

VIRGINIA RAILWAY EXPRESS

Fiscal Year 2027

Recommended Budget for Fiscal Year 2027

Amended Budget for Fiscal Year 2026

Capital Improvement Program



VIRGINIA RAILWAY EXPRESS

A Better Way. A Better Life.



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Recommended Budget for Fiscal Year 2027

Introduction

The Virginia Railway Express (VRE) is a commuter rail service jointly owned and operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC). NVTC and PRTC are political subdivisions of the Commonwealth of Virginia. VRE was created in 1989 under the terms of a Master Agreement executed by the two Commissions and the local jurisdictions that participate in or contribute to the operation of the commuter rail service.

The VRE Operating and Capital Budget is developed annually in accordance with the VRE Master Agreement and includes estimated operating and capital revenues and expenses for the next fiscal year. In addition, the six-year Capital Improvement Program (CIP) provides projections of capital funding and outlays for future years. The preliminary FY 2027 VRE Operating and Capital Budget was initially prepared for review at the September 2025 VRE Operations Board meeting. The proposed budget was reviewed and discussed at subsequent meetings of the VRE Operations Board, the VRE Coordinating Committee (VCC), and the Finance Committee of the Operations Board before its presentation to the Operations Board in December 2025 and the Commissions in January 2026.

The VRE budget uses accrual accounting for major revenue and expense items; for example, transactions such as access fees are recorded for the month due, rather than for the month paid, and related grant revenue is recorded when earned rather than when received. However, the budget is developed on a cash basis for other items, such as payment of principal on outstanding debt, in order to fully capture annual resource needs. The VRE financial statements use the full accrual basis of accounting.

The FY 2027 VRE Budget has been developed to meet existing and projected operational requirements and in accordance with the VRE Mission Statement of providing safe, cost effective, accessible, reliable, convenient, and comfortable commuter-oriented rail passenger service. The FY 2027 VRE Budget was also developed with a focus on balancing revenue sources including local jurisdictional subsidies and the remaining federal pandemic relief funds; projecting needs related to the upcoming capital improvement program; supporting a focus on return of ridership following the COVID-19 pandemic; and identifying cost savings opportunities. The planned VRE-operated Saturday service has been removed, and the expanded VRE/Amtrak Step-Up Program, including new weekend options, has been included. The VRE Budget and CIP are also developed in accordance with the Financial and Debt Management Principles, most recently updated and approved by the Commissions in September 2021 and detailed later in this document.

The Recommended FY 2027 combined Operating and Capital Budget totals \$215.5 million. This reflects a 4.6% decrease from FY 2026. The budget includes a 5% increase to passenger fares and no change in total jurisdictional subsidy of \$19,764,843. The budget projects an average weekday daily ridership of 9,300 passengers which results in \$22.7 million of projected total annual fare revenue. These projections reflect the ongoing ridership trends since the end of the COVID-19 pandemic and the “Return to Office” mandates of early 2025, the impacts of upcoming capital projects in the VRE service area, as well as updated projections based on regional and jurisdictional growth and development patterns.

Prior to FY 2025, VRE was a participant in the Commonwealth’s MERIT program along with other transit agencies statewide, where VRE would receive operating subsidy funds based on certain performance criteria, while separately applying for matching grants for VRE’s CIP program. As of FY 2025, VRE now receives a dedicated share (up to 3.5%) of the Commonwealth Mass Transit Fund (MTF). This dedicated funding amount

may be used as both an operating subsidy and for capital grant matching needs, and this is reflected in the FY 2027 budget.

Staff have worked to balance meeting VRE's core goals and responsibilities while working to limit or eliminate operating cost increases wherever possible, and departmental expenses have been reviewed and evaluated to ensure appropriateness while ensuring VRE achieves its safety and operational goals. Staff have also worked to leverage grant funding opportunities where available and appropriate.

Contractual increases for key expense areas such as right of way and station access fees, train operations, and maintenance of equipment are projected to be consistent or lower in FY 2027 than in FY 2026 due to a new five-year agreement for Train Operations and Maintenance, as well as lower projected or actual contractual cost-driver rates, such as the Consumer Price Index (CPI). In addition, access fee costs specific to the VRE Manassas Line are expected to remain low in FY 2027 due to purchase of the majority of the rail line by the Virginia Passenger Rail Authority (VPRA) and subsequent changes in VRE's access agreements with Norfolk Southern for use of their retained portions of the line. Diesel fuel costs are also projected to be less volatile and similar to recent years based on the market outlook. In addition, recent increases in liability and property insurance premiums, as well as new insurance needs (e.g., cyber insurance) are expected to be sustained in the FY 2027 operating budget.

The FY 2027 budget includes no changes to VRE's full-time equivalent (FTE) staff. As part of VRE's long-term planning, management and human resources continue to analyze staffing needs and the best methods with which to fill those needs.

The capital projects included in the FY 2027 to FY 2032 CIP are prioritized with an emphasis on ensuring employee and passenger safety; meeting legal and regulatory requirements; and maintaining VRE's equipment and facilities in a state of good repair to support current service levels. Concurrently, VRE focuses the organization on maximizing ridership, maintaining critical infrastructure, and providing a safe and effective transportation option for the region.

Despite the operating funding challenges in the post-pandemic commuting environment in the region, the overall outlook for the capital program is generally positive. VRE is in a period of project implementation and delivery, with four major construction projects (LOU Facility, Fredericksburg Station, Quantico Station, and most recently the Manassas Park parking garage) reaching completion and dropping out of the CIP. This intense period will continue for several years. At the same time, the Commonwealth's Transforming Rail in Virginia (TRV) program is advancing. TRV will ultimately result in a second Long Bridge crossing of the Potomac River as well as separated freight and passenger rail operations in the Fredericksburg Line corridor. The Commonwealth also recently purchased the Manassas Line from Norfolk Southern, which will have major positive impacts on VRE's operational flexibility and midday storage options. The concurrent and coordinated capital programs of VRE and the Commonwealth will have long-term positive impacts for both the capacity and reliability of VRE.

In addition to directly delivering key capital projects, VRE has also supported TRV financially, through two major agreements:

- In June 2022, VRE (with NVTC as the issuer) successfully completed the sale of 30-year revenue bonds backed by Commuter Rail Operating and Capital (CROC) Fund regional fuels tax revenues. Approximately \$119 million of net proceeds from the sale were transferred to VPRA in July 2022 to assist in the Commonwealth's purchase of right of way from CSXT. In accordance with the Funding Agreement between

VRE and VPRA, the FY 2027 budget includes \$15 million of annual CROC funds supporting \$7.5 million of annual debt service and \$7.5 million in pay-as-you-go capital contributions to VPRA.

- In April 2025, VRE executed a Manassas Line Funding Agreement with VPRA, following the VPRA purchase of the Manassas Line from NS. This agreement outlines a contribution of \$155 million by VRE to VPRA over a five-year period, for which VRE will receive four separate property interests: title to Seminary Yard in Alexandria; title to the Broad Run Corridor in Manassas; a permanent easement for the existing Manassas Line VRE platforms; and a permanent commuter rail operating easement across the Manassas Line. As of November 2025, VRE has made the initial \$26,000,000 payment to VPRA as required in the agreement and has FTA grants in place to support the purchase of Seminary Yard, the Broad Run Corridor, and the platform easement. The purchase of these three properties is expected by the end of FY 2026.

Mission Statement

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 comfortable commuter-oriented rail passenger service. VRE will contribute to the economic development of its member jurisdictions as an integral part of a balanced, intermodal regional transportation system.



Goals for Fiscal Year 2027

- Due to the post-pandemic changes to employment and commuting patterns in the region, VRE is unlikely to achieve its stated goal of a 50 percent operating ratio (i.e., cost recovery from passenger fares) in FY 2027. VRE's goal for FY 2027 is to continue to provide a safe and reliable transportation option for our region that is available to riders as they return to work after the pandemic, as well as develop opportunities to service new and alternative ridership markets.
- Achieve at least 90 percent on-time performance for train operations.
- Achieve at least 9,300 average weekday daily ridership.
- Achieve or maintain the following financial ratios:
 - Debt service as a percent of annual budget not greater than 20%.
 - Working capital reserves that are on average not less than two months of operating expenditures, with a goal of maintaining three months over a ten-year period.
 - The percentage of pay-as-you-go financing equal to a minimum of 20% of the total funded portion of the capital program over the term of the capital program.
 - Risk management reserves equal to amounts required by the Commonwealth. VRE's Insurance Trust, held by the Commonwealth's Division of Risk Management, currently has a value of slightly over the \$10 million requirement.



Financial and Debt Management Principles

Adopted November 2013 and Amended July 2021

INTRODUCTION

The purpose of this document is to formalize financial and debt management principles for the Virginia Railway Express (VRE), the commuter rail service jointly owned and operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC), together referred to as the Commissions. In accordance with the Master Agreement that established VRE, any bonds or notes issued to support the commuter rail operation will be issued in the name of NVTC, with the concurrence of both Commissions and all member jurisdictions. This Statement of Financial and Debt Management Principles confirms the commitment of VRE's Operations Board, the Commissions, and the management and staff of VRE to adhere to sound financial and debt management practices in the conduct of VRE's business.

COMMUTER RAIL OPERATING AND CAPITAL FUND

In March 2018, the Virginia legislature created the Commuter Rail Operating and Capital (CROC) Fund. CROC funds may be used to support VRE's commuter rail operations as well as to make necessary capital investments and improvements, either on a pay-as-you-go basis or through the issuance of debt. CROC funding may also be used as matching funds for state and federal grants.

The Code of Virginia dedicates \$15 million annually from fuels tax revenues collected in the NVTC and PRTC jurisdictions to the CROC Fund. This \$15 million of dedicated funding is then disbursed from the CROC Fund to VRE for its use on operating and capital projects. In October 2018, NVTC and PRTC executed a joint agreement for the distribution and allocation of the CROC funds. The agreement states that NVTC will serve on behalf of both Commissions as the recipient of all CROC funds and describes how CROC funding will be incorporated into the annual VRE budget process. The agreement also provides for quarterly reporting to the Operations Board by VRE on the receipt, investment, and expenditure of CROC funds.

In March 2021, the Commissions entered into the Passenger Rail Improvements and Funding Agreement (the "Funding Agreement") with the Virginia Department of Rail and Public Transportation (DRPT) as part of the Commonwealth's Transforming Rail in Virginia (TRV) program. The Funding Agreement was executed by DRPT but has since been assigned to the Virginia Passenger Rail Authority (VPRA).

VRE has a two-part commitment in the Funding Agreement. First, VRE will contribute proceeds from a CROC-backed debt issuance to VPRA for assistance with the purchase of rail right of way owned by CSX Transportation. Second, VRE will contribute pay-as-you-go (PAYGO) capital to VPRA for the design and construction of major corridor projects over ten years. Over the first ten years of the Funding Agreement, VRE's entire \$15 million in annual CROC funds will support the TRV program, either as debt service or as PAYGO capital. At the end of this period, half the CROC (\$7.5 million) will continue to be committed to debt service, but VRE will regain control over the other half.

POLICY STATEMENTS

The original Policy Statements 1 through 13 were adopted in 2013. These policies were developed in consideration of then-existing debt which is tied to the VRE Master Agreement and carries local jurisdiction credit support. However, certain of these policies have broad application beyond VRE's existing debt obligations and can apply to CROC-backed debt. Any CROC-backed debt issued by VRE will be subject to Policy Statements 1, 2, 9, 10a and 10b, 12, and 13.

Policy Statements 14 and 15 are newly created and adopted in July 2021. Policy Statement 14 memorializes VRE's past practices related to refinancing and will apply to both existing debt and to any CROC-backed debt. Policy Statement 15 reflects the separate and distinct legal and credit underpinnings of any CROC-backed debt. CROC-backed debt will be designed to be separate from the rest of VRE's financial resources and supported only from amounts in the CROC Fund.

1. Any debt or financing arrangement issued in support of VRE projects must be in full compliance with all applicable provisions of the Commonwealth of Virginia statutes, federal laws and the VRE Master Agreement.
2. Any long-term debt issued in support of VRE projects or agreements will be included in VRE's Capital Improvement Program and Six Year Financial Forecast and debt will only be issued for approved capital projects. In the case of projects paid for with CROC supported debt, such projects will be approved by the Board. Prior to issuance, VRE will forecast the long-term impact of any non-CROC-backed debt on the use of federal formula funds, the impact on VRE's six year plan, the annual contributions required from its member jurisdictions over the term of the debt, and to test compliance with the financial ratios described below in Statement 3. Prior to issuance, VRE will forecast the long-term impact of any CROC backed debt on expected cash flows in the CROC Fund and to test compliance with financial ratios applicable to CROC debt described in Statement 15.
3. VRE strives to attain the following financial ratios over its Six-Year Plan:
 - a. A fare box recovery ratio not lower than 50% of operating expenses.
 - b. Non-CROC-backed debt service as a percent of annual budget not greater than 20%.
 - c. Percent of pay-as-you-go financing equal to a minimum of 20% of the total funded portion of the capital program over the term of the capital program.
 - d. Working capital reserves that are on average not less than 2 months of operating expenditures, with a goal of increasing to 3 months over a 10 year period.
 - e. Risk management reserves equal to amounts imposed by the Commonwealth. Currently, the risk management reserve requirement is \$10 million.
4. VRE will match one time revenue with one time expenditures to avoid creating structural imbalance in its annual budgets.
5. 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.
6. The capital reserve will be maintained through the contribution of surplus funds generated from operations and from other sources in order to provide the necessary match funds to take advantage of grant funding

opportunities and to complete advantageous capital projects.

7. VRE will maintain an asset management plan for all major capital assets which will identify operating, maintenance and renewal costs over the life of the asset. If a reliable source of funding is not expected to be available to meet peak needs when they occur, a sinking fund will be established for this purpose. The annual budget and Capital Improvement Program will include the life-cycle cost impact of each project in the CIP.
8. VRE will maintain access to external liquidity sources, such as a line of credit, because of the heavy reliance on funding from other parties. This short term borrowing will only be used with the approval of the Operations Board and when the source of repayment has been identified.
9. Debt that supports VRE projects will be amortized for a period not to exceed the useful life of the assets being financed.
10. For any publicly sold debt to support VRE projects:
 - a. Debt service funds will be established at the time of issuance and contributions will be made on a monthly basis so that amounts are available to ensure timely payment of principal and interest when due.
 - b. A debt service reserve fund will be established (as needed by the revenue bond structure or for credit purposes) to provide a cushion of funding for the debt obligations. Such funds will be sized to align with limitations imposed by the IRS for tax-exempt bonds and to reflect current market conditions and VRE's desired rating outcomes on its non-CROC debt and its CROC-backed debt.
 - c. The bond structure will be sufficient to secure a rating in the A category or better.
11. The debt service structure that supports VRE projects will be developed and maintained to achieve strong credit ratings while addressing the overall revenue constraints and capacity of VRE. Total principal and interest payments for any borrowing will be structured to create level debt service in aggregate for VRE. Alternatively, VRE may use a more rapid repayment structure, such as equal annual principal payments. The use of back loaded principal repayment as well as bullet and balloon maturities will be avoided, except to achieve overall level aggregate debt service or to match anticipated one-time revenues.
12. As needed, VRE will establish and maintain a separate set of post issuance policies and procedures for managing any required disclosure, tax, or other legal requirements.
13. The use of variable rate debt is discouraged, except under unusual circumstances. However, should it be found to be in VRE's best interest to use this mechanism, the Operations Board and Commissions will first establish appropriate policies and procedures.
14. VRE will refinance its debt when it is in its best financial interest to do so. When a refinancing is undertaken to generate interest rate cost savings, the minimum aggregate present value savings will be three percent (3%) of the refunded debt principal amount.
15. Application of the CROC funding and the CROC-backed debt program shall be subject to the following criteria:
 - a. The CROC-backed debt is solely payable from amounts received in the CROC Fund.
 - b. Total debt service supported by CROC revenue shall not exceed 66% of the CROC funding.
 - c. During its effective period starting on July 1, 2021, and through the end date, the C-ROC Funding

Agreement shall apply to the initial issue of CROC debt.

- d. VRE will target annual debt service coverage (the ratio of annual CROC revenue to annual debt service) to fall within a range of 1.60x to 2.00x, consistent with VRE's credit rating objectives and market standards for similar debt programs.
- e. VRE will establish and maintain a debt service reserve fund consistent with market standards for similar debt programs and supportive of VRE's credit rating objectives.
- f. VRE will establish and maintain a working capital reserve fund appropriate to ensure liquidity for the CROC portion of VRE's financial operations of approximately two to three months of budgeted, annual CROC Revenues. Such reserves will be built over the 18 month period following adoption of these policies.
- g. VRE will strive to achieve a credit rating in the A-category or better for the CROC- backed bond's structure.

The debt service structure that supports VRE projects will be developed and maintained to achieve the credit rating objective described above while addressing the overall revenue constraints and debt capacity of the CROC Fund. Total principal and interest payments for any borrowing will be structured to create level debt service in aggregate. Alternatively, VRE may use a more rapid repayment structure, such as equal annual principal payments or front loaded annual debt service which steps down over time. The use of back loaded principal repayment as well as bullet and balloon maturities will be evaluated based upon the terms of the Funding Agreement and the applicable Policy Statements for CROC debt.

Commuter Rail Operating and Capital (CROC) Fund

In 2018, the Virginia legislature approved the creation of the Commuter Rail Operating and Capital (CROC) Fund. CROC funding is critical to addressing VRE's current and future investment needs and to delivering planned capacity expansion projects. CROC funding is dedicated to "retaining, maintaining, improving, and developing commuter rail-related infrastructure improvements and operations" that are "essential to the Commonwealth's continued economic growth, vitality, and competitiveness." CROC funding may be used to support the cost of VRE's operations as well as to make necessary capital investments and improvements, either on a pay-as-you-go basis or through the issuance of debt. CROC funding may be used as matching funds for state and federal grants.

In addition to creating CROC, the Virginia legislature also authorized changes to the regional fuels taxes collected by the two Commissions. From the total fuels tax revenues that are generated in the Commissions' jurisdictions, \$15 million is dedicated annually to the CROC Fund. This \$15 million of dedicated funding is then disbursed from the CROC Fund to VRE for its use on operating and capital projects. CROC funding does not replace or supplant any existing revenues and current jurisdictional contributions must be maintained.

In October 2018, the Commissions authorized the execution of a joint agreement for the distribution and allocation of the CROC funds. The agreement establishes that NVTC will serve on behalf of both Commissions as the recipient of all funds from the CROC Fund and that project prioritization and programming of the CROC funds must occur as part of the broader annual VRE budget process.

