



**Finance and Capital Committee**

**Information Item III-A**

**December 9, 2021**

**Authorization for Public Hearings on FY2023  
Operating Budget and FY2023-2028 CIP**

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 202327	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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**TITLE:**

Authorization of Public Hearings for FY2023 Budget

**PRESENTATION SUMMARY:**

Staff will review public hearing requirements and seek Board of Directors' (Board's) authorization to conduct public hearings on Metro's Proposed FY2023 Budget, and FY2023-2028 Capital Improvement Program (CIP).

**PURPOSE:**

Request Board authorization to conduct Public Hearings and related public participation activities on the FY2023 Operating and Capital Budgets and FY2023-2028 Capital Improvement Program.

**DESCRIPTION:**

Identification of Parties with an interest in Metro's budget:

The following list includes Metro's top non-personnel multi-year contractors through FY2022 and to date (\$500 million) as well as the Metropolitan Washington Airports Authority. Some vendors have contracts spanning through FY2023 as well.

- Kawasaki Rail Car Inc.
- Kiewit Infrastructure Company
- Hitachi Rail Washington LLC
- Potomac Yard Constructors
- New Flyer of America, Inc.
- Transdev Services, Inc.
- C3M Power Systems, LLC
- Motorola Solutions Inc.
- Kone Inc
- MV Transportation
- Diamond Transportation Service, Inc.
- First Transit, Inc.
- The Aftermarket Parts Company LLC
- DJB Contracting Inc.
- Potomac Construction Co Inc.
- Dell Marketing LP

- Cubic Transportation Systems Inc.
- Jacobs Engineering Group, Inc.
- Challenger Transportation Inc.
- Toshiba International Corporation
- Gannett Fleming Engineers and Architects

A full list of Procurement Awards is available at:

<https://www.wmata.com/business/procurement/solicitations/index.cfm#main-content>

Furthermore, Metro has labor agreements with the following collective bargaining units:

- Fraternal Order of Police/Metro Transit Police Labor Committee, Inc. (FOP)
- Office and Professional Employees International Union Local No.2, AFL- CIO (Local 2)
- Local 639, International Brotherhood of Teamsters Law Enforcement Division (Local 639)
- Local Union 689 of the Amalgamated Transit Union, AFL-CIO (Local 689)
- Local 922, International Brotherhood of Teamsters (Local 922)

### **Key Highlights:**

- On November 4, 2021, the GM/CEO presented Proposed FY2023 Budget and FY2023-2028 CIP for Board consideration
- Proposed budget includes minor service adjustments and fare reductions adopted by the Board of Directors in September 2021
- Proposed CIP includes Federal Transit Administration (FTA) grant funding which requires public hearings prior to utilization
- Following Board of Directors authorization, Metro will hold public hearings in January/February 2022 to solicit public input regarding Metro's proposed CIP and use of FTA grant funds
- As part of the public hearings, staff will develop and undertake extensive outreach (as outlined in the Board-adopted Public Participation Plan) on the proposed operating and capital budgets that will be part of the public record of the hearing
- The Board will consider the hearing and outreach findings before adopting the FY2023 Operating Budget and FY2023-2028 CIP and Title VI Equity Analysis.

### **Background and History:**

On November 4, 2021, the GM/CEO presented a Proposed FY2023 Operating and Capital Budgets and FY2023-2028 CIP to the Board. As Metro and the region continue to recover from the effects of the Covid-19 pandemic, the Proposed FY2023 Budget continues to invest in all-day service seven days a week that prioritizes safe, reliable, and equitable transit service. Key objectives for FY2023 include:

The Proposed FY2023 Operating Budget improves Metrobus and Metrorail services and practices to enhance service equity and promote broader transit access across the region, continues discount fare options to make it easier and convenient for customers to use Metro and reduces costs with additional management across Metro.

The Proposed FY2023-2028 Capital Improvement Program is focused on Metro's key investment priorities: Safety and Security, Reliability, State of Good Repair, and Sustainability, Efficiency and Resiliency.

