

**DMV MOVES**

Moving our region forward, together.

# Task Force Meeting #1

*June 10, 2024*

*Arlington County Bozman Government Center*

# Agenda

1. Welcome and Introductions
2. Presentation
  - a) DMVMoves Work Plan and Schedule
  - b) DMV Transit Network
  - c) Initial Inventory of Region's Planned Projects, Needs, and Concepts
  - d) DMV Transit Funding
3. Task Force Discussion: World-Class Transit Principles for DMV
4. Next Steps
5. Public Comment
6. Adjourn





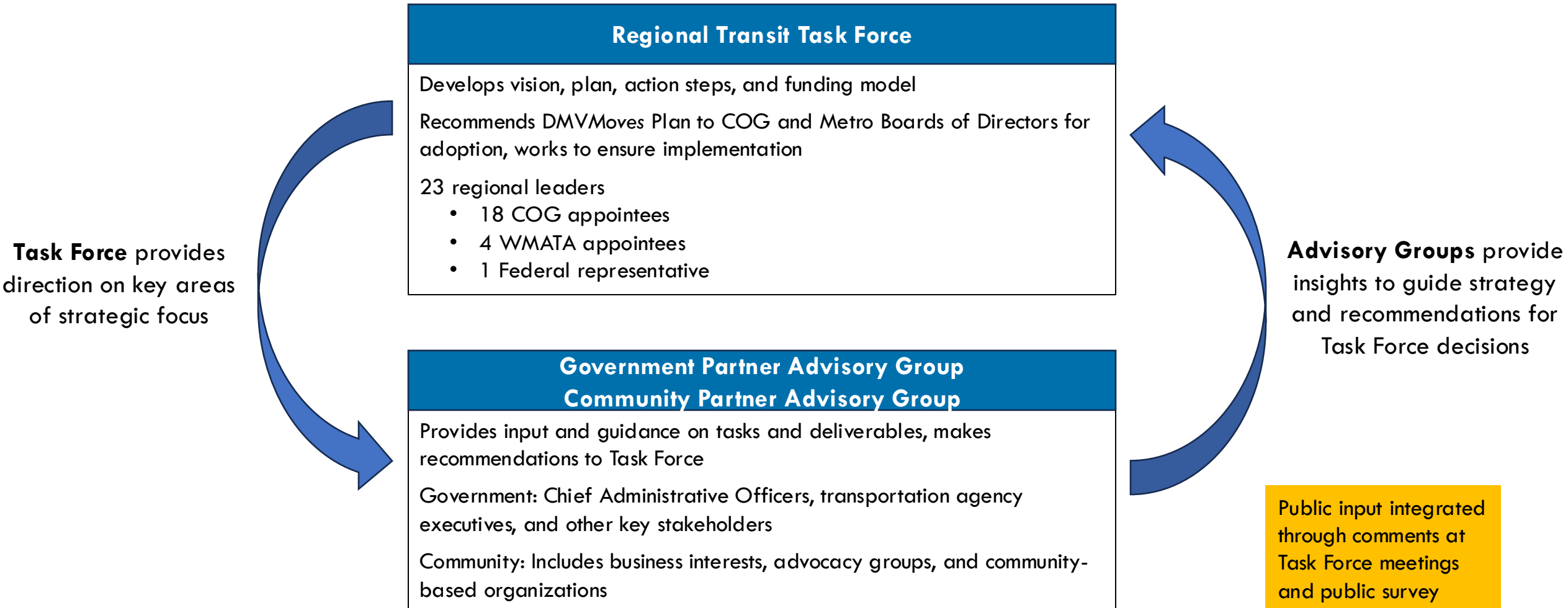
# DMV MOVES Mission Statement

The region wants to be...

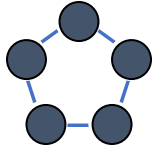


- The DMV is a diverse, dynamic, and growing region with ambitious and visionary goals
- A sustainable, world-class transit network is **fundamental** to attaining those goals
- On May 1, the COG and Metro Boards of Directors resolved to:
  - Develop a long-term, unified **vision** for transit service
  - 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

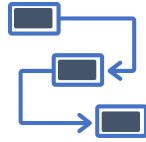


# Task Force's Role and Responsibilities



## 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

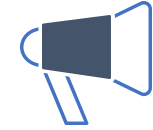
**Provide clear direction** to project team and Advisory Groups on what's needed to support those decisions



## 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**

# 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

**06/10/24**

**Key outcomes:**

- Shared Understanding of Existing Conditions
- Principles of DMV World-Class Transit

**09/23/24**

**Key outcomes:**

- Goals & Vision
- Funding Scenarios

**12/02/24**

**Key outcomes:**

- Draft Plan
- Funding Model & Recommendations

**03/24/25**

**Key outcomes:**

- Revised Draft Plan, Policies, and Action Steps

**05/16/25**

**Key outcomes:**

- Final Plan, Policies, and Action Steps

**Jun**

Public Survey

**Sept**

**Dec**

**Mar**

**May**

Advisory Group Meetings

Jun, Jul, Sept

Advisory Group Meetings

Oct, Nov

Advisory Group Meetings

Jan, Feb

Advisory Group Meetings

Mar, Apr



# DMV Transit is a Complex Network of Multiple Providers

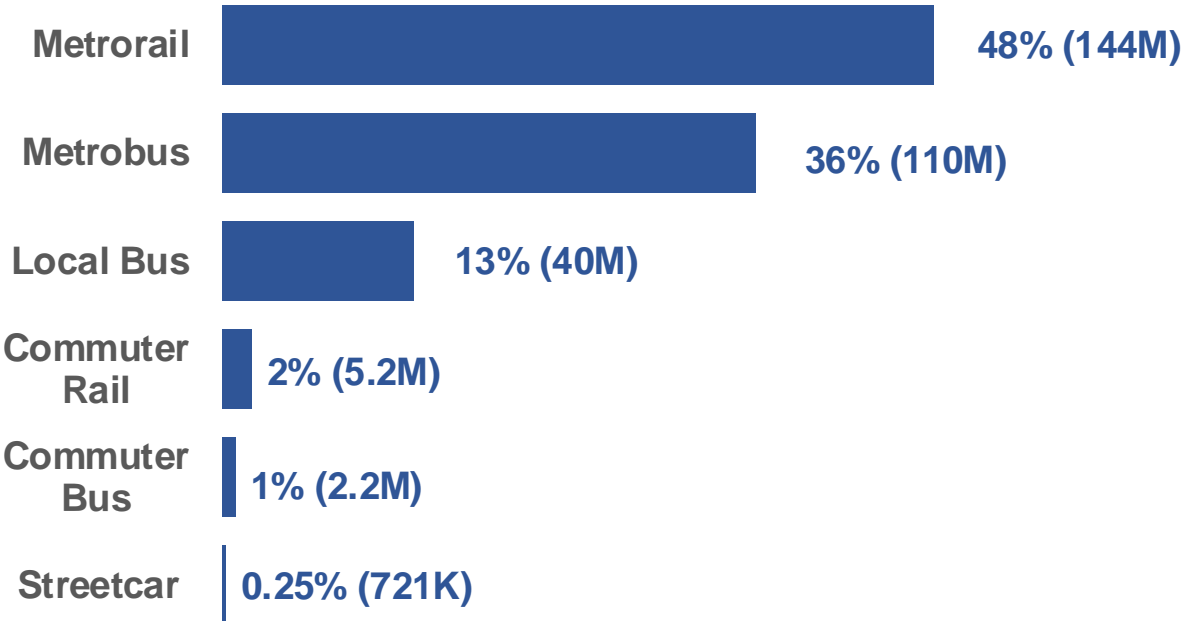
- WMATA Metrorail
- WMATA Metrobus (regional bus network)
- 12 local bus systems
  - Two also operate commuter bus
- 3 commuter bus systems
- 2 commuter rail systems
- DC streetcar
- Purple Line light rail (under construction)
- Multiple paratransit providers
- Multiple planning and funding organizations



