



Moving our region forward, together.

# Task Force Meeting #1

## Read-Ahead Document

*June 10, 2024*

This read-ahead includes slides from the May 1, 2024 Joint COG/Metro Boards meeting, all slides for the June 10 Task Force meeting, and some additional background information.

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# *1. The Region and its Goals*

# The Region Today



24 jurisdictions  
141 Activity Centers  
156 transit stations\*  
12,000+ bus stops  
3,500 square miles  
5.7 million people  
3.3 million jobs  
18 million trips per day  
122 million VMT

# The Region in 2045

The region will have more people and jobs, but also much more traffic, slower and longer trips, and missed climate targets



Population 6.9 million, **+23%**



Jobs 4.2 million, **+26%**



Access to high-capacity transit **+10%**  
Transit trips **+28%**  
Transit mode share only **7%**



Single-driver trips **+10%**  
Vehicle miles traveled **+15%**  
Congested lane miles **+45%**



Vehicle hours of delay **+48%**  
Minutes of delay **+31%**



**GHGs -18%** vs. target  
-80% by 2050

\* Refers to COG-defined high-capacity transit stations

# Region's Goals and Objectives



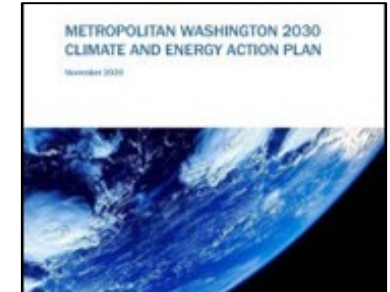
**Region Forward**  
Metropolitan Washington Council of Governments (COG)



**Region United Planning Framework**  
COG



**Visualize 2045**  
Long-Range Transportation Plan  
Transportation Planning Board (TPB)



**Metropolitan Washington 2030**  
Climate & Energy Action Plan - COG

## Selected regional goals

Increase mode share for transit, walking, biking

Center equity in plans and actions

Increase number of jobs accessible by transit

Reduce driving and vehicle miles traveled (VMT)

Reduce greenhouse gases (GHG) 50% by 2030, 80% by 2050

Build 320,000 housing units by 2030 – 75% near transit

Safe, reliable, and affordable mobility / accessibility

Regional approach to sustainability, livability, and prosperity

Develop transit-oriented communities and Regional Activity Centers

# Opportunity: An Integrated DMV Transit Network That Advances Regional Goals

## COG Goals for the Region



Move more people on transit



Fight climate change



Continue to grow the economy



TOD and affordable housing



Advance equity and justice

Transit already moves the needle, but comprehensive and coordinated transit will achieve the region's goals

- Providing equitable, accessible, safe travel
- Positioning transit as people's first choice, before the car
- Expanding connections to jobs, healthcare, and education
- Increasing businesses access to more employees
- Reducing traffic and harmful emissions
- Improving air quality and general health
- Encouraging TOD, affordable housing, and strong economic growth
- Reducing fatalities and injuries

# The Time is Right

## COG and Metro Partnership Opportunity

### Why COG?

- Leader on issues of regional importance
- Convener of government partners who are critical to success
- Developer of long-range transportation plan and transportation improvement program

### Why Metro?

- Interstate Compact designates and empowers Metro to “*plan, develop, finance, and operate*” the region’s mass transit system
- Provider of 85% of all transit trips in the region
- Technical scale and capacity

### Why Now?

- Region is at a crossroads
- Existing transit planning and operating and capital funding model is broken
- Jurisdiction-based projects vs. regionally planned and connected investments
- Opportunity for a new vision that
  - Leverages decades of plans and investments;
  - Is financially predictable and sustainable;
  - Advances region’s goals; and
  - Creates a world class transit system

## *2. DMVMoves Work Plan*



# Joint COG/Metro Board Meeting on May 1



Both Boards unanimously passed resolutions to partner on DMVMoves – a joint initiative to create a unified vision and sustainable funding model for the region’s transit network.

- Announced the formation of a **task force to guide the joint initiative**
- **Strong, widespread support for success** and prioritizing transit for regional quality of life and economic development
- **Emphasis on identifying a sustainable funding model** and addressing funding issues early, considering dedicated source models and necessary federal/state support
- **Ensure inclusivity** of all regional jurisdictions and providers (including non-WMATA Compact), the business community, and educational institutions
- **Consensus on taking actionable steps**, rather than conducting additional studies

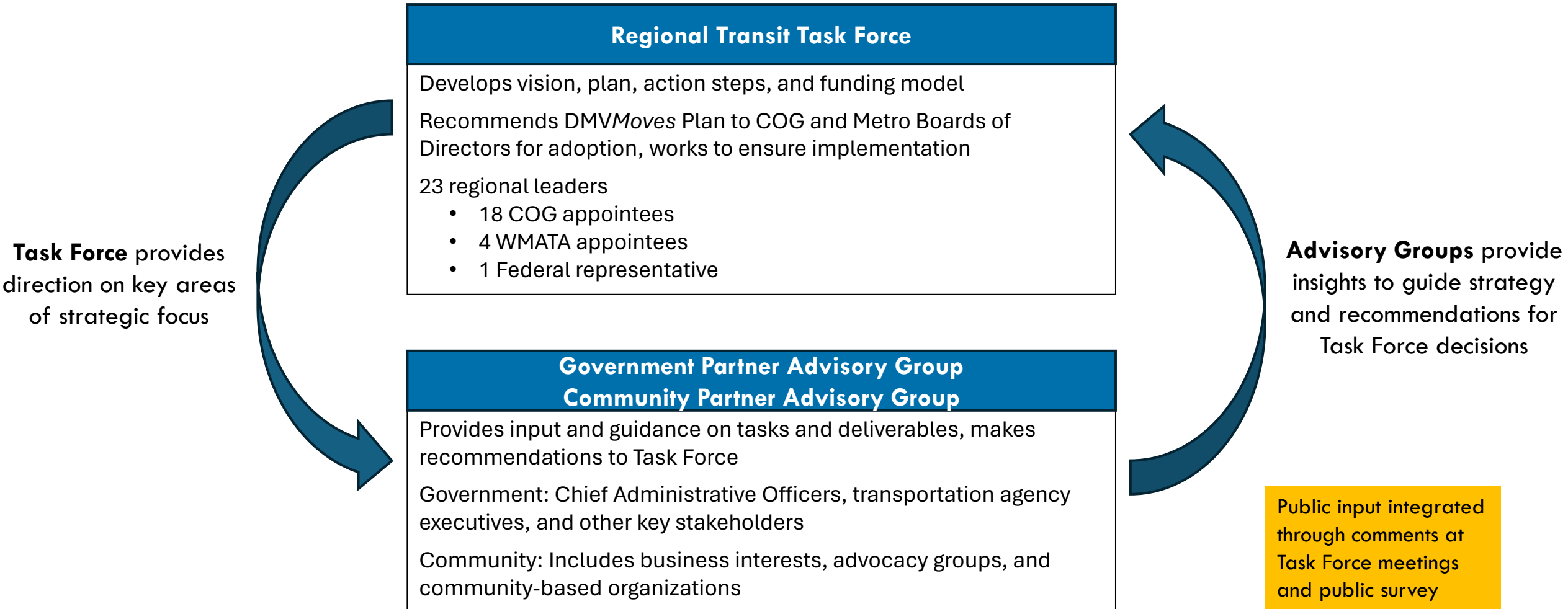
# DMVMOVES Mission Statement

The region wants to be...

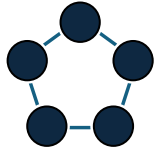


- The DMV is a diverse, dynamic, and growing region with ambitious and visionary goals
- A sustainable, world-class transit network is **fundamental** to attaining those goals
- On May 1, the COG and Metro Boards of Directors resolved to:
  - Develop a long-term, unified **vision** for transit service
  - Identify and secure predictable, dedicated, and **sustainable funding** for transit
  - Convene a Task Force to provide **leadership** for this effort
  - **Partner** with regional stakeholders to seek expert advice, input, and support through two Advisory Groups

# DMVMoves Organization and Leadership

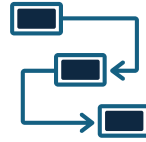


# Task Force's Role and Responsibilities



## Represent the Region

**Adopt a regional perspective** and represent what's best for the region in all meetings and decisions



## Provide Strategic Direction

**Make the key decisions** in shaping the DMVMoves Plan, including vision, funding model, and action steps

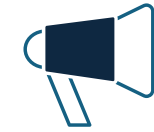
**Provide clear direction** to project team and Advisory Groups on what's needed to support those decisions



## Be Open and Transparent

Engage in open, **transparent discussions**

**Inform key decision makers** you represent throughout the effort; seek their guidance and direction



## Ensure Success

**Manage political risks**, identify and leverage opportunities

**Recommend the final plan** for adoption by COG and Metro Boards of Directors

**Advocate for full implementation and funding** to key decision makers

**The DMVMoves project team and facilitators are here to support the Task Force and Advisory Groups**

# Supporting the Task Force

Each Task Force meeting will include:

- Forum for **open discussion facilitated** by noted experts in the field
- Updates on **progress** since the last meeting
- Summary of recent Advisory Group meetings and **key outcomes and recommendations** for Task Force consideration
- **Research on best practices** and models from high-performance transit systems across the world
- **Data-driven, transparent analyses** and research to inform and support your strategic decisions

## About DMV Transit Data

- Data on the region's transit systems and providers vary widely in scope, detail, quality, and availability.
- Project team will incorporate data from all providers as often as possible. When local/regional data is not available the project team will use the National Transit Database; the most recent datasets are typically two years old.
- Project team will work with the Government Partners Advisory Group over the summer to update and collect additional data.

# DMVMoves Work Plan



## Vision and System Plan

Craft a Vision for a future integrated mobility network

Identify projects, and service levels, and improvements needed for Vision



## Supporting Policies

Develop policies to deliver a unified, integrated system and meet regional goals: service standards, fare payment, procurement, fleet management, hiring and training, land use, etc.



## Funding Analysis

Identify total capital and operating funding needs for existing transit plus the future Plan

Model funding scenarios with range of tools / sources

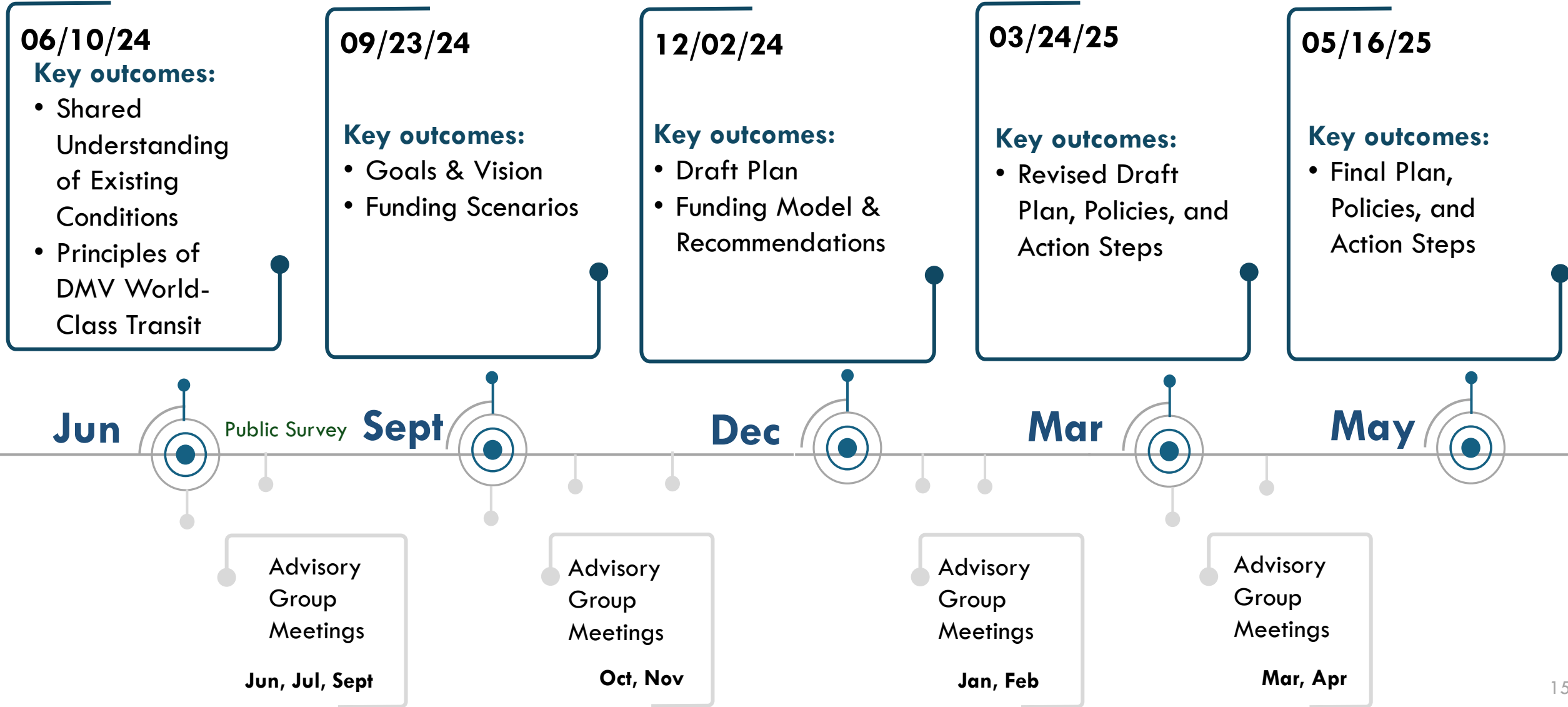


## DMVMoves Plan, Funding and Transit Delivery Models

Explore the best-in-class, “best fit” funding, oversight, and transit delivery models

Develop and approve Plan and action steps

# Task Force Schedule



# Task Force Members

## COG Members

- Charles Allen, DC Council and Task Force Co-Chair
- Kevin Donahue, DC City Administrator
- Janeese Lewis George, DC Council
- Christina Henderson, DC Council
- Phil Mendelson, DC Council
- Sharon Kershbaum, DC, DDOT Director
- Angela Alsobrooks, MD, Prince George's County Executive
- Malcolm Augustine, MD, Maryland Senate President Pro Tem
- Reuben Collins, MD, Charles County Commission President
- Marc Elrich, MD, Montgomery County Executive
- Marc Korman, MD, Delegate
- Kate Stewart, MD, Montgomery County Council VP
- Matt de Ferranti, VA, Arlington County Board
- Jeff McKay, VA, Fairfax County Chairman Board of Supervisors
- Phyllis Randall, VA, Loudoun County Board of Supervisors
- Michael Sargent, VA, VDOT Deputy Secretary
- Mark Sickles, VA, Delegate
- Scott Surovell, VA, Senate Majority Leader

## Metro Members

- Paul Smedberg, Principal Director, VA, Task Force Co-Chair
- Sarah Kline, Principal Director, Federal
- Tracy Hadden Loh, Principal Director, DC
- Joe McAndrew, Principal Director, MD

## Federal Representative

- Jason Miller, Deputy Director for Management, Office of Management and Budget



# Government Partners Advisory Group

## Organization

- Chief Administrative Officers (CAOs) of all COG member governments
  - Fairfax County – GPAG Chair Bryan Hill
  - District of Columbia
  - Town of Bladensburg
  - City of Bowie
  - City of College Park
  - Charles County
  - City of Frederick
  - Frederick County
  - City of Gaithersburg
  - City of Greenbelt
  - City of Hyattsville
  - City of Laurel
  - Montgomery County
  - Prince George's County
  - City of Rockville
  - City of Takoma Park
  - City of Alexandria
  - Arlington County
  - City of Fairfax
  - City of Falls Church
  - Loudon County
  - City of Manassas
  - City of Manassas Park
  - Prince William County
- D.C. Chief Financial Officer (CFO)
- Local/State Transit Agencies
  - City of Alexandria (DASH)
  - Arlington County (ART)
  - Charles County (VanGo)
  - City of Fairfax (CUE)
  - District of Columbia (Circulator/Streetcar)
  - Fairfax County (Connector)
  - Frederick County (Transit)
  - Loudoun County (Loudoun Transit)
  - Maryland Transit Administration (MARC/MTA Commuter Bus)
  - Montgomery County (Ride On)
  - Prince George's County (TheBus)
  - Prince William County (Omni Ride)
  - Virginia Railway Express (VRE)
- Metropolitan Washington Airport Authority (MWAA)
- Northern Virginia Transportation Authority (NVTA)
- Northern Virginia Transportation Commission (NVTC)
- Virginia Department of Rail and Public Transportation (VDRPT)
- Virginia Passenger Rail Authority (VPRA)
- Washington Suburban Transit Commission (WSTC)

# Community Partners Advisory Group

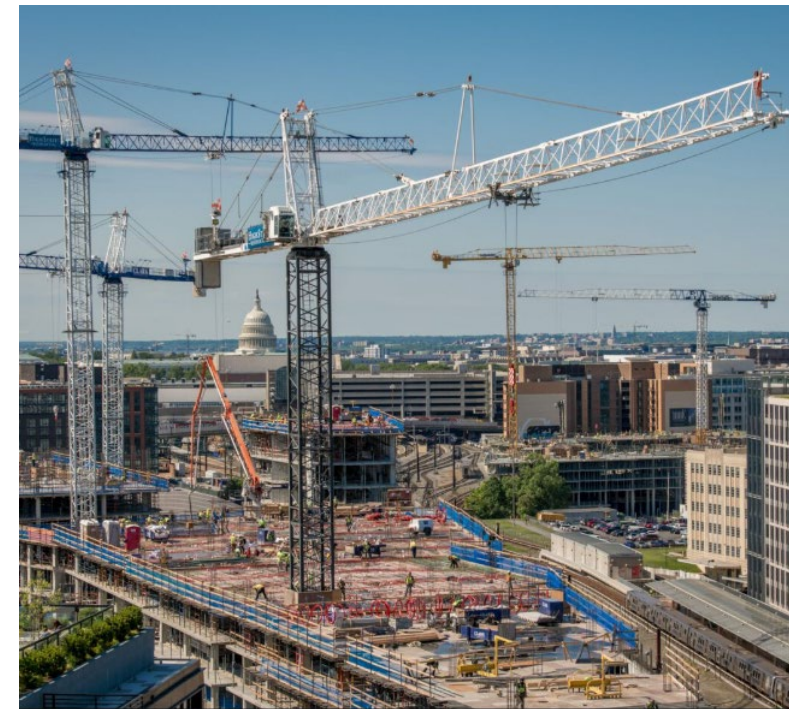
## Organization

- Greater Washington Board of Trade – CPAG Chair Jack McDougle
- ATU 689
- Capital Area Food Bank
- Coalition for Smarter Growth
- Consortium of Universities
- Court Appointed Special Advocates (CASA)
- DC Chamber of Commerce
- Destination DC
- Downtown BID
- Federal City Council
- Greater Greater Washington
- Greater Washington Partnership
- Monumental Sports
- Montgomery County Chamber of Commerce
- National Capital Planning Commission
- National Landing BID
- NOMA BID
- Northern Virginia Chamber of Commerce
- Northern Virginia Transportation Alliance
- Prince George's County Chamber of Commerce
- Restaurant Association of Metropolitan Washington
- Rosslyn BID
- Transportation Planning Board (TPB) Community Advisory Committee
- Transportation Planning Board (TPB) Access For All Committee
- Tysons Community Alliance
- Union Station Redevelopment Corporation
- United Way
- Washington Area Bicyclist Association (WABA)
- Washington Commanders
- Washington Nationals
- WMATA Accessibility Advisory Committee
- WMATA Riders Advisory Committee
- 930 Club

## ***3. DMV Transit Network***

# The Region Does Transit Well in Many Ways

- **Strong backbone of frequent rail and bus service**
  - Network of high-capacity, high-frequency, all-day services
  - Optionality with many modes: urban rail, commuter rail, bus rapid, express bus, local bus, paratransit
- **National leader in building around transit**
  - 18% of people and 41% of jobs in close proximity to high-capacity transit
    - 60% of people and 70% of jobs in Metro's Transit Zone are in walking distance of a rail station or bus stop
  - 65% of new commercial development near Metro
- **Regionally integrated fare payment system and multimodal connections**
  - SmarTrip can be used for 97% of transit trips; 25% of customer taps use mobile SmarTrip
  - Airports and Union Station served with high-frequency transit
  - Extensive regional bike share system, bike and pedestrian connections



Development near NoMa-Gallaudet U Station. Source: NoMa BID

# And Transit Benefits the Region in Many Ways



**\$9.4b**

Additional business output from transit.

