for more than two fiscal years past the termination of the MOA in accordance with Section VII.

**V. Entire Agreement.** This MOA constitutes the entire and exclusive agreement among the Parties relating to the specific matters covered. All prior written, and prior or contemporaneous verbal agreements, understandings, and representations are superseded, revoked, and rendered ineffective for any purpose.

**VI. Amendment.** This MOA may be modified only in writing signed by all Parties or their permitted successor(s) or assignee(s).

**VII. Termination.** This MOA may be terminated (a) by a non-breaching Party for material non-compliance with this MOA that has not either been remedied, or a remedy commenced and diligently pursued thereafter, within 120 days after written notice to the breaching Party from a non-breaching Party, or (b) by written agreement of the Parties. However, prior to any termination, the Parties shall meet and confer to make a good faith attempt to resolve any non-compliance issues as follows. Within 30 days of the notice, the Commissioner of Highways, the Director of DRPT, the NVTC Executive Director, and the PRTC Executive Director shall meet to discuss resolution of the non-compliance issues. If a resolution cannot be reached within 30 days, the Secretary of Transportation and the Chairman of NVTC and the Chairman of PRTC shall meet within 30 days to discuss resolution of the non-compliance issues. If a resolution cannot be agreed

9-25-17

within 30 days, the termination shall be effective as set forth in the written notice and in accordance with this MOA.

**VIII. Notices.** Notices shall be in writing and addressed as follows:

**If to NVTC:**

Executive Director  
Northern Virginia Transportation Commission  
2300 Wilson Boulevard, Suite 620  
Arlington, VA 22201  
Fax: (703) 524-1756

**If to PRTC:**

Executive Director  
Potomac and Rappahannock Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192  
Fax: (703) 583-1377

**If to VDOT:**

Virginia Department of Transportation  
1401 East Broad Street  
Richmond, Virginia 23219  
Attn: Commissioner of Highways  
Fax: (804) 786-2940

*With a copy to:*

Office of the Attorney General  
Chief, Transportation Section  
202 North Ninth Street  
Richmond, Virginia 23219  
Fax: (804) 692-1647

**If to DRPT:**

Department of Rail & Public Transportation  
600 East Main Street  
Richmond, VA 23219  
Attn: Director  
Fax: 804 225 3752

Any Party may, by notice as specified above, in writing designate an additional or a different entity or mailing address to which all such notices should be sent.

**IX. Relationship of the Parties.** The relationship of each Party to each other Party shall be one of an independent contractor, not an agent, partner, lessee, joint venturer, or employee.

**X. No Third Party Beneficiaries.** Nothing contained in this MOA is intended or shall be construed as creating or conferring any rights benefits or remedies upon or creating any obligations of the Parties toward any person or entity not a party to this MOA.

**XI. Governing Law.** This MOA shall be governed and construed in accordance with the laws of the Commonwealth of Virginia, without regard for conflict of laws principles.

**XII. Assignment.** This MOA may be assigned only with the written approval of the other Parties. In the event of an agreed assignment, there will be an amendment to this MOA to reflect the change in Parties.

**XIII. Survival.** If any provisions in this MOA are rendered obsolete or ineffective, the Parties agree to negotiate in good faith appropriate amendments to, or replacement of such provisions, to restore and carry out the original purposes to the extent practicable. If any provision is rendered void or invalid, all remaining provisions shall survive.

**XIV. Notice of Legal Proceedings.** The Parties agree promptly to notify each other if they become aware of any claim or legal proceeding that could impact the program, projects, and activities undertaken pursuant to this MOA.

**XV. Construction of Agreement.** This MOA is intended by the Parties to be construed as a whole, and indivisible, and its meaning is to be ascertained from the entire instrument. All parts of the MOA are to be given effect with equal dignity, including but not limited to the recitals at the beginning of this MOA, and all such parts, including the recitals, are to be given full force and



effect in construing this MOA. No provision of any recital shall be construed as being controlled by, or having less force and effect, than any other part of this MOA because the provision is set forth in a recital.

**XVI. No Personal Liability.** This MOA shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the Parties.

**XVII. No Waiver of Sovereign Immunity.** Nothing in this MOA shall be deemed a waiver of sovereign immunity by any Party.

**XVIII. Appropriations.** All obligations of the CTB to allocate ATI funds are subject to appropriation by the Virginia General Assembly.

*[SIGNATURE PAGES TO FOLLOW]*

COMMONWEALTH TRANSPORTATION BOARD

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The Honorable Aubrey L. Layne, Jr  
Secretary of Transportation

Date: \_\_\_\_\_

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES  
SIGNATURE PAGE]

VIRGINIA DEPARTMENT OF TRANSPORTATION

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Charles A. Kilpatrick, P.E.  
Commissioner of Highways

Date: \_\_\_\_\_

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES  
SIGNATURE PAGE]

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

---

Katherine A. Mattice  
Executive Director

Date: \_\_\_\_\_

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395  
HOT LANES SIGNATURE PAGE]

POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION

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Robert Schneider  
Executive Director

Date: \_\_\_\_\_

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES SIGNATURE PAGE]

DRAFT

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

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Jennifer Mitchell

Director

Date: \_\_\_\_\_

[MEMORANDUM OF AGREEMENT REGARDING THE ANNUAL TRANSIT INVESTMENT FROM THE 395 HOT LANES SIGNATURE PAGE]

**EXHIBIT A**

PART A – ANNUAL TRANSIT INVESTMENT FORM			
Payment Due Date	Minimum Annual Transit Investment (\$ Nominal)	Payment Due Date	Minimum Annual Transit Investment (\$ Nominal)
395 Service Commencement Date	\$15,000,000	+ 35 year	\$35,598,078
+ 1 year	15,375,000	+ 36 year	36,488,030
+ 2 year	15,759,375	+ 37 year	37,400,230
+ 3 year	16,153,359	+ 38 year	38,335,236
+ 4 year	16,557,193	+ 39 year	39,293,617
+ 5 year	16,971,123	+ 40 year	40,275,958
+ 6 year	17,395,401	+ 41 year	41,282,857
+ 7 year	17,830,286	+ 42 year	42,314,928
+ 8 year	18,276,043	+ 43 year	43,372,801
+ 9 year	18,732,945	+ 44 year	44,457,121
+ 10 year	19,201,268	+ 45 year	45,568,549
+ 11 year	19,681,300	+ 46 year	46,707,763
+ 12 year	20,173,332	+ 47 year	47,875,457
+ 13 year	20,677,666	+ 48 year	49,072,343
+ 14 year	21,194,607	+ 49 year	50,299,152
+ 15 year	21,724,472	+ 50 year	51,556,631
+ 16 year	22,267,584	+ 51 year	52,845,547
+ 17 year	22,824,274	+ 52 year	54,166,685
+ 18 year	23,394,881	+ 53 year	55,520,852
+ 19 year	23,979,753	+ 54 year	56,908,874
+ 20 year	24,579,247	+ 55 year	58,331,596
+ 21 year	25,193,728	+ 56 year	59,789,885
+ 22 year	25,823,571	+ 57 year	61,284,633
+ 23 year	26,469,160	+ 58 year	62,816,748
+ 24 year	27,130,889	+ 59 year	64,387,167
+ 25 year	27,809,161	+ 60 year	65,996,846
+ 26 year	28,504,391	+ 61 year	67,646,767
+ 27 year	29,217,000	+ 62 year	69,337,937
+ 28 year	29,947,425	+ 63 year	71,071,385
+ 29 year	30,696,111	+ 64 year	72,848,170
+ 30 year	31,463,514	+ 65 year	74,669,374
+ 31 year	32,250,102	+ 66 year	76,536,108
+ 32 year	33,056,354	+ 67 year	78,449,511
+ 33 year	33,882,763	+ 68 year	80,410,749
+ 34 year	34,729,832		
		Term of ARCA	\$2,696,840,696

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**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice, Andrew D'huyvetter, and Nobuhiko Daito

**DATE:** September 28, 2017

**SUBJECT:** Washington Metropolitan Area Transit Authority (WMATA)

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The Commission will be provided briefings on two areas addressed in this memo: 1) the WMATA Board members will provide highlights of recent WMATA activities; and 2) NVTC staff will present an analysis of Metrorail ridership in Virginia, based upon the 2016 Metrorail Passenger Survey. Additional items in this memo include the WMATA Committee Reports, other WMATA News, WMATA ridership and parking data, and a schedule of upcoming board actions.

### A. Board of Directors Report

- *Approval of 2017 Metrobus Fleet Plan*

On September 28<sup>th</sup>, the WMATA Board is anticipated to approve the [2017 Metrobus Fleet Plan](#) recommended for approval by the Customer Service, Operations, and Security Committee on September 14<sup>th</sup>. The plan, mandated by the Federal Transit Administration, provides the foundation for managing the replacement, rehabilitation, and expansion of the Metrobus fleet through FY2025.

The 2017 Metrobus Fleet Management Plan recommends maintaining a spare ratio within FTA guidelines, increasing the number of 60-foot (articulated) buses, replacing hybrid buses with clean diesel when they are due for retirement, retaining compressed natural gas fueling at Bladensburg, incorporating new energy technologies when proven, and planning for on time performance and crowding improvements. The plan is intended to guide business decisions for Metrobus fleet purchases and does not require any commitment of funds or obligate WMATA to the Plan's projected fleet recommendations. Requests for funding for actions outlined in the plan will be made separately through the capital program and budget processes.

- *Approval of Title VI Program Update*

On September 28<sup>th</sup>, the WMATA Board is anticipated to approve the [Title VI Program Update](#) prior to its submission to the FTA. Title VI of the Civil Rights Act of 1964 protects people from discrimination based on race, color, and national origin in programs and activities receiving federal financial assistance. On September 14<sup>th</sup>, the Administration Committee reviewed the update and recommended approval.

FTA requires WMATA to prepare and submit a Title VI program every three years to demonstrate compliance with Title VI requirements. This 2017 update reports on WMATA's activities from January 1, 2014 to December 31, 2016 and must be approved by the WMATA Board prior to submission to FTA. The 2017 update has no major programmatic changes, but includes updates to reflect new data, progress, and initiatives. Recent highlights are that WMATA has provided language assistance to limited English proficient populations and that WMATA's service delivery showed no discrimination against minority or low-income populations.

- *Swearing-In of New Board Members*

On September 28<sup>th</sup>, the WMATA Board is anticipated to swear in Jeff Marootian to be an Alternate Director from the District of Columbia. Mr. Marootian is currently the interim director of the District Department of Transportation. A separate Board action is anticipated to add Mr. Marootian to the Capital Program, Planning, and Real Estate Committee and the Safety Committee.

- *Federal City Council Presentation on Metro Funding*

On September 28<sup>th</sup>, the WMATA Board will hear a presentation from The Federal City Council on Metro Funding and Reform.

- *ATU Local Presentation on Tax Assessment Districts*

On September 28<sup>th</sup>, the WMATA Board will hear a presentation from ATU Local on Tax Assessment Districts.

- *Approval of Title VI Analysis for NH2 Bus Route and Adoption of Permanent Route*

On September 28<sup>th</sup>, the WMATA Board is anticipated to take action on an [approval of a Title VI Analysis for the NH2 bus route and to continue the route as a permanent service](#). The route is currently a pilot, which has been a success with growing ridership and high customer ratings.

- *Delegation to GM/CEO to include WMATA Property in Amazon RFP*

On September 28<sup>th</sup>, the WMATA Board is anticipated to take action on an [approval of the delegation of authority to the General Manager/CEO to offer Metro property in response to the Amazon HQ2 request for proposal](#). If the region were successful in attracting the Amazon HQ2, and WMATA property was required for the project, WMATA staff would return to the Board for approval of price and terms for the binding agreement.

## **B. Committee Reports**

### **1. Audits and Investigations Committee**

- *Approval of Inspector General's Reports to Post*

On September 28<sup>th</sup>, the Audits and Investigations Committee [is anticipated to take action on acceptance of the Office of Inspector General's reports](#). In the first report, an Audit of WMATA's Control and Accountability of Firearms and Ammunition, the OIG makes recommendations to improve the control and accountability over WMATA's firearms and ammunition. In the second report, Internal Controls Over Creation of Ghost Employees, WMATA did not identify any evidence of payroll fraud through the use of fictitious employees. The reports will be posted to the WMATA website after General Counsel has confirmed that private or confidential information has been redacted and after the WMATA Board accepts the final reports.

### **2. Customer Service, Operations, and Security Committee**

- *Semi-Annual Security Report*

On September 14<sup>th</sup>, the Customer Service, Operations, and Security Committee received a [presentation on the Semi-Annual Security Report](#). Part I crime decreased 17 percent for the first six months of 2017 when compared to the first six months of 2016. Part I crimes include aggravated assault, arson, burglary, homicide, larceny, motor vehicle thefts and attempts, rape, and robbery. Violent crimes, including robbery and aggravated assaults, decreased by 25 percent.

During the same time period, citations for fare evasion have more than doubled and Part I crime on buses increased from 48 to 55 offenses. MTPD has worked in collaboration with several WMATA departments to reduce fare evasion in both bus and rail. These efforts have included increased visibility and enforcement at rail stations and on specific bus routes. MTPD issued 6,961 citations for fare evasion in the first half of 2017.

### **3. Finance Committee**

- *FY2017 Year-End Financial Update*

On September 14<sup>th</sup>, the Finance Committee received the [FY2017 Year-End Financial Update](#). The FY2017 Operating budget was approved before SafeTrack. With ridership losses due to SafeTrack, reliability concerns, and other market factors, revenues in FY2017 were below budget by \$116 million or 15 percent. Management actions to reduce expenses reduced costs by \$71.5 million – this included the elimination of 700 positions. The remainder of the operating budget gap is projected to be covered by other costs savings and the use of prior year budget surpluses.

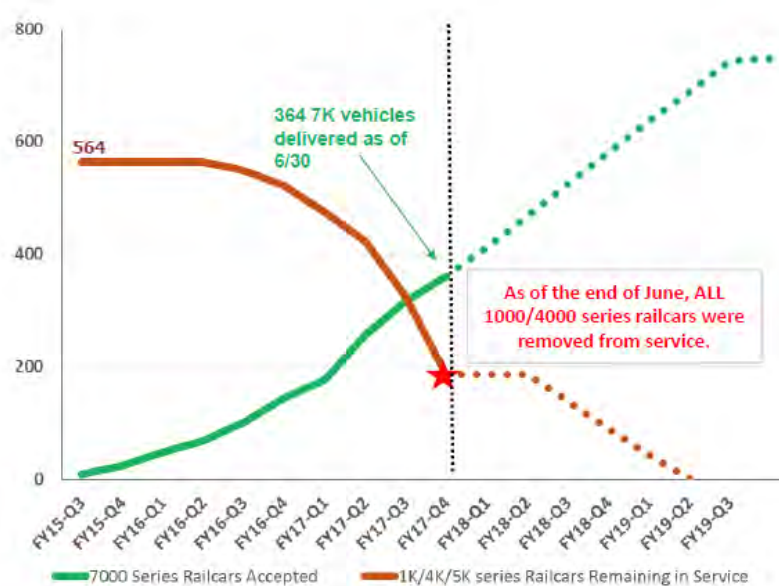
Figure 1: WMATA FY2017 Net Operating Position

(millions) Year to Date	FY2017-Q4		Variance	
	Budget	Actual	\$	Percent
Revenue	\$ 900	\$ 784	\$ (116)	-13%
Expense	\$ 1,745	\$ 1,644	\$ 101	6%
Net Subsidy	\$ 845	\$ 860	\$ (15)	-2%
Cost Recovery	52%	48%		

Source: WMATA Finance Committee presentation on [FY17 Year-End Financial Update](#)

With a total of \$1.163 billion, WMATA achieved the largest annual capital investment since the completion of the Metrorail system. Key drivers of this increase in capital expenditures include new railcar deliveries, SafeTrack, and bus facility construction. As of June 30<sup>th</sup>, 364 new 7000 series vehicles were delivered to WMATA and all of the 1000 and 4000 series railcars were removed from service. WMATA spent \$335 million for new railcars and \$114 for railcar maintenance and overhaul activities.

Figure 2: Acquisition of 7000 Series Railcars



Source: WMATA Finance Committee presentation on [FY17 Year-End Financial Update](#)

In December 2016, the FTA restored Metro's automatic fund drawn down privileges for grants awarded after July 1, 2015, following the FTA's determination that WMATA has made substantial progress in addressing financial and procurement weaknesses identified in the FTA's 2014 Financial Management Oversight review.

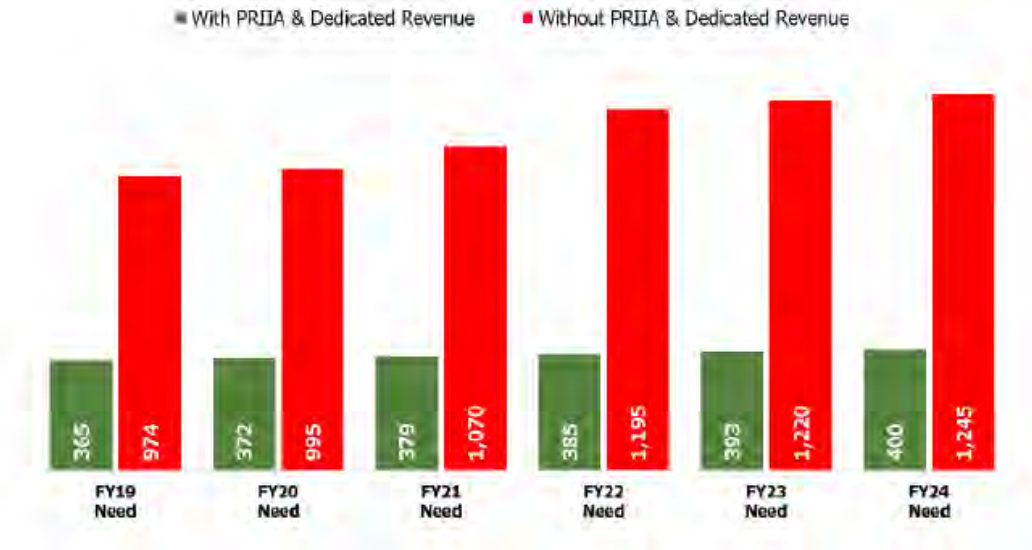
- Keeping Metro Safe, Reliable, and Affordable

On September 14<sup>th</sup>, the General Manager provided the Finance Committee with an [update to his plan for Keeping Metro Safe, Reliable, and Affordable](#). The purpose of this presentation was to update the WMATA Board on capital and operating funding requirements to keep the system safe and reliable and to highlight the potential benefits and consequences of the plan for the region and riders. Without \$15.5 billion in capital

investment over the next 10 years, the General Manager noted that the safety and reliability of the system and efforts to meet compliance would be impaired while riders would experience continued service disruptions and delays.

The General Manager reviewed WMATA's structural challenges and reminded the Board of the key components of the plan. From a capital revenue perspective, the General Manager stated that maintaining the federal PRIIA funding and associated matches and securing dedicated funding from the jurisdictions is imperative. Without PRIIA and dedicated revenue, the General Manager noted that jurisdictional capital funding required for safety and reliability will triple (Figure 3).

**Figure 3: Jurisdictional Capital Funding Required Without PRIIA or Dedicated Revenue**

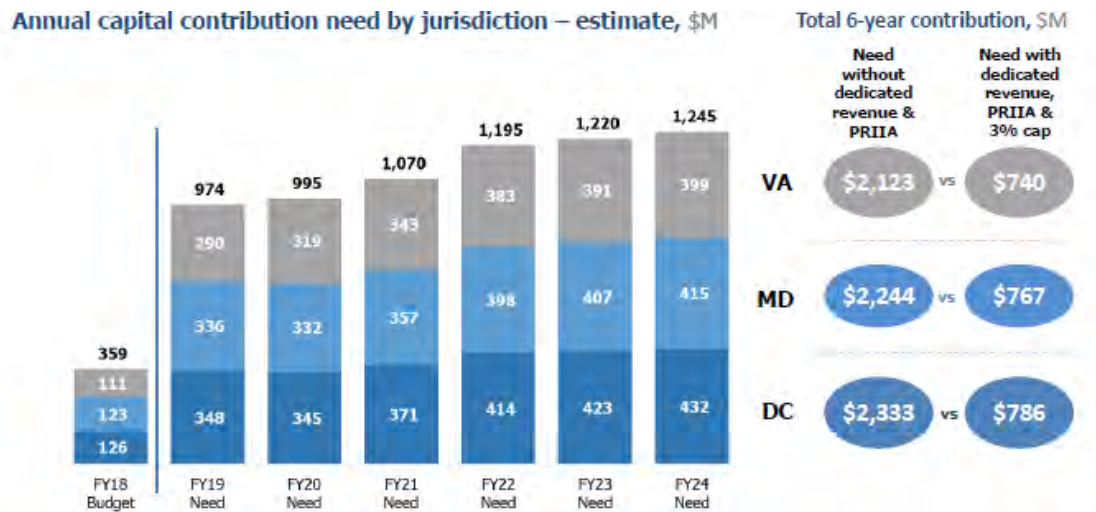


Source: WMATA Finance Committee presentation on [Keeping Metro Safe, Reliable, and Affordable](#)

This potential tripling of jurisdictional capital subsidies would increase the Virginia jurisdiction's obligation from \$111 million in FY2018 to an estimated \$290 million in FY2019 and an estimated \$399 million in FY2024. Virginia's total estimated 6-year contribution between FY2019 and FY2024 would be \$2.123 billion. If dedicated revenue, PRIIA, and a three percent subsidy cap were implemented as part of the GM's Plan, then this total six-year contribution is estimated at \$740 million (Figure 4).

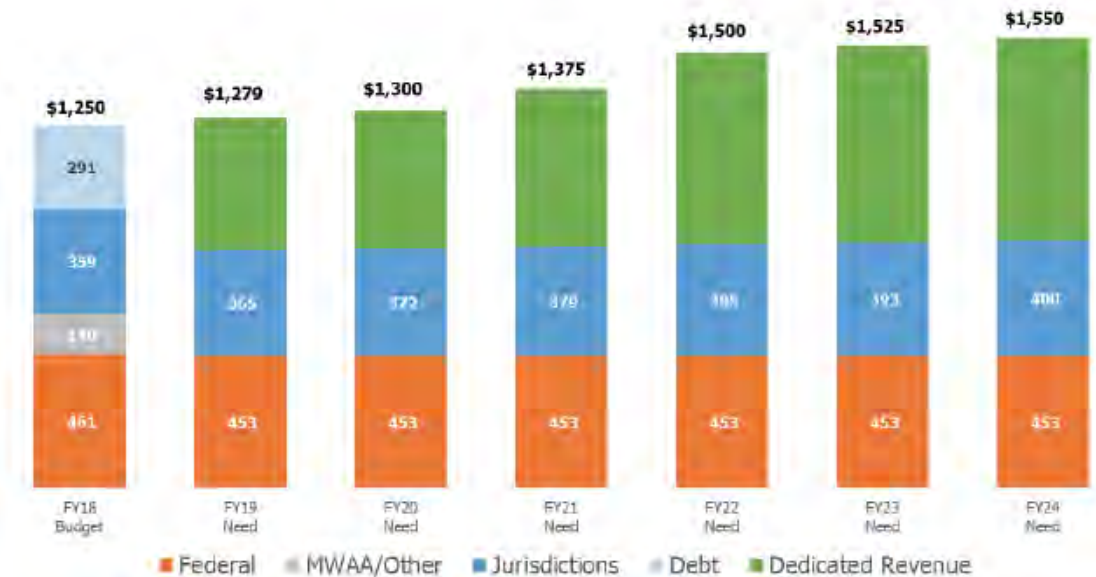


**Figure 4: Jurisdictional Capital Funding Comparison**



With PRIIA reauthorization and dedicated revenue, the General Manager stated that the region would meet safety and reliability capital needs. Figure 5 shows the capital needs by their funding sources assuming PRIIA reauthorization and appropriation, continued federal formula grant funding, dedicated revenue of \$500 million per year, and jurisdictional capital contributions capped at three percent growth per year.

**Figure 5: Jurisdictional Capital Funding Comparison**



Source: WMATA Finance Committee presentation on [Keeping Metro Safe, Reliable, and Affordable](#)  
 Note: Assumes PRIIA reauthorization and appropriation, federal formula grants continue at current levels, dedicated revenue of \$500 million per year to support debt and paygo for capital projects, and jurisdictional capital contributions growth capped at 3% per year.

The General Manager also explained that there are capital needs beyond the \$15.5 billion. WMATA plans to analyze an additional \$10 billion of potential future needs that are not yet fully defined or included in the plan. These capital needs are shown in Figure 6.

**Figure 6: Capital Needs Beyond the \$15.5 Billion**

Source: WMATA Finance Committee presentation on [Keeping Metro Safe, Reliable, and Affordable](#)

The General Manager also reviewed the operating budget and the potential impacts on the jurisdictions. The operating subsidy has grown an average of nine percent per year over the last five years. The General Manager committed to take actions that improve productivity, reduce costs, and generate revenue, but noted that without regional support of transformative changes, management actions alone would not limit subsidy growth to three percent per year.

The General Manager also clarified that the three percent subsidy growth cap applies to current services only beginning in FY2019. The cap would not apply to new mandates or service, such as the Silver Line Phase II or the Potomac Yard Station.

#### **4. Safety Committee & Preventative Maintenance**

##### **Safety Committee**

On September 28th, the Safety Committee [will receive a briefing on the Confidential Close Call Reporting System](#). WMATA became the first rail transit agency in the nation to implement a close call reporting system in 2013. The program was expanded to bus in 2016. The program is a partnership between WMATA management and WMATA's unions. It provides a confidential platform to facilitate the voluntary reporting of close call events without fear of discipline. The program improves transit safety by collecting reports on close call events that have the potential for more serious consequences, determining their root causes, and developing and implementing applicable preventative safety actions.

##### **Preventative Maintenance**

The next major capital projects to occur during commuting hours will be from November 25 to December 10, 2017 on the Red Line at Tacoma Station and May 12 to May 27, 2018 on the Yellow Line at Huntington and Eisenhower Ave Stations. These projects will rebuild interlockings and grout pads outside of these stations.

WMATA has also scheduled additional [planned Metrorail track work](#) that includes single tracking and weekend shutdowns.

- *Corrective Action Plan Monitoring and Tracking*

Two new internal review reports were posted to the [Internal Reviews webpage](#). A report on [Metrorail Car Track Equipment Maintenance](#) showed that increased engagement between car track equipment maintenance, engineering, and maintenance groups will improve maintenance efficiency and reliability. A report on [Metrorail Station Manager Activities](#) showed that increased control of station manager processes through supervisory spot-checks will improve the quality and consistency of customer service at Metrorail stations.

WMATA updated its [Overview of Regulatory Compliance Actions](#) on September 15<sup>th</sup>.

### C. Other WMATA News

- *Back2Good Update*

WMATA released an [update of its progress meeting Back2Good goals](#), demonstrating progress on reducing customer offloads and increasing railcar reliability and rail customer on-time performance. WMATA also provided a breakdown of on-time performance by jurisdiction (Figure 7).

**Figure 7: Customer On-Time Performance Improvements by Jurisdiction**

Jurisdiction	Example Trip	Percent Trips on time	
		Pre-June 25 <sup>th</sup>	Post-June 25 <sup>th</sup>
<b>Alexandria</b>	King Street to Gallery Place (AM Rush)	58%	89%
	Gallery Place to King St (PM Rush)	53%	81%
<b>Arlington County</b>	Crystal City to Gallery Place (AM Rush)	69%	91%
	Gallery Place to Crystal City (PM Rush)	74%	86%
<b>Fairfax County</b>	Vienna to Farragut West (AM Rush)	59%	76%
	Farragut West to Vienna (PM Rush)	65%	85%

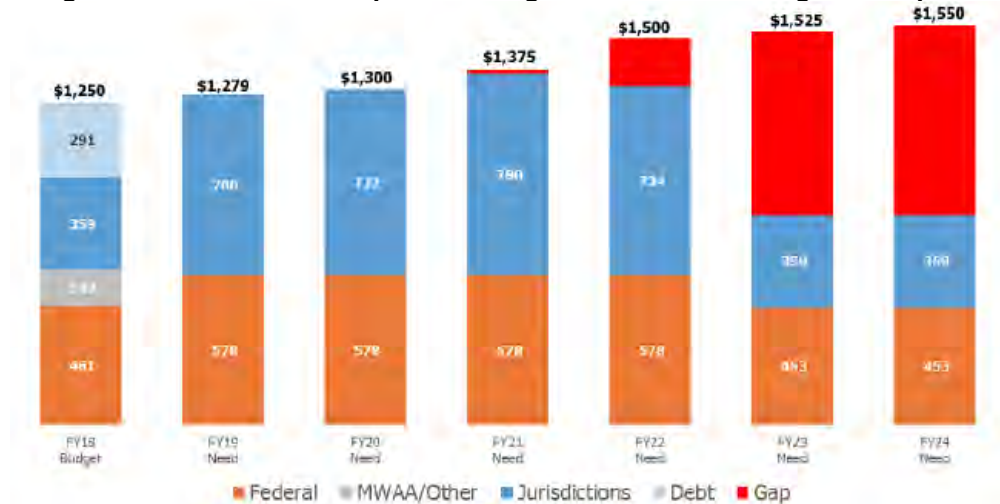
Source: WMATA

- *Interim Funding Proposal from Governor Hogan*

On September 11<sup>th</sup>, Maryland Governor Hogan [sent a letter to Governor McAuliffe and Mayor Bowser outlining an interim funding proposal of \\$2 billion over the next four years for WMATA](#). Governor Hogan proposed that Maryland would increase its funding by \$125 million over the next four years if the District of Columbia, Commonwealth of Virginia, and federal government commit to the same level of increased funding.

In his [September 14<sup>th</sup> presentation to the WMATA Finance Committee](#), the General Manager provided a graphic of what this funding would look like (Figure 8). The proposal would fund WMATA's capital needs in FY2019 and FY2020. A small gap emerges in FY2021 and this gap increases between FY2022 and FY2024.



**Figure 8: Jurisdictional Capital Funding Under Governor Hogan's Proposal**

Source: WMATA Finance Committee presentation on [Keeping Metro Safe, Reliable, and Affordable](#)

Note: Assumes PRIIA reauthorization and appropriation, federal formula grants continue at current levels, additional \$2 billion over four years from MD, DC, VA, and Federal Government (equal shares), and with no dedicated revenue.

#### D. Virginia Ridership and Parking Facility Utilization

WMATA Virginia Preliminary Ridership (Unlinked Passenger Trips) August 2016 – 2017			
	August 2016	August 2017	Percent Change
<b>Metrorail</b>			
Total	7,744,161	7,856,143	+1.4%
Weekday Average	272,889	275,943	+1.1%
<b>MetroAccess</b>			
Total	29,295	29,337	+0.1%

WMATA Virginia Parking Facility Usage August 2016 – 2017				
Station/Lot	August 2016	Y-T-D FY17	August 2017	Y-T-D FY18
Huntington	67%	55%	68%	67%
West Falls Church	42%	41%	42%	44%
Dunn Loring	65%	65%	69%	70%
Vienna	66%	65%	71%	71%
Franconia	53%	47%	55%	56%
Van Dorn	101%	83%	102%	103%
East Falls Church	112%	109%	113%	115%
Wiehle-Reston East	74%	73%	87%	89%
Northern Virginia Total	63%	59%	67%	67%

## E. Schedule of Upcoming Board Decisions

Key Issues	Meeting	Date
Office of Fair Practices – DBE/Small Business Unit Reorganization (I)	Administration Committee	October 12, 2017
Transfer of WMATA Property Interests for Purple Line (A)	Capital Program, Planning, and Real Estate Committee	October 12, 2017
Ridership and Revenue Trends (I)	Finance Committee	October 12, 2017
Acceptance of FY2017 External Audit Deliverables (A)	Audits and Investigations Committee	October 26, 2017
Quarterly Safety Report (I) Efficiency Testing (I) Discussion on Train Off-Loads/Evacuations (I)	Safety Committee	October 26, 2017

Anticipated Information (I) and Action (A) Items	WMATA Board Date Target
Preliminary FY2019 Budget (I)	Fall 2017
Approval of Bus State of Good Operations and Expansion Service Changes (A)	Fall 2017
FY2019 Budget Presentation (I) and Work Sessions (I)	December 2017 - February 2018
Capital Funding Agreement and FY2019 Budget Approval (A)	March-April 2018

## F. NVTC Analysis of Virginia Metrorail Ridership

In addition to the Metrorail ridership that NVTC reports on a quarterly and annual basis, NVTC staff recently completed its first in-depth analysis of Metrorail riders in Virginia based on data collected by WMATA in its 2016 Metrorail Passenger Survey.

### Analysis Highlights:

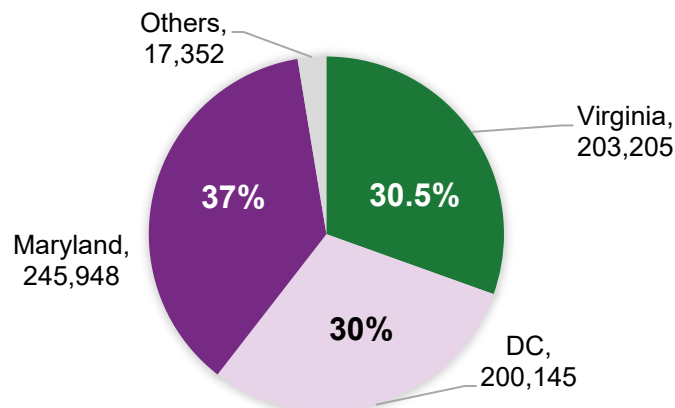
- Virginia riders comprise approximately 30 to 31 percent of average weekday trips for riders from inside and outside of the region. (Figure 9).
- During the morning peak, 32.5 percent of Metrorail trips are by Virginia residents.
- Seventy-four percent of Metrorail trips by Virginia residents occur during the AM and PM peaks (Figure 10).
- Metrorail riders live across Northern Virginia. More than 90 percent of Virginia riders live in NVTC jurisdictions (Figure 11).
- Approximately a third of Virginia riders live within a half mile of a Metrorail station (Figure 11).

- Thirty-seven percent of Virginia riders are federal employees (Figure 12).
- Over half of Virginia riders are from households earning more than \$100,000 a year (Figure 13).
- Some Virginia riders enter the Metrorail system in the District of Columbia at L'Enfant Plaza, Union Station, and other downtown stations, demonstrating the role of commuter buses and VRE in Northern Virginia (Figure 14).
- During the morning peak, most Virginia riders walk (38 percent), take a bus (27 percent), or drive alone (21 percent) to Virginia stations (Figure 18).
- Of Virginia stations, East Falls Church has the highest access by personal bike or bikeshare and Pentagon Station has the highest access by bus.

### Summary of Findings:

- ✓ For riders from inside and outside of the region, Virginia riders comprise approximately 30 to 31 percent of average weekday trips (Figure 9).

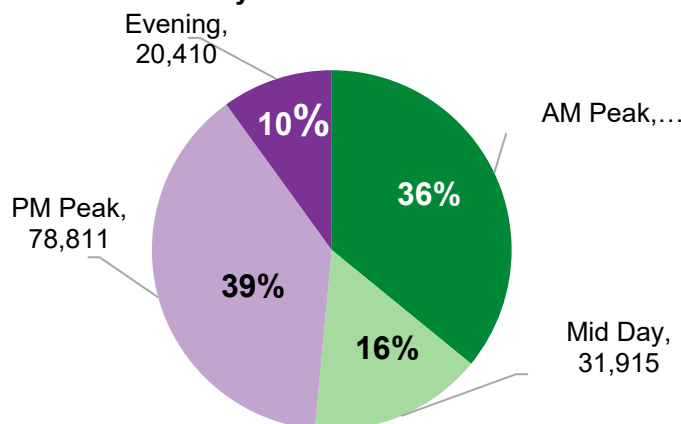
**Figure 9: Average Weekday Ridership by Location of Residence**



Source: WMATA 2016 Metrorail Passenger Survey

- ✓ Seventy-four percent of trips by Virginia riders occur in the AM and PM peaks. (Figure 10).