### **Discussion:**

The proposed FY2023 docket includes the following items for public hearings and related public participation activities before Board of Directors deliberations and budget adoption in spring 2022:

### **Capital Improvement Program Proposals (See Attachment A)**

The proposed six-year \$12.4 billion CIP focuses investment in ongoing safety and state of good repair programs and projects, prioritized system preservation and renewal projects identified in Metro's Capital Needs Forecast and asset management and reliability plans. Capital delivery has improved in the recent past, with Metro delivering the single largest annual capital investment of \$1.84 billion in FY2021.

Metro's Capital Improvement Program is implemented across six investment categories:

- Railcars and Railcar Facilities
- Rail Systems
- Track and Structure Rehabilitation
- Bus, Bus Facilities, and Paratransit
- Stations and Passenger Facilities
- Operations and Business Support

In addition to Metro-identified priorities, several Jurisdictional projects are included in the reimbursable projects program, including the Potomac Yard infill station and support for the Silver Line Metrorail extension.

Metro made significant progress in capital improvements in FY2021 in the low ridership period during the on-going Covid-19 pandemic. Projects advanced in FY2021 include:

- Phase 2 of the Platform Improvement Project (including East Falls Church, West Falls Church, Dunn Loring, Vienna, Reagan National Airport)
- Completion of the platform-level lighting upgrades to retrofit all 48 underground Metrorail stations and station ceiling lighting at 12 stations
- Release of the SmarTrip mobile applications for Apple iOS and Android

- Completion of the cellular and wireless service installations across the Metrorail system
- Platform rehabilitation at Arlington Cemetery and Addison Road as part of Phase 3 of the Platform Improvement Project
- Delivery of 175 hybrid sedans for MetroAccess
- Delivery of 133 Metrobuses
- Replacement of nine drainage pumping stations

**Significant projects moving forward in FY2022 include:**

- Platform rehabilitation at West Hyattsville, Prince George's Plaza, College Park-UMD, Greenbelt (Phase 3 of the Platform Improvement Project)
- Chevy Chase, Colorado, and Calvert St. Historic Bus Terminal Rehabilitations
- Alexandria Yard Automatic Train Control (ATC) replacement
- Rockville Canopy Replacement (as part of the Structural Rehabilitation Package 1)
- Judiciary Sq. South entrance stairwell
- Dupont Circle North entrance canopy
- Office consolidation including construction of office buildings in DC, Virginia and Maryland
- Replacement of six drainage pumping stations
- Delivery of 120 Metrobuses.

The CIP also includes ongoing Capital Projects to address previously unmet or unfunded needs these projects include:

- Acquisition of 8000 series railcars to replace 2000 and 3000 series cars
- Heavy Repair and Overhaul Facility
- Bladensburg Bus Garage Facility
- Northern Bus Garage Facility
- Metrorail Fare gate replacement and Metrobus farebox replacement
- Replacement of 130 escalators systemwide
- MD, VA office buildings
- Potomac Yard Metrorail Station
- Tunnel Ventilation Pilot
- Yellow Line Tunnel and Bridge Rehabilitation project

Metro continues to reduce overdue and ongoing state of good repair needs. When measured in FY2016 the backlog was estimated at \$7.1 billion and reduced to about \$5.0 billion by FY2018. Metro is projecting further reductions to the state of good repair backlog through the continued federal and regional investment in the CIP. Planned capital investments will reduce the state of good repair backlog to about \$3.2 billion by FY2028 and to about \$1.2 billion by FY2032. These projections assume continued investments in projects and programs that prevent adding items to the backlog.

## **Capital Program Risks and Considerations:**

The Capital program faces traditional funding and execution risks in addition to those related to the pandemic. The risks include additional labor costs associated with Covid compliance for personal health and safety, as well as supply chain interruptions, inflation and market escalations.

Risks to capital funding sources include uncertainty of the federal funding and the long-term dedicated funding debt capacity. Continuation of state of good repair projects to sustain state of good repair and reliability and prevent future backlogs, require on-going funding at an order of magnitude of \$1.5 billion on average per year. Additional unfunded or underfund needs include, but are not limited to, Zero Emission bus implementation; the Next Generation Signal System; Blue/Orange/Silver Line capacity and reliability improvements; and Railcar fleet and facility improvements for future rail system capacity and frequency improvements.