**1.2m**

Auto trips avoided each day by 2025.

**1.2m**

Metric tons of greenhouse gases avoided by transit.

**\$330b**

Property value in Metro station areas.

**\$27b**

Avoided road construction costs.

**\$2b**

Avoided parking construction costs.

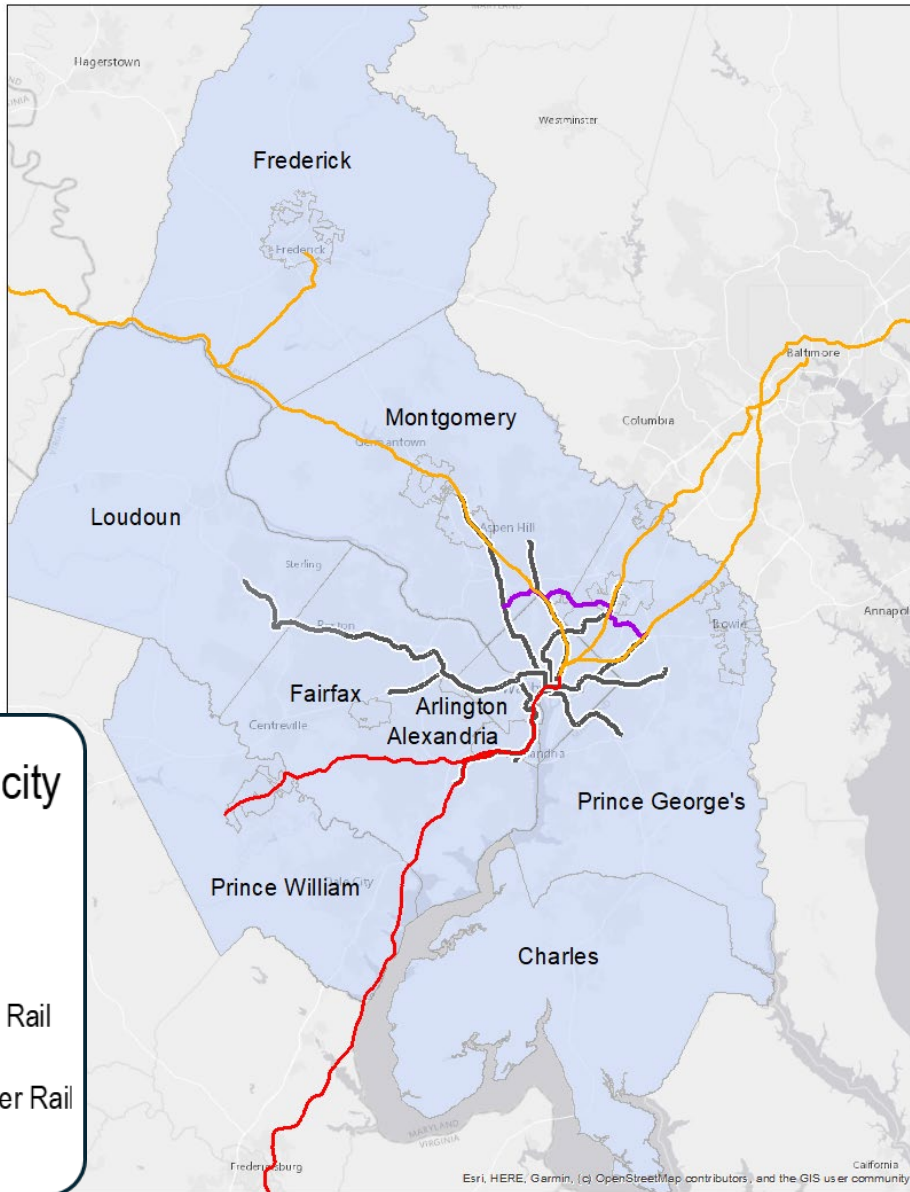
# DMV Transit is a Complex Network of Multiple Providers

- WMATA Metrorail
- WMATA Metrobus (regional bus network)
- 12 local bus systems
  - Two also operate commuter bus
- 3 commuter bus systems
- 2 commuter rail systems
- DC streetcar
- Purple Line light rail (under construction)
- Multiple paratransit providers
- Multiple planning and funding



In 1967, the Washington Metropolitan Area Transit Authority (Metro) was created by an interstate Compact to **plan, develop, finance, build, and operate a comprehensive, unified mass transit system.**

# DMV High-Capacity Transit Network



**DMV High-Capacity Transit Network**

- Metrorail
- VRE Commuter Rail
- MARC Commuter Rail
- Purple Line

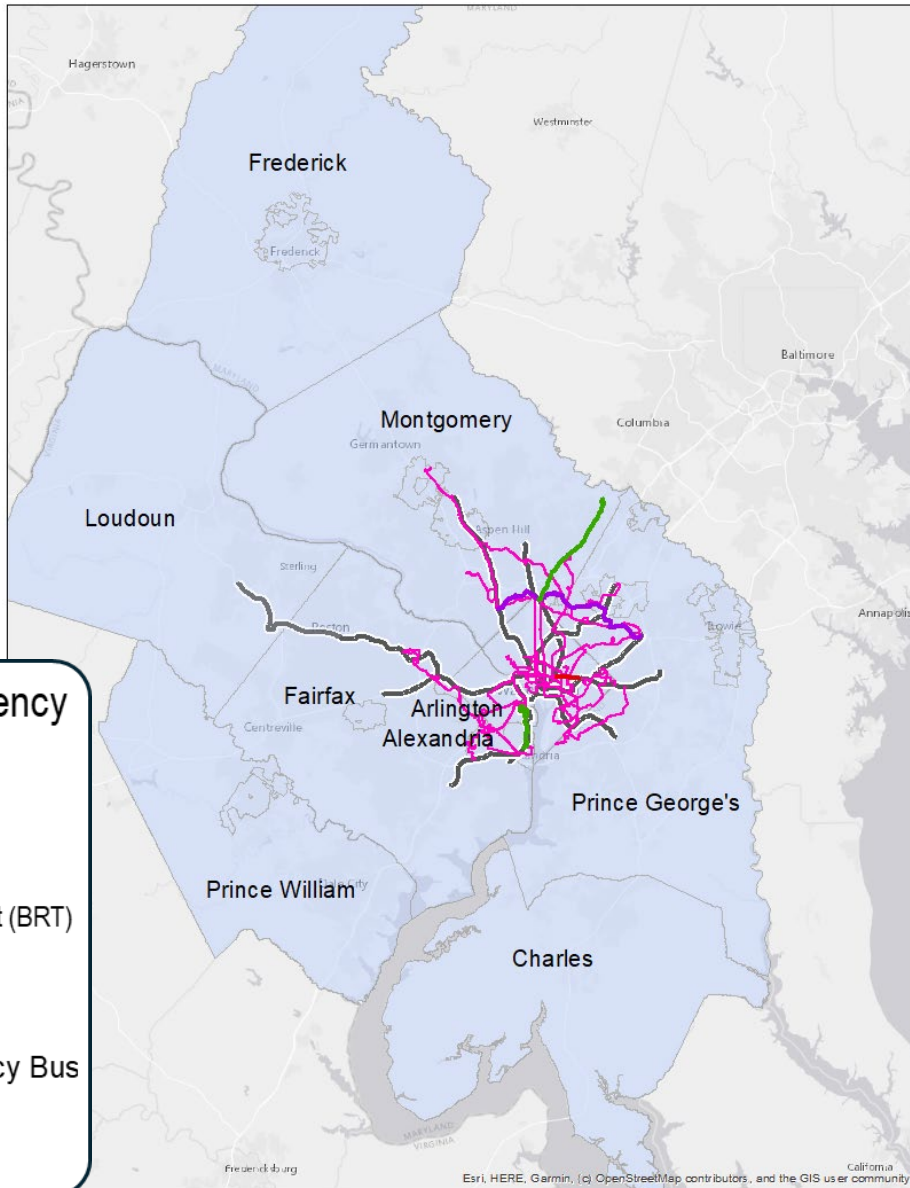
Transit network's trunk lines and main arteries

Well-suited to higher-density areas with high travel demand

Most efficient way of moving large numbers of people quickly and directly

Needs an extensive network of local bus connections, bike and pedestrian facilities, and microtransit to maximize access and connectivity

# DMV High-Frequency Transit Network



Region's primary network of frequent, walk-up transit lines in major corridors

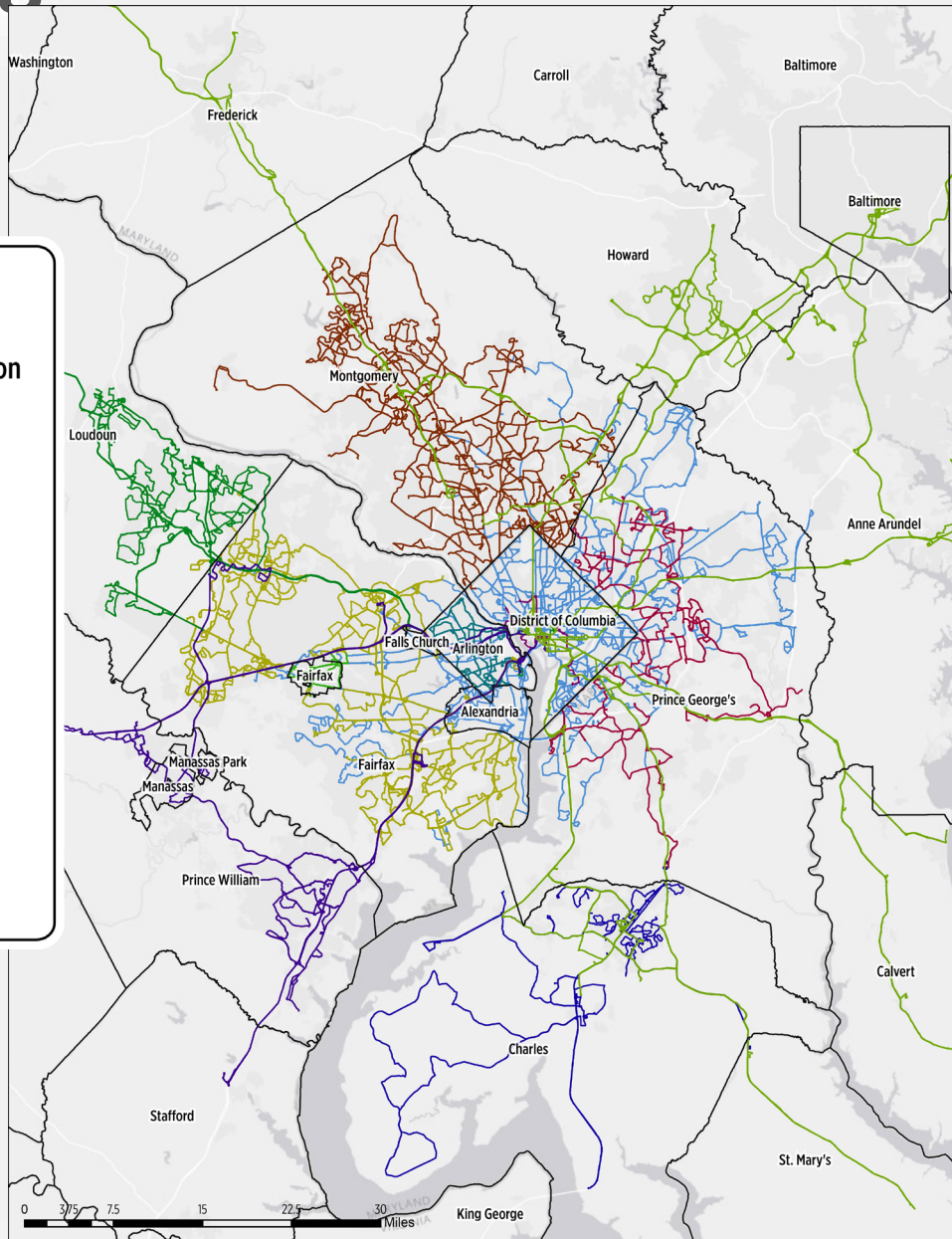
Well-suited to higher-density areas with high travel demand

Serves both longer commutes and local travel on major roads

Benefits from fast, timed transfers between routes and connections to bike and pedestrian facilities and microtransit



# DMV Regional and Local Bus Network



## Transit Providers in the Metropolitan Washington Council of Governments Region

- Arlington Transit
- CUE
- DASH
- DC Circulator
- Fairfax Connector
- Loudoun County Transit
- Metrobus
- MTA Commuter Bus
- Omni Ride
- Ride On
- TheBus
- VanGO

The regional transit network's circulatory system

Provides extensive geographic reach and connects to high-capacity transit

Provides both local and express circulation along major roads

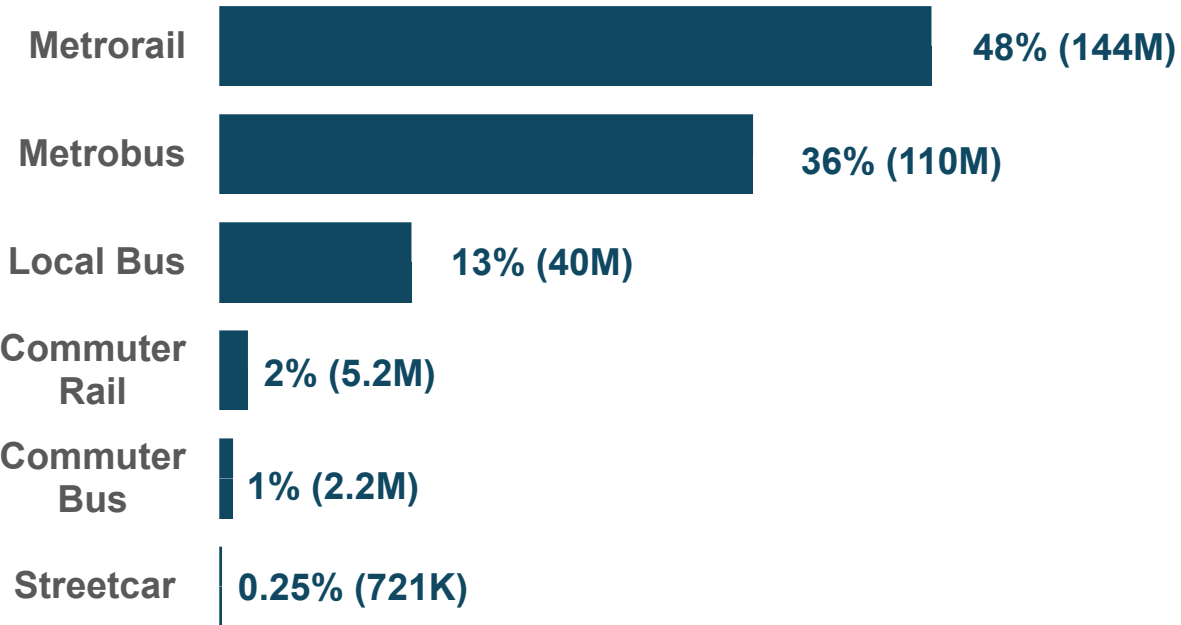
Serves a wide range of trip purposes; the transit system's true workhorse

Priority strategies make buses fast, frequent, and reliable service

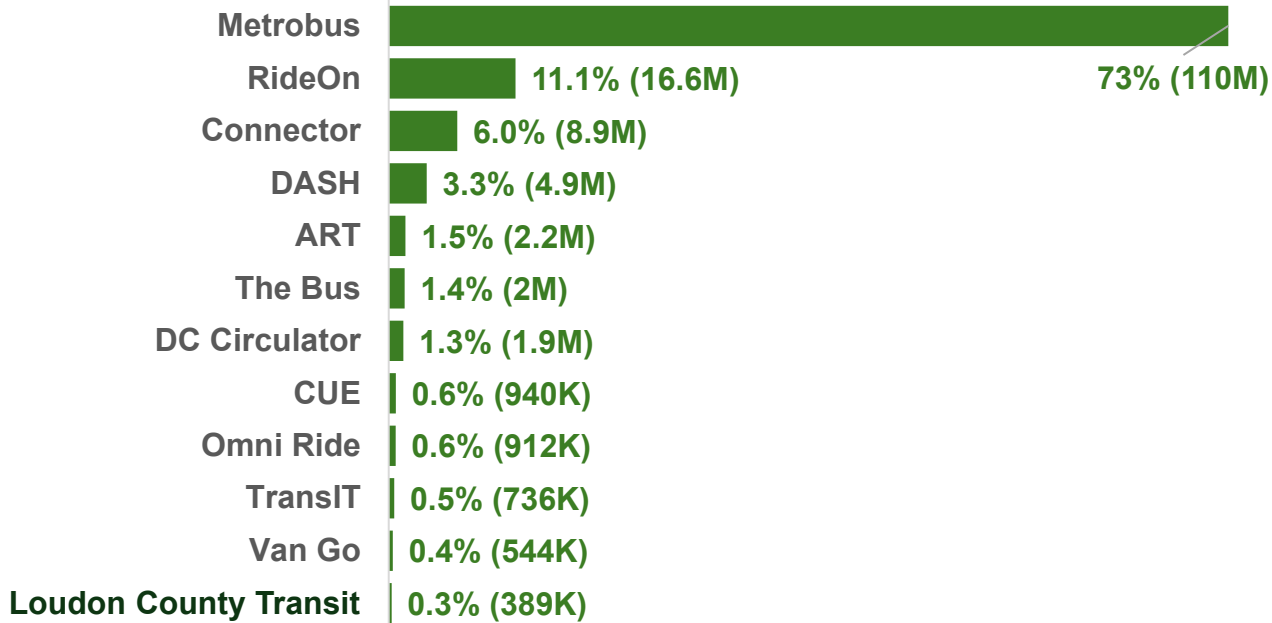
Network of 12 different providers pose challenges to customer experience