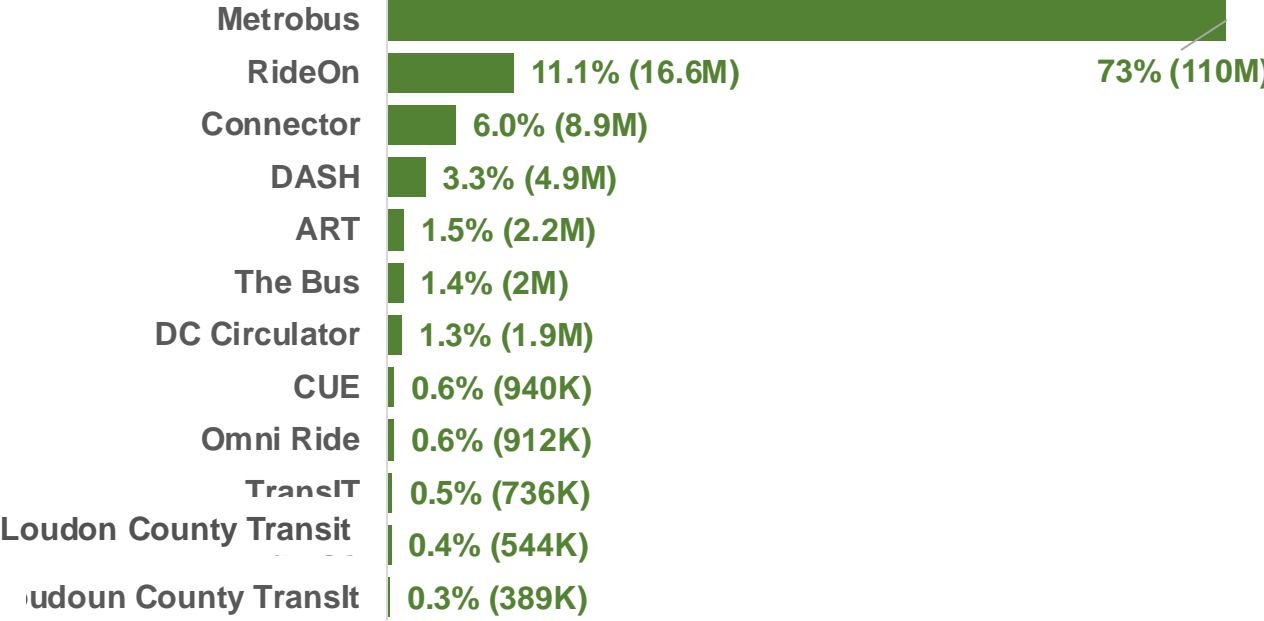
In 1967, the Washington Metropolitan Area Transit Authority (Metro) was created by an interstate Compact to **plan, develop, finance, build, and operate a comprehensive, unified mass transit system.**