## **FY2023 Operating Budget (See Attachment B)**

Total proposed operating budget excluding reimbursables is \$2.282 billion, an increase of \$182 million from FY2022, and \$212.2 million more than pre-pandemic levels. Specific cost drivers in FY2023 include Silver Line 2 service launch, the addition of Potomac Yard Station, Cost of Living Adjustment for employees in bargaining units/Non-Represented Pay Performance, General CPI/Inflation, Additional Support Costs, and additional staffing for internal response and coordination of Washington Metrorail Safety Commission (WMSC) directed activities. In addition, Metro will implement additional management savings initiatives totaling \$5 million in FY2023.

The FY2023 subsidy adheres to the mandated three percent annual growth cap with an FY2023 capped subsidy of \$1,142.9 million. Legislative exclusions in the proposed budget total \$49.0 million and include \$3.2 million for Juneteenth Holiday, \$3.4 million for safety mandates from the WMSC, \$40.8 million for Silver Line Phase 2 launch, and \$1.5 million for the new Potomac Yard Station, for total annual operating subsidy of \$1,191.9 million excluding debt service.

## **Service Proposals (See Attachment C)**

The FY2023 budget funds current service levels that went into effect on September 5, 2021, as well as provide funding for Silver Line Phase 2 revenue service, Potomac Yard Station opening and additional equity-based service improvements in calendar year 2022.

Furthermore, service changes that were temporarily adopted by the Board on June 10, 2021 (Resolution 2021-22) would be included for possible permanent adoption. Those changes include the following:

## **Bus Service Improvements**

- Launch 20 lines all day, frequent network at rail frequencies
  - 20 bus lines with 12 minutes or better service, 7am to 9pm, seven days a week
- Additional improvements
  - 16 bus lines with 20 minutes or better service, 7am to 9pm, seven days a week
  - Service restored or improved on an additional 46 bus routes

## **Rail Service Improvements**

- All six rail lines with improved all day and peak frequencies
  - 10 minutes or better peak
  - 12 minutes or better all day
  - 15 minutes or better late night
- Rail system open longer
  - Summer 2021: Extend hours to midnight, seven days a week
  - Fall 2021: Extend hours to 1 am on Friday and Saturday; Sunday opening to match Saturday

## **Fare Proposals (See Attachment D)**

### **Make FY2022 fare proposals permanent:**

The following temporary fare changes implemented in September 2021 are included for possible permanent adoption: free rail-bus transfers (\$2 transfer discount); lower 7-Day Regional Bus Pass Price (\$12 from \$15); regional providers in Metro passes and rail weekend \$2 flat fares.

In addition, the following additional pandemic fare discounts are recommended for Board of Directors consideration:

### **\$2 Late Night Rail Fare**

To support late-night workers and the late-night economy, Metrorail fares would be a flat \$2 for one-way trips from 9:30 pm until close. This benefits late-night workers and encourages use of the system during less busy hours. This is expected to reduce revenue by \$1.0 million.

### **Discount Monthly Passes**

Monthly pass products would be discounted to make the price more attractive to workers who are now commuting to their physical offices less than five days per week. The discount will reduce the price range from \$72-216 to \$64-192 depending on the distance selected and reduce revenue by \$1.7 million.

### **Discount 7-Day Unlimited Passes**

The 7-Day unlimited pass would be discounted to make its pricing attractive to workers who may not be travelling on consecutive days. The 50 percent discount from \$58 to \$29 provides significant value to riders who may be riding three or more days during the 7-day pass validity. The impact on revenue will be a decrease of \$0.3 million for a six-month promotion.

**Add Value Bonus**

The add value bonus rewards customers when they add funds to their SmarTrip card. For every \$25 placed on a SmartTrip card, an additional \$5 will be added to the card. The bonus may induce ridership and appeal to customers with irregular work schedules. The revenue loss is estimated at \$7.9 million for a six-month promotion.

**Public Engagement Activities**

Metro will conduct extensive public engagement effort in January and February 2022 to gain feedback regarding the proposed FY2023 budget, as well as capital improvement program Silver Line Phase II and the new Potomac Yard Station.

Responsive to the Board of Directors' Equity Framework, Metro will incorporate accessibility to reach a broader audience, including minority, low-income, limited-English communities. New efforts will include advertising in non-English newspapers, targeted digital advertising, deploying multi-lingual street teams to rail and bus locations, and producing stakeholder toolkits so that community partners can help expand Metro’s reach. An informational website and survey will be mobile-accessible, and Quick Response (QR) codes will be used on signs to help connect customers directly to these resources. Feedback gathered during the public comment period will be provided to the Board for consideration in March 2022.