# DMV Transit Markets

## DMV Transit Ridership by Mode



## DMV Bus Ridership by Provider

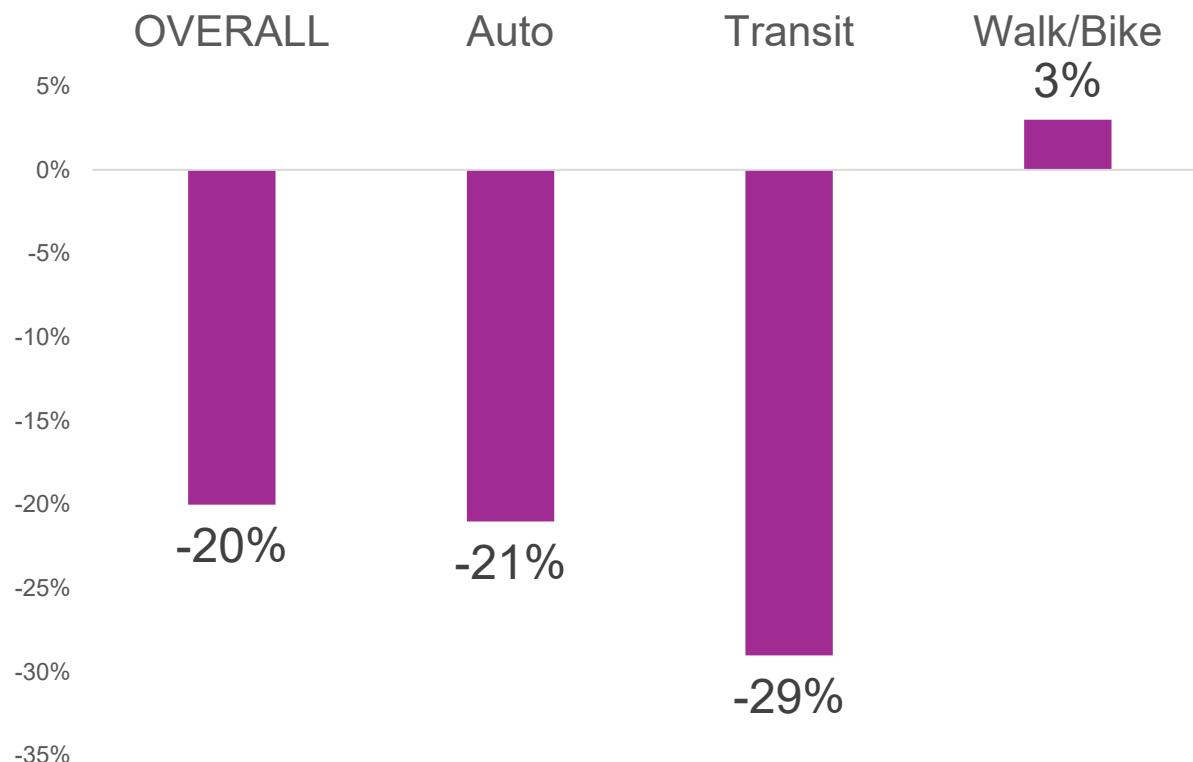


- Local bus systems connect across the region
- Commuter rail and bus serve long-distance trips
- Metro carries ~85% of all transit customers

# Travel Across Region is Growing, But Remains Down Across All Travel Modes

- People make 20% fewer trips than before the pandemic, across all modes
- Regional travel (car, transit, bike, walk) has shifted since the pandemic
  - More travel in the PM and in the outer region
  - Less travel in the AM and in the core
  - Fewer commute trips due to increased telework

**Change in Trips in WMATA Compact, 2019 to 2023**  
By mode, regionwide



Preliminary data for Q1/Q2 2023, results may change slightly  
Includes trips within WMATA Transit Zone excluding Loudoun County

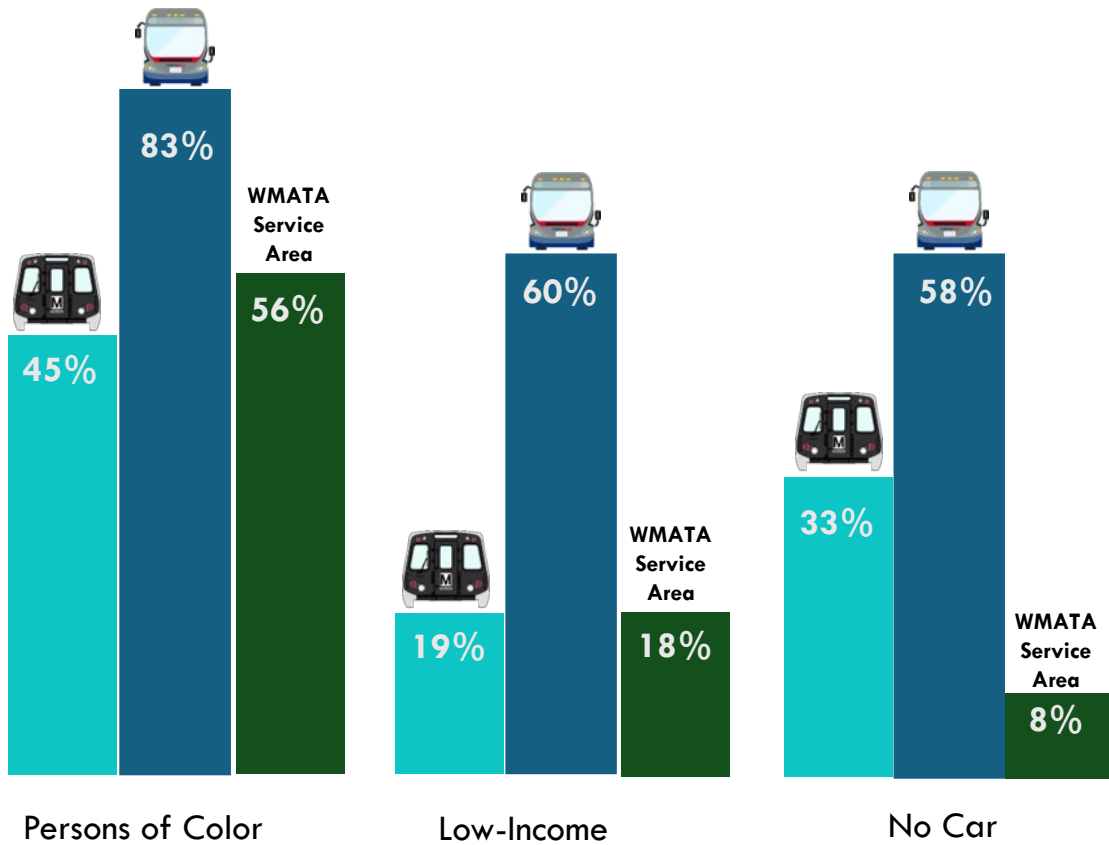
# Ridership Recovery and Travel Trends

- **Fundamentals** of transit ridership have not changed
  - Ridership continues to be highest on weekdays and peaks
- However, many **patterns** have changed:
  - Higher weekday off-peak and weekends ridership
  - Rail ridership lower on Mondays and Fridays
- Local bus systems carrying near pre-pandemic levels
  - Greater in some cases, esp. Alexandria DASH which is fare-free
- Commuter bus and rail systems are carrying ~25% pre-pandemic levels
- Metrorail ridership approximately 70% of March 2019
  - 6% higher on Saturdays and 38% higher Sundays
- Metrobus ridership 98% of March 2019
  - 9% higher on Saturdays, 28% higher Sundays

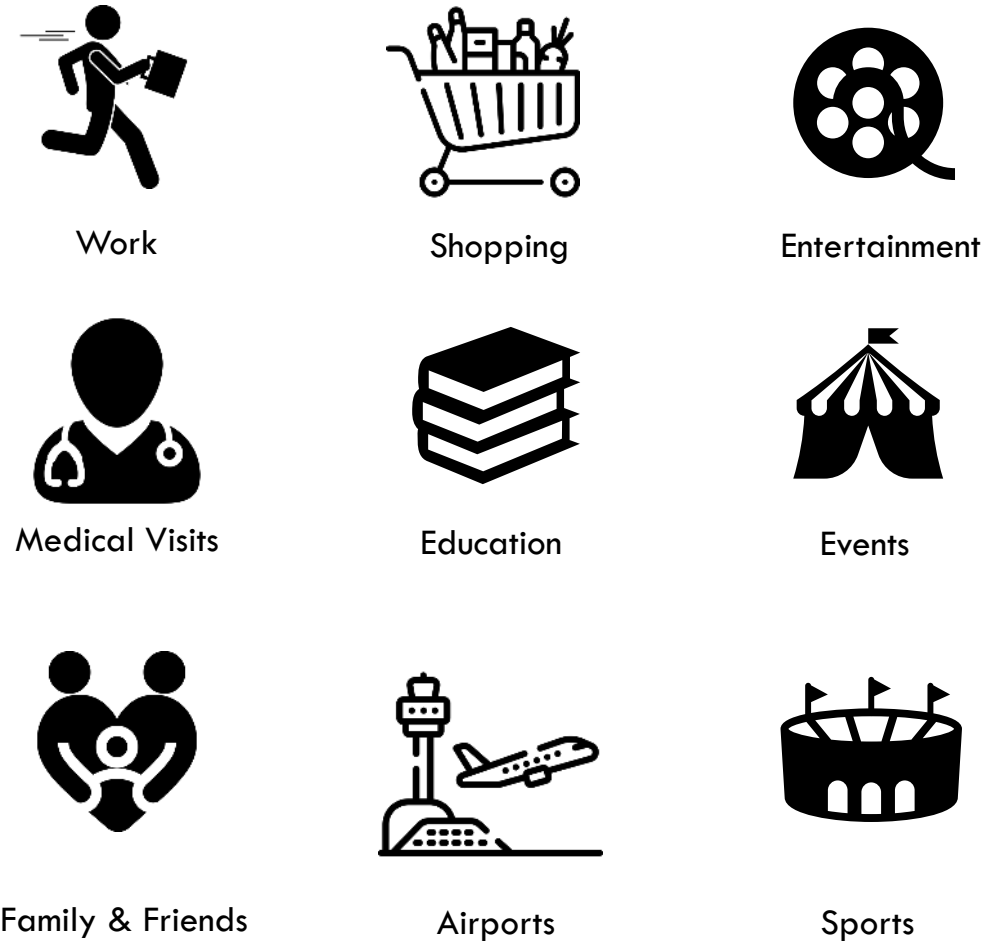


# DMV Transit Customer Profile

## Who's On Board?\*



## Where Are They Going?\*



\*Source: WMATA passenger surveys, proxy for regional customer base. Metro ~85% of ridership.

# Customers Want Frequent, Reliable, and Faster Trips

Recent surveys show customers prioritize more frequent service, more reliable and faster service, more service on the weekends, longer hours of operation

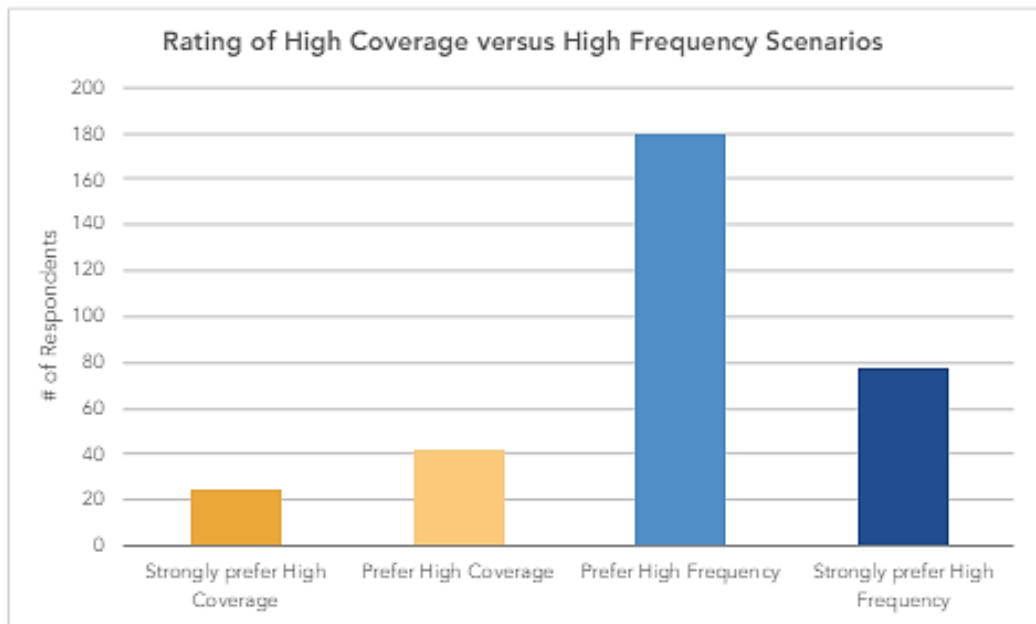


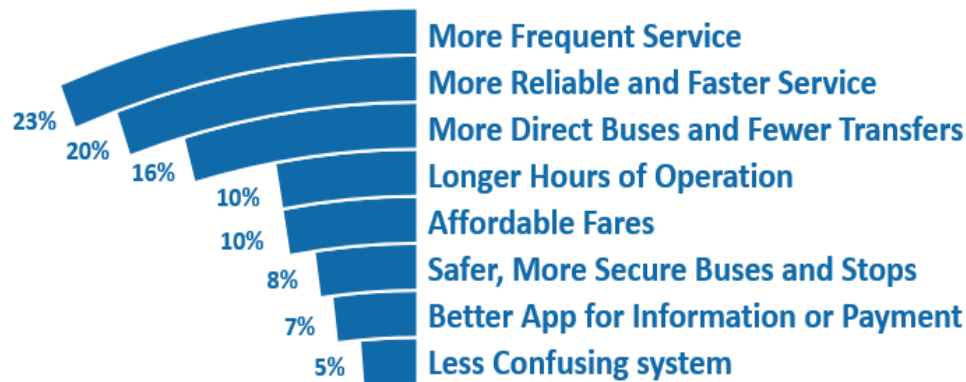
Figure 11: Survey respondents generally said they preferred a High Frequency system.

Alexandria Transit Vision (2020)

...ridership here would increase exponentially if [service] were more frequent

Frequent service that is available 7 days a week is critical to building a useful transit network that people can rely on for all their needs

Customer Feedback, WMATA Better Bus Network (2023)

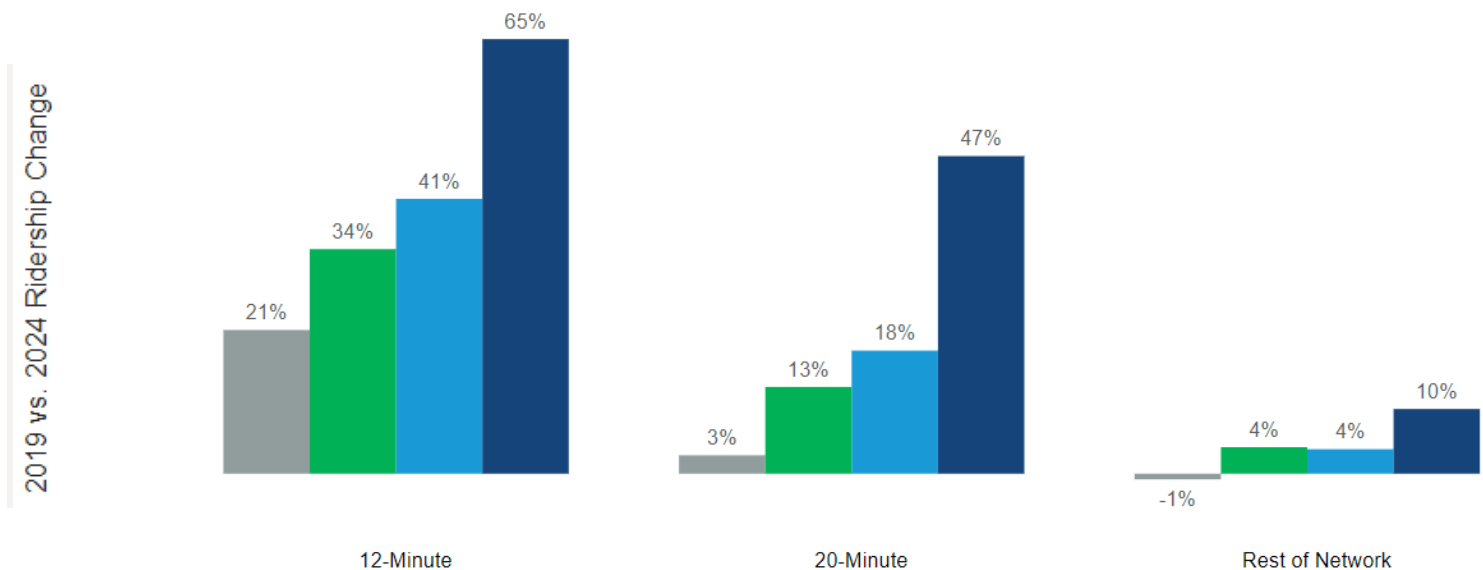


Bus Transformation Project (2018)

# Example: Metro Delivered an All-Day Frequent Service Network and Ridership Responded

## Change in Ridership, Feb 2019 vs. Feb 2024

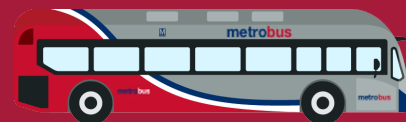
Time Period ● Weekday Peak ● Weekday Off Peak ● Saturday ● Sunday



Includes routes that have existed since 2019. Does not include eliminated or new routes.



Bus lanes are **2%** of DMV street miles (28 miles); in San Francisco it's **6.3%**!