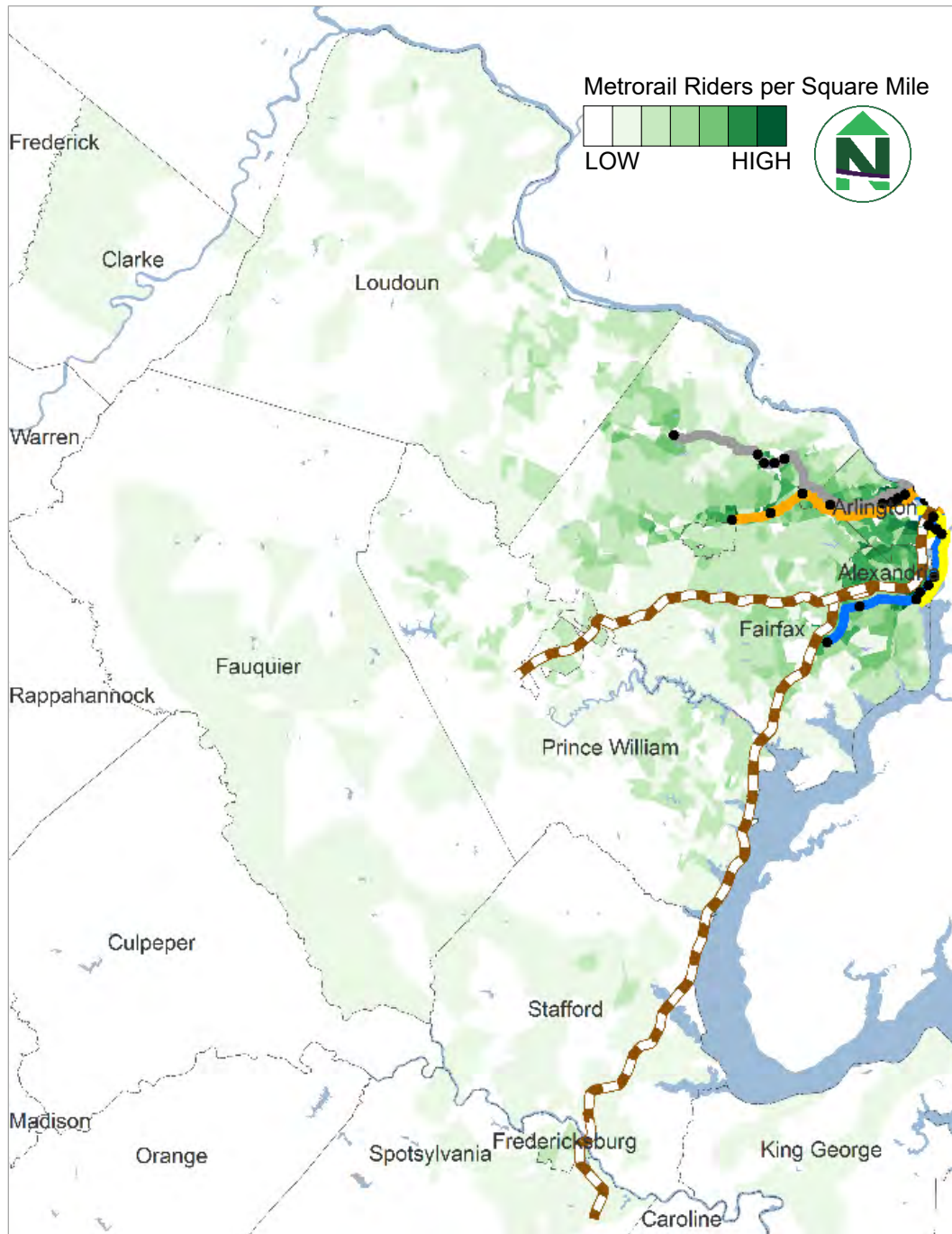
**Figure 10: Average Weekday Ridership for Virginia Riders by Period of Time**



Source: WMATA 2016 Metrorail Passenger Survey

- ✓ Virginia Metrorail riders live across Northern Virginia. More than 90 percent of Virginia riders live in NVTC jurisdictions: Arlington County, Fairfax County, Loudoun County, City of Alexandria, City of Fairfax, and the City of Falls Church (Figure 11). Reflecting the diversity of land use around stations and the multiple modes in which Virginians access Metrorail stations, approximately a third of Virginia riders live within a half mile of a Metrorail station.

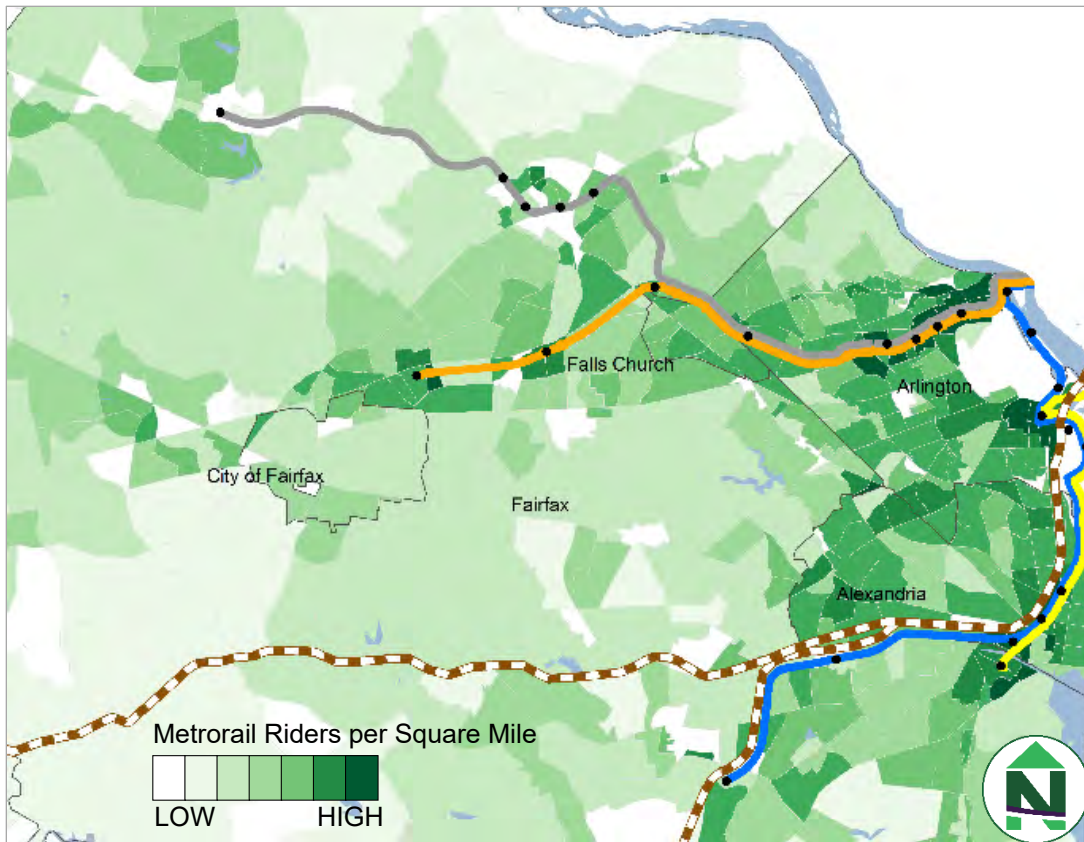
**Figure 11: Virginia Metrorail Riders by Location of Residence**



Source: WMATA 2016 Metrorail Passenger Survey

Note: Ridership is shown weighted by population in each Traffic Analysis Zone.

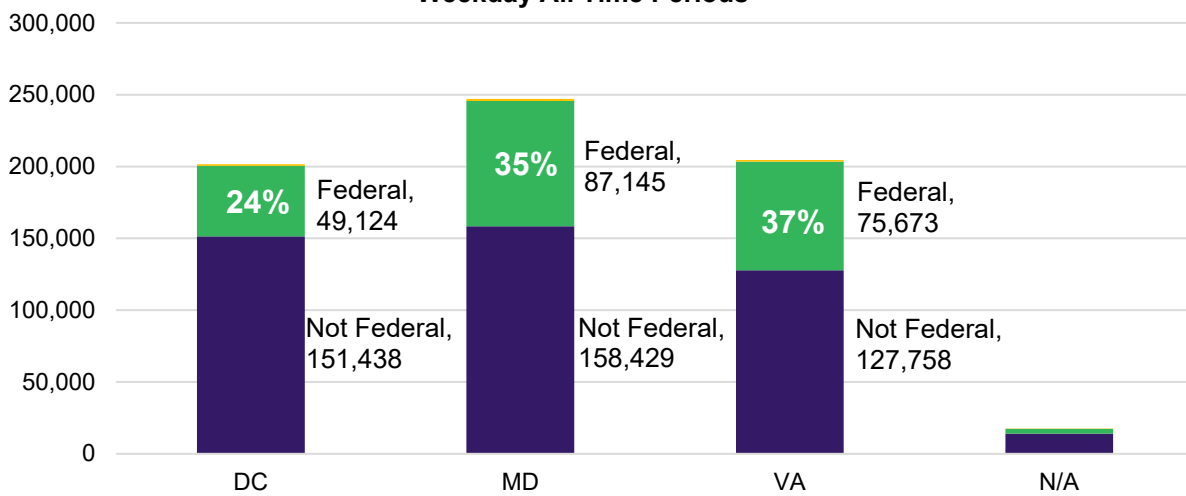
**Figure 11 continued: Virginia Metrorail Riders by Location of Residence (Zoomed to Inner Core)**



Source: WMATA 2016 Metrorail Passenger Survey  
 Note: Ridership is shown weighted by population in each Traffic Analysis Zone.

✓ Thirty-seven percent of Virginia riders are federal employees (Figure 12).

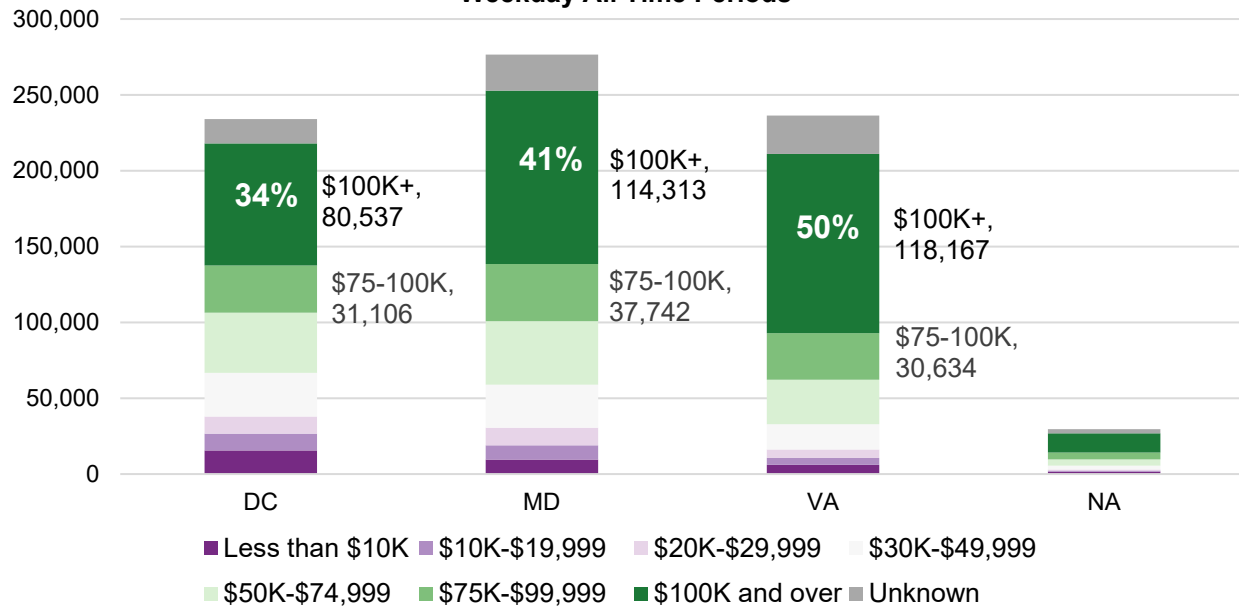
**Figure 12 : Employers of Metrorail Riders by Locations of Residence, Weekday All Time Periods**



Source: WMATA Metrorail 2016 Passenger Survey

- ✓ Over half of Virginia riders live in households earning more than \$100,000 a year (Figure 13).

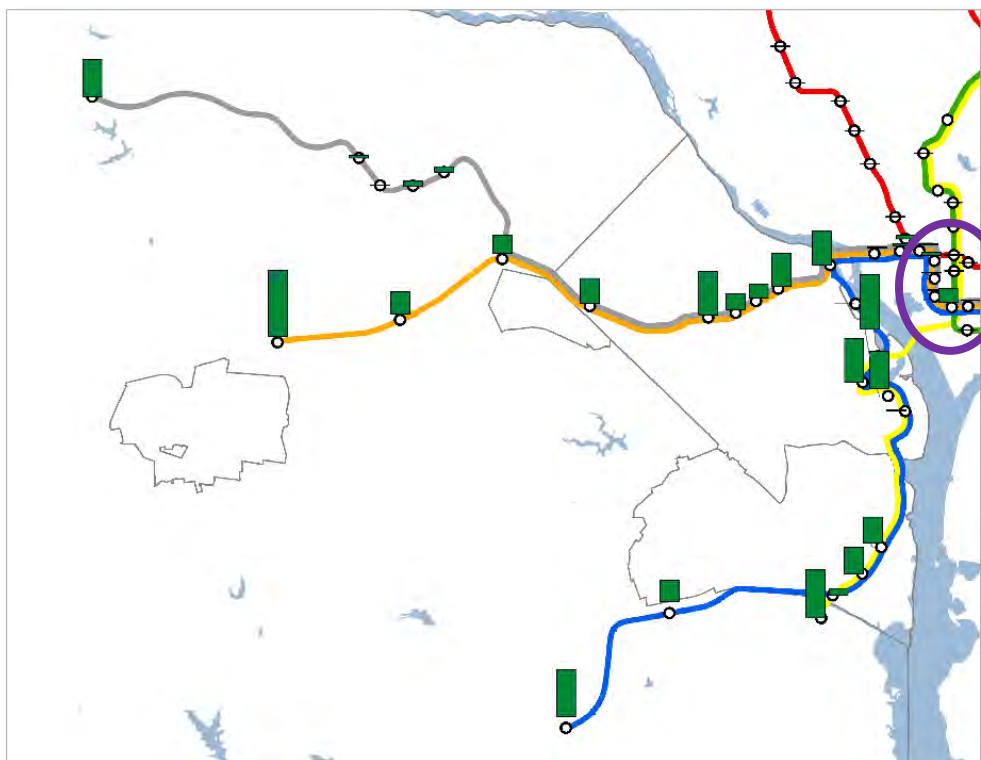
**Figure 13: Income Levels of Metrorail Riders by Location of Residence, Weekday All Time Periods**



Source: WMATA 2016 Metrorail Passenger Survey

- ✓ Some Virginia riders first enter the Metrorail system in the District of Columbia at L'Enfant Plaza, Union Station, and other downtown stations, demonstrating the role of commuter buses and VRE in Northern Virginia (Figure 14).

**Figure 14: Virginia Residents Accessing All Metrorail Stations, Weekday AM Peak**

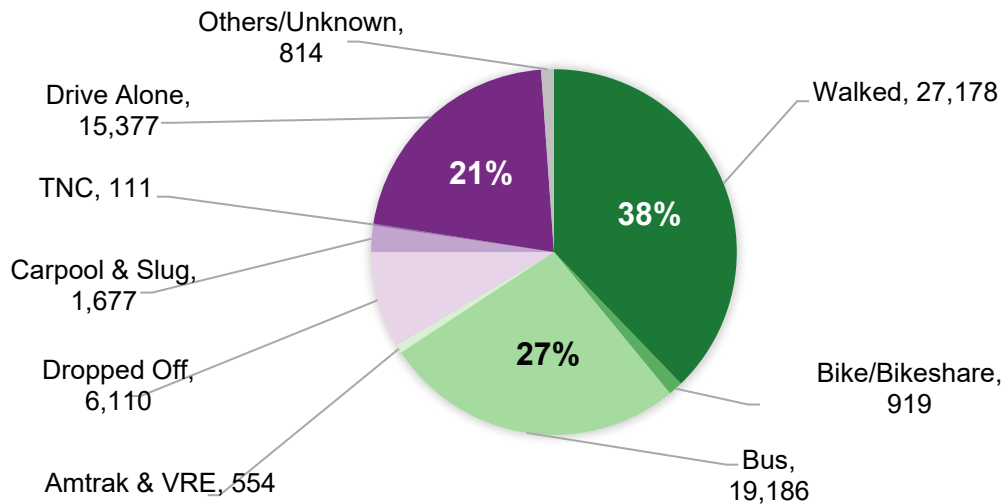


Source: WMATA 2016 Metrorail Passenger Survey and NVTC



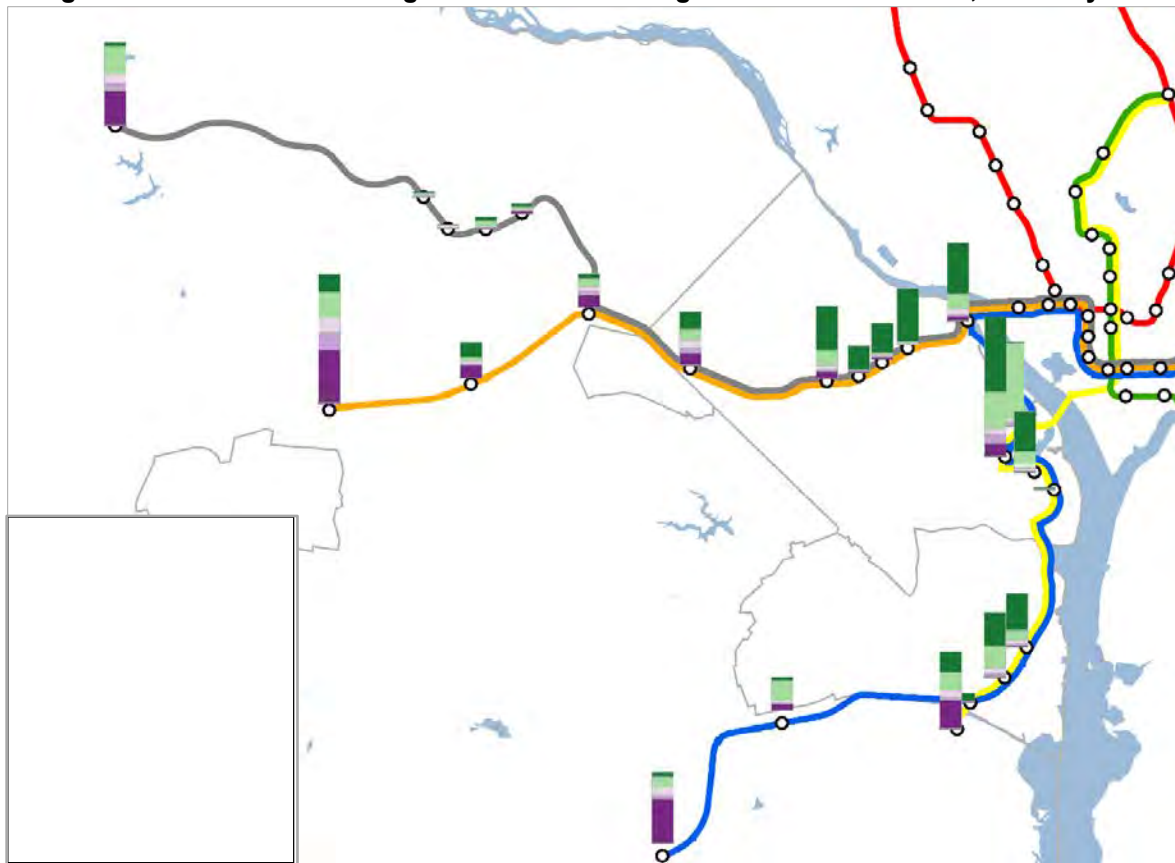
- ✓ During the morning peak, most Virginia riders walk (38 percent), take a bus (27 percent), or drive alone (21 percent) to Virginia stations (Figures 15 and 16). Of Virginia stations, East Falls Church has the highest access by personal bike or bikeshare and Pentagon Station has the highest access by bus.

**Figure 15: Travel Mode of Virginia Residents to Virginia Metrorail Stations, Weekday AM Peak**



Source: WMATA 2016 Metrorail Passenger Survey

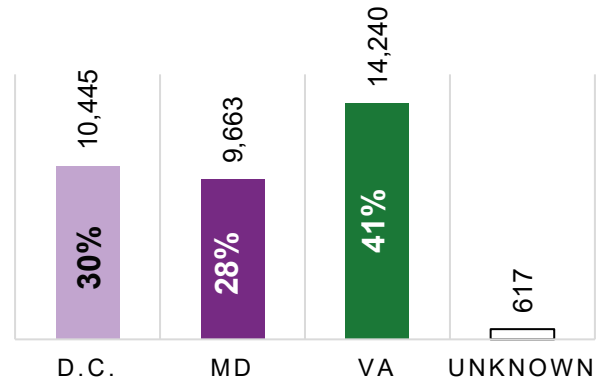
**Figure 16: Travel Mode of Virginia Residents to Virginia Metrorail Stations, Weekday AM Peak**



Source: WMATA 2016 Metrorail Passenger Survey and NVTC

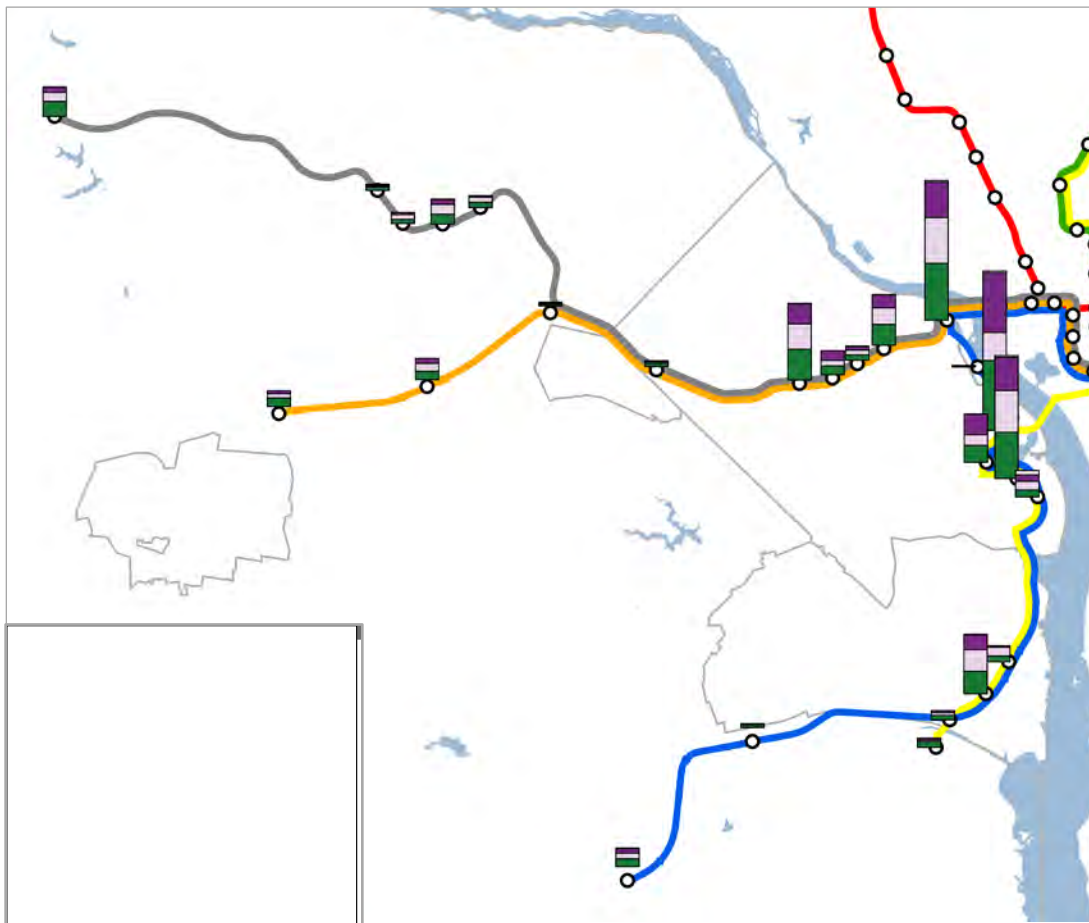
- ✓ Ridership patterns at Virginia stations reflect land use. Large numbers of riders from across the region exit at Virginia stations to go to work, reflecting the concentration of employment and access to transit in Northern Virginia (Figure 17 and 18).

**Figure 17: Location of Residence of Metrorail Riders Exiting at Virginia Stations, Weekday AM Peak**



Source: WMATA 2016 Metrorail Passenger Survey

**Figure 18: Location of Residence of Metrorail Riders Exiting at Virginia Stations, Weekday AM Peak**

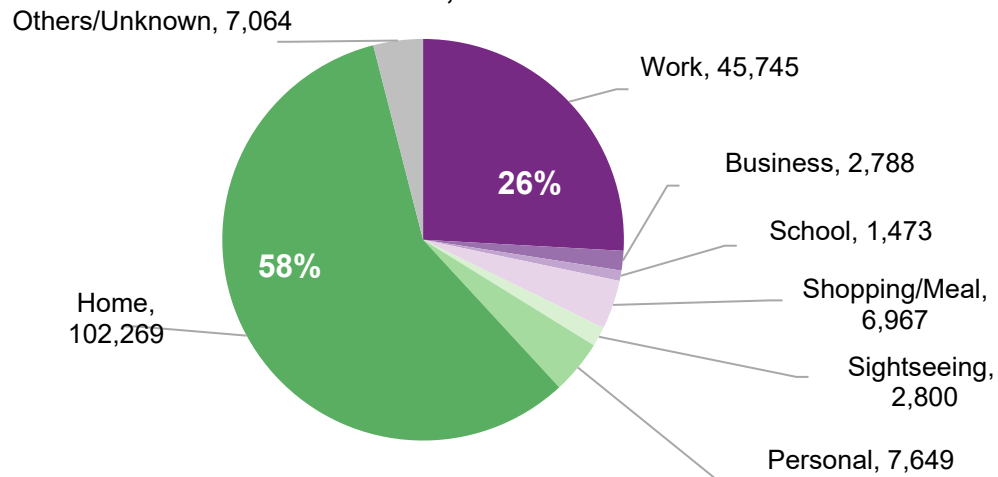


Source: WMATA 2016 Metrorail Passenger Survey and NVTC



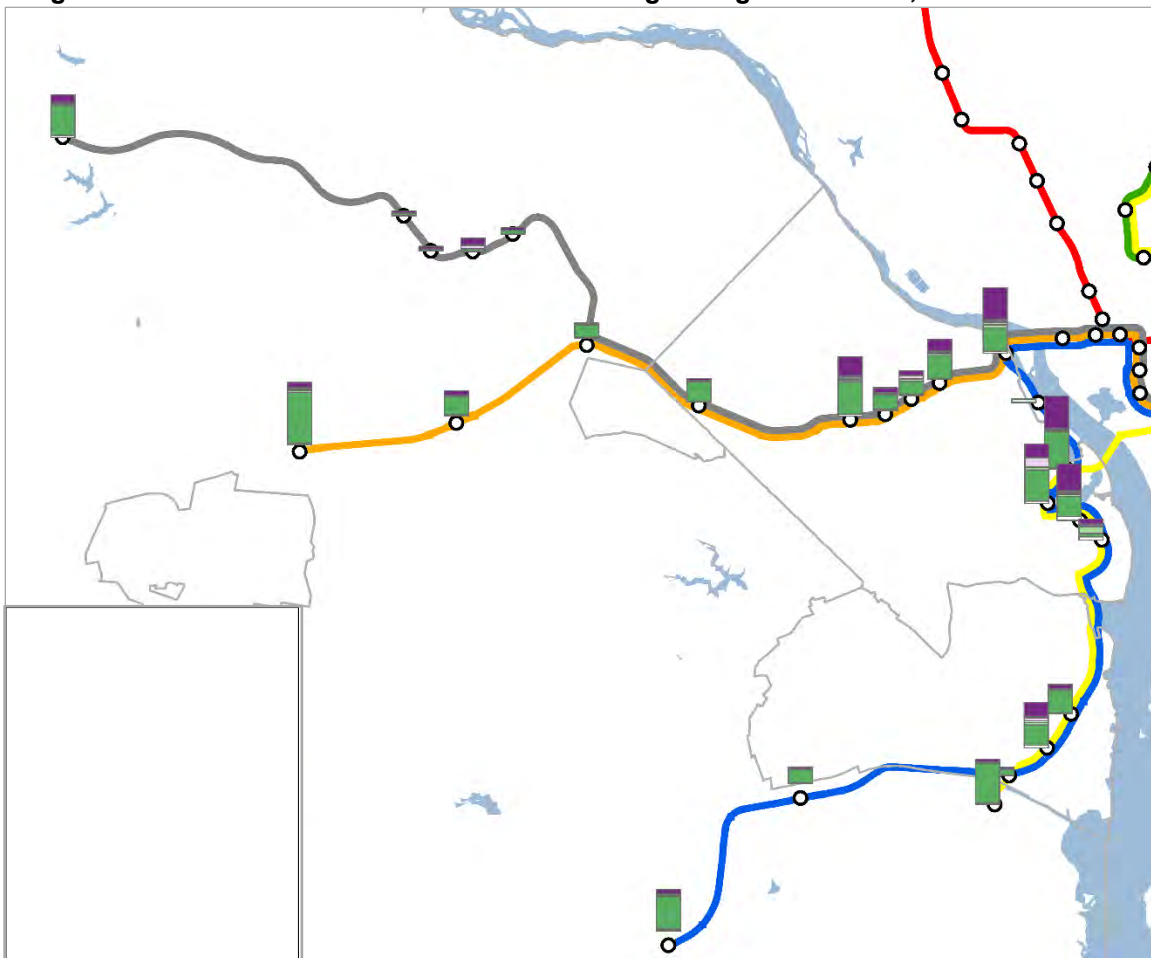
- ✓ The destinations of riders exiting at Virginia Metrorail stations during the entire day demonstrates the distribution of uses around Virginia stations (Figures 19 and 20). Most riders are exiting to go home, reflecting a high amount of commuting to jobs by Virginia riders. Many riders, however, are exiting to go to work or for other reasons.

**Figure 19: Destinations of Metrorail Riders Exiting at Virginia Stations, All Time Periods**



Source: WMATA 2016 Metrorail Passenger Survey

**Figure 20: Destinations of Metrorail Riders Exiting at Virginia Stations, All Time Periods**



Source: WMATA 2016 Metrorail Passenger Survey and NVTC

## **Metrorail Passenger Survey Background**

WMATA periodically conducts a passenger survey for budgeting purposes, Title VI compliance, and systems and operational planning. The survey focuses on ridership and travel characteristics and provides one of the inputs into the Metrorail operating subsidy allocation formula.

In 2016, WMATA conducted the most recent survey, updating the survey administered in 2012. The survey was distributed to riders at their stations of entry and asks questions about their Metrorail trip, where they live, and other demographic information. The survey also asked riders to provide information regarding their trips (e.g., origin, station of entry and exit, destination, and mode to reach Metrorail stations, etc.), as well as their background, jurisdiction of residence, income, and other demographic or geographic variables. This survey was conducted prior to the start of SafeTrack.

WMATA provided NVTC staff with the survey data for internal analysis and was provided with NVTC staff findings. NVTC staff focused its analysis on riders who live in Virginia, their travel mode to and from a station, and their trip purpose.

The weekday survey sample for the region distributed 266,554 surveys with 62,041 valid responses. The survey responses were weighted against observed ridership for a weighted survey total of 666,650 weekday riders.

**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice and Rhonda Gilchrest

**DATE:** September 28, 2017

**SUBJECT:** Virginia Railway Express (VRE)

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**A. VRE CEO Report and Minutes**

At the October meeting, VRE CEO Doug Allen will update the Commission on VRE activities. The [VRE CEO Report for September 2017](#) and the [Minutes of the September 15, 2017 Operations Board Meeting](#) are attached.

**B. ACTION ITEM: Resolution #2343: Referral of the Preliminary FY2019 VRE Operating and Capital Budget to the Jurisdictions**

The Commission is asked to approve [Resolution #2343](#) to refer the Preliminary FY2019 VRE Operating and Capital Budget to the jurisdictions for review and comment.

The [VRE presentation on the Preliminary FY 2019 VRE Operating and Capital Budget](#) was given at the Operations Board September 15<sup>th</sup> meeting. The preliminary budget totals \$146.3 million, with a current unfunded gap of \$1.6 million. The budget includes a three percent jurisdictional increase, with no fare increase. The budget projects a continuation of current levels of state capital matching funds in FY2019 and a small decline in state operating assistance.

As part of the budget process, VRE will submit a final balanced budget to the jurisdictions in the beginning of December for evaluation prior to submission to the Operations Board at its December meeting. The final budget will be presented to the Commissions for approval at their January 2018 meetings. Additional information on VRE's preliminary budget is provided in the [attached VRE memorandum](#).

**C. VRE Crystal City Station Improvement Project Update**

VRE staff briefed the VRE Operations Board on the [status of the VRE Crystal City Station Improvements project](#) at its September 15<sup>th</sup> meeting. VRE conducted a technical analysis of three possible station locations using a two-step evaluation process that integrated extensive public outreach and stakeholder coordination. The technical analysis has determined that the Option 2 site is the preferred platform location on which to focus further analysis and design. This location, when compared to other options,

provides the highest level of connectivity with local jobs and regional transportation, a comparable level of community and environmental impacts, and moderate construction cost. The [attached VRE memorandum](#) provides more information on the project, including VRE's extensive outreach to the public.

The Arlington County Board considered the station location options at its September 19<sup>th</sup> meeting but declined to endorse the VRE staff recommended Option 2 and instead acknowledged that Option 2 is the preferred option of VRE staff. VRE staff will now need to determine next steps.

# CEO REPORT

SEPTEMBER 2017





# OUR MISSION

The Virginia Railway Express, a joint project of the Northern Virginia Transportation Commission and the Potomac Rappahannock Transportation Commission, will provide safe, cost-effective, accessible, reliable, convenient, and customer responsive commuter-oriented rail passenger service. VRE contributes to the economic vitality of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.



CEO REPORT | SEPTEMBER 2017

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# SUCESS AT A GLANCE

Data provided reflects July 2017 information.



PARKING  
UTILIZATION

The total number of parking spaces used in the VRE system during the month, divided by the total number of parking spaces available.



AVERAGE DAILY  
RIDERSHIP

The average number of boardings each operating day inclusive of Amtrak Step-Up boardings but excluding "S" schedule operating days.

▲ Same month, previous year.



ON-TIME PERFORMANCE

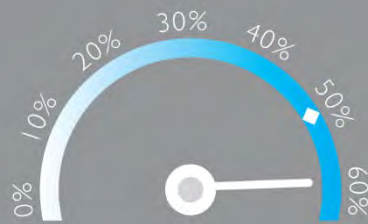
Percentage of trains that arrive at their destination within five minutes of the schedule.

▲ Same month, previous year.



SYSTEM CAPACITY

The percent of peak hour train seats occupied. The calculation excludes reverse flow and non-peak hour trains.



OPERATING RATIO

The monthly operating revenues divided by the monthly operating expenses, which depicts the percent of operating costs paid by the riders.

◆ Board-established goal.