# DMV Transit Markets

## DMV Transit Ridership by Mode



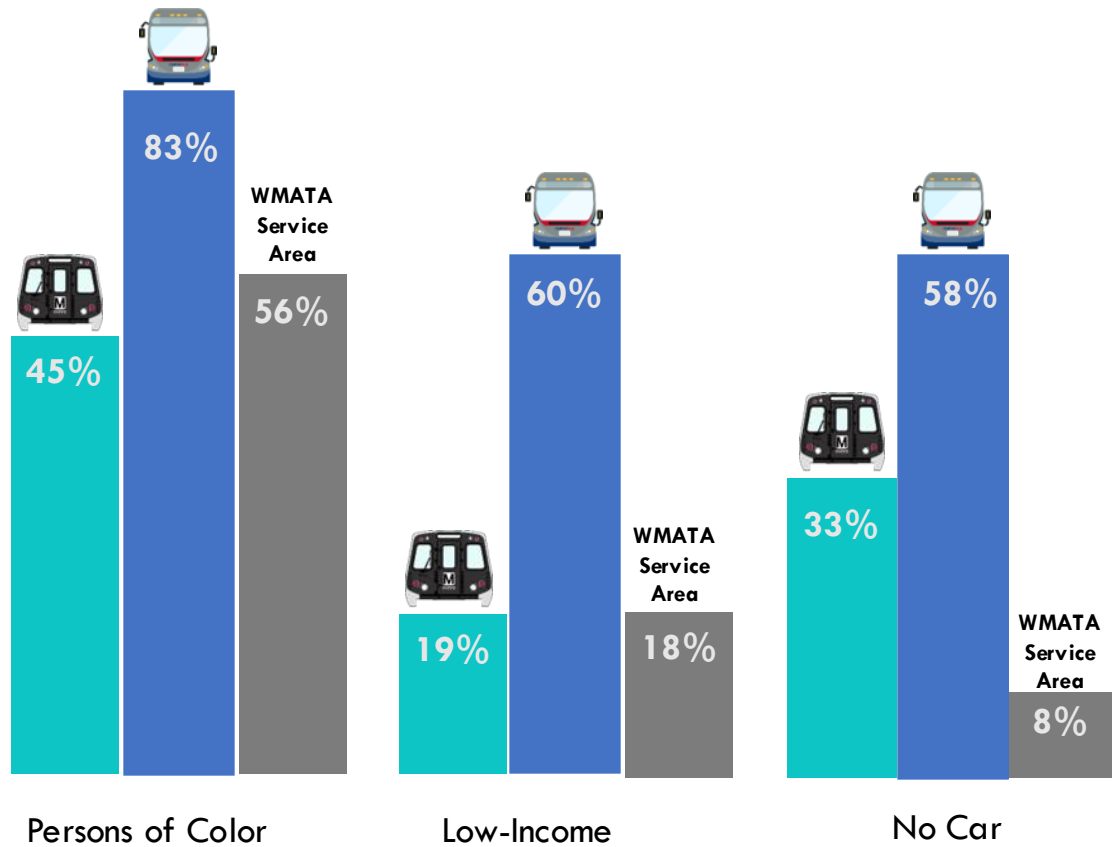
## DMV Bus Ridership by Provider



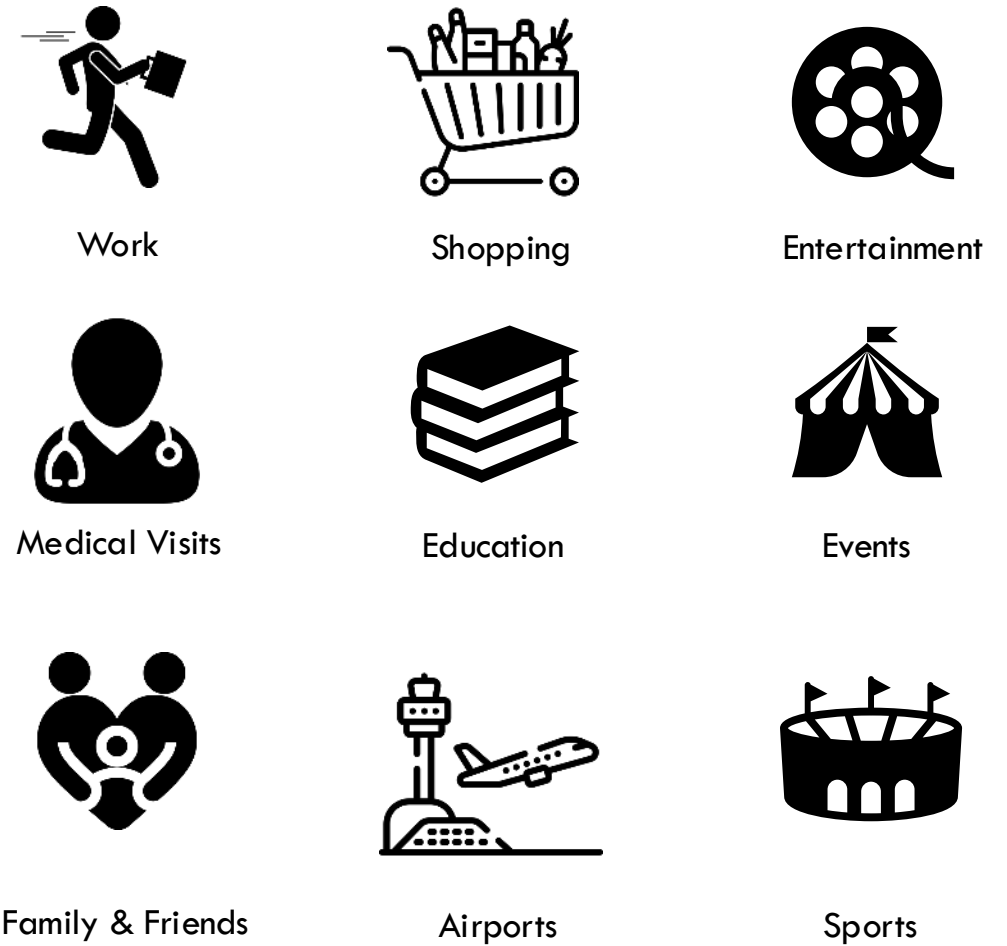
- Local bus systems connect across the region
- Commuter rail and bus serve long-distance trips
- Metro carries ~85% of all transit customers

# DMV Transit Customer Profile

## Who's On Board?\*



## Where Are They Going?\*



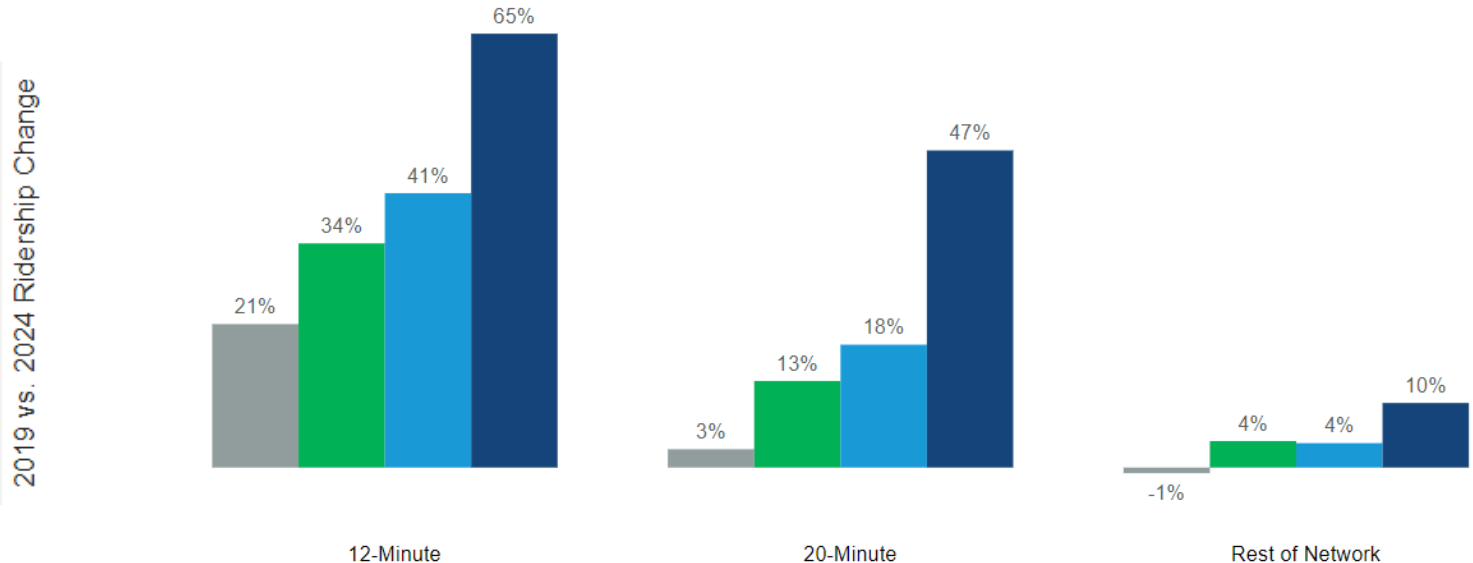
\*Source: WMATA passenger surveys, proxy for regional customer base. Metro ~85% of ridership.

