

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chair Phyllis J. Randall and Members,  
Northern Virginia Transportation Authority

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** July 2, 2020

**SUBJECT:** VRE Lorton and Rippon Station Projects Withdrawal/Cancellation

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- 1) **Purpose:** To seek Northern Virginia Transportation Authority (NVRTA) approval to cancel or accept the withdrawal of the Virginia Railway Express (VRE) Lorton and Rippon Station Projects.
- 2) **Recommended Motion:** I move Authority cancellation or acceptance of withdrawal of the VRE Lorton and Rippon Station Projects unencumbering a combined \$16.9 million in project funding.
- 3) **Background:**
  - a) During the two-year development of Policy 29 – Project Activation Monitoring and De-Appropriation, NVRTA and VRE staff worked together to ensure VRE project compliance with the policy, particularly on VRE projects not demonstrating progress towards completion and utilization.
  - b) VRE made several process enhancements to streamline project design and engineering with an objective of advancing to and through the project construction phase. New project timelines and cashflows were established which, at the time, showed acceptable progress toward project completion.
  - c) The project scopes and timelines for nearly all planned VRE capital projects along the CSXT-owned Fredericksburg Line have been materially impacted by the Virginia Rail Improvement Program (VRIP) and associated operating plan recently initiated by DRPT.
  - d) On May 18, 2020, in submitting project updates for the Executive Director’s monthly Regional Project Status Report (as required in Policy 29), the completion dates for three VRE projects – Franconia-Springfield Platform Improvements, Lorton Station Second Platform and Rippon Station Expansion and Second Platform – were substantially changed:
    - i) Franconia-Springfield Platform Improvements: Key dates moved are: construction start in early 2018 to construction complete by 2026. Franconia-Springfield is currently included in the ‘Phase 1’ set of VRIP projects expected to be complete by 2026. However, VRE staff noted the station improvements could potentially occur

without creating significant project scope issues and with an earlier completion date than 2026. No Finance Committee action is requested at this time.

- ii) Lorton Station Second Platform: Key dates moved are: construction complete moved from FY2015 to 'Construction deferred until DRPT 4<sup>th</sup> track construction.' Based on the new operating plan, no expansion of platform capacity is required at Lorton Station until the construction by DRPT of a new fourth track. There is no specific projected date for the completion of a fourth track in the vicinity of Lorton Station, but it is likely to be in 2030 or later. The current project scope is also inconsistent with the likely location of a future fourth track. Recommend project be withdrawn by VRE or cancelled by NVTA. Either action will unencumber \$6,998,303 in unspent project funds of the original \$7.9 million appropriated.
- iii) Rippon Station Expansion and Second Platform: Key dates moved are: start of construction January 2018 to construction complete by 2030. Rippon Station is currently included in the 'Phase 2' set of VRIP projects expected to be complete by 2030. Recommend project be withdrawn by VRE or cancelled by NVTA. Either action will unencumber \$9,960,518 in unspent project funds of the original \$10 million appropriated.

#### **4) Current Situation:**

- a) Cancelling a project is not a recommendation NVTA staff take lightly. However, with competing demands for limited funding it is important that NVTA staff also ensure that the region receives the benefits in terms of congestion reduction, improvement to the transportation network and the economic value of the NVTA's investment as soon as possible.
- b) Project readiness is an important qualitative factor in awarding a project.
- c) Based on ten-year averages of the Consumer Price Index the value of a NVTA dollar diminishes approximately \$.30 in a decade.
- d) The proposed new operating plan in the rail corridor, which eliminates the near-term need for expansion at Lorton Station, as well as the revised delivery date for the Rippon Station project (neither of which were envisioned in 2013 when the Lorton Station Project was approved or in 2015 when Rippon was approved) have led to the project cancellation recommendation.
- e) VRE staff have expressed recognition of these challenges. However due to meeting cancellations caused by the pandemic, VRE staff have not been able to brief the VRE Operations Board to present formal staff proposals to withdraw the projects.
- f) VRE staff report they will present a project withdrawal recommendation to the VRE Operations Board in the July 10<sup>th</sup> dispatch for the July 17<sup>th</sup> meeting.
- g) If the VRE Operations Board takes action on July 17<sup>th</sup> to withdraw the projects, the project status will be recorded as voluntarily withdrawn instead of cancelled.

- 5) **Next Steps:** With approval of withdrawal or cancellation, the unencumbered amount of \$16.9 million is available to be applied to projects in the FY2020-2025 update to the Six Year Program as recommended by the Authority's Planning and Programming Committee.