



Moving our region forward, together.

Task Force Meeting #3 Read-Ahead

December 2, 2024



Table of Contents

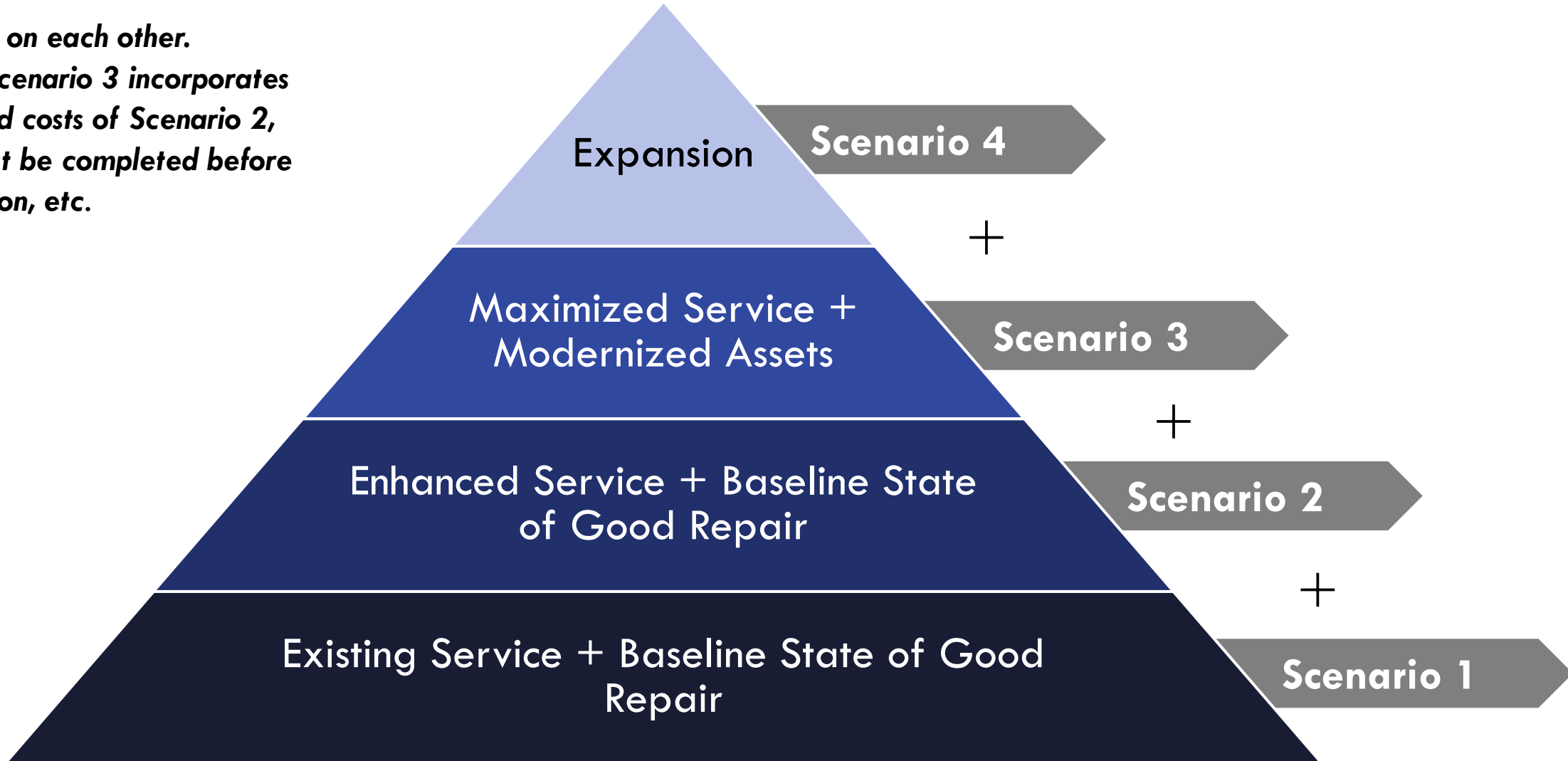
1. Four Funding Scenarios
2. Potential Funding Mechanisms
3. Next Steps
4. Appendix

1. Four Funding Scenarios

Potential Transit System and Funding Scenarios

Four scenarios to support near-term needs and long-term opportunities:

*Scenarios build on each other.
For example, Scenario 3 incorporates the changes and costs of Scenario 2, Scenario 3 must be completed before system expansion, etc.*



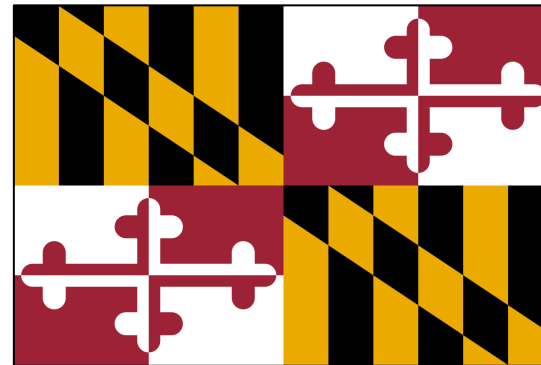
1a. Scenarios 1 & 2

Leadership in D.C., Maryland, and Virginia Collaborated to Meet Metro's FY2025 Operating Needs

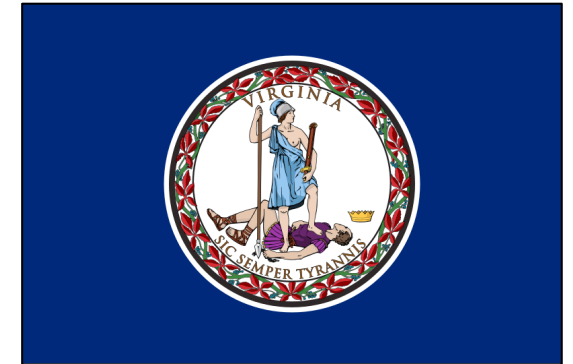
Thanks to Executive and Legislative efforts Metro closed a \$750 million operating gap



- District of Columbia provided funding to cover FY25
- Has not identified funding to cover the gap going forward



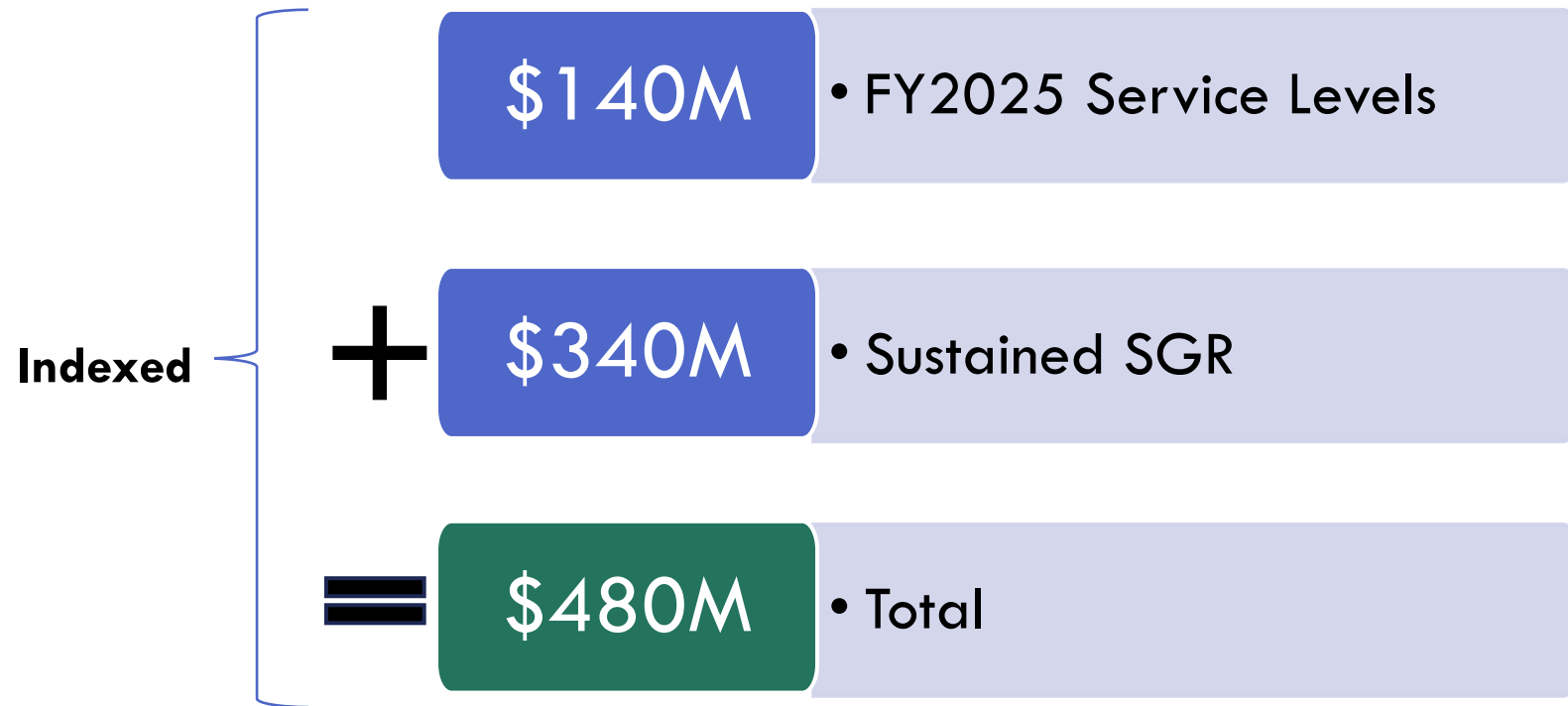
- Maryland committed increased funding and removed 3% cap for three years (FY25-FY27)



- Virginia provided two years of additional funding for FY25-26
 - split 50/50 with localities
- Suspended the 3% cap through FY26
- Has not identified funding to cover FY27 and beyond