**FUNDING IMPACT:**

No funding impact, approval for public hearings only.

**TIMELINE:**

<b>Previous Actions</b>	October 2021 - Revenue and Ridership Outlook  November 2021 - GM/CEO Proposed FY2023 Budget and FY2023-2028 CIP
<b>Anticipated actions after presentation</b>	January- February 2022 - Budget deliberations, public outreach and public comment period  March 2022 - Board adoption of the FY2023 Budget and FY2023-2028 Capital Program



April 2022 - Submit Federal grant applications
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July 2022 - Fiscal Year 2023 begins
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**RECOMMENDATION:**

Board authorization to conduct Public Hearings and related public participation activities on the FY2023 Operating and Capital Budgets and FY2023-2028 Capital Improvement Program as well as service and fare change proposals.

# Public Hearing Authorization FY2023 Budget and FY2023-2028 Capital Improvement Program

Finance and Capital Committee

December 9, 2021



# Purpose

Authorization to conduct Public Hearings and related public participation activities for proposed FY2023-2028 Capital Improvement Program and FY2023 Operating Budget

# Introduction

- Federal Transit Administration requires a public hearing on Program of Projects and use of grant funds included in Proposed FY2023-2028 Capital Improvement Program
- GM/CEO's Proposed FY2023 operating budget includes pandemic fare reductions and minor service adjustments approved by the Board of Directors in September 2021 to bring riders back

# Covid-19 Continues to Impact Metro Operations

- Ridership and operating revenue are slowly recovering
- Federal relief funding has enabled operating budget balance since FY2020, lasting through FY2023
- Despite growing ridership recovery, future operating revenue outlook remains weak

# FY2023 Operating Budget Recommendation



**Safety**



**Reliability**



**Affordability**

# Operating Budget Framework




Available funding retains improved Metrorail, Metrobus and MetroAccess service levels<sup>1</sup> and discounted fares that began in September 2021



Line	AM/PM Rush	All Day	Late Night
<b>RD</b>	5 min	6 min	10 min
<b>OR SV BL</b> <b>YL GR</b>	10 min	12 min	15 min


**METRORAIL**



**129 Lines**

12 Min. Frequency	20 Min. Frequency
20 lines	16 lines

**METROBUS**



**766 Vehicles**

on-demand paratransit vehicles

Vans	Sedans
539	227

**METROACCESS**

***Frequent, reliable, all-day service 7 days a week***

1. Metrorail operates one additional hour to midnight Sunday through Thursday; two additional hours on Friday and Saturday (to 1:00 am); starts service one hour earlier at 7 am (instead of 8 am) on Sunday. Metrobus additional bus lines are operating to meet passenger demand.



# Fare Initiatives and Discounts Included in GM/CEO Recommended FY2023 Budget

		Benefitting Trips	Potential FY2023 Revenue Impact
	<i>\$ and trips in millions</i>		
<b>FY22 Temporary Changes Proposed for Adoption</b>	Weekend Rail \$2 Flat Fare	12.2	(\$4.3)
	\$2 Bus-Rail Transfer Discount	7.5	(\$7.4)
	\$12 7-Day Regional Bus Pass	5.9	(\$0.6)
	<b>TOTAL</b>	<b>25.6</b>	<b>(\$12.3)</b>
<b>Pandemic FY23 Initiatives</b>	Late Night Rail \$2 Flat Fare	3.2	(\$1.0)
	Discount Monthly Passes		(\$1.7)
	Discount 7-Day Unlimited Pass <sup>1</sup>		(\$0.3)
	Add Value Bonus <sup>1</sup>	21.1	(\$7.9)
	<b>TOTAL</b>	<b>24.2</b>	<b>(\$10.9)</b>

1. Estimate is for six months only (Potential for additional ridership inducement)





# Equity Improvements | Considerations

- Some Metrorail service improvements could avoid Disparate Impact (DI)
- Improving Metrobus service helps advance equity for those who have continued to travel during the pandemic
- Staff will present potential equity improvements for consideration in public input process
- Opportunity for Board and jurisdictions to suggest other improvements
- Public feedback will inform Board's service decisions