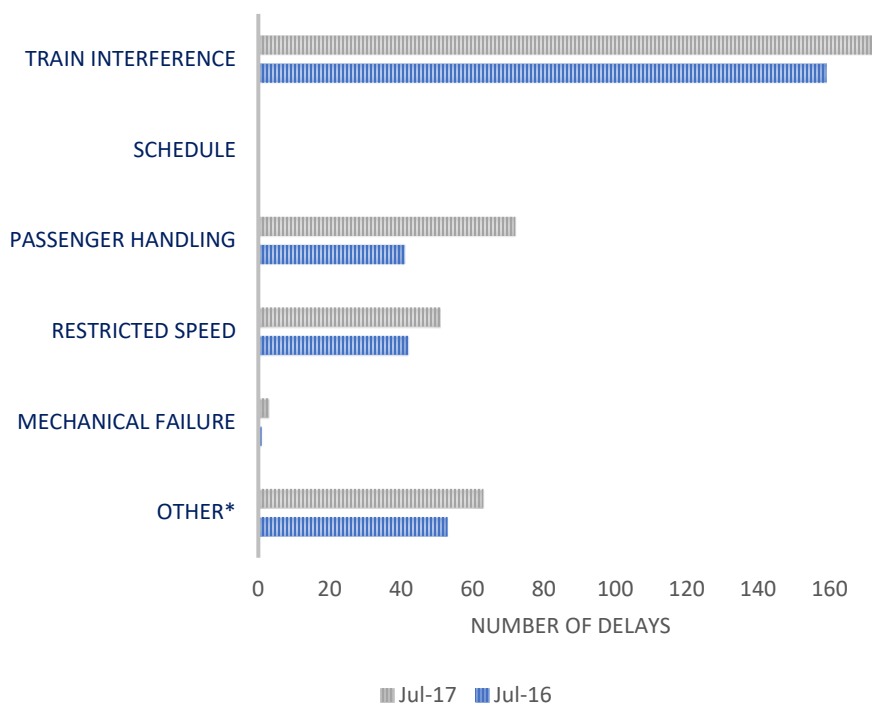


# ON-TIME PERFORMANCE

## OUR RECORD

	July 2017	June 2017	July 2016
Manassas Line	82%	91%	85%
Fredericksburg Line	73%	85%	65%
System Wide	77%	88%	75%

## REASONS FOR DELAYS



VRE operated 640 trains in July. Our on-time rate for July was 77%. One hundred and forty-five of the 640 trains arrived more than five minutes late to their final destinations. There were fifty-nine late trains on the Manassas Line and eighty-six late trains on the Fredericksburg Line.

Due to heat restrictions on more than half of our operational days, we missed our 90% on-time goal for this month. Another significant factor is rail congestion delays due to the continuing infrastructure upgrade projects along the rail.

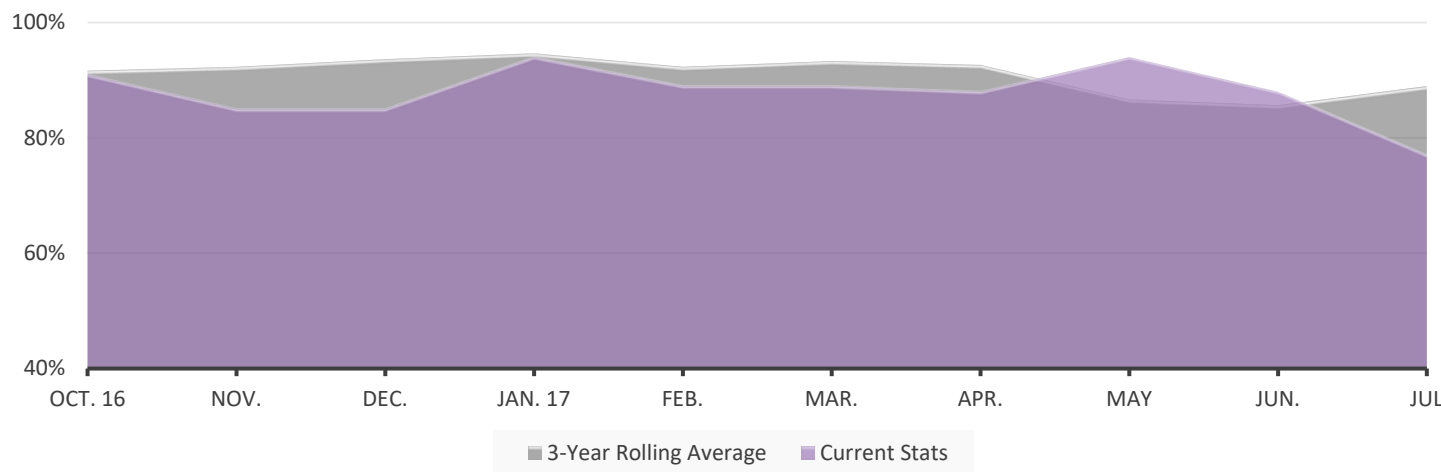
\*Includes those trains that were delayed due to late turns, weather, signal/switch failures and maintenance of way.

## LATE TRAINS

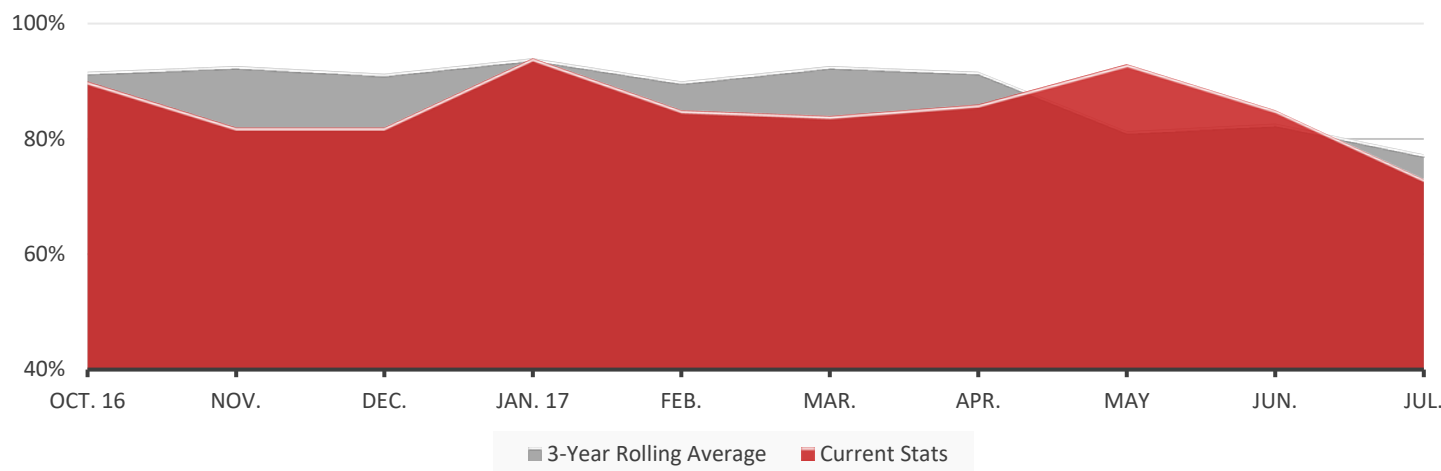
	System Wide			Fredericksburg Line			Manassas Line		
	May	Jun.	Jul.	May	Jun.	Jul.	May	Jun.	Jul.
Total late trains	45	86	145	26	53	86	19	33	59
Average minutes late	11	14	15	12	15	17	10	12	13
Number over 30 minutes	1	4	13	1	3	10	0	1	3
Heat restriction days / total days	3/22	5/22	12/20						

ON-TIME PERFORMANCE

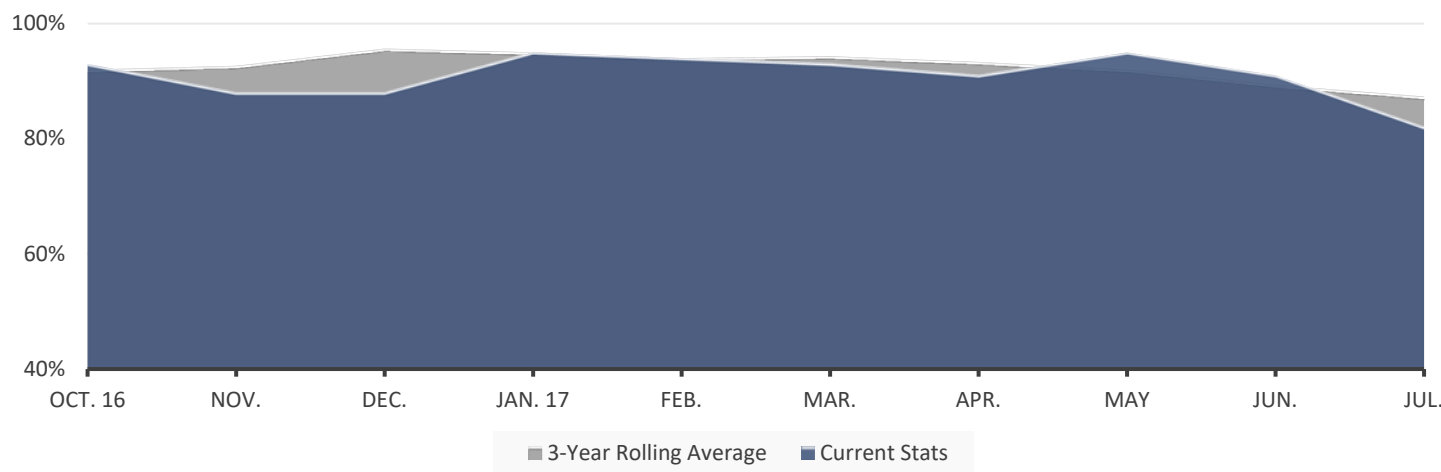
VRE SYSTEM



FREDERICKSBURG LINE

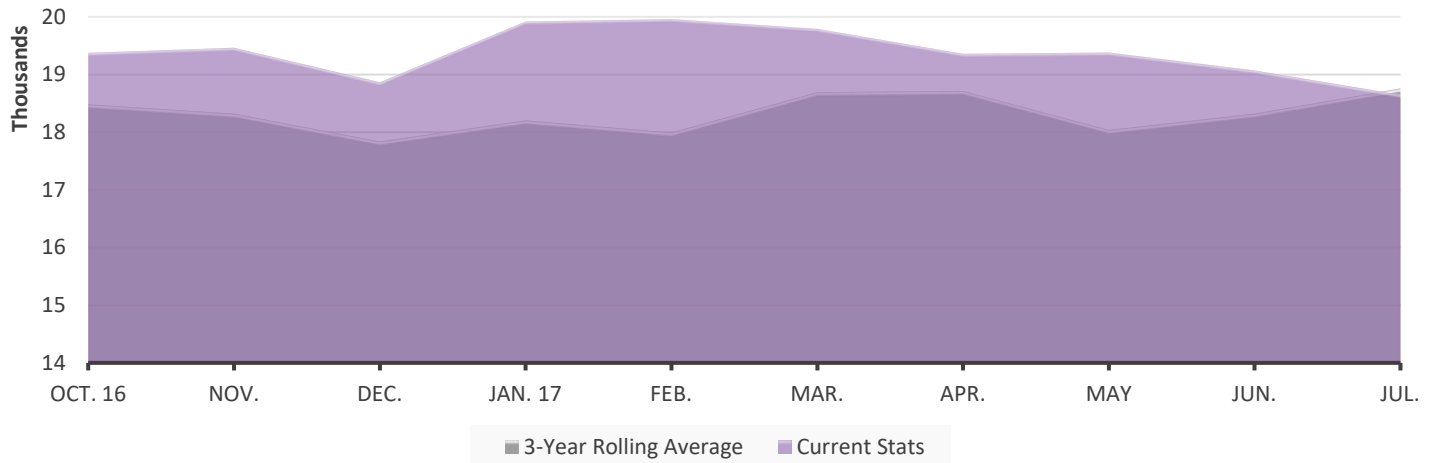


MANASSAS LINE

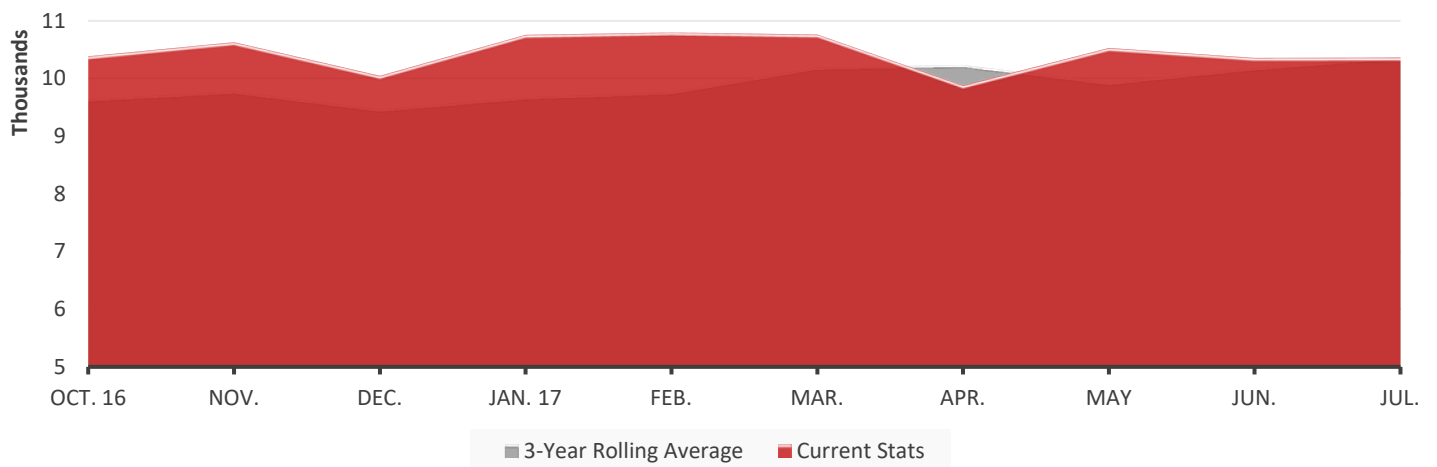


# AVERAGE DAILY RIDERSHIP

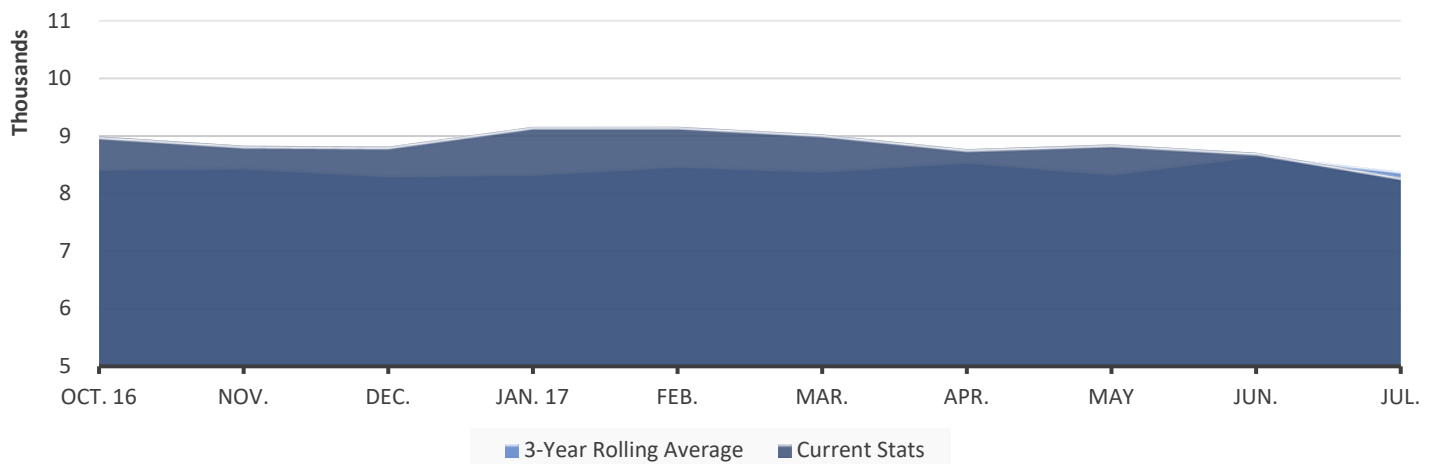
## VRE SYSTEM



## FREDERICKSBURG LINE



## MANASSAS LINE

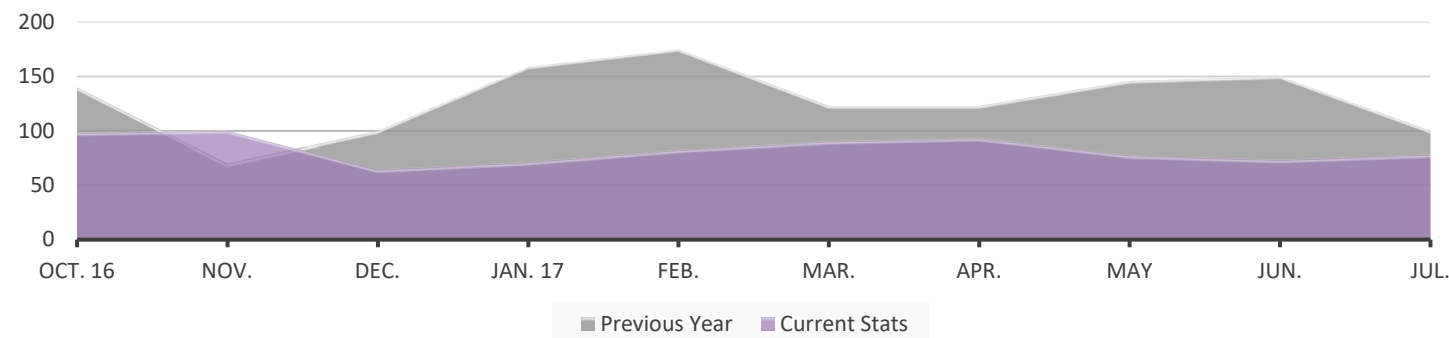


Average daily ridership (ADR) in July was approximately 18,600. The ADR this July was slightly lower than July 2016. This month last year, many Metrorail customers began using VRE as an alternative service as WMATA’s SafeTrack surges affecting the Yellow and Blue Lines paralleling our Fredericksburg Line began.

	July 2017	June 2017	July 2016
Monthly Ridership	372,931	419,499	386,527
Average Daily Ridership	18,647	19,068	19,326
Full Service Days	20	22	20
“S” Service Days	0	0	0

## SUMMONSES ISSUED

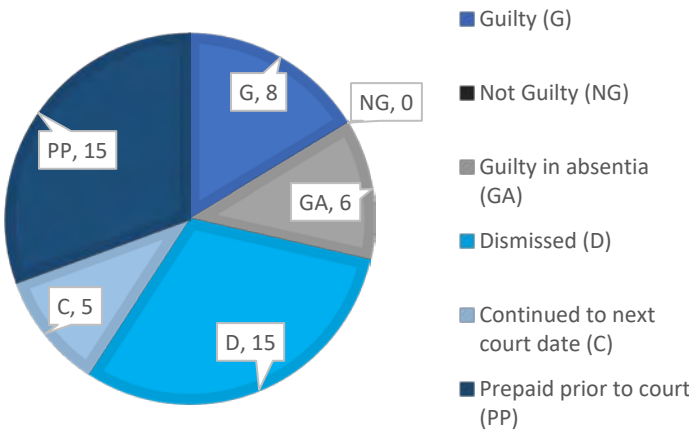
### VRE SYSTEM



### SUMMONSES WAIVED OUTSIDE OF COURT

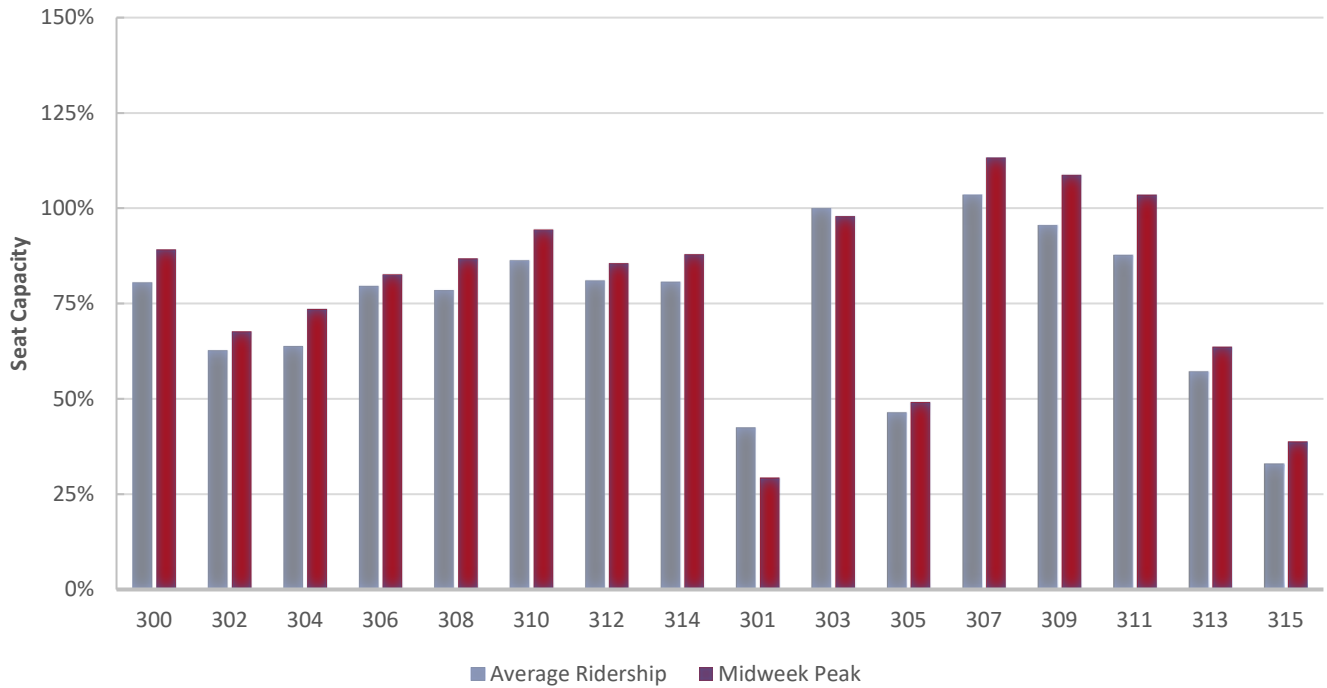
Reason for Dismissal	Occurrences
Passenger showed proof of a monthly ticket	17
One-time courtesy	12
Per the request of the conductor	16
Defective ticket	0
Per Ops Manager	0
Unique circumstances	0
Insufficient information	0
Lost and found ticket	0
Other	0
<b>Total Waived</b>	<b>45</b>

### MONTHLY SUMMONSES COURT ACTION

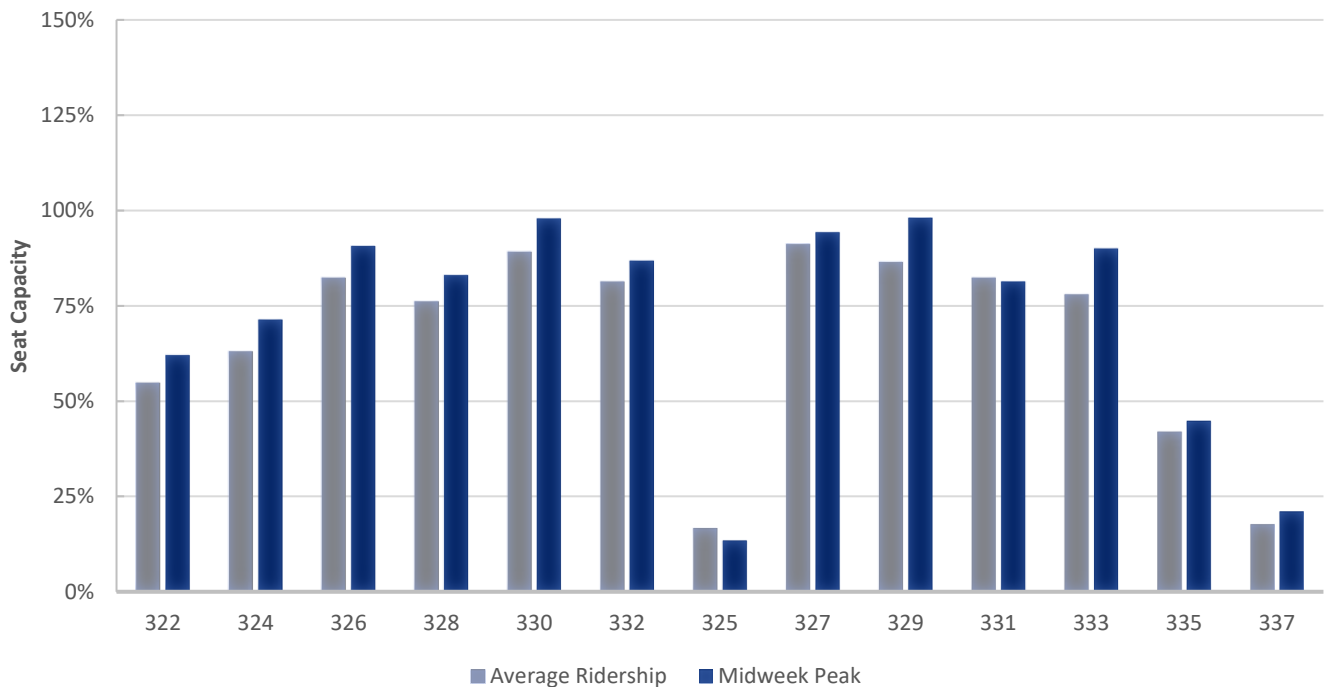


# TRAIN UTILIZATION

## FREDERICKSBURG LINE

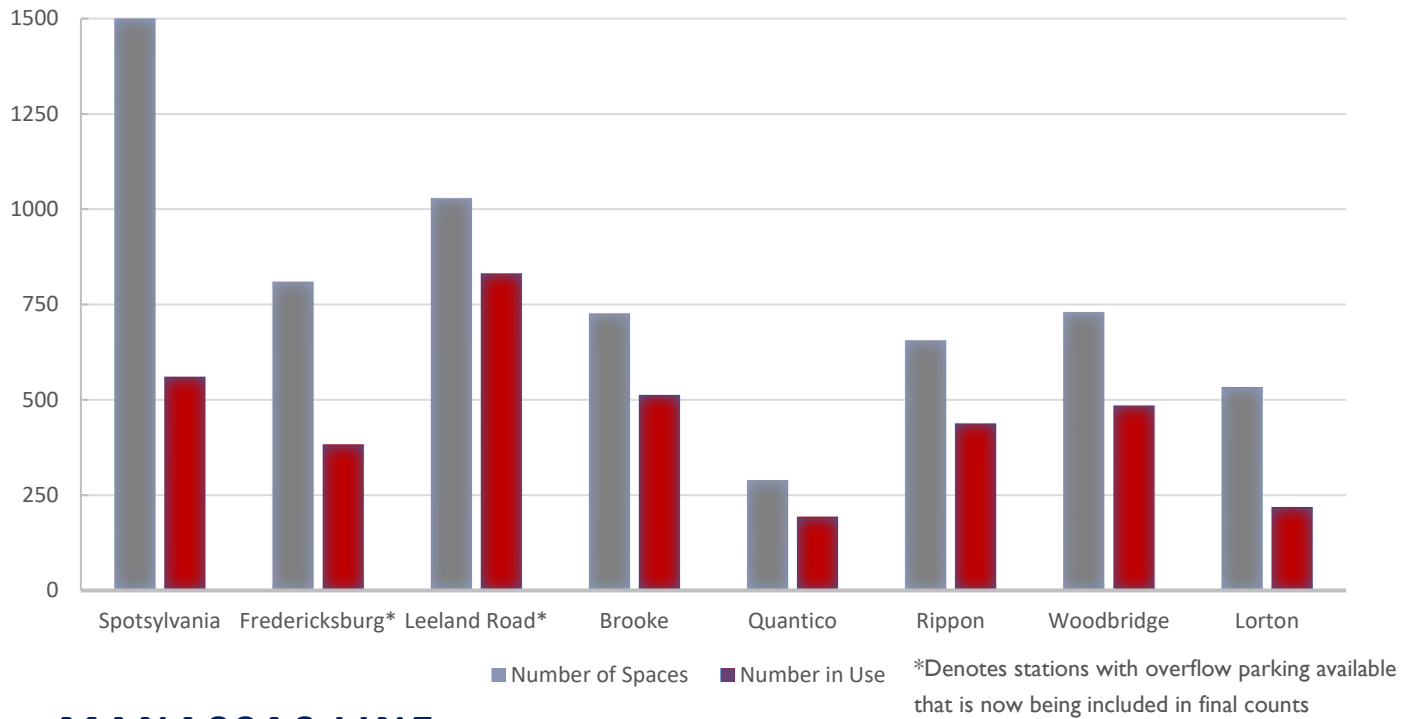


## MANASSAS LINE

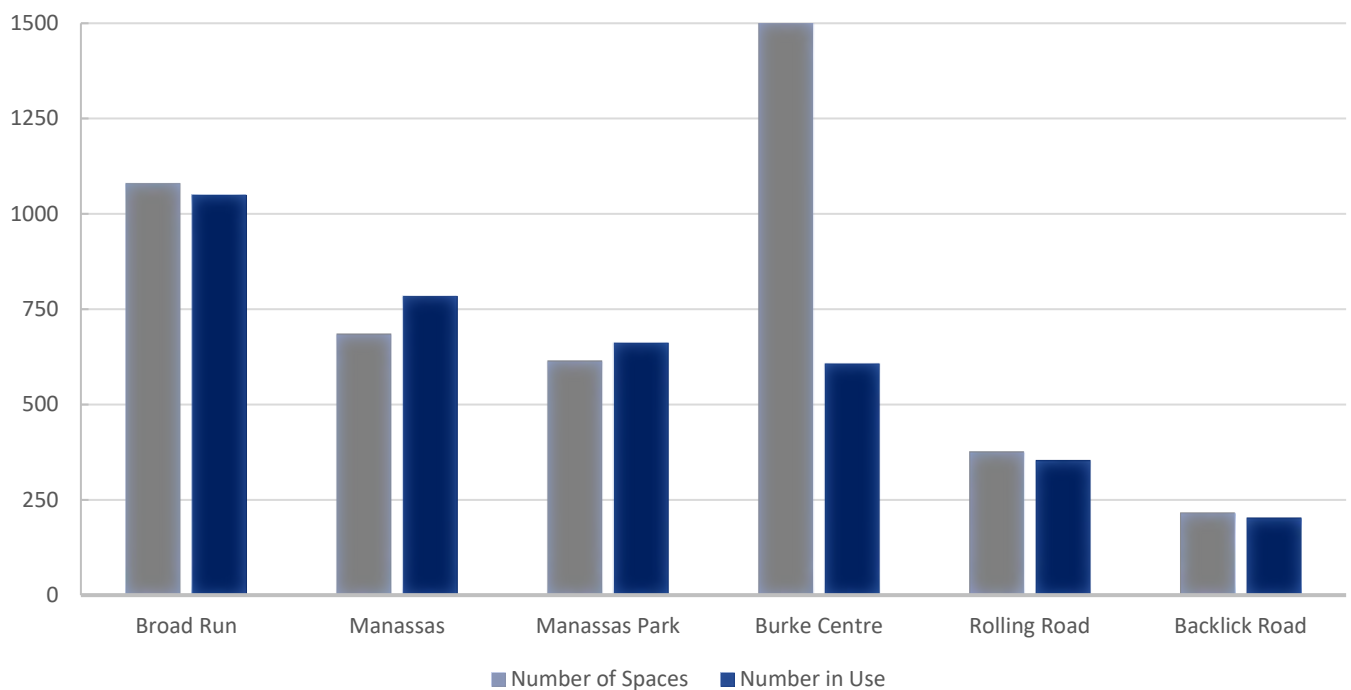


# PARKING UTILIZATION

## FREDERICKSBURG LINE



## MANASSAS LINE



# FINANCIAL REPORT

The July 2017 Financial Report reflects the first month of FY 2018. The summary below of the financial results (unaudited) includes information on the major revenue and expense categories.

Fare income to-date for FY 2018 is \$311,045 above the budget – a favorable variance of 9.7%. Revenue is however down 4.7% compared to the same period in FY 2017. Our budgeted goal ratio for FY 2018 is 50%. VRE's annual liability insurance premium was accounted for in full in July, resulting in an operating ratio of 38%. Absent this premium, the operating ratio would have been 65%.

Please Note: These figures are preliminary and unaudited. Reflects month ended July 31, 2017.

FY 2018 Operating Budget Report							
Month Ended July 31st, 2017							
	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD \$ VARIANCE	YTD % VARIANCE	TOTAL FY18 BUDGET
<b>Operating Revenue</b>							
Passenger Ticket Revenue	3,498,677	3,187,632	3,498,677	3,187,632	311,045	9.8%	39,845,400
Other Operating Revenue	2,323	18,000	2,323	18,000	(15,677)	-87.1%	225,000
<b>Subtotal Operating Revenue</b>	<b>3,501,000</b>	<b>3,205,632</b>	<b>3,501,000</b>	<b>3,205,632</b>	<b>295,368</b>	<b>9.2%</b>	<b>40,070,400</b>
Jurisdictional Subsidy (1)	8,798,260	8,798,261	8,798,260	8,798,261	(0)	0.0%	12,874,980
Federal/State/Other	2,536,547	2,583,235	2,536,547	2,583,235	(46,688)	-1.8%	31,005,851
Jurisdictional Subsidy							
Appropriation from	-	-	-	-	-	0.0%	955,000
Reserve/Other Income							
Interest Income	38,778	6,000	38,778	6,000	32,778	546.3%	75,000
<b>Total Operating Revenue</b>	<b>14,874,586</b>	<b>14,593,127</b>	<b>14,874,586</b>	<b>14,593,127</b>	<b>281,458</b>	<b>1.9%</b>	<b>84,981,231</b>
<b>Operating Expenses (\$)</b>							
Departmental Operating Expenses	9,114,404	9,367,620	9,114,404	9,367,620	253,216	2.7%	78,230,361
Debt Service	559,817	559,573	559,817	559,573	(244)		6,714,870
Other Non-Departmental Expenses	-	-	-	-	-		36,000
<b>Total Operating Expenses</b>	<b>9,674,221</b>	<b>9,927,193</b>	<b>9,674,221</b>	<b>9,927,193</b>	<b>252,972</b>	<b>2.5%</b>	<b>84,981,231</b>
<b>Net income (loss) from Operations (\$)</b>	<b>5,200,365</b>	<b>4,665,935</b>	<b>5,200,365</b>	<b>4,665,935</b>	<b>534,431</b>		<b>-</b>
<b>Calculated Operating Ratio</b>			<b>38%</b>	<b>34%</b>		<b>Goal</b>	<b>50%</b>

(1) Total jurisdictional subsidy is \$17,250,240. Portion shown is attributed to Operating Fund only.