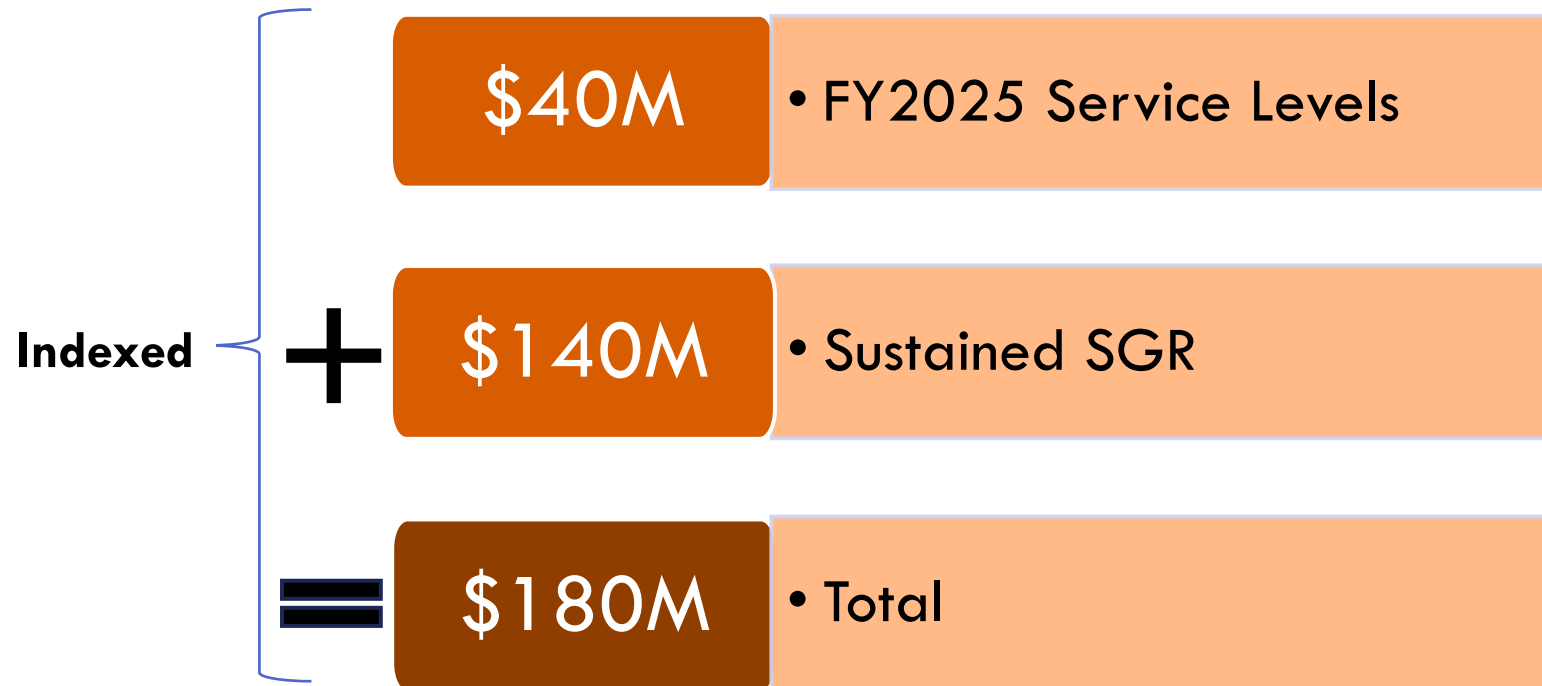
Scenario 1 Summary: Sustains Existing WMATA Service and State of Good Repair

FY2028 WMATA Funding Needed: \$480M, indexed to grow



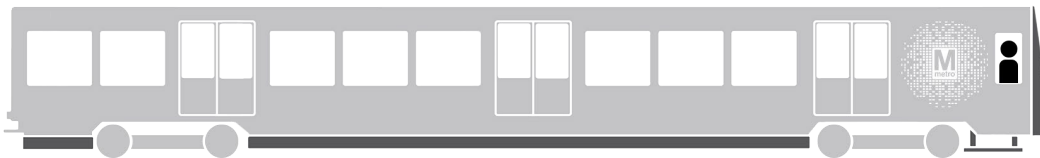
Scenario 1 Summary: State/Local State of Good Repair and Operations Needs

FY2028 Funding Needed: \$180M for state/local providers, indexed to grow



Scenario 1: What's Needed to Keep Metro Running

Metro's structural operating deficit remains



\$140M for operations and indexing would keep system running

\$140M

New operating funding in FY2028



Metro could stop using federal capital funds (PM transfer) to cover operating deficit

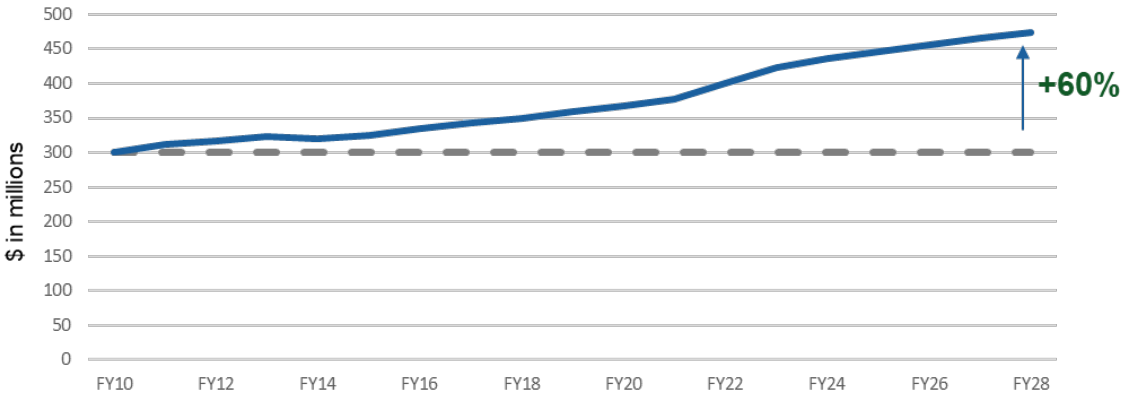


✓ Metro would commit to maintaining current service levels with Scenario 1 investment

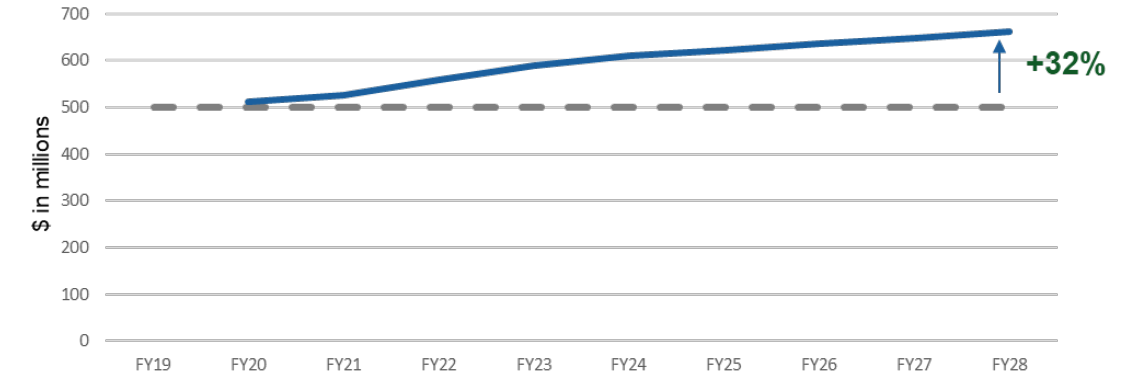
Scenario 1: What's Needed to Keep Metro in Good Repair

Capital funding value has eroded – was not indexed to inflation

\$300 million of original PRIIA would be worth \$480M in FY2028 if indexed



\$500 million of original Dedicated Funding would be worth \$660M in FY2028 if indexed



Additional \$340M and indexed capital funding would maintain State of Good



Source: U.S. Bureau of Labor Statistics, Consumer Price Index for Urban Wage Workers and Clerical Workers

*Assumes annual appropriation of PRIIA

Scenario 1: State/Local Operating and State of Good Repair Needs

FY2028 State/Local Total: \$180M



Operating: \$40M



All providers continue existing (FY2025) service levels



Capital: \$140M



Capital investments limited to necessary repair/maintenance

WMATA Sustainable State of Good Repair Program

\$340M increase in baseline funding + indexing of all capital funding + bonding would support the upkeep, repair, rehabilitation and replacement of:



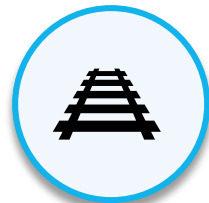
Stations and Transit Centers

- Stations and platforms
- Elevator and escalators
- Station power rooms
- Bus shelters and stops



Fleet & Facilities

- Rail cars and railyards
- Buses
- Bus garages
- Parking facilities
- Maintenance and operational facilities



Right of Way

- Train signaling system
- Track rehabilitation
- Train power systems

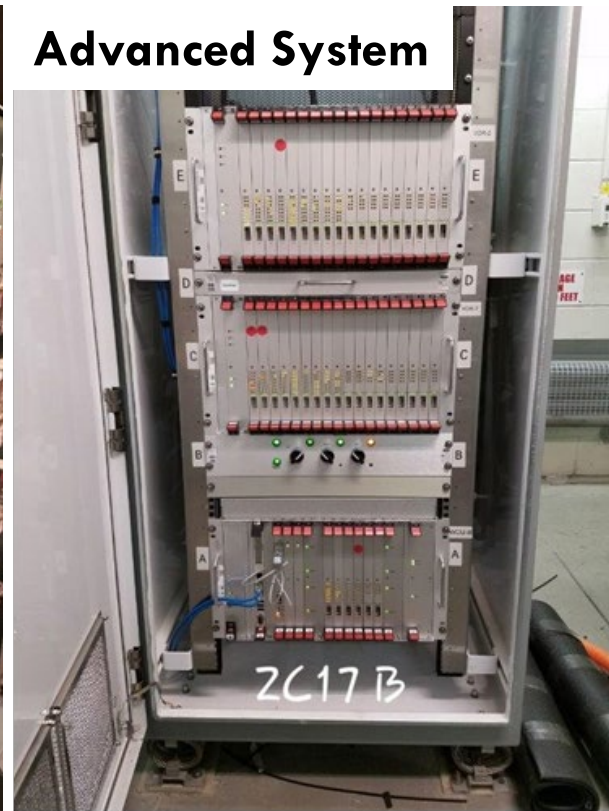


Software & Technology

- Customer information & enterprise video system
- Cyber security & software replacement

Example of Major SGR Investment: Advanced Signaling System

1970s era train signaling system must be replaced with modern system



Replacement is not optional

- Largest and highest priority state of good repair need
- Legacy system is old, inefficient and will be obsolete
- #1 cause of infrastructure-related service disruptions
- Long-term potential for reliability and safety issues
- Replacement parts increasingly hard to source
- High and growing costs to maintain

Example State of Good Repair Needs: Escalators

Access to Metro stations begins and ends with escalators and elevators

Metro has the largest inventory of escalators of any organization in the United States

Escalator State of Good Repair Progress

Metro has replaced over 250 escalators since 2016



Escalator State of Good Repair Outlook

DMVMoves Scenario 1
Results in No Escalator
Backlog
\$0M



*Absent increased funding,
progress would erode as new
escalators age*

Projected
Escalator Backlog in 2031
\$178M
Subject to change

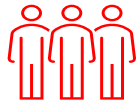


! Escalator replacement costs vary by length, ranging from \$900K to \$6M

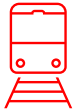
What Would Happen to Transit and Riders Without Adequate Funding