# FY23 Federal Relief Funds of \$716M to Balance Budget

Operating Deficit and Funding Gap					
	FY2021 Original Pre-Pandemic	FY2021 Actual	FY2022 Budget	FY2023 Proposed	FY2024 Scenario
<i>\$ in millions</i>					
Passenger Revenue	\$677.8	\$102.0	\$159.5	\$293.1	\$377.5
Non-Passenger	\$146.0	\$64.5	\$68.4	\$81.5	\$87.8
Total Revenue	\$823.7	\$166.6	\$227.9	\$374.6	\$465.3
Expenses	\$2,070.0	\$1,880.3	\$2,100.2	\$2,282.2	\$2,363.6
<b>Operating Deficit</b>	<b>(\$1,246.3)</b>	<b>(\$1,713.7)</b>	<b>(\$1,872.2)</b>	<b>(\$1,907.7)</b>	<b>(\$1,898.2)</b>
Subsidy	\$1,246.3	\$1,009.1	\$1,109.7	\$1,191.9	\$1,227.7
Federal Relief	\$0.0	\$704.7	\$762.6	\$715.8	\$151.3
<b>Funding Gap</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$519.3)</b>

# FY2023-2028 Capital Improvement Program



**Safety**

**State of  
Good Repair**

**Reliability**

# \$12 Billion Safety & State of Good Repair CIP

- Improve system safety, state of good repair, and reliability
- Rehabilitate, replace, and modernize the system
- Integrate resilience and sustainability
- Accelerate delivery of projects to address critical, long-standing needs
- Maintain fiscal accountability and commitments to region
  - 3% aggregate cap on jurisdictional capital assistance
  - Dedicated funding supported debt

## Capital Program Overview (\$B)

### Capital Program Portfolio

**\$23.0B**

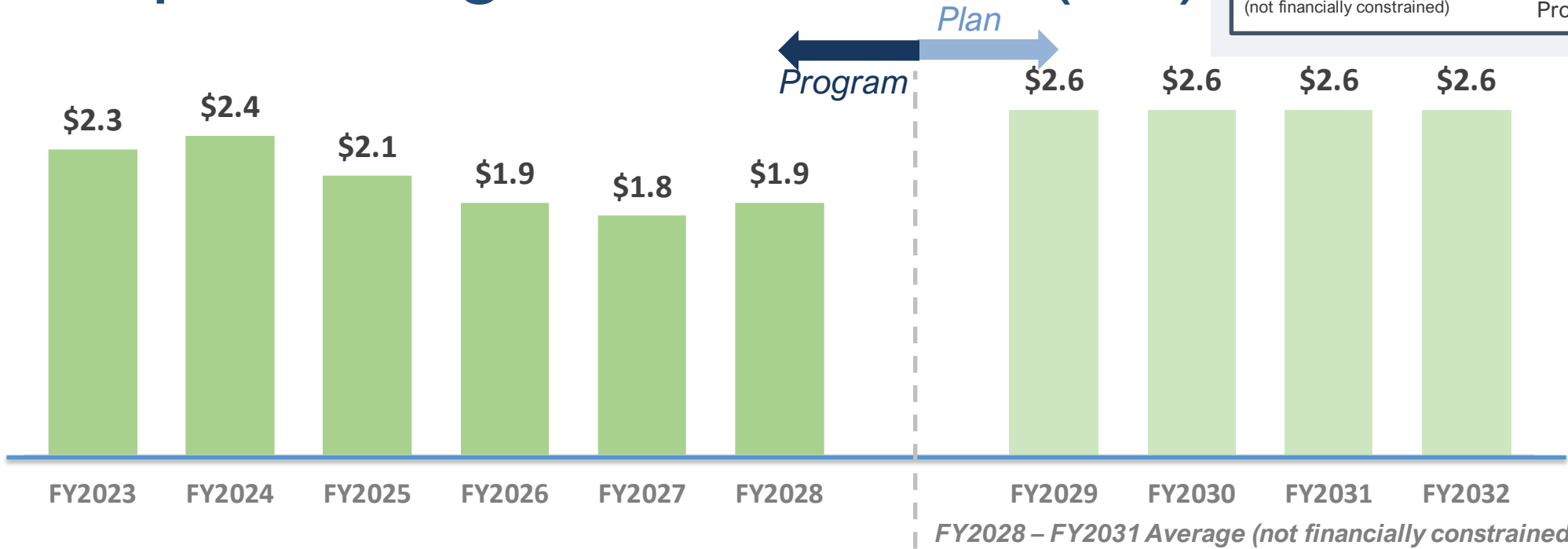
10-Year Capital Plan  
(not financially constrained)