## FACILITIES UPDATE

The following is a status update of VRE facilities projects:

### Completed projects:

1. Repairs to pavement and restriping at Woodbridge Station
2. Removal of dying trees at Woodbridge Station
3. Pumping and cleaning of oil/water separator at Manassas Station parking garage

### Projects scheduled to be completed this quarter:

1. Painting of east side of Alexandria Station
2. Replacement of waste and recycling receptacles at Lorton Station
3. Painting of Woodbridge Station and parking garage
4. Installation of fiber conduit across pedestrian bridge at Rippon Station
5. Repairs to pavement and restriping at Brooke Station
6. Repairs to wooden privacy fence at Brooke Station expansion parking lot
7. Painting of Manassas Station and parking garage
8. Restriping of Manassas Station parking garage
9. Installation of monitoring wells on two outfall drainage pipes at Broad Run Yard to allow for accurate discharge sampling for VPDES General Permit compliance

### Projects scheduled to be initiated this quarter:

1. Repairs to fascia and soffit at Woodbridge Station east building
2. Replacement of signage with new standard signage at various stations, starting at Brooke Station
3. Installation of pathfinder signs for Spotsylvania Station
4. Repairs to pavement at Crossroads yard access road
5. Replacement of light poles and fixtures at Manassas Station
6. Replacement of parking lot signage at Broad Run Station
7. Replacement of aging HVAC units throughout VRE system



*Woodbridge Station Pavement Repairs and Striping*



*Removal of Dying Trees at Woodbridge Station*



8. Repairs to platform concrete at various stations
9. Replacement of tactile warning strips at various stations
10. Replacement of ADA parking signage at various stations

Ongoing projects:

1. Modernization of west elevator at Franconia-Springfield Station
2. Development of specifications for modernization of Woodbridge Station east elevator
3. Development of design of platform concrete rehabilitation and other station improvements at Fredericksburg Station (to be managed by Office of Development)
4. Development of IFB for Canopy Roof Replacement at the Backlick and Rolling Road Stations
5. Installation of utility power status remote monitoring at various stations

# UPCOMING PROCUREMENTS

## Scope of Work Pending:

- Replacement of Tactile Warning Strips at Station Platforms
- Purchase of Passenger Elevators
- Construction of the Lifecycle Overhaul and Upgrade Facility
- Construction Management Services for the Lifecycle Overhaul and Upgrade Facility
- Information Technology Services
- Program Management Services
- Graphic Design Services
- Canopy Roof Replacement at the Backlick and Rolling Road Stations
- Passenger Railcar Truck Overhaul Services
- Modernization of VRE Woodbridge Station East Elevator
- Repair and Overhaul of Passenger Car HVAC Assemblies
- Repair and Overhaul of Passenger Car Wheelchair Lift Assemblies

# CAPITAL PROJECTS UPDATES

As of August 4, 2017

## Broad Run Expansion Study (was Gainesville-Haymarket Expansion Study) (BRX/GHX)

- Kickoff meeting and work session occurred on July 14th
- Reviewed travel demand forecasting assumptions with consultant via conference call
- Project Management Team Meeting (PMT) and Maintenance & Storage Facility (MSF0) program work session took place on August 2nd
- Collaborated with Purchasing and Contracts Administration Department on scope, schedule, and budget for development of AECOM contract amendment

## VRE Core Capacity Project Implementation Strategy

- Analyzed and updated preliminary core capacity project list

## National Transit Database Survey

- Updated and sent ridership calculation spreadsheet to VRE Customer Service staff for use in ridership tracking data entry
- Continued to review draft survey summary memo from VHB and drafted statistical analysis
- Reviewed statistician summary memo of sampling and calculation methodology

## Quadrennial Constrained Long Range Plan (CLRP) Financial Analysis

- Met with VRE financial staff to review assumptions for financial analysis
- Prepared expenditure estimates for operations and maintenance, capital/State-of-Good-Repair, and capital/expansion
- Updated VRE inputs to MWCOG Transportation Improvement Plan (TIP)/CLRP project costs
- Continued to review Transportation Planning Board revenue/expenditure forecasts relative to VRE inputs to TIP/CLRP project costs

## VRE Financial Plan Update

- Updated service statistics to include factors such as crew hours, number of coaches in service, etc.
- Evaluated and revised project costs, schedule and funding for Natural Growth scenario
- Internal meeting on June 26th to discuss capital project cost allocation assumptions in Financial Plan/CIP
- Reviewed Financial Plan model results for funding deficit for Natural Growth and System Plan 2040 with PFM on July 7th
- Met with VRE financial staff to assess the Financial Plan model scenarios
- Updated project costs, schedule, and funding for Natural Growth scenario for select projects, and also for Modified Service scenario/proxy for revised System Plan 2040
- Revised select project costs, schedule, and funding for Modified Service scenario/proxy for revised System Plan 2040
- Discussed Financial Plan model scenarios update with Project Management Team (PMT)

## VRE Fleet Management Plan

- Reviewed final draft Fleet Management Plan update; circulated for senior management review prior to FTA Triennial Review

## Midday Storage Replacement Facility

- Reached out to gas station owner for permission to enter property to perform borings

- Geotech borings on New York Avenue NE completed
- Contract Amendment 1 for Amtrak field services sent to VHB
- Contract Amendment 2 for turntable and Amtrak design review services sent to VHB
- Briefed Council Member Bonds' Chief of Staff on July 25th
- Updated project website with information from the second public meeting

#### Rolling Road Platform Extension

- Coordination meeting held on July 14th
- Dewberry revised 60 percent drawings. VRE will review and confirm platform length and potential operating issues prior to submission to NS
- Dewberry continued to coordinate with Fairfax County with permitting review

#### Long Bridge Expansion Study

- Drafted and sent Memorandum of Agreement (MOA) with Federal Railroad Administration (FRA) comments to VRE legal counsel for review
- Continued project development process for a new fourth track between LE to VA Interlockings in the District of Columbia
- Participated in Project Management Team meeting on July 26th

#### Southeast High Speed Rail Corridor (DC2RVA) Coordination

- Participated in task force meeting on July 12th; Draft Environmental Statement is expected for late Summer 2017

#### Washington Union Station Project EIS

- Amtrak will contact VRE to schedule a review of 90 percent drawings

#### Lorton Platform Extension

- On site and regular communication and coordination with CSXT, Fairfax County, utilities, and other stakeholders (including regularly scheduled project meetings with Hammerhead Construction, the prime contractor)
- Project meeting held onsite with VRE, STV, and Hammerhead Construction on July 12th
- Progress meeting held onsite with VRE, STV, HDR, CSXT, and Hammerhead Construction on July 26th
- Construction mobilization and beginning installation of erosion and sediment control measures continue
- Site preparation and submittals continued in preparation for fill operations, including concrete form setting, reinforcing steel wire mesh, and concrete placement, and conduit installations and drainage installation
- Electric and Communication Conduit installation and fill operations continued; the first structural steel column foundation dug in anticipation of placement of concrete
- Two concrete placements for platform were established



Formwork and reinforcing steel wire mesh in place for concrete placement at Lorton Station.



Concrete placement for the new platform extension at Lorton Station.

#### Arkendale to Powell's Creek Third Track Project

- Project cleanup and work on eroded areas at Retaining Wall 14 and Bauer Road Bridge continuing as other scope, contract, and agreement issues are resolved between CSXT, DRPT and the contractor

#### Quantico Station

- 60 percent design for station and 90 percent design for site, civil, drainage, track, and retaining wall in vicinity of station released to stakeholders for review and comment
- DRPT Task Order for STV to be able to complete 60-to-90 percent design was executed
- Utility location and potential conflicts coordinated on site through CSXT
- Follow-up design detail meeting occurred at VRE headquarters on July 11th, followed by a walk-thru onsite at Quantico Station/Package 5 on July 13th

#### Potomac Shores Station

- Re-design of station concept waiting on Arkendale to Powell's Creek agreements to be finalized

#### Spotsylvania Station / FB-to-XR Third Track

- Finalizing punch list items for Spotsylvania Station and the FB to XR Third Track projects. Contractors received their final payments in the past quarter and project closeouts forthcoming

#### Franconia-Springfield Station Improvements

- Participated by phone in DC2RVA Task Force Meeting #11
- Continued with review and preparation of comments for the draft compiled from 30 percent plans from GEC
- Submitted comments on 30 percent plans to GEC
- CSXT coordination meeting regarding Penta Projects occurred on July 18th
- Coordinated with Procurement Division on GEC final design Task Order (TO) award
- Participated in a DC2RVA coordination call with DRPT staff and consultants
- Participated in an internal Project Management Workshop



*Finishing work on the new platform extension at Lorton Station.*



*Steel erection for the new canopy as part of the Lorton Station platform extension.*



- Coordinated with Procurement Division on GEC final design task order rescind letter
- Participated in the GEC coordination call for Penta Platform Projects on July 31st
- Participated in CSXT coordination call for Penta Platform Projects on August 1st

#### Lorton Station Improvements (Second Platform)

- Reviewed and recommended payment of GEC VII Task Order Invoice #11
- Participated by phone in DC2RVA Task Force Meeting #11
- Continued with review and preparation of comments for the draft compiled from 30 percent plans from GEC
- Provided comments on first draft of CSXT design review agreement from legal
- CSXT coordination meeting regarding Penta Projects occurred on July 18th
- Coordinated with Procurement Division on GEC final design Task Order (TO) award
- Participated in a DC2RVA coordination call with DRPT staff and consultants
- Participated in an internal Project Management Workshop
- Participated in the GEC coordination call for Penta Platform Projects on July 31st
- Participated in CSXT coordination call for Penta Platform Projects on August 1st
- Received platform extension project plans and CAD files for coordination



*Retaining Wall 14 and Quantico Creek Bridge as viewed from future site of Retaining Wall 13*



*Quantico Station Expansion Location as viewed from future site of Retaining Wall 13*

#### Rippon Station

- Continued development of 30 percent plans and cost estimate
- Participated by phone in DC2RVA Task Force Meeting #11
- CSXT coordination meeting regarding Penta Projects occurred on July 18th
- Participated in a DC2RVA coordination call with DRPT staff and consultants
- Participated in an internal Project Management Workshop
- Participated in the GEC coordination call for Penta Platform Projects on July 31st
- Participated in CSXT coordination call for Penta Platform Projects on August 1st
- Submitted National Environmental Policy Act (NEPA) documents to PRTC for review

#### Leeland Road Station

- Reviewed and provided comments on Virginia Department of Transportation's (VDOT) Smart Scale start dates for design
- Continued development of 30 percent plans and cost estimate
- Participated by phone in DC2RVA Task Force Meeting #11
- CSXT coordination meeting regarding Penta Projects occurred on July 18th
- Participated in a DC2RVA coordination call with DRPT staff and consultants
- Participated in an internal Project Management Workshop
- Participated in the GEC coordination call for Penta Platform Projects on July 31st
- Participated in CSX coordination call for Penta Platform Projects on August 1st

#### Brooke Station

- Evaluated different options using Cost Tool
- Reviewed and provided comments on Virginia Department of Transportation's (VDOT) Smart Scale start dates for design
- Continued development of 30 percent plans and cost estimate
- Participated by phone in DC2RVA Task Force Meeting #11
- CSXT coordination meeting regarding Penta Projects occurred on July 18th
- Participated in a DC2RVA coordination call with DRPT staff and consultants
- Participated in an internal Project Management Workshop
- Participated in the GEC coordination call for Penta Platform Projects on July 31st
- Participated in CSXT coordination call for Penta Platform Projects on August 1st

#### Alexandria Pedestrian Tunnel Project

- Met with consultant to receive plans and specifications at 60 percent that addressed the comments provided by major stakeholders
- Reviewed 60 percent design materials, including plans, specs., and comment resolution
- Continued to develop review items for 60 percent to 90 percent plans
- Reviewed 60 percent cost estimate from previous submittal
- Reviewed items that have to be considered for advancing the APT with bridges

#### Crossroads Lifecycle Overhaul & Upgrade Facility

- Property rezoning application submitted on July 14th
- Held Conference Call with VRE and STV to discuss water pressure issue at Crossroads Yard

#### L'Enfant (North) Storage Track Wayside Power

- Paid premium to C3M Power for insurance extension
- CSXT due on site to continue with signal installation and south derail installation

#### L'Enfant (South) Storage Track Wayside Power

- Prepared GEC VII task order for NXL to conduct property and survey for parcel that will be used for wayside power equipment
- Abbreviated property investigation conducted
- Prepared and sent property investigation and field survey to NXL
- Responded to questions from NXL regarding task order
- Received VAL map from CSXT and forwarded to NXL

#### Slaters Lane/Alexandria Track 1 Access

- Reviewed and provided comments to VRE legal counsel on Draft Construction Agreement
- Participated in bi-weekly coordination call with CSXT

#### Manassas Park Station Parking Expansion

- Preliminary design is ongoing
- A MOA was drafted to cover VRE and City roles and responsibilities through design and construction, as well as long-term operations and maintenance
- Final edits to the Alternatives Analysis report are being made
- Reviewed zoning waiver for parking space width submitted by consultant
- Reviewed comments on plumbing needs in garage
- Reviewed Safety Plan submitted by consultant for first phase of project
- Continued to evaluate draft NEPA documentation for a Categorical Exclusion
- Draft Traffic Impact Analysis being revised per VRE comments

#### Fredericksburg Station Repairs

- Notice to Proceed (NTP) issued on July 14th

PROJECTS PROGRESS REPORT  
PASSENGER FACILITIES

As of August 4, 2017

PROJECT	DESCRIPTION	PHASE					
		CD	PD	EC	RW	FD	CN
Union Station Improvements (Amtrak/VRE Joint Recapitalization Projects)	Station and coach yard improvements of mutual benefit to VRE and Amtrak.	◆	◆	◆	N/A	◆	●
Alexandria Station Improvements	Pedestrian tunnel to METRO and eliminate at-grade track crossing.	◆	◆	◆	N/A	●	
	Modify Slaters Lane Interlocking and East Platform for passenger trains on Track #1.	◆	◆	◆	N/A	●	
	Extend East Platform and elevate West Platform.	◆	◆	◆	N/A	●	
Franconia-Springfield Station Improvements	Extend both platforms and widen East Platform for future third track. ◆	◆	●	●	N/A		
Lorton Station Improvements	Extend existing platform.	◆	◆	◆	N/A	◆	●
	Construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Rippon Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Potomac Shores Station Improvements	New VRE station in Prince William County provided by private developer.	◆	◆	◆	N/A		■
Quantico Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass.	◆	◆	◆	N/A		■
Brooke Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Leeland Road Station Improvements	Extend existing platform, construct new second platform with pedestrian overpass. ◆	◆	●	●	N/A		
Manassas Park Parking Expansion	Parking garage to increase parking capacity to 1,100 spaces.	◆	●	●	N/A		
Rolling Road Station Improvements	Extend existing platform.	◆	◆	◆	N/A	●	
Crystal City Station Improvements	Replace existing side platform with new, longer island platform.	◆	●	●	N/A		
Broad Run Station Improvements	Parking garage to increase parking capacity by 900 spaces.	◆	◆	■	N/A		
PHASE: CD - Conceptual Design PD - Preliminary Design EC - Environment Clearance RW - Right of Way Acquisition FD - Final Design CN - Construction STATUS: ◆ Completed ● Underway ■ On Hold ◆ part of the "Penta-Platform" program							

Total <sup>1</sup>	ESTIMATED COSTS (\$)			Expended <sup>2</sup>	COMPLETION		STATUS
	Funded	Unfunded	Authorized		Percent	Date	
3,201,176	3,201,176	-	1,172,309	602,542	84%	4th QTR 2017	● Work resumed in April, 2016, and is anticipated to be completed September 2017.
10,021,865	10,021,865	-	1,814,559	1,504,443	51%	3rd QTR 2020	● 60% Comments under review
7,000,000	7,000,000	-	467,500	90,749	30%	1st QTR 2018	● Design work iscomplete and construction is anticipated to start as part of CSXT work program.
2,400,000	400,000	2,000,000	-	-	5%	3rd QTR 2020	● Design work on East Platform only. West Platform elevation funded.
13,000,000	13,000,000	-	*	191,196	20%	2nd QTR 2020	● Preliminary engineering is anticipated to be complete in Summer 2017.
2,500,000	2,500,000	-	1,846,675	410,351	60%	4th QTR 2017	● Construction resumed following delay to confirm location of new third track under Atlantic Gateway.
16,150,000	16,150,000	-	*	1,363,222	20%	2nd QTR 2020	● Preliminary engineering is anticipated to be complete in Summer 2017.
16,632,716	16,632,716	-	*	110,032	20%	4th QTR 2021	● Preliminary engineering is anticipated to be completed by August 2018.
No costs for VRE. Private developer providing station.					10%	TBD	■ On hold pending resolution of Arkendale to Powells Creek Third Track Project issues.
9,500,000	9,500,000	574,706	-	-	30%	TBD	■ On hold pending resolution of Arkendale to Powells Creek Third Track Project issues.
21,334,506	21,334,506	-	*	160,501	20%	4th QTR 2021	● Preliminary engineering is anticipated to be completed by August 2018.
14,336,156	14,336,156	-	*	135,675	20%	4th QTR 2021	● Preliminary engineering is anticipated to be completed by August 2018.
19,600,000	2,500,000	17,100,000	182,142	233,186	10%	2nd QTR 2018	● NTP issued in July, 2016. Alternatives Analysis report is being finalized.
2,000,000	2,000,000	-	442,900	27,551	8%	3rd QTR 2020	● 60% design plans under review. Force account agreement pending.
21,160,000	400,000	20,760,000	278,767	150,855	5%	2nd QTR 2023	● NTP for alternatives analysis and conceptual design issued December 2016.
24,420,000	3,420,000	21,000,000	2,031,263	393,120	30%	TBD	■ Project to be completed as part of Broad Run Expansion Project
1 Total project cost estimate in adopted FY2018 CIP Budget 2 Does not include minor (< \$50,000) operating expenditures * \$2,181,630 authorization divided across five "Penta-Platform" program stations							



TRACK AND INFRASTRUCTURE

PROJECT	DESCRIPTION	PHASE					
		CD	PD	EC	RW	FD	CN
Hamilton-to-Crossroads Third Track	2¼-miles of new third track with CSXT design and construction of signal and track tie-ins.	◆	◆	◆	N/A	◆	◆

MAINTENANCE AND STORAGE FACILITIES

Broad Run Yard Train Wash	New train wash facility to be added to the Broad Run MSF.	◆	◆	◆	N/A	■	
L'Enfant North Storage Track and Wayside Power	Conversion of existing siding into a midday train storage track.	◆	◆	◆	N/A	◆	●
L'Enfant South Storage Track and Wayside Power	Conversion of CSXT Temporary Track to VRE Storage Track (1,350 feet) and Associated Signal Work	◆	◆	◆	N/A	●	●
Lifecycle Overhaul and Upgrade Facility	New LOU facility to be added to the Crossroads MSF.	◆	◆	◆	N/A	◆	■
Crossroads Maintenance and Storage Facility Land Acquisition	Acquisition of 16.5 acres of land, construction of two storage tracks and stormwater retention and new	◆	N/A	N/A	■	N/A	N/A
Midday Storage	New York Avenue Storage Facility: Planning, environmental and preliminary engineering.	◆	●	●	●		

ROLLING STOCK

Passenger Railcar Procurement	Acquisition of 29 new railcars (15 received ▪ 14 being built)	◆	N/A	N/A	N/A	◆	●
Positive Train Control	Implement Positive Train Control for all VRE locomotives and control cars.	◆	N/A	N/A	N/A	◆	●

PLANNING, COMMUNICATIONS AND IT

Broad Run Expansion (was Gainesville-Haymarket Extension)	NEPA and PE for expanding commuter rail service capacity in Western Prince William County	◆	●	●	-	-	-
Mobile Ticketing	Implementation of a new mobile ticketing system.	◆	N/A	N/A	N/A	◆	●

PHASE: CD - Conceptual Design PD - Preliminary Design EC - Environment Clearance RW - Right of Way Acquisition FD - Final Design CN - Construction  
STATUS: ◆ Completed ● Underway ■ On Hold

Total <sup>1</sup>	ESTIMATED COSTS (\$)				COMPLETION		STATUS
	Funded	Unfunded	Authorized	Expended <sup>2</sup>	Percent	Date	
32,500,000	32,500,000	-	33,285,519	30,133,039	100%	4th QTR 2015	● Project complete. Close-out pending.
2,494,711	307,513	2,187,198	307,513	174,875	55%	TBD	■ Project to be completed as part of Broad Run Expansion Project
4,283,618	4,283,618	-	4,207,057	2,525,339	80%	2nd QTR 2017	● Power construction 90% complete. CSXT track and signal installation underway.
3,965,000	3,965,000	-	2,937,323	1,517,408	40%	3rd QTR 2017	● Power design under review by CSXT & Pepco. CSXT track and signal installation underway.
35,196,323	35,196,323	-	3,176,039	2,071,698	60%	TBD	■ Design 100% complete. On hold pending county zoning action.
2,950,000	2,950,000	-	2,950,000	76,767	75%	TBD	■ Completed cultural resources report. Submission of CE to FTA and county zoning action pending.
88,800,000	88,800,000	-	3,171,599	616,070	20%	4th QTR 2017	● Developing design options and PE. Identifying real estate requirements and acquisition strategy.
75,264,693	75,264,693	-	69,457,809	36,994,353	52%	4th QTR 2018	● 8 cars were received in FY 2015, 7 cars have been received in FY 2016 and 5 cars received in FY 2017.
10,553,000	10,553,000	-	10,294,079	7,368,521	80%	4th QTR 2018	● Onboard installations ongoing.
617,791,163	5,885,163	611,906,000	5,483,720	2,709,552	15%	3rd QTR 2022	● Phase 1 directed focus on capacity improvements on existing Broad Run terminus. Revising Phase 2 work program.
3,510,307	3,510,307	-	3,510,627	1,575,307	87%	2nd QTR 2017	● Integration with S&B system complete. Mobile now accounts for about 12% of monthly revenue and more than 25% of all tickets sold.

<sup>1</sup> Total project cost estimate in adopted FY2018 CIP Budget  
<sup>2</sup> Does not include minor (< \$50,000) operating expenditures



## VIRGINIA RAILWAY EXPRESS

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## Virginia Railway Express

Paul Smedberg  
Chairman

Maureen Caddigan  
Vice-Chairman

Katie Cristol  
Secretary

Paul Milde  
Treasurer

Sharon Bulova  
John C. Cook  
John D. Jenkins  
Matt Kelly  
Jennifer Mitchell  
Suhas Naddoni  
Martin Nohe  
Pamela Sebesky  
Gary Skinner  
Bob Thomas

### Alternates

Ruth Anderson  
Pete Candland  
Hector Cendejas  
Libby Garvey  
Todd Horsley  
Jeremy Latimer  
Jeanine Lawson  
Tim Lovain  
Jeff McKay  
Wendy Maurer  
Paul Trampe  
Billy Withers  
Mark Wolfe

Doug Allen  
Chief Executive Officer

1500 King Street, Suite 202  
Alexandria, VA 22314-2730

# MINUTES

## VRE Operations Board Meeting PRTC Headquarters – Prince William County, Virginia September 15, 2017

Members Present	Jurisdiction
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Katie Cristol (NVTC)	Arlington County
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
Suhas Naddoni (PRTC)	City of Manassas Park
Martin Nohe (PRTC)	Prince William County
Pamela Sebesky (PRTC)	City of Manassas
Gary Skinner (PRTC)	Spotsylvania County
Paul Smedberg (NVTC)	City of Alexandria
Bob Thomas (PRTC)	Stafford County

Members Absent	Jurisdiction
John C. Cook (NVTC)	Fairfax County
Matt Kelly (PRTC)	City of Fredericksburg
Jennifer Mitchell	DRPT

Alternates Present	Jurisdiction
Todd Horsley	DRPT
Billy Withers (PRTC)	City of Fredericksburg

Alternates Absent	Jurisdiction
Ruth Anderson (PRTC)	Prince William County
Pete Candland (PRTC)	Prince William County
Hector Cendejas (PRTC)	City of Manassas Park
Libby Garvey (NVTC)	Arlington County
Jeremy Latimer	DRPT
Jeanine Lawson (PRTC)	Prince William County
Tim Lovain (NVTC)	City of Alexandria
Jeff McKay (NVTC)	Fairfax County
Wendy Maurer (PRTC)	Stafford County
Paul Trampe (PRTC)	Spotsylvania County
Mark Wolfe (PRTC)	City of Manassas

Staff and General Public	
Khadra Abdulle – VRE	Cindy King – VRE
Doug Allen – VRE	Mike Lake – Fairfax County DOT
Nydia Blake – Prince William County	Lezlie Lamb – VRE
Alex Buchanan – VRE	Bob Leibbrandt – Prince William County
Cody Christensen – STV Incorporated	Steve MacIsaac – VRE Legal Counsel
Rich Dalton – VRE	Rob Mandle – Crystal City BID
John Duque – VRE	Betsy Massie – PRTC
Julie Elliott – Stafford County	Kate Mattice – NVTC
Rhonda Gilchrest – NVTC	Kristen Nutter – VRE
Chris Henry – VRE	Mark Schofield – VRE
Tom Hickey – VRE	Sonali Soneji – VRE
Christine Hoeffner – VRE	Theresa Stevenson – VRE
Pierre Holloman – City of Alexandria	Joe Swartz – VRE
Todd Johnson – First Transit	Ciara Williams – DRPT
John Kerins – Keolis	Detrius Williams – VRE

\* Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman Smedberg called the meeting to order at 9:23 A.M. Following the Pledge of Allegiance, Roll Call was taken.

### Approval of the Agenda – 3

Mr. Milde moved, with a second by Mr. Thomas, to approve the Agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

### Approval of the Minutes of the July 21, 2017 Operations Board Meeting – 4

Mr. Milde moved, with a second by Mr. Skinner, to approve the Minutes. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Jenkins, Milde, Nohe, Sebesky, Skinner, Smedberg and Thomas. Board Members Horsley, Naddoni and Withers abstained.

### Chairman's Comments –5

Chairman Smedberg reported he attended the APTA Transit Board Members Seminar in Chicago in July with Ms. Lamb who attended the Transit Board Support track of the seminar. The board member sessions covered topics like safety culture, key federal programs, emerging technologies, building a solid transit board, inclusion and equality, and trends in transportation finance. The board support sessions covered areas such as professional development, public records management, and parliamentary procedure.

Chairman Smedberg announced the Capital Committee will meet November 16<sup>th</sup>. Mr. Cook, Mr. Jenkins, Mr. Milde and Mr. Skinner serve on the Capital Committee.

### Chief Executive Officer's Report –6

Mr. Allen reported VRE hosted a team of consultants and analysts to update VRE's Threat and Vulnerability Assessment. Every structure, amenity and facility in the VRE system was assessed for safety and security vulnerabilities, areas to improve, and best practices. The report helps drive VRE's strategic planning and shape design standards for future construction. He reported VRE also hosted a National Transit Institute training seminar, as well as a system tour for several congressional staff members. VRE staff also met with Monica Backmon and Mike Longhi of NVRTA to review the status of VRE's NVRTA grants.

Mr. Allen announced Rail Safety Week is September 24-30<sup>th</sup> and VRE will be participating in a number of associated events and activities. On September 25<sup>th</sup>, VRE will hold a crossing safety blitz at Featherstone Road in Woodbridge. On September 28<sup>th</sup>, VRE will also participate in an event organized by Mr. Cook at the Burke Centre Station to highlight safety around railroad tracks.

Mr. Allen reported ridership was approximately 18,400 in July and 18,700 in August, which is typical in summer months. July's overall on-time performance (OTP) was 77 percent, but bounced back to 88 percent in August. OTP was impacted by multiple days of heat restrictions.

Mr. Allen noted the *NVTC Report on the Economic Value of Metrorail and VRE to the Commonwealth of Virginia* highlights the important of these two systems to the economic vitality of the Commonwealth. The households and jobs supported by Metrorail and VRE generate over \$600 million in state general fund revenues. Given Virginia's annual transit operating and capital contribution to WMATA and VRE (about \$170 million budgeted in FY 2018), the return on investment to the Commonwealth exceeds 250 percent.

#### VRE Riders' and Public Comment – 7

There were no comments.

#### Consent Agenda – 8A

On a motion by Mr. Skinner and a second by Ms. Bulova, the Board unanimously approved the following Consent Agenda Item:

- Resolution #8A-09-2017: Authorization to Issue a Task Order for Pavement Repairs and Striping at Brooke Station
- Resolution #8B-09-2017: Authorization to Issue a Task Order for System Wide HVAC Replacements
- Resolution #8C-09-2017: Authorization to Issue a Task Order for Fence Replacement at Broad Run Maintenance and Storage Facility
- Resolution #8D-09-2017: Authorization to Issue a Task Order for a Safety/Security Analysis for the Broad Run Expansion Project

The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

#### Referral of Preliminary FY 2019 VRE Operating and Capital Budget to the Commissions – 9A

Chairman Smedberg stated the Operations Board is asked to refer the Preliminary FY 2019 VRE Operating and Capital Budget to the Commissions for their consideration, so in turn, can refer their preliminary budget recommendations to the jurisdictions for review and comment. Resolution #9A-09-2017 would accomplish this.

Mr. Allen asked Mr. Schofield to review the preliminary budget. Mr. Schofield stated the FY 2019 preliminary budget totals \$146.3 million, with a current unfunded gap of \$1.6 million. The budget includes a three percent jurisdictional increase, with no fare increase. The budget includes one additional full-time employee for grants administration since scope and complexity of grant funding has increased substantially. As in prior years, VRE will submit a balanced budget to the jurisdictions in the beginning of December for evaluation prior to submission to the Operations Board at its December meeting.

Mr. Schofield stated based on DRPT guidance, the budget projects a continuation of current levels of state capital matching funds and a small decline by 1.3 percent in state operating assistance. This is a different prediction from previous discussions with DRPT, but there will be a significant decline after FY 2019, unless the General Assembly acts to fix the fiscal cliff. Federal formula funding is assumed to remain flat at the FY 2018 level.



Mr. Schofield reviewed the capital budget, which totals \$57.4 million. This is an increase of \$9 million due to Smart Scale funding. He also reviewed the projects supported by federal 5337 (State of Good Repair) and 5307 (Urbanized Areas) grant funds.

Mr. Skinner asked if WMATA is contributing any funds to the Alexandria Street Tunnel. Mr. Allen replied there is no participation from WMATA. The tunnel will connect to Metro but the primary purpose of the project is to eliminate the at-grade crossing used to access the island platform at the station.

Mr. Schofield stated Smart Scale and I-66 Outside the Beltway funding have filled critical funding gaps and will help VRE increase capacity, but this does not change the long-term trajectory for VRE. VRE still needs additional funding. Operating expenses are projected to grow faster than fare revenues and subsidy. Major replacement of rolling stock beginning around 2030 is unfunded. There are major corridor projects, including the Long Bridge project, that are unfunded.

Ms. Cristol observed DRPT's budget projections are good news. Mr. Horsley stated DRPT was able to move around some funds, recover some funding from older grants, and demand was less, which resulted in more favorable projections. FY 2020 will bring significant decreases in capital funding if the fiscal cliff is not addressed.

Mr. Skinner asked if life cycle maintenance is considered in the projected timing of the replacement of rolling stock in 2030. Mr. Dalton stated the 2030 date is just when the replacement starts ramping up. Within the next 2-3 years after going through several more maintenance cycles, VRE will have a clearer understanding of the useful life of the railcars. In response to another question from Mr. Skinner, Mr. Allen stated VRE does not anticipate any impact to the budget with the change in CSXT management.

In response to a question from Mr. Naddoni about fuel prices, Mr. Schofield stated near term futures for fuel are up slightly but long-term futures have not changed. Chairman Smedberg asked about the timeline for the Washington Union Terminal (WUT) improvements. Mr. Dalton replied VRE should start to see details in October or November.

Mr. Schofield stated VRE will continue to work with the CAO Budget Task Force and the Capital Committee to close the budget gap. Staff will also refine the FY 2018 budget and make recommendations for any amendments at the December meeting when the FY 2019 budget is presented for action.

Ms. Bulova moved, with a second by Ms. Cristol, to approve Resolution #9A-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

#### Authorization to Execute a Contract for Installation and Integration of Security Camera and Access Control Systems – 9B

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a contract with RPI Group Incorporated of Fredericksburg, Virginia for installation and integration of security cameras and access control systems in an amount of \$950,000, plus a five percent contingency of \$50,000, for a total amount not to exceed \$1,000,000 for a

base year and five option years, with the CEO exercising the option years at his discretion. Resolution #9B-09-2017 would accomplish this.

Mr. Allen explained this contract work is part of VRE's ongoing program of continuous improvements and system upgrades. In response to a question from Mr. Skinner, Mr. Dalton stated cameras will be installed first at stations that don't currently have them and then VRE will begin to replace older cameras throughout the system.

Mr. Skinner moved, with a second by Ms. Bulova, to approve Resolution #9B-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

#### Authorization to Execute a Contract for an Automated Parking Count System – 9C

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a contract with Parking Logix of Lasalle, Quebec, Canada for an automated parking count system (PCS) in the amount of \$157,900, plus a 10 percent contingency of \$15,790, for a total not to exceed \$173,690. Resolution #9C-09-2017 would accomplish this.

Mr. Allen explained this contract will provide real-time, accurate parking lot activity and status to be used for planning purposes, customer service initiatives, and the day-to-day management of the parking lots. The data gathered by the system will interface with VRE Mobile and VRE.org for customer facing alerts and information.

Mr. Skinner moved, with a second by Ms. Bulova, to approve Resolution #9C-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

#### Authorization to Execute a Contract for the Repair and Overhaul of Locomotive Air Compressors – 9D

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a contract with Wabtec Global Services of Columbia, South Carolina, for the repair and overhaul of locomotive air compressors in the amount of \$108,000, plus a 10 percent contingency of \$10,800, for a total amount not to exceed \$118,800. Resolution #9D-09-2017 would accomplish this.

Mr. Allen explained the Original Equipment Manufacturer (OEM) of the VRE locomotive recommends reconditioning the air compressors every six years. This contract will provide this maintenance for VRE's fleet of 20 locomotives, which is part of VRE's life cycle maintenance to keep the locomotives in state of good repair.

Ms. Bulova moved, with a second by Mr. Skinner, to approve Resolution #9D-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

Authorization to Issue an MEC VI Task Order for National Transit Database and Asset Management Reporting, Phase III – 9E

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to issue a Task Order under the Management Engineering Consulting Services Contract (MEC VI), to STV, Incorporated for National Transit Database (NTD) and Transit Asset Management Plan (TAM), Phase III, in the amount of \$370,341, plus a 10 percent contingency of \$37,034, for a total not to exceed \$407,375. Resolution #9E-09-2017 would accomplish this.

[Mr. Skinner stepped out of the room at 10:08 A.M.]

Ms. Bulova moved, with a second by Ms. Caddigan, to approve Resolution #9E-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Smedberg, Thomas and Withers.

Authorization to Execute a Contract Amendment for Construction of the Lorton Station Platform Extension Project – 9F

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a contract amendment with Hammerhead Construction of Virginia, Inc. of Leesburg, Virginia, for construction of the Lorton Station Platform Extension project in an amount of \$185,822, plus a 10 percent contingency of \$18,582, for a total amount of \$204,404, increasing the existing Board authorization from \$1,189,980, to a total amount not to exceed \$1,394,384. Resolution #9F-09-2017 would accomplish this.

Mr. Allen stated the contract amendment is necessary to account for extra work for design changes and a six-month delay in the project to accommodate fiber optic relocation work; construction access redesign related to Fairfax County's expansion of the Lorton Station parking facility; protection of Plantation Pipeline and other existing utilities; and CSX flagging availability.

Ms. Bulova moved, with a second by Mr. Nohe, to approve Resolution #9F-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Smedberg, Thomas and Withers.

Authorization to Issue a Supplemental Task Order for Construction Management for the Lorton Station Platform Extension Project – 9G

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to issue a Supplemental Task Order to STV Incorporated for construction management services for the Lorton Station Platform Extension Project in the amount of \$78,784, plus a 10 percent contingency of \$7,878, for a total amount of \$86,662, increasing the overall Board authorization for this contract from \$180,201 to a total amount not to exceed \$266,863. Resolution #9G-09-2017 would accomplish this.

Mr. Allen explained this Supplemental Task Order is needed for the same reasons as stated in the previous agenda item.



Ms. Bulova moved, with a second by Ms. Caddigan, to approve Resolution #9G-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Smedberg, Thomas and Withers.

Authorization to Issue a Supplemental Task Order for the Crystal City Station Improvement Project – 9H

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to issue a Supplemental Task Order to Vanasse Hangen Brustlin, Inc. (VHB) of Watertown, Massachusetts, for the General Planning Consultant (GPC) Task Order for planning, conceptual design, environmental documentation, and preliminary design services for the Crystal City Station Improvement Project in the amount of \$88,653, plus a 10 percent contingency of \$8,865, for a total amount of \$97,518, increasing the existing Board authorization from \$278,767 to a total amount not to exceed \$370,285. Resolution #9H-09-2017 would accomplish this.

[Mr. Skinner returned to the meeting at 10:13 A.M.]