Service cuts, discontinued routes, longer wait times



Severe crowding & denied boardings



Trains and buses out of service more often



Reduced police presence, increased safety risks



Dirtier vehicles and stations



Failing infrastructure, frequent delays



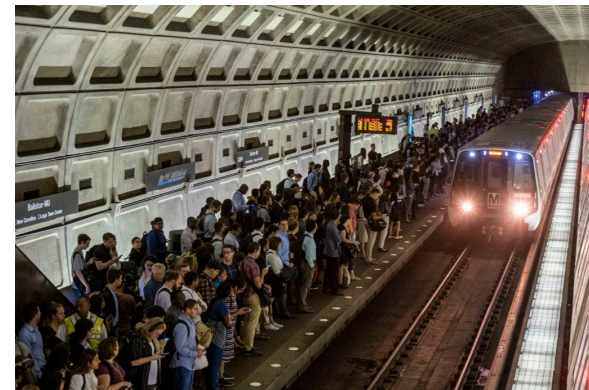
Reduced escalator/elevator availability



Power / track signal interruptions



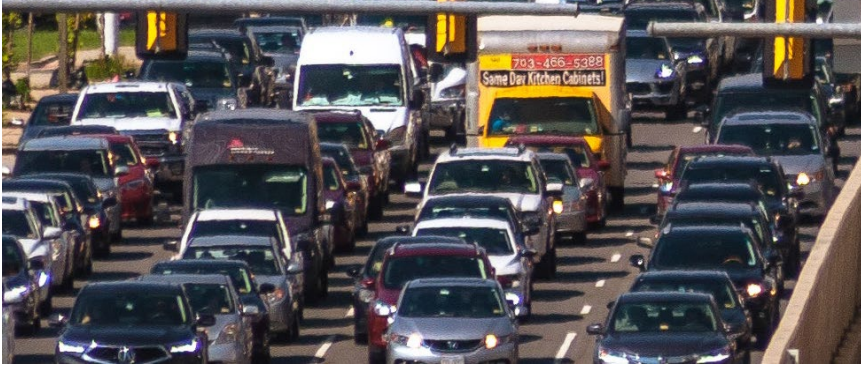
Reduced capacity for real time trip information



LN	CAR	DEST	MIN
GR	8	Greenbelt	19
GR	8	Greenbelt	39
GR	8	Greenbelt	59



What Would Happen to the Region Without Adequate Funding



Reduced access to jobs and opportunity



Reduced employer access to workforce, business access to customers



Less demand for TOD housing, office, retail



Much worse traffic



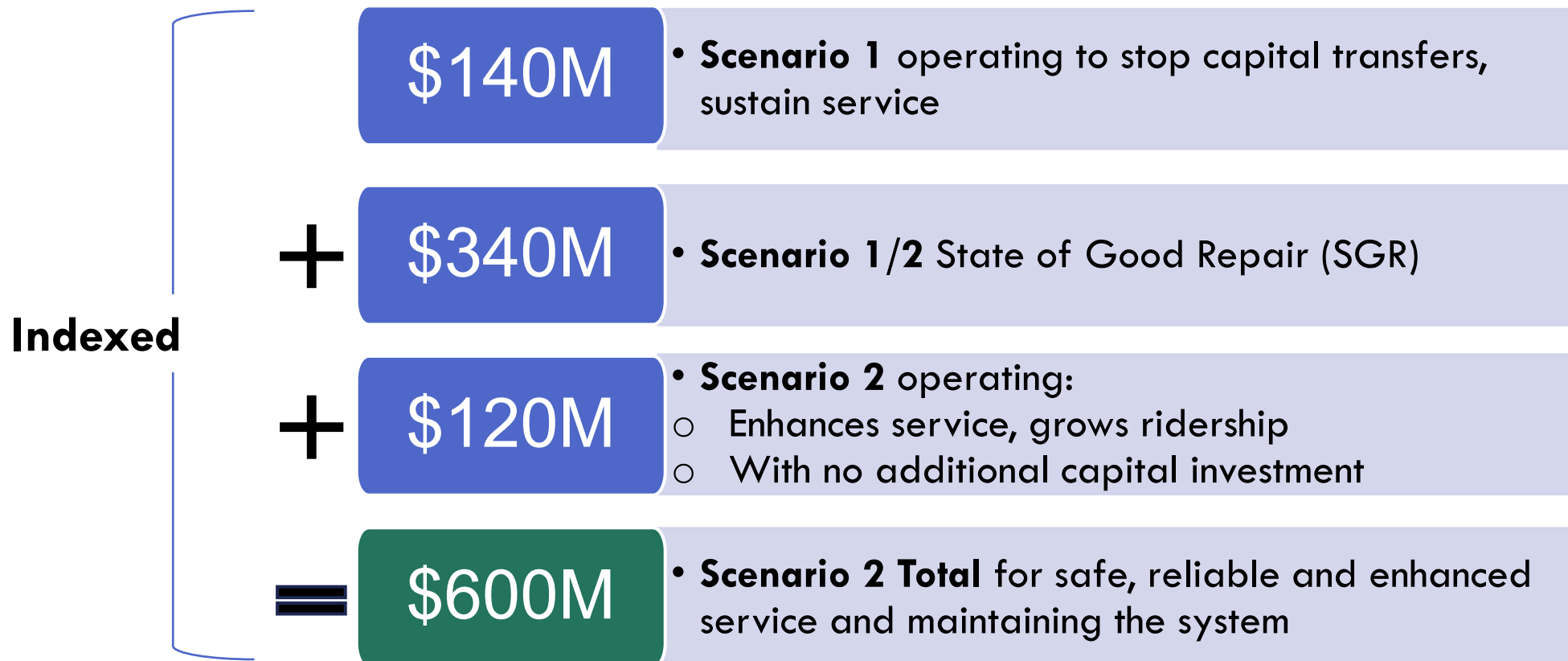
Much longer travel times



More pollution

Scenario 2 Provides a Baseline for Enhancing WMATA Service and Sustaining it into the Future

FY2028 WMATA Funding Needed: \$600M, indexed to grow



Scenario 2: Getting More Value from Existing WMATA Assets

Additional **\$120M** of investment in operations would serve more people and support the region's growth, without additional capital investment



Metrobus

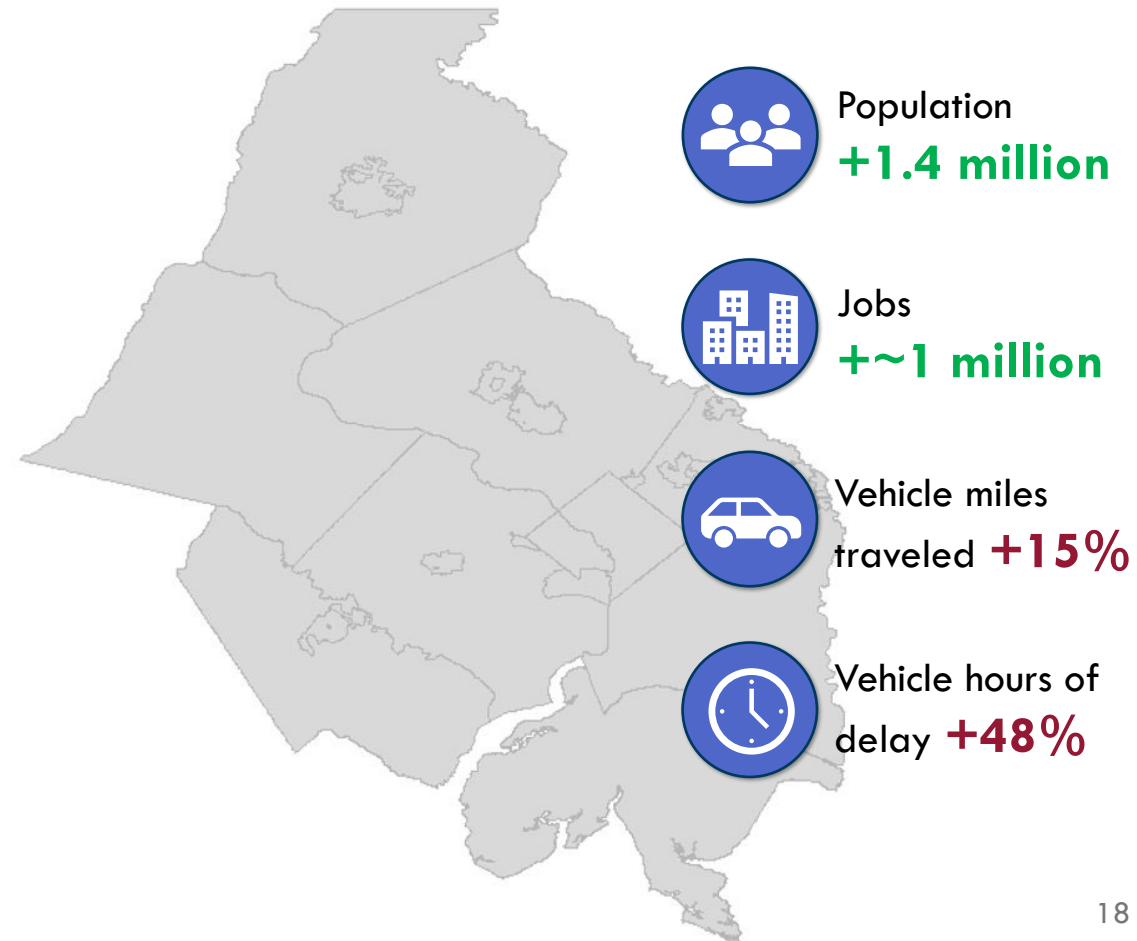
- Add 15+ more routes to the 48 frequent service routes in the 2025 Better Bus Network
- Add 5+ more routes to the 24-hour network, connecting to airports and other key destinations



Metrorail

- More 8-car trains for capacity
- 3-4 hour peak periods
- More frequent trains **RD** **BL** **OR** **SV** **GR** **YL**
- Weekends open at 6am, close at 2am