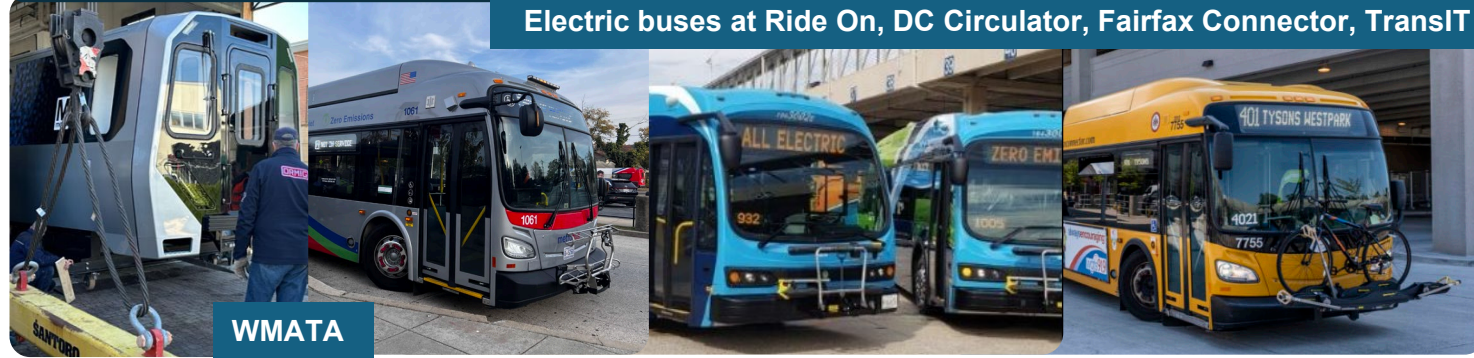


BUS ONLY

# Region Has Made Strides in Customer-Focused Service

## Transitioning to zero-emission and modern fleets

Electric buses at Ride On, DC Circulator, Fairfax Connector, TRANSIT



WMATA

## Expanding access to service



Fare-free at DASH , Loudoun County Local Bus, Cue, TRANSIT, VanGO



## Improving service frequency



Clear Lanes in D.C.



OmniRide Connect

## Expanding service to get people where they need to go



Better Bus Network



MDOT MTA Purple Line



Silver Line Phase 2

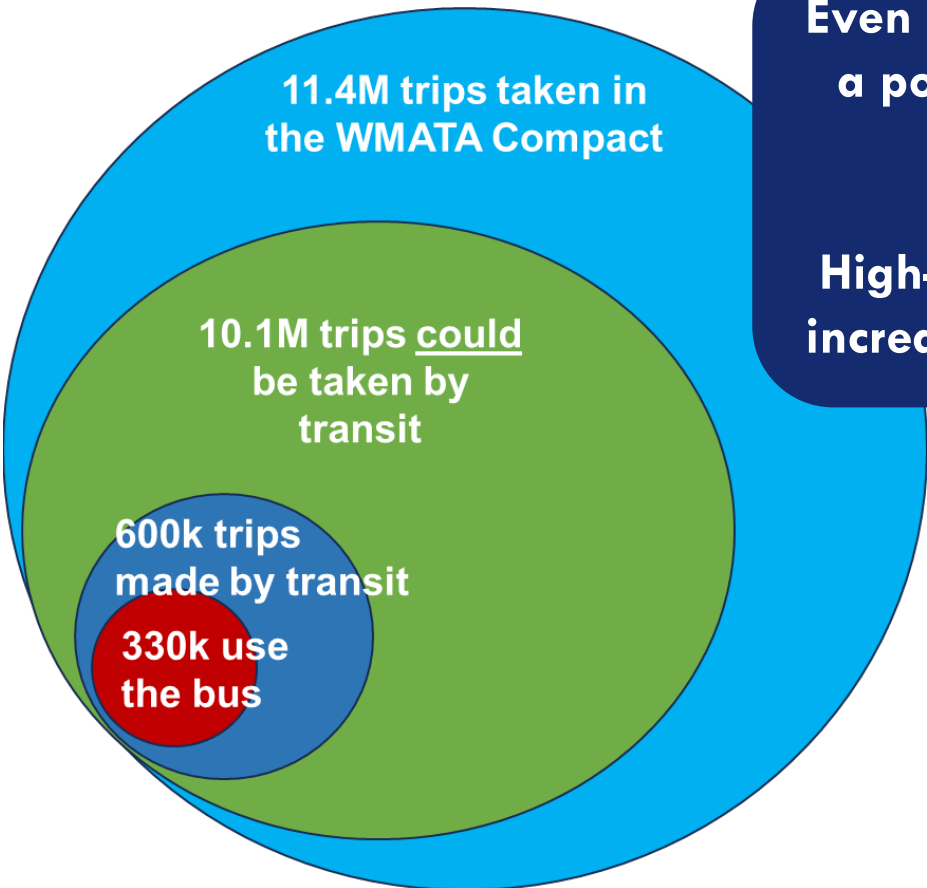


Flash BRT Expansion



# Huge Opportunity to Grow Transit Ridership in the DMV

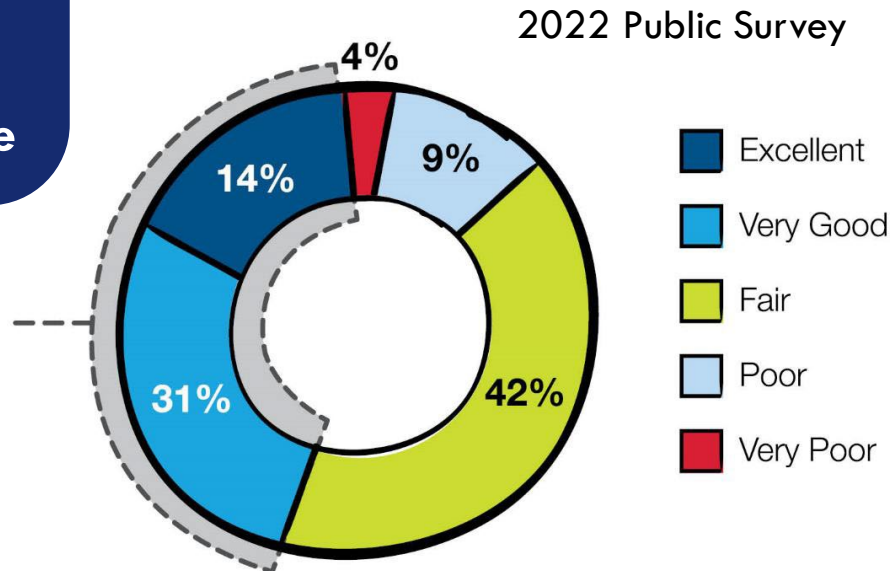
Delivering a consistently world-class transit experience will expand ridership across markets and demographics



Average Daily in 2023

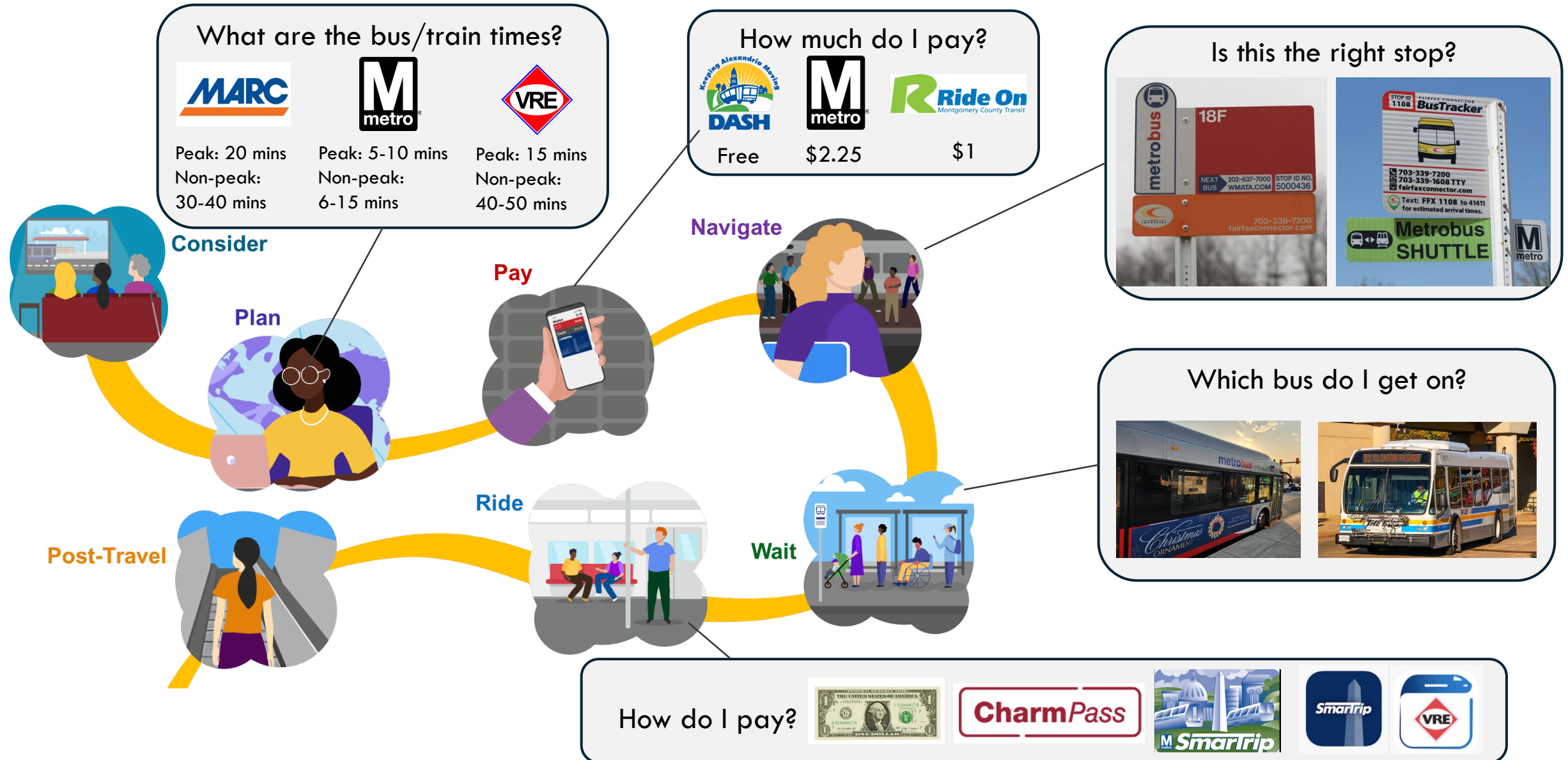
**Even though 88% of daily trips have a possible transit connection, only 5% of trips are on transit**

**High-quality transit and density can increase that to 20% of trips or more**



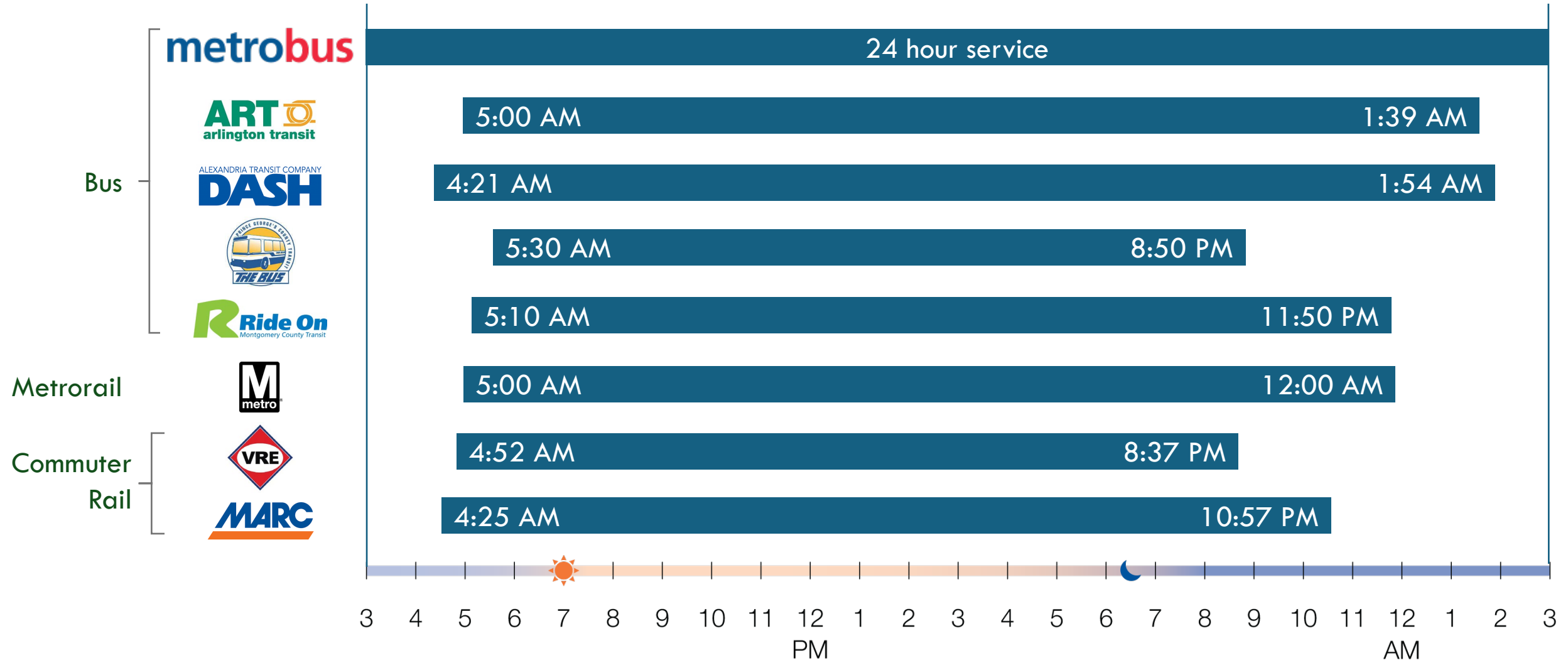
**45% of people surveyed rated the region's bus services as "very good" or "excellent"**

# Opportunity: Consistent, Excellent Customer Experience

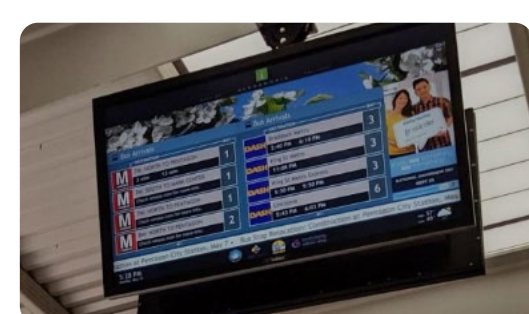
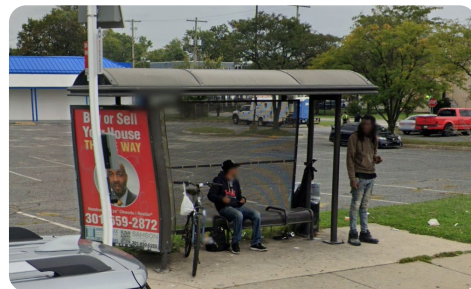


# Service Hours Vary Across the Region

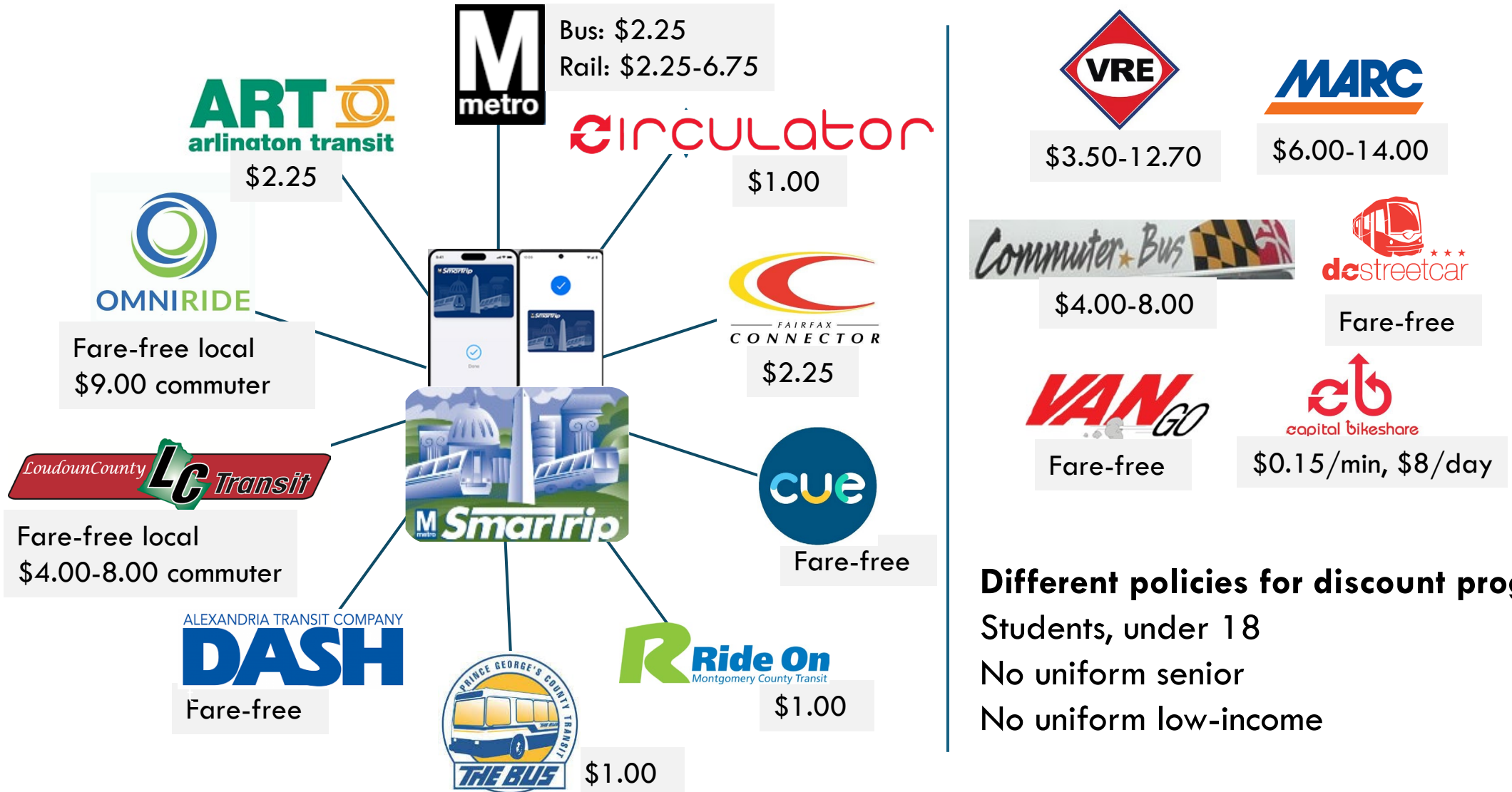
First Trip to Last Trip (Weekdays)



# Buses and Bus Stops Vary Widely in Design and Customer Information



# Fare Policies and Payment Methods Differ Across the Region



**Different policies for discount programs:**  
 Students, under 18  
 No uniform senior  
 No uniform low-income

FY25 fares based on publicly available information.