In December 2019, the Commonwealth announced the Transforming Rail in Virginia (TRV) program, which included a landmark agreement between the Commonwealth and CSX Transportation (CSXT) for the acquisition of railroad right-of-way in the RF&P Corridor. This ambitious program of capital improvements, which includes the construction of a new passenger-dedicated two-track Long Bridge across the Potomac River, has been proceeding in phases and will continue to 2030 and beyond. The investments will improve the capacity and reliability of both commuter and intercity passenger rail services while maintaining freight interoperability in the corridor.

In accordance with the 2021 Funding Agreement between VRE and VPRA, VRE and NVTC closed the sale of the Series 2022 Bonds in June 2022. The sale of these thirty-year, double-A rated tax-exempt bonds generated approximately \$119 million in net proceeds that were transferred to VPRA in July 2022 to assist in the purchase of CSXT right of way. The FY 2027 budget reflects VRE programming its \$15 million in annual CROC funds on \$7.5 million for debt service on the Series 2022 Bonds and \$7.5 million towards TRV capital projects, primarily Long Bridge (contributed as reimbursements to VPRA).

Prior to the Series 2022 debt issuance, VRE originally programmed \$45 million of CROC funds covering fiscal years 2019 to 2021 towards the L'Enfant (\$30 million) and Crystal City (\$15 million) station improvement projects. However, as the schedule and budget for the L'Enfant project have evolved, the CROC programming has been revisited. In the FY 2024 budget, approximately \$4 million of CROC funds were reprogrammed from L'Enfant to the Track 22 component of the broader Washington Union Station rehabilitation project led by Amtrak. In the FY 2025 budget, the remaining \$26 million of L'Enfant CROC is being reprogrammed towards the initial Manassas Line property acquisition payment, and the L'Enfant project funding gap will be backfilled from other sources.

Fiscal Year 2027 Budget Assumptions and Summary

The Recommended FY 2027 combined Operating and Capital Budget totals \$215.5 million. FY 2027 budgeted operating expenses of \$115.1 million are lower than the prior year by \$0.1 million, a decrease of 0.1%, primarily reflecting the new Trains Operations and Maintenance contract, the removal of VRE-operated Saturday train service, projected increases in annual access fee costs, higher projected costs for insurance and updated departmental costs. Increased insurance, departmental and access and operating contractual costs are balanced by projected revenue sources and the ongoing use of federal pandemic relief funds. Major assumptions are as follows:

- Total jurisdictional contribution of \$19,764,843; no increase from FY 2026.
- A 5% passenger fare increase. Total fare revenue is budgeted at \$22.7 million based on a projected weekday average daily ridership of 9,300 and 32 daily weekday revenue trains.
- Removal of costs associated with previously planned VRE-operated Saturday service.
- Restoration of the Amtrak Step-Up ticket program on VRE Mobile only (due to changes in requirements by Amtrak regarding passenger manifests) at a price to the rider of \$4.00 per Step-Up. For the first time, eligible Step-Up train options will now include select weekend Amtrak trains in the VRE service area. VRE has received I-395/95 Commuter Choice funding to support the restart of this program.
- Total FY 2027 state assistance (from the dedicated 3.5% share of the MTF) is projected at \$17.0 million, with \$8.4 million programmed to support the operating and debt service budget and the remaining \$8.6 million to be used for required capital grant matching.
- Diesel fuel expense is projected at \$4.9 million, based on an average cost per gallon of \$2.75 and projected usage of 1.77 million gallons. This reflects a decrease of \$0.9 million over the original FY 2026 budgeted amount, which included planned Saturday service.
- Track access fees across all three host railroads (CSX, NS, and Amtrak) of \$20.4 million, based on estimated or actual contractual amounts. This amount reflects the removal of VRE-operated Saturday service. Reimbursement funding from VPRA for track access fees is budgeted at 84%, or \$17.2 million, unchanged from the reimbursement percentage received in the FY 2026 budget.
- No changes to FTE staff levels are proposed in FY 2027.
- Required contractual increases for train operations and maintenance of equipment budgeted at a net decrease of \$0.24 million reflecting the new contract for these services starting in FY 2027, as well as the removal of planned VRE operated-Saturday service.
- Operating contingency at 2.0% of the operating budget, reflecting no change versus FY 2026 and prior years.
- Budgeted insurance premium costs for FY 2027 increased by \$1.1 million, or 13.1%, due to the upcoming increase in the PRIIA liability cap, as well as ongoing evaluation of VRE's needs and regulatory requirements as well as challenges in the global insurance marketplace.

- In total, Net Departmental operating expenses increased by 1.2%, or an increase of \$0.4 million compared to FY 2026. This is primarily due to increases in software, facility maintenance and fare collections costs, offset by budget reductions in several areas.
- Total Federal 5307 (Urbanized Area) and 5337 (State of Good Repair) funding is projected at of \$47.0 million, assuming zero growth for Federal Fiscal Year (FFY) 2026 as compared to the most recent split letter provided to the Federal Transit Administration (FTA) for FFY 2025.
- Most federally funded projects are budgeted with a required 20% non-federal (state and/or local) match. State matching funds of 16% typically are drawn from the dedicated MTF allocation, with a 4% VRE local match. However, VRE is examining alternative approaches to providing state/local match in upcoming major capital projects.
- Contribution to the Capital Reserve of \$3.0 million, in line with FY 2026 and prior years.

Subsidy by Jurisdiction

The FY 2027 budget includes no change to the total jurisdictional subsidy as compared to FY 2026. Each year, VRE and PRTC normally conduct a survey of VRE riders that includes the rider’s jurisdiction of residence. This survey data serves as the basis for calculating the contribution allocation by jurisdiction, in accordance with the VRE Master Agreement. However, VRE ridership was materially impacted by the federal government shutdown that began on October 1, 2025, and extended through November 12, and VRE was not able to conduct a representative survey of riders. At the direction of the Operations Board, the survey results from the prior year (October 2024) are being used to allocate the jurisdictional subsidy. With the same total amount of subsidy and the same allocation percentages, each jurisdiction’s contribution amount is identical in FY 2026 and FY 2027.

The FY 2027 jurisdictional subsidy, which reflects the October 2024 ridership survey results, is as follows:

SUBSIDY BY JURISDICTIONAL AND RIDERSHIP SURVEY RESULTS FISCAL YEAR 2026 AND FISCAL YEAR 2027

Jurisdiction	FY 2026		FY 2027 Recommended		Change FY26 to FY27
	Subsidy	Percent	Subsidy	Percent	
Fairfax County	\$ 6,133,470	31.0%	\$ 6,133,470	31.0%	0.0%
Prince William County	5,842,154	29.6%	5,842,154	29.6%	0.0%
Stafford County	2,818,619	14.3%	2,818,619	14.3%	0.0%
Spotsylvania County	2,658,250	13.4%	2,658,250	13.4%	0.0%
Manassas	752,457	3.8%	752,457	3.8%	0.0%
Fredericksburg	680,457	3.4%	680,457	3.4%	0.0%
Manassas Park	482,676	2.4%	482,676	2.4%	0.0%
Arlington	235,677	1.2%	235,677	1.2%	0.0%
Alexandria	161,083	0.8%	161,083	0.8%	0.0%
	\$ 19,764,843	100.0%	\$ 19,764,843	100.0%	0.0%

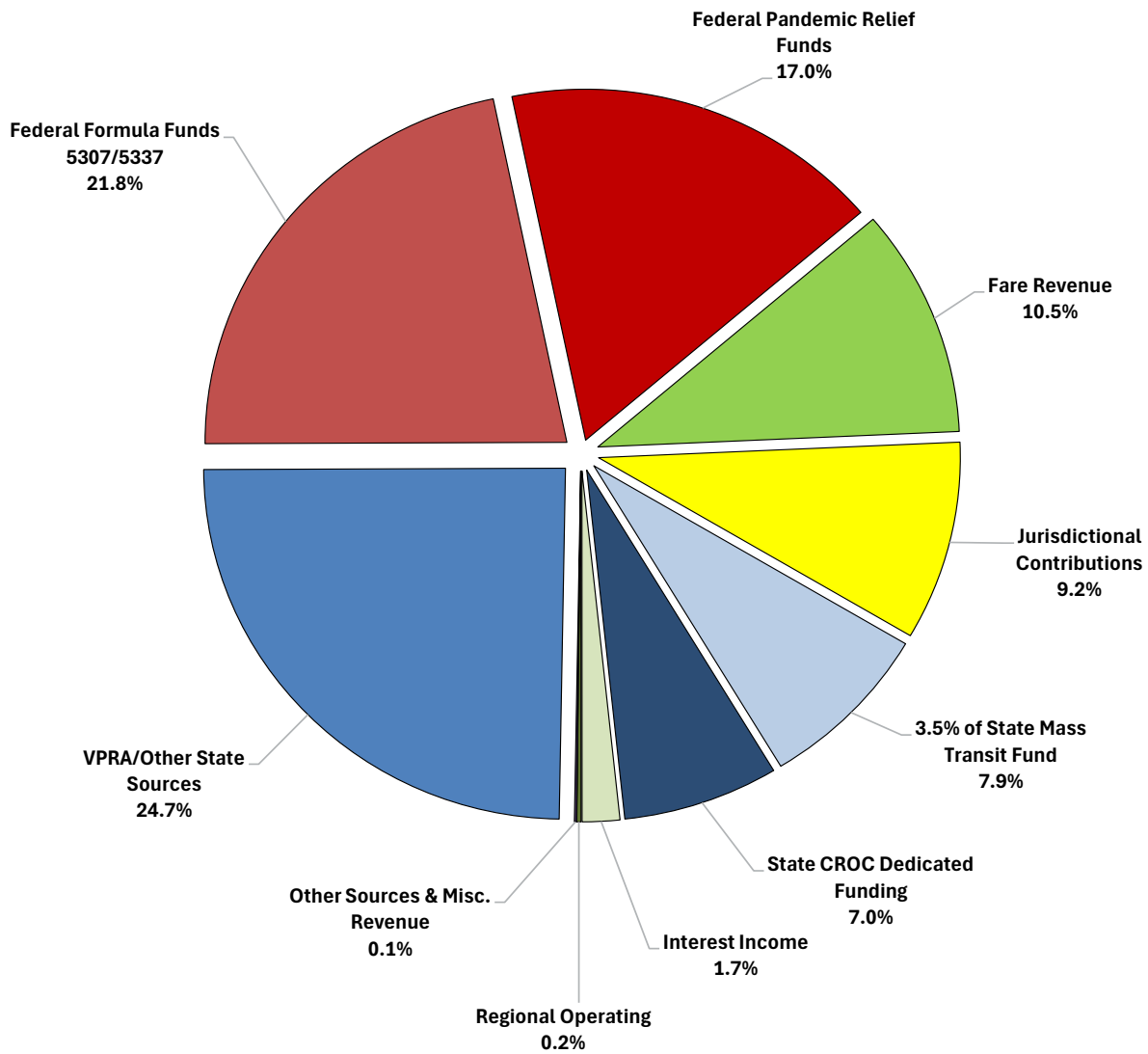
Jurisdiction	October 2024		October 2025		Change FY26 to FY27
	Riders	Percent	Riders	Percent	
Fairfax County	1,048	24.7%	<i>2024 data used - no survey conducted due to federal government shutdown</i>		0.0%
Prince William County	1,145	27.0%			0.0%
Stafford County	616	14.5%			0.0%
Spotsylvania County	617	14.5%			0.0%
Manassas	154	3.6%			0.0%
Fredericksburg	159	3.7%			0.0%
Manassas Park	99	2.3%			0.0%
Other	410	9.7%			0.0%

Fiscal Year 2027

Summary Recommended Budget

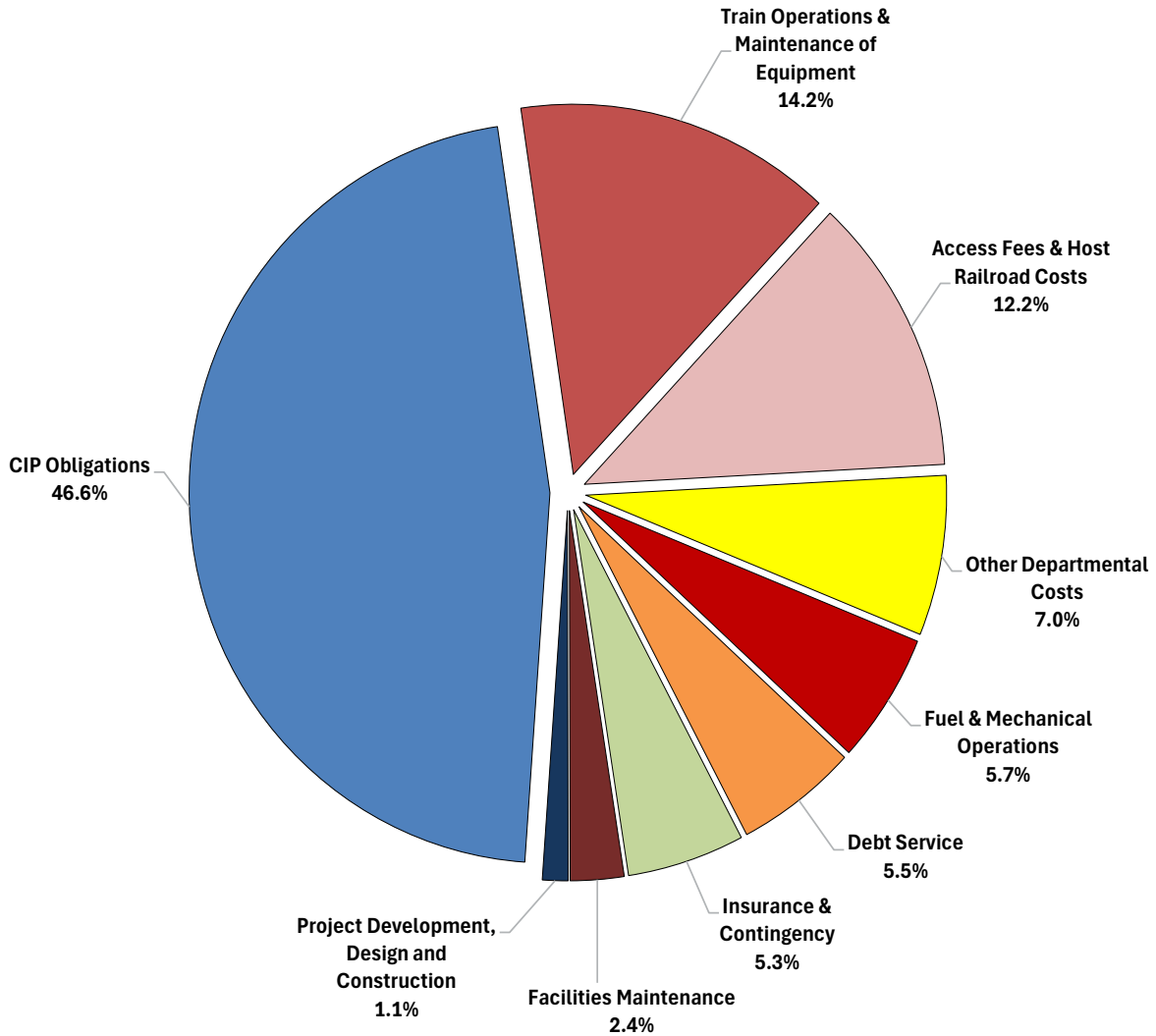
	Approved FY 2026		Recommended FY 2027		Year over Year Change
	Operating	Capital	Operating	Capital	
Revenue:					
Fare Revenue	\$ 20,130,000		\$ 22,700,000		\$ 2,570,000
Miscellaneous Revenue	169,000		210,000		41,000
Jurisdictional Contributions	16,026,930	3,737,913	14,610,619	5,154,224	-
Other Sources (Use of Prev. Surplus)	-	-	-	-	-
Regional (NVTC/NVTA) Grant Funding	442,000	-	402,000	-	(40,000)
State CROC Dedicated Funding	7,499,500	7,500,500	7,499,000	7,501,000	-
Federal/State Subsidy - Operating (includes Fed. PRF)	67,476,054		66,110,317		(1,365,738)
Federal/State Subsidy - Capital		99,309,915		87,673,394	(11,636,521)
Operating/Capital Reserves	-	-	-	-	-
Interest Income	3,500,000		3,610,000		110,000
Total Revenue	\$ 115,243,484	\$ 110,548,328	\$ 115,141,936	\$ 100,328,618	\$ (10,321,259)
Operating/Non-Operating Expenses:					
Non-Departmental Operating/Insurance	\$ 10,299,049		\$ 11,334,321		\$ 1,035,272
Executive, HR & Administration	1,713,000		1,896,500		183,500
General Counsel	505,500		482,200		(23,300)
Government & Public Relations	778,200		745,800		(32,400)
Marketing	822,500		823,500		1,000
Finance and Accounting	2,947,500		3,200,600		253,100
Purchasing and Contract Administration	935,100		965,950		30,850
Project Development	1,085,510		1,022,720		(62,790)
Design & Construction	1,360,250		1,442,000		81,750
Rail Operations	2,585,750		2,425,100		(160,650)
Information Technology	2,480,000		2,919,500		439,500
Facilities Maintenance	4,846,050		5,172,270		326,220
Mechanical Operations	12,942,900		12,274,200		(668,700)
System Safety & Security	1,389,700		1,423,700		34,000
PRTC	102,000		102,000		-
NVTC	90,000		90,000		-
Train Operations	20,828,500		22,624,000		1,795,500
Maintenance of Equipment	10,106,000		8,071,000		(2,035,000)
Amtrak	6,381,000		5,898,000		(483,000)
Amtrak Access Fees	10,098,000		9,607,000		(491,000)
Norfolk Southern Access Fees	300,000		312,000		12,000
CSX Access Fees	10,855,000		10,518,000		(337,000)
					-
Total Operating/Non-Operating Expenses	\$ 103,451,509	\$ -	\$ 103,350,361	\$ -	\$ (101,148)
CIP Expenditures		\$ 110,548,328		\$ 100,328,618	\$ (10,219,710)
Debt Service	11,791,975		11,791,575		(400)
Total CIP and Other Expenditures	\$ 11,791,975	\$ 110,548,328	\$ 11,791,575	\$ 100,328,618	\$ (10,220,110)
Grand Total Expenses	\$ 115,243,484	\$ 110,548,328	\$ 115,141,936	\$ 100,328,618	\$ (10,321,259)

FISCAL YEAR 2027 SOURCES OF FUNDS



Revenue Source	FY 2027 Amount	% of Total
VPRA/Other State Sources	\$ 53,139,102	24.7%
Federal Formula Funds 5307/5337	\$ 46,959,279	21.8%
Federal Pandemic Relief Funds	\$ 36,685,330	17.0%
Fare Revenue	\$ 22,700,000	10.5%
Jurisdictional Contributions	\$ 19,764,843	9.2%
3.5% of State Mass Transit Fund	\$ 17,000,000	7.9%
State CROC Dedicated Funding	\$ 15,000,000	7.0%
Interest Income	\$ 3,610,000	1.7%
Regional Operating	\$ 402,000	0.2%
Other Sources & Misc. Revenue	\$ 210,000	0.1%
Total Sources of Funds	\$ 215,470,553	100.0%

FISCAL YEAR 2027 USES OF FUNDS



Type of Use	FY 2027 Amount	% of Total
CIP Obligations	\$ 100,328,618	46.6%
Train Operations & Maintenance of Equipment	\$ 30,695,000	14.2%
Access Fees & Host Railroad Costs	\$ 26,335,000	12.2%
Other Departmental Costs	\$ 15,074,850	7.0%
Fuel & Mechanical Operations	\$ 12,274,200	5.7%
Debt Service	\$ 11,791,575	5.5%
Insurance & Contingency	\$ 11,334,321	5.3%
Facilities Maintenance	\$ 5,172,270	2.4%
Project Development, Design and Construction	\$ 2,464,720	1.1%
Total Uses of Funds	\$ 215,470,553	100.0%

Amended Budget for FY 2026

Fiscal Year 2026

Amended Budget

As part of the annual process of adopting the budget for the upcoming fiscal year, VRE also revises the current year budget to reflect updated projections for revenues and expenses and changes to capital funding sources. In most years, this is a relatively technical process of adjusting specific line items that were unknown at the time of adoption, and it does not usually result in significant changes to the overall budget.