The Region in 2050



Scenario 2: Enhancing State / Local Transit Service

FY2028 Funding Needed: \$250M for state/local providers, indexed to grow

Local Bus Service – Scenario 2

- Local bus provider service increase ~10%

Commuter Rail and Bus – Scenario 2

- Increase in MARC and VRE
- Increase in MTA commuter bus

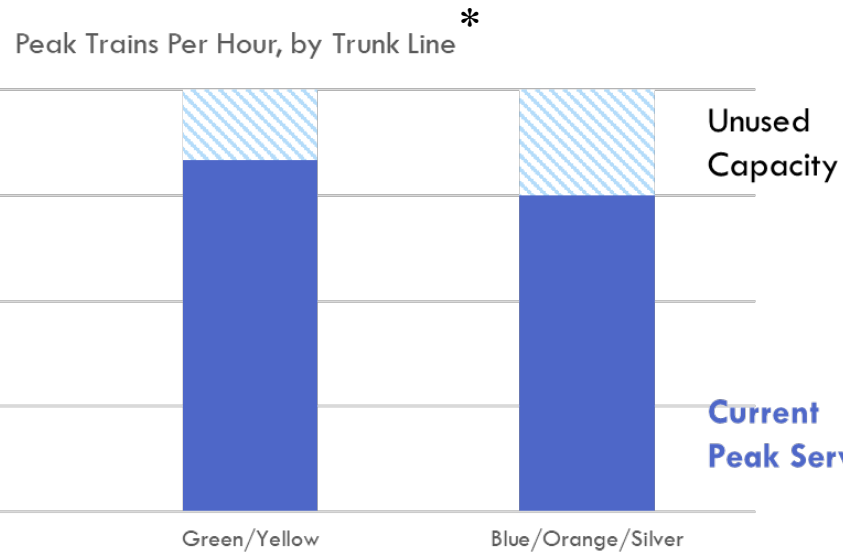
State/Local Providers

\$40M	<ul style="list-style-type: none"> Scenario 1 operating: <ul style="list-style-type: none"> Continue existing FY2025 service levels
+	\$140M
<ul style="list-style-type: none"> Scenario 1 / 2 State of Good Repair (SGR) 	
+	\$70M
<ul style="list-style-type: none"> Scenario 2 operating: <ul style="list-style-type: none"> Enhances local bus service Enhances MARC and VRE service 	
=	\$250M
	<ul style="list-style-type: none"> Scenario 2 Total for reliable service, sustaining good repair

1b. Scenario 3

Scenario 3 Assets Needed to Use System at Full Current Capacity

Metrorail



- Adding platform screen doors to advanced signaling system
- New/additional railcars
- Optimized and modified railyards

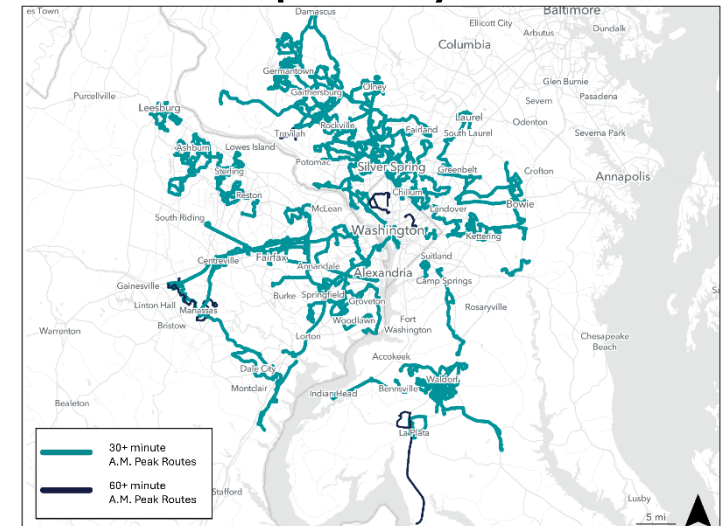
24 trains per hour per direction (tphpd) is the approximate maximum throughput with even, repeatable headways. 26 tphpd has been defined as the highest reliable hourly throughput, typically including additional tripper trains to relieve crowding.

Commuter Rail

- New/additional railcars
- New and extended station platforms
- New tracks and crossovers
- New/expanded railyards

Bus

- Extensive bus priority treatments



Modernization Makes Transit More Cost Efficient

- Efficient operations enable both faster and more reliable service
- Targeted capital investments can make service delivery more cost-effective
- Will not and cannot solve problem alone but can reduce its magnitude

Examples

New Railcars

Makes service more reliable and reduces maintenance costs.

Bus Priority Treatments

Reduces travel times, improves reliability. Speeding trips reduces operating costs.

Automation

Substantially improves train on-time performance, reliability, and frequency. Improves safety.

Pocket Tracks

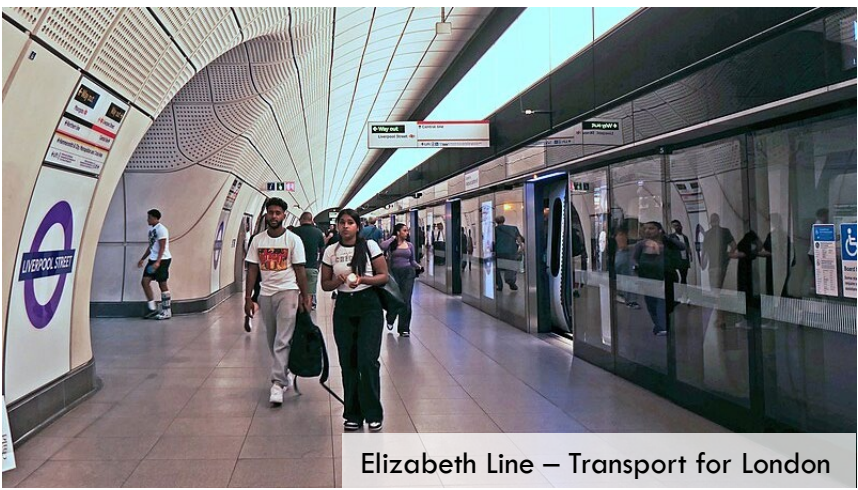
Enables rail system to better match service with demand, potentially reducing costs

Railyard Optimization

Reduces yard moves & non-revenue 'deadhead' with storage optimized for 8-car trains

WMATA Modernization Examples

- + Customer capacity and safety investments at high-volume stations like Foggy Bottom, Gallery Place, Metro Center
- + Additional 8000-series railcars to operate 24-26 trains per hour, all 8-car trains
- + Storage capacity improvements & modernization at all railyards to support increased service
- + Additional signaling upgrades to support full automation
- + Systemwide platform screen doors for enhanced safety
- + Bus facilities electrification/zero emission
- + Full zero-emission bus fleet
- + Net-zero carbon facilities by 2050 (COG goal)
- + Seed money to catalyze TOD

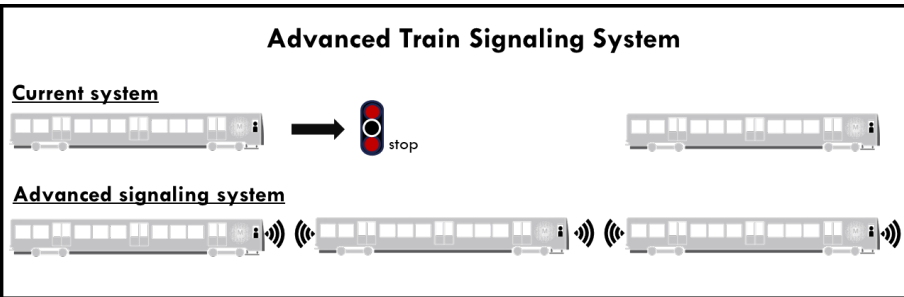


*List above includes investment examples; Scenario 3 includes all Scenario 1 & 2 investments

Example: WMATA Advanced Train Signaling System

Scenario 1/2 SGR

Upgrade 1970s legacy signaling system



- Updates old system prone to failure
- Lower operating and maintenance costs
- Maintains system into future
- Improves reliability, frequency
- Potentially positive ROI

Scenario 3 Modernization

Platform screen doors for enhanced safety



- Greatly enhances customer safety
- Greatly reduces falls, injuries, deaths
- Reduces track fires
- Speeds customer boarding
- Potential for advertising revenue

Full automation for cost savings

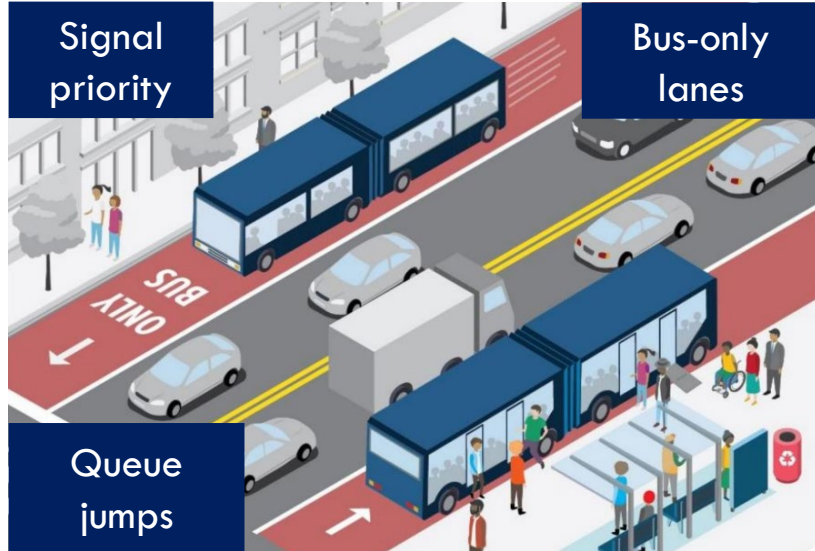


- Policy decision, not required
- Maximum reliability
- Maximum frequency
- Improves safety
- Lower operating costs

Example: Bus Priority on High-Frequency Routes

Bus priority benefits customers

- Separates bus service from traffic
- Makes trips faster and more reliable
- Carries more customers
- Increases ridership and revenue
- Reduces automobile crashes, enhances safety

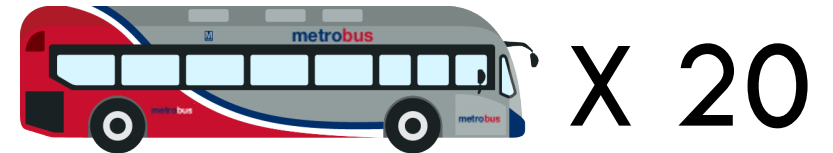


Opportunity for a coordinated, regional approach to bus priority and bus rapid transit

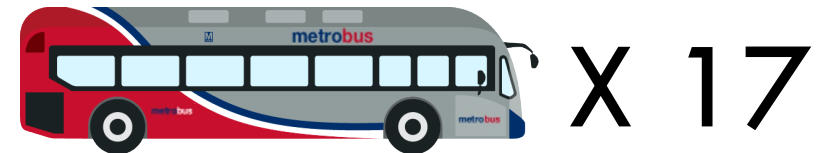
Bus priority saves money

Example: A high level of bus priority would reduce resource needs on W4 Metrobus route:

PM peak-hour service:



Prioritized peak-hour service:



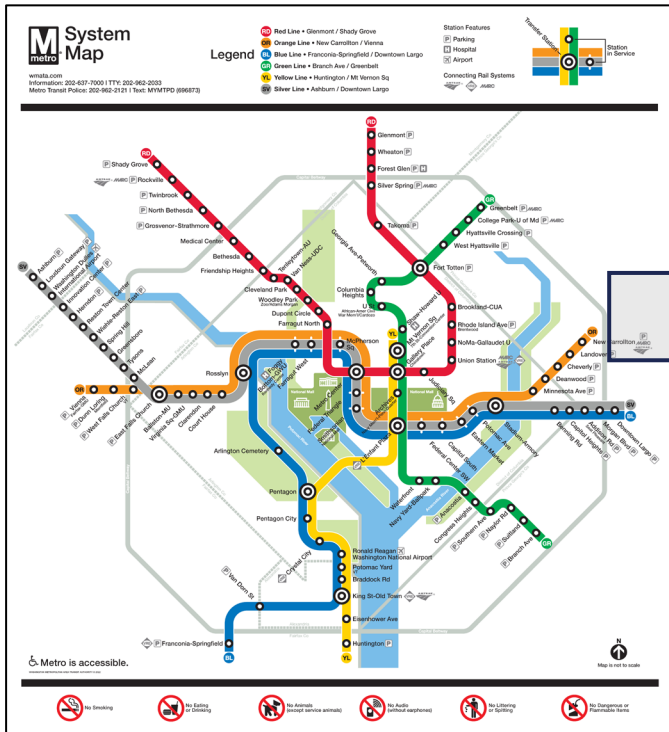
1c. Scenario 4

The Future Requires A Shared Vision

The region once had a unified transit vision...

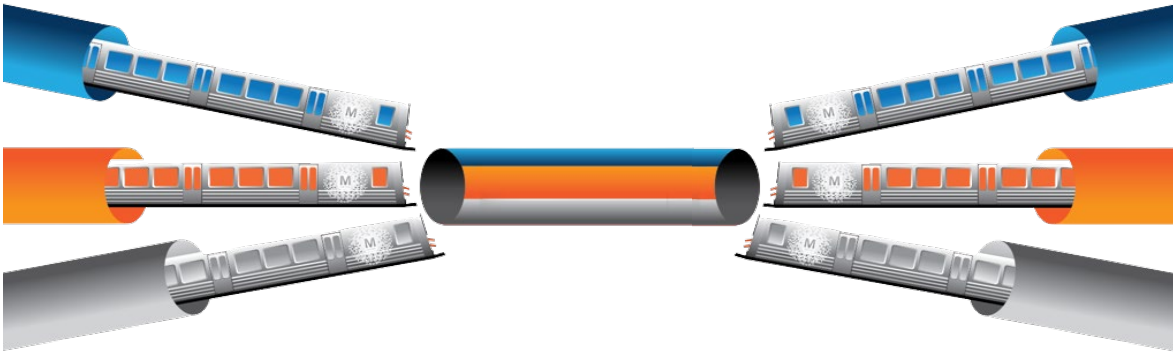
...currently lacks one...

...but now has the opportunity for a new unified vision



Expanding Transit Will Move More People + Generate Economic Activity

Fix the system's major bottleneck to make Metro service more frequent and reliable



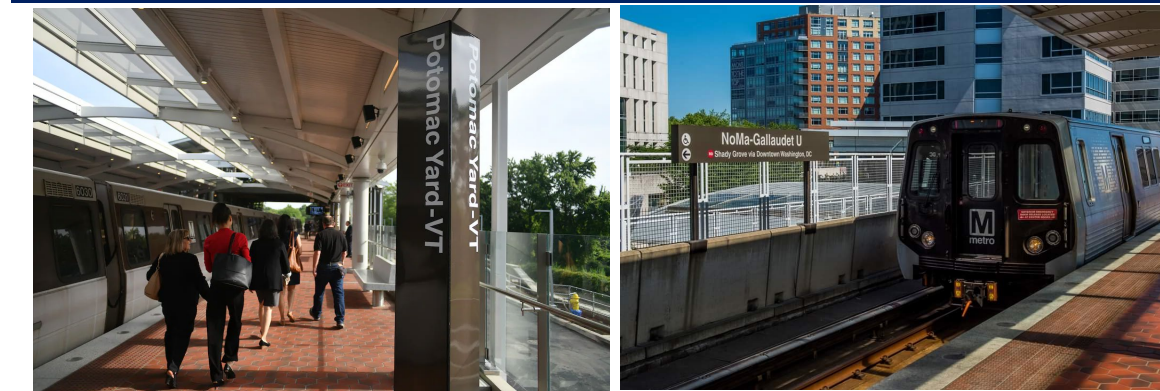
Build new station entrances to connect them to more housing/jobs and increase accessibility



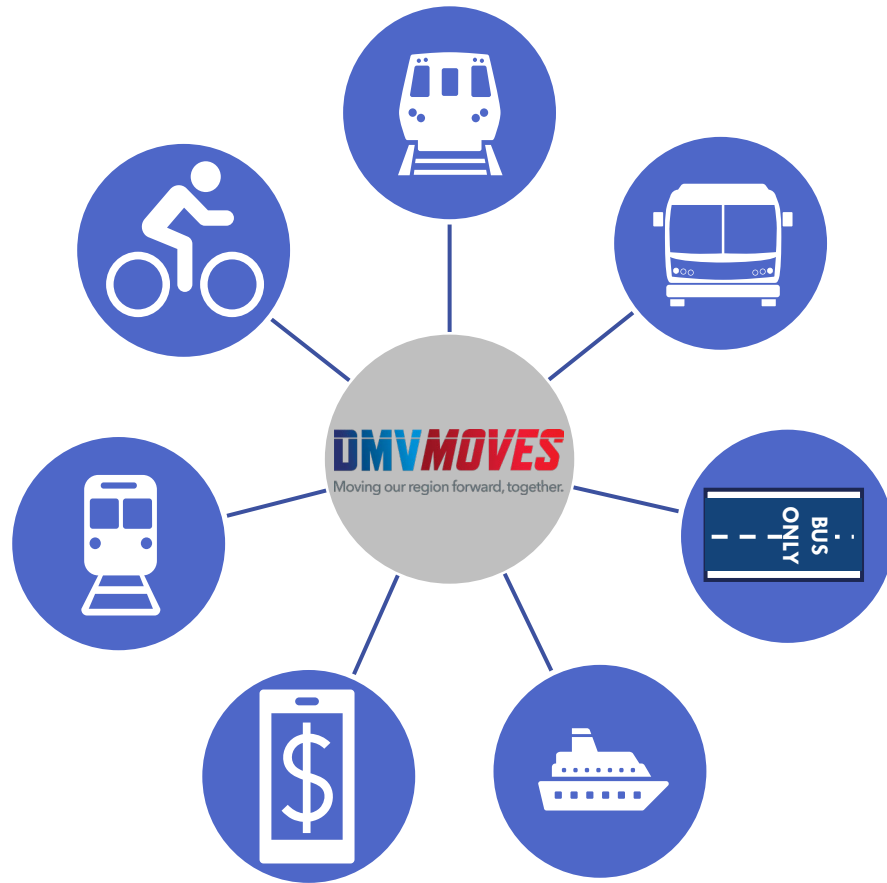
Move more people to more places with bus rapid transit (BRT) lines, ferry services, bike share



Support growth and planned development with new infill stations and more station entrances



Imagine a Future That Meets the Region's Goals



The national capital of the most powerful nation in the world deserves a world-class transit system that propels our global economic competitiveness

Move more people on transit

Increase mode share of transit, biking, walking
Connect people to jobs and areas of activity

Focus development around transit

320,000 new housing units
75% near transit

Improve air quality and the environment

Reduces car trips and traffic congestion
Reduce GHG emissions 50% by 2030, 80% 2050

Goals in Visualize2045, the region's long-range transportation plan and Transportation Planning Board (TPB)

Federal Funding Could Support Scenarios 3 & 4 if DMV Positions Itself to Take Advantage

Federal funding may be available over the long term

	LA	NYC	Seattle	SF	Twin Cities	Chicago	Miami	DMV	Total
5-Year Total	\$2.9B	\$2.9B	\$1.5B	\$1.1B	\$1.1B	\$1.1B	\$264M	\$215M	\$18.6B
Percent 5-Year Total	15%	16%	8%	6%	6%	6%	1%	1%	

Federal Transit Administration (FTA) Capital Investment Grant (CIG) FY21-25



Red Line Extension Project (CTA, Chicago)



Lynnwood Link Extension (Sound Transit, Seattle)

What Region Needs to Compete for Federal Funding

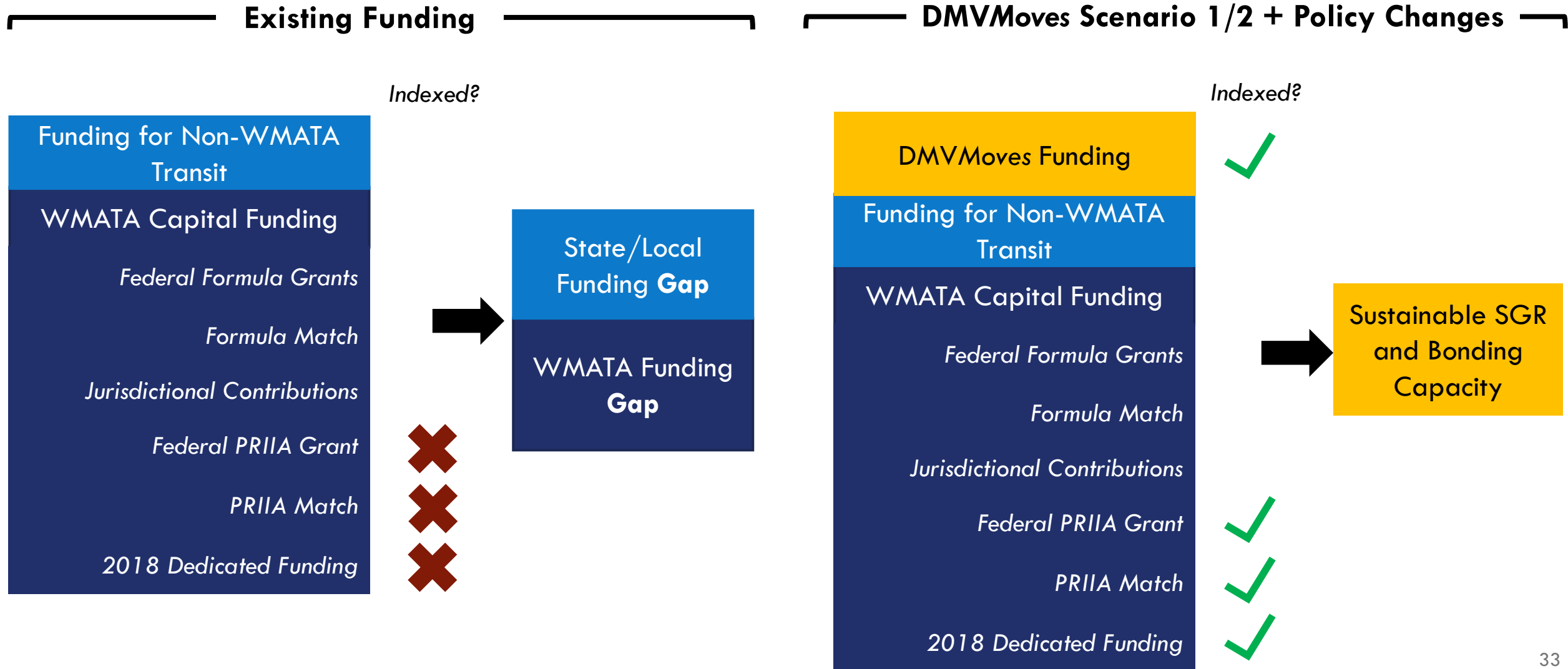
The DMV has won federal funding for local projects, but leveraging federal support for larger, transformative projects and regional investments will require:

- **Clear, regional consensus vision**
- **Plan or prioritized list** of investments and projects
- **Committed source for local matching funds**

And due to federal process requirements and time limits, project sponsors often **must complete significant planning and project development work** before entering the grant approval pipeline

2. Potential Funding Mechanisms

Scenario 1 / 2 and Indexing Sources Would Secure Region's State of Good Repair and Sustain Metro's Bond Capacity



Scenarios 3 Modernization and 4 Expansion:

**100% 8-car
trains**

**Fully
automated
Metrorail
System**

**New Metro
infill stations**

**Blue Orange
Silver Capacity
Program**

**MARC / VRE
improvements**

**Full zero-
emissions
bus system**

**New station
entrances and
connections**

**New rail
lines/
extensions**

**Full Better Bus
Visionary
Network**

**Regional bus
priority/ Bus
Rapid Transit**

**Running
Metrorail at
maximum
capacity**

**Regional rail
MARC / VRE
growth plans**

2. Potential Funding Mechanisms

Potential Revenue Options	Rate Increase per \$100M Invested	Example Rate Increase	Revenue Generated (FY28 \$ in M)			
			DC	MD	VA	Total
Sales and Use Tax Rate Increase	0.08% pt.	1% pt.	\$360	\$363	\$509	\$1,233
Sales and Use Tax Base Expansion to Services**	1.48% pt.	6% pt.	\$39	\$161	\$204	\$405
Sales and Use Tax Increase and Base Expansion to Services**	0.05% pt. goods 0.62% pt. services	0.5% pt. goods 6.5% pt. services	\$223	\$356	\$476	\$1,055
Real Property Tax Levy	\$0.0066 per \$100 AV	\$0.05 per \$100 AV	\$156	\$208	\$398	\$762
Payroll / Income Tax	0.033% pt.	0.5% pt.	\$505	\$368	\$644	\$1,518
Motor Vehicle Sales Tax	0.79% pt.	1% pt.	\$1	\$59	\$67	\$127
Vehicle Registration / Impact Fees	\$27.40 per vehicle	\$1.00 per vehicle	\$0	\$2	\$2	\$4
Accommodations Tax	2.5% pt.	5% pt.	\$129	\$27	\$44	\$201
Motor Fuel Tax (per gallon)	6.2 ¢ per gallon	10 ¢ per gallon	\$7	\$92	\$61	\$161
Real Estate Transfer Tax/Recordation tax	0.1% pt.	0.1% pt.	\$27	\$31	\$46	\$104

*These are the taxes raised within Metro jurisdictional stakeholders and excludes non-WMATA MWCOG counties of Charles, Frederick, and Prince William, etc.

**Amount generated includes 1% on Agricultural, Personal, and Amusement Services.

3. Next Steps

DMVMoves Look-Ahead

Task Force January TBD

Key Topics:

- Preferred funding scenario
- Draft funding plan

Task Force 03/24/25

Key Topics:

- Policy recommendations
- Draft Plan, Policies, and Action Steps

Task Force 05/16/25

Key Topics:

- Final Plan, Policies, and Action Steps

Joint COG/WMATA Board Meeting TBD

Key Topics:

- Adoption of DMVMoves Plan

Jan

Mar

May

Jun

Advisory Group Meetings
Jan, Feb

Advisory Group Meetings
Mar, Apr

Working groups meeting regularly to deliver Task Force six Action Plans for an integrated, seamless, more efficient transit system

4. Appendix

DMV MOVES Vision

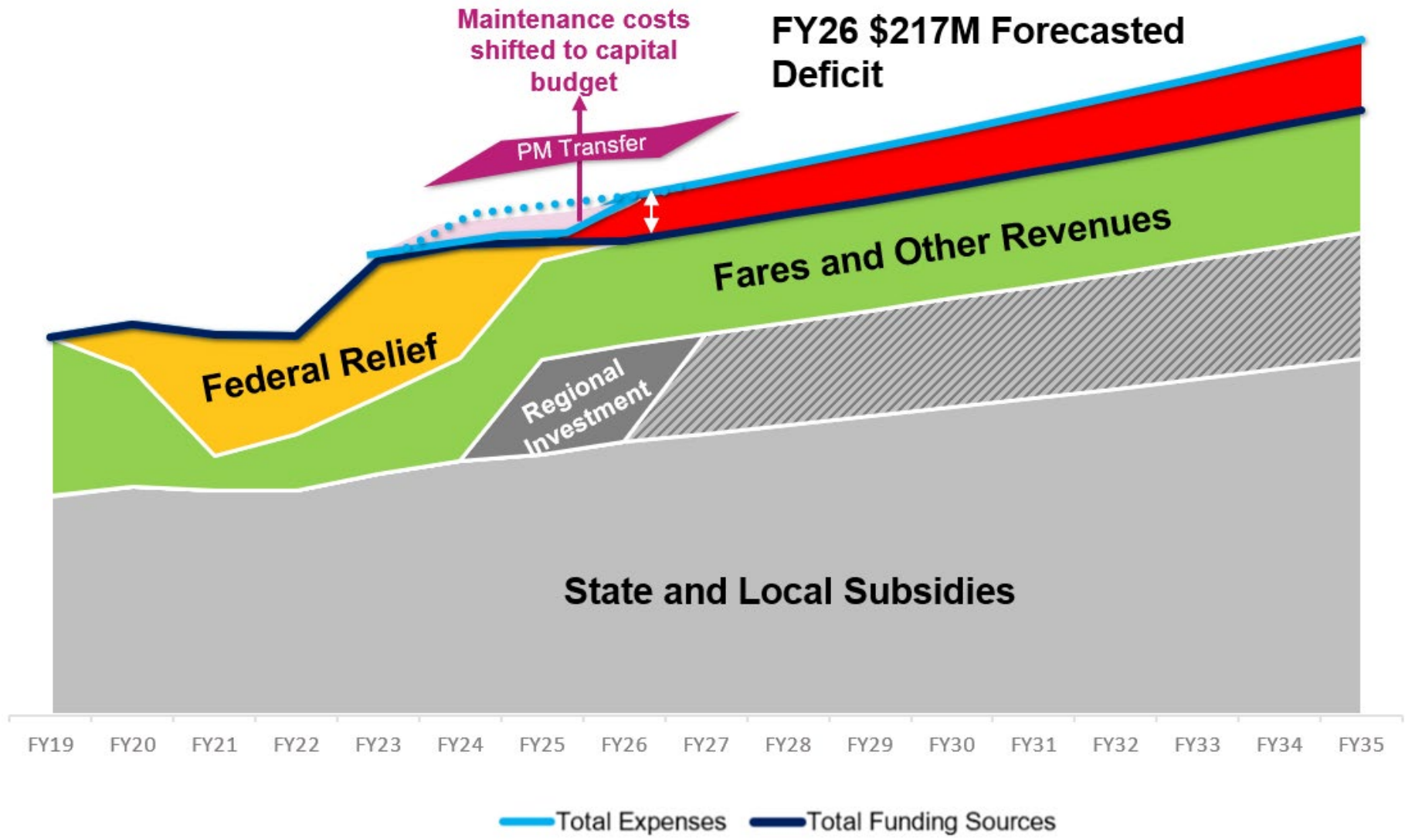
Transit is the backbone of an integrated, world-class mobility network that makes the National Capital Region a thriving global economy, a preferred home, and a leader in innovation, environmental sustainability, and social equity.



DMVMOVES Goals

1. Make **transit a preferred travel choice** by delivering safe, frequent, reliable, accessible, and affordable service that takes people where they want to travel, when they want to travel
2. Provide a **seamless, connected, and convenient customer experience** that is intuitive, easily understandable, and consistent across operators and areas of the region
3. **Grow ridership by focusing development near transit**, expanding and improving transit connections to economic opportunities, and establishing other supportive land use policies
4. Enhance **quality of life** and advance **economic development**, regional environmental **sustainability, climate resilience**, and **equity** goals through innovative and inclusive transit solutions
5. Ensure **long-term, predictable, and sustainable transit funding** with accountability and transparency for all providers
6. Establish standard, **best-in-class transit workforce policies and skills training** that ensures a robust labor force and helps transit better compete in the labor market

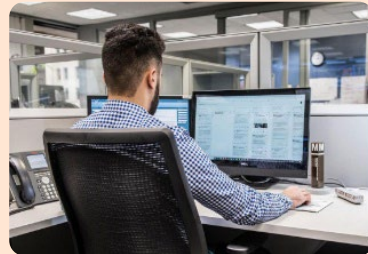
WMATA Lacks Enough Funding to Maintain Current Service



Fixed vs. Variable Costs

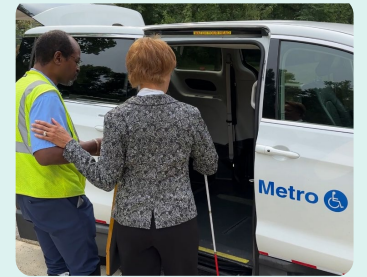
Transit has high fixed costs that do not change with service

- Inspecting and repairing vehicles and facilities
- Track maintenance
- Police / security
- Fixing escalators, elevators
- Fare collection / accounting
- Safety compliance
- Management
- Information technology



Variable costs do change with service levels, and Metro's are matched to all-day demand