# Customers Want Frequent, Reliable, and Faster Trips

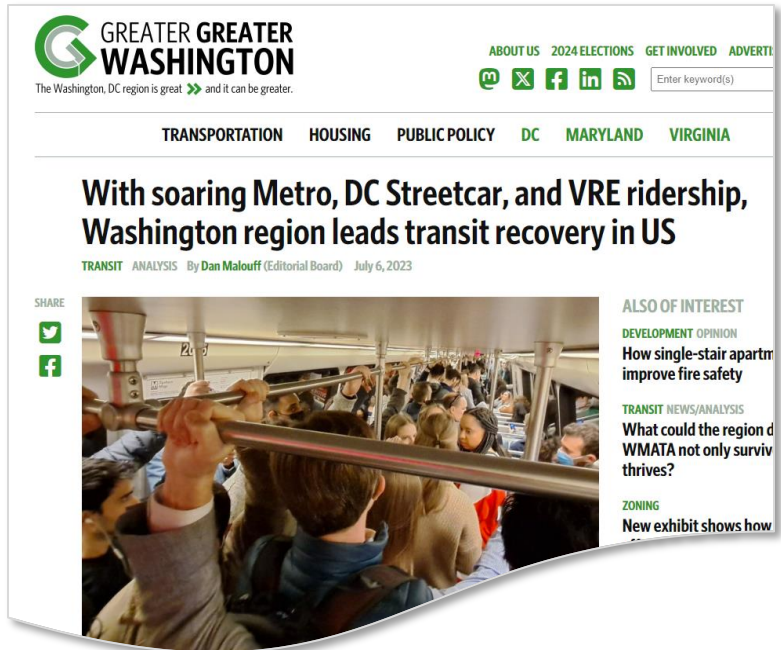
For example, Metro delivered an all-day Frequent Service Network and ridership responded

## 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.

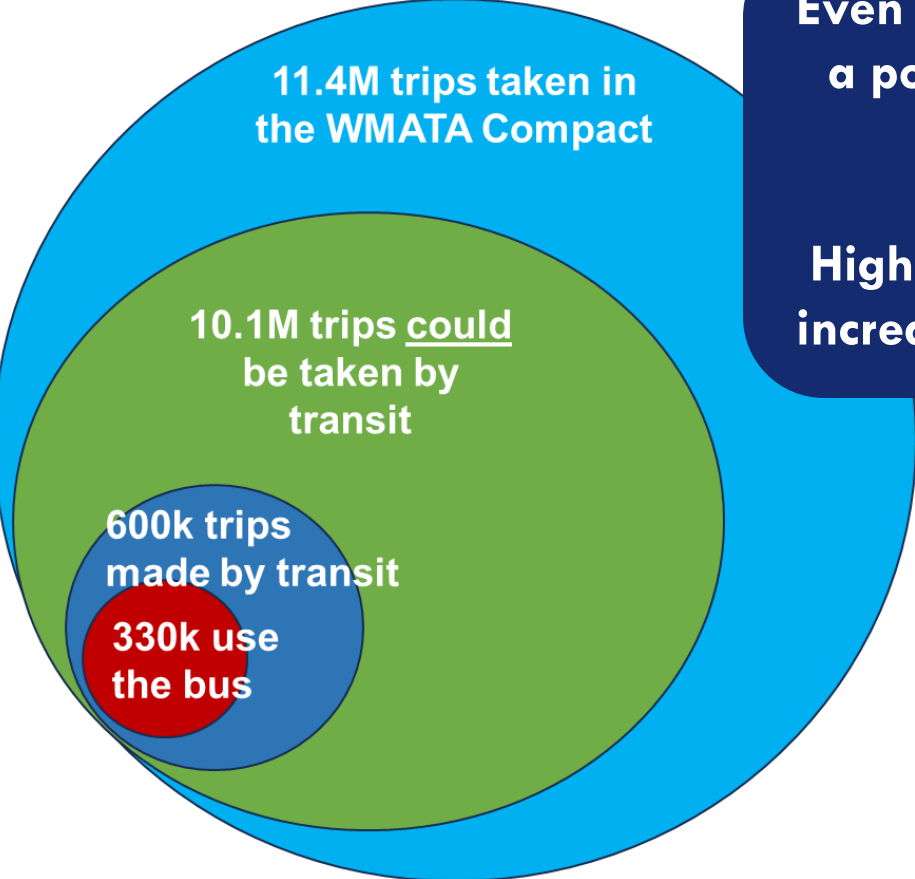


Bus lanes are **2%** of DMV street miles (28 miles); in San Francisco it's **6.3%**!

**ONLY BUS**

# Huge Opportunity to Grow Transit Ridership in the DMV

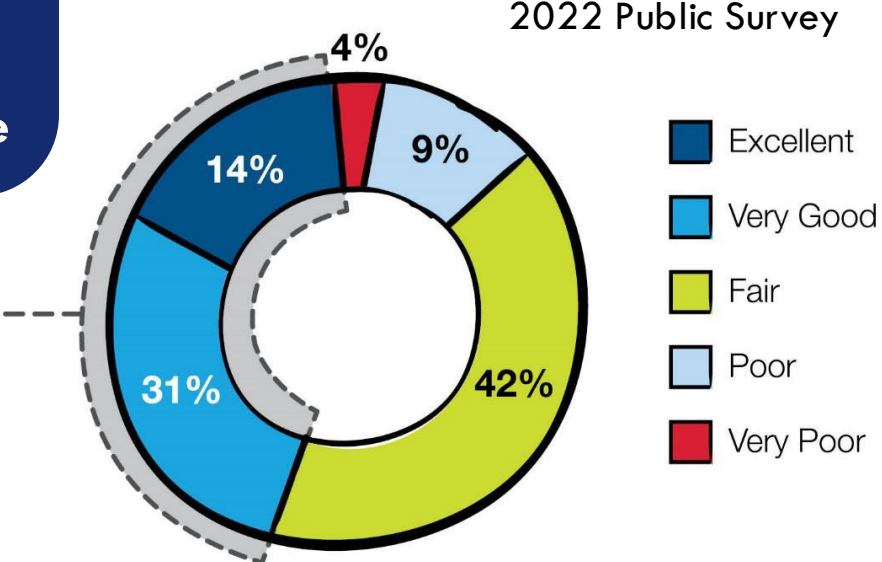
Delivering a consistently world-class transit experience will expand ridership across markets and demographics