However, given the ongoing challenges of projecting ridership in the post-pandemic environment (including the “Return to Office” mandates in early 2025, followed by the government shutdown in the fall of 2025), as well as changes regarding a new agreement with Amtrak, a new Train Operations & Maintenance contract, and the elimination of planned VRE-operated Saturday service, the amended FY 2026 operating budget includes some material differences from the original approved version with respect to revenues and expenses. The major revisions to the FY 2026 budget are identified below:

OPERATING REVENUE

- A net shift of \$7.1 million in 3.5% state mass transit funds and local jurisdictional revenue from operating to capital match for federal formula funds (see Capital section below).
- Increase in passenger fare revenue in the amount of \$1.3 million to reflect the higher than projected ridership since the Federal RTO mandates; the elimination of planned VRE-operated Saturday service; and the delayed start to resumption of the VRE-Amtrak Step-Up program. Total projected passenger fare revenue is increased from \$20.1 million to \$21.4 million.
- Increase in total 3.5% state mass transit fund assistance in the amount of \$1.4 million to reflect a higher funding amount than originally projected.
- Decrease of state access fee reimbursement grant revenue in the amount of \$1.9 million, reflecting the elimination of Saturday VRE service and a lower than projected increase in Amtrak/PRIIA costs in FY 2026.
- A decrease in interest income of \$0.4 million, reflecting lower than projected interest earnings.
- A decrease in regional grant revenue of \$0.2 million, reflecting the delayed start of the VRE-Amtrak Step-Up program.

EXPENSES

- The FY 2026 operating contingency is reduced by a net \$0.9 million for various additions and revisions of current year operating and capital costs and revenue. The notable expense changes are:
 - A net decrease in Host Railroad Access Fee, Amtrak contracted services, Train Operations and Maintenance and Diesel Fuel costs of \$3.3 million, reflecting the elimination of planned VRE-operated Saturday service.
 - An additional net decrease in Amtrak Access Fees and Amtrak contracted services of \$1.1 million due to the new 2024 Amtrak contract agreement and lower than projected costs related to the annual cost escalation (PRIIA).
 - A decrease of \$0.3 million due to the delayed start of the VRE-Amtrak Step-Up program and a lower than projected cost to Amtrak for the Step-Up ticket as part of the new 2024 Amtrak agreement.
 - A decrease in Staff Salary and Fringe costs of \$0.3 million due to vacancies for the first half of FY 2026 in various operating divisions.
 - A decrease in Diesel Fuel of \$0.2 million due to lower than projected fuel prices in FY 2026.

- An increase in Train Operations and Maintenance of \$0.6 million to provide for mobilization for the newly awarded Keolis contract starting in FY 2027.
- A net increase in departmental costs of \$0.5 million, primarily reflecting:
 - \$205,000 in additional IT Software costs and services,
 - \$99,000 for CEO recruitment costs,
 - \$98,000 for IT consulting costs to support cybersecurity and operations,
 - \$60,000 for Seminary Yard security guard costs,
 - \$35,000 for a support vehicle for use at Seminary Yard and
 - \$35,000 for additional costs to support Station Parking Counters
- An increase in Insurance costs of \$0.5 million, reflecting the pending increase in the PRIIA liability cap in early 2026.
- The operating contingency remaining after the changes detailed above is \$1,000,000 for the second half of FY 2026, or approximately one percent of the operating budget.

CAPITAL PROGRAM

The primary change to the capital program for FY 2026 relates to VRE's acquisition of four properties along the Manassas Line from VPRA, as outlined in the Funding Agreement executed in April 2025. After making the first \$26,000,000 payment to VPRA in June 2025 using CROC funds, the FY 2026 budget anticipated a second \$26,000,000 payment funded entirely with FFY 2025 federal 5307 and 5337 formula funds. (VRE programs federal funds in each year's budget from the prior federal fiscal year, due to the different fiscal year ending dates and the lag in finalizing the annual FTA split letter.) The CROC funds in the initial payment to VPRA serve as the local match to the later payments.

However, as part of VRE and PRTC's ongoing efforts to close out older FTA grants and ensure that all prior year funding allocations are obligated, VRE determined that the FTA grants for the property acquisition could be supported with prior year funds (i.e., before FFY 2025) instead. A significant portion of these prior year funds had been originally programmed for the New York Avenue midday storage project (now replaced by Seminary Yard) and for anticipated joint Amtrak-VRE projects at Union Station that ultimately never advanced. Additionally, the total amount of FFY 2025 formula funds allocated to VRE through the annual split letter process was approximately \$2.3 million (5.2%) greater than originally projected.

These changes are positive overall from a grants management perspective, but they result in a large share of FFY 2025 federal funds showing as currently unprogrammed in the Amended FY 2026 budget. VRE has a number of critical needs for these funds, and they will ultimately be programmed, but a comprehensive prioritization effort is needed first. Since the use of these funds requires a minimum 20% non-federal match, that match is included in the Amended FY 2026 budget. For budgeting purposes, it is currently shown as coming from VRE's 3.5% state MTF funds and the jurisdictional subsidy. However, VRE staff will examine alternative approaches to ensuring the required non-federal match on the projects (e.g., funds from NVTA, Commuter Choice, VPRA, CROC, or other sources) before committing these funds.

In addition to this change described above, \$1.6 million of 5307 funds from FFY 2025 (with \$0.4 million of state/local match) are being programmed in FY 2026 towards the Broad Run Expansion project.

FISCAL YEAR 2025 SURPLUS/DEFICIT

- Federal pandemic relief funds (specifically American Rescue Plan and CRRSA Act funds) were used to compensate for reduced passenger fare revenue. These grant funds require no local match and were available to support nearly all operating expenses related to the provision of VRE service that were not already covered by other operating revenues. Therefore, VRE ended FY 2025 with essentially a zero net position (i.e., no surplus or deficit).
- Operating reserve (working capital) is currently at slightly more than three months of operating expense – no additional contribution required.
- The budgeted \$3.0 million contribution was made to the Capital Reserve.



Six-Year Financial Forecast FY 2027-FY 2032

Six-Year Financial Forecast

In accordance with the VRE Master Agreement, the FY 2027 budget includes a six-year financial plan, covering FY 2027 through FY 2032. The key assumptions in the forecast are outlined below. In particular, the projection assumes that increases in the financial burden of VRE operations are equitably split between VRE riders, in the form of fare increases, and the jurisdictions, in the form of subsidy increases. The intent is for jurisdictional subsidy and passenger fares to maintain their current purchasing power by increasing at the rate of inflation, modeled here at 3% annually, or a 6% bi-annual increase in alternating years, respectively. Actual decisions by the Board during each annual budget cycle may differ in both timing and amount.

- Operating ratio is projected to be below 50% through FY 2032
- Projected service level:
 - 32 daily weekday revenue trains for FY 2027 – FY 2032
 - VRE-operated Saturday service removed and weekend VRE/Amtrak Step-Up to provide VRE riders a weekend service option.
- Operating costs:
 - Increase in base cost categories varies by year, based on projected inflationary pressures and economic conditions
 - Train operations and maintenance of equipment, midday services, fuel, track leases and debt service
- Fare revenue:
 - A 5% increase in FY 2027 and annual increases of 6% for FY 2029 and FY 2031.
- Local Subsidy:
 - A 6% increase in FY 2027 and annual increases of 6% for FY 2029 and FY 2031.
- Grant Revenue:
 - Access fee reimbursement funding from VPRA equal to 84% of access costs through FY 2032.
 - State grant funding based on current State projection for FY 2027, with projected amounts at historical average for FY 2028 through FY 2032 and reflecting the change in FY 2025 where VRE receives up to 3.5% of the Commonwealth Mass Transit Fund (MTF) annually. This pool of funding will service both operating and capital needs as determined annually as part of the VRE budget process.
 - Federal capital program is shown as in six-year CIP, with projected formula funds returning to pre-IIJA/BIL
- Tools for addressing potential funding gaps in future years are listed at the bottom of the forecast: use of remaining Federal pandemic relief funds, reduction, or deletion of annual contribution to capital reserve; use of federal funds for preventive maintenance in operating budget; use of C-ROC dedicated funding for operating expenses; and use of capital or operating reserve funds, as applicable. Some combination of these and other options would be considered if funding issues are not resolved, with priority use of VRE's available federal pandemic relief funds.

Fiscal Year 2027- 2032

Six-Year Financial Forecast

Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Comments
Number of Trains in Daily Weekday Service	32	32	32	32	32	32	32	
Manassas Line Weekdays	16	16	16	16	16	16	16	8 NB, 8 SB per Weekday per Service Line
Fredericksburg Line Weekdays	16	16	16	16	16	16	16	8 NB, 8 SB per Weekday per Service Line
Average Weekday Daily Ridership (ADR)	8,000	9,300	9,600	9,900	10,200	10,500	10,800	
Average Fare Price	9.75	9.71	9.71	10.30	10.30	10.91	10.91	Fare increases of 5% in FY27, 6% in FY29 & FY31 Return to 50% ratio driven by return of ridership
Potential Operating Ratio	19%	22%	22%	23%	23%	24%	24%	
Use of Funds for Operations								
Net Operating Expenses	30,716,009	31,962,361	32,921,232	33,908,869	34,926,135	35,973,919	37,053,136	Net 3% increase per year
Budgeted Operating Reserves	36,000	-	351,531	362,809	374,454	386,478	398,895	Maintain Minimum of 17% Operating Reserve
Insurance	8,400,000	9,500,000	9,880,000	10,275,200	10,686,208	11,113,656	11,558,203	Net 4% increase per year
Amtrak	6,381,000	5,898,000	6,133,920	6,379,277	6,634,448	6,899,826	7,175,819	Net 4% increase per year
Contracted Train Operations	20,828,500	22,624,000	23,302,720	24,001,802	24,721,856	25,463,511	26,227,417	Net 3% increase per year
Maintenance of Equipment	10,106,000	8,071,000	8,313,130	8,562,524	8,819,400	9,083,982	9,356,501	Net 3% increase per year
Fuel	5,731,000	4,858,000	5,052,320	5,254,413	5,464,589	5,683,173	5,910,500	Net 4% increase per year
Track Lease Expense	21,253,000	20,437,000	21,254,480	22,104,659	22,988,846	23,908,399	24,864,735	Based on projected contractual increases
Debt Service	11,791,975	11,791,575	11,886,919	11,889,100	11,887,156	11,890,985	11,884,900	Based on Debt Service schedules
Total Operating Costs	115,243,484	115,141,936	119,096,252	122,738,652	126,503,091	130,403,929	134,430,106	
Sources of Funds For Operations								
Fare Revenue	20,130,000	22,700,000	23,400,000	25,600,000	26,400,000	28,800,000	29,600,000	
Interest Income	3,500,000	3,610,000	3,610,000	3,610,000	3,610,000	3,610,000	3,610,000	
Other Income	169,000	210,000	210,000	210,000	210,000	210,000	210,000	
Regional Operating Grant/Other Sources	442,000	402,000	-	-	-	-	-	NVTC/NVTA or other regional operating grant, Use of Prev. FY Surplus
State CROC Dedicated Funding (Operating)	7,499,500	7,499,000	7,498,500	7,497,750	7,496,500	7,499,500	7,496,250	CROC - Operating Portion (Series 2022 Debt Service)
State Operating Support (3.5% MTF)	12,377,403	7,712,144	6,928,000	7,254,400	7,587,328	7,926,915	8,273,293	
State Track Access & Debt Service Funding	18,523,464	17,838,040	18,267,496	18,971,213	19,702,479	20,463,245	21,253,850	FY26-FY32, State (VPRA) at 84% for Track Access Reimbursement
Federal Grants:								
Track Access Lease Funding	-	-	-	-	-	-	-	FY26-FY32, State (VPRA) at 84% for Track Access Reimbursement
Federal Operating Funds (Debt service & loans)	3,354,722	3,354,802	3,431,478	3,433,823	3,433,268	3,433,930	3,431,663	
Other Federal Revenues	520,000	520,000	520,000	520,000	520,000	520,000	520,000	
Federal Pandemic Relief Funds	32,700,464	36,685,330	-	-	-	-	-	
Total Operating Revenues	99,216,554	100,531,317	63,865,473	67,097,185	68,959,575	72,463,590	74,395,055	
Surplus/(Deficit) for Operations	(16,026,930)	(14,610,619)	(55,230,779)	(55,641,467)	(57,543,516)	(57,940,339)	(60,035,051)	
Jurisdictional Contribution	19,764,843	19,764,843	20,950,734	20,950,734	22,207,778	22,207,778	23,540,244	Planned 6% Jurisdictional Subsidy Increases in FY28 & FY30 & FY32
Net subsidy available for capital match	3,737,913	5,154,224	(34,280,045)	(34,690,733)	(35,335,738)	(35,732,562)	(36,494,806)	
Use of Funds for Capital Program								
Capital Cost Base Program	110,548,328	100,328,618	69,201,500	69,202,250	69,203,500	69,200,500	69,203,750	Excludes Debt Service
Total Capital Program Costs	110,548,328	100,328,618	69,201,500	69,202,250	69,203,500	69,200,500	69,203,750	
Sources of Funds for Capital Program								
Federal Grants:	80%	80%	80%	80%	80%	80%	80%	
Federal funding (Includes CMAQ)	40,758,262	43,084,476	46,960,000	46,960,000	46,960,000	46,960,000	46,960,000	
Federal funding - Track Access	0%	0%	0%	0%	0%	0%	0%	FY26-FY32, State (VPRA) at 84% for Track Access Reimbursement
Matching & Other Funds								
State Capital Support	2,951,652	26,388,917	9,392,000	9,392,000	9,392,000	9,392,000	9,392,000	
VPRA Capital Grants	55,600,000	18,200,000	-	-	-	-	-	
Local/Other Funds	-	-	-	-	-	-	-	
Regional Capital Grant Funding	-	-	-	-	-	-	-	NVTC Commuter Choice & NVTA Grants
State CROC Dedicated Funding - Capital	7,500,500	7,501,000	7,501,500	7,502,250	7,503,500	7,500,500	7,503,750	CROC - Capital Portion
Net local subsidy available for capital match	3,737,913	5,154,224	(34,280,045)	(34,690,733)	(35,335,738)	(35,732,562)	(36,494,806)	
Total Sources of Funding for Capital Program	110,548,328	100,328,618	29,573,455	29,163,517	28,519,762	28,119,938	27,360,944	
Additional funds required to fund Operations and Capital:								
Additional required for operations/base program	-	-	(39,628,045)	(40,038,733)	(40,683,738)	(41,080,562)	(41,842,806)	
Potential Means to Address Future Gap As Needed:								
Use of Federal Pandemic Relief Funds (Future Years)	-	-	(33,937,941)	-	-	-	-	
Reduction of Annual Capital Reserve Contribution	-	-	(3,000,000)	-	-	-	-	
Use of Federal Formula Funds for Preventive Maint.	-	-	-	-	-	-	-	80% Federal Money, Net Effect of Use
Use of CROC Funds for Operations	-	-	-	-	-	-	-	CROC Funding may be used for Capital or Operating
Use of Reserve Funds	-	-	-	-	-	-	-	
Funding To Be Determined	-	-	(2,690,104)	-	-	-	-	
Remaining Shortfall After Potential Solutions Utilized	\$ -	\$ -	\$ -	\$ (40,038,733)	\$ (40,683,738)	\$ (41,080,562)	\$ (41,842,806)	

Note: Future use of CROC for operations would require the identification of an alternative capital funding source for VRE's TRV commitments.

Capital Improvement Program FY 2027-FY 2032

Introduction

The FY 2027 – 2032 VRE Capital Improvement Program (CIP) is an integrated set of projects and programs that will improve passenger safety and operational efficiency, maintain the VRE system in a state of good repair, and expand capacity. The six-year CIP includes projects that are fully funded, partially funded, and unfunded.

- **Funded projects** are those that are funded through federal formula grants received annually by VRE; through state funding in accordance with the Commonwealth’s Six-Year Improvement Program (SYIP); through already allocated funds from other entities, such as NVRTA, GWRC, or a VRE jurisdiction; or through other committed sources.
- **Partially funded projects** are those that are pending a discretionary allocation by a funding authority or for which a funding source has not yet been identified. Because discretionary funding relies on the actions of other entities, funds may not be available when needed.
- **Unfunded projects** represent an anticipated future need that falls within the six-year timeframe of the CIP, but further planning and conceptual design efforts will be required before more detailed scopes, schedules, and budgets are available, and then a funding approach can be determined.

In addition to grants and other funding agreements with outside partners, VRE has the following internal funding mechanisms to support the capital program:

- **The Commuter Rail Operating and Capital (CROC) Fund** was created by the General Assembly in 2018. CROC funding is dedicated to “retaining, maintaining, improving, and developing commuter rail-related infrastructure improvements and operations” in the Commonwealth. VRE receives a dedicated allocation of \$15 million annually from CROC that may be used to support the cost of VRE’s commuter rail operations as well as to make necessary capital investments and improvements, either on a pay-as-you-go basis or through the issuance of debt. CROC funding may be used as matching funds for state and federal grants. As a result of the funding agreement with the Virginia Passenger Rail Authority (VPRA), CROC funds in each of the six years of the CIP are dedicated to payment of debt service and to capital support for major VPRA projects (primarily the new Long Bridge).
- **The Capital Reserve** was created to complete projects, take advantage of grant opportunities that require substantial local match, or to fund initial costs to support major grant proposals or evaluate alternatives. Funding is provided from prior year surpluses, the sale of assets, and, beginning in FY 2015, from a \$3 million annual jurisdictional contribution included in the budget.