These agencies participate in the SmarTrip Operations Funding Agreement to provide for cost sharing of the funding for a seamless regional SmarTrip card system

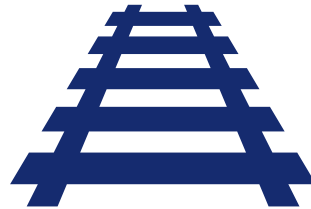
# Inventory of Existing Transit Assets



Metro railcars: 1,236  
Metro stations: 98  
Metrorail yards/  
maintenance facilities: 10  
Metrorail track miles: 128



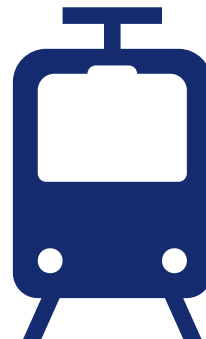
Buses 3,364  
Metro = 1,571 (46%)  
Bus stops: 17,713  
Metro = 9,374 (53%)  
Bus Garages: 34  
Metro = 11 (32%)\*



Commuter railcars and  
locomotives: 322  
Commuter rail stations: 40  
Commuter rail depots: 4



Paratransit vehicles: 945  
WMATA: 754 (80%)



Streetcars: 6  
Streetcar stops: 15  
Streetcar depots: 1  
Streetcar track miles: 2.2

\*9 Metrobus divisions in active service

# Need: Address Structural Challenges to Sustainable, Predictable Funding and Efficient Transit Delivery

- Current funding structure is unpredictable and unsustainable
- Transit delivery and administration is fragmented, potentially inefficient
- Issues are structural and pervasive, have been well-documented for over 50 years; all DMV transit providers are impacted
- Inability to do mid- to long-term planning for workforce, fleet, facilities, technology, capital, and service

14 transit agencies = different planning, operating, and funding approaches

Potential for more efficient, cost-effective approach?



## *4. Characteristics of World-Class Transit*



# The DMV Set the World-Class Standard 60 Years Ago

“I want you to search worldwide for concepts and ideas that can be used to make this system attractive as well as useful. It should be designed so as to set an example for the Nation, and to take its place among the most attractive in the world.”

— President Lyndon B. Johnson, 1966

THE WHITE HOUSE  
WASHINGTON  
February 22, 1966

Dear Mr. McGarter:

The Congress, in enacting the National Capital Transportation Act of 1965, authorized construction of a rail rapid transit system that eventually will be expanded to serve the entire National Capital Region. Transportation is a critical problem for all major urban centers, and what is done here will have significance far beyond this region.

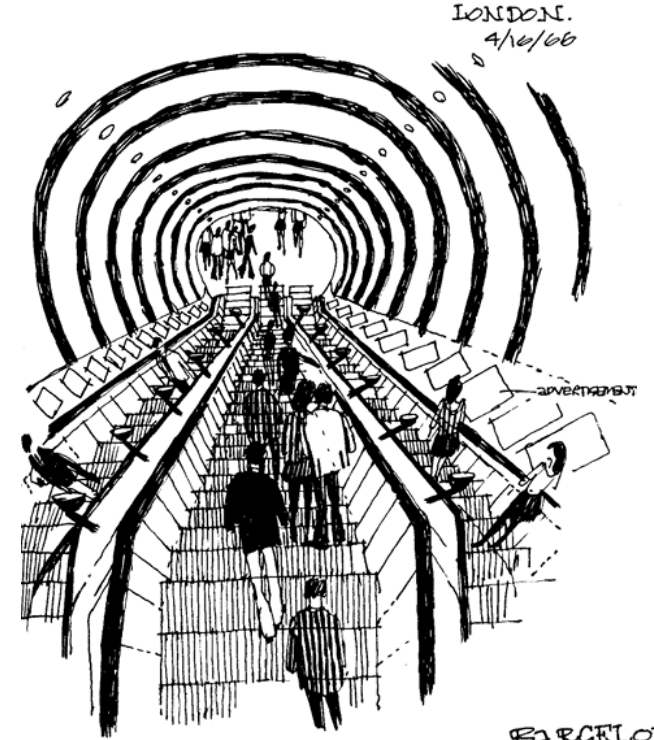
While we seek to resolve problems of moving people and goods within the congested National Capital area, our concerns must not be confined to the utilitarian requirements of transportation alone. We must take this opportunity to make our Capital a more attractive and inspiring place in which to live and work. The Congress has already enacted legislation to assure that beautification is a major consideration in the development of our highway system. The same concern must guide development of plans for mass transit.

In designing the system for the Nation's Capital, I want you to search worldwide for concepts and ideas that can be used to make this system attractive as well as useful. It should be designed so as to set an example for the Nation, and to take its place among the most attractive in the world. In selecting the architects for this system, you must seek those who can best combine utility with good urban design. As you search for the new and innovative, you must also take advantage of the experience of other cities.

I know that your efforts to accomplish these objectives will be of great interest to this community and to other cities faced with the task of coordinating mass transportation facilities with other urban needs. I ask that you report to me periodically on your accomplishments so that we can join in encouraging public discussion of your plans and in taking steps that others may benefit from your experience.

Sincerely,  
*Lyndon B. Johnson*

Honorable Walter J. McGarter  
Administrator, National Capital  
Transportation Agency  
Washington, D. C. 20432



# World-Class Requires Investment and Innovation

## All Day Service

- Weekday and weekend, fast and frequent service
- Safe and on-time operation
- Customer-focused service with limited & predictable outages



Passeig de Colom  
Barcelona

## Modern Vehicles and Infrastructure

- Stations with clear wayfinding and platform screen doors
- Efficient computer-based train control
- Streets that prioritize people, bus, bikes
- Trains capable of automated operation
- Open gangways
- Zero-emission bus fleet
- High-capacity buses on busy routes



Châtelet Station – Métro Line 14  
Paris



Elizabeth Line Train–Class 345  
London

## Integrated System

- Customers experience transit as one system
- Seamless connections between rail, bus, bike, and pedestrian networks
- Integrated fares, policies, and payment



Yishun MRT Station  
Singapore

# World-Class Transit Would Help the Region Meet its Goals By:

- Positioning transit as most **people's first choice**
- Taking people **where they need or want to go**, when they want to go
- **Expanding connections to jobs and economic opportunities** with fast, high-frequency, all-day transit
- Providing **better service in traditionally underserved communities**
- **Reducing traffic** and harmful **emissions**
- **Improving air quality** and general health
- **Encouraging development** and strong **economic growth**
- Broadening **business access to more diverse workforce**
- Fostering vibrant, livable, **car-optional communities**



## *5. Initial Inventory of Region's Planned Projects, Needs, and Concepts*

# Projects Included in Regional Constrained Long-Range Plan

Regional Metro SGR and Modernization – significantly unfunded beyond FY2028  
Better Bus Network – constrained to current resources

---

DC DC Streetcar – Benning Rd extension  
Bus lanes on 14 major corridors

---

MD Purple Line completion  
MARC service improvements, all lines  
BRT: MD 355  
BRT: New Hampshire Ave  
BRT: North Bethesda Transitway  
BRT: Randolph Rd  
BRT: Viers Mill

---

VA VRE track expansions: Broad Run, Alexandria 4th Track, L'Enfant, Franconia to Occoquan  
VRE Potomac Shores rail station  
VRE service improvements, Fredericksburg and Manassas lines  
New Long Bridge (VPRA)  
BRT: Metroway Crystal City to Pentagon City extension  
BRT: US 1/Richmond Highway  
BRT: Duke Street Transitway  
BRT: Landmark Transit Center  
BRT: Alexandria West End Transitway  
DASH service expansion (Alexandria Transit Vision 2030)



National Capital Region Transportation Plan



# Aspirational Needs and Concepts

## Improvements to the Existing Network

- Implement Better Bus Visionary Network
- Maximize Metrorail frequency and capacity of existing system
- VRE and MARC capacity expansion and bi-directional, all-day, run-thru service MD, DC, and VA
- Regional network of dedicated bus lanes
- Rail automation
- Improved and expanded multimodal hubs (Union Station, Farragut Super-Station)
- Integrated fare payment
- Extensive network of bike paths and bike lanes

## Concepts for Expansion

- Bus Rapid Transit (BRT) and all-day express bus network
- High-capacity transit extensions to National Harbor, Gainesville, Hybla Valley/Fort Belvoir
- Southern Maryland County Rapid Transit to Waldorf
- Metrorail east-west capacity and reliability project
- DC streetcar extensions
- High-frequency transit between Tysons and Bethesda
- Expanded and improved ferry services

Your Metro,  
The Way Forward  
Strategic Transformation Plan

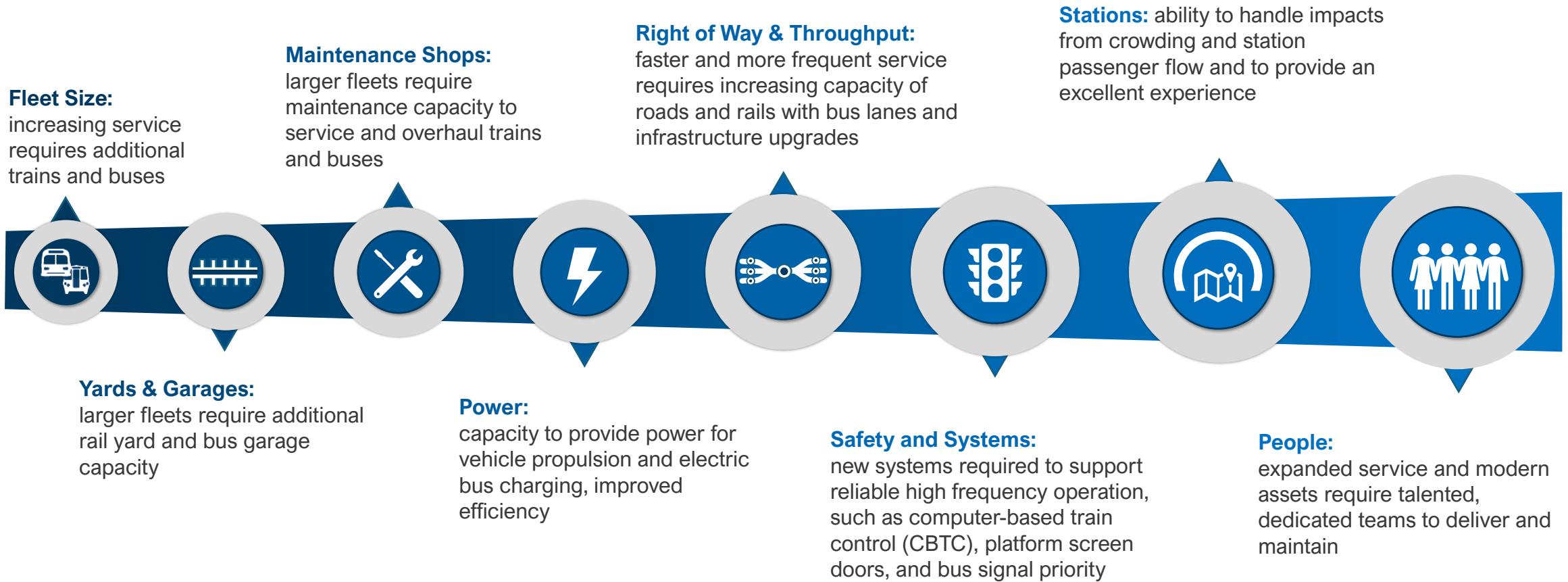


CONNECTING OUR  
COMMUNITIES  
MCDOT'S VISION FOR TRANSPORTATION IN  
MONTGOMERY COUNTY, MD



Additional needs and concepts may be identified by  
DMVMoves Advisory Groups

# New Transit Lines and Services Also Require Support Facilities and Operations/Maintenance Funding



# Existing Funding Structures Cannot Sustain Current Services, Let Alone Meet Future Needs

The DMV has at least \$100 billion in unfunded transit capital needs through 2050



It also has the resources to fund them

- **\$65 billion:** Capital funding commitments and current capacity to 2050
- **~\$35 billion:** Estimate of Metro's unfunded state of good repair and modernization needs to 2050
- **~\$60-~\$120 billion\*:** Estimated range of the region's other unfunded projects through 2050 (planned rail and BRT extensions, commuter rail improvements, capacity needs)

**\$34 trillion\*\*\***

Estimated Regional Economic Value  
(Gross Domestic Product) 2025-2050

An additional \$1 billion per year invested in transit is  
0.12% of the region's estimated economic value

\* Initial estimate will be workshopped and confirmed with Advisory Groups June-July 2024

\*\* Only captures road and highway spending in Visualize2045. Likely does not reflect all state and local funding on roads

\*\*\*CY2024 Gross Regional Product in current-year dollars. 2024 estimated based on applying average growth rate 2002-2022 to 2021 actual. Source: Bureau of Economic Analysis, County and MSA gross domestic product (GDP) summary



## *6. DMV Transit Funding*

# All Public Services Require Public Investment

- Local, state, and the federal government invest in many public goods
- Those investments provide a wide range of benefits to residents, businesses, and visitors - social, economic, educational, and environmental
- Transit is a vital public service and powerful economic development tool, and must be treated similarly



National defense



Healthcare



Agriculture



Roads



Air Travel



Energy



Schools



Fire



Police

# Typical Transit Budgets

Transit agencies generally have two types of budgets: an operating budget and a capital budget

## Operating Budget

Funds the day-to-day expenses of providing transit service, keeping trains and buses moving, making repairs, providing security, and helping customers



## Capital Budget

Funds ongoing state of good repair, modernization and replacement of assets and systems, and projects that expand system capacity and access



With limited exceptions, transit agencies **cannot spend capital funds on operating costs.**

With exceptions (like during emergencies), the **Federal government does not fund operations.**

Many of the sources our region uses are not indexed to inflation, so **they lose value over time.**

Federal competitive grants require local match funds. For larger projects, this funding is often not available.

# Transit Operating Budgets

The Operating Budget covers the day-to-day costs of running bus, rail, and paratransit service.

Those costs cover both the services used by customers **and** a wide range of support and administrative activities. For all transit agencies, the largest operating costs are wages and benefits.

## Transit Service



## Transit Support

### Operations & Maintenance

Bus Garages | Railyards | Track | Structures | Stations | Signals | Escalators/Elevators | Fare Collection | Maintenance Equipment and Vehicles

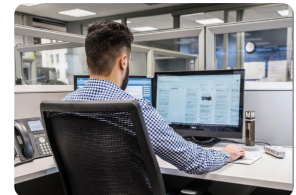


### Police & Security



### Administrative Support

Management | IT | Communications  
Human Resources | Planning | Finance  
| Safety, Oversight, and Compliance



# How Transit Operating Needs Are Funded

Operating budgets for transit agencies are sustained by a diverse range of funding sources, crucial for providing service and covering operational expenses.



## Passenger Fare Revenues

- Transit agencies collect revenue from passenger fares
- Dependent on ridership and the current fare/rate structure for each mode



## Non-Fare Revenues

Transit agencies can generate revenue from:

- Parking
- Advertising
- Joint development
- Fiber optic
- Reimbursable projects
- Miscellaneous items (e.g., machine companies, surplus asset disposal)



## State and Local Funding

- Financial support provided by governments at the state and local levels
- This support comes in various forms, such as direct grants, tax revenues, or dedicated funding streams.

### Examples of Existing Tax Revenues

Gasoline tax, sales tax, parking tax, payroll tax, property tax, ad valorem tax

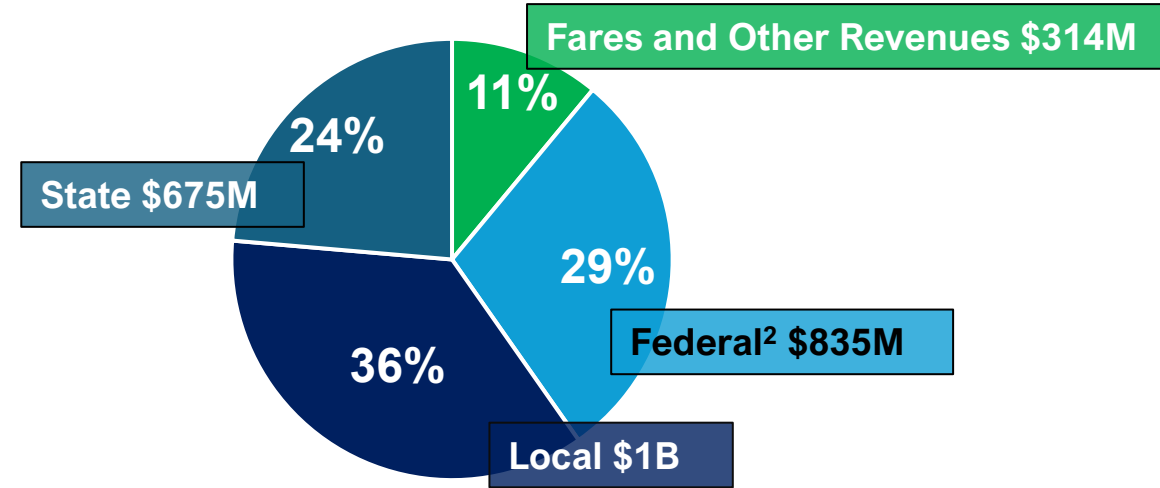
Federal support for operations is generally only available to agencies serving areas with fewer than 200,000 residents and for emergencies like the pandemic.