**\$12.4B**

Six-Year Capital  
Program

**\$2.3B**

FY2023 Capital Budget



**10-Year Capital Plan**

**Six-Year Capital Improvement Program (CIP) Total Investment \$12.4B**

**Capital Budget Total 1-Year Investment \$2.3B**

**Total Investment \$23B**

### Underfunded Investments and Projects Continuing Beyond the 10-Year Plan include:

- Continued Required State of Good Repair and Safety Investments
- 8000 Series Railcar Acquisition
- Next Generation Signal System
- Zero Emission Bus Implementation
- Tunnel Ventilation Improvements
- Railyard Optimization
- Passenger Circulation Station Improvements
- Third Rail Modernization



## Capital Investment Categories & Funding Sources

### Financial Plan by Investment Category

Capital Investment Categories (\$M)	FY2023 Budget	FY2024 – FY2028 Plan*	Six-Year Total
Railcars and Railcar Facilities	\$303	\$2,129	\$2,432
Rail Systems	\$203	\$1,448	\$1,651
Track and Structure Rehabilitation	\$459	\$1,299	\$1,758
Stations and Passenger Facilities	\$525	\$2,170	\$2,694
Bus, Bus Facilities, and Paratransit	\$441	\$1,819	\$2,260
Operations and Business Support	\$380	\$1,249	\$1,629
<b>Total Capital Investments</b>	<b>\$2,311</b>	<b>\$ 10,113</b>	<b>\$12,425</b>
Revenue Loss from Capital Projects	\$12	\$50	\$62
Debt Service - Dedicated Funding	\$101	\$1,424	\$1,525
<b>Total Capital Program Cost</b>	<b>\$2,425</b>	<b>\$11,587</b>	<b>\$14,012</b>

\*FY2024-FY2028 Plan capital investment category allocation subject to change as project costs and schedules are refined.

### Capital Program Funding Sources

Funding Sources (\$M)	FY2023 Proposed Budget	FY2023- FY2028 Plan
<b>Federal Grants</b>		
<b>Formula and Other Grants</b>	\$343	\$2,149
<b>PRIIA</b>	\$149	\$149
<b>Subtotal Federal Grants</b>	<b>\$491</b>	<b>\$2,298</b>
<b>State and Local Contribution</b>		
<b>District of Columbia</b>	\$330	\$2,018
<b>State of Maryland</b>	\$313	\$1,924
<b>Commonwealth of Virginia</b>	\$291	\$1,793
<b>Subtotal State and Local</b>	<b>\$934</b>	<b>\$5,735</b>
<b>Jurisdiction Reimbursable Projects</b>	\$40	\$96
<b>Metropolitan Washington Airports Authority</b>	\$10	\$42
<b>Debt and Other Fund Sources</b>	\$949	\$5,840
<b>Grand Total</b>	<b>\$2,425</b>	<b>\$14,012</b>