Description of Capital Improvement Program Process

The VRE Capital Improvement Program is designed to maintain VRE passenger equipment and facilities in a state of good repair and to accommodate growth within adopted service and safety standards. Projects and programs in the CIP fall into one of the following categories:

- The acquisition of land for a public purpose.
- The construction or purchase of an asset of significant size, including rolling stock and other equipment, facilities, railroad infrastructure and automated systems.
- Rehabilitation or major repair to all or part of a major facility, piece of equipment, or other asset, beyond the level considered as routine annual maintenance.
- Any specific planning, engineering, design work or grant and project management costs related to an individual project falling within the first three categories.
- Any long-term grant funded projects for which inclusion in the CIP is considered appropriate.

Priorities: Projects included in the CIP are prioritized with an emphasis on passenger safety, regulatory requirements, and maintaining current equipment and facilities in a state of good repair. In addition, expansion projects are selected in accordance with VRE's System Plan 2040 (soon to be updated to 2050) and with the state's Transforming Rail in Virginia (TRV) program.

Board/Commission Approval: Once the CIP has been developed, it is forwarded as part of the budget to the VRE Operations Board. With their approval, the budget goes to the Commissions for final authorization. The VRE budget process begins in the summer, with approval by the Operations Board in December and Commissions in January. Grant applications for the next fiscal year are prepared based on the approved CIP. The Operations Board and Commissions formally approve the current year of the CIP and amendments to the prior year.

Project Information: Detailed project information is provided, including a summary of funding sources for each project. FY 2026 funding reflects the amended budget for that year. In order to provide a complete picture of each project, funding and cost information is provided from the inception of the project through to its conclusion.

Prior Year Projects: Projects fully funded in prior years are reported in the CIP until all work on the project is completed. Three major projects from previous years – the Lifecycle Overhaul and Upgrade (LOU) Facility, the Fredericksburg Station Rehabilitation, and the Quantico Station Improvements – have been recently completed and removed from this CIP. However, work completed in prior years as part of VRE's Equipment Asset Management (EAM) and Facilities Asset Management (FAM) programs is not reflected, as these programs are essentially permanent.

The Capital Improvement Program (CIP) is a comprehensive inventory of VRE's planned capital projects and the capital funding sources that have been identified for the six years of the plan (FY 2027 to FY 2032). The primary purpose of the CIP is to provide a realistic picture of the funding outlook and any challenges VRE may face in securing adequate funding to pay for needed capital improvements.

Many projects in VRE's six-year program are fully funded; however, certain key projects are only partially funded and additional funding must be identified. The sharp increases in inflation between 2021-2023 and the cost of key materials (steel, concrete, etc.) have resulted in cost increases and funding gaps on some projects. VRE's internal funding sources (such as the Capital Reserve) and certain federal formula funds may be programmed to fill some of

these gaps, but VRE will also continue to pursue additional funding at the federal, state, regional, and local level in order to fully fund the capital program.

The capital improvement projects are designed to maintain and enhance VRE's service by renovating and strengthening the core system; improving the system's security and reliability; and modernizing and expanding the system to accommodate increasing ridership demand. This CIP is a snapshot of the current outlook and is updated periodically as projects are further developed and the funding environment evolves.



Capital Financial Outlook

The overall outlook for the FY 2027 to FY 2032 capital program is generally positive, despite the impacts of the COVID-19 pandemic on ridership and the operating budget. Political and legislative actions over the past few years – including the creation of the dedicated CROC Fund at \$15 million per year, the commitment by the Commonwealth to continue current levels of reimbursement for track access fees, and the creation of the Virginia Passenger Rail Authority as part of the Transforming Rail in Virginia program – have created an environment that is supportive of VRE’s long-term growth.

Some funding challenges do remain. On the capital side, certain key near-term projects are still partially unfunded, and while CROC and Capital Reserve funds may be available to fill some gaps, an ongoing VRE priority for FY 2027 will be to continue to work with local, state and other partners on securing additional funding for the commuter rail system. The statutory limitations on the use of VRE’s primary source of federal formula funding (the Section 5337 State of Good Repair program) further complicates the capital funding picture.

This six-year CIP includes a project to invest in crossovers at key locations on both lines to improve operational flexibility. This expansion is currently programmed for roughly the FY 2028 to FY 2032 period, which is why they are included in this six-year plan. These crossover investments, along with the Broad Run Lead Track (previously the Manassas Third Track), are currently unfunded and represent a significant proportion of the total unfunded amount in the capital program. The CIP does not currently include any projects for rolling stock beyond the 21 Expansion Railcars currently under production by Alstom with delivery expected in 2028. VRE does not have any immediate need for expansion or replacement railcars, and a broader consideration of locomotive needs is required before any such costs can be included in the budget with confidence.

Given current estimates, total project costs for projects in the FY 2027-FY 2032 CIP (including all costs to complete) are approximately \$1.27 billion. Committed funding for these projects currently totals \$1.01 billion (79% funded) from a range of federal, state, regional, and local sources. This figure includes life-to-date funding through FY 2026. The table below presents a summary of VRE’s funded and unfunded project costs by program area that are included in the FY 2027 – 2032 Six-Year Plan through FY 2025. The table below presents a summary of VRE’s funded and unfunded project costs by program area that are included in the FY 2026 – 2031 Six Year Plan.

CAPITAL IMPROVEMENT PROGRAM BY PROGRAM AREA

(FIGURES IN MILLIONS)

Program Name	Cost of Projects	Funded	Unfunded
Asset Management/State of Good Repair	\$92.4	\$92.4	\$0.0
Information Security and Technology	\$4.5	\$4.5	\$0.0
Maintenance and Storage Facilities	\$278.1	\$230.7	\$47.5
Station Parking	\$494.8	\$434.1	\$60.7
Property Acquisition	\$155.0	\$150.0	\$5.0
Rolling Stock	\$95.5	\$95.5	\$0.0
Passenger Station Facilities	\$2.7	\$2.7	\$0.0
Track and Structures	\$151.8	\$0.0	\$151.8
TOTAL	\$1,274.9	\$1,009.8	\$265.0

CAPITAL SOURCES AND USES

Capital projects normally rely on funds obligated in prior years, unlike operating expenses. Most grants are awarded on a reimbursement basis, and grant allocations can be obtained for specific projects and programs over multiple years during which they can “accumulate” and be committed to a contract when the balance is sufficient for that phase of the project to proceed. The construction phase of a capital project will not be initiated unless and until the entire underlying funding commitment is in place.

In order to operate within funding constraints, VRE’s CIP centers on the fundamental need to prioritize the most vital initiatives and investments necessary to achieve key safety, reliability, capacity, and sustainability goals. The FY 2027 capital budget is driven primarily by the need to meet established programmatic commitments and maintain the necessary financial capacity to address emerging and longstanding needs required to maintain the safety and reliability of essential capital assets.

Capital funds come from a wide variety of federal, state, regional, and local sources. Except for FTA Section 5307 and 5337 formula allocations and the associated state and local matching funds, most of VRE’s capital funding sources are one-time competitive or discretionary grants. Given the magnitude of VRE’s capital needs over the next six years and beyond, an aggressive approach to securing discretionary grants has been pursued in recent years and will continue to be necessary. Advocacy for project grant funding must be continuous at the local, regional, state, and federal levels from the moment a project is initiated. This process is intensive and requires the coordinated efforts of VRE staff, other local and regional bodies, and elected officials. The charts and graphs at the end of this section show the magnitude of the various funding sources on which VRE relies.

DECISION-MAKING FACTORS

VRE considers several factors when determining which capital projects are allocated the limited funding that is available, including:

- Does the expenditure maintain the system in a state of good repair?
- Does this expenditure help VRE manage risk? Does this expenditure address VRE’s biggest identified sources of risk?

- Does this expenditure close an identified need (i.e., a gap between target and actual service levels)?
- Does this expenditure minimize life-cycle cost?
- Does this expenditure yield ongoing operational cost savings either through efficiency or reduced risk?
- Project continuity: Is this project already underway and does it need ongoing funding to continue implementation from a prior year?
- Project interdependence: Are other projects dependent on this project? Is this project dependent on others?

COMMUTER RAIL OPERATING AND CAPITAL FUND

As part of the FY 2020 budget, the Operations Board adopted the follow criteria for programming of CROC funds:

1. CROC funds should be prioritized to projects that are not eligible for typical VRE discretionary capital funding sources, such as DRPT Smart Scale or NVTA regional funding.
2. CROC funds should be prioritized to projects where a commitment of local funding could leverage significant state or federal matching funds.
3. CROC funds should support projects that are necessary in order to allow for future capacity expansion.
4. VRE should continue to use the Capital Reserve to fund smaller needs (such as minor cost or scope changes in an existing project) and should use CROC funds on ‘transformative’ projects.
5. VRE should consider CROC funds as a supplementary funding source for the replacement of major existing assets such as railcars.

In March 2021, VRE executed a Funding Agreement with DRPT (that was subsequently assigned to the Virginia Passenger Rail Authority) for a contribution to the TRV program using CROC funds. The agreement called for (a) the issuance of debt backed by CROC, with the proceeds used to assist in the Commonwealth’s purchase of rail right-of-way from CSX Transportation, and (b) a ten-year period whereby any CROC funds not used for debt service would be used on a pay-as-you-go basis to reimburse VPRA for expenses incurred on major capital projects in the VRE service area.

VRE (with NVTC as the issuer of the bonds) completed the sale of revenue bonds backed by the CROC Fund in June 2022, in accordance with the Funding Agreement. These bonds have a 30-year term and flat annual debt service of \$7.5 million per year (i.e., half of the annual \$15 million that VRE receives). Approximately \$119 million in net proceeds from the bond sale were transferred to VPRA in July 2022 for the ROW purchase. VRE’s CROC PAYGO funding support of \$7.5 million per year has been – and is expected to continue to be – used for the design, engineering, and construction of the new Long Bridge.

UNFUNDED PROJECTS AND UNPROGRAMMED FUNDING SOURCES

Approximately \$265.0 million (21%) of VRE’s \$1.27 billion CIP is currently unfunded. This figure includes funding gaps for the L’Enfant Station and Fourth Track project that is a critical project within the six-year window; MSS and FBG Line crossovers; the Broad Run Lead Track; and the later phases of the Crossroads Yard expansion that are towards the end of the window, as well as other smaller projects. These unfunded needs will be addressed in future budget cycles through a combination of applications for discretionary funding as well as the programming of FTA formula funds and internal VRE funds.

Capital Improvement Program Project Sheets

The FY 2027-2032 CIP includes 22 separate projects. For ease of understanding, these individual projects have been grouped into categories with identifying project IDs:

Asset Management/State of Good Repair – Refers to projects that ensure that assets perform at their highest level throughout their service life, and to the formal effort to consistently address, evaluate, analyze and prioritize the condition of VRE’s rolling stock and facilities.

Information Security and Technology – Includes project that supports the installation of an Enterprise Resource Planning system to support VRE operations and the Upgrade of VRE’s Transit Display system and train information portal.

Passenger Station Facilities – Includes projects that lengthen or widen existing station platforms, construct new platforms at current stations or add new stations to the system.

Rolling Stock Equipment – Refers to the purchase of replacement or expansion locomotives and coaches; coaches may be either cab cars or trailers.

Station Parking – Includes projects that modify or expand parking at specific VRE station locations. Parking may be provided in surface lots or as structured parking. Parking at a station can exclusively serve VRE riders but may also serve other users such as bus transit riders at multi-modal stations.

Track and Signal Infrastructure – Refers to the installation of rail, ties, rail fastenings, hardware and roadbed over which trains operate; the electrical or mechanical signal devices used to control train movements; and other railroad infrastructure such as interlockings, crossovers, switches, or turnouts.

Train Maintenance and Storage Facilities – Includes midday or overnight storage tracks and related switches, signals, or power sources; buildings, structures or equipment used to inspect, repair or maintain rolling stock; warehouse facilities; crew buildings; and other facilities or equipment such as employee parking or exterior fencing or lighting.

Property Acquisition – The cost of property acquisition is typically included as a phase within each project. However, the property acquisition associated with VPRA’s purchase of the Manassas Line – including the Seminary Yard, the Broad Run third track, the permanent easement for existing stations, and the permanent commuter rail operating easement – is sufficiently large and distinct that it is being called out separately in the CIP.

In addition, projects can be classified by project **type**, as follows:

Asset Management – Improvements or repairs to prolong the useful life of an existing asset; meet mandated requirements or otherwise modernize the asset or system; or to enhance safety and security.

Replacement and Rehabilitation – Replacement or major rehabilitation of an existing asset.

Expansion – Improvements implemented primarily for the purpose of increasing capacity.

Other – Office building improvements and other miscellaneous non-transit projects.

The tables below list the individual projects within each project category and show the funding needs by year for the total program and summarize the funding sources for the FY 2027 to FY 2032 CIP indicating the amount unfunded by year. No unfunded amounts are reflected through FY 205 since project work cannot be authorized unless funding is available. Any delays this may have caused to the desired project schedule are noted on the individual project sheet.

CAPITAL IMPROVEMENT PROGRAM BY FUNDING TYPE (AMOUNT IN MILLIONS OF \$)

Source	Amount	Share
COMMITTED AND EXPECTED FUNDS		
Federal	\$478.9	37%
State	\$408.2	32%
Regional (NVTA/Comm. Choice)	\$61.8	4.8%
Local	\$41.0	3.2%
VRE (CROC/Match/Other)	\$20.0	1.6%
TOTAL COMMITTED AND EXPECTED	\$1,009.8	79.2%
UNFUNDED (TO BE DETERMINED)	\$265.0	20.8%
TOTAL CIP FUNDING	\$1,274.9	100%

CAPITAL IMPROVEMENT PROGRAM EXPENDITURES

(FIGURES IN MILLIONS)

Program	Project Name	Life To Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total	
Asset Management/SGR	EAM		\$ 11.0	\$ 13.0	\$ 13.0	\$ 11.9	\$ 10.0	\$ 11.0	\$ 11.0		\$ 80.9	
	FAM		2.0	1.7	1.7	1.6	1.3	1.7	1.6		11.5	
	SUBTOTAL ASSET MANAGEMENT		13.0	14.7	14.7	13.4	11.3	12.7	12.6		92.4	
IST	RTMM & TRIP/VMS	0.4	1.0	3.0							4.5	
	SUBTOTAL IST	0.4	1.0	3.0							4.5	
Maintenance & Storage Facilities	Broad Run Expansion	13.2	16.7	37.7	32.3	5.4					105.3	
	Crossroads AEW Building and Parking	2.9	2.2	6.7	6.7	1.6					20.2	
	Crossroads Future Expansion				5.0	10.6	10.6	10.6	10.6		47.5	
	Seminary Yard	0.3	6.5	28.8	44.2	25.3					105.1	
	SUBTOTAL MAINT. & STORAGE	16.5	25.4	73.3	88.2	42.9	10.6	10.6	10.6		278.1	
Passenger Station Facilities	Alexandria Station/K&C Bridges	10.1	38.0	67.9	25.3						141.3	
	Backlick Rd Station Improvements		1.3	2.4	4.6	0.4					8.6	
	Brooke Station Improvements			1.0	1.3	3.9	4.4				10.6	
	Crystal City Station Improvements	5.0	5.2	12.3	40.4	33.7					96.6	
	Franc.-Spring. Station Improvements	3.3	1.7	9.6	19.4	6.3					40.3	
	Leeland Road Station Improvements	0.0	1.2	1.4	4.6	4.8					12.1	
	L'Enfant Station & Fourth Track	27.5	25.6	30.7	47.0	40.3					171.1	
	Manassas Station Improvements	0.1	1.2	2.7	4.8	0.4					9.1	
	Rippon Station Improvements			0.9	0.9						1.7	
	Woodbridge Station Improvements		1.6	1.6							3.3	
SUBTOTAL PASSENGER STATION FAC.	46.0	75.8	130.5	148.3	89.8	4.4				494.8		
Property Acquisition	Manassas Line Property Acquisition	26.0	61.7		25.0	25.0	17.3				155.0	
	SUBTOTAL PROPERTY ACQUISITION	26.0	61.7		25.0	25.0	17.3				155.0	
Rolling Stock	Fleet Expansion Coaches (21 Railcars)	24.3	22.8	23.9	24.0	0.1	0.1	0.1	0.1	0.2	95.5	
	SUBTOTAL ROLLING STOCK	24.3	22.8	23.9	24.0	0.1	0.1	0.1	0.1	0.2	95.5	
Station Parking	Fredericksburg Parking Improvement	0.3	1.2	1.2							2.7	
	SUBTOTAL STATION PARKING	0.3	1.2	1.2							2.7	
Track & Structures	MSS and FBG Line Crossovers			1.2	9.6	9.6	9.6	9.6	9.1		48.7	
	VRE Broad Run Lead Track			3.3	18.0	42.5	39.3				103.1	
	SUBTOTAL TRACK & STRUCTURES			4.5	27.6	52.1	48.9	9.6	9.1		151.8	
TOTAL			\$ 113.5	\$ 201.0	\$ 251.0	\$ 327.8	\$ 223.3	\$ 92.6	\$ 33.0	\$ 32.4	\$ 0.2	\$ 1,274.9

Asset Management/ State of Good Repair

Project Name:
Equipment Asset Management Program

Project ID:
EAM

Program:
Asset Management/State of Good Repair

Project Type:
Asset Management

Location:
N/A

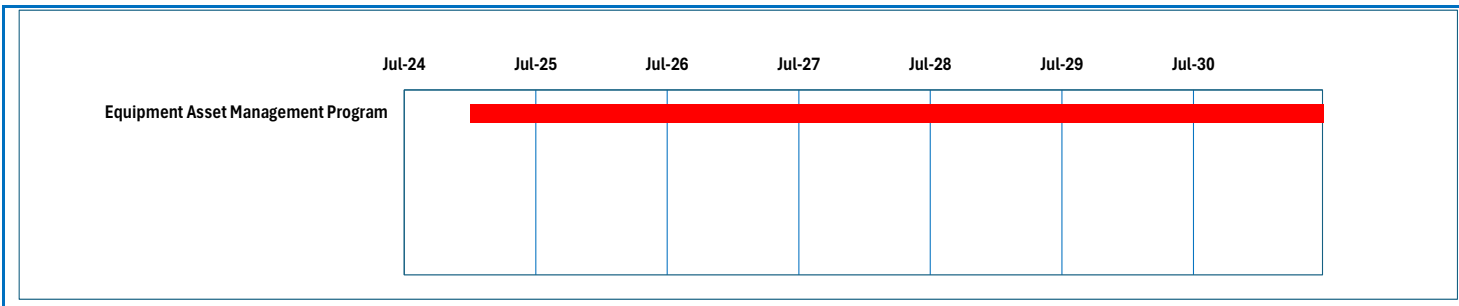


Project Description

This ongoing program provides funding for major lifecycle overhaul and upgrade efforts for VRE rolling stock to ensure all equipment is maintained in a state of good repair in accordance with VRE’s Maintenance Management Plan and Transit Asset Management program. This program includes major SGR projects on the locomotives such as Head End Power (HEP) renewals, power assemblies, and painting, and major SGR projects on the railcars including wheelchair lifts, window gaskets, and seatback covers, as well as a range of other rehailitation and replacement initiatives.