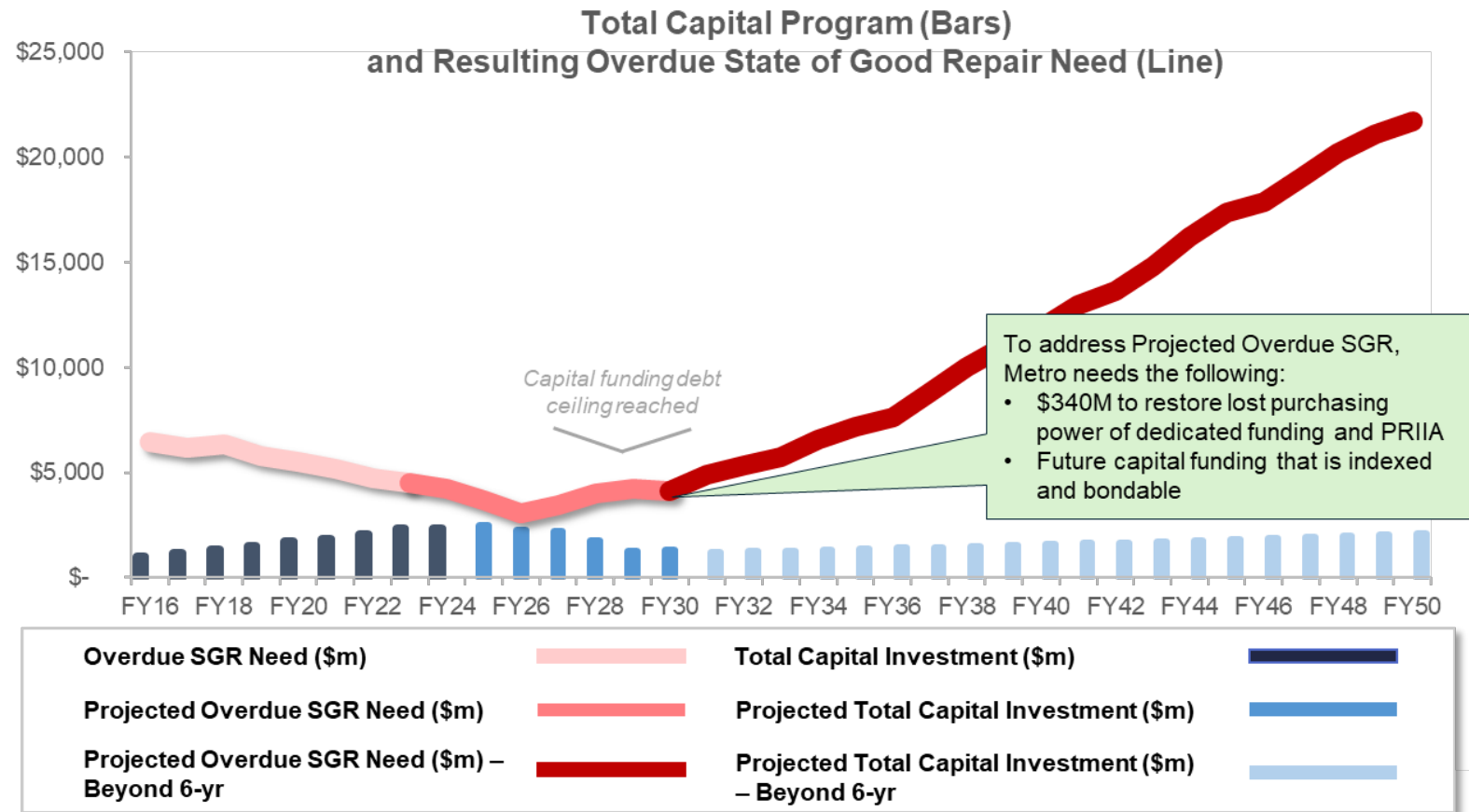
- Number of rail and bus operators and hours worked
- Number of MetroAccess trips provided
- Fuel or power for vehicles
- Maintenance and parts for daily upkeep



About 80% of Metrorail operating costs do not change with changes in levels of service

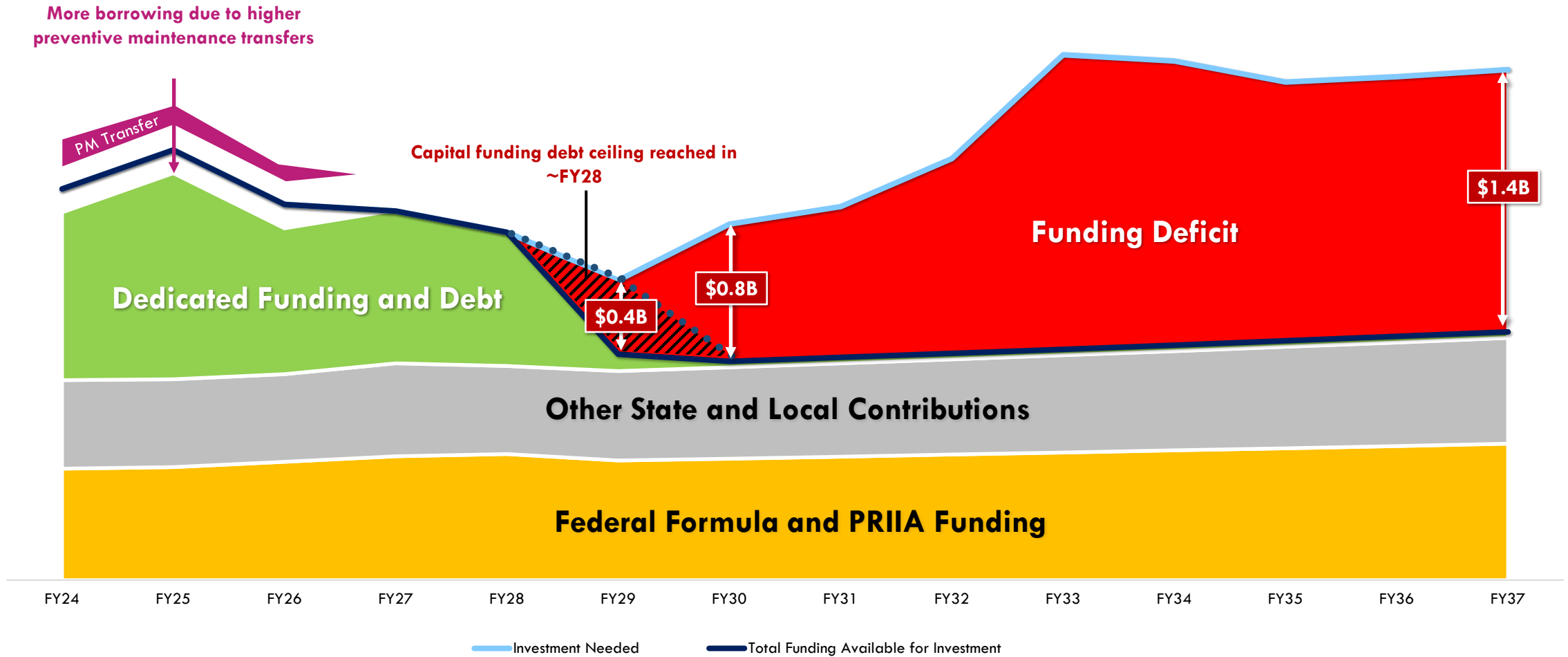
WMATA Deficit Threatens Progress Made on State of Good Repair

- Causes of Metro’s deficit:
 - **PRIIA and Dedicated Funding were not indexed to inflation**
 - Unusually high Covid inflation impacted reduced purchasing power
 - Capital funds are being used for **preventive maintenance** operating costs
- As a backlog of State of Good Repair grows, performance and reliability decrease and risk increases
- Inadequate funding will result in:
 - Less reliable service
 - Unsatisfactory customer experiences
 - Increased safety risk



WMATA and the Region Face Capital Program Deficits

Dedicated capital funding borrowing capacity projected to be exhausted in about FY2028 and new capital funding will be needed to address ongoing system safety, renewal and modernization needs



* Based on FY2025 Budget; assumes reauthorization of IIJA

DMVMoves Scenario 1 (WMATA) – Purchasing Power of PRIIA and Dedicated Funding Restored + \$340M; All Capital Funding Sources Indexed to Grow with Inflation

	FY2028	FY2028 with Restored Purchasing Power
<i>\$ in M</i>		
Federal Formula Grants	501	501
Formula Match	126	126
Federal PRIIA Grant	144	144
PRIIA Match	149	149
Jurisdictional Capital Contributions	205	205
Dedicated Funding	500	500
Restore Purchasing Power of PRIIA and Dedicated Funding	-	340
Subtotal Capital Funding	1,623	1,963
Debt Proceeds	504	504
Total Existing Capital Sources	2,126	2,466

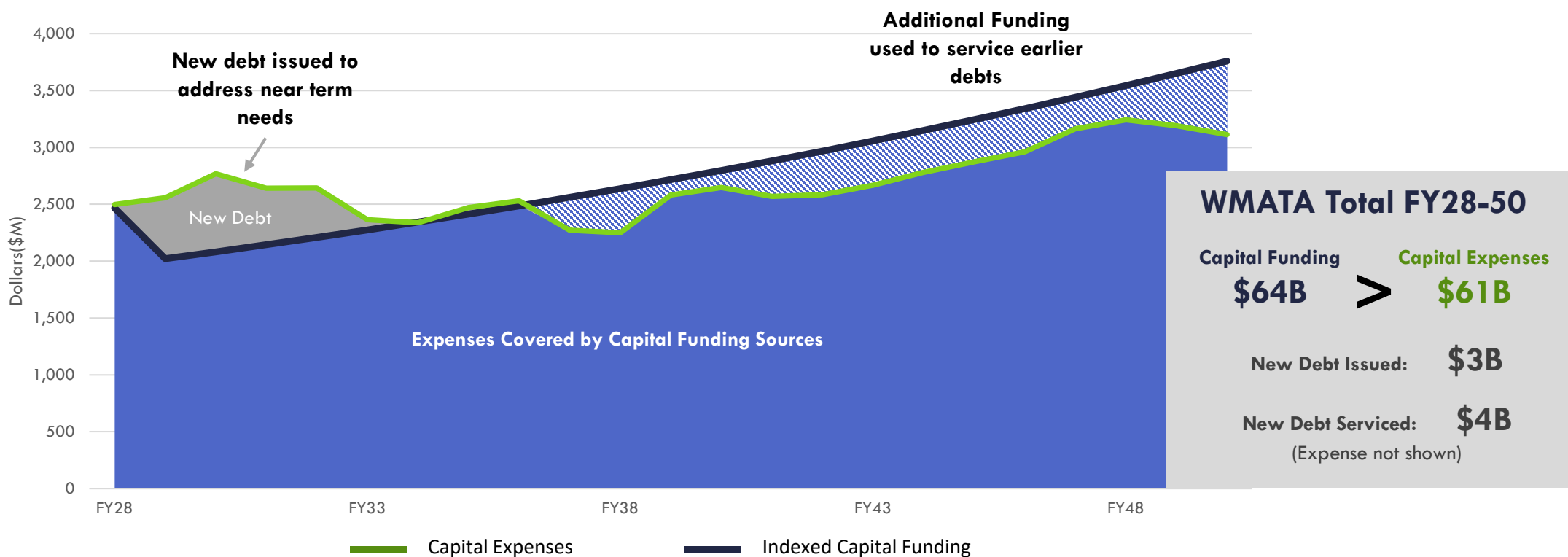
Indexed and Bondable Capital Funding Provides Capacity for State of Good Repair, Managing Cashflow, and Some Modernization Needs