Note: Does not reflect passage of Infrastructure Investment and Jobs Act

# Public Engagement

## PPP Overview

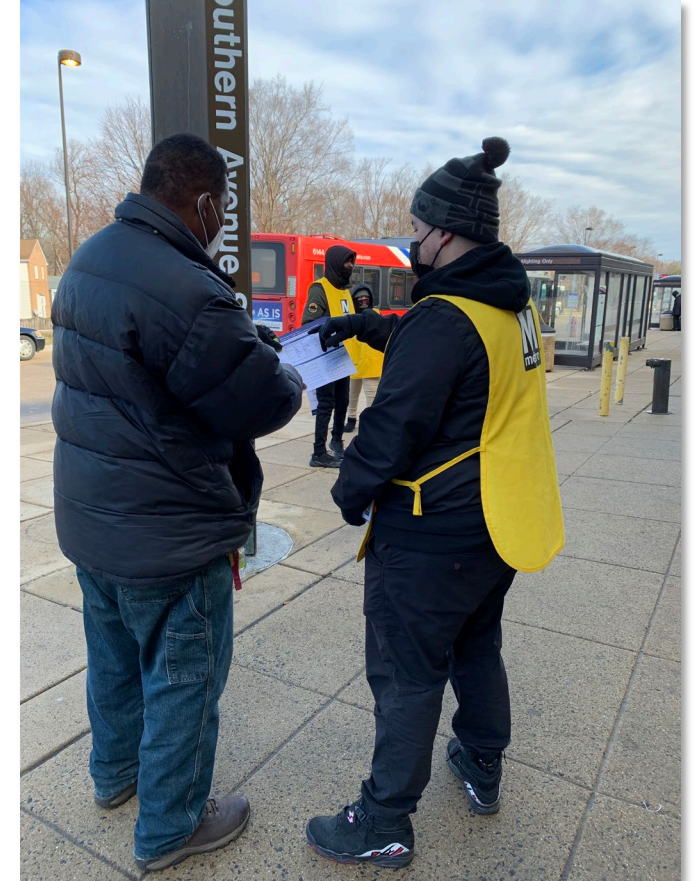
- Required by FTA Circular 4702.1B as part of Title VI Program
- Board approved in 2014; updated in 2017 & 2020
- PPP best practices:
  - To involve Title VI populations, go where they are
  - Make it convenient to attend events
  - Translate materials and use graphics
  - Tailor event formats to the preferences of groups
  - Acknowledge and use input





# Public Engagement Plan

- Responsive to Board of Directors' Equity Framework
- Public comment opens late January for about 4 weeks
- Multichannel outreach informs customers and stakeholders about fare proposals and capital program
- Generates feedback for Board consideration through final staff report
- Outreach opportunities advertised through media and community networks to promote participation
- The plan is developed to reach communities impacted or benefited by the proposed budget



# Public Outreach Tactics

Emphasis on reaching low-income and minority riders; customers with disabilities

- **In-person outreach:** Multilingual teams at all 91 stations and bus transfer locations
- **In-system Notification:** Printed and digital signs in English/Spanish at rail stations, onboard buses & MetroAccess vehicles
- **Stakeholder toolkit:** Includes social media posts and flyers in multiple languages for distribution by community-based organizations (CBOs), govt list-servs, etc
- **Website:** Links to English/Spanish survey w/multi-language information – popular mobile survey for cell phone users
- **Advertisements:** social media, community and non-English publications
- **Public hearings: required for capital program**

## Proposals requiring Public Hearing (FTA § 5307 & VA Dedicated Funding):

### Capital Budget

- FY23 capital budget and FY2023 – 2028 CIP

## Proposals requiring Title VI equity analysis including public participation:

### Fare Proposals

#### Continue discounts implemented in September

- Free Metrobus/Metrorail transfers (\$2 transfer discount)  
\$2 one-way weekend trips on Metrorail
- \$12 7-day regional bus pass

#### New discounts

- \$2 one-way trips on Metrorail after 9:30 p.m.
- Discounted monthly unlimited passes

#### Metro Sales Office close and relocate

**Promotional fares** (discounted pass, \$5 add value)

### Service Proposals

#### Continue FY2022 Approved Service

- Increased weekday and weekend frequency on all Metrorail lines
- Extended Metrorail operating hours
- Various Metrobus improvements, including Frequent Service Network