Project Funding

The EAM program is funded with federal 5337 (State of Good Repair) formula grants (80%) with associated state and local match (20%).



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)		8,800,000	10,400,000	10,400,000	9,504,000	8,000,000	8,800,000	8,800,000		64,704,000
State Match to 5337		1,760,000	2,080,000	2,080,000	1,900,800	1,600,000	1,760,000	1,760,000		12,940,800
Local Match to 5337		440,000	520,000	520,000	475,200	400,000	440,000	440,000		3,235,200
Total Funding	N/A	11,000,000	13,000,000	13,000,000	11,880,000	10,000,000	11,000,000	11,000,000		80,880,000

Spending Plan										
Spending Plan	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total Spending Plan	N/A	11,000,000	13,000,000	13,000,000	11,880,000	10,000,000	11,000,000	11,000,000		80,880,000

Project Name:
Facilities Asset Management Program
Project ID:
FAM
Program:
Asset Management/State of Good Repair
Project Type:
Asset Management
Location:
System-wide

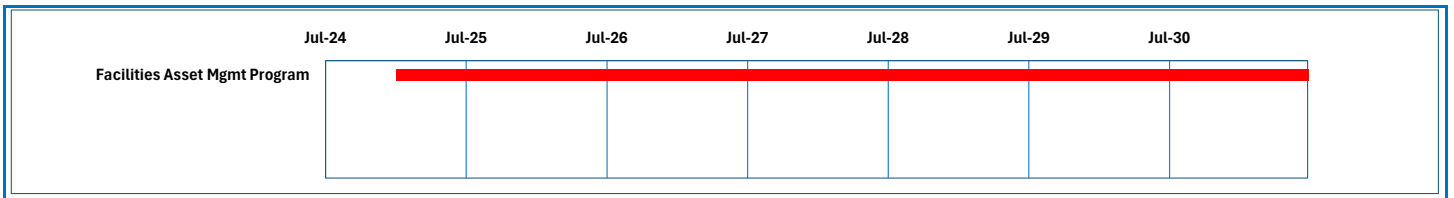


Project Description

As VRE facilities age, there is an increasing need for repairs and improvements to maintain these assets in a State of Good Repair (SGR). An independent evaluation of all station, maintenance, storage, office facilities and systems is regularly conducted in accordance with VRE's Transit Asset Management program, in order to establish maintenance, rehabilitation and replacement cycles and priorities. This ongoing program supports those required rehabilitation and replacement efforts at VRE facilities.

Project Funding

The ongoing FAM program is funded with federal 5337 (Rail State of Good Repair) formula grants at 80% of cost and requiring a 20% state or local match.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)		1,600,000	1,320,000	1,360,000	1,240,000	1,040,000	1,320,000	1,300,000		9,180,000
State Match to 5337		320,000	264,000	272,000	248,000	208,000	264,000	260,000		1,836,000
Local Match to 5337		80,000	66,000	68,000	62,000	52,000	66,000	65,000		459,000
Total	N/A	2,000,000	1,650,000	1,700,000	1,550,000	1,300,000	1,650,000	1,625,000		11,475,000

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	N/A	2,000,000	1,650,000	1,700,000	1,550,000	1,300,000	1,650,000	1,625,000		11,475,000

Information Security and Technology

Project Name:

**Real-Time Multimodal Traveler Information
& TRIP/VMS Upgrade**

Project ID:

0054 & 0057

Program:

Information Technology

Project Type:

Asset Management

Location:

System-wide

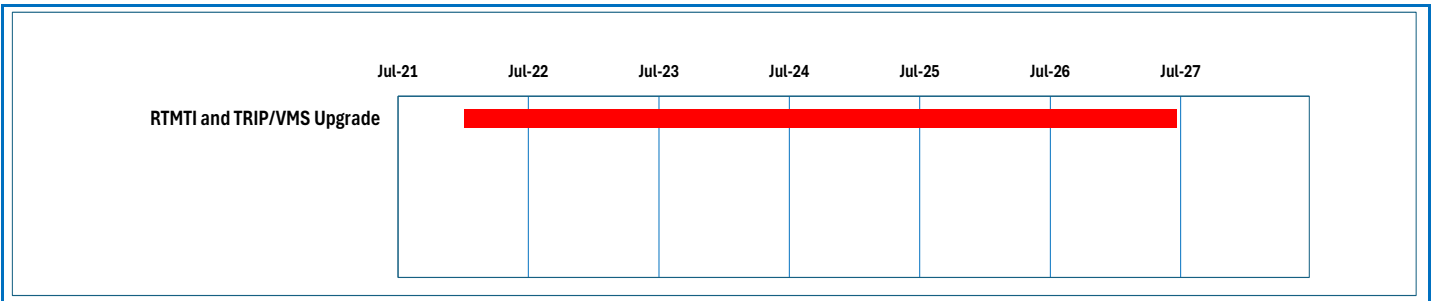


Project Description

VRE has implemented automatic passenger counters in all railcars and automatic parking counters at all VRE parking facilities. While train location information is currently provided on the internet and on screens at the stations, real-time train arrival information will be provided through additional channels. Software upgrades will be required to provide these real-time data feeds that can then be integrated with VRE Mobile and other third-party apps and websites, as well as on display screens at VRE stations and other locations along the I-66 corridor. This work is being performed in conjunction with the planned upgrade of VRE's TRIP/VMS system for providing customer information.

Project Funding

This project is funded through the I-66 Outside the Beltway (OTB) Concessionaire Payment as part of VRE's broader Manassas Line Capacity Expansion program.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
I-66 OTB Concession Payment	3,481,000									3,481,000
VRE Capital Reserve	1,000,000									1,000,000
Total	4,481,000									4,481,000

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	440,312	1,040,688	3,000,000							4,481,000

Passenger Station Facilities

Project Name:

Alexandria Station Improvements/K&C Bridges

Project ID:

0010

Program:

Passenger Station Facilities

Project Type:

Replacement and Rehabilitation

Location:

City of Alexandria

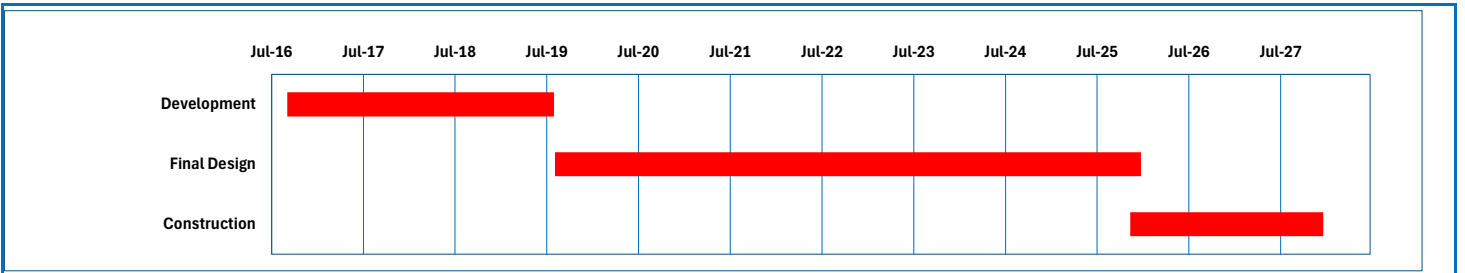


Project Description

The project will provide an ADA-compliant, grade-separated pedestrian tunnel and elevator access between the two platforms at the VRE/Amtrak station in Alexandria; and modify and extend the platforms to accommodate eight-car trains on up to three (3) tracks simultaneously. The platforms will also be raised relative to the top of rail to eliminate the need for step-boxes for passengers to access VRE and Amtrak trains. The existing rail bridges adjacent to the station over King Street and Commonwealth Avenue ("K&C") will be replaced to modernize the bridges to current standards, reduce future maintenance, and improve safety under the bridges.

Project Funding

The station portions of the project are funded primarily through the Commonwealth of Virginia SMART SCALE program (as part of VRE's broader Fredericksburg Line Expansion program) as well as Federal funds to eliminate railroad grade crossings and improve railroad safety. The bridge replacement portions are funded by the Virginia Passenger Rail Authority (VPRA).



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)	13,890,475	1,066,692								14,957,167
State Match to 5337	2,778,095	213,338								2,991,434
Local Match to 5337	694,524	53,335								747,859
Federal - VDOT	2,256,346									2,256,346
Federal - Other	6,362,381									6,362,381
Local Match - Federal Other	706,932									706,932
State - SMART SCALE	21,853,149									21,853,149
Virginia Passenger Rail Authority	27,600,000	63,832,851								91,432,851
Total	76,141,902	65,166,216								141,308,119

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	10,129,170	38,032,088	67,882,683	25,264,177						141,308,119

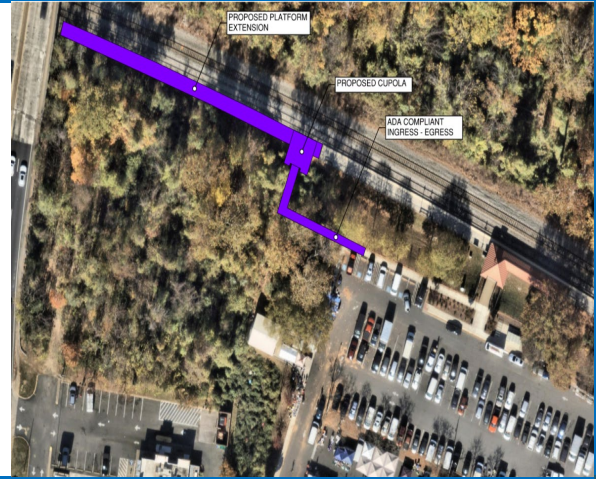
Project Name:
Backlick Road Station Improvement

Project ID:
0072

Program:
Passenger Station Facilities

Project Type:
Expansion

Location:
Fairfax County

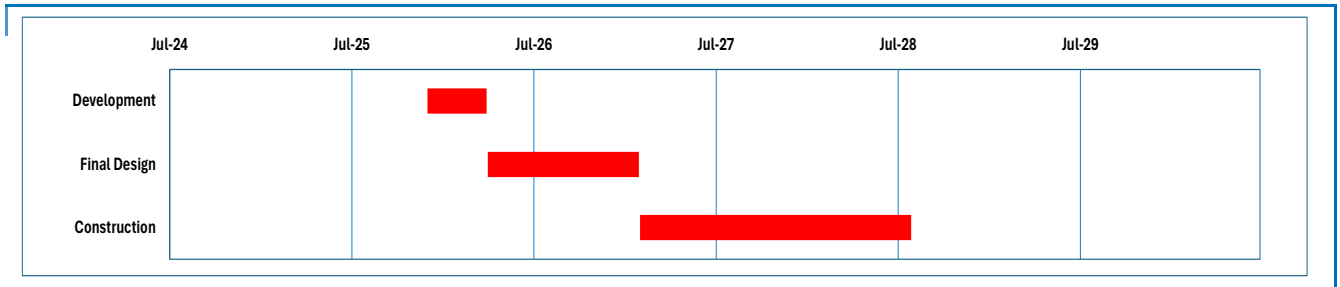


Project Description

The Backlick Road Station platform currently accommodates five-car train sets, requiring passengers on longer trains to move between cars to board or alight. This project will extend the platform by approximately 270 feet to support eight-car trains, reducing passenger movement, improving safety, and decreasing loading/unloading times. The project also includes providing a second ADA compliant entrance, rehabilitating the existing platform and canopy, as well as upgrading lighting and communication systems. These enhancements will improve passenger experience and operational efficiency on the VRE Manassas Line.

Project Funding

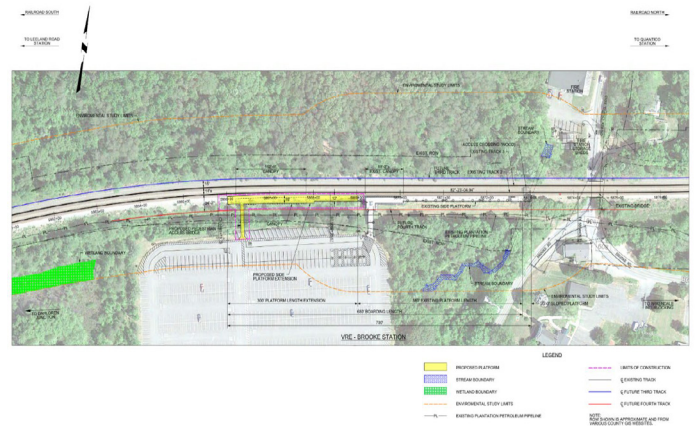
This project is currently supported with CMAQ/RSTP funds (80% federal and 20% state-provided match) and NVTA regional funds.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal CMAQ/RSTP	2,000,000									2,000,000
State Match to CMAQ/RSTP	500,000									500,000
NVTA	6,145,103									6,145,103
Total	8,645,103									8,645,103

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total		1,288,043	2,356,111	4,641,291	359,658					8,645,103

Project Name:
Brooke Station Improvements
Project ID:
0025
Program:
Passenger Station Facilities
Project Type:
Expansion
Location:
Stafford County

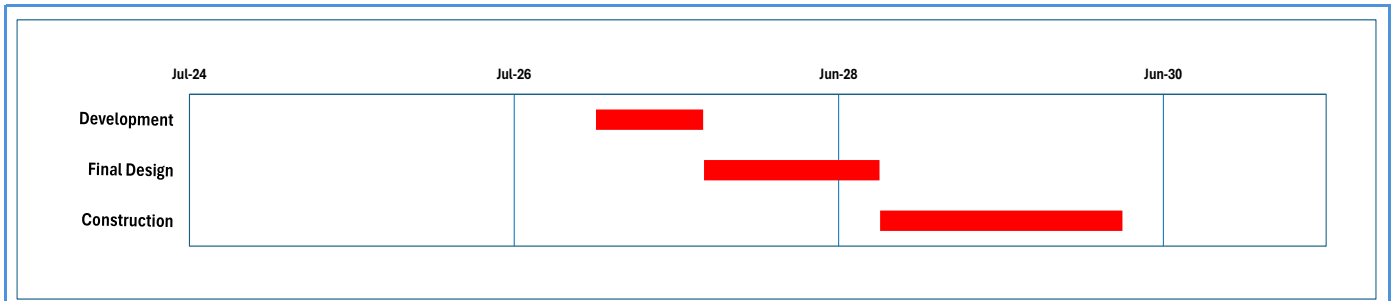


Project Description

This project will enhance operational flexibility, increase capacity, and reduce dwell times at Brooke Station. It includes extending the platform to accommodate eight-car train sets, improving boarding and alighting efficiency by allowing all train doors to open directly onto the platform. This reduces passenger queuing within trains. The design also supports potential future infrastructure upgrades, such as a third mainline track, in alignment with Virginia Department of Rail and Public Transportation's DC2RVA planning study.

Project Funding

The project is funded through the Commonwealth of Virginia SmartScale program as part of VRE's broader Fredericksburg Line Expansion program.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
State - SMART SCALE			10,648,843							10,648,843
Total			10,648,843							10,648,843

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total			1,037,421	1,296,062	3,911,726	4,403,634				10,648,843

Project Name:
Crystal City Station Improvements

Project ID:
0008

Program:
Passenger Station Facilities

Project Type:
Expansion

Location:
Arlington County

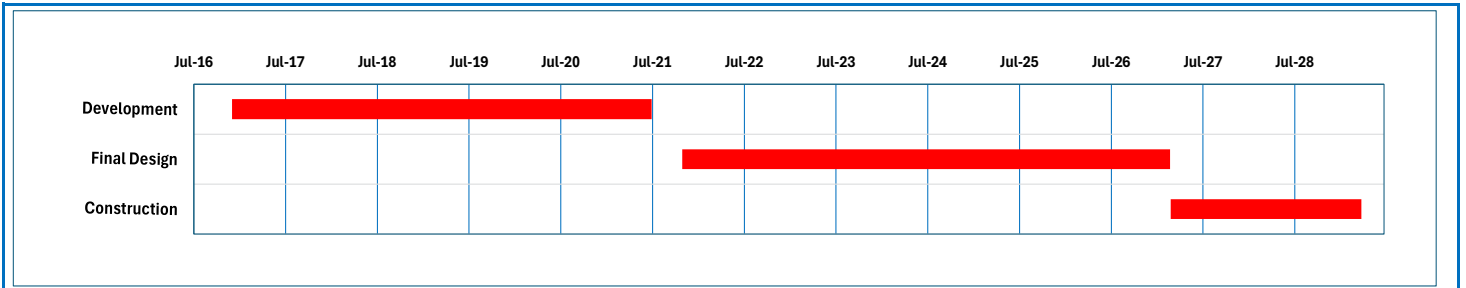


Project Description

This project includes the planning, design, permitting, and construction for an expanded and relocated station and platform for the VRE Crystal City Station and related track modifications. The project will construct an island platform to enable simultaneous boarding of two eight-car trains and accommodate VPRA's planned fourth track in and around the station. This project is being coordinated with the fourth track project between AF and RO interlockings, the planned CC2DCA pedestrian bridge connection to Ronald Reagan National Airport, and Long Bridge Capacity Improvements. This project will be delivered in two phases: Phase 1 will design and construct the north entrance and station platform. Phase 2 will design and construction the south entrance.