Mr. Allen stated steps were taken for a planning study to gather and address input received from residents, riders, business community, and the public. More in-depth analysis (i.e., noise, vibration, and visual impacts), which would have been performed in a later phase of the project, were advanced to the current phase to address these concerns. In addition, the project schedule was extended and additional consultant support was needed to address community feedback.

Ms. Cristol expressed her appreciation for VRE's public engagement process with the citizens and residential and business community in Crystal City.

Ms. Cristol moved, with a second by Ms. Caddigan, to approve Resolution #9H-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

Authorization to Execute a Force Account Agreement with CSX Transportation for Construction of the Slaters Lane Crossover – 9I

Chairman Smedberg stated the Operations Board is asked to authorize the CEO to execute a force account agreement with CSX Transportation for construction of the Slaters Lane Crossover in an estimated amount of \$2,107,942, plus a 10 percent contingency of \$210,794, for a total not to exceed \$2,318,736. Resolution #9I-09-2017 would accomplish this.

Mr. Allen stated this project provides capacity improvements associated with the Potomac Shores Station agreement with CSXT. The new crossover will add operational flexibility and reliability for passenger and freight traffic. Work will be done by CSXT on the weekends.

Ms. Caddigan moved, with a second by Ms. Bulova, to approve Resolution #9I-09-2017. The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

## Legislative Agenda Update –10A

Ms. Cristol reported the newly created Legislative Committee (Ms. Cristol, Mr. Cook, and Mr. Kelly) met with VRE, NVTC and PRTC staff last Friday to discuss priorities, roles and strategy. The committee is working through the Legislative Agenda and will bring it back for action at the November Operations Board meeting. The Legislative Agenda includes three priorities: fixing the gas tax floor, addressing the fiscal cliff, and seeking additional funding for VRE. She stated it is important to bring forward solutions, and not just identify problems. VRE staff is exploring a potential proposal to create a commuter rail fund.

## Crystal City Station Improvement Project Update – 10B

Mr. Allen stated the Crystal City Station is the second or third busiest station in the VRE system depending on the month. He stated identifying a station location is important to keep ahead of the state funded fourth track project. He asked Sonali Soneji, project manager, to give an update on the project.

Ms. Soneji reviewed the design objectives of the project, including designing of a new island platform twice as long as the current length to accommodate 8-10 car trains; enhancing local and regional connectivity; supporting Crystal City's vision for growth; and building a sustaining relationship with the community. The first phase of the project is funded by NVTA and the second phase will be funded by the Commonwealth. She reviewed the project schedule and two-step evaluation process of the three options.

Ms. Soneji stated VRE staff recommends Option 2 as the preferred platform location for further analysis and design. This location, compared to the other options, provides the highest level of connectivity with local jobs and regional transportation, a comparable level of community and environmental impacts, and moderate construction costs. Ms. Soneji stated VRE held multiple public meetings and community outreach throughout the process. Board Members were provided with a packet of correspondence received by VRE concerning this project.

Ms. Soneji stated staff will come back in October for Board approval. She reviewed the next phase of the project, including preliminary engineering and environmental documentation to occur in 2018. VRE plans to continue community outreach and to seek the public's participation in the process of the final design. Through design mitigation, VRE plans to address their concerns.

Ms. Bulova asked about the community opposition to Option 2 and support for Option 3. Ms. Soneji explained the main reason Option 3 is favored is that it is the farthest station location away from the residential areas. In response to a question from Mr. Skinner, Ms. Cristol stated there is an intensity in the opposition to Option 2 among two condo associations and a civic association, while an owner of a rental residential building supports Option 2. The Arlington County Board will weigh in on an option at its September 19<sup>th</sup> meeting and she anticipates it will be a lively discussion.

## Spending Authority Report –10C

Mr. Allen reported the following expenditures for the month of August:

- Task Order under the Maintenance Services for Commuter Rail Operations Contract to Keolis Rail Services Virginia, for \$99,095 to replace work or damaged passenger railcar signage.
- Task Order under the Maintenance Services for VRE Facilities with NV Enterprises for \$97,384 for third track slope drainage corrections along Benchmark Road.

There were no questions from Board Members.

## Closed Session – 11

Mr. Milde moved, with a second by Ms. Cristol, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purpose of discussion of one personnel matter.

The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

The Board entered into Closed Session at 10:38 A.M. and returned to Open Session at 10:59 A.M.

Ms. Sebesky moved, with a second by Ms. Caddigan, the following certification:

The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under Chapter 37, Title 2.2 of the Code of Virginia were discussed; and
2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Bulova, Caddigan, Cristol, Horsley, Jenkins, Milde, Naddoni, Nohe, Sebesky, Skinner, Smedberg, Thomas and Withers.

## Operations Board Member Time – 12

Ms. Bulova complimented Mr. Allen on the outstanding job he has done at VRE. Ms. Caddigan agreed.

## Adjournment

Ms. Caddigan moved, with a second by Ms. Sebesky, to adjourn. Without objection, Chairman Smedberg adjourned the meeting at 11:00 A.M.

Approved this 20<sup>th</sup> day of October 2017.

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Paul C. Smedberg  
Chairman

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Katie Cristol  
Secretary

### **CERTIFICATION**

This certification hereby acknowledges the minutes for the September 15, 2017 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.



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Rhonda Gilchrest

**Virginia Railway Express  
Operations Board**

**Resolution  
8A-09-2017**

**Authorization to Issue a Task Order for  
Pavement Repairs and Striping at Brooke Station**

**WHEREAS**, in July 2017, the two parking lots and access driveway that serve the Brooke Station were assessed for necessary pavement repairs; and,


**WHEREAS**, it was determined minor pavement repairs, crack filling, sealcoating and restriping were necessary in both parking lots and milling, repaving and restriping were needed in the access driveway; and,

**WHEREAS**, the requested authorization under the Facilities Maintenance Contract will allow NV Enterprises to perform the above referenced pavement repairs and striping services;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Task Order under the Facilities Maintenance Contract to NV Enterprises for Brooke Station pavement repairs and striping in the amount of \$127,343, plus a 10% contingency of \$12,734, for a total not to exceed \$140,077.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
8B-09-2017**

**Authorization to Issue a Task Order for  
System Wide HVAC Replacements**

**WHEREAS**, in August 2017, the HVAC units that serve VRE Headquarters, the VRE Fredericksburg office, the Broad Run and Crossroads storage yards and station buildings with HVAC systems were assessed in August 2017 with respect to age and current operating condition; and,

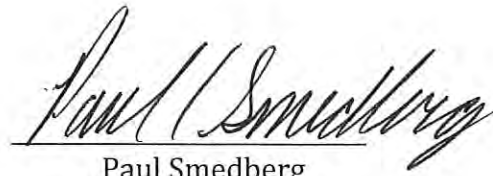
**WHEREAS**, it was determined five units at VRE Headquarters, two units at the VRE Fredericksburg office, two units at the Quantico Station and one unit at the Woodbridge Station are approaching the end of their useful life and have experienced frequent failures, therefore requiring replacement; and,

**WHEREAS**, the requested authorization under the Facilities Maintenance Contract will allow NV Enterprises to perform the above referenced HVAC replacement services;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Task Order under the Facilities Maintenance Contract to NV Enterprises for system wide HVAC replacements in the amount of \$145,000, plus a 10% contingency of \$14,500, for a total not to exceed \$159,500.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
8C-09-2017**

**Authorization to Issue a Task Order for Fence Replacement  
at Broad Run Maintenance and Storage Facility**

**WHEREAS**, VRE is committed to continuous improvement in security measures; and,

**WHEREAS**, VRE identifies vulnerabilities and opportunities for improvement through a formalized Threat and Vulnerability Assessment process; and,

**WHEREAS**, the Broad Run Maintenance and Storage Facility is a facility critical to VRE's operations; and,

**WHEREAS**, a need for modern security fencing system to replace the existing fencing has been identified through the Threat and Vulnerability Assessment process; and,


**WHEREAS**, VRE maintains a Task Order Contract with Hercules Fencing, a firm identified through the procurement process as being qualified to provide industry and government grade security fencing; and,

**WHEREAS**, this Task Order will include the services necessary to perform this upgrade;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Task Order to Hercules Fencing for Fence Replacement at the Broad Run Maintenance and Storage Facility in the amount of \$165,425, plus a 10% contingency of \$16,543, for a total not to exceed \$181,968.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
8D-09-2017**

**Authorization to Issue a Task Order for  
Safety/Security Analysis for the Broad Run Expansion Project**

**WHEREAS**, the VRE Operations Board approved GHX Alternative 1-Broad Run Terminus for preliminary engineering; and,

**WHEREAS**, VRE's System Safety Program Plan requires comprehensive systematic procedures to identify, assess and control safety and security hazards; and,

**WHEREAS**, the material expansion of a key VRE service and support facility requires safety and security assessments and certifications, beginning in the preliminary engineering phase; and,

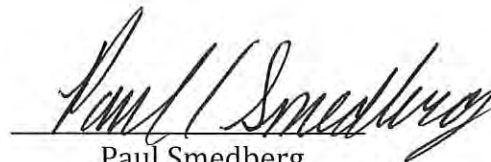
**WHEREAS**, VRE maintains a Task Order Contract with Kensington Consulting, a firm identified through the procurement process as being qualified to manage industry and government accepted safety and security certification and analysis processes; and,

**WHEREAS**, this Task Order will initiate the services necessary to provide VRE with this critical documentation and support;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Task Order to Kensington Consulting for Safety/Security Analysis for the Broad Run Expansion Project in the amount of \$127,350, plus a 10% contingency of \$12,735, for a total not to exceed \$140,085.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman



**Virginia Railway Express  
Operations Board**

**Resolution  
9A-09-2017**

**Referral of Preliminary FY 2019 VRE Operating and  
Capital Budget to the Commissions**

**WHEREAS**, the VRE Master Agreement requires the VRE Operations Board submit to the Commissions a preliminary fiscal year budget by September 30 each year; and,

**WHEREAS**, the VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2019 Operating and Capital Budget;


**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board refers the preliminary FY 2019 Operating and Capital Budget to the Commissions for their consideration; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends the budget be forwarded to the jurisdictions for further formal review and comment; and,

**BE IT FURTHER RESOLVED THAT**, VRE staff is directed to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2017 meeting for consideration and referral to the Commissions for adoption in January 2018.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
9B-09-2017**

**Authorization to Execute a Contract for Installation and Integration of  
Security Camera and Access Control Systems**

**WHEREAS**, VRE employs a formal Threat and Vulnerability Assessment process to identify measures to improve safety and security; and,

**WHEREAS**, the sophistication and coverage levels of our security camera system have been identified as an important step in continuous safety and security improvement through the TVA process; and,

**WHEREAS**, the Operations Board authorized the CEO to execute a contract on March 17, 2017 to purchase the necessary security cameras and associated hardware; and,

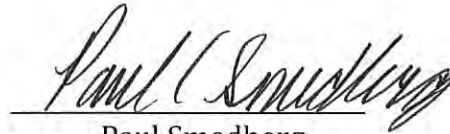
**WHEREAS** it was determined RPI Group, Inc. proposal provided the best value for installation and integration of the security cameras, an access control system, and associated hardware; and,

**WHEREAS**, the Operations Board's approval of this procurement does not represent its independent assessment of the candidate's responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board's action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and the staff recommendation appears to be reasonable;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with RPI Group Incorporated of Fredericksburg, VA for Installation and Integration of Security Camera and Access Control Systems in the amount of \$950,000, plus a 5% contingency of \$50,000, for a total amount not to exceed \$1,000,000 for a base year and five option years, with the CEO exercising the option years at his discretion.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
9C-09-2017**

**Authorization to Execute a Contract for an  
Automated Parking Count System**

**WHEREAS**, on December 16, 2016, the VRE Operations Board approved a request to issue a Request for Proposals (RFP) for an Automated Parking Count System; and,

**WHEREAS**, on May 5, 2017 an RFP was issued and three proposals were received; and,

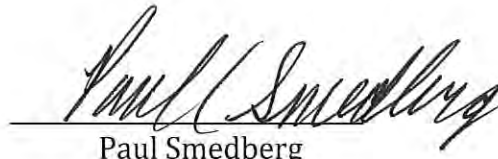
**WHEREAS**, the Technical Evaluation Team determined the proposal from Parking Logix to be technically compliant and unanimously selected to be the best value for the project; and,

**WHEREAS**, the Operations Board's approval of this procurement does not represent its independent assessment of the candidate's responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board's action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and the staff recommendation appears to be reasonable;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with Parking Logix of Lasalle, Quebec, Canada for an Automated Parking Count System in the amount of \$157,900, plus a 10% contingency of \$15,790, for a total amount not to exceed \$173,690.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
9D-09-2017**

**Authorization to Execute a Contract for the Repair and  
Overhaul of Locomotive Air Compressors**

**WHEREAS**, VRE has a need for the repair and overhaul of locomotive air compressors; and,


**WHEREAS**, the VRE Operations Board authorized the CEO to issue an Invitation for Bids for the Purchase of Rebuilt Locomotive Air Compressors in November 2016; and,

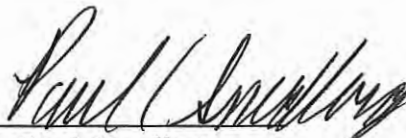
**WHEREAS**, a competitive solicitation process was conducted; and,

**WHEREAS** it was determined Wabtec Global Services was the lowest responsive-responsible bidder;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a Contract with Wabtec Global Services of Columbia, SC for the Repair and Overhaul of Locomotive Air Compressors in the amount of \$108,000, plus a 10% contingency of \$10,800, for a total amount not to exceed \$118,800.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

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**Virginia Railway Express  
Operations Board**

**Resolution  
9E-09-2017**

**Authorization to Issue an MEC VI Task Order for National Transit  
Database and Asset Management Reporting, Phase III**

**WHEREAS**, VRE has a contract with STV, Incorporated for mechanical and engineering consulting services (MEC VI); and,

**WHEREAS**, VRE has completed several initiatives resulting in strategies for managing VRE rolling stock and facilities assets and maintaining these assets in a continuous state of good repair; and,

**WHEREAS**, VRE is required by the Federal Transit Administration to further develop methodologies and processes to perform ongoing assessments of VRE rolling stock and facilities; manage and perform State of Good Repair projects and report transit asset management information; and,

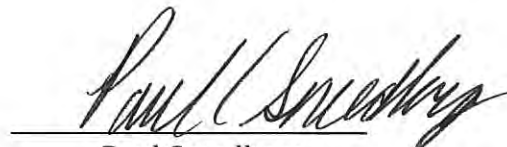
**WHEREAS**, STV, Incorporated has developed the framework and standardized processes to perform ongoing asset assessments, develop tools to prioritize funding for State of Good repair projects consistent with the Transit Economics Requirements Model; and,

**WHEREAS**, STV, Incorporated has developed processes for reporting asset management information to the Federal Transit Administration via the Nation Transit Database;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a MEC VI Task Order to STV, Incorporated for execution and implementation of VRE's Transit Asset Management Plan and National Transit Database reporting compliance in the amount of \$370,341, plus a 10% contingency of \$37,034, for a total not to exceed \$407,375.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
9F-09-2017**

**Authorization to Execute a Contract Amendment for  
Construction of the Lorton Station Platform Extension Project**

**WHEREAS**, based on current ridership as well as projections for future growth, VRE, in conjunction with Fairfax County, has initiated a program of improvements at Lorton Station to extend the current platform, add a second platform to accommodate longer trains and provide additional flexibility for railroad operations, and add parking; and,

**WHEREAS**, the construction contract for the platform extension was awarded to Hammerhead Construction in March 2014, NTP was issued November 1, 2016, and a Contract Amendment was issued to extend the project for six months due to fiber optic relocation, construction access redesign, utility company requirements for protection of their facilities communicated after original NTP, and CSX Flagging availability; and,

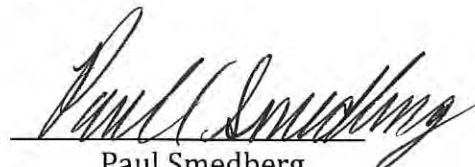
**WHEREAS**, Hammerhead Construction submitted a list of price adjustments to VRE due to delays, plan changes, and corresponding extra work due to the above noted factors in the amount of \$185,822 of which VRE has determined, upon review and negotiation with the Contractor, to be reasonable and justified; and,

**WHEREAS** a contract amendment is required to account for the delays, plan changes, extra work, and price increases;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a Contract Amendment with Hammerhead Construction of Virginia, Inc. of Leesburg VA, for the construction of the Lorton Station Platform Extension project in an amount of \$185,822, plus a 10% contingency of \$18,582, for a total amount of \$204,404, increasing the existing Board authorization from \$1,189,980, to a total amount not to exceed \$1,394,384.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman



**Virginia Railway Express  
Operations Board**

**Resolution  
9G-09-2017**

**Authorization to Issue a Supplemental Task Order for Construction  
Management for the Lorton Station Platform Extension Project**

**WHEREAS**, based on current ridership as well as projections for future growth, VRE, in conjunction with Fairfax County, has initiated a program of improvements at Lorton Station to extend the current platform, add a second platform to accommodate longer trains and provide additional flexibility for railroad operations, and add parking; and,

**WHEREAS**, STV was awarded a Task Order to perform Construction Management Services for the Lorton Station platform extension project in October of 2015; and,

**WHEREAS**, additional construction management work was required due to the delays caused by the Fiber Optic relocation, construction access redesign and the availability of CSX Transportation flagging resources; and,

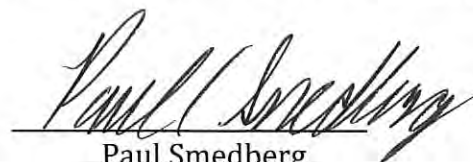
**WHEREAS**, construction management services are necessary to support VRE staff with onsite representation, monitoring construction activities, documenting and reporting daily activities, tracking pay item quantities, and assist in ensuring quality standards and contract requirements are being met; and,

**WHEREAS**, STV Incorporated has performed said services well under their existing Task Order Contract and have presented an acceptable proposal for the supplemental Task Order to continue to perform said Services through project completion;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a supplemental Task Order to STV Incorporated for Construction Management Services for the Lorton Platform Extension Project in the amount of \$78,784, plus a 10% contingency of \$7,878, for a total amount of \$86,662, increasing the overall Board Authorization for this contract from \$180,201 to a total amount not to exceed \$266,863.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman



**Virginia Railway Express  
Operations Board**

**Resolution  
9H-09-2017**

**Authorization to Issue a Supplemental Task Order for  
the Crystal City Station Improvement Project**

**WHEREAS**, a task order to complete planning, conceptual design, environmental documentation, and preliminary design services for the Crystal City Station Improvement Project was awarded to Vanasse Hangen Brustlin, Inc.; and,

**WHEREAS**, more extensive technical analysis, documentation, and public outreach than initially anticipated was required to adequately address community feedback on the project; and,

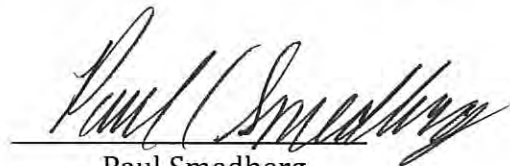
**WHEREAS**, a supplemental task order is required to complete a conceptual design for the preferred station location and prepare environmental documentation; and,

**WHEREAS**, Vanasse Hangen Brustlin, Inc. has presented an acceptable proposal to perform said services;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Supplemental Task Order to Vanasse Hangen Brustlin, Inc. of Watertown, Massachusetts for the General Planning Consultant (GPC) Task Order for planning, conceptual design, environmental documentation, and preliminary design services for the Crystal City Station Improvement Project in the amount of \$88,653, plus a 10% contingency of \$8,865, for a total amount of \$97,518; increasing the existing Board authorization from \$278,767 to a total amount not to exceed \$370,285.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman

**Virginia Railway Express  
Operations Board**

**Resolution  
9I-09-2017**

**Authorization to Execute a Force Account Agreement with CSX  
Transportation for Construction of the Slaters Lane Crossover**

**WHEREAS**, the Second Amendment to the Corridor Improvement Project Memorandum of Understanding, between CSX Transportation, the Virginia Department of Rail and Public Transportation, and VRE dated July 10, 2014, requires improvements to the Slaters Lane Interlocking to provide passenger train access to Track 1 at Alexandria Station; and,

**WHEREAS**, completion of said improvements to Slaters Lane Interlocking will improve operational flexibility and reliability; and,

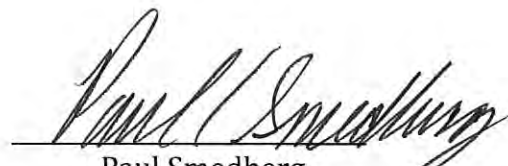
**WHEREAS**, the Northern Virginia Transportation Authority has provided funding for the said improvements in its FY 2015 program; and,

**WHEREAS**, this force account agreement will allow CSX Transportation to perform construction;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a force account agreement with CSX Transportation to construct the Slaters Lane/Alexandria Station Track 1 Access project in an amount of \$2,107,942, plus a 10% contingency of \$210,794, for a total amount not to exceed \$2,318,736.

Approved this 15<sup>th</sup> day of September 2017

  
Katie Cristol  
Secretary

  
Paul Smedberg  
Chairman



**RESOLUTION #2343**

**SUBJECT:** Referral of the Preliminary FY2019 VRE Operating and Capital Budget to the Jurisdictions

**WHEREAS:** The VRE Master Agreement requires the VRE Operations Board submit to the Commissions a preliminary fiscal year budget by September 30th each year;

**WHEREAS:** The VRE Chief Executive Officer has provided the VRE Operations Board with the Preliminary FY2019 Operating and Capital Budget; and

**WHEREAS:** The VRE Operations Board recommends the following action.

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission hereby authorizes the Preliminary FY2019 VRE Operating and Capital Budget be forwarded to the jurisdictions for their formal review and comment.

**BE IT FURTHER RESOLVED** that NVTC directs staff to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2017 meeting for consideration and referral to the Commissions for adoption in January 2018.

Approved this 5<sup>th</sup> day of October 2017.

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Jeffrey C. McKay  
Chairman

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Matthew F. Letourneau  
Secretary-Treasurer

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# FY 2019 PRELIMINARY BUDGET

September 15, 2017



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## OVERVIEW

- Action requested: refer FY 2019 preliminary budget to Commissions and jurisdictions for review and comment
- Purpose of presentation:
  - Highlight major assumptions and issues
  - Solicit Board comments



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## BUDGET PROCESS

- “Key Issues” presented in June
- **Preliminary budget required by Master Agreement in September**
- Review and comment by CAO Taskforce and Capital Committee during Fall
- Balanced budget presented at December Board meeting



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## BUDGET SUMMARY

- FY 2019 preliminary budget of **\$146.3 million** for operations and maintenance, capital improvement program (CIP), and debt service
- 32 daily revenue trains (trains being lengthened this year)
- 3% jurisdictional subsidy increase, no fare increase
- Continuation of current state capital funding in FY 2019 (including track leases), slight decline in state operating assistance
- Preliminary budget gap of **\$1.6 million**



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## KEY ASSUMPTIONS

- Projecting 18,700 Average Daily Ridership
  - Below FY 2017 actual ridership of 18,968
  - Averaging 18,400 through first two months of FY 2018
- Jurisdictional subsidy of \$17.77 million (3% increase from \$17.25 million)
- State operating assistance of \$9.50 million (down 1.3% based on DRPT guidance)
- Access agreements:
  - Funded at 84% in FY 2019 (50% federal STP and 34% state match)
  - VRE working towards new multi-year agreements with host railroads



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## KEY ASSUMPTIONS (CONT.)

- Federal formula funding flat to FY 2018 at \$29.1 million
- \$3 million contribution to capital reserve
- Staffing and resource levels:
  - Evaluating needs for FY 2019 and beyond to manage and deliver expanded capital program
  - Preliminary budget includes one additional full-time employee for grants administration – scope and complexity of grant funding has increased substantially

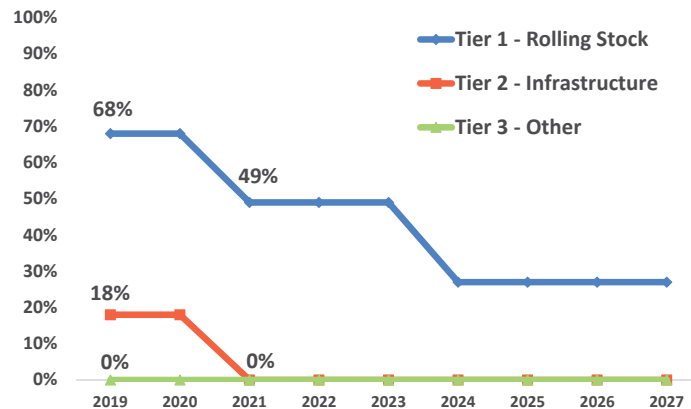


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## STATE FUNDING OUTLOOK

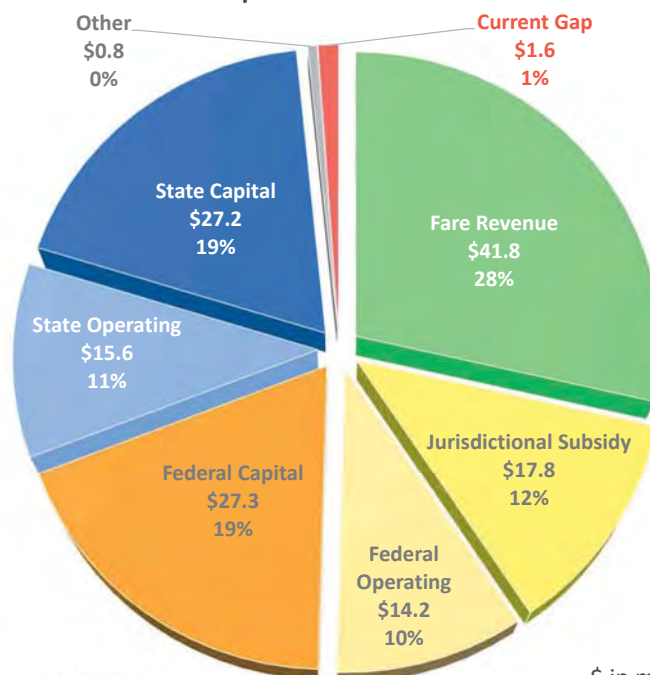
- Funding at FY 2018 levels in FY 2019 Preliminary Budget
  - Critical for matching federal funds, midday storage, access fees
- Projected matching rates (from RAB August report)



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## Preliminary FY 2019 Sources of Funds \$146.3 million



\$ in millions

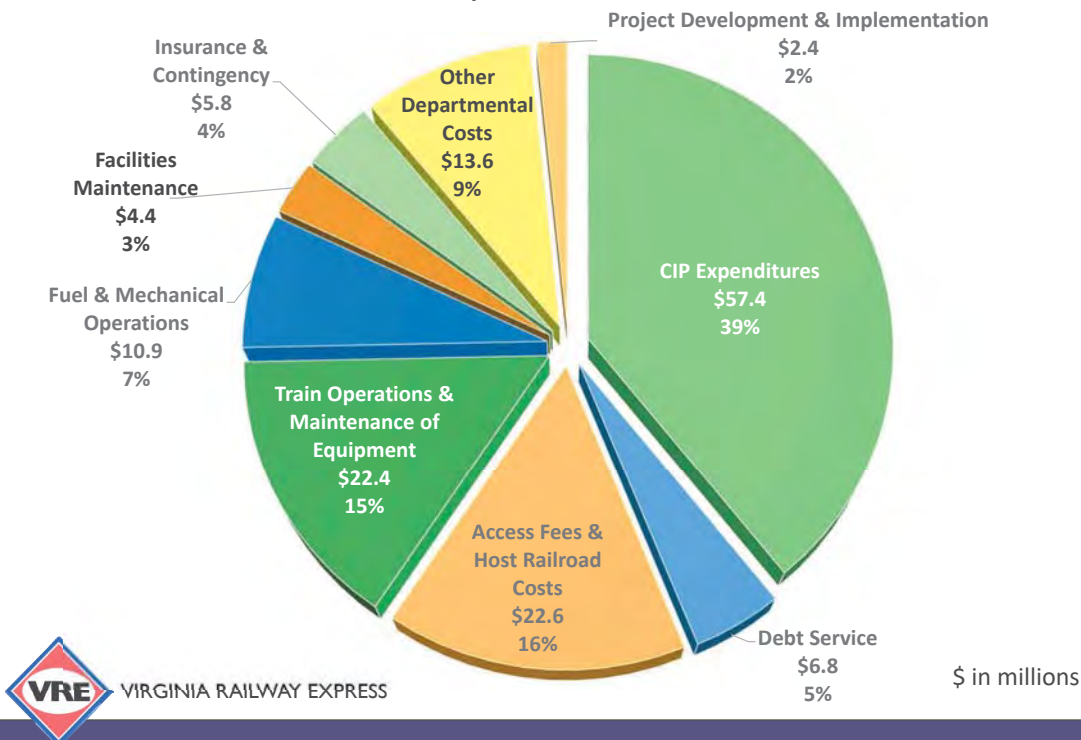


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## Preliminary FY 2019 Uses of Funds \$146.3 million



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## CAPITAL PROGRAM OVERVIEW

- Preliminary FY 2019 capital budget of **\$57.4 million**
  - Increase of \$9.0 million over FY 2018 due to SmartScale funding
- Federal 5337 (SGR) and 5307 (Urbanized Area) formula funds programmed to support:
  - Debt service on rolling stock (\$5.3M)
  - Equipment and facilities asset management programs (\$4.7M)
  - Midday storage (\$15.3M)
  - Washington Union Terminal investments (\$3.1M)
  - Grant/project management and security enhancements (\$0.6M)

## CAPITAL PROGRAM OVERVIEW (CONT.)

- CMAQ/REF projects:
  - Broad Run Expansion (\$4.4M CMAQ)
  - Brooke and Leeland Platforms (\$4.9M REF)
- SmartScale projects:
  - Quantico Station (\$2.0M)
  - Alexandria Pedestrian Tunnel (\$5.3M)
  - Fleet Expansion Coaches (\$2.0M)



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## STATE CAPITAL FUNDING

- Budget assumes **16%** state match on federally-funded projects in FY 2019 except midday storage and Washington Union Terminal – both have **34%** state match
- Six-year plan will show Capital Project Revenue bond expiration and decline in state match beginning FY 2020
- If state match were only **8%** and capital plan remained the same, state contribution would decline from \$12.1 million to \$3.4 million



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## COMPARISON TO FY 2018

- Total budget is \$12.9 million higher than FY 2018 - operations up \$3.9 million, capital up \$9.0 million (debt service unchanged)
- Revenue drivers:
  - +\$1.9 million in Fare Revenue
  - +\$0.5 million in Jurisdictional Subsidy
  - +\$9.4 million in Federal/State Capital Subsidy
- Expense drivers:
  - +\$1.4 million in Access Fees and host railroad costs
  - +\$0.6 million in contractual train operations and maintenance costs
  - +\$0.4 million in insurance trust fund contributions and contingency



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## CLOSING THE GAP

- Evaluate projected ridership & revenue trends
  - Each +100 to ADR generates \$220K in revenue
  - Each +\$0.05 in average fare generates \$230K in revenue
- Update contractual amounts as cost driver rates become known (CPI, AAR, etc.)
- Line item review of departmental budgets
- Identify qualifying one-time items for use of previous FY surplus
- Ensure required 50% farebox ratio is met



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## RISKS AND NEAR-TERM OUTLOOK

- Watching ridership trends and fuel prices
- Finalizing new multiyear access agreements
- Achieving right balance of resources to deliver CIP
- Completion of midday storage
- Uncertainty over capital funding for WUT
- State funding outlook and impact of regional transit funding decisions (including WMATA)



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## LONG-TERM OUTLOOK

- SmartScale and I-66 Outside the Beltway funding have filled critical gaps and will help VRE increase capacity
- Long-term trajectory identified in Financial Plan remains the same:
  - Operating expenses projected to grow faster than fare revenues and subsidy
  - Major replacement of rolling stock around 2030 is unfunded
  - Funding for major joint corridor projects in CSXT territory (including Long Bridge) is uncertain



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## NEXT STEPS

- Refer Preliminary FY 2019 budget to Commissions and jurisdictions
- Review revenue sources, expenditures and incorporate any use of one-time funds
- Continue to work with CAO Budget Task Force and Capital Committee
- Refine current FY 2018 budget and make recommendations for any amendments mid-year in December



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# THANK YOU

QUESTIONS?



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## VIRGINIA RAILWAY EXPRESS OPERATIONS BOARD

### **Agenda Item 9-A** **Action Item**

**To: Chairman Smedberg and the VRE Operations Board**

**From: Doug Allen**

**Date: September 15, 2017**

**Re: Referral of Preliminary FY 2019 VRE Operating and Capital Budget to the Commissions**

---

#### **Recommendation:**

The VRE Operations Board is asked to authorize the Chief Executive Officer to refer the Preliminary FY 2019 VRE Operating and Capital Budget to the Commissions for their consideration, so the Commissions, in turn, can refer their preliminary budget recommendations to the jurisdictions for review and comment.

#### **Summary:**

VRE's FY 2019 preliminary budget totals \$146.3 million, which includes operations and maintenance, debt service, the Capital Improvement Program (CIP), and contributions to the capital reserve. The preliminary budget includes a 3% increase in local subsidy contribution and no fare increase. The budget projects a continuation of current levels of state capital matching funds in FY 2019 and a small decline in state operating assistance. The preliminary budget has a current net unfunded amount of \$1.6 million. As in prior years, VRE will submit a balanced budget to the jurisdictions in the beginning of December for evaluation prior to submission to the Operations Board later that month. Both revenue and expenses are still under review by VRE staff, and these projections may change over the next few months.

#### **Background:**

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2019 VRE Operating and Capital Budget is attached for the Operations Board's review. The Budget Key Items considered by the Operations Board in June 2017 are also provided as an attachment.



Northern Virginia  
Transportation Commission  
2300 Wilson Blvd. #620  
Arlington, VA 22201  
703.524.3322



Virginia Railway Express  
1500 King Street, Suite 202  
Alexandria, VA 22314  
703.684.1001  
VRE.org



Potomac and Rappahannock  
Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192  
703.580.6121

Since the adoption of the FY 2018 budget, VRE has successfully competed for significant state and regional discretionary funding to expand capacity. In June, VRE was approved for \$92 million of Smart Scale funding for the Fredericksburg Line Capacity Expansion project, and in July, the Northern Virginia Transportation Authority recommended approval of \$118 million from the I-66 Outside the Beltway Concessionaire Payment for the Manassas Line Capacity Expansion and Real-Time Traveler Information project. These funds will support additional railcars, expansions of stations and parking facilities, storage and maintenance facility expansions, and real-time information along the I-66 corridor. The Smart Scale and I-66 funding awards have filled crucial gaps for these projects and will allow them to move forward into construction. These projects are part of VRE's Natural Growth scenario, and they increase capacity to carry additional riders while requiring only modest additional operating expense.

However, VRE still faces significant fiscal challenges. VRE's financial plan, which was initially developed during FY 2016 and is currently being updated, established that even to maintain current levels of service, VRE will require substantial additional operating and capital resources that cannot be met through currently available sources. These needs include funding for operations (expenses are projected to grow faster than fare revenues and jurisdictional subsidy), funding for the major joint corridor projects VRE is committed to in CSXT territory (including the Long Bridge), and funding for the replacement of VRE's current rolling stock beginning in 2030. The Commonwealth Transportation Board has analyzed VRE's financial plan and determined the concerns regarding long-term financial viability are founded.

VRE's *Financial and Debt Principles* addresses the prioritization of projects within the CIP and states:

***Projects included in VRE's Capital Improvement Program will be prioritized with emphasis on regulatory requirements, the maintenance of equipment and facilities to support current service levels, and provisions for passenger safety.***

In addition to these first-level priorities, the CIP decision-making for FY 2019-2024 emphasizes VRE's commitment to the development of railroad infrastructure in the CSXT territory; project readiness; funding availability; and the identification of funding to complete those projects that have only partially identified funding.