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**

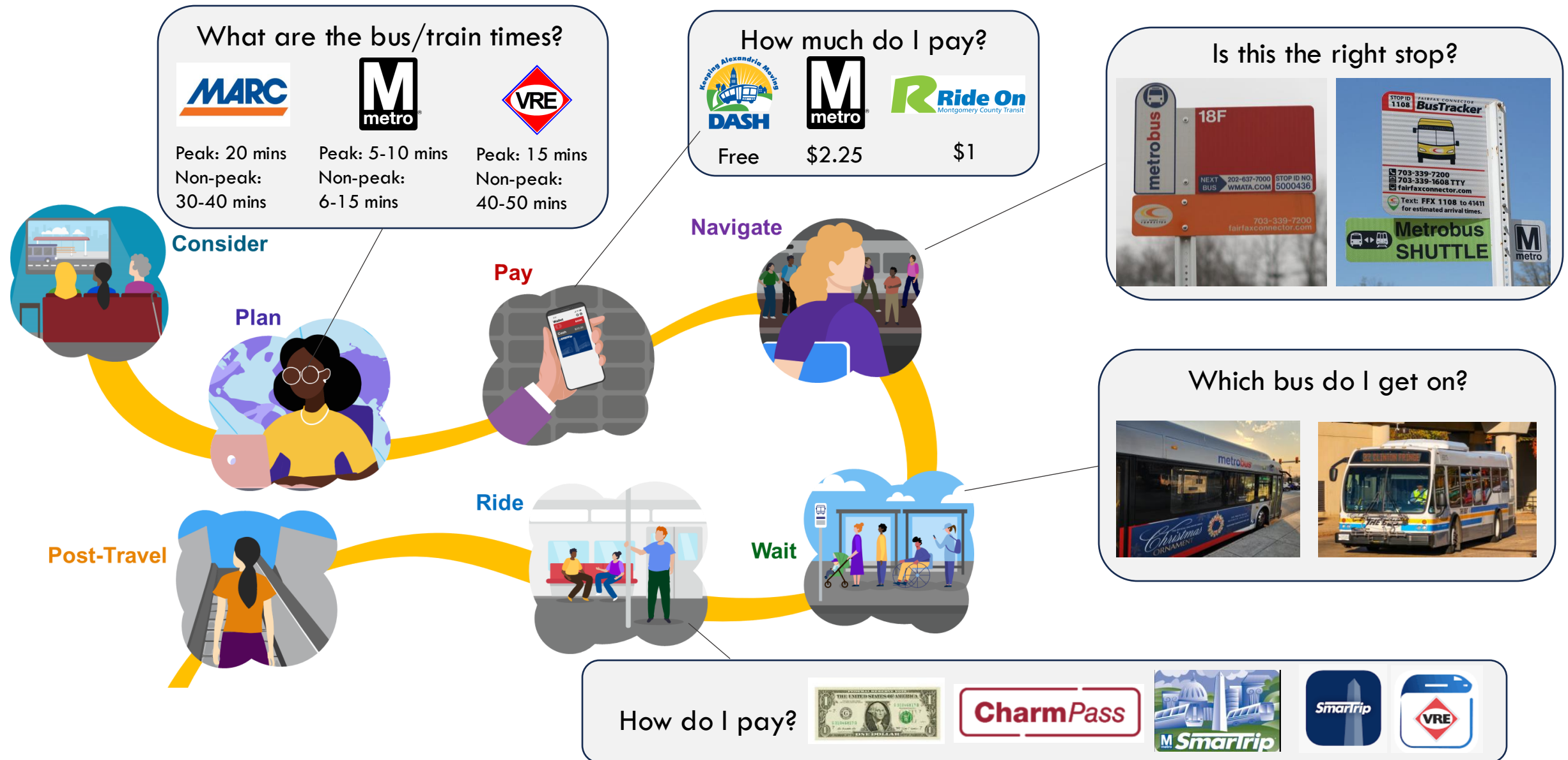


**45% of people surveyed rated the region's bus services as "very good" or "excellent"**

Source: Location-Based Services data, LOCUS, 2019/2023



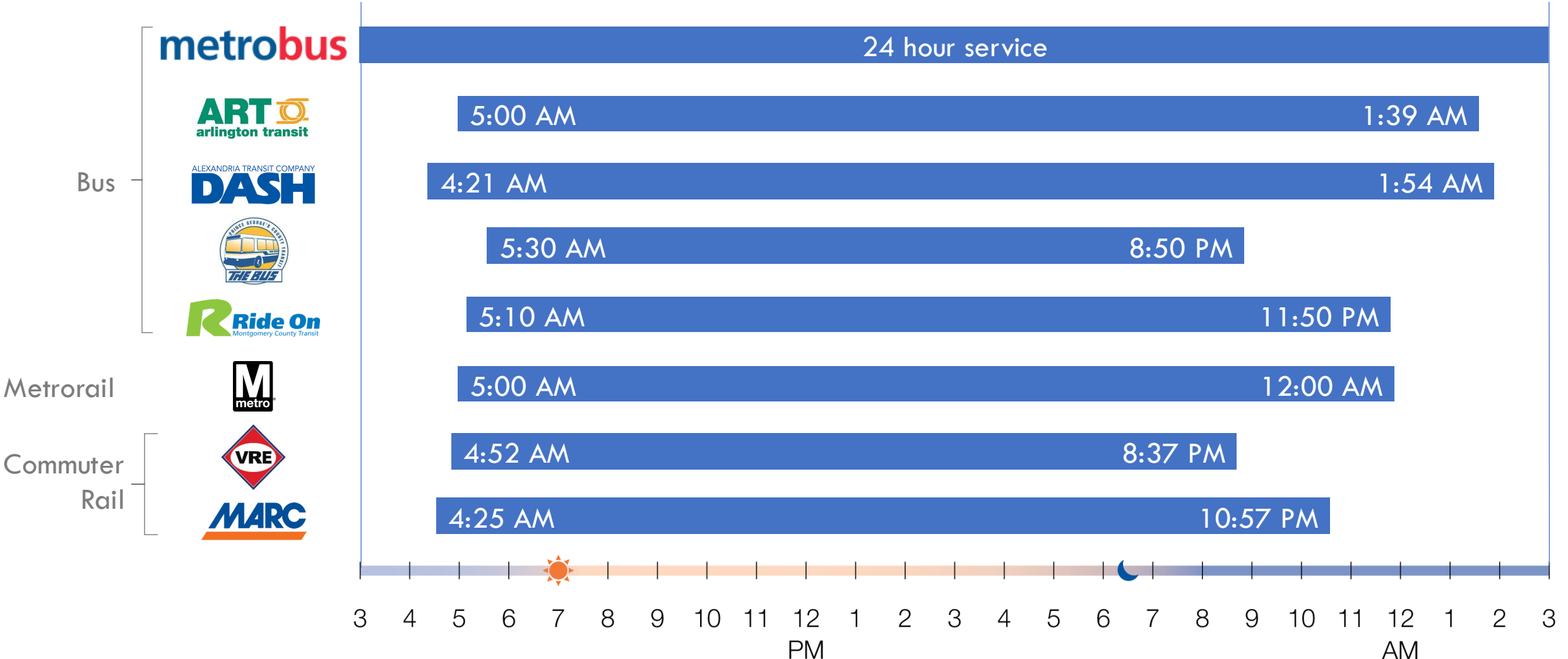
# Opportunity: Consistent, Excellent Customer Experience