Project Funding

The project is funded with multiple funding sources including Federal formula grants, NVTA funds, Rail Enhancement funds (REF), Commuter Rail Operating and Capital (C-ROC) funds, and VRE Capital Reserve funds.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)	10,950,770	22,193,205								33,143,976
State Match to 5337	2,190,154	4,438,641								6,628,795
Local Match to 5337	547,539	1,109,660								1,657,199
NVTA	20,200,000									20,200,000
State - REF	707,000									707,000
Local Match to State REF	303,000									303,000
VRE Capital Reserve	216,156									216,156
Comm. Rail Oper. & Capital (CROC)	15,000,000									15,000,000
I-95/395 Commuter Choice	18,786,281									18,786,281
Total	68,900,900	27,741,507								96,642,407

Project Name:
Franconia-Springfield Station Improvements

Project ID:
0014

Program:
Passenger Station Facilities

Project Type:
Expansion

Location:
Fairfax County

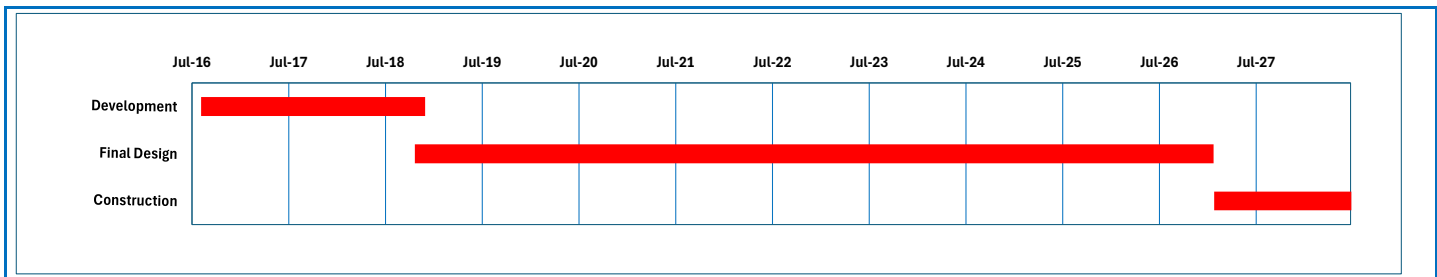


Project Description

This project supports the design and construction of an extension to the existing west platform (adjacent to WMATA) and a widening/extension of the existing east platform at the VRE Franconia-Springfield Station. These capacity expansions will improve operational efficiency and accommodate eight-car trains. The project is within the limits of the broader VPRA Franconia to Lorton Third Track project, which will block existing access to the east platform. A pedestrian ramp and tunnel entrance will be constructed to maintain that access.

Project Funding

This project is funded with with NVTA funds and federal 5337 (state of good repair) formula funds with associated state and local match.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)	15,612,800	6,223,073								21,835,873
State Match to 5337	3,122,560	1,244,615								4,367,175
Local Match to 5337	780,640	311,154								1,091,794
NVTA	13,000,000									13,000,000
Total	32,516,000	7,778,842								40,294,842

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	3,319,277	1,749,526	9,560,066	19,369,008	6,296,965					40,294,842

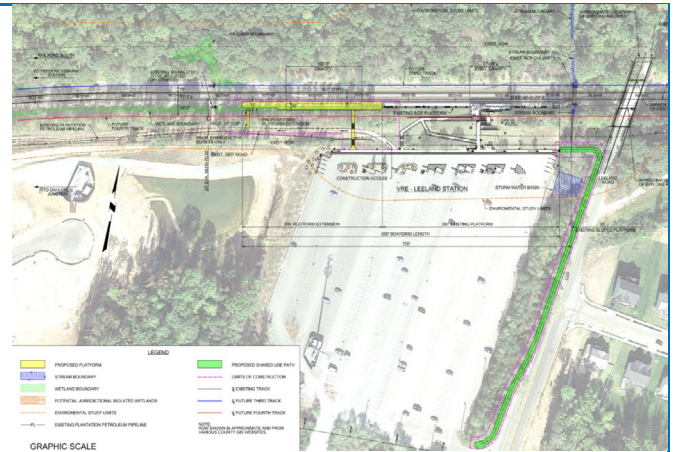
Project Name:
Leeland Road Station Improvements

Project ID:
0026

Program:
Passenger Station Facilities

Project Type:
Expansion

Location:
Stafford County

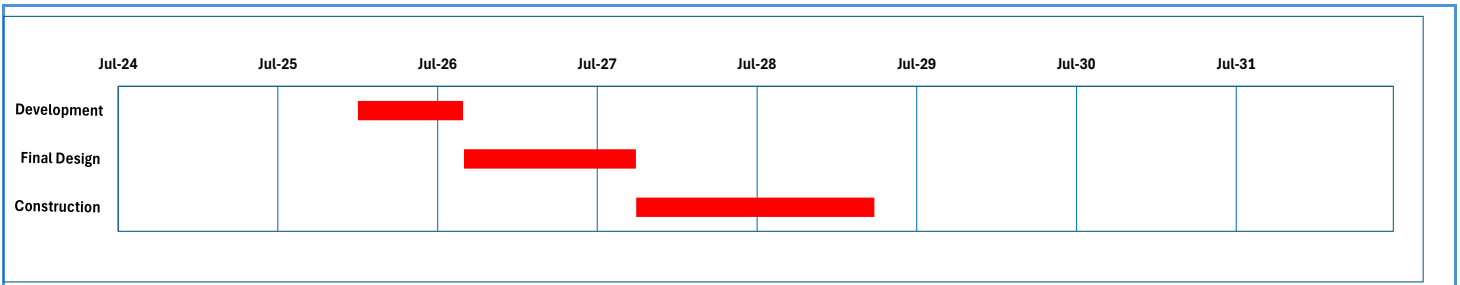


Project Description

This project will extend the platform at Leeland Road Station to accommodate eight-car train sets, improving capacity and operational efficiency. The new extension will have a new canopy and a ADA compliant entrance. Additionally, a Shared Use Path will be installed along Leeland Road integrating a multi-modal integration of the station with the existing roadway network. By allowing all train doors to open directly onto the platform, it will enhance boarding and alighting, reducing passenger congestion and dwell times. These improvements align with VRE's goals for flexibility and capacity enhancements.

Project Funding

The project is funded primarily through the Commonwealth of Virginia SMART SCALE program (as part of VRE's broader Fredericksburg Line Expansion program), Federal 5307 funds allocated to the project by the George Washington Regional Commission (GWRC), and Commuter Choice funding.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal 5307 GWRC Vanpool		2,791,554								2,791,554
State - SMART SCALE			7,123,179							7,123,179
I-95/395 Commuter Choice	2,150,566									2,150,566
Total	2,150,566	2,791,554	7,123,179							12,065,299

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	2,084	1,163,020	1,448,727	4,621,356	4,830,113					12,065,299

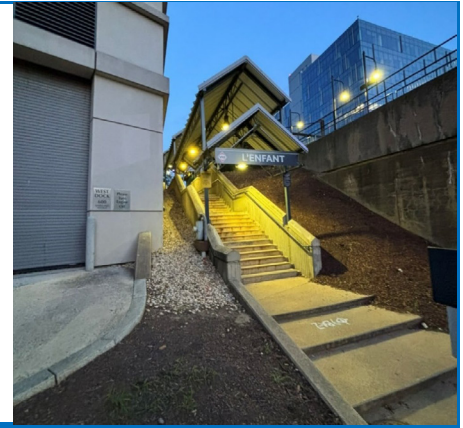
Project Name:
L'Enfant Station and Fourth Track

Project ID:
0004

Program:
Passenger Station Facilities

Project Type:
Expansion

Location:
District of Columbia

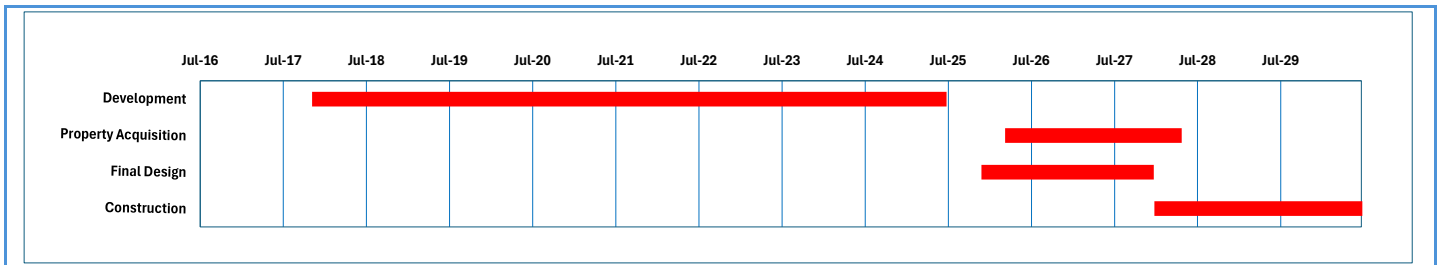


Project Description

This project includes the planning, design, permitting, and construction for an expanded VRE L'Enfant Station and an additional mainline track between the Virginia (VA) and L'Enfant (LE) Interlockings in Washington, DC. The expanded station will support simultaneous boarding of two full-length trains. The project will improve station access and customer convenience while also improving service reliability. The project will be coordinated with the broader Long Bridge capacity investments by the Commonwealth.

Project Funding

This project is supported by a range of sources, including VPRA capital funds, Federal 5307 formula funds, REF funds, as well as other sources yet to be determined.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5307)	17,500,000	5,891,777	10,000,000	10,000,000						43,391,777
State Match to 5307	3,500,000	1,178,355	2,000,000	2,000,000						8,678,355
Local Match to 5307	875,000	294,589	500,000	500,000						2,169,589
State - REF	2,226,000									2,226,000
Local Match to State REF	954,000									954,000
VRE Capital Reserve	46,000									46,000
Virginia Passenger Rail Authority	2,400,000	18,200,000	18,200,000	14,100,000						52,900,000
Unfunded (To Be Determined)				20,434,581	40,311,000					60,745,581
Total	27,501,000	25,564,721	30,700,000	47,034,581	40,311,000					171,111,302

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	3,828,954	5,205,128	7,565,707	31,188,064	54,810,422	54,810,422	13,702,605			171,111,302

Project Name:

Manassas Station Improvements

Project ID:

0043

Program:

Passenger Station Facilities

Project Type:

Expansion

Location:

City of Manassas

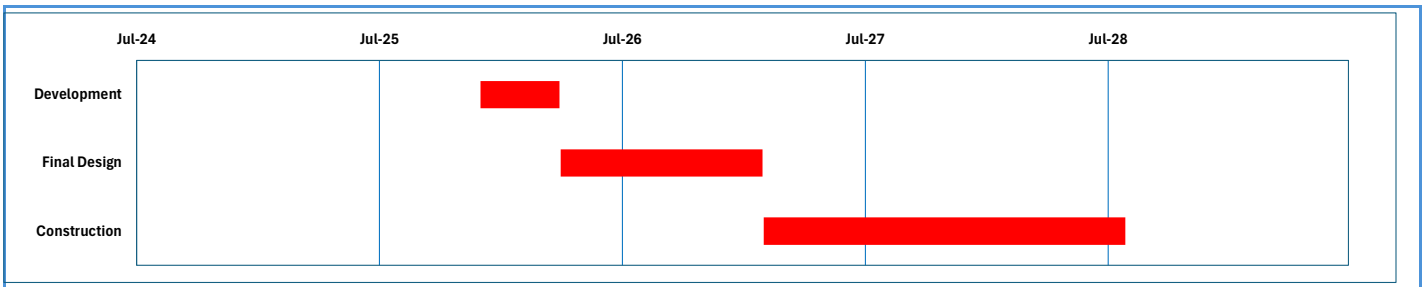


Project Description

The project expands the VRE Manassas Station platform to serve full length trains and enhances pedestrian access to the station. A continuous platform from West Street to Main Street will replace the at-grade crossing at Battle Street, improving traffic flow and safety. The project also involves constructing a new 300-foot platform with a canopy west of the existing station and enhancing pedestrian connectivity via extending existing sidewalks along the railroad right-of-way to the City Hall and the farmers market lot on Prince William Street. An inter-track fence with designated openings for vehicle crossings is envisioned to separate the tracks serving the station. The project will be closely coordinated with the Manassas Line crossover feasibility study that will support bi-directional service to the platforms.

Project Funding

This project is funded through the I-66 Outside the Beltway (OTB) Concessionaire Payment as part of the broader Manassas Line Capacity Expansion program.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
I-66 OTB Concession Payment	9,125,000									9,125,000
Total	9,125,000									9,125,000

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	64,585	1,200,150	2,662,287	4,836,492	361,485					9,125,000

Project Name:
Rippon Station Improvements
Project ID:
TBD
Program:
Passenger Station Facilities
Project Type:
Expansion
Location:
Prince William County



Project Description

Currently, only the development phase of the Rippon Station Improvements project is funded. Federal CMAQ/RSTP funds will be used to advance 30% design plans and associated environmental review for a station platform expansion and potentially the construction of a second pedestrian bridge at Rippon. VPRRA is currently advancing the Featherstone Siding design (as part of the Transforming Rail in Virginia program) in the area. Once VPRRA has completed that design and the planned alignment of the siding is known, VRE can initiate conceptual planning for the Rippon improvements. Completion of the 30% design will support an updated cost estimate, which will inform the scheduling and pursuit of funds for the final design and construction of the improvements.

Project Funding

This project is supported with Federal CMAQ/RSTP funds (80%) and associated state-provided match (20%).

	Jul-24	Jul-25	Jul-26	Jul-27	Jul-28
Development					
Final Design					
Construction					

Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal CMAQ/RSTP	1,363,942									1,363,942
State Match to CMAQ/RSTP	340,986									340,986
Total	1,704,928									1,704,928

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total			852,464	852,464						1,704,928

Project Name:
Woodbridge Station Improvements

Project ID:
TBD

Program:
Passenger Station Facilities

Project Type:
Expansion

Location:
Prince William County



Project Description

The project includes project development and engineering investigations to identify station improvements to enable the station to serve trains up to eight cars long, maintain a state of good repair, enhance pedestrian access, and enable the addition of a third main track, and possible fourth main track, through the station as part of future phases (Phase 3 or beyond) of the Transforming Rail in Virginia (TRV) program.

Project Funding

This project is supported with Federal CMAQ/RSTP funds (80%) and state-provided match (20%)

	Jul-24	Jul-25	Jul-26	Jul-27	Jul-28
Development					
Final Design					
Construction					

Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal CMAQ/RSTP	2,625,008									2,625,008
State Match to CMAQ/RSTP	656,253									656,253
Total	3,281,261									3,281,261

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total		1,640,630	1,640,631							3,281,261

Rolling Stock

Project Name:
Fleet Expansion Coaches - 21 Railcars
Project ID:
1009
Program:
Rolling Stock
Project Type:
Expansion
Location:
N/A

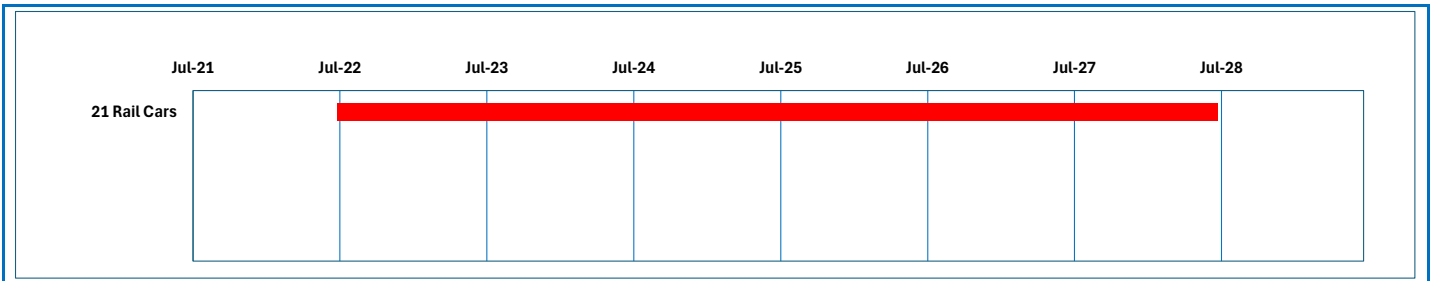


Project Description

This project supports the purchase of eleven (11) coaches to expand capacity on Fredericksburg Line trains and the purchase of ten (10) expansion coaches to facilitate near-term Manassas Line capacity expansion. This project is contingent on the expansion of storage capacity at the Broad Run Maintenance and Storage Facility (MSF) and expansion of the Broad Run Station facilities.

Project Funding

The project is funded primarily with state SMART SCALE and I-66 Outside the Beltway (OTB) concessionaire funds, with the balance coming from Federal 5307 formula funds and associated state/local match.



Obligation Plan										
Funding Source	Life to Date	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Future	Total
Federal Formula Funds (5307)	17,768,097	8,725,355								26,493,452
State Match to 5307	3,733,619	1,745,071								5,478,690
Local Match to 5307	708,405	436,268								1,144,673
State - SMART SCALE	34,294,442									34,294,442
I-66 OTB Concession Payment	28,120,000									28,120,000
Total	84,624,563	10,906,694								95,531,257

Spending Plan										
	Life to Date	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Future	Total
Total	24,280,375	22,787,274	23,931,804	23,981,804	100,000	100,000	100,000	50,000	200,000	95,531,257

Station Parking

Project Name:

Fredericksburg Station Parking Lot Improvements

Project ID:

1020

Program:

Station Parking

Project Type:

Expansion

Location:

City of Fredericksburg

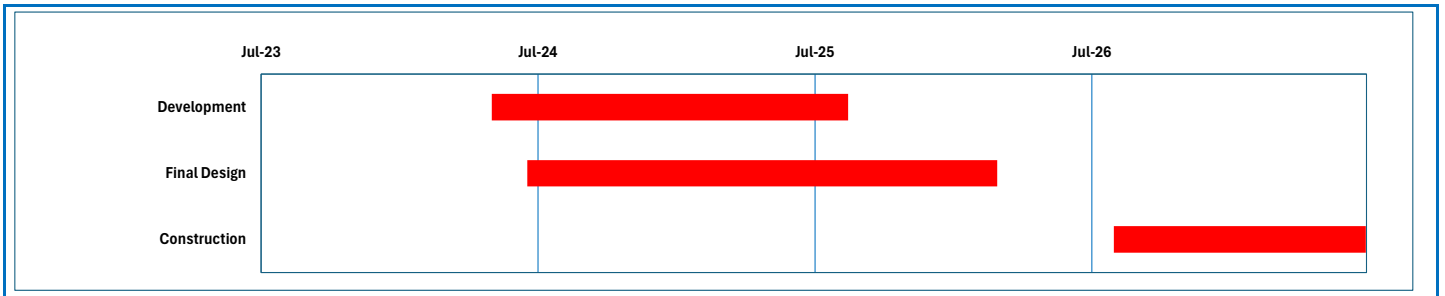


Project Description

This project will pave the existing gravel parking lot at the Fredericksburg Station and incorporate other ancillary improvements to drainage, lighting, etc.