### **Key Budget Assumptions:**

VRE's FY 2019 preliminary budget totals \$146.3 million, as compared to the approved FY 2018 budget of \$133.4 million. The preliminary FY 2019 budget includes \$82.1 million for operations (up \$3.9 million over FY 2018), \$57.4 million for the CIP (up \$9.0 million), and \$6.8 million for debt service (unchanged). As noted above, both revenues and expenses are still under review and these projections may change over the next few months. The key assumptions used in preparing the preliminary budget are summarized below:



1. **Service levels:** VRE will receive nine new railcars in FY 2018 (five in October and four in December), and these cars will be added to existing trains to provide more passenger capacity. VRE will continue its current service plan of 32 daily revenue trains in FY 2019.
2. **Ridership and fare revenue:** FY 2019 fare revenue is budgeted at \$41.1 million with no change in fares from FY 2018. The most recent fare increase of 3% occurred in July, at the beginning of FY 2018. Ridership for FY 2019 is estimated at 18,700 average daily riders (ADR). ADR in FY 2016 was 17,767, while ADR in FY 2017 was significantly higher at 18,968. Ridership in FY 2017 was affected by several external factors, including a full year of higher federal transit benefits and the effects of the now-completed WMATA SafeTrack program in the VRE service area. Ridership through the first two months of FY 2018 is at approximately 18,400 ADR, slightly ahead of budgeted ridership of 18,200. Staff will continue to monitor ridership trends throughout the budget process.
3. **Jurisdictional Subsidy:** FY 2019 jurisdictional subsidy is currently budgeted at \$17.77 million, an increase of 3% over FY 2018. The previous jurisdictional subsidy increase in FY 2017 was 5%.
4. **State operating assistance:** VRE will receive \$9.62 million in state operating assistance in FY 2018. The amount of assistance allocated to transit agencies in the Commonwealth varies annually depending on both the total amount of funding available and on the performance metrics achieved by each agency (including ridership and level of service). Based on initial discussions with DRPT staff, the total amount of available operating funding in FY 2019 is expected to decline by around 1.3%, and therefore the preliminary budget projects VRE's FY 2019 state operating assistance at \$9.50 million. However, the final amount of assistance will depend on the performance-based allocation, which is not yet known and could result in higher or lower funding.
5. **State capital funds:** The FY 2018 budget projected a sharp drop-off in state capital funding beginning in FY 2019 due to the expiration of Capital Project Revenue bond proceeds. However, based on recent discussions with DRPT staff, state capital funding availability for FY 2019 is now projected to be in line with FY 2018 due to improved revenue forecasts and lower anticipated demand for funding. This critical state funding supports both the match for VRE's federal formula funds and VRE's track access fees.  
  
For FY 2019, state capital funding continues to be budgeted as either a) 16% of the total project cost, when used as match to 80% federal funding, or b) one of three funding "tiers" of 68%, 34%, or 17% of gross project costs, regardless of the federal funding assigned to the project. This temporary reprieve is good news for critical investments such as the midday storage project, which is currently relying on 34% state funds. However, without action at the state level, funding will decline substantially in FY 2020, leading to project delays and challenges in utilizing all available federal funding.
6. **Access fee funding:** Since FY 2015, DRPT and VRE have entered multi-year agreements for track access fee reimbursement. Based on the most recent information from DRPT, FY 2019 reimbursements are being projected at the same level as FY 2017 and FY 2018,

with an 84% combined reimbursement rate comprising federal STP funds allocated through the state (50%) and a state capital match (34%). Amtrak access costs remain under an existing multi-year agreement. VRE will be working with DRPT towards new access fee funding agreements for both Norfolk Southern and CSX for FY 2019 and beyond.

7. **Contractual increases:** VRE and CSX are currently operating under a second one-year extension of a previous five-year agreement and are working towards a new multi-year agreement expected to begin in FY 2019. Changes to access fees paid to Norfolk Southern are based on an Association of American Railroads (AAR) nationally published index of railroad costs. Increases to Amtrak access fees for FY 2019 will be based on a three-year average of their annual costs, inflated to the budget year, and apportioned to all users of Washington Union Terminal. The majority of Keolis contract costs increase by the annual change in the Consumer Price Index (CPI).

Norfolk Southern and Amtrak access fee increases are budgeted at 4% in the preliminary budget, while the Keolis increase is budgeted at 3% in the preliminary budget. In addition, estimated additional costs associated with host railroad implementation and operation of Positive Train Control (PTC) are also included in the budget. The actual AAR and CPI rates will be available prior to budget adoption.

8. **Fuel costs:** Diesel fuel expenses of \$4.59 million are budgeted based on estimated annual usage of 1.70 million gallons at a per gallon cost of \$2.70. This represents a slight decrease from the FY 2018 diesel fuel budget of \$4.76 million based on estimated use of 1.67 million gallons at \$2.85 per gallon. Given the recent damage in the Gulf Coast caused by Hurricane Harvey and its potential effects on energy markets, staff will continue to monitor and analyze fuel cost trends throughout the budget process.
9. **Staffing increases:** VRE continues to evaluate staffing needs for FY 2019 and beyond. Given the increased scope and complexity of VRE's grant-funded CIP, the preliminary budget adds one new full-time employee in Finance focused on grants administration. VRE staff is currently reviewing both short- and long-term staffing needs and expect to present a thorough evaluation of staffing needs for the November 2017 budget update presentation.

#### **Projected Use of Federal Formula Funding:**

Federal funding allocations are lagged by one year relative to VRE's fiscal year, so the formula funding allocated in Federal Fiscal Year (FFY) 2018 is available to be obligated and spent beginning in VRE's FY 2019. Total projected FFY 2018 formula funding is \$29.1 million, equal to the amount allocated to VRE in FFY 2017 (i.e., the funding is assumed to be flat). This includes \$20.6 million in Section 5337 State of Good Repair funding and \$8.5 million in Section 5307 Urbanized Area Formula Program funding.

VRE's FY 2019 federal formula funds are committed to debt service, asset management programs, and key CIP projects:

- \$5.3 million for debt service on rolling stock
- \$2.7 million for the equipment asset management program

- \$2.0 million for the facilities asset management
- \$15.3 million for midday storage (New York Avenue)
- \$3.1 million for capital investments in Washington Union Terminal (WUT)
- \$520,000 for grant and project management
- \$84,000 for security enhancements

As noted previously, VRE is likely to face future challenges in using all available federal funding if state matching funds are significantly reduced and local jurisdictions cannot make up the difference.

### **Comparison to FY 2018 Approved Budget:**

The “FY 2019 Summary Proposed Budget” attached to this action item provides a high-level summary of the major line items in the preliminary FY 2019 budget and how those items have changed relative to the FY 2018 budget. Notable changes are also highlighted below:

#### **Revenue:**

- \$1.9 million increase in *Fare Revenue* due to higher projected daily ridership (as described above).
- \$0.5 million increase in *Jurisdictional Subsidy* due to the 3% biennial increase.
- \$9.4 million increase in *Federal/State Capital Subsidy* due to the new funding available through the Smart Scale program for Quantico Station improvements, Alexandria Pedestrian Tunnel, and Fleet Expansion Coaches.

#### **Expenses:**

- \$1.4 million projected increase in contractual *Access Fees* to Amtrak, CSX, and Norfolk Southern (as well as other agreements with Amtrak).
- \$0.6 million combined increase in *Train Operations* and *Maintenance of Equipment* for contractual agreements with Keolis.
- \$0.4 million increase for *Non-Departmental Operating* including additional insurance trust fund contributions and contingency funding.

### **Management Focus:**

The June presentation of Key Budget Issues identified several areas that will have an impact on the FY 2019 budget. Some of these issues may be resolved before budget adoption, while others will require projections based on the best currently available information, and still others will require action by Board members and other elected officials in the coming months and years. Of those various issues, management is currently focused most closely on the following:

1. **State Funding:** As noted above, state capital funding availability for FY 2019 is now projected to be in line with FY 2018, as a result of improved revenue forecasts and lower anticipated demand for funding. However, absent any action by the General Assembly, the sharp drop-off in funding is now expected to begin in FY 2020. The Transit Capital Revenue Advisory Board (RAB) recently completed its final report to the General Assembly on the need to identify and provide sustainable replacement capital funding.
2. **Midday Storage:** VRE's current agreement with Amtrak includes provisions for Amtrak to reclaim VRE's midday storage space at the Ivy City yard for their own use during the next several years. The construction of a new midday storage yard adjacent to New York Avenue is a critical project for VRE, and it will require a substantial portion of VRE's projected federal formula funds over the next four to five years. Important activities such as land acquisition (through either purchase or long-term lease) and final design remain to be completed before construction can begin.
3. **Washington Union Terminal (WUT):** In addition to the uncertainty noted above regarding ridership and fuel prices, VRE also faces significant uncertainty regarding the required funding for track, signal, platform, and passenger facility upgrades at WUT. Last year's FY 2018-2023 CIP included a total of \$45 million for VRE's portion of these upgrades, and the preliminary FY 2019 budget includes this same projection. More specific information on the allocation of these infrastructure costs will be forthcoming from the Northeast Corridor (NEC) Commission but is not yet available.
4. **Staffing and Resource Levels:** In addition to the Smart Scale and I-66 Outside the Beltway concessionaire funding, VRE has competed successfully in recent years for NVTa regional funding and state IPROC and REF funding for various projects. The challenge now for VRE is to advance these projects through design and construction so the benefits to the region and the Commonwealth can be realized. Management continues to examine the staffing and resource levels necessary to advance this substantial capital program. Ultimately, VRE expects to utilize a combination of both temporary staff augmentation (consultants) and targeted hiring of permanent new employees in key areas including project management, grants administration, and procurement.

#### **Next Steps:**

VRE staff will continue to update and modify the FY 2019 budget throughout the Fall as the current year progresses and as more information is received that may impact budget projections. VRE staff will review the budget with the CAO Task Force and ultimately provide a balanced budget to the Operations Board in December for consideration and approval.

**Virginia Railway Express  
Operations Board**

**Resolution  
9A-09-2017**

**Referral of Preliminary FY 2019 VRE Operating and  
Capital Budget to the Commissions**

**WHEREAS**, the VRE Master Agreement requires the VRE Operations Board submit to the Commissions a preliminary fiscal year budget by September 30 each year; and,

**WHEREAS**, the VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2019 Operating and Capital Budget;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board refers the preliminary FY 2019 Operating and Capital Budget to the Commissions for their consideration; and,

**BE IT FURTHER RESOLVED THAT**, the VRE Operations Board recommends the budget be forwarded to the jurisdictions for further formal review and comment; and,

**BE IT FURTHER RESOLVED THAT**, VRE staff is directed to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2017 meeting for consideration and referral to the Commissions for adoption in January 2018.

Approved this 15<sup>th</sup> day of September 2017

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Paul Smedberg  
Chairman

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Katie Cristol  
Secretary

## **Proposed FY 2019 Key Issues**

The key issues described below apply to the development of the FY 2019 Budget and CIP and to the six-year financial plan, which provides a consolidated financial projection over a multi-year time frame.

***Key Issue #1: State funding beyond FY 2018: Changes to the level of and allocation method for state transit funds will exacerbate VRE's capital and operating funding challenges.***

The FY 2018 to FY 2023 CIP and Six-Year Financial Forecast illustrated the funding challenges VRE faces, since currently identified funding falls short of the system's operating and capital needs. One major factor is the uncertainty of available levels of future state funding for capital needs, which is expected to drop off sharply in FY 2019 and FY 2020 when bond funding supporting the state contribution to capital projects is no longer available. VRE's FY 2018 Budget was based on \$10.6M of state transit capital funds used as match for federal formula funds and an additional \$5.7M to support track access fees, based on a "tiered" percentage funding system that has been in place since FY 2014.

The Transit Capital Revenue Advisory Board (RAB) was created to identify possible sources of replacement revenue and to develop a methodology for project prioritization, with technical support provided by the Transit Service Delivery Advisory Committee (TSDAC). *The current proposals to develop a statewide prioritization process for the allocation of state capital funds for state of good repair projects will mean VRE cannot depend on consistent state support for our highest priority projects and could well have significant difficulties in meeting federal grant match requirements.*

In the draft Rail and Public Transportation Improvement Program to be presented to the Commonwealth Transportation Board (CTB) in June 2017, the total level of operating assistance is projected to hold steady through FY 2021 and increase slightly beginning in FY 2022. However, the expansion of WMATA's Silver Line (Phase II scheduled to open in 2020) will materially impact the amount received by VRE and other transit providers in future years.

***Key Issue #2: Jurisdictional subsidy and fare increases: The VRE service currently must be supported within the confines of jurisdictional budget constraints and a competitive and equitable fare structure. Although additional ongoing dedicated funding sources to support both the operating and capital needs of the commuter rail service are needed, fare and subsidy levels must also be routinely increased to at least partially accommodate ongoing contractual increases.***

The FY 2018 six-year financial forecast projected a subsidy increase of 3% for FY 2019. The jurisdictional subsidy amount was last increased by 5% in FY 2017 to approximately the total subsidy amount paid in FY 2009. With the decreased gasoline costs over the last two

years, several of the jurisdictions who were exclusively relying on the fuel tax to pay the VRE subsidy are no longer able to do so.

VRE has had four fare increases in the last six fiscal years (FY 2013, FY 2014, FY 2016 and FY 2018) in order to maintain the current level of service at a reasonable cost to the rider. The FY 2018 six-year financial forecast projected no fare increase in FY 2019.

***Key Issue #3: Level of service:*** *Some trains are currently at or over 100% capacity. Planned service improvements include the lengthening of peak trains as additional rail cars are received.*

Five rail cars were ordered in FY 2015 and placed in service in FY 2017. An additional nine rail cars ordered in FY 2016 are expected to be received in FY 2018. These additional rail cars along with infrastructure improvements to stations and storage yards will allow for the lengthening of existing peak trains. The Smart Scale grant provided funding for additional rail cars in the latter year of the FY 2019 to FY 2024 CIP to further lengthen existing peak trains.

***Key Issue #4: Capital costs at Washington Union Terminal (WUT):*** *VRE's future required contribution to capital investments at WUT is dependent on the cost sharing mechanism being developed by the Northeast Corridor Commission.*

The FY 2018 to FY 2023 CIP included \$45M to fund track, signal, platform and passenger facility upgrades and re-alignments at Washington Union Terminal (WUT). Some of these funds will be used for interim improvements at the terminal, as agreed to between Amtrak and VRE. The more significant costs will be the result of the allocation of infrastructure improvements to all users of the terminal based on a formula that is currently being developed by the Northeast Corridor (NEC) Commission. At this time, we do not know whether the amount programmed is higher or lower than the amount that will be required. More specific information should be available over the next several months so this potential cost can be better quantified.

The NEC Commission was created under a provision of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) in order to develop consistent methodologies for the equitable sharing of operating costs and infrastructure investments within the Northeast Corridor for commuter and intercity rail services. The Commission is comprised of members from each of the NEC states, Amtrak and the U.S. DOT with non-voting representatives from freight railroads and states, such as Virginia, which connect to the NEC. The Commission approved a cost allocation policy for operating costs in September 2015; for VRE this policy now determines the cost of our access to WUT. The Northeast Corridor Capital Investment Plan for Fiscal Years to 2018 to 2022 outlines \$38B of backlog or improvement projects needed to support the Corridor. The Commission is currently working on a method for allocating these capital costs to the users of NEC assets.

***Key Issue #5: Maintenance and Replacement of VRE Assets:*** *The maintenance of rolling stock equipment and facilities to support current service levels is a priority in the VRE capital*

*program. Federal formula funds devoted to maintaining transit assets in a “State of Good Repair” are expected to provide for these costs over the life-cycle of VRE’s assets. However, replacement of the fleet at the end of the expected useful life of the equipment will require additional funding mechanisms.*

The federal priority of maintaining transit systems in a “State of Good Repair” has been continued in the Fixing America’s Surface Transportation (or FAST) Act, the current federal transportation authorization, and the funds to adequately maintain equipment and facilities will be available from this source. VRE’s ongoing transit asset management initiatives will be used to refine the costs that were included in the prior year budget and CIP for related projects.

VRE’s current fleet of railcars and locomotives were purchased during a compressed time period. As a result, the replacement of the fleet at the end of its useful life is projected to be needed during a five-year period beginning in FY 2030, at an estimated cost of approximately \$450M. Although this need falls well beyond the projection period in the annual budget and CIP, this issue was highlighted in the longer-term Financial Plan forecast.

***Key Issue #6: Midday Storage:*** *The construction of alternate midday storage facilities will require a significant funding commitment over the next several years.*

The current agreement with Amtrak includes provisions for Amtrak to reclaim VRE’s midday storage space at the Ivy City yard for their own use during the next several years. As a result, VRE must proceed expeditiously to replace the storage yard now used at Ivy City. Work done on the project thus far indicates it will require a substantial portion of available federal formula funds over the term of the FY 2019 to FY 2024 CIP and may require the identification of other funding sources or short-term bridge financing until additional federal funds are available.

In addition to the replacement of the current storage tracks, VRE needs to increase midday train storage beyond what is currently available in order to provide for storage of all existing trains. This will be accomplished with the completion of storage tracks north and south of the L’Enfant station during FY 2018.

The new storage yard is expected to have the capacity to accommodate future growth as well as replace the current storage slots.

***Key Issue #7: Resources needed to implement the capital program:*** *Capital improvements needed to support the current level of VRE service, to increase railroad infrastructure capacity in the VRE service territory or to grow the system to meet future expected demand require the identification and commitment of funds beyond those currently available to VRE.*

Each of the existing sources of capital funding VRE relies on has inherent limitations. Federal funding has increased considerably over the last several years, but the limitations



on the use of our major source of federal funds, the 5337 or State of Good Repair program, will further complicate our capital funding picture. NVTa regional funding continues to be available on a discretionary basis for certain VRE capital projects, but only for those located within the NVTa jurisdictions, which has created an imbalance of funding sources within VRE. Local sources of funding are limited and must compete with other jurisdictional funding priorities. The limitations of state funding are noted above.

VRE was recently approved for Smart Scale funding for \$92M in FY 2022 dollars. While this funding fills a crucial funding gap for numerous VRE projects at the construction phase, it creates a funding lag as these projects are scheduled to start earlier than when the funds will be available in FY 2022

***Key Issue #8: VRE staff level:*** *VRE needs the staff resources necessary to operate and administer the commuter rail system safely, efficiently and in compliance with all federal and state requirements and to advance the capital program in accordance with system needs and funding commitments.*

Since inception, the administration and oversight of the commuter rail system has been accomplished by a relatively small permanent staff, supplemented at times with assistance on a contract or temporary basis. For a number of years, as the system itself grew and developed, along with a continuing increase in internal and external requirements, the staff level did not keep pace. However, three new permanent positions and the replacement of three contract positions with VRE staff positions was funded in FY 2016 and an additional four new full time positions were funded in FY 2017. VRE management is currently reviewing existing staffing resources and potential needs for FY 2018, particularly in regard to resources needed to advance the capital program.

***Key Issue #9: Renewal of CSX operating access agreement:*** *The VRE five-year operating access agreement with CSX Transportation expired on June 30, 2016. In May 2016, the VRE Operations Board approved a one-year extension of this agreement through June 30, 2017 and a second one-year extension was approved in May 2017, through June 30, 2018.*

Throughout this second one-year extension period, VRE, CSXT and DRPT will meet to determine capacity enhancement projects, prioritize these projects, establish methodologies to identify how the capacity enhancements will result in additional service for VRE and to identify potential funding sources. VRE staff anticipates these elements will be integrated into the new Amended and Restated Agreement. The potential fiscal impact will be monitored throughout the FY 2019 budget process and reflected as appropriate.

## FY 2019 Sources and Uses

LEVEL OF SERVICE FOR FY19

32 trains

18,700 Average Daily Riders

Amtrak	6,690,000
NS	3,200,000
CSX	8,030,000
<b>Total Access</b>	<b>17,920,000</b>

	USES OF FUNDS	SOURCES OF FUNDS											
							-----STATE-----			-----FEDERAL-----			
		FARE INCOME	INTEREST	MISC	LOCAL SUBSIDY	OTHER SOURCES	OTHER SOURCES	STATE OPERATING	STATE CAPITAL	STATE STP	5307/5337	OTHER	TOTAL
Operating Expenses	82,115,506	41,770,000	75,000	225,000	14,522,706	450,000	-	9,500,000	6,092,800	8,960,000	520,000		82,115,506
Non-Operating Expenses:													
Operating Reserve	49,000				49,000								49,000
Debt Svc (Gallery IV) (11 Cabcars)	1,931,357				77,254				309,017		1,545,086		1,931,357
Debt Svc 60 Railcars (Local)	110,442				110,442								110,442
Debt Svc 60 Railcars (Fed/State/Local)	4,673,071				186,923				747,691		3,738,457		4,673,071
Non-Operating Summary	6,763,870	-	-	-	423,619	-	-	-	1,056,708	-	5,283,542	-	6,763,870
Total Expenses (Subtotal)	88,879,376	41,770,000	75,000	225,000	14,946,325	450,000	-	9,500,000	7,149,508	8,960,000	5,803,542	-	88,879,376
Capital Projects:													
Facilities Asset Management Program	2,495,000				99,800				399,200		1,996,000		2,495,000
Equipment Storage Projects	24,758,010				990,320				8,417,723		15,349,966		24,758,010
Equipment Asset Management Program	3,420,000				136,800				547,200		2,736,000		3,420,000
Security Enhancements	105,000				4,200				16,800		84,000		105,000
Washington Union Station Improvements	5,000,000				200,000				1,700,000		3,100,000		5,000,000
Capital Reserve	3,000,000				3,000,000								3,000,000
Capital Project Summary	38,778,010	-	-	-	4,431,120	0	-	-	11,080,923	-	23,265,966	-	38,778,010
CMAQ/REF/IPROC													
Broad Run Expansion (CMAQ)	4,384,505				-				876,901		-	3,507,604	4,384,505
Quantico Station Improvements (Smartscale)	2,000,000				-				2,000,000		-	-	2,000,000
Alexandria Pedestrian Tunnel (Smartscale)	5,330,000				-				5,330,000		-	-	5,330,000
Fleet Expansion Coaches (Smartscale)	2,000,000				-				2,000,000		-	-	2,000,000
Brooke Platforms (REF)	2,450,000				-				2,450,000		-	-	2,450,000
Leeland Road Platforms (REF)	2,450,000				-				2,450,000		-	-	2,450,000
Summary	18,614,505	-	-	-	-	-	-	-	15,106,901	-	-	3,507,604	18,614,505
TOTAL	146,271,891	41,770,000	75,000	225,000	19,377,446	450,000	-	9,500,000	33,337,333	8,960,000	29,069,509	3,507,604	146,271,891
		FY19 subsidy +3% surplus (deficit)			17,767,748 (1,609,698)								
9/8/17							Soft Capital Projects		Program	Funding	Federal Amt	State Amt	
							Debt Service 11 Cabcars		1,931,357	5337	1,545,086	309,017	
							Access lease funding (50%/34%)		17,920,000	SSTP/State	8,960,000	6,092,800	
							Local only Debt Service 60 Railcars		110,442		-	-	
							Fed/State/Local Debt Service 60 Railcars		2,725,958	5337	2,180,766	436,153	
							Fed/State/Local Debt Service 60 Railcars		1,947,113	5307	1,557,690	311,538	
							Grant & Project Management		650,000	5307	520,000	-	
							Subtotal		25,284,870			7,149,508	
							Capital Projects/Earmarks		57,392,515		26,773,570	26,187,824	
						Federal Cap Program		82,677,385		41,537,113	33,337,333		

9/8/17

FY 2019 Summary Proposed Budget						
	FY2018 Operating	FY2018 Capital	FY2019 Operating	FY2019 Capital	Changes	% Chg
<b>Revenue:</b>						
Fare Revenue	39,845,400		41,770,000		1,924,600	5%
Miscellaneous Revenue	225,000		225,000		-	0%
Jurisdictional Subsidy	12,874,980	4,375,260	13,336,626	4,431,120	517,507	3%
Other Sources (Use of Prev. Surplus)	955,000	-	450,000	-	(505,000)	-53%
Federal/State Subsidy - Operating	31,005,851		31,413,051		407,200	1%
Federal/State Subsidy - Capital		43,547,331		52,961,395	9,414,063	22%
Operating/Capital Reserves	-	500,000	-	-	(500,000)	-100%
Interest Income	75,000		75,000		-	0%
<b>Total Revenue</b>	<b>84,981,231</b>	<b>48,422,591</b>	<b>87,269,677</b>	<b>57,392,515</b>	<b>11,258,370</b>	
<b>Operating/Non-Operating Expenses:</b>						
Non-Departmental Operating	5,395,008		5,775,933		380,925	7%
Executive Management	1,452,300		1,563,500		111,200	8%
Chief of Staff	1,175,500		707,500		(468,000)	-40%
Marketing (Merged into Chief of Staff in FY18)	-		456,500		456,500	n/a
Finance and Human Resources	3,672,500		4,057,500		385,000	10%
Purchasing and Contract Administration	515,920		541,920		26,000	5%
Project Development	1,069,250		1,161,900		92,650	9%
Project Implementation	945,200		1,267,200		322,000	34%
Rail Operations	1,886,000		2,102,000		216,000	11%
Information Technology	2,316,333		2,425,803		109,470	5%
Facilities Maintenance	4,590,950		4,373,750		(217,200)	-5%
Mechanical Operations	10,723,400		10,860,000		136,600	1%
System Safety & Security	1,256,500		1,574,500		318,000	25%
PRTC	104,000		104,000		-	0%
NVTC	90,000		90,000		-	0%
Train Operations	15,416,000		15,860,500		444,500	3%
Maintenance of Equipment	6,360,500		6,546,000		185,500	3%
Amtrak	4,407,000		4,726,000		319,000	7%
Amtrak Access Fees	6,600,000		6,690,000		90,000	1%
Norfolk Southern Access Fees	2,940,000		3,200,000		260,000	9%
CSX Access Fees	7,300,000		8,030,000		730,000	10%
					-	
<b>Total Operating/Non-Operating Expenses</b>	<b>78,216,361</b>	<b>-</b>	<b>82,114,506</b>	<b>-</b>	<b>3,898,145</b>	<b>5%</b>
CIP Expenditures		48,422,591		57,392,515	8,969,924	
Debt Service/Allowance for Doubtful Accts	6,764,870		6,764,870		-	
<b>Total CIP and Other Expenditures</b>	<b>6,764,870</b>	<b>48,422,591</b>	<b>6,764,870</b>	<b>57,392,515</b>	<b>8,969,924</b>	
<b>Grand Total Expenses</b>	<b>84,981,231</b>	<b>48,422,591</b>	<b>88,879,376</b>	<b>57,392,515</b>	<b>12,868,069</b>	
<b>Difference by Fund</b>	<b>-</b>	<b>-</b>	<b>(1,609,699)</b>	<b>(0)</b>	<b>(1,609,699)</b>	
<b>Total Difference</b>		<b>-</b>		<b>(1,609,699)</b>	<b>(1,609,699)</b>	

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# VIRGINIA RAILWAY EXPRESS CRYSTAL CITY STATION IMPROVEMENTS

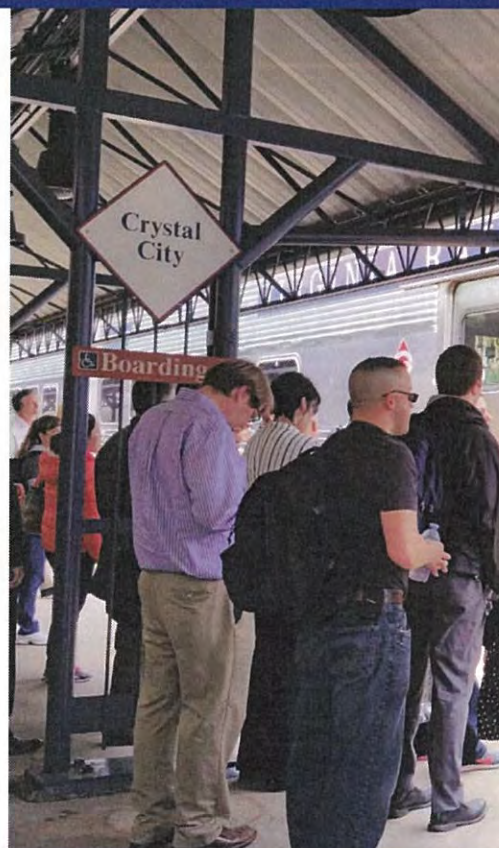
VRE Operations Board  
September 15, 2017



A BETTER WAY. A BETTER LIFE.

## DESIGN OBJECTIVES

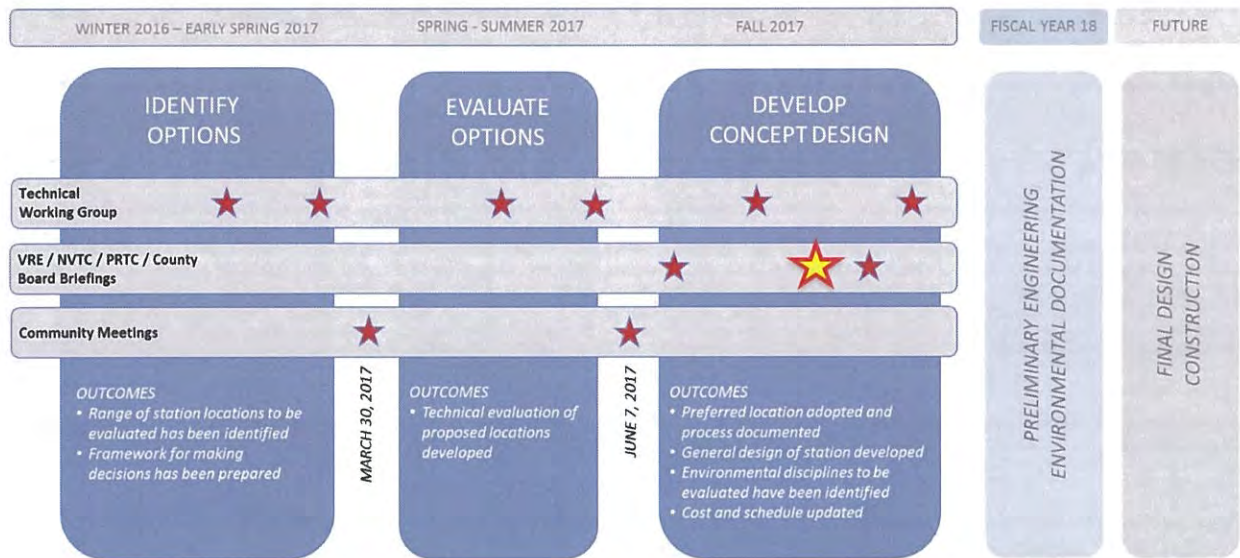
- New island platform
  - Long enough for 8-10 car trains
  - Two grade-separated access points
  - Between Tracks 2 & 3
  - Future four-track environment
  - Stay within existing rail right-of-way
- Enhance local & regional connectivity
  - Bicycle and walk access
  - Metrorail, Metroway, Buses, Shuttles
- Support Crystal City's vision for growth
- Build a sustaining relationship with the community



VIRGINIA RAILWAY EXPRESS



# PROJECT SCHEDULE



This phase of the project is funded by the Northern Virginia Transportation Authority



**DRPT**

Currently  
Unfunded



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## TWO-STEP EVALUATION PROCESS



### PHYSICAL FEASIBILITY OF STATION LOCATIONS

- Accommodate minimum platform size (850 ft. x 24 ft.)
- Does not exceed maximum track/platform curvature
- Accommodates future fourth track
- Fits within existing railroad right-of-way
- Continuity of VRE service during construction

**March 2017 Community Outreach**

### COMPARISON BETWEEN SCREENED OPTIONS

- Enhance Local and Regional Connectivity
- Align with Arlington County's vision for Crystal City
- Build a sustaining relationship with the community

**June 2017 Community Outreach**

### REVIEW AND REVISE EVALUATION

- Incorporate community and stakeholder comments
- Gather and analyze additional data
- Develop additional documentation and clarifications



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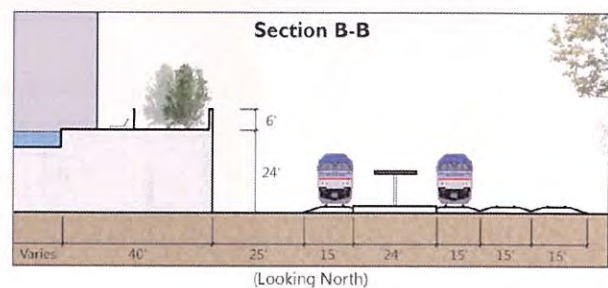
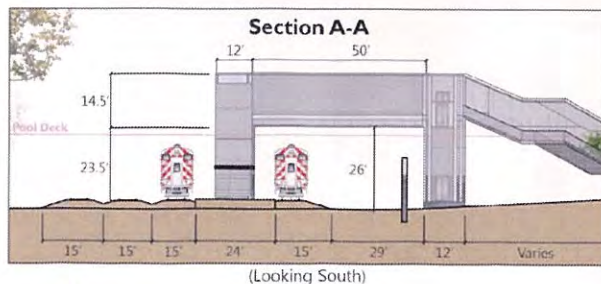
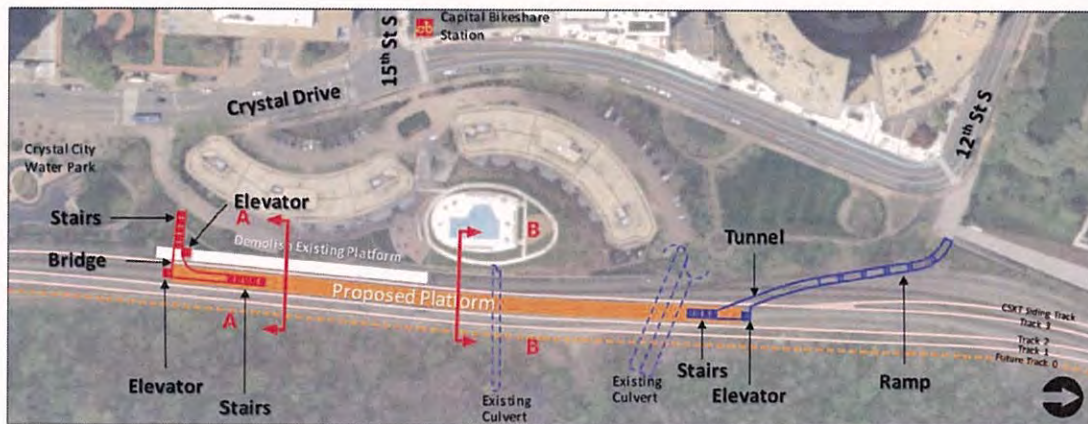
# STEP 1 – SCREENING



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## OPTION 1

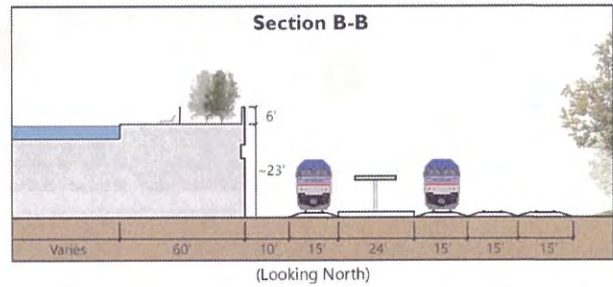
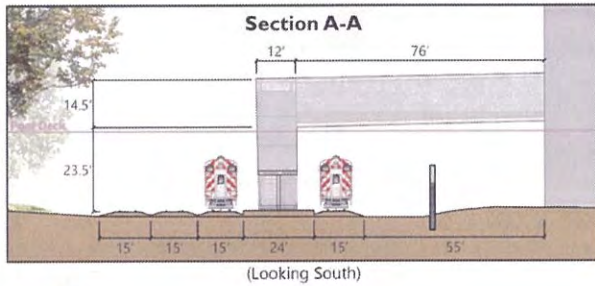
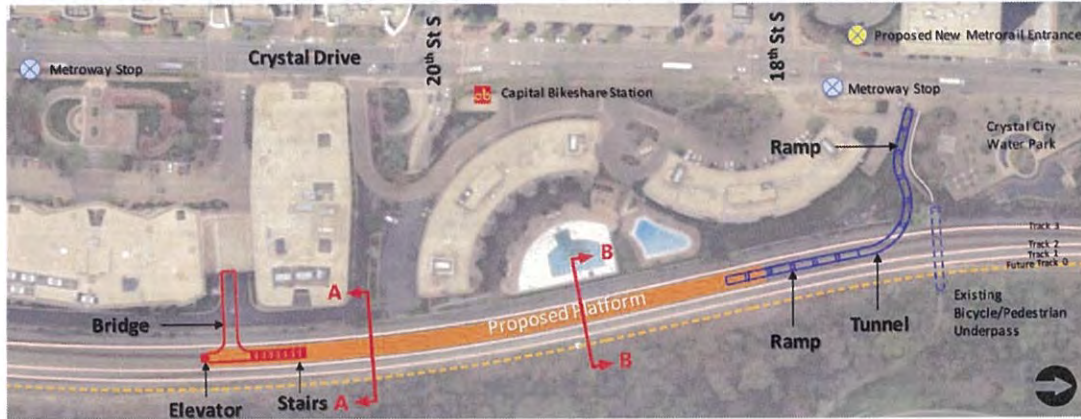


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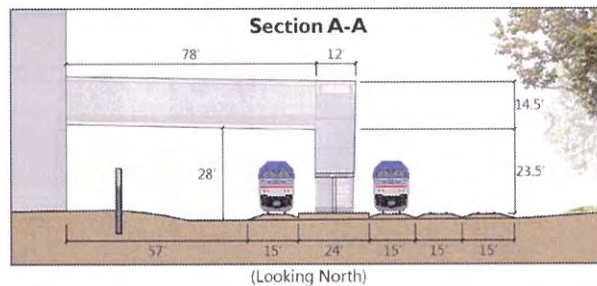
## OPTION 2



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## OPTION 3



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## STEP 2 – SITE ASSESSMENT

EVALUATION FACTOR	DEFINITION
Local Transportation Connections	Proximity to jobs, residences, and bicycle network
Regional Transportation Connections	Proximity to Metrorail and Metroway
Community and Environmental Impacts	Changes to Existing Conditions (Built and Natural environment)
Major Cost Elements	Anticipated cost relative to other options
Economic Development and Land Use (Not Ranked)	<ul style="list-style-type: none"> <li>- Fits with Crystal City Sector Plan</li> <li>- Distance to Reagan National Airport</li> <li>- Proximity to potential development</li> </ul>



VIRGINIA RAILWAY EXPRESS

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## SUMMARY OF RANKINGS

EVALUATION FACTOR	OPTION 1	OPTION 2	OPTION 3
Local Transportation Connections	Low	High	Medium
Regional Transportation Connections	High	High	Low
Community and Environmental Impacts	Medium	Medium	Medium
Major Cost Elements	High	Medium	Low
OVERALL RATING	Medium	High	Low

Legend: ● High (Most Favorable) ◐ Medium ○ Low (Least Favorable)



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## VRE STAFF RECOMMENDATION



- Residents, Civic Association, and Condo Association favor Option 3
- Arlington County Staff, JBG Smith, Equity Residential, and the Crystal City BID support Option 2
- Evaluation also reviewed by Park Service, MWAA, DoD (Pentagon) staff
- VRE Rider survey showed a more central location in Crystal City would be favored

***Option 2 is the preferred platform location on which to focus further analysis and design.***



VIRGINIA RAILWAY EXPRESS

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## NEXT STEPS

- Request Arlington County Board to endorse VRE Staff Recommendation – Sep 19
- VRE Operations Board adopts preferred station location – Oct 20
- Develop Concept Design at preferred station location – Nov-Dec

### **NEXT PROJECT PHASES - NEED TO BE COMPLETED BEFORE THE FOURTH TRACK**

- Preliminary Engineering (30% design) and Environmental Documentation – 2018
  - Minimize community impact through design and, if necessary, mitigation
  - Community outreach will continue in future phases
  - Decide whether or not to proceed to next phase
- Final Design – Depends on funding
  - Detailed design drawings and specifications



VIRGINIA RAILWAY EXPRESS

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## VIRGINIA RAILWAY EXPRESS OPERATIONS BOARD

### **Agenda Item 10-B** **Information Item**

**To: Chairman Smedberg and the VRE Operations Board**

**From: Doug Allen**

**Date: September 15, 2017**

**Re: Crystal City Station Improvement Project Update**

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#### **Summary:**

VRE has evaluated potential locations for a new Crystal City platform using a two-step evaluation process that integrated extensive public outreach and stakeholder coordination. The technical analysis has determined that the Option 2 site is the preferred platform location on which to focus further analysis and design. This location, when compared to other options, provides the highest level of connectivity with local jobs and regional transportation, a comparable level of community and environmental impacts, and moderate construction cost.