# DMV Transit Operating Budgets and Sources

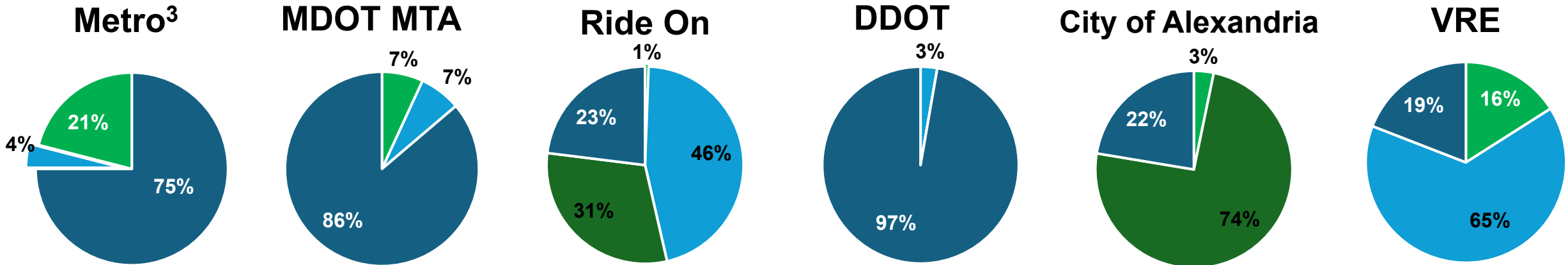
Historic Regional Operating Funding Sources<sup>4</sup> (2022)

\$

- Total<sup>1</sup> FY25 regional spend: ~\$3.4B
- Metro = ~70% (\$2.5B)



## Example Regional Operating Budgets (2022)



<sup>1</sup> Estimated. To be confirmed with Advisory Groups.

<sup>2</sup> Federal funding is permitted to support operating budgets in special exemptions, such as COVID.

<sup>3</sup> Metro's example reflects FY2025 operating budget sources. <sup>4</sup> Does not include MDOT MTA

Sources: Published budget books and National Transit Database.

# Transit Capital Programs and Budgets

Capital programs include projects and rehabilitation programs to enhance the safety of transit systems for customers and employees; improve the customer experience; and expand, modernize, and maintain infrastructure in a state of good repair.

## Investing in New, Modern Vehicles



## Maintenance Facilities



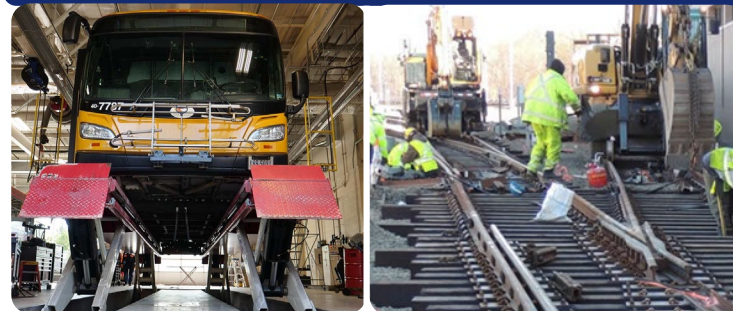
## Modernization



## Improving Stations and Bus Shelters



## State of Good Repair



## Expansion



# How Transit Capital Needs Are Funded

Capital budgets are funded through a variety of sources to support the necessary investments and improvements in transit infrastructure.



## Federal Funding

- Annual federal funding through Bus and Bus Facilities (5339), Urbanized Area (5307), State of Good Repair (5337) programs
- DOT Passenger Rail Investment and Improvement Act (PRIIA) provides a fixed amount of capital funding each year (WMATA)



## State and Local Funding

- Financial support provided by governments at the state and local levels
- These subsidies can come in various forms, such as direct grants, tax revenues, or dedicated funding streams



## Competitive and Project Specific Sources

- Competitive programs include DOT RAISE and FTA Low- or No- Emission Vehicle
- FTA Capital Investment Grants (New Starts, Small Starts, and Core Capacity)
- Third-party sponsored projects



## Debt Financing

- Transit agencies can utilize debt financing by issuing bonds or securing loans to raise capital for large-scale infrastructure projects
- Requires a funding stream to support debt repayment

Federal funding, an important capital funding source, requires a non-federal match and compliance with applicable regulations.



# DMV Transit Capital Budgets and Sources

## FY2025 Capital

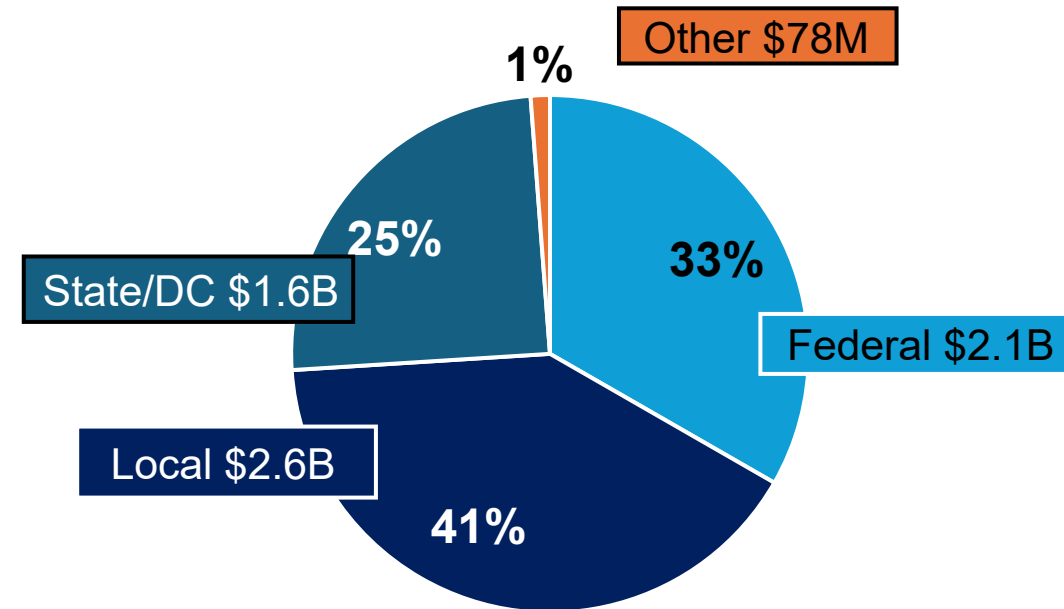
Total Regional Spend<sup>1</sup>: ~\$2.8B

Metro = ~90% (\$2.5B)

### Transit agencies capital budgets can vary year to year.

- A transit agency's capital budget and spending can vary widely year to year, with some years showing no spending at all.
- Large agencies have consistent, high annual spending on maintenance, repairs, replacements, and modernization due to extensive vehicle fleets and assets.
- Smaller and mid-size agencies have variable capital budgets and funding sources due to fluctuating replacement and expansion needs.
- As a result, annual comparisons each agency may not accurately reflect their capital budget patterns.

### Historic Regional Capital Funding Sources<sup>1</sup> (2018-2022 Aggregate)





<sup>1</sup>Does not include MDOT MTA. Estimated; to be confirmed with Advisory Groups

Sources: Published budget books and National Transit Database












# Transit Investments Require Ongoing Repair and Replacement

## Lifecycle of a House

### Examples of Ongoing Repairs & Reinvestment

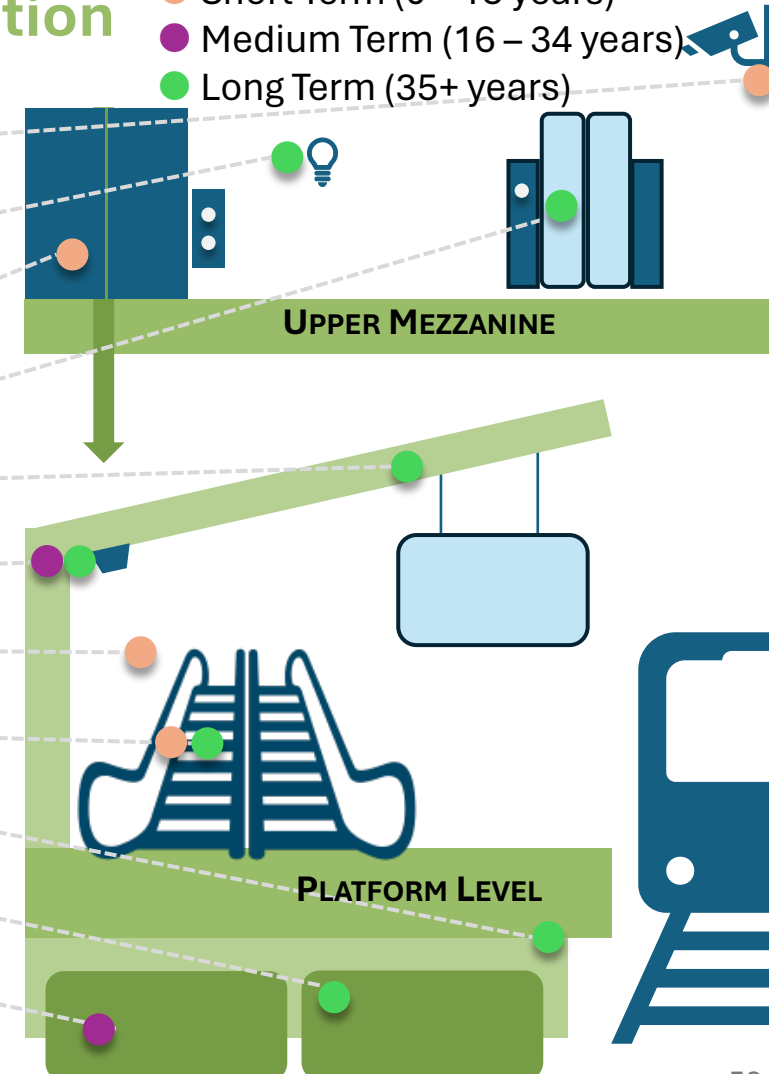
-  Replace Roof ●
-  Paint Exterior ●
-  Upgrade Interiors ●
-  Replace Windows ●
-  Replace HVAC ●
-  Replace Water Heater ●

## Lifecycle of a Rail Station

- CCTV System ● 
- Power Distribution ● 
- Elevators ● 
- Fare System ● 
- Canopy/Structure ● 
- Intercom, Public Address & Fire Systems ● 
- Interior Finishes ● 
- Escalators ● 
- Station Platforms ● 
- Train Control Room ● 
- Sewage Ejectors ● 

### Anticipated Replacement Lifecycle

- Short Term (0 – 15 years)
- Medium Term (16 – 34 years)
- Long Term (35+ years)



# DMV Transit Budgets and Sources

## FY2025 Operating

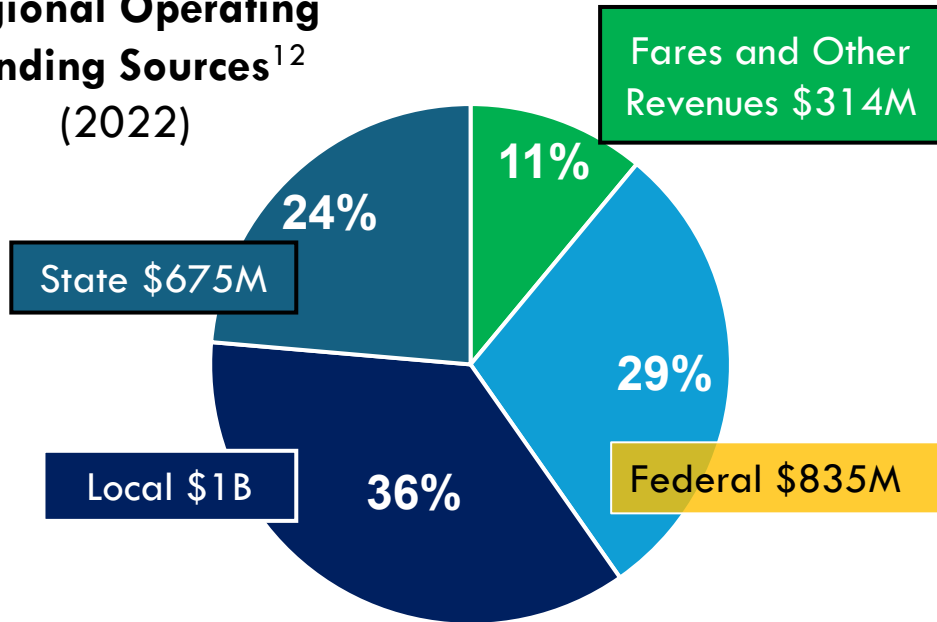
Total Regional<sup>2</sup>: ~\$3.4B  
 Metro = ~70% (\$2.5B)

## FY2025 Capital

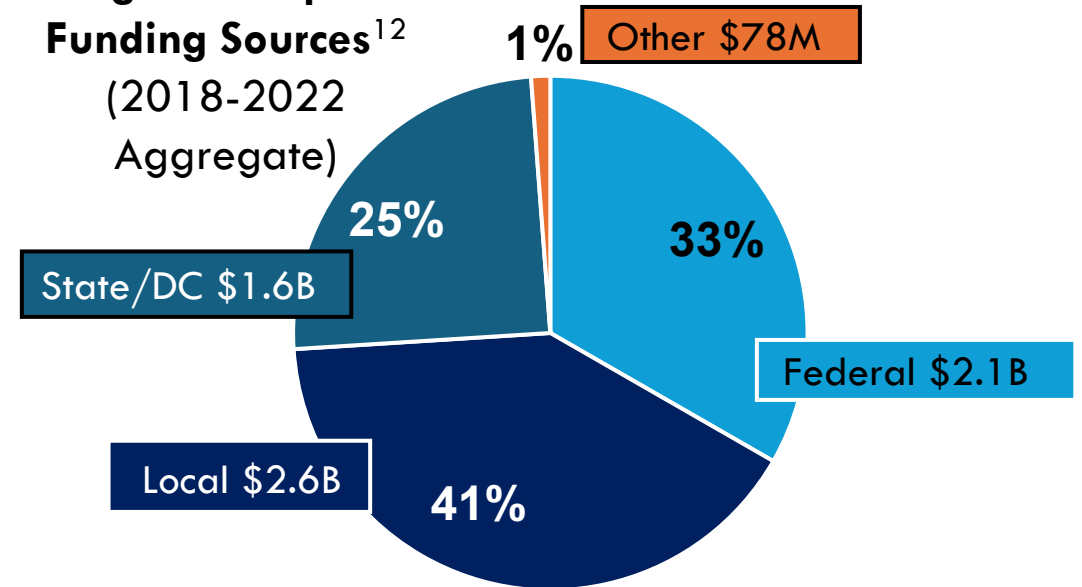
Total Regional<sup>1,2</sup>: ~\$2.8B  
 Metro = ~90% (\$2.5B)

## Historic Funding Sources

**Regional Operating Funding Sources<sup>1,2</sup>**  
 (2022)



**Regional Capital Funding Sources<sup>1,2</sup>**  
 (2018-2022 Aggregate)




<sup>1</sup>Does not include MDOT MTA.

<sup>2</sup>Estimated. To be confirmed with Advisory Groups.

Sources: Published budget books and National Transit Database.

## *7. Metro Budget Realities*

# Region Came Together to Resolve FY2025 Metro Funding

- Coordinated effort across states/DC and federal government
- Re-baselined subsidy level by suspending 3% cap for two years and increasing state and local contributions (additional \$463M above 3% increase)
- Used remaining federal COVID relief (\$95M)
- Used preventive maintenance funds from capital program (\$181M)
- Identified management efficiencies (\$50M)
- Budget includes no wage increases for ATU689, Local 922, and non-rep employees (\$38M)
- Targeted service cuts and increased fares (12.5% on most fares)

} Diminishing returns

*FY2026 and beyond will present similar challenges for the region...they are structural*

# Metro's Operating Budget: Structural Challenges

## Challenges

- Lack of dedicated funding means uncertainty of funding beyond approved budget
- No reserve or 'rainy day' fund
- Funding sources and 3% cap not indexed
- Majority of costs are fixed, and
  - Do not vary with service operated
  - Are subject to binding labor agreements with inflation adjustments
- Different fiscal year starts across funding partners
- Subsidy allocation formulas are confusing and obsolete

## Impacts

- Recurring proposal of drastic service cuts and fare increases
- Funding partners lack predictability in planning for annual funding amounts
- Increased perception that transit cannot be relied on by businesses and residents
- Limited resources and flexibility for multi-year service improvements
- Use of grant funding for preventive maintenance reduces capacity of capital program



# Metro's Capital Program: Structural Challenges

## Challenges

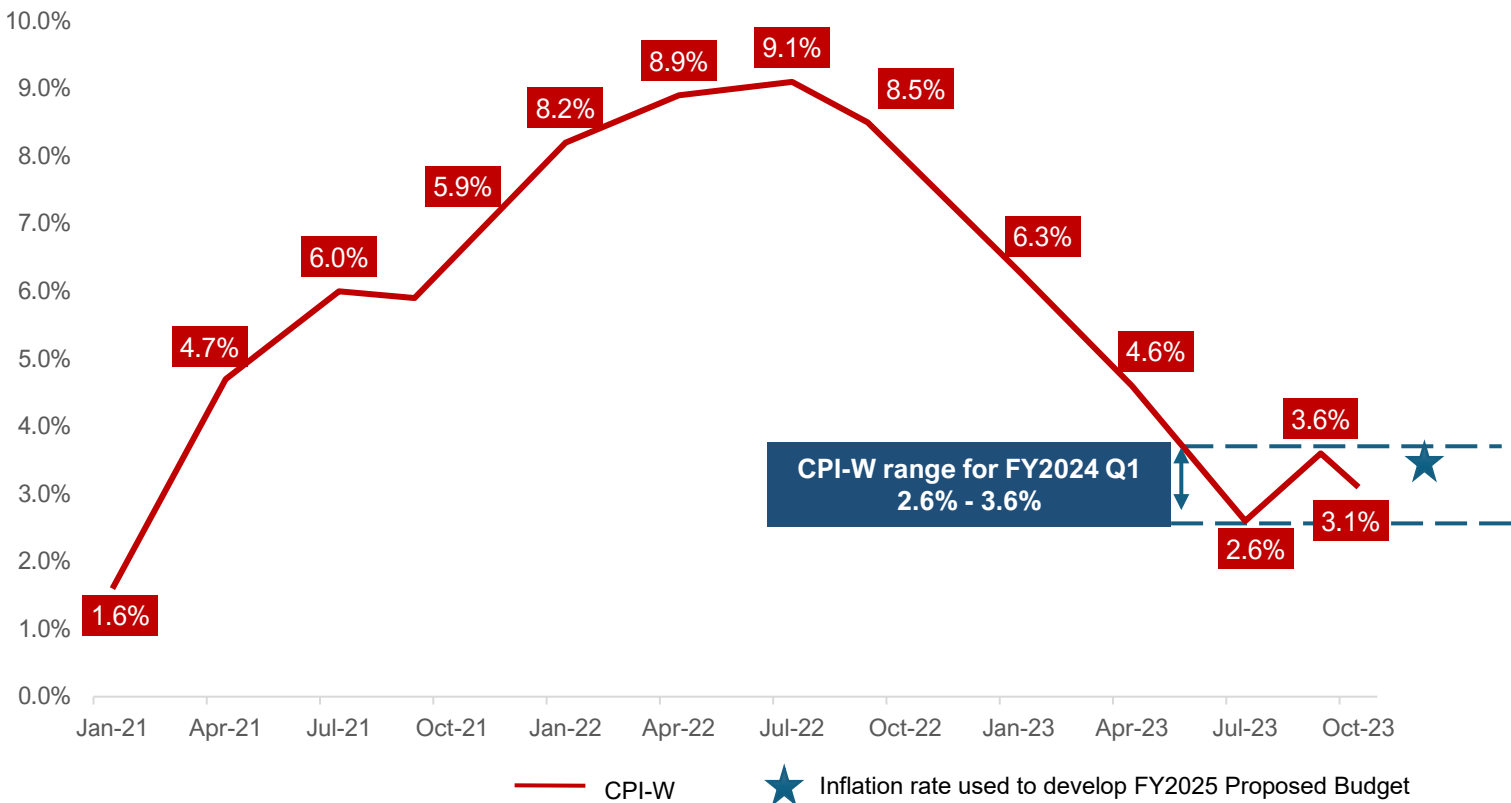
- Funding sources not indexed (e.g. PRIIA, 2018 dedicated funding)
  - Purchasing power has declined
- Funding subject to annual approvals and appropriations
- Limited capacity to issue debt
- Use of grant funding for preventive maintenance reduces capacity of capital program
- Expansion policy requires full funding by sponsoring jurisdictions – not a regional approach