Project Funding

The project will be funded with federal 5337 State of Good Repair formula funds and associated state and local match.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)			2,184,098							2,184,098
State Match to 5337			436,820							436,820
Local Match to 5337			109,205							109,205
Total			2,730,122							2,730,122

Spending Plan										
Spending Plan	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	287,755	1,221,184	1,221,184							2,730,122

Train Maintenance and Storage Facilities

Project Name:

Broad Run Expansion (BRX)

Project ID:

0039

Program:

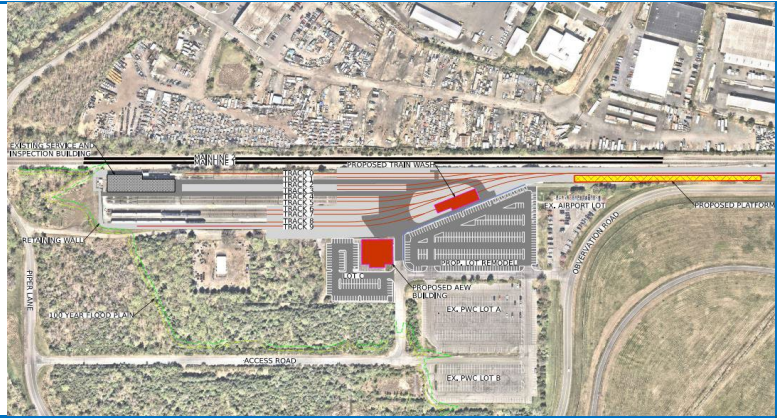
Train Maintenance and Storage Facilities

Project Type:

Expansion

Location:

Prince William County & City of Manassas

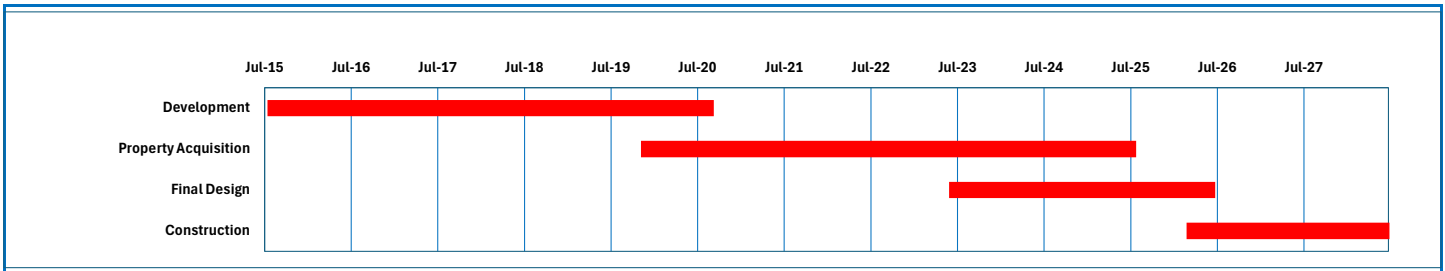


Project Description

This project includes the expansion of the Broad Run Maintenance and Storage Facility (MSF) and Station to support expanded Manassas Line service. Improvements include expansion of the MSF site and construction of storage tracks for additional trains and equipment, and reconstruction of the station platform and crew buildings. The estimated cost also includes real estate acquisition to expand the station, parking and MSF footprint. Other projects associated with the proposed service expansion include Fleet Expansion Coaches - Manassas Line.

Project Funding

This project is currently funded through a combination of Federal CMAQ/RSTP funds, Federal 5307 formula funds, state Rail Enhancement funds, and the I-66 OTB Concessionaire payment.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal CMAQ/RSTP	2,398,098	21,538,174								23,936,272
State Match to CMAQ/RSTP	1,021,902	5,384,543								6,406,445
Federal Formula Funds (5307)		4,102,933								4,102,933
State Match to 5307		820,587								820,587
Local Match to 5307		205,147								205,147
NVTA	1,500,000									1,500,000
State - REF	2,785,714									2,785,714
VRE Capital Reserve	1,294,362									1,294,362
I-66 OTB Concession Payment	64,287,000									64,287,000
Total	73,287,076	32,051,383								105,338,459

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	13,248,986	16,719,389	37,724,777	32,267,407	5,377,901					105,338,459

Project Name:
Crossroads MSF - AEW Building and Parking Lot

Project ID:
0077 and 1018

Program:
Train Maintenance and Storage Facilities

Project Type:
Expansion

Location:
Spotsylvania



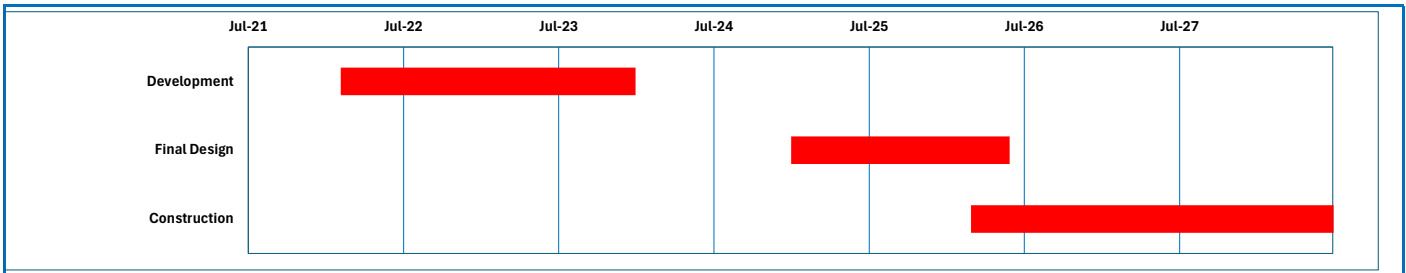
Project Description

AEW Building: Design & construct a new Administrative and Employee Welfare (AEW) building at the Crossroads Maintenance & Storage Facility (MSF) in Fredericksburg, VA. The MSF currently includes two small employee welfare spaces spread across two buildings. VRE proposes to consolidate their functions within a new AEW building comprising 7,532 square feet, including locker rooms, conference rooms, individual offices, and a kitchen.

Parking Lot: Crossroads MSF employees have been parking outside the yard in a temporary gravel lot as a safety measure. The yard is in need of a permanent parking facility which will serve the future AEW building.

Project Funding

Funding for the Parking Lot and the PE/NEPA phase of the AEW Building (Phase 2) is supported by SMART SCALE funding as part of the Fredericksburg Line Capacity Expansion program. Federal 5307 funding is programmed for the AEW building, which is the immediate need following the completion of the parking lot. Funding options for the additional phases are being explored.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
State - SMART SCALE (Parking)	7,396,500									7,396,500
State - SMART SCALE (AEW)	1,000,000									1,000,000
Federal Formula Funds (5307)	9,435,979									9,435,979
State Match to 5307	1,887,196									1,887,196
Local Match to 5307	471,799									471,799
Total	20,191,474									20,191,474

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	2,914,999	2,240,260	6,720,779	6,720,779	1,594,657					20,191,474

Project Name:
Crossroads MSF - Future Expansions
Project ID:
TBD
Program:
Train Maintenance and Storage Facilities
Project Type:
Expansion
Location:
Spotsylvania

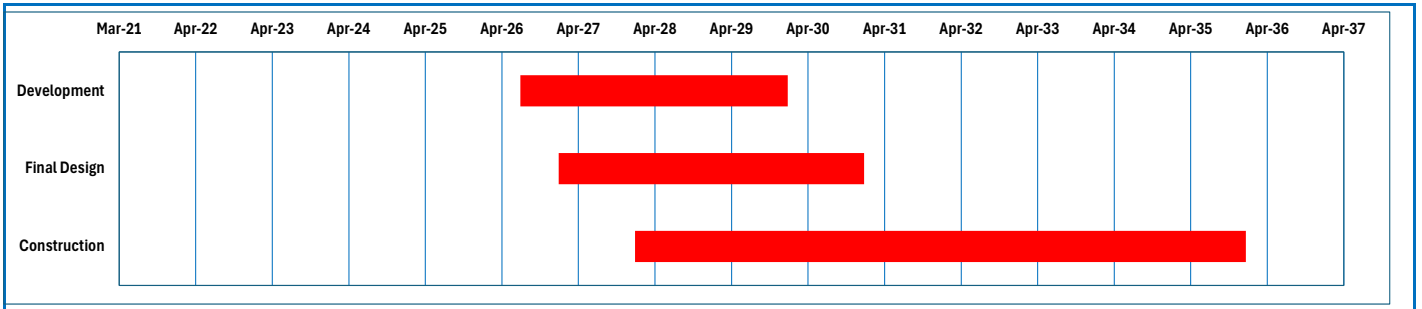


Project Description

VRE will design and construct future phases of the Crossroads MSF expansion included in the Crossroads Yard Master Plan, completed in 2023. These future phases include expansion of the existing warehouse building, construction of a separate materials storage pole barn structure, and phased expansion of track capacity, adding five (5) new train storage tracks to the yard.

Project Funding

These project phases are currently unfunded.



Obligation Plan											
Funding Source	Life to Date	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Future	Total	
Unfunded (To Be Determined)				47,491,490						47,491,490	
Total				47,491,490						47,491,490	

Spending Plan											
	Life to Date	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Future	Total	
Total				5,000,000	10,622,873	10,622,873	10,622,873	10,622,873		47,491,490	

Project Name:

Seminary Yard Midday Storage Replacement Facility

Project ID:

TBD

Program:

Maintenance & Storage Facility

Project Type:

Storage Yard Restoration

Location:

City of Alexandria

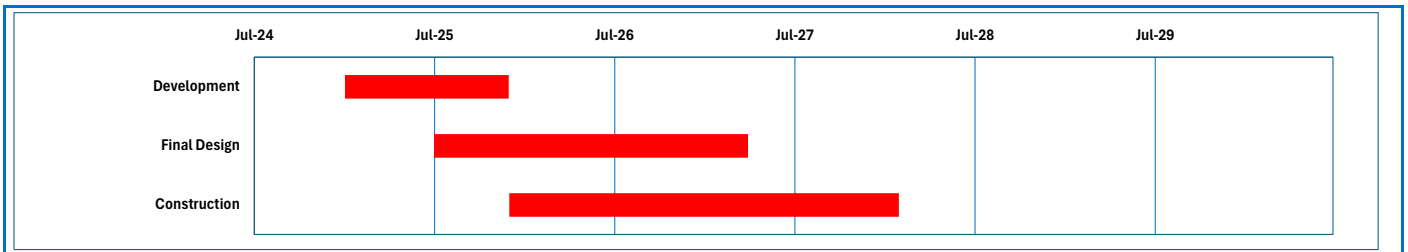


Project Description

This project includes the design, permitting, property acquisition and phased construction for a midday storage facility at the former Norfolk Southern yard at Seminary Passage in Alexandria, Virginia to supplement VRE's current storage at Amtrak's Coach Yard in Washington, DC. Amtrak identified the need to store additional intercity trains in this location and that requires VRE to relocate from the Amtrak Coach Yard rail facility. The new facility will replace VRE's current storage operations at the Coach Yard with added flexibility.

Project Funding

VRE worked with the Federal Transit Administration (FTA) and Department of Rail and Public Transportation (DRPT) staff to transfer federal formula and state matching funds previously programmed on the New York Avenue yard project to the new Seminary Yard project for Phase 1 design and construction expenses. Phase 2 will be funded with future federal 5337 (state of good repair) formula funds.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Federal Formula Funds (5337)	5,419,872		78,678,505							84,098,377
State Match to 5337	1,083,974		15,735,701							16,819,675
Local Match to 5337	270,994		3,933,925							4,204,919
Total	6,774,840		98,348,131							105,122,971

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	301,931	6,472,909	28,814,788	44,246,717	25,286,626					105,122,971

Track and Signal Infrastructure

Project Name:

VRE Broad Run Lead Track

Project ID:

TBD

Program:

Maintenance & Storage Facility

Project Type:

Expansion

Location:

City of Manassas

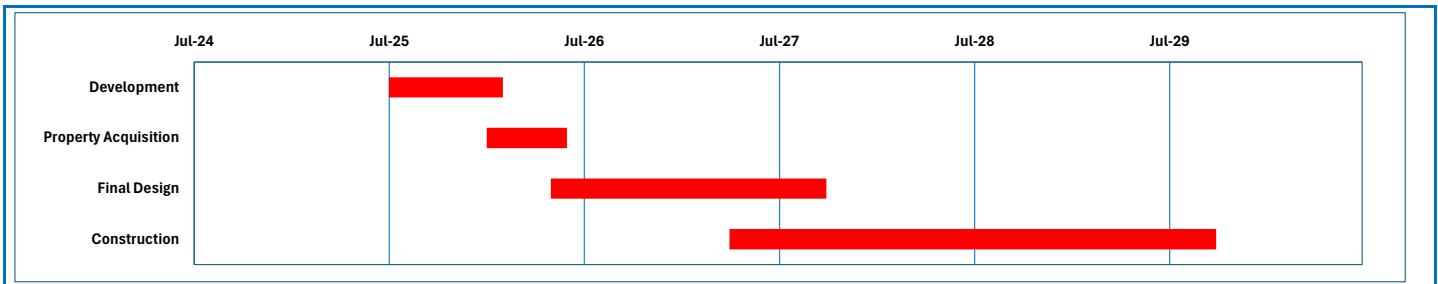


Project Description

This project includes a extension of the Broad Run Maintenance & Storage Facility lead track to support expanded Manassas Line service and construction of an additional 2.9 miles of lead track within the right-of-way previously owned by Norfolk Southern but anticipated to be purchased by VRE from VPRA. The estimated cost also includes limited private property acquisition to accommodate the new track.

Project Funding

This project is currently unfunded. However, VRE is pursuing funding from Commuter Choice and DRPT I-66 OTB grant programs to fund the design phase of this project.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY31	FY32	Future	Total
Unfunded (To Be Determined)			103,119,383							103,119,383
Total			103,119,383							103,119,383

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total			3,340,754	17,958,498	42,546,469	39,273,662				103,119,383

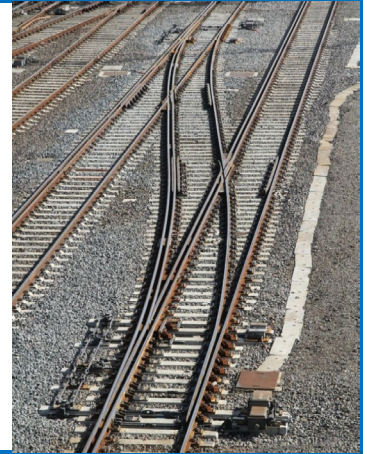
Project Name:
Fredericksburg and Manassas Line Crossovers

Project ID:
TBD

Program:
Track & Structures

Project Type:
Expansion

Location:
Various

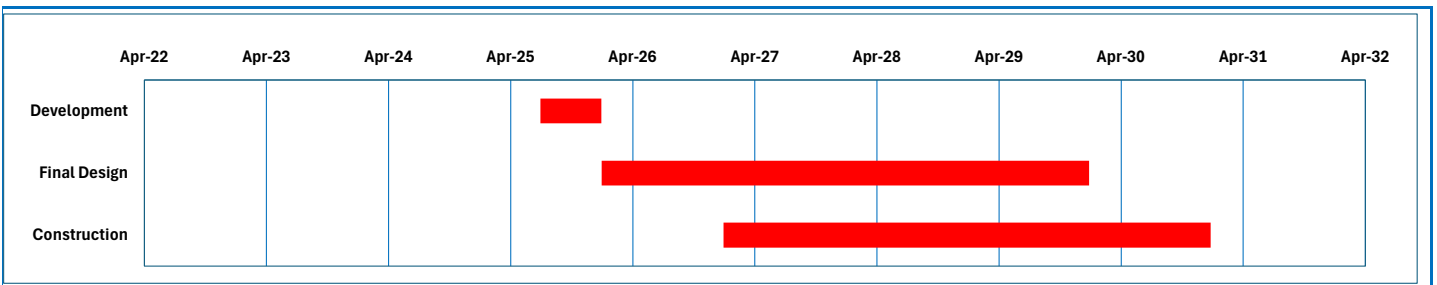


Project Description

This project would add four (4) crossovers on the Fredericksburg Line and eight (8) crossovers to the Manassas Line to increase operational flexibility and to permit the operation of limited bi-directional service in the 2030 (post-TRV Phase 2) timeframe. These additional crossovers are outside of what is being constructed by TRV Phases 1 and 2. Timing and construction of this special track work will be phased, as needed, to operate VRE's planned near-term 2030 service and long-term 2050 Service Vision as outlined in System Plan 2050.

Project Funding

This project is currently unfunded.



Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Unfunded (To Be Determined)			48,680,000							48,680,000
Total			48,680,000							48,680,000

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total			1,160,000	9,600,000	9,600,000	9,600,000	9,600,000	9,120,000		48,680,000

Property Acquisition

Project Name:

Manassas Line Property Acquisition

Project ID:

N/A

Program:

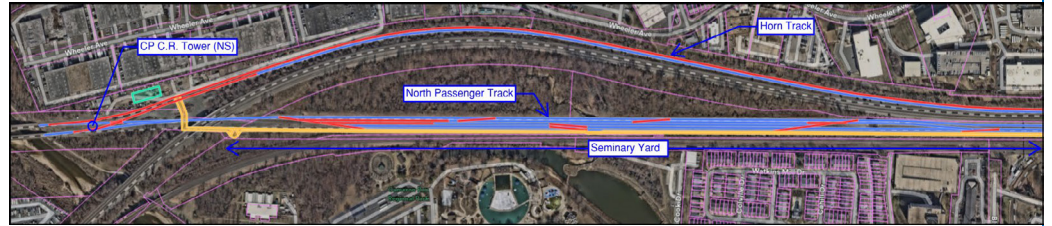
Property Acquisition

Project Type:

Property Acquisition

Location:

Various



Project Description

VPRA entered into an Amended and Restated Comprehensive Rail Agreement with Norfolk Southern Railway Company (NS), under which terms VPRA purchased from NS certain interests in railroad property over which VRE currently operates its Manassas Line ("MSS Line") commuter rail service. VRE and VPRA have in turn negotiated a Manassas Line Funding Agreement which commits VRE to a multi-year funding schedule totaling \$155 million in exchange for VPRA conveying to VRE four property interests along the MSS Line: Seminary Yard, the Broad Run Corridor, permanent easements for the existing MSS Line VRE stations, and a permanent commuter rail operating easement on the MSS Line.

Project Funding

VRE provided an initial payment of \$26,000,000 under the Funding Agreement using Commuter Rail Operating and Capital Funds. Federal 5307 and 5337 grant funds have been programmed to complete the purchase of Seminary Yard, the Broad Run Corridor, and the station easements. Future 5337 funds are expected to be programmed to complete the purchase of the operating easement, along with a minimum of \$5 million of additional non-federal funds from an as-yet undetermined source.