#### **Crystal City Station Improvement Project Background and Update:**

The Virginia Railway Express (VRE) Crystal City Station, one of the busiest in the system, was designed over a quarter century ago. Ridership has significantly increased since that time, requiring longer VRE trains. There is an immediate need to extend the station platform to accommodate the longer VRE trains operating today. A second platform edge is needed to allow greater operational flexibility in this heavily trafficked segment of the CSXT RF&P Subdivision. The project also provided an opportunity to better align VRE with Crystal City's vision for growth.

The current phase of the project, initiated in December 2016, focused on identifying the optimal location of the station and its access points. Objectives include better job access through enhanced pedestrian and bicycle connectivity, improved intermodal connections (Metrorail, Metroway, local buses, and Department of Defense shuttles) and consideration of community impacts.

Determining the location of the new VRE platform is needed prior to the start of engineering for the new fourth track through Crystal City, which is fully-funded as part of



Northern Virginia  
Transportation Commission  
2300 Wilson Blvd. #620  
Arlington, VA 22201  
703.524.3322



Virginia Railway Express  
1500 King Street, Suite 202  
Alexandria, VA 22314  
703.684.1001  
VRE.org



Potomac and Rappahannock  
Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192  
703.580.6121

DRPT's Atlantic Gateway/FASTLANE project and currently anticipated to begin in 2018.

VRE conducted a technical analysis of three possible station locations using a two-step evaluation process. The process integrated extensive public outreach and stakeholder coordination. A project website provided ready access to technical information and event materials. The analysis was reviewed by a stakeholder working group comprised of JBG Smith and Equity Residential (property owners of land adjacent to the railroad), the Crystal City Business Improvement District, the Metropolitan Washington Airports Authority, the National Park Service, and the Department of Defense Transportation Management Program Office at the Pentagon (significant destination for VRE riders). Working with Arlington County staff, VRE also provided briefings to the Arlington County Transportation Commission and the County Board.

Extraordinary steps were taken for a planning study to gather and address input received from residents, riders, the business community, and the general public. Four public events were held between November 2016 and June 2017, that involved the Crystal City Civic Association (CCCA), a residents' group, and were attended by up to 80 individuals. Based on concerns expressed by Crystal City residents and other stakeholders, additional analyses were performed regarding noise, vibration, and visual impacts associated with each option that would have been otherwise performed in a later phase of project development.

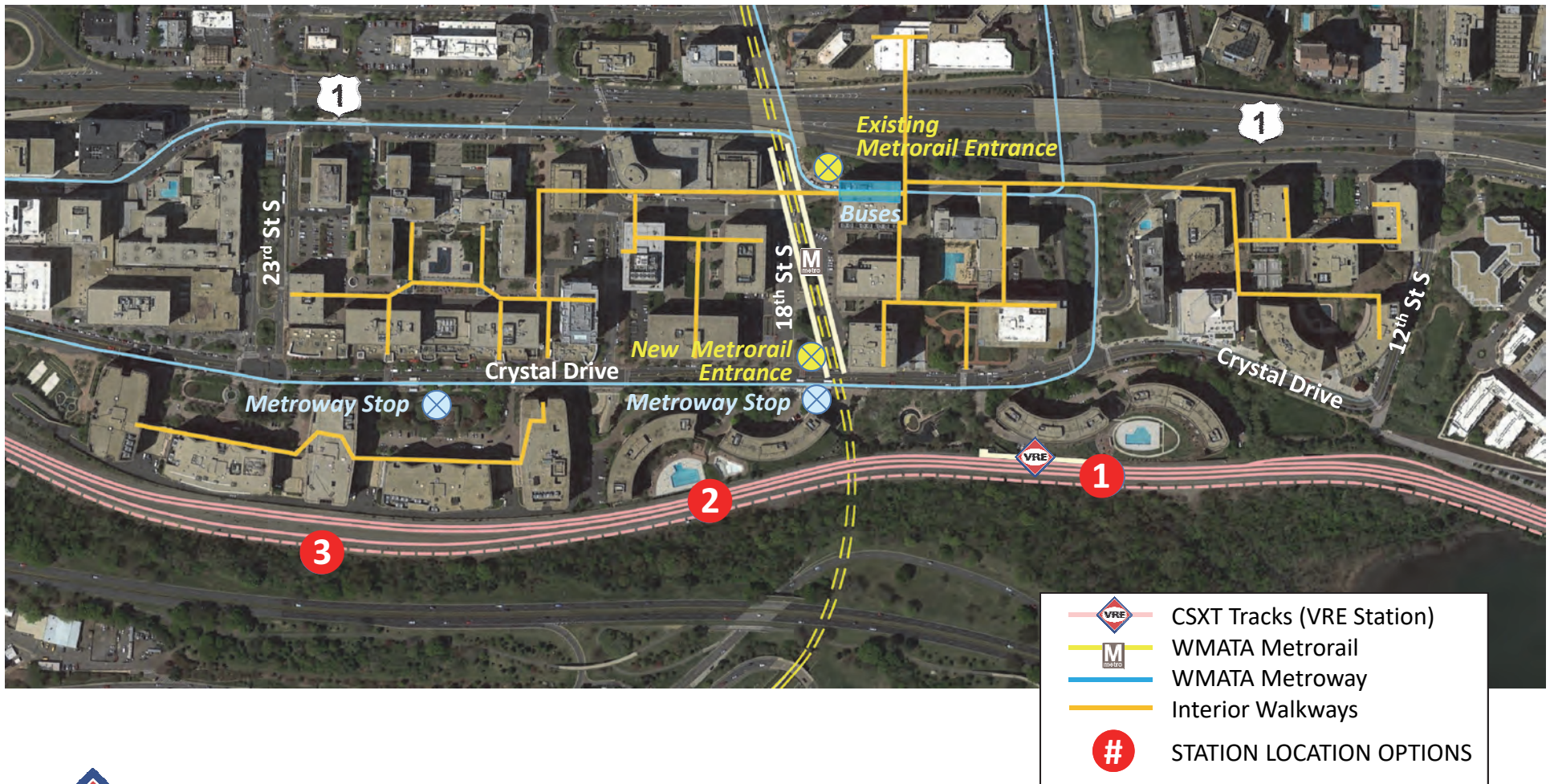
Based on the technical analysis and the feedback received, the VRE staff recommends Option 2 as the preferred station location. Riders and representatives of the business community expressed a preference for Option 2. The CCCA expressed a preference for Option 3.

In September, VRE will present its staff recommendation to the Arlington County Planning Commission, Transportation Commission, Transit Advisory Committee, and the County Board. The staff recommendation will be presented to the VRE Operations Board at their October meeting along with feedback from these stakeholders for action to adopt a preferred station location.

Upon selection of a single platform location, VRE will proceed with more detailed preliminary engineering and environmental investigations for that location. That will include negotiating preliminary agreements with private property owners, where appropriate, for access across their property to Crystal Drive.



# CRYSTAL CITY STATION LOCATION OPTIONS



VIRGINIA RAILWAY EXPRESS

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## Agenda Item #8: Department of Rail and Public Transportation



**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice

**DATE:** September 28, 2017

**SUBJECT:** Department of Rail and Public Transportation (DRPT)

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### A. DRPT Report

DRPT Director Jennifer Mitchell will provide an update on DRPT activities at the September meeting. The monthly [Department of Rail and Public Transportation \(DRPT\) Report](#) is attached.

### B. DC2RVA Update

Randy Selleck, DRPT rail planning project manager, will provide an update on the status of the [DC2RVA Project](#). DRPT and the Federal Railroad Administration (FRA) have published the [Tier II Draft Environmental Impact Statement \(DEIS\) for the Southeast High Speed Rail Washington, DC to Richmond, Virginia](#). Public hearings are being planned in mid-October, as part of the 60-day comment period ending on November 7, 2017.

DRPT recommended improvements include:

- An additional track in Northern Virginia, including additional rail bridges over major waterways such as the Occoquan River, Powells Creek, Aquia Creek, and Potomac Creek;
- A third track through downtown Fredericksburg, with a new rail bridge across the Rappahannock River;
- A third track from Fredericksburg extending south to Ashland;
- Improvements to provide full passenger service at both Main Street and Staples Mill Road stations via the S-line, including an additional rail bridge across the James River.

The Washington, DC to Richmond (DC2RVA) segment of the Southeast High Speed Rail project is part of a larger nationwide higher speed intercity passenger rail plan identified by USDOT and the states of Virginia and North Carolina.

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## COMMONWEALTH of VIRGINIA

Jennifer L. Mitchell  
Director

Virginia Department of Rail and Public Transportation  
600 E. Main Street, Suite 2102  
Richmond, VA 23219

Ph: 804-786-4440  
Fax: 804-225-3752  
Virginia Relay Center  
800-828-1120 (TDD)

TO: Chairman McKay and NVTC Commissioners

FROM: Jennifer Mitchell, Director

DATE: September 26, 2017

SUBJECT: Virginia Department of Rail and Public Transportation (DRPT) Update

### **General Update**

Over 60 people attended the Commonwealth Transportation Board's (CTB) Fall 2017 Transportation Meeting on Monday, September 18. Media outlets that attended the meeting include WDM (Channel 25 Hagerstown, MD). Transit agencies that set up displays at the meeting included Alexandria DASH, Loudoun County Transit, and the Virginia Railway Express (VRE) as well as NVTC and the Northern Virginia Transportation Authority (NVTA). Arlington County Commuter Services displayed its new Mobile Commuter Store, purchased with Smart Scale Round 1 funding, outside the meeting. Meeting materials are available [here](#) and comments will be accepted online [here](#) until October 20.

The CTB workshop and meeting were held at the Hyatt Regency in Reston on September 19 and 20. At its meeting, the CTB approved allocating Vanpool!VA funding to Vanpool Alliance in the Six Year Improvement Program (SYIP). Vanpool!VA is a two year pilot program that will incentivize vanpooling by paying \$400 toward the monthly startup costs of new vanpools. The total cost is \$1.4 million with \$350,000 local match and it will be administered through the Potomac and Rappahannock Transportation Commission (PRTC). A portion of the Federal Transit Administration (FTA) formula funds earned from passenger mile data reported will be returned to NVTC through an existing agreement.

The Governor's Transportation Conference will be held October 24-27 at the Omni Homestead Resort in Bath County. Registration is open [here](#). The CTB will hold its October workshop and meeting in conjunction with the Governor's Transportation Conference on October 23-24.

DRPT will hold an FY 19 Grant Application Workshop for local jurisdictions and transit agencies at the NOVA VDOT District Office in Fairfax on Tuesday, October 31, 2017. Registration information will be sent to local jurisdictional and transit agency staff in the near future.

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New Amtrak service to Roanoke will begin on October 31, 2017. The new service is an extension of Amtrak's Northeast Regional route that currently has its southern terminus in Lynchburg. The new rail segment being added to the Northeast Regional is between Roanoke and Lynchburg. DRPT provided funding and project management services for this passenger rail extension.

#### **Metro Safety Commission (MSC)**

A joint resolution supporting the MSC passed the U.S. House on July 16 and the Senate on August 3. It was signed by President Trump on August 22, which allows the Federal Transit Administration (FTA) to begin certification of the MSC. FTA has made MSC certification a requirement for releasing the \$8.9 million in FY 17 urbanized area formula funds that it began withholding from Virginia, Maryland, and the District of Columbia on February 10.

DRPT, in cooperation with Maryland Department of Transportation (MDOT) and the District Department of Transportation (DDOT), is identifying and recruiting commissioners to the MSC as well as an Executive Director and staff. DRPT's approved FY 18 budget includes \$600,000 for the establishment of the MSC. MDOT and DDOT have budgeted similar amounts for the MSC.

#### **Washington Metropolitan Area Transit Authority (WMATA) Independent Review**

The legislation that directs the Virginia Secretary of Transportation to conduct an Independent Review of WMATA, led by Former U.S. Secretary of Transportation Ray LaHood in coordination with NVTC, requires quarterly reports to the Chairs of the Virginia House and Senate Transportation Committees beginning June 30, 2017. An interim report is due to the General Assembly on November 15, 2017 and a final report is due by June 30, 2018. DRPT will post quarterly updates to [here](#) as they become available.

#### **Transit Capital Project Revenue Advisory Board**

The final meeting of the Revenue Advisory Board (RAB) was held on June 16. The final report was submitted to the General Assembly in August 2017 and is available [here](#). The RAB's charge expires on July 1, 2018.

#### **Transit Service Delivery Advisory Committee (TSDAC)**

The TSDAC last met on May 31, 2017. No future TSDAC meetings are scheduled at this time.

#### **I-66 Corridor Improvements**

VDOT has been field testing the electronic tolling equipment on I-66 Inside the Beltway this summer. Dynamic tolling on I-66 between I-495 and Rosslyn is scheduled to begin in December 2017. Tolling will occur in the eastbound direction between 5:30 and 9:30 a.m. and westbound between 3:00 and 7:00 p.m., which corresponds with HOV hours on I-66 west of I-495. Once tolling begins, vehicles carrying two or more passengers will be able to use the lanes at no charge with an E-Z Pass Flex transponder. Single occupant vehicles will still be allowed to use the lanes at no charge during the off peak periods and on weekends. Transit vehicles, motorcycles, and on duty law enforcement vehicles will also be able to use the lanes at no charge. Information about using the lanes as well as what type of EZ Pass and where to get an EZ Pass Flex is available [here](#). The lanes will switch to HOV-3 beginning in mid-2022 when the I-66 Outside the Beltway Express Lanes open.

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Financial close for the I-66 Outside the Beltway project is now expected in October. CTB approval of the list of concessionaire fee funded projects recommended by NVTA is also anticipated in October. A Design Public Hearing for the Gainesville/University Boulevard Park and Ride Lot is scheduled for October 10 from 6:00 to 8:00 p.m. at Piney Branch Elementary School in Bristow. Draft plan sets as well the notification for the hearing can be found [here](#). The next round of public meetings for the project, which will also be Design Public Hearings, is scheduled for November 2017.

The Federal Highway Administration (FHWA) issued a Finding of No Significant Impact (FONSI) for the Transform 66: Inside the Beltway Eastbound Widening project on April 3. The FONSI and revised Environmental Assessment (EA) are located [here](#).

### **I-95/395 Express Lanes**

VDOT reached financial close and gave Notice to Proceed (NTP) to TransUrban on July 25. DRPT and VDOT are working on a draft Memorandum of Agreement (MOA) for the distribution of the \$15 million annual transit payment to NVTC and PRTC. A preview of the draft agreement will be presented to the NVTC and PRTC boards at their meetings in October with approval scheduled in November. The draft agreement will be presented to the CTB at its October workshop with approval scheduled at its meeting in December.

The \$2 million Transportation Management Plan (TMP) has been finalized and sent to the Federal Highway Administration (FHWA) for approval. Transit strategies in the TMP period include adding more frequent peak service on two existing PRTC and WMATA routes that serve the Pentagon using I-395, relocating the Pentagon Commuter Store, and marketing VRE as an alternative mode. Transportation Demand Management (TDM) strategies include incentives for carpool and vanpool formation, corridor specific employer outreach, and subsidies to businesses that establish telework programs.

The FONSI, revised EA, EA comment responses and appendices, comprehensive agreement, and technical requirements for the I-395 Express Lanes Northern Extension are available [here](#).

A 2.2 mile [reversible extension](#) of both the southbound and northbound ramps at the southern terminus of the existing I-95 Express Lanes began construction in July 2016. The southbound ramp is anticipated to open in late 2017 and the northbound ramp in summer 2018. A [ten mile extension](#) of the I-95 Express Lanes to Fredericksburg (Fred Ex), funded by the Atlantic Gateway FAST LANE grant, is scheduled to begin construction in 2019 and be complete in 2022. A Design Public Hearing for the Fred Ex project was held on Monday, September 25 at Stafford High School in Stafford. Comments can be submitted until October 10 via email to [I95fredex@vdot.virginia.gov](mailto:I95fredex@vdot.virginia.gov) and via U.S. mail to Krishna Potturi, Project Manager, 87 Deacon Road, Fredericksburg, VA 22405.

### **Smart Scale**

The draft Smart Scale technical guide is published [here](#). A track changes version, technical errata guide, and proposed applications limits for all jurisdictions, regional entities, and transit agencies were also published. The comment period will remain open until October 20.

A training session at the NOVA District office September 20 was attended by staff from VDOT, DRPT, the City of Alexandria, the City of Manassas, Fairfax County, Loudoun County, the Northern Virginia

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Regional Park Authority (NOVA Parks), Prince William County, the Town of Dumfries, the Town of Herndon, the Town of Leesburg, the Town of Haymarket, and VRE. The training covered proposed policy changes for Smart Scale Round 3, tips on maximizing project scores, tools and resources, and portal updates and a how to apply refresher.

### **DC2RVA**

The Tier II Draft Environmental Impact Statement (DEIS) for the Washington, DC to Richmond Southeast High Speed Rail Project was released on Thursday, September 8. It is available for review [here](#) and comments can be submitted [here](#) until November 7. Public meetings are scheduled for the project on Tuesday, October 17 in Alexandria at the Hilton Alexandria Old Town located at 1767 King Street and on Thursday, October 19 in Quantico at the National Museum of the Marine Corps located at 18900 Jefferson Davis Highway. Both meetings will feature an open house from 7-10 p.m. and a public hearing at 7:30 p.m. Additional meetings will be held in Richmond on October 10, Ashland on October 11, and Fredericksburg on October 18. Those meetings will feature an open house from 6-9 p.m. and a public hearing at 6:30 p.m. Comments can be submitted verbally and in writing at the public hearings, by emailing the project team at [info@DC2RVArail.com](mailto:info@DC2RVArail.com), by calling the project hotline at (888) 832-0900 or TDD 711, or via U.S. mail to Emily Stock, Manager of Rail Planning, 600 East Main Street, Suite 2102, Richmond, VA 23219. DRPT is presenting updates to PRTC and NVTC at each commission's October meeting.

The preferred alternative includes four tracks in Arlington and Alexandria and three tracks in Fairfax and Prince William County, which are the highest prioritized recommendations in the five areas in the study corridor and estimated to cost \$1.653 billion. The second highest priority, the Long Bridge approach in Arlington, is estimated to cost \$36 to \$47 million. An interactive corridor map that allows users to search aerial photographs by address and parcel can be found [here](#).

**Agenda Item #9: Report of the Chair of NVTC's  
Governance and Personnel Committee**



**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice

**DATE:** September 28, 2017

**SUBJECT:** Report of the Chair of NVTC's Governance and Personnel Committee

---

John Cook, chairman of the Governance and Personnel Committee, will give an update of the committee meeting on October 5<sup>th</sup> to discuss the executive director's performance evaluation. The Commission will have a Closed Session discussion at the November 2<sup>nd</sup> NVTC meeting.

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**TO:** Chairman McKay and NVTC Commissioners

**FROM:** Kate Mattice

**DATE:** September 28, 2017

**SUBJECT:** Executive Director Report

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### **A. Executive Director Newsletter**

NVTC's [Executive Director Newsletter](#) provides updates on specific NVTC projects and programs and highlights items of interest at the federal and state levels and among partners such as the Transportation Planning Board and the Northern Virginia Transportation Authority.

This month's newsletter includes highlights from NVTC's I-66 Commuter Choice kickoff event in Falls Church, an update on our regional fare collection program, a look at the VRE/Fairfax County Rail Safety event, and a brief bio of Cheyenne Minor, our new manager of grants and compliance.

### **B. NVTC Financial Items**

The [Financial Report for August 2017](#) is provided for your information.



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One cannot doubt the importance of transit to Northern Virginia to judge by the turnout and coverage of NVTC's launch of the I-66 Commuter Choice program on September 20. More than 150 elected and appointed officials, transit agency heads, consultants, staff and students from an Advanced Placement Government class at George Mason High School joined NVTC and Governor Terry McAuliffe in Falls Church to celebrate all that has been accomplished since we entered into the 40-year partnership last year.

This partnership – which gives NVTC the authority to fund transit and related improvement projects in the I-66 corridor with toll revenues – will pave the way for similar joint initiatives, “joint” being the operative word. In October, the Commission will be briefed on a Memorandum of Agreement (MOA) with the Commonwealth that will allow NVTC and our sister organization, the Potomac and Rappahannock Transportation Commission (PRTC), to fund transit projects along I-95/I-395 with \$15 million in annual payments from Transurban, operator of the I-95 Express Lanes. Commissioners will consider the MOA in November.

NVTC and PRTC, which share ownership of the Virginia Railway Express, have a long history of working together. The application, evaluation, selection and monitoring procedures that NVTC has developed for I-66 Commuter Choice will serve as a model, allowing our two organizations to easily implement a process to identify projects that will best serve the toll payers in the I-95/I-395 corridor.

As our chairman, Jeff McKay, noted at the kickoff event: “There is no single response that will eliminate congestion on I-66, but the combination of transit and the related improvement projects that the Northern Virginia Transportation Commission is funding will make incredible inroads, transforming the commutes of thousands upon thousands of residents.” Now, replace the words “I-66” with “in the region” – the region extending south to Fredericksburg and Stafford County – and you will get a sense of the potential impact NVTC can have in alleviating congestion and improving commutes.

It is particularly heartening for NVTC staff to know the reach and effect of these projects, as they reinforce that the staff's work is indeed for the greater good, with wide-ranging societal benefits. That, I believe, says it all.



*Jeff McKay*  
Executive Director

## Inside this Issue

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Northern Virginia Transportation Commission  
2300 Wilson Blvd., Ste. 620  
Arlington, VA 22201  
[www.novatransit.org](http://www.novatransit.org)



## Key Dates

Oct. 5	<a href="#">NVTC Monthly Meeting</a>
Oct. 7	<a href="#">METRO Fund It - Fix It!</a>
Oct. 12	<a href="#">NVTA Monthly Meeting</a>
Oct. 12	<a href="#">WMATA Board Committees</a>
Oct. 18	<a href="#">Transportation Planning Board</a>
Oct. 20	<a href="#">VRE Operations Board</a>
Oct. 23-24	<a href="#">CTB Monthly Meeting</a>
Oct. 26	<a href="#">WMATA Board Meeting</a>
Nov. 2	<a href="#">NVTC Monthly Meeting</a>
Dec. 4	NVTC/PRTC Joint Legislative Conference in Springfield
Dec. 8	<a href="#">Application Deadline for I-66 Commuter Choice Funding</a>

## Governor Joins NVTC to Launch I-66 Commuter Choice Program

Despite the unseasonably warm temperatures, well over 150 people turned out for NVTC's I-66 Commuter Choice ribbon-cutting event on September 20 in Falls Church. Governor Terry McAuliffe spoke to the important partnership between the Commonwealth and NVTC, noting that the 10 projects that the Commission has funded will, in combination with the new Express Lanes inside the Beltway, eventually move an additional 5,000 people through the I-66 Corridor each rush hour.



NVTC Chairman Jeff McKay -- emphasizing the enormous need for more transit, as demonstrated by the \$42 million in requests during the first call for projects -- announced that NVTC would be accepting applications for a second round through December 8. The Commission approved the second call at its September meeting. Upcoming one-on-one briefings between the I-66 Commuter Choice program manager and potential applicants will offer jurisdictions — which are the counties of Arlington, Fairfax, Loudoun and Prince William, the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park, and the towns of



Dumfries, Herndon, Leesburg, Purcellville and Vienna — as well as the transit agencies that serve these jurisdictions, including Metro and Virginia Railway Express, to learn more about the application process.

To expedite and simplify the application process and provide information about I-66 Commuter Choice to the public, NVTC staff created a new website. This attractive website contains both historical and current information and includes a map of funded projects. A video featuring the first 10 projects, which played during the kickoff event, is also posted on the website.

NVTC received significant media coverage of the event, including a live Facebook interview by WUSA. The day after the kickoff, VDOT began posting to social media an interview by Deputy Transportation Commissioner Grindley Johnson, aka #CommuterAdvocate, with NVTC Executive Director Kate Mattice about the I-66 Commuter Choice program.

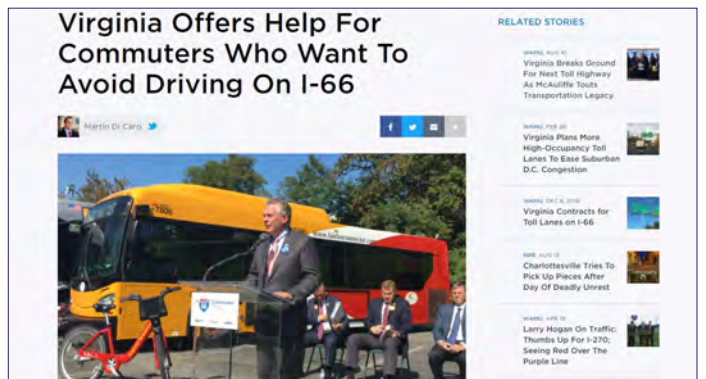




## Scenes from NVTC's I-66 Commuter Choice Kickoff



## Select Media & Social Media Coverage of I-66 Commuter Choice Kickoff





## Regional Fare Collection Program

NVTC, as a representative of the Northern Virginia transit operators, continues to coordinate with WMATA on the Farebox/Driver Control Unit project. This includes monitoring the progress of software development and preparing the Northern Virginia partners for equipment purchases and testing participation. NVTC is organizing a

Next Generation Fare Collection Visioning Workshop to take place November 1. This will allow Northern Virginia transit operators to learn more about current and emerging fare collection technologies in the industry and develop a shared vision for future fare collection methods.

## NVTC Opines about the Value of Rail Transit in Northern Virginia

Following the release of NVTC's [The Value of Metrorail and Virginia Railway Express](#) report, staff worked with Chairman Jeff McKay and Vice Chairman Paul Smedberg on opinion pieces for local newspapers. [The Washington Post published the chairman's op-ed](#) on September 15 and the [Washington Business Journal ran the vice chairman's viewpoint article](#) on September 22. Both pieces drove home several key messages:

- The presence of Metrorail and VRE supports an additional 85,000 households and 130,500 jobs in Northern Virginia.

- Those households and jobs generate more than \$600 million annually in sales and income tax revenue that flow to the state's general fund.

- Given Virginia's annual transit operating and capital contribution to Metrorail and VRE (about \$170 million budgeted in fiscal year 2018), the return on investment to the Commonwealth exceeds 250 percent.

- \$600 million, which represents just over 3 percent of general fund revenues, covers Virginia's annual, general fund expenditures on state colleges and universities (about \$316 million) and state police (about \$266 million).

## Fairfax County and VRE Host Rail Safety Week Event

As part of the first National Rail Safety Week, September 24-30, Fairfax County and Virginia Railway Express held a news conference on Thursday at VRE's Burke Station urging the public to stay off the tracks. Every three hours a person or vehicle is hit by a train in the U.S., according to [Operation Lifesaver](#). In June, [a 13-year-old girl was struck and killed by a VRE train](#) as she walked along the track in the Clifton area of Fairfax County.



## Around Town: Headlines from/about NVTC Jurisdictions and Partners



[Second Phase of Silver Line More Than 60% Complete](#)



[METRO Fund It - Fix It! A Call to Action on Oct. 7](#)



[Planning Commission Sides With Neighbors on Two Crystal City VRE Options](#)



[\\$5B plan for better Va. train trips moves forward](#)



[Shaping the Future through Transportation and Development on Oct. 10](#)



[13th Annual What You Need to Know About Transportation on Oct. 3](#)

## WMATA Provides Quarterly Back2Good Update

### BACK2GOOD



#### SERVICE RELIABILITY

- **Customer offloads down nearly 40%** in first seven months of 2017, compared to the same period in 2016.
- **Rail customer on-time performance improved to 89%** for August 2017.
- **MyTripTime:** WMATA is the first transit property in the country to offer personalized travel time data for customers. Check it out by logging into your SmartTrip account at [smarttrip.wmata.com](http://smarttrip.wmata.com).



#### RAIL & BUS FLEET

- **Railcar reliability up more than 50%** in first seven months of 2017, compared to the same period in 2016.
- **Cooler railcars:** Nearly 60% fewer HVAC issues reported in July 2017, compared with July 2016.
- **50 new 7000-series trains** (400 railcars) in service.
- **100 new Metrobuses** each year replace the oldest, least reliable buses in the fleet.

For more information visit [wmata.com/back2good](http://wmata.com/back2good)

Update Published: September 11, 2017



#### FINANCIAL MANAGEMENT

- **Largest annual capital investment** – \$1.16 billion – recorded in Fiscal Year 2017.
- **Slashed more than \$100 million** in spending and ended Fiscal Year 2017 with a balanced budget.
- **Employee absenteeism down 10%** following policy changes.



#### SAFETY & SECURITY

- **Major crime on Metro down 20%** in the first seven months of 2017, including pickpocket thefts down 50%, bicycle thefts down 26%, and snatch thefts down 14%.
- **Fire & smoke incidents down 20%** this year, including an **11% drop in arcing incidents**, due to aggressive rail infrastructure rebuilding and preventive maintenance programs.



#### STATION IMPROVEMENTS

- **Escalators achieving 95% performance** for first seven months of the year, with 80 new and 153 fully rehabilitated escalators since 2011.

## NVTC Sponsors National Transit Database Training

To help local transit agencies meet their [federal reporting requirements](#), NVTC hosted a two-day training session in mid-September on the National Transit Database. Those receiving grants from the Urbanized Area Formula Program or Rural Formula Program are required to submit certain data to the Federal Transit Administration (FTA). In effect since 1974, the reporting requirements have allowed the FTA to make a wealth of information -- such as agency funding sources, inventories of vehicles and maintenance facilities, safety event reports, measures of transit service provided and consumed, and data on transit employees -- available to the public.





## Virginia DRPT



The Department of Rail and Public Transportation released its [2017 Virginia Rail](#)

[Plan](#) in September. The report focuses on both freight and passenger rail, describing their benefits to the Commonwealth and exploring what the future holds for both types of rail systems. The rail plan also spells out priority improvements and investments. "The Commonwealth invests in the rail network as part of a multimodal approach to meet the growing demand for freight and passenger transportation service and support the economic changes and travel preferences of Virginians," notes the report.



## Youth Bike Summit



The [2017 Youth Bike Summit](#) rolls into Arlington, October 6-8. Attendees from around the country will explore how bicycling can be a catalyst for positive social change. The three-day conference focuses on youth, bikes, education, advocacy and leadership. Each year, people of varying ages, disciplines, and backgrounds gather together to learn, share, network, and discover the power of the bicycle. Knowledgeable keynote speakers, hands-on workshops and panel presentations allow participants to explore the what biking means for youth, families, communities and the planet.



## NVTC Welcomes New Staff Member



Cheyenne Minor is NVTC's new manager of grants and compliance. She manages NVTC's federal grants, I-66 Commuter Choice reimbursements, and supporting DPRT grants and NVTC contracts. Cheyenne was born in Memphis, Tennessee, where she gained an early appreciation of public transit. Her background in finance includes positions with Harrah's Entertainment, Pfizer Pharmaceutical and the State of Tennessee. She came to the DC region in 2008 and began her career in grants and contracts with a non-profit organization and, later, Arlington County Government and WMATA. She has more than 20 years' experience in the areas of finance, accounting, contracts and procurement. Her B.A. is from the University of Memphis and she has studied at Lemoyne Owen College. Cheyenne looks forward to working with the jurisdictions and supporting the goals, future growth, and success of public transit in Northern Virginia.