## Impacts

- Declining capacity for capital projects
  - Work limited to state of good repair programs (SGR), safety critical projects, and some modernization
  - State of good repair backlog needs increase
  - No funding capacity for system enhancements or expansion
- Declining reliability, customer experience, and increased safety risk in the long term
- Trade-offs between SGR needs and potential project delays
- Constrained ability to plan and deliver large projects that cross borders or have irregular funding timelines



# Additional Impacts on Costs: Inflation



## Past Events and Potential Variables

### 2021

- 📉 COVID-19 Pandemic Shutdown
- 🏢 Supply Chain impacts

### 2022

- Delta Variant
- 🏢 Supply Chain Impacts
- CPI-W High at 9.1%

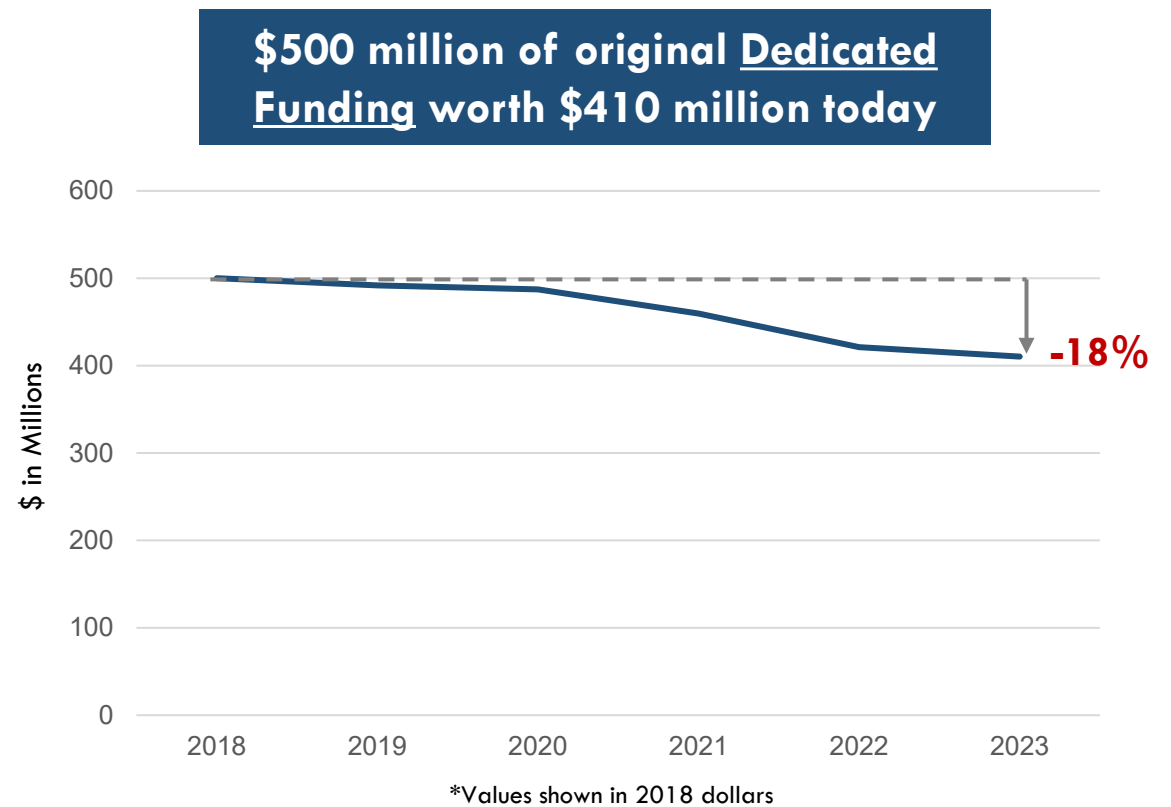
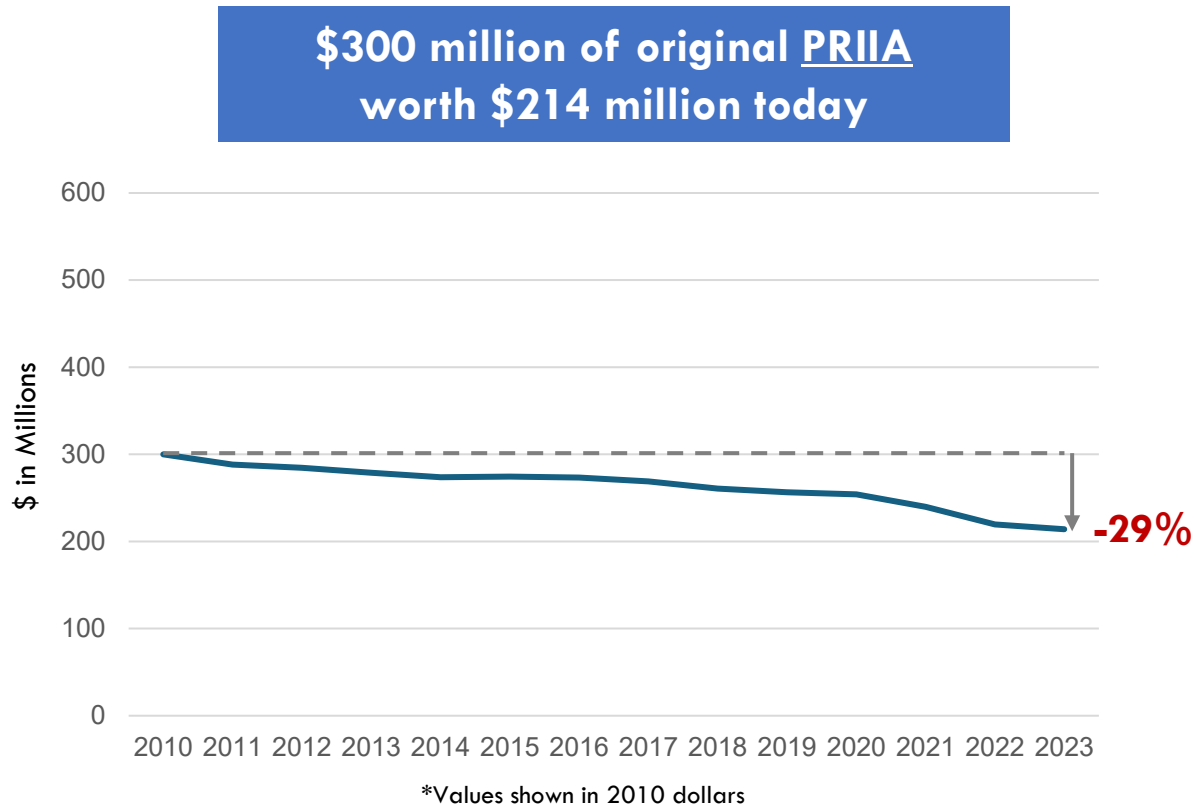
### 2023/2024

- Potential Federal Government Shutdown
- Global Instability
- Job report strength



# Buying Power of Metro's Funding Has Eroded Over Time

- Historically high inflation hit all markets and industries during the pandemic, still cooling off
- Many of Metro's funding sources are not indexed to inflation; their buying power has fallen dramatically



# Dedicated Funding and the 3% Cap

- In 2017, as part of WMATA's previous strategic plan, management recommended and the WMATA Board approved, **an annual jurisdictional operating contribution growth at 3%** with limited exceptions
- In 2018, Maryland, Virginia, and the District of Columbia approved their share of \$500 million in **historic dedicated capital funding to support WMATA's State of Good Repair backlog.**
  - Maryland and Virginia conditioned the dedicated capital funding to a 3% cap on annual operating budget subsidy increases with limited exceptions.
  - The District of Columbia legislation does not include the 3% cap
- In 2024, Virginia and Maryland **temporarily lifted the 3% cap in order to provide additional investments to Metro to help close the operating budget gap**
  - D.C., Maryland and Virginia, committed additional funding totaling \$463 million above the three percent cap to support the FY2025 budget. As such, the base subsidy totals \$1.75 billion in the FY2025 Approved Budget, excluding debt service.

# Budget Flexibility: Fixed and Variable Costs

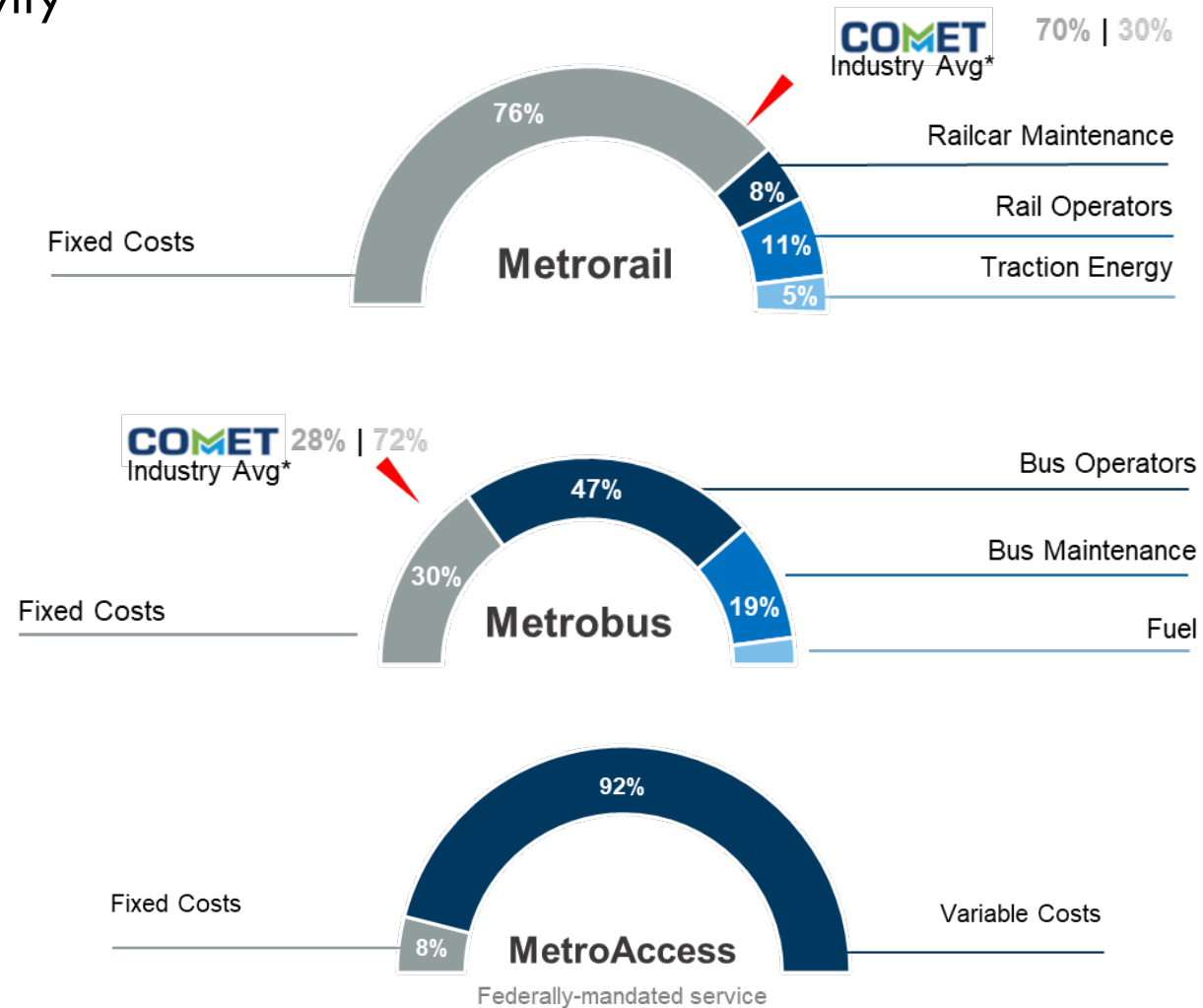
Structural factors affect transit operating costs and productivity

## Variable Costs can and do vary with service levels

Includes the staffing and resource costs of providing service, including the number of rail and bus operators and hours worked, fuel or power for vehicles, and maintenance for daily upkeep

## Fixed Costs do not vary with changes in service levels or fares, but can change for other reasons

Includes ongoing and consistent repair and replacement of assets that make up the region's investment in the transit network, such as vehicles, stations, garages, and rail tracks  
 Also includes support and customer services transit agencies provide regardless of service levels, such as police/safety services and information technology (IT)



Metro's fixed costs are comparable to peers

# Example of Fixed vs. Variable Costs in Operating Budget

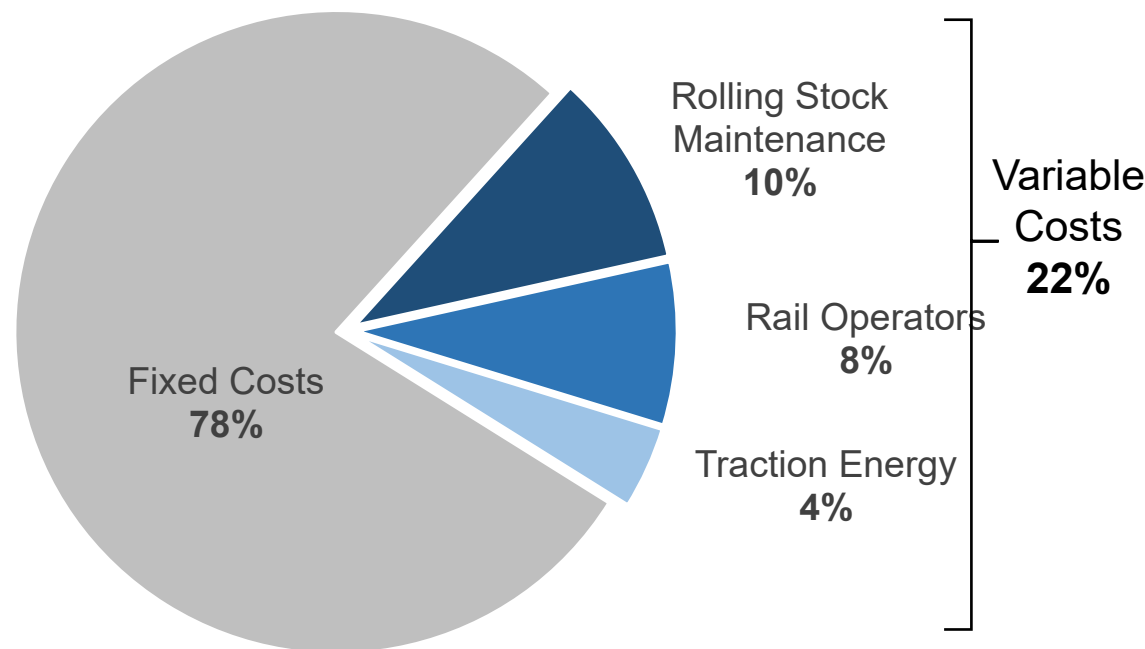
- Metrorail costs are primarily operating and maintaining system assets
- As a result, modifying service levels has relatively small budget impact
- Due to the high ratio of fixed costs, only a very large service reductions would achieve substantial cost savings. That scale of service reduction may be impossible to recover from.

## Example from FY2024 Budget Planning

- An 11% increase in rail service would have grown the budget by 1.4%
- Conversely, service cuts would contribute relatively small direct savings

### FY2023 Metrorail Costs

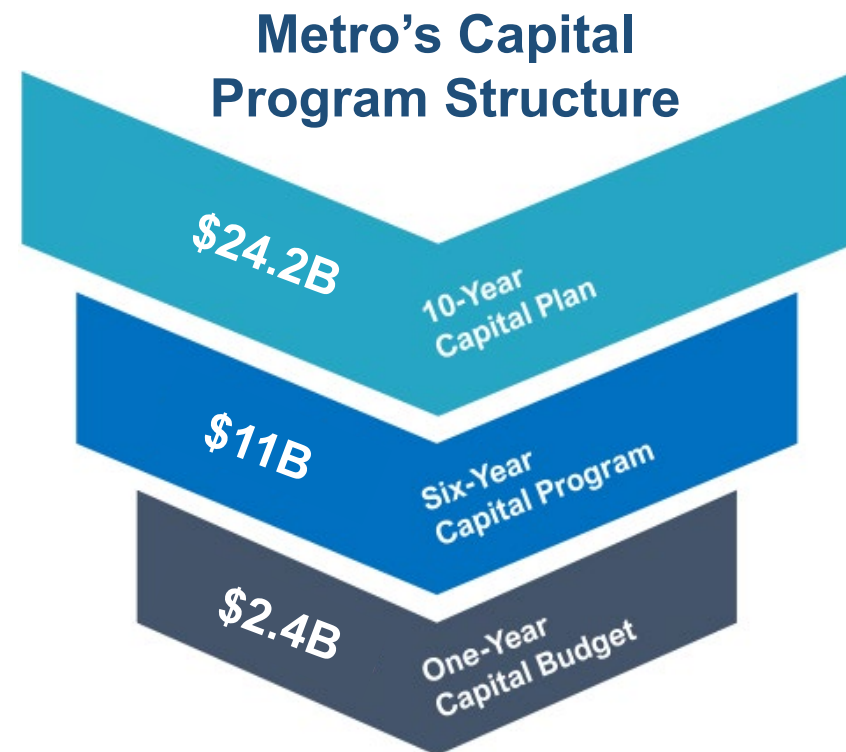
Share of \$1.3B Rail Operating Budget



## Metro's Capital Program

Metro advances capital projects and annual capital maintenance programs to restore, sustain, and modernize the system. The program also includes annual preventive maintenance transfers from the operating budget.