	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30
Property Acquisition						

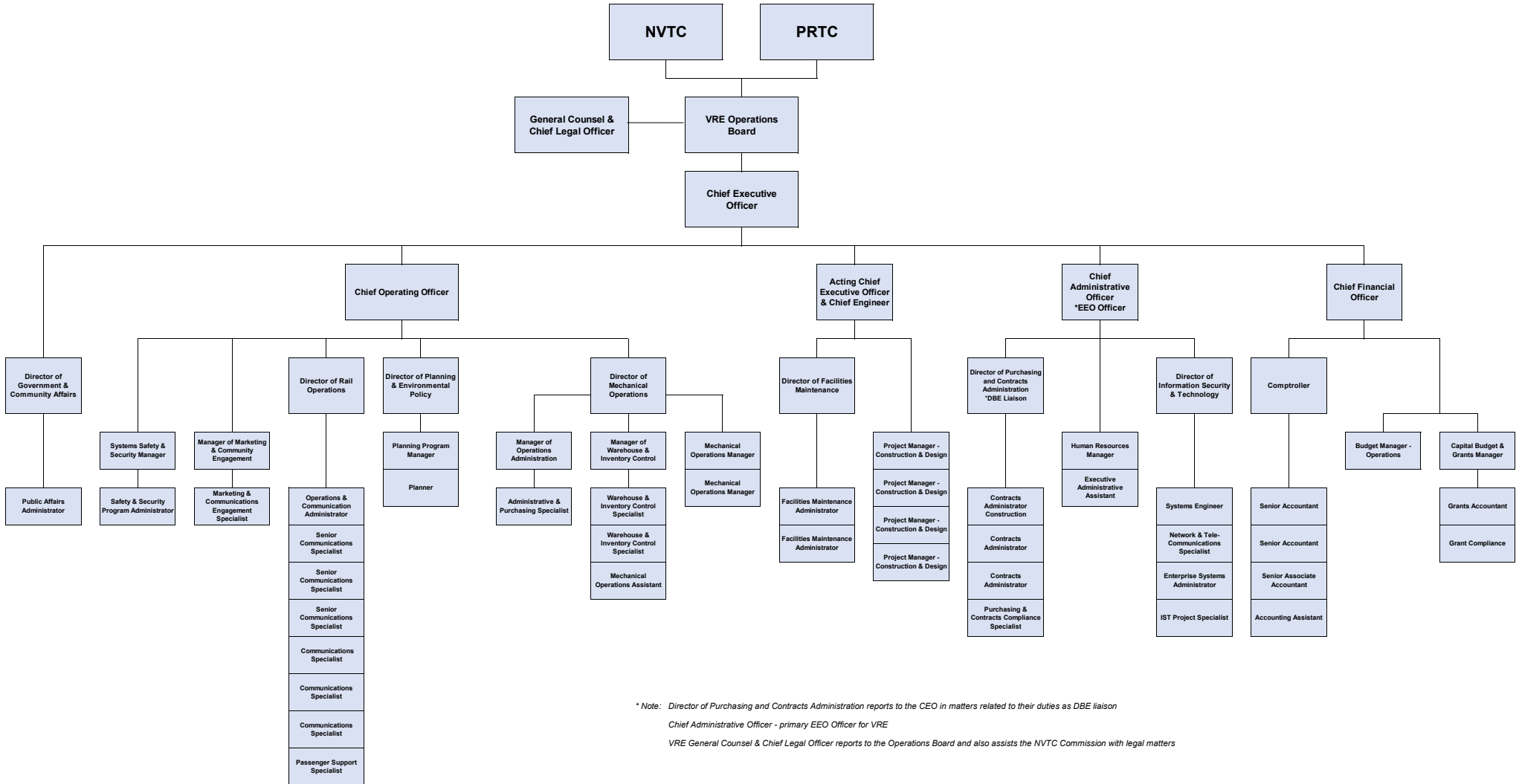
Obligation Plan										
Funding Source	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Comm. Rail Oper. & Capital (CROC)	26,000,000									26,000,000
Federal Formula Funds (5307)		11,418,400								11,418,400
Federal Formula Funds (5337)		50,304,000		31,138,800	31,138,800					112,581,600
Unfunded (To Be Determined)				5,000,000						5,000,000
Total	26,000,000	61,722,400		36,138,800	31,138,800					155,000,000

Spending Plan										
	Life to Date	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	Future	Total
Total	26,000,000	61,722,400		25,000,000	25,000,000	17,277,600				155,000,000

Appendices and Additional Information

VRE Organizational Chart

Virginia Railway Express
Organizational Chart
As of December 2025



VRE Jurisdictional Contribution Allocation Survey Conducted October 2024 for Recommended Fiscal Year 2027 Budget

Jurisdiction	Participating Jurisdiction Ridership	% of Ridership and Share of Costs	Gross Costs (\$)	State / Federal Aid, Interest & Misc Income	System Fare Revenue	Net Costs	Contributing Jurisdictions Contribution	Participants' Net Costs	Participants' % of Fare Revenue	Participants' Fare Revenue	Recommended FY 2027 Contribution	Recommended Contribution %
City of Alexandria							\$161,083				\$161,083	0.8%
Arlington County							\$235,677				\$235,677	1.2%
City of Fredericksburg	159	4.1%	\$9,351,349	\$7,699,072	\$85,286			\$1,550,558	4.8%	\$870,101	\$680,457	3.4%
City of Manassas	154	4.0%	\$9,080,636	\$7,476,191	\$82,817			\$1,505,671	4.2%	\$753,215	\$752,457	3.8%
City of Manassas Park	99	2.6%	\$5,814,432	\$4,787,088	\$53,029			\$964,098	2.7%	\$481,423	\$482,676	2.4%
Fairfax County	1,048	27.3%	\$61,651,811	\$50,758,638	\$562,277			\$10,222,562	22.6%	\$4,089,091	\$6,133,470	31.0%
Prince William County	1,145	29.8%	\$67,366,197	\$55,463,357	\$614,394			\$11,170,071	29.5%	\$5,327,916	\$5,842,154	29.6%
Spotsylvania County	617	16.1%	\$36,299,004	\$29,885,383	\$331,054			\$6,018,782	18.6%	\$3,360,532	\$2,658,250	13.4%
Stafford County	616	16.0%	\$36,228,384	\$29,827,241	\$330,410			\$6,007,072	17.6%	\$3,188,453	\$2,818,619	14.3%
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total	3,837	100.0%	\$225,791,812	\$185,896,969	\$2,059,268	\$37,835,575	\$396,760	\$37,438,815	100.0%	\$18,070,732	\$19,764,843	100.0%

VRE Fiscal Year 2027 Recommended Departmental Budget

	<u>FY 2025 Amended</u>	<u>FY 2026 Approved</u>	<u>FY 2027 Recommended</u>
Revenue:			
VRE - Non-Departmental			
Fare Revenue	16,744,500	20,130,000	22,700,000
Miscellaneous Revenue	194,000	169,000	210,000
Appropriation from Operating Reserve	-	-	-
Appropriation from Capital Reserve	-	-	-
Jurisdictional Revenue	18,300,780	19,764,843	19,764,843
Other Revenues	-	-	-
Regional Operating Grant	-	442,000	402,000
State CROC Dedicated Funding - Operations	7,495,000	7,499,500	7,499,000
State Operating Grant	8,544,970	12,377,403	7,712,144
Federal Pandemic Relief Funds	38,998,646	32,700,464	36,685,330
Federal Grants - Operations and Debt	5,417,271	3,874,722	3,874,802
State Grants - Operations and Debt	17,994,345	18,523,464	17,838,040
State CROC Dedicated Funding - Capital Program	7,505,000	7,500,500	7,501,000
Regional Grants - Capital Program	32,831,384	-	-
Federal Grants - Capital Program	38,875,202	40,758,262	43,084,476
State Grants - Capital Program	34,734,180	58,551,652	44,588,917
Interest Income	3,850,000	3,500,000	3,610,000
Total Revenue	<u>231,485,278</u>	<u>225,791,812</u>	<u>215,470,553</u>
Expenditures:			
Non-Departmental Operating			
Insurance (liability, property, cyber, etc.)	8,100,000	8,400,000	9,500,000
Operating Reserve/Contingency	500,000	1,899,049	1,834,321
Capital Reserve	-	-	-
Other	-	-	-
Total Non-Departmental Operating	<u>8,600,000</u>	<u>10,299,049</u>	<u>11,334,321</u>
General Counsel			
Salaries/Fringes	394,000	417,000	393,000
Travel/Training/Employee Expenses	2,000	2,000	2,200
Legal Costs	50,000	50,000	50,000
Consulting/Professional/Other	135,000	35,000	35,000
Other Costs	1,500	1,500	2,000
Total General Counsel	<u>582,500</u>	<u>505,500</u>	<u>482,200</u>

	<u>FY 2025 Amended</u>	<u>FY 2026 Approved</u>	<u>FY 2027 Recommended</u>
Executive, HR & Administration			
Salaries/Fringes	1,444,800	1,632,000	1,748,000
Travel/Training/Employee Expenses	6,300	10,000	10,000
Board Member Expenses	-	-	-
Office Administration Expenses	82,500	63,500	88,500
Legal/Audit	-	-	-
Consulting/Professional/Other	20,000	7,500	50,000
Total Executive, HR & Administration	<u>1,553,600</u>	<u>1,713,000</u>	<u>1,896,500</u>
Government & Public Relations			
Salaries/Fringes	449,000	467,000	426,000
Travel/Training/Employee Expenses	7,300	11,500	13,500
Organizational Memberships	110,000	110,000	115,500
Government Relations	165,000	170,000	175,100
Other Costs/Special Events/Consulting	16,100	19,700	15,700
Total Government & Public Relations	<u>747,400</u>	<u>778,200</u>	<u>745,800</u>
Marketing			
Salaries/Fringes	198,000	285,000	286,000
Travel/Training/Employee Expenses	2,500	2,500	2,500
Marketing/Advertising/Promotional	385,000	505,000	460,000
Other Costs/Special Events	49,000	30,000	75,000
Total Marketing	<u>634,500</u>	<u>822,500</u>	<u>823,500</u>
Project Development			
Salaries/Fringes	470,500	573,000	603,520
Travel/Training/Employee Expenses	18,000	19,800	14,800
Professional Services/Consulting/Other	443,800	492,710	404,400
Total Project Development	<u>932,300</u>	<u>1,085,510</u>	<u>1,022,720</u>
Rail Operations			
Salaries/Fringes	1,216,000	1,251,000	1,341,000
Travel/Training/Employee Expenses	9,500	9,500	9,500
Printing/Admin/Other	23,500	25,250	24,600
Consulting/Professional Services	15,000	30,000	30,000
Website & Communications	335,000	250,000	100,000
Fare Collections	1,015,000	1,020,000	920,000
Total Rail Operations	<u>2,614,000</u>	<u>2,585,750</u>	<u>2,425,100</u>
Finance and Accounting			
Salaries/Fringes	1,825,383	1,940,000	1,988,000
Travel/Training/Employee Expenses	4,500	4,500	6,500
Audit Services	65,000	65,000	65,000
Retail Sales/Vendor Commissions	1,078,250	780,000	983,500
Consulting/Professional Services/Admin/Other	166,000	158,000	157,600
Total Finance and Accounting	<u>3,139,133</u>	<u>2,947,500</u>	<u>3,200,600</u>
Information Technology			
Salaries/Fringes	866,700	828,000	869,000
Travel/Training/Employee Expenses	5,350	8,500	14,000
Computer Equipment/Software/Maintenance	802,000	705,000	1,030,000
Admin/Consulting/Other	915,150	268,500	456,500
Communications	658,000	670,000	550,000
Total Information Technology	<u>3,247,200</u>	<u>2,480,000</u>	<u>2,919,500</u>

	FY 2025 Amended	FY 2026 Approved	FY 2027 Recommended
Design & Construction			
Salaries/Fringes	1,207,000	1,251,000	1,333,000
Travel/Training/Employee Expenses	14,000	11,500	11,500
Consulting/Professional Services/Other	124,000	97,750	97,500
Total Design & Construction	1,345,000	1,360,250	1,442,000
Facilities Maintenance			
Salaries/Fringes	555,000	581,000	605,000
Travel/Training/Employee Expenses	1,000	1,000	1,000
Office Rent/Utilities/Admin/Consulting	332,000	360,500	369,000
Parking/Electricity/Water/Sewer	866,100	801,700	816,700
Facility Repairs and Maintenance/Custodial/Snow	3,151,750	3,101,850	3,380,570
Total Facilities Maintenance	4,905,850	4,846,050	5,172,270
Purchasing and Contract Administration			
Salaries/Fringes	867,500	915,500	951,500
Travel/Training/Employee Expenses	38,500	9,500	4,500
Admin/Consulting/Other	23,850	10,100	9,950
Total Procurement and Contract Administration	929,850	935,100	965,950
Mechanical Operations			
Salaries/Fringes	1,433,000	1,512,000	1,573,000
Travel/Training/Employee Expenses	11,000	10,500	5,500
Admin/Consulting/Other	224,500	44,400	92,700
Equipment/Warehouse Leases	-	-	-
Yard Electricity/Car Wash	1,335,000	1,290,000	1,385,000
Diesel Fuel	5,734,514	5,731,000	4,858,000
Equipment Repairs and Maintenance/PTC	3,547,000	4,355,000	4,360,000
Total Mechanical Operations	12,285,014	12,942,900	12,274,200
System Safety & Security			
Salaries/Fringes	161,000	354,000	360,000
Travel/Training/Employee Expenses	63,500	56,000	45,500
Admin/Consulting/Professional Services	160,200	140,700	128,200
Yard/Station Security/Disaster Response	945,000	839,000	890,000
Total System Safety and Security	1,329,700	1,389,700	1,423,700
PRTC			
Professional Services	102,000	102,000	102,000
Total PRTC	102,000	102,000	102,000
NVTC			
Professional Services	90,000	90,000	90,000
Total NVTC	90,000	90,000	90,000
Train Operations			
Contract Operations and Maintenance	19,944,624	20,828,500	22,624,000
Total Train Operations	19,944,624	20,828,500	22,624,000
Amtrak Services			
Contract Operations and Maintenance	5,617,000	6,381,000	5,898,000
Total Amtrak Services	5,617,000	6,381,000	5,898,000
Maintenance of Equipment			
Maintenance of Equipment	10,083,740	10,106,000	8,071,000
Total Maintenance of Equipment	10,083,740	10,106,000	8,071,000

	FY 2025 Amended	FY 2026 Approved	FY 2027 Recommended
Amtrak Access Fees			
Access Fees	8,813,000	10,098,000	9,607,000
Total Amtrak Access Fees	<u>8,813,000</u>	<u>10,098,000</u>	<u>9,607,000</u>
			-
Norfolk Southern			
Access Fees	1,175,633	300,000	312,000
Total Norfolk Southern	<u>1,175,633</u>	<u>300,000</u>	<u>312,000</u>
	-	-	-
CSXT			
Access Fees	10,267,190	10,855,000	10,518,000
Total CSXT	<u>10,267,190</u>	<u>10,855,000</u>	<u>10,518,000</u>
			-
CIP Expenditures			
CIP Expenditures	118,830,386	110,548,328	100,328,618
Total CIP Expenditures	<u>118,830,386</u>	<u>110,548,328</u>	<u>100,328,618</u>
			-
CIP VRE - Non-Departmental			
Debt Service	13,715,660	11,791,975	11,791,575
Total CIP VRE - Non-Departmental	<u>13,715,660</u>	<u>11,791,975</u>	<u>11,791,575</u>
Total Expenditures	<u><u>231,485,278</u></u>	<u><u>225,791,812</u></u>	<u><u>215,470,553</u></u>

Projects Administered by Other Entities

As noted previously, the VRE CIP includes certain projects – such as the Broad Run Lead Track and the crossovers on both the Fredericksburg and Manassas Lines – that are currently entirely unfunded. These projects represent an anticipated future need that falls within the six-year timeframe of the CIP, but further planning and conceptual design efforts will be required before more detailed scopes, schedules, and budgets are available.

Beyond those future projects, there are other projects within VRE’s service area that are important to VRE’s long-term operations and performance but are not identified in the six-year CIP because they will not be managed by VRE. It is important, however, to call these projects out and recognize their significance, and to note that coordination between these projects and VRE-led projects will frequently be required. They include:

In addition to the large state-led programs described above, the individual projects listed below are important to the VRE commuter rail service but are not listed in the CIP because they are funded and administered by other stakeholders.

- **Long Bridge Capacity Improvements:** The Long Bridge Project consists of improvements to the bridge corridor and related railroad infrastructure located between the RO Interlocking near Long Bridge Park in Arlington and the L’Enfant Interlocking near 10th Street SW in Washington, DC. The Long Bridge Corridor is jointly owned by CSX Transportation and VPRA and operated by CSXT, but VRE and Amtrak passenger trains currently use the bridge in addition to CSXT freight trains. The purpose of the project is to provide additional long-term railroad capacity to improve the reliability of railroad service through the Long Bridge Corridor. Currently, there is insufficient capacity and resiliency to accommodate the projected demand in future rail services.
- **Third Track Projects:** Previous VRE CIPs included third track and bridge projects that would expand capacity along the CSX right-of-way south of Franconia-Springfield. These projects were identified by the waterways crossed by each section of third track (e.g., Aquia Creek, Powells Creek, etc.). These third track and siding investments are now being managed by VPRA as part of the broader Transforming Rail in Virginia (TRV) program, which now incorporates previous programmatic efforts such as the Atlantic Gateway Project (Franconia to Occoquan) and the Washington DC to Richmond Segment (DC2RVA) of the FRA Southeast High-Speed Rail Corridor project.
- **Fourth Track between RO (Rosslyn) and AF (Alexandria):** As with the third track projects, this work will be coordinated by VPRA as part of the TRV program of projects.
- **Long-term expansion investments:** Following the completion of the Long Bridge expansion, the RO-to-AF fourth track project, the Franconia-Springfield Bypass Project, and certain other capacity enhancement projects, VRE will need to consider additional investments to support additional service capacity, including increased peak-hour service frequency and the potential for reverse-commute, midday, and other expanded services. These investments would likely include further expansion of the Crossroads and Broad Run storage yards and track and signal improvements on the Manassas Line.

In addition to the large state-led programs described above, the individual projects listed below are important to the VRE commuter rail service but are not listed in the CIP because they are funded and administered by other stakeholders.

- Potomac Shores Station: The Potomac Shores VRE station is being constructed by the Potomac Shores developer as part of an agreement with Prince William County.
- Rolling Road Parking Expansion: Fairfax County is reviewing the potential expansion of parking at the Rolling Road VRE station.



A TRANSPORTATION PARTNERSHIP