## WMATA



Metro is proposing [service changes to selected bus routes](#) based on input from customers and local governments, and an analysis of on-time performance, ridership, corridor studies and cost efficiency.

In Virginia, changes are being considered for:

- Pentagon City Modifications: 7A, 7F, 22A
- Columbia Pike Restructuring: 16A, 16B, 16G, 16H, 16J, 16K, 16P
- Service Extensions or Additions: 4B, 11Y, 29K, 29N
- Service Modifications: Metroway
- Service Reductions or Eliminations: 4A, 10E, 22B

Customers are encouraged to share thoughts about the proposed service adjustments. Comments will be provided to Metro's Board of Directors for consideration prior to adopting any service changes. Any Board-approved service changes would begin within the next year.

Customer feedback may be provided through 9 a.m. on October 2 by [completing an online survey](#).

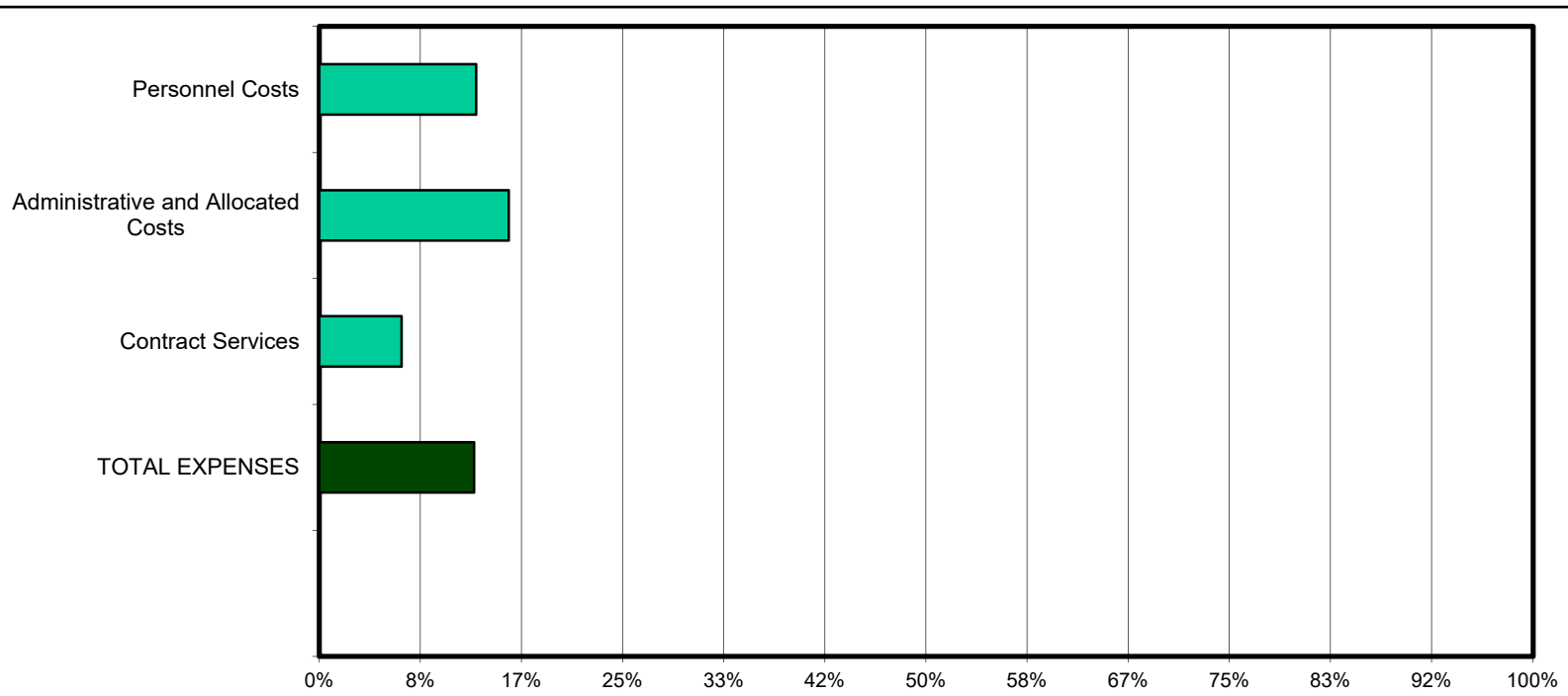


# Northern Virginia Transportation Commission

Financial Reports

August, 2017

Percentage of FY 2018 NVTC Administrative Budget Used  
August 2017  
(Target 16.7% or less)



**Note: Refer to pages 2 and 3 for details**

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**G&A BUDGET VARIANCE REPORT**  
**August, 2017**

	<b><u>Current Month</u></b>	<b><u>Year To Date</u></b>	<b><u>Annual Budget</u></b>	<b><u>Balance Available</u></b>	<b><u>Balance %</u></b>
<b><u>Personnel Costs</u></b>					
Salaries and Wages	\$ 86,731.13	\$ 177,313.58	\$ 1,390,500.00	\$ 1,213,186.42	87.2%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	<u>86,731.13</u>	<u>177,313.58</u>	<u>1,390,500.00</u>	<u>1,213,186.42</u>	<u>87.2%</u>
<b><u>Benefits</u></b>					
Employer's Contributions:					
FICA	6,288.64	12,595.15	93,500.00	80,904.85	86.5%
Group Health Insurance	7,206.26	14,412.52	130,700.00	116,287.48	89.0%
Retirement	9,579.00	19,158.00	123,500.00	104,342.00	84.5%
Workmans & Unemployment Compensation	115.97	232.07	4,900.00	4,667.93	95.3%
Life Insurance	317.80	635.60	5,100.00	4,464.40	87.5%
Long Term Disability Insurance	465.78	931.56	6,500.00	5,568.44	85.7%
Total Benefit Costs	<u>23,973.45</u>	<u>47,964.90</u>	<u>364,200.00</u>	<u>316,235.10</u>	<u>86.8%</u>
<b><u>Administrative Costs</u></b>					
Commissioners Per Diem	100.00	1,850.00	12,800.00	10,950.00	85.5%
<i>Rents:</i>	<i>19,990.23</i>	<i>40,185.51</i>	<i>246,000.00</i>	<i>205,814.49</i>	<i>83.7%</i>
Office Rent	18,705.23	37,461.96	229,700.00	192,238.04	83.7%
Parking & Transit Benefits	1,285.00	2,723.55	16,300.00	13,576.45	83.3%
<i>Insurance:</i>	<i>440.35</i>	<i>913.35</i>	<i>6,800.00</i>	<i>5,886.65</i>	<i>86.6%</i>
Public Official Bonds	-	100.00	2,000.00	1,900.00	95.0%
Liability and Property	440.35	813.35	4,800.00	3,986.65	83.1%
<i>Travel:</i>	<i>649.10</i>	<i>649.10</i>	<i>30,300.00</i>	<i>29,650.90</i>	<i>97.9%</i>
Conference / Professional Development	-	-	17,000.00	17,000.00	100.0%
Non-Local Travel	-	-	2,500.00	2,500.00	100.0%
Local Travel, Meetings and Related Expenses	649.10	649.10	10,800.00	10,150.90	94.0%
<i>Communication:</i>	<i>832.34</i>	<i>1,650.46</i>	<i>13,000.00</i>	<i>11,349.54</i>	<i>87.3%</i>
Postage	-	-	1,700.00	1,700.00	100.0%
Telephone and Data	832.34	1,650.46	11,300.00	9,649.54	85.4%
<i>Publications &amp; Supplies</i>	<i>625.43</i>	<i>1,394.99</i>	<i>12,500.00</i>	<i>11,105.01</i>	<i>88.8%</i>
Office Supplies	87.46	210.90	2,700.00	2,489.10	92.2%
Duplication and Paper	537.97	1,184.09	9,300.00	8,115.91	87.3%
Public Information	-	-	500.00	500.00	100.0%

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**G&A BUDGET VARIANCE REPORT**  
**August, 2017**

	<b><u>Current Month</u></b>	<b><u>Year To Date</u></b>	<b><u>Annual Budget</u></b>	<b><u>Balance Available</u></b>	<b><u>Balance %</u></b>
<i>Operations:</i>	310.32	5,038.67	45,500.00	40,461.33	88.9%
Furniture and Equipment (Capital)	-	4,471.81	11,000.00	6,528.19	59.3%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computer Operations	310.32	566.86	33,500.00	32,933.14	98.3%
<i>Other General and Administrative:</i>	1,429.70	1,975.06	8,600.00	6,624.94	77.0%
Subscriptions	-	-	-	-	0.0%
Memberships	265.00	395.75	1,400.00	1,004.25	71.7%
Fees and Miscellaneous	435.26	849.87	5,600.00	4,750.13	84.8%
201341.79-1363	729.44	729.44	1,600.00	870.56	54.4%
Total Administrative Costs	<u>24,377.47</u>	<u>53,657.14</u>	<u>375,500.00</u>	<u>321,842.86</u>	<u>85.7%</u>
<u>Contracting Services</u>					
Auditing	-	-	22,600.00	22,600.00	100.0%
Contract Services and Support	3,000.00	8,550.00	150,000.00	141,450.00	94.3%
Legal	2,916.67	5,833.34	35,000.00	29,166.66	0.0%
Total Contract Services	<u>5,916.67</u>	<u>14,383.34</u>	<u>207,600.00</u>	<u>193,216.66</u>	<u>93.1%</u>
Total Gross G&A Expenses	<u>\$ 140,998.72</u>	<u>\$ 293,318.96</u>	<u>\$ 2,337,800.00</u>	<u>\$ 2,044,481.04</u>	<u>87.5%</u>

**NVTC**  
**RECEIPTS and DISBURSEMENTS**  
**August 2017**

Date	Payer / Payee	Purpose	Wells Fargo Checking	Wells Fargo Savings	Virginia LGIP G&A / Project	Trusts
RECEIPTS						
1	DMV	Motor Vehicle Fuels Sales tax receipt				\$ 1,052.92
15	DRPT	Operating assistance - WMATA				8,785,835.00
15	DRPT	Technical assistance - Fare collection			6,000.00	
15	DRPT	Capital grant receipt - Falls Church				1,587.00
15	DRPT	Grant receipt - Falls Church			491.00	
17	FTA	Grant receipt - Falls Church			1,964.00	
18	DRPT	Capital grants receipts - VRE			41,885.00	
18	Falls Church	G&A contribution		2,270.00		
18	City of Fairfax	G&A contribution		2,420.50		
24	DRPT	Operating assistance - VRE			2,404,051.00	
28	DRPT	Capital grant receipt - VRE			82,614.00	
29	DRPT	Capital grants receipts - Fairfax				150,417.00
29	DRPT	Capital grant receipt - VRE			84,746.00	
31	DMV	Motor Vehicle Fuels Sales tax receipt				2,626,915.87
31	Banks	Investment earnings		26.68	9,926.35	135,252.74
			-	4,717.18	2,631,677.35	11,701,060.53
DISBURSEMENTS						
1-31	Various	G&A expenses	(122,282.30)			
13	Fairfax	Other capital				(75,110.26)
16	Kimley Horn	Consulting - Fare collection project	(12,000.00)			
17	Falls Church	Costs incurred			(2,455.00)	
17	WMATA	Other capital				(1,293,130.00)
17	Falls Church	Other capital				(1,587.00)
18	VRE	Grant revenue			(41,885.00)	
23	City of Fairfax	Other capital				(6,717.00)
24	VRE	Grant revenue			(2,404,051.00)	
28	VRE	Grant revenue			(82,614.00)	
29	VRE	Grant revenue			(84,746.00)	
31	Banks	Service fees	(59.57)	(56.45)		
			(134,341.87)	(56.45)	(2,615,751.00)	(1,376,544.26)
TRANSFERS						
15	Transfer	From LGIP to LGIP (Fare collection project)			27,232.12	(27,232.12)
16	Transfer	From savings to checking	150,000.00	(150,000.00)		
			150,000.00	(150,000.00)	27,232.12	(27,232.12)
NET INCREASE (DECREASE) FOR MONTH			\$ 15,658.13	\$ (145,339.27)	\$ 43,158.47	\$ 10,297,284.15

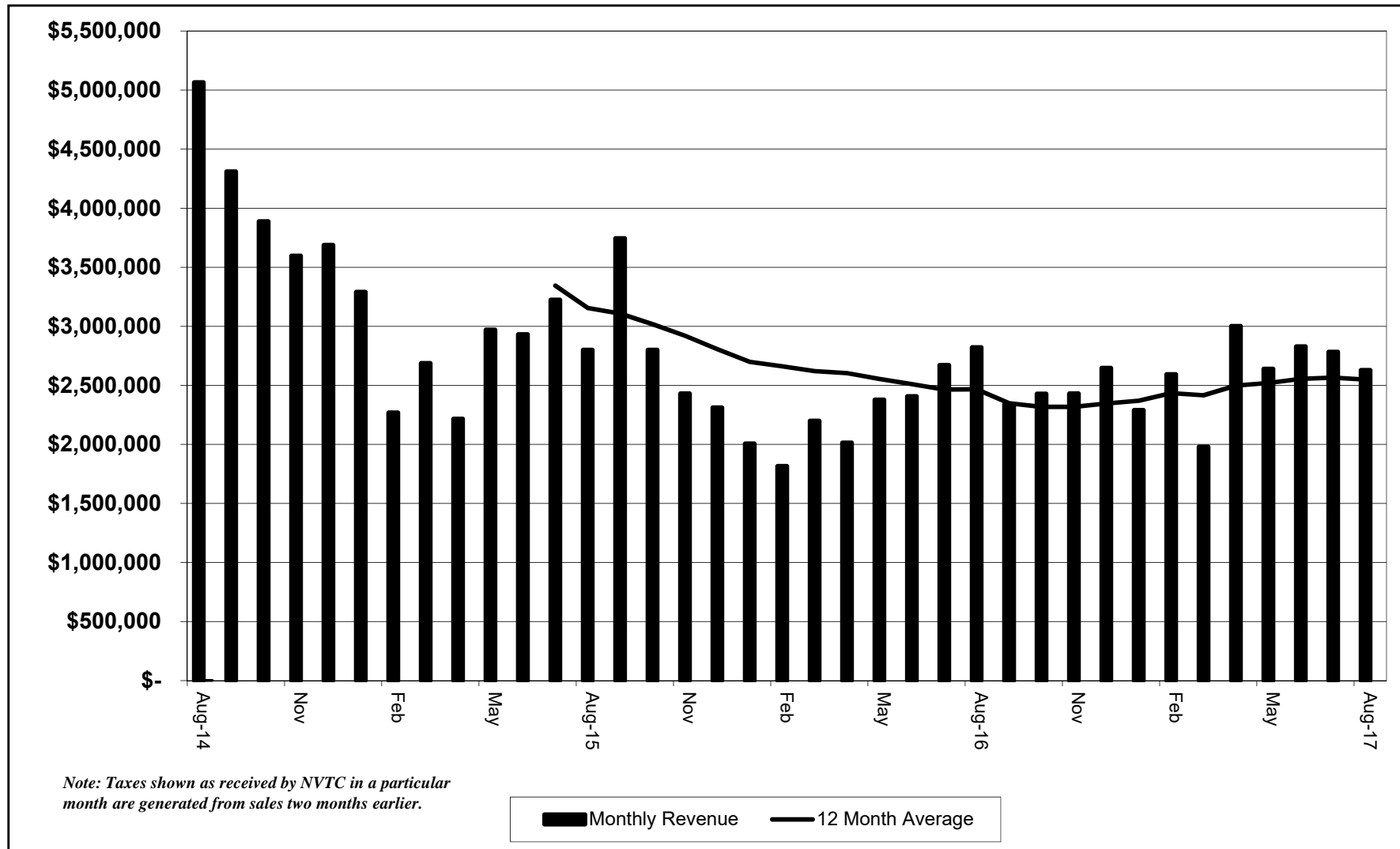
**NVTC  
INVESTMENT REPORT  
August 2017**

Type	Rate	Balance 7/31/2017	Increase (Decrease)	Balance 8/31/2017	Balance		
					NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
<b><u>Cash Deposits</u></b>							
Wells Fargo: NVTC Checking	N/A	\$ 90,033.42	\$ 15,658.13	\$ 105,691.55	\$ 105,691.55	\$ -	\$ -
Wells Fargo: NVTC Savings	0.100%	389,995.47	(145,339.27)	244,656.20	244,656.20	-	-
<b><u>Investments</u></b>							
Bank of America: Virginia Local Government Investment Pool (LGIP)	1.187%	140,592,898.09	10,340,442.62	150,933,340.71	9,928,270.31	120,577,607.08	20,427,463.32
		<u>\$ 141,072,926.98</u>	<u>\$ 10,301,185.71</u>	<u>\$ 151,283,688.46</u>	<u>\$ 10,278,618.06</u>	<u>\$ 120,577,607.08</u>	<u>\$ 20,427,463.32</u>

# NVTC MONTHLY GAS TAX REVENUE

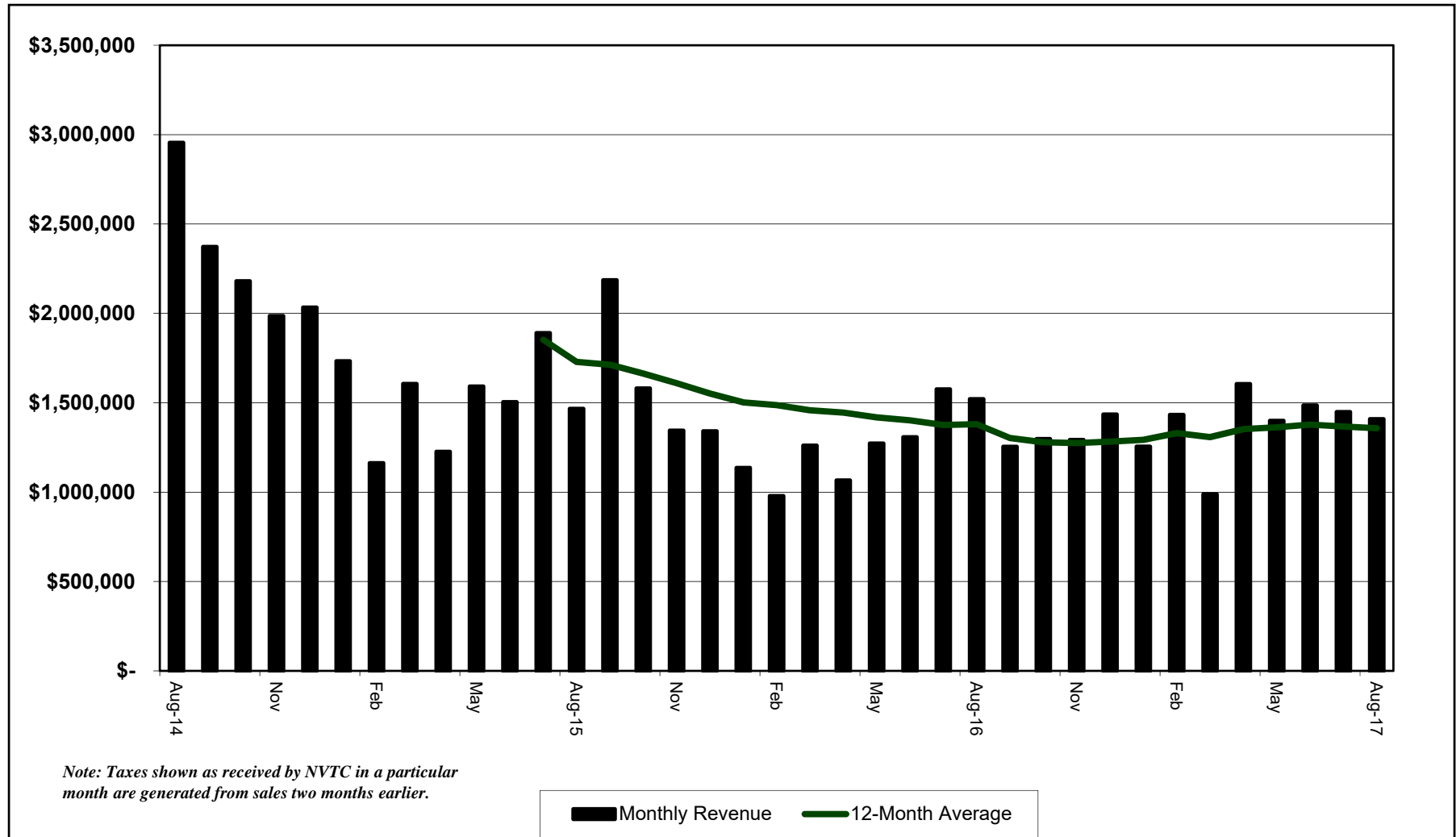
## ALL JURISDICTIONS

### FISCAL YEARS 2015-2018

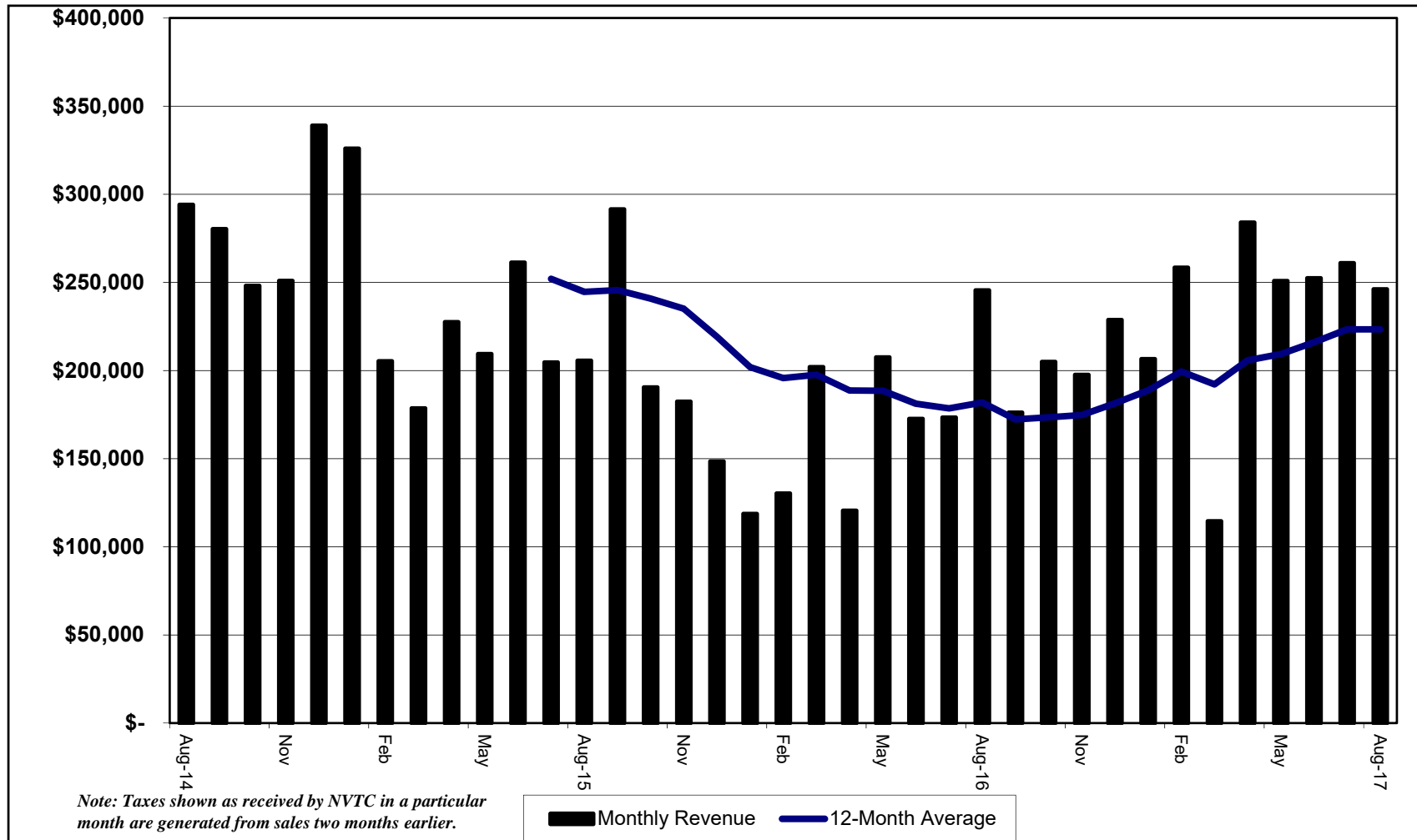




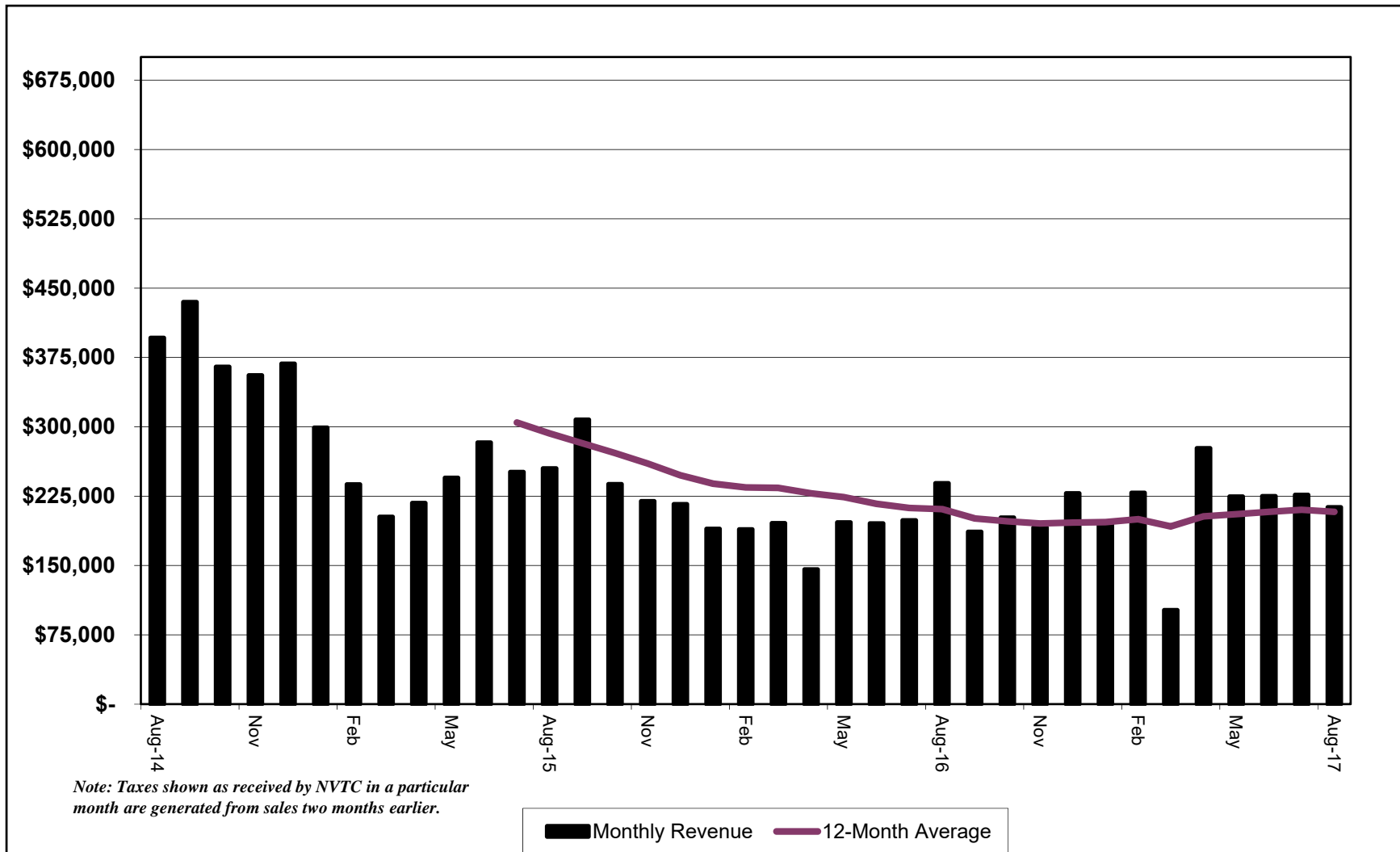
# NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2015-2018



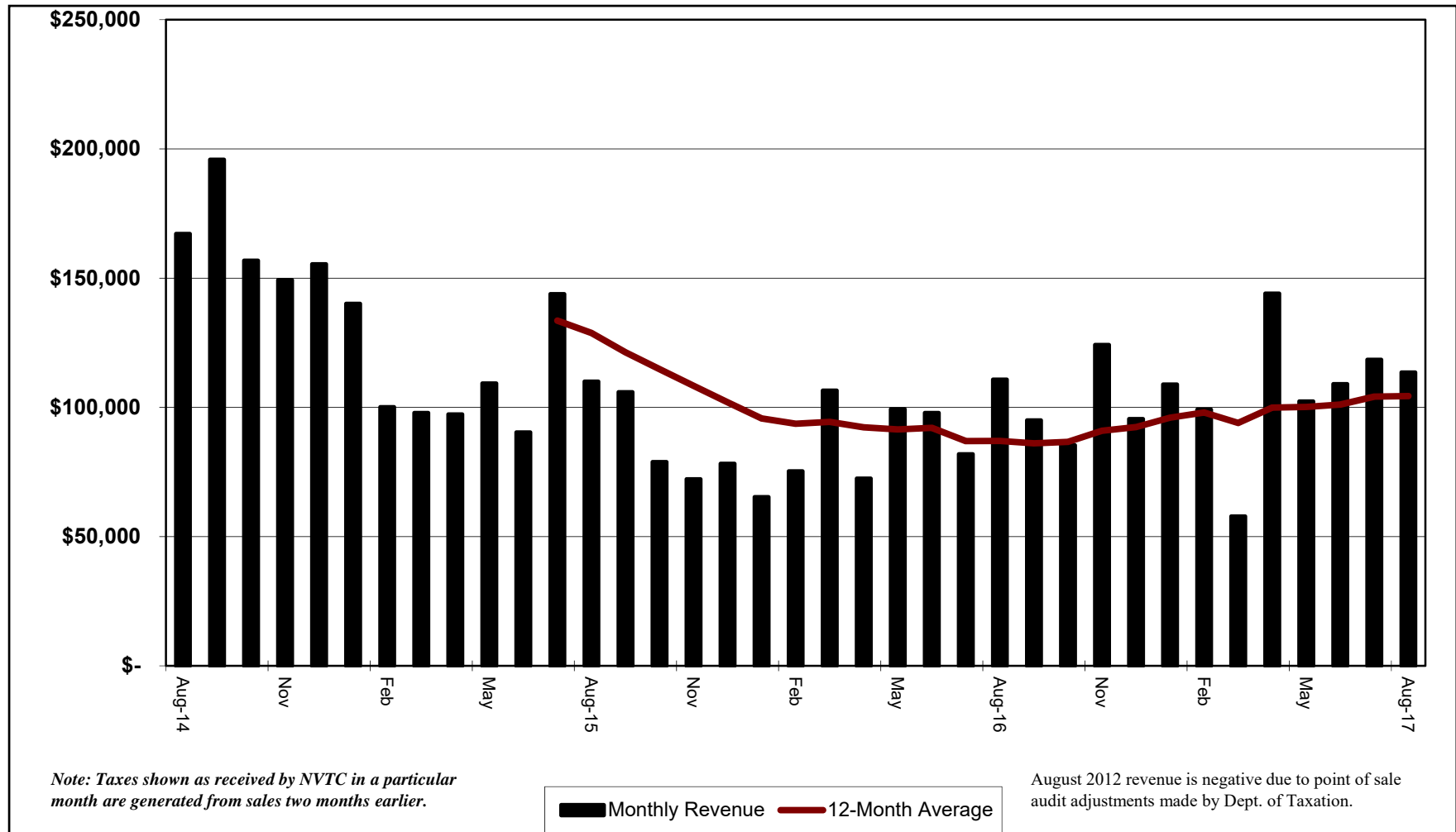
# NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2015-2018



# NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2015-2018



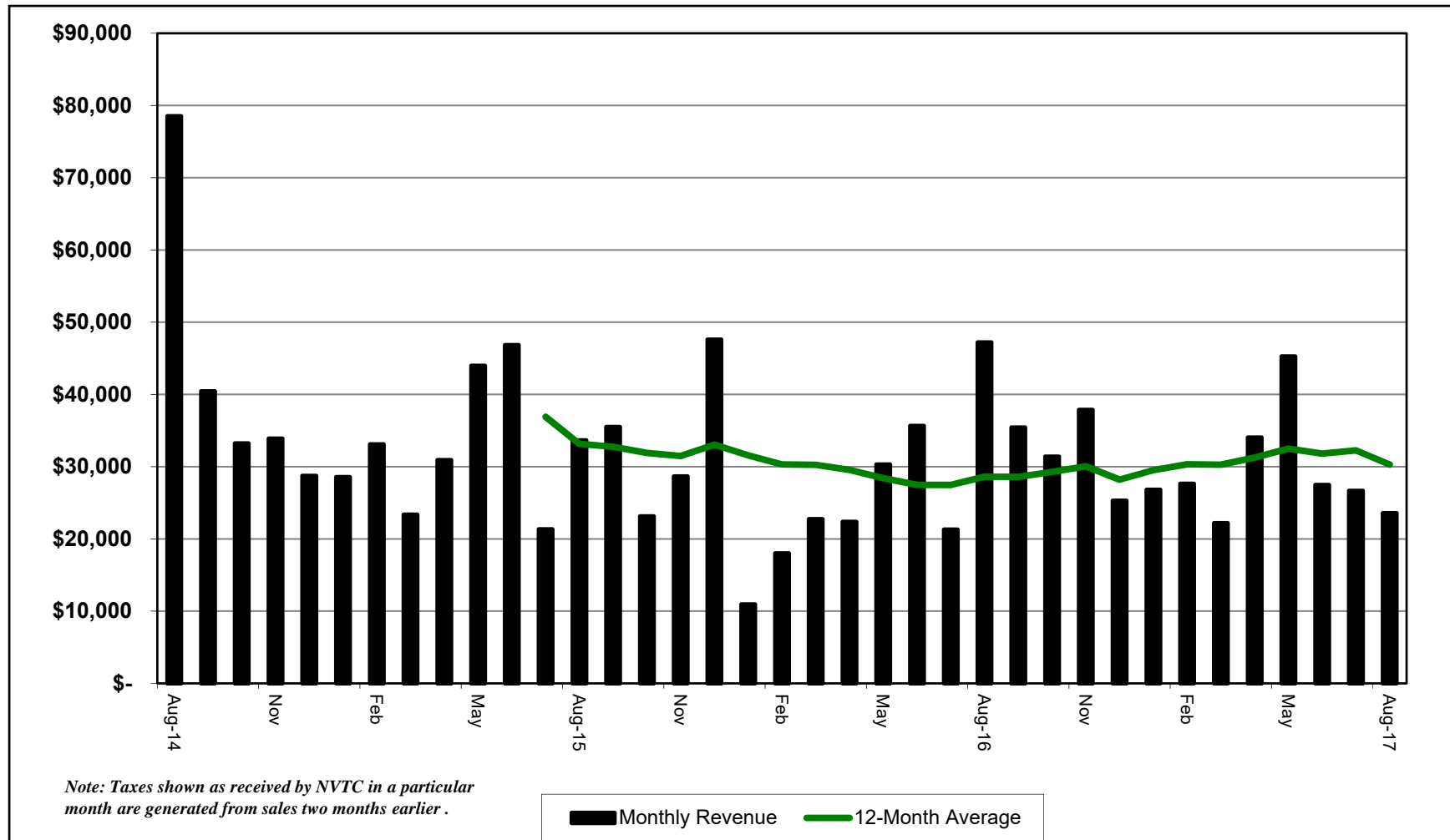
# NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2015-2018



# NVTC MONTHLY GAS TAX REVENUE

## CITY OF FALLS CHURCH

### FISCAL YEARS 2015-2018



# NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2015-2018