- Invest in the system to modernize and provide safe, efficient, and reliable service for customers, employees and the region
- Address the backlog of overdue state of good repair needs
- Sustain safety and reliability through recurring maintenance, rehabilitation, and replacement programs
- Maintain financial stewardship and ensure audit compliance
- Reduce capital administrative expenses (by \$25 million annually)
- Support a sustainable and more equitable future for the region



### 10-Year Capital Plan

Identifies viable initiatives to address needs identified for next ~10 years; financially unconstrained

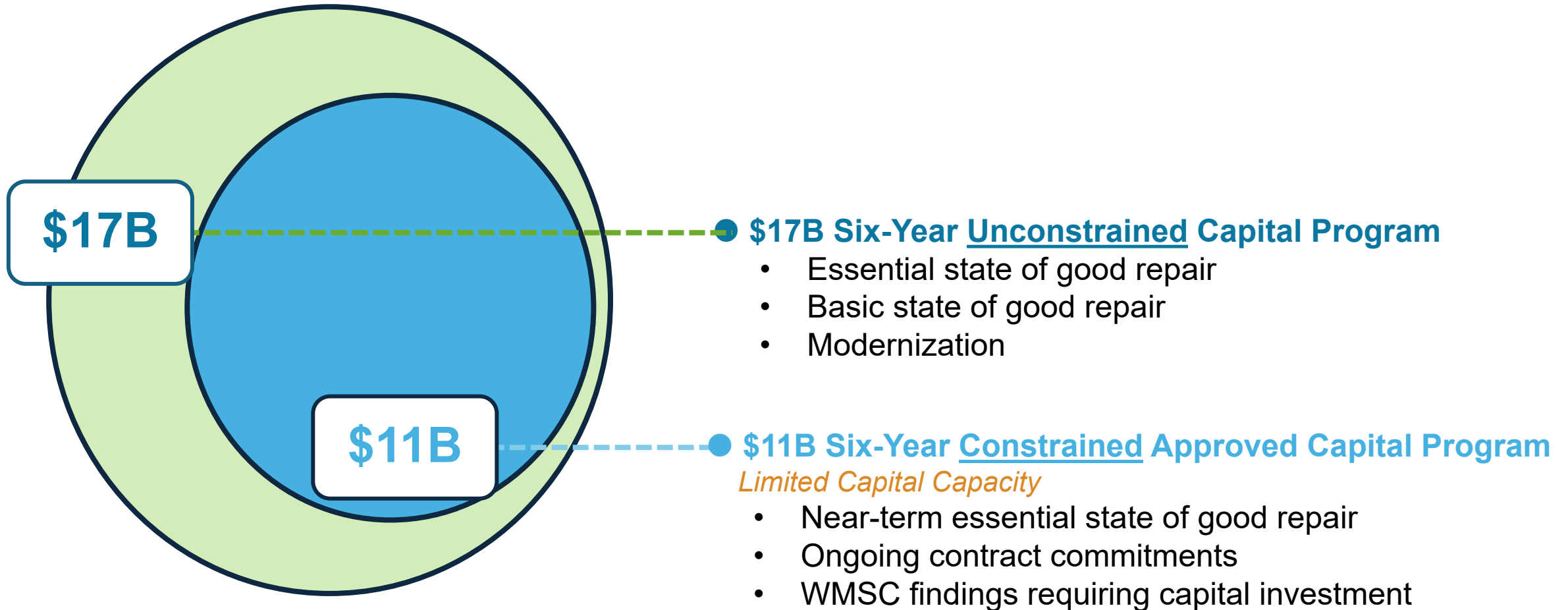
### Six-Year Capital Improvement Program

Capital investments anticipated for, or continuing in, six-year capital program

### One-Year Capital Budget

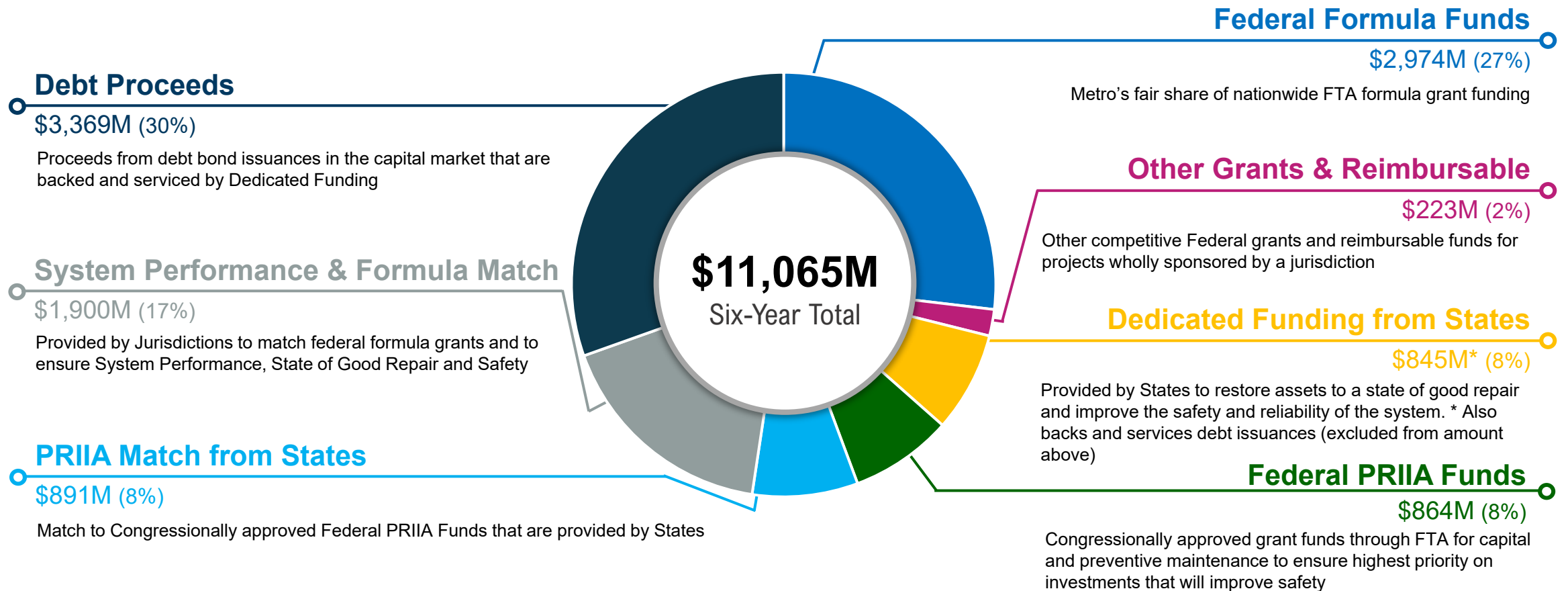
Expenditure forecast for capital projects and programs in current budget year

# Shrinking Resources Means Deferring State of Good Repair, Modernization, and Reliability Needs



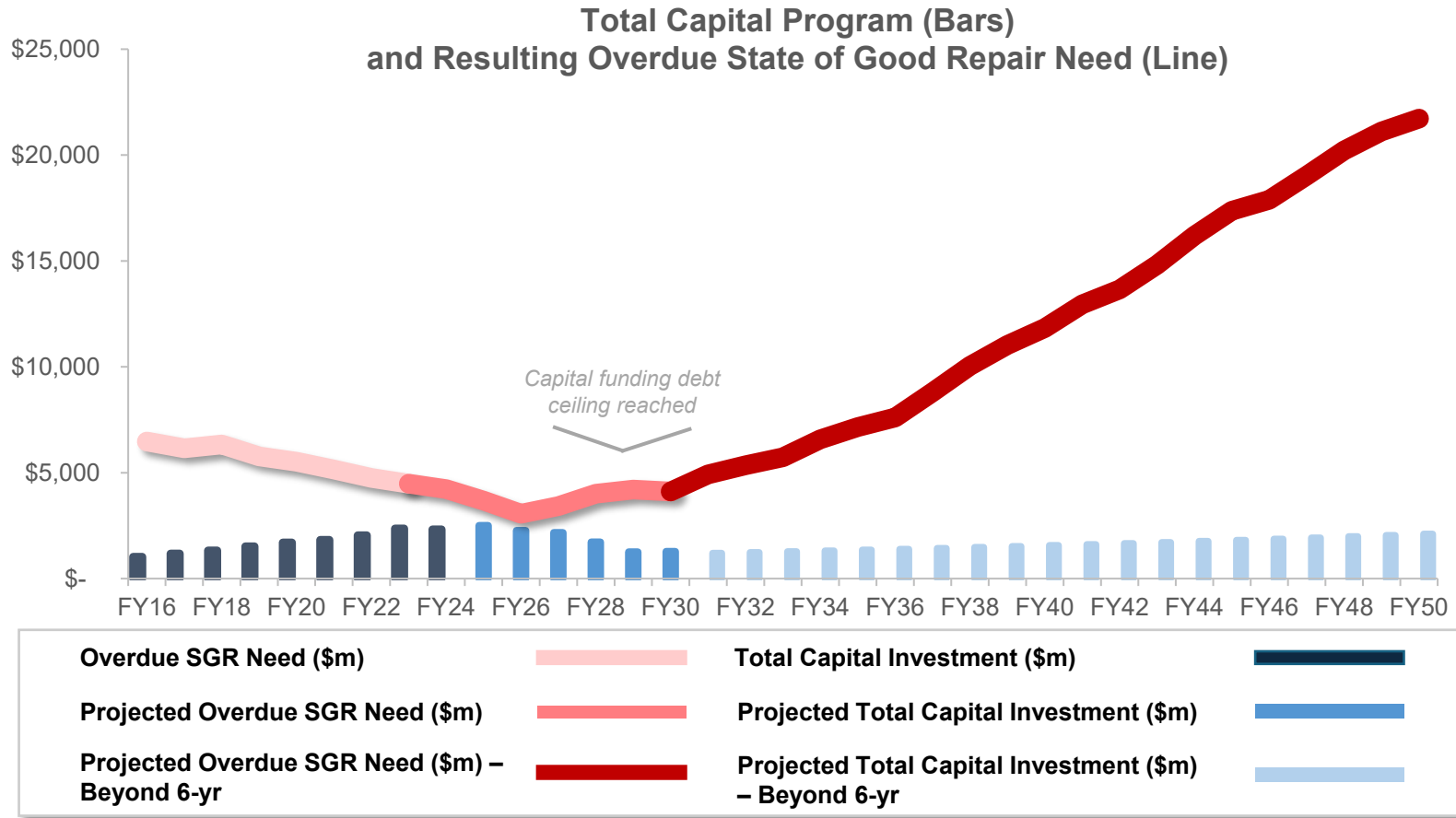
# Metro’s Estimated \$11 Billion Capital Funding Investment for FY2025 – FY2030

*Declining capacity for capital projects, state of good repair programs, and preventive maintenance transfers*



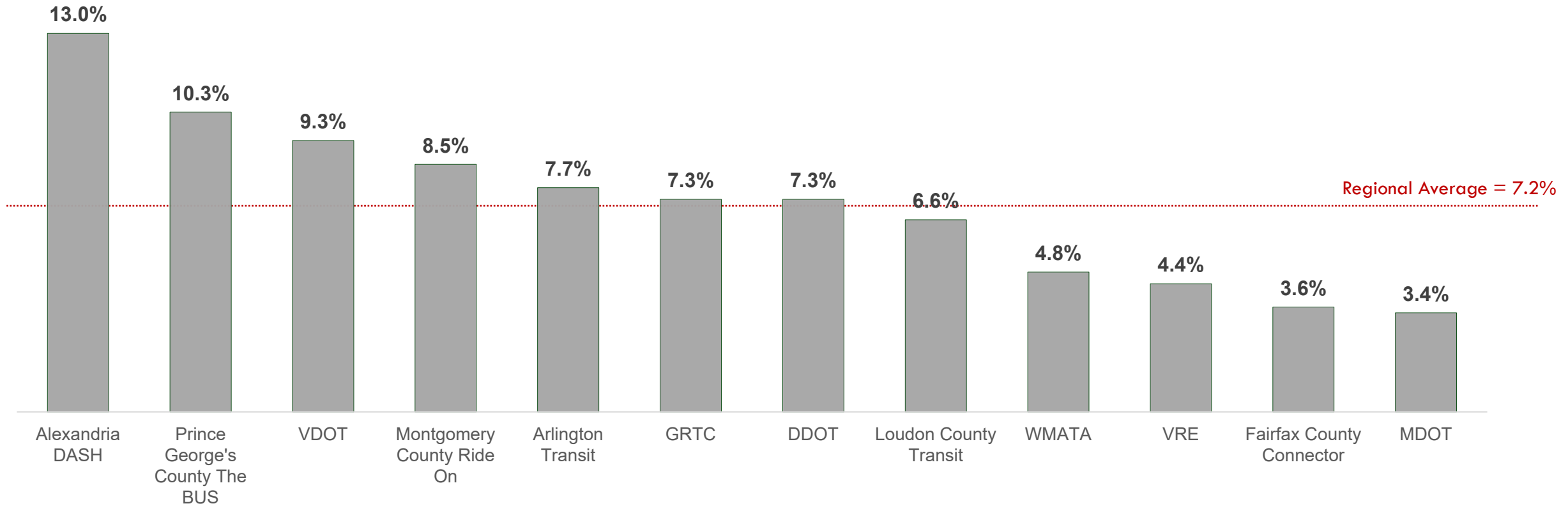
# Deficit Threatens Progress Made on State of Good Repair

- As backlog of state of good repair grows, performance and reliability decreases and risk increases
- Metro needs to maintain essential state of good repair programs to avoid asset failure as experienced prior to SafeTrack and Platform Improvement projects
- Declining reliability, worsening customer experience and increased safety risk





# The Region's Transportation Operating Costs Are Up Across the Board (Average Annual Growth 2019-2024)



Includes transit service expansions such as Silver Line Phase 2

Source: Published budget books

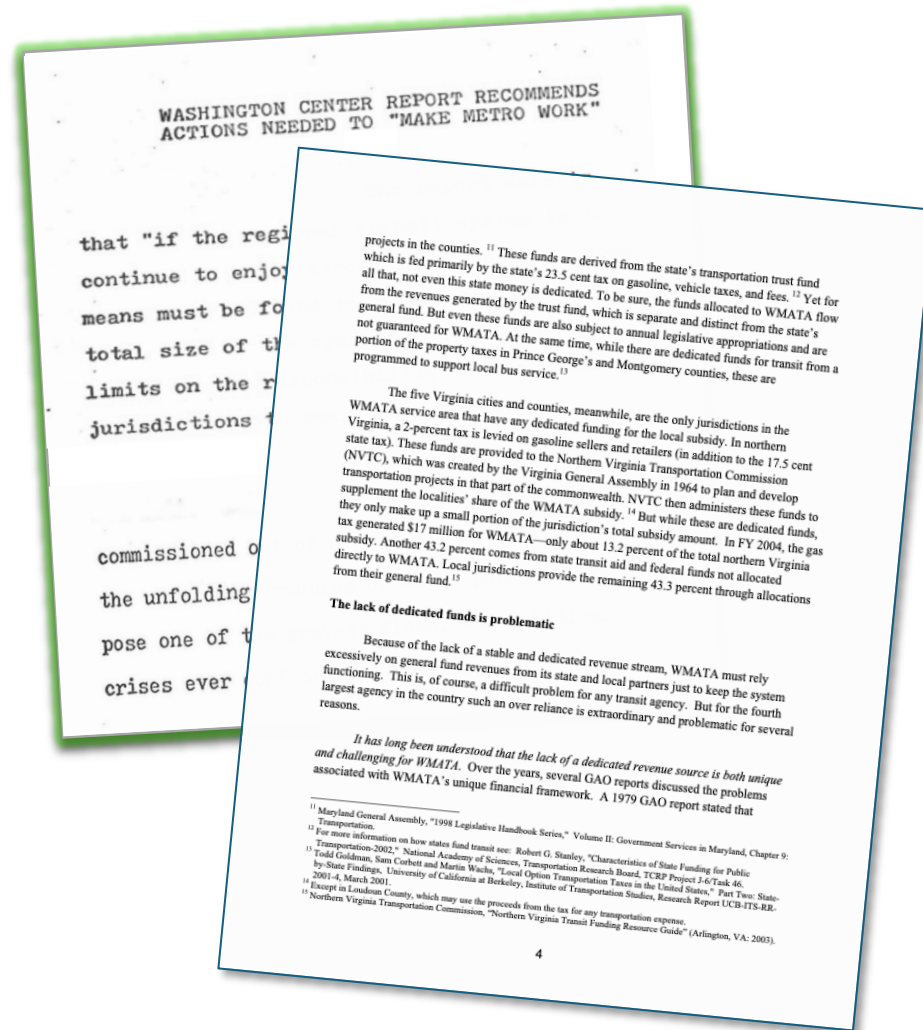
# Insufficient Funding is a Legacy, Structural Problem

"...the unfolding troubles of Metro potentially pose one of the gravest fiscal and political crises ever confronted by Washington."

- *Make Metro Work*, 1976

"It has long been understood that the lack of a dedicated revenue source is both unique and challenging for WMATA."

- *Keeping Metro on Track*,  
The Brookings Institution, 2005



## ***8. Metro's Regulatory Context***

# The WMATA Compact

- WMATA is not a federal agency. WMATA is an instrumentality and agency of each of the Signatories
  - *District of Columbia, Commonwealth of Virginia, and State of Maryland*
- **Purpose of WMATA is**
  - *to plan, develop, finance and cause to be operated improved transit facilities, in coordination with transportation and general development planning for the Zone, as part of a balanced regional system of transportation, utilizing to their best advantage the various modes of transportation,*
  - *to coordinate the operation of the public and privately owned or controlled transit facilities, to the fullest extent practicable, into a unified regional transit system without unnecessary duplicating service, and*
- **General Powers include**
  - *May own, lease, and operate buses, trains, other transportation modes, buildings, facilities, or real property as may be necessary or useful in providing transit services in the Transit Zone,*
  - *May enter into and perform contracts,*
  - *Controls and regulates the use of facilities owned or controlled by the Authority,*
  - *May borrow money, and*
  - *Is tax exempt*

# The WMATA Compact

- **Board of Directors establish policy, fares, rates, and service**

- *Two principal and two alternate directors appointed by*

<i>District of Columbia</i>	-	<i>Council of the District of Columbia</i>
<i>Maryland</i>	-	<i>Washington Suburban Transit Commission</i>
<i>Virginia</i>	-	<i>Northern Virginia Transportation Commission</i>
<i>Federal Government</i>	-	<i>U.S. Secretary of Transportation</i>

- **Compact Requirements include**

- *Annual balanced budget*
- *Independent Inspector General*
- *Conditions of contracting and employment*