<i>\$ in M</i>	FY28	FY29	FY30	FY31-35	FY36-40	FY41-45	FY46-50	FY28-50 Total
State of Good Repair Need	2,089	2,148	2,359	10,416	10,236	11,433	13,626	52,306
Projected Dedicated Funding Debt Service**	409	409	409	2,045	2,045	2,045	1,506	8,868
Total Costs	2,498	2,557	2,768	12,461	12,281	13,478	15,132	61,174
Capital Revenue with 3% Growth	2,466	2,022	2,082	11,386	13,200	15,302	17,739	64,198
Variance	-31	-535	-686	-1,075	919	1,824	2,607	3,024
New Debt Issuance	31	537	723	1,799	246	0	0	3,336
New Debt Service	0	2	37	723	1,069	1,085	1,085	4,001
Variance	0	0	0	1	96	739	1,522	2,359

Restoring WMATA's Capital Purchasing Power and Indexing Existing Funding Will Cover State of Good Repair

Scenario 1+2: Existing/Improved Service + Baseline State of Good Repair

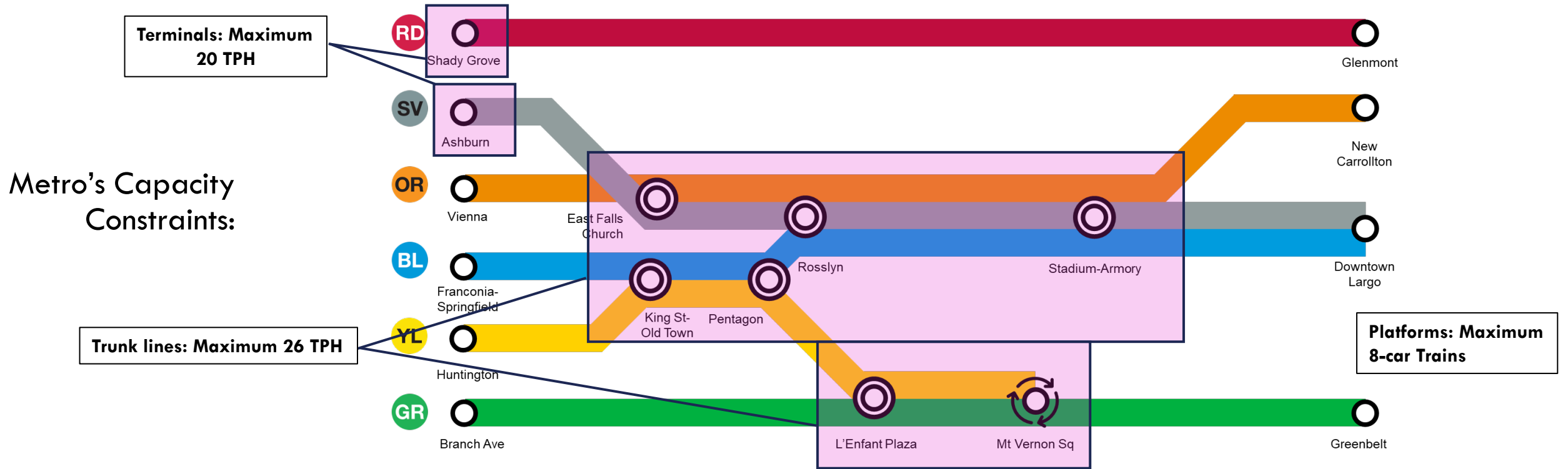
WMATA can meet all scenario 1+2 funding needs by issuing debt without exceeding the debt capacity



Assumptions:

- New Baseline Capital Revenue/Funding is indexed and bondable (excluding Federal Formula Funds and existing base Dedicated Funding already used for debt service (~\$835M in FY28 and growing at 3% per year)
- Legislative changes are made allowing indexing and bonding against PRIIA replacement

More Frequent Service Requires Fixing System's Bottlenecks



Improving Frequency Requires Investment:

	← Scenario 3 →			Scenario 4
Improvement:	Minor service improvements	Operate all 8-car trains	Maximize service within existing capacity	Expand train throughput and passenger carrying capacity
Required Investment:	Additional railcars	Additional railcars and railyard modifications	Additional railcars, railyard modifications, platform screen doors, full automation	Trunk line capacity improvements, perhaps new line

Federal Capital Investment Grant (CIG) Program Overview

The CIG Program is the FTA's primary source for competitive transit grants. There are three types of grants:



BUS
ONLY

Small Starts

- Small fixed-guideway projects, BRT
- Total cost < \$400M and CIG request < \$150M
- Maximum federal share 80%



New Starts

- Large fixed-guideway projects, BRT networks
- Total cost => \$400M and CIG request => \$150M
- CIG share limited to 60%, maximum federal share 80%



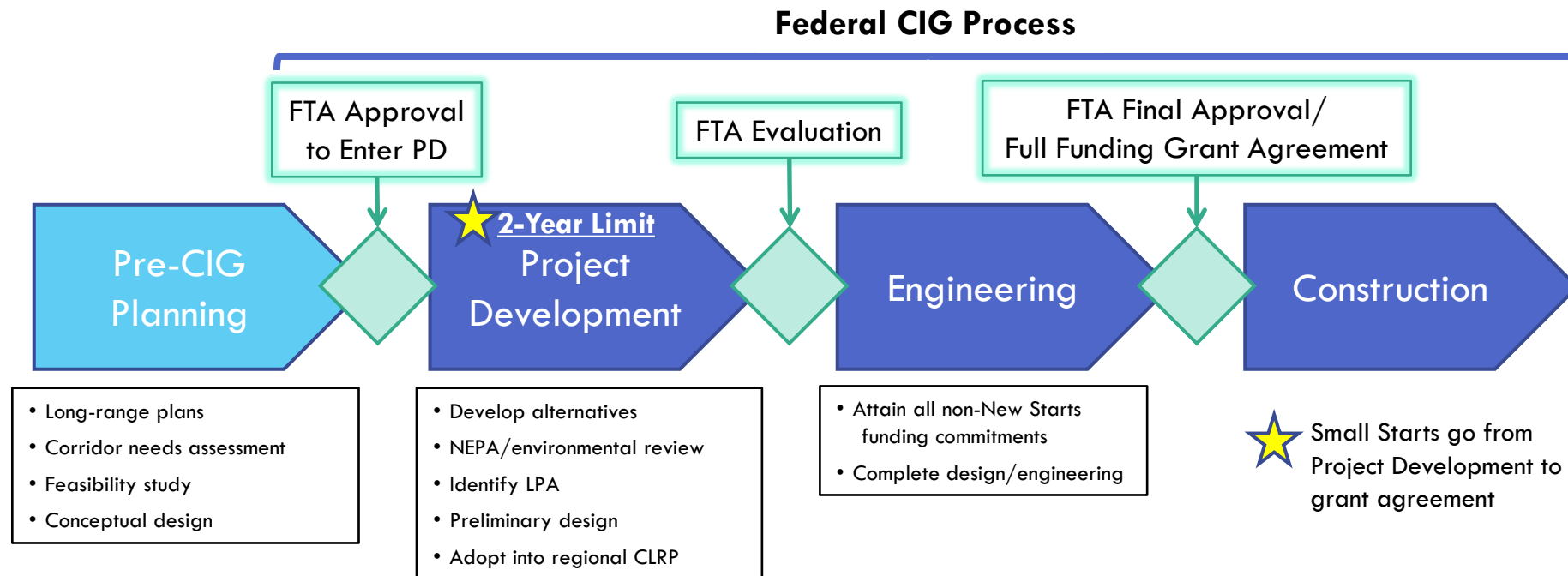
Core Capacity

- Projects that increase capacity 10% in corridors at maximum capacity within 10 years
- Maximum federal share 80%

Actual CIG awards will be limited by the total amount appropriated for the program and each federal fiscal year.
Projects evaluated and scored on 50% technical merit, 50% amount and commitment of local match.

Competing for CIG Funding

- Projects scored based on several criteria:
 - 50% project justification and benefits (like cost per rider, capacity increase, land use impacts, mode shift, etc.)
 - 50% confirmed local match, size of match, and CIG cost share
- Time limits mean major projects often need substantial work in advance of starting Project Development
- Region leaving money on table because no consensus on priorities, only advances local projects

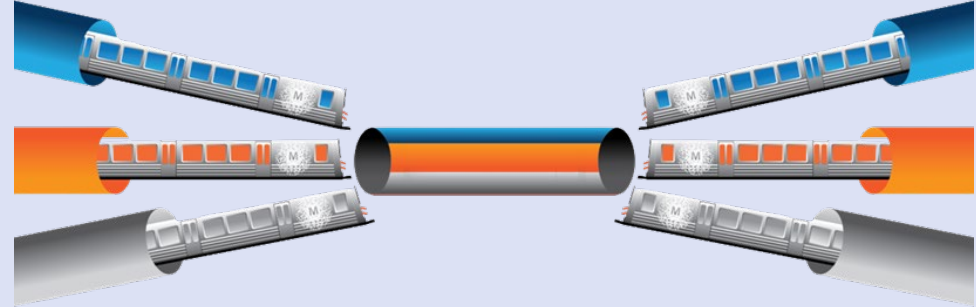


Examples of How the DMV Might Leverage Federal Funds

Core Capacity

A relief line or other capacity-expanding project to address the constraints on Blue, Orange, Silver service

Illustrative example: A project like this that might cost \$5 billion could be eligible for a \$4 billion grant



New Starts

American Legion Bridge Light rail or BRT

Illustrative example: If the region wanted to extend the Purple Line or build another light rail line for \$1 billion, would be eligible for nearly \$600M in CIG funds



Small Starts

Route 7 BRT

Illustrative example: A Route 7 BRT project costing \$400M - \$450M could receive up to \$150 million in CIG funding