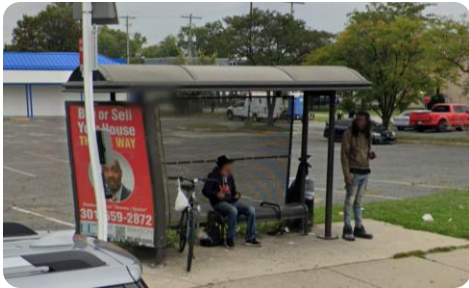


# Service Hours Vary Across the Region

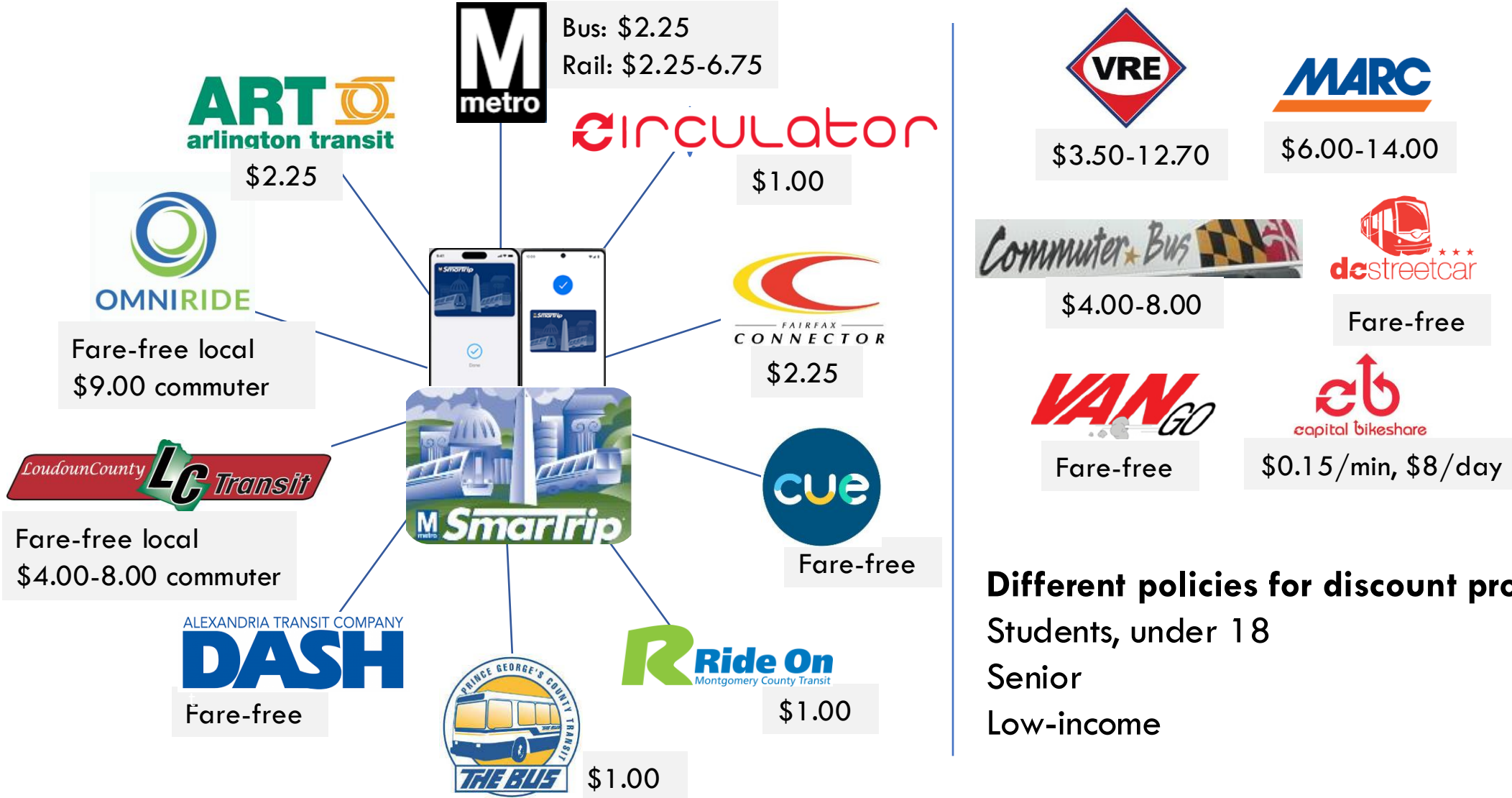
First Trip to Last Trip (Weekdays)



# 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  
 Senior  
 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

# 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?







# 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

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

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





# 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.



# 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



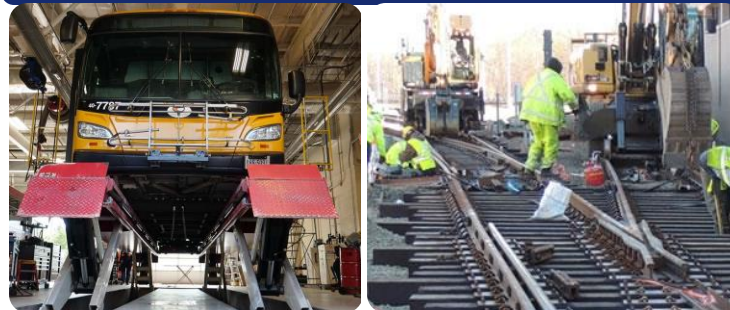
## Modernization



## 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 Budgets and Sources

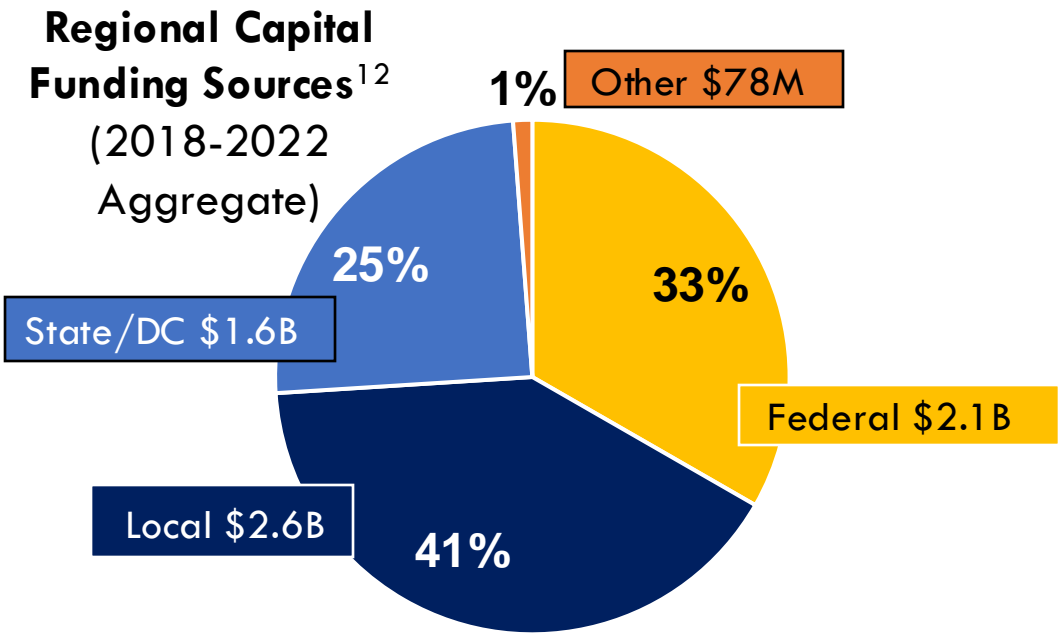
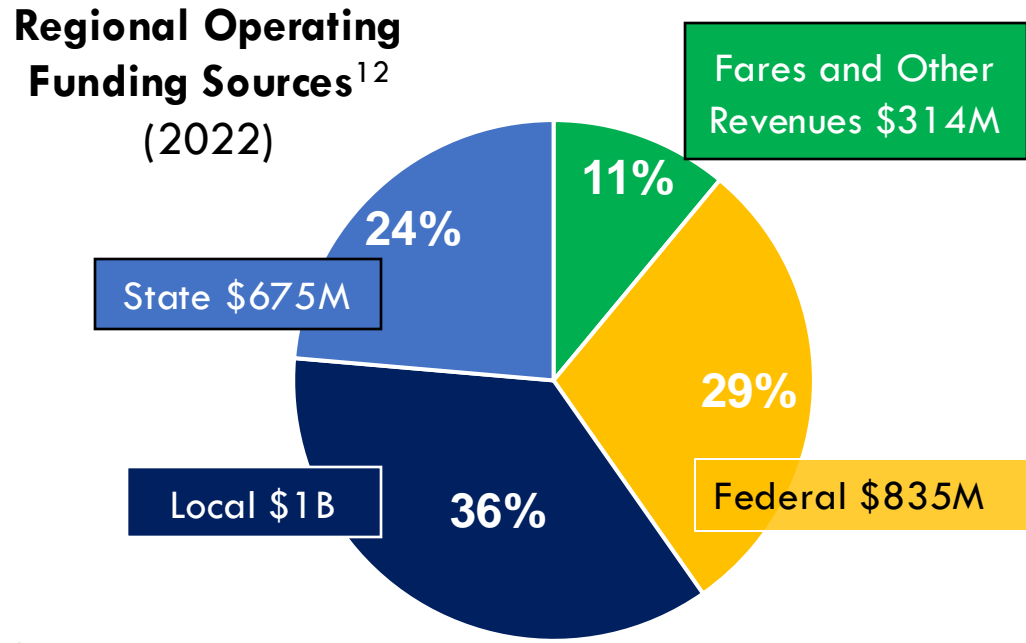
**FY2025 Operating**

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)

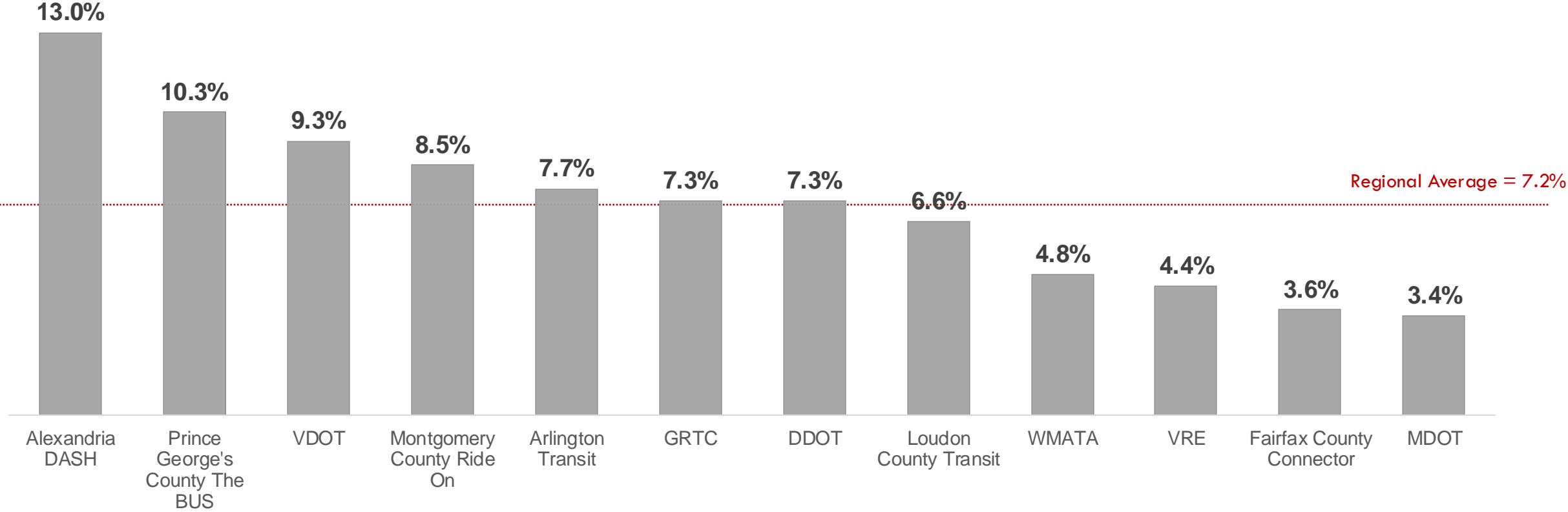
## Historic Funding Sources



<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.




# 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



# 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

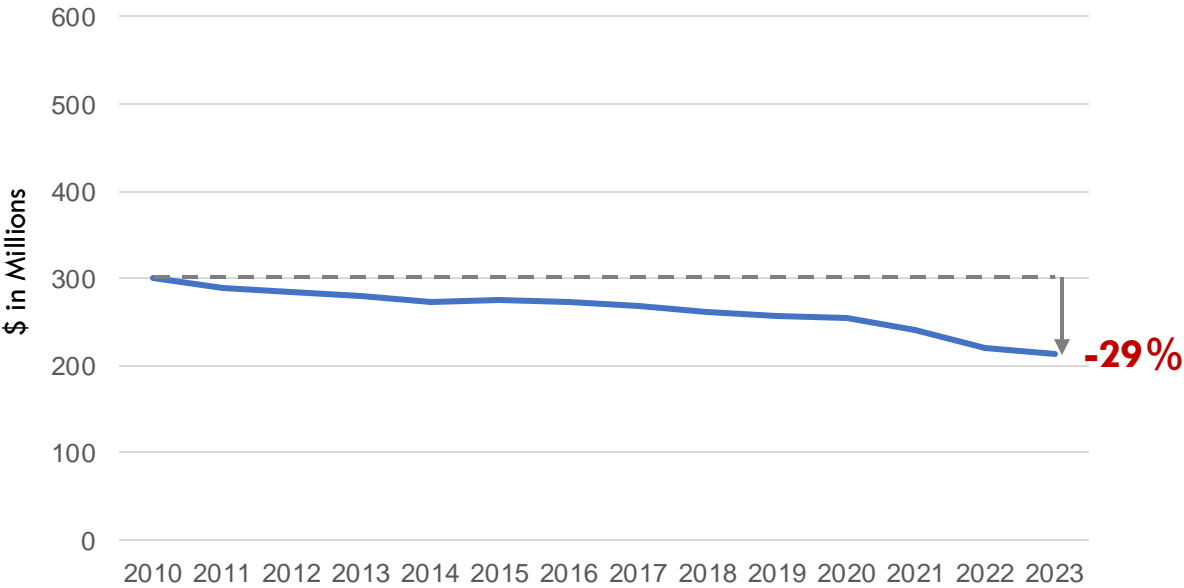
## Impacts

- 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

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

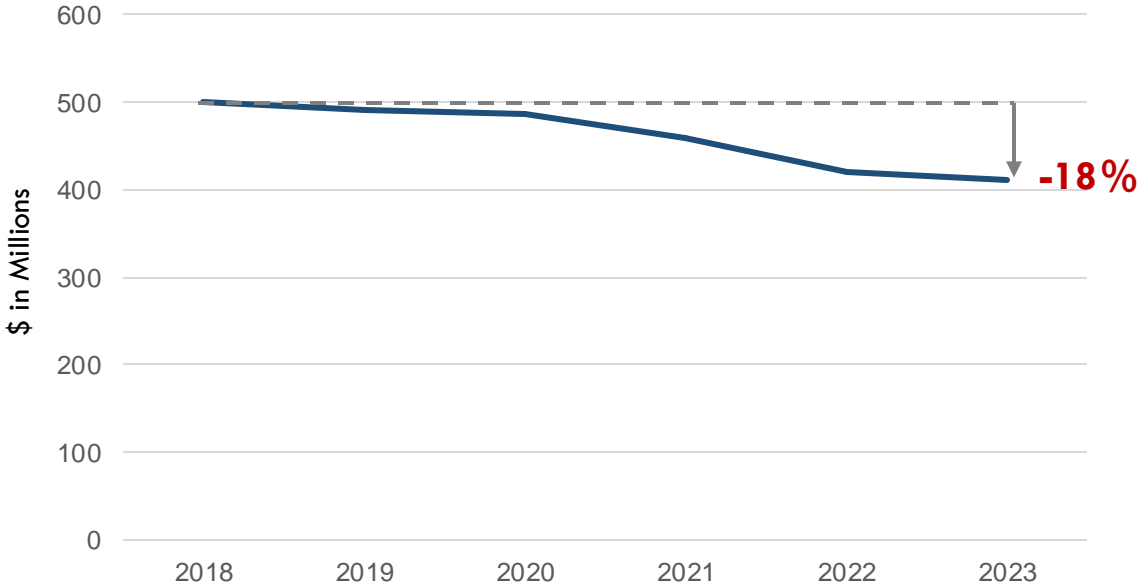
- Historically high inflation hit all markets and industries during the pandemic, still cooling off
- Many of Metro's funding sources are not indexed to inflation; their buying power has fallen dramatically

**\$300 million of original PRIIA worth \$214 million today**



\*Values shown in 2010 dollars

**\$500 million of original Dedicated Funding worth \$410 million today**



\*Values shown in 2018 dollars



# Options/Concepts for Advancing Regional Goals

Through Visualize 2045, the region set goals to increase transit mode share, reduce driving and vehicle miles travelled (VMT), ensure safe, reliable mobility, and reduce greenhouse gases -50% by 2030, -80% by 2050.

In addition to investing to sustain the transit network we have today, what is most important?



Operate more frequent service all day/all week across the region



Expand transit to connect to more places



Integrate transit agencies' customer experience, technologies, and standards



Create policies that disincentivize driving (e.g. parking pricing, congestion charging, etc.)



Other?



# In a world of limited resources, what transit investments would you prioritize to advance world-class transit ?

- Extensive, interconnected, regional Bus Rapid Transit (BRT) network
- All-day, high-frequency bus network
- Expanding the regional rail network
- All-day, bi-directional commuter rail between Maryland, DC, and Virginia
- Seamless, unified, and integrated regional fare payment
- Metrorail capacity, reliability, and resiliency projects
- Extensive and interconnected network of bike paths and bike lanes
- Expanded and improved ferry services
- Improved and expanded multimodal transfer / connection hubs
- Other?



# Summer 2024 Schedule

## Task Force 06/10/24

### Key outcomes:

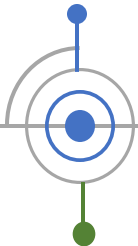
- Shared understanding of existing conditions
- Principles of DMV world-class transit

## Task Force 09/23/24

### Key outcomes:

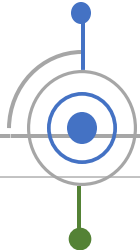
- Vision & Principles
- Funding Scenarios for Modeling

Jun

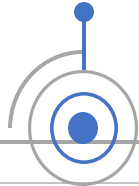


Public Survey

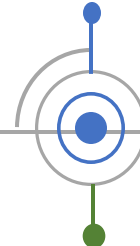
Jul



Aug



Sep



### Community Partners 06/21/24 Government Partners 06/17/24

- Existing Conditions: Network and Funding
- Future Plans, Needs, and Goals
- Initial Goals and Vision

### Community Partners 07/16/24 Government Partners 07/18/24

- Funding: Needs and Costs
- Peer Funding Models
- Initial Gaps/Opportunities Analysis
- **Recommendations to Task Force:** draft Goals and Vision

### Community Partners 09/20/24 Government Partners 09/19/24

- Survey Results
- Gaps/Opportunities Analysis
- Funding Scenarios for Modeling
- Existing Conditions: Oversight/Delivery Structures
- **Recommendations to Task Force:** Goals & Vision and funding scenarios



The next Task Force meeting will be September 23, 2024