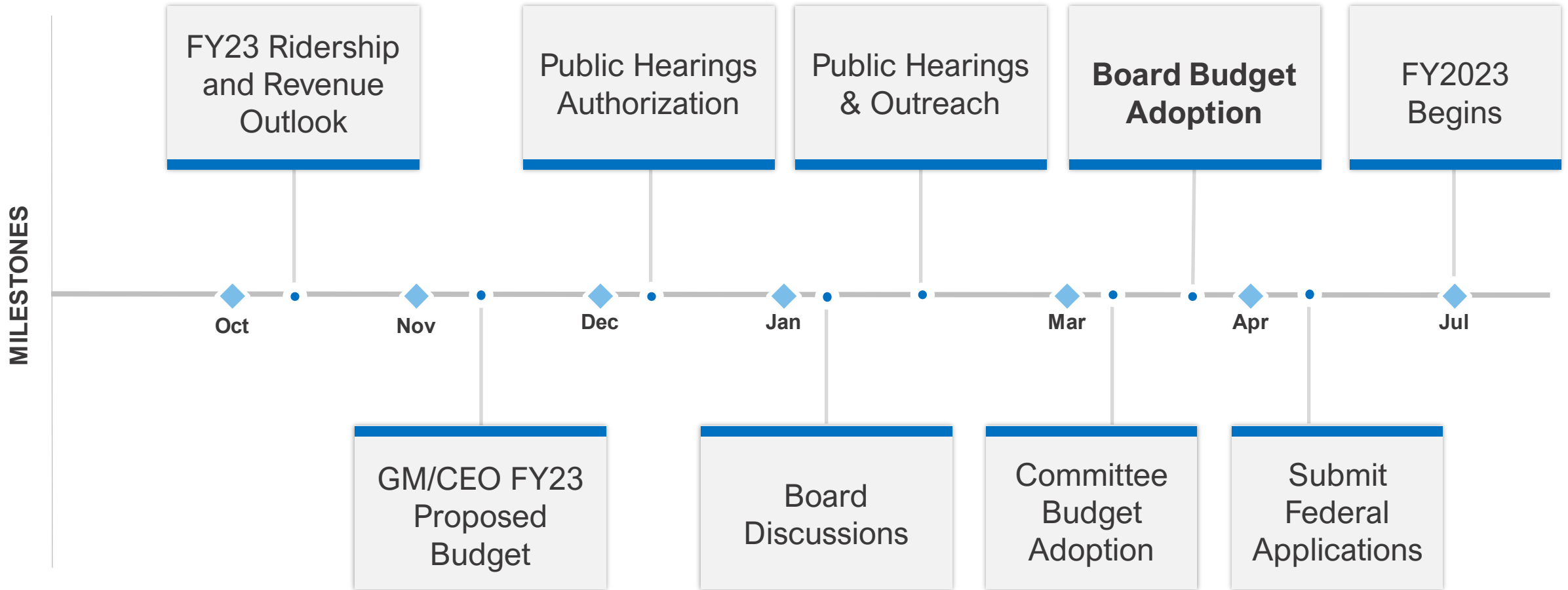
#### Additional Service Improvements

- Silver Line Phase 2
- Potomac Yard

# Recommendation

Authorization to conduct Public Hearings and related public participation activities for proposed FY2023-2028 Capital Improvement Program and FY2023 Operating Budget

# Key Dates and Milestones



SUBJECT: AUTHORIZATION FOR PUBLIC HEARINGS ON PROPOSED FISCAL YEAR 2023 CAPITAL BUDGET AND FY 2023-2028 CAPITAL IMPROVEMENT PLAN, WHICH WILL BE HELD COINCIDENT WITH TITLE VI EQUITY ANALYSIS AND PUBLIC PARTICIPATION ON SERVICE AND FARE CHANGES

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Compact Section 12(k) requires the Board of Directors to authorize public hearings; and

WHEREAS, The Federal Transit Administration (FTA) requires all recipients of Urbanized Area Formula Program ("Section 5307") grant funding to annually develop, publish, hold a public hearing, and submit for approval a Program of Projects that is part of its capital budget; and

WHEREAS, Enactment Clause 8 of the 2018 Virginia dedicated funding statute (VA Acts of Assembly Ch. 854 Enact. Cl. 8) requires WMATA to hold a public hearing on a capital improvement plan (part of the capital budget) within the geographic limits of the Northern Virginia Transportation Commission; and

WHEREAS, The proposed \$2.4 billion Fiscal Year (FY) 2023 capital budget (Attachment A), which includes WMATA's Program of Projects, funds critical safety investments and state of good repair investments to improve the safe, reliable and effective performance of the Metro transit system; and

WHEREAS, The proposed \$14 billion FY 2023-2028 Capital Improvement Plan (included in Attachment A) includes federal funding from FTA annual formula grant programs, including Section 5307 funding; and

WHEREAS, The Board desires to obtain public comment on the proposed \$2.28 billion FY 2023 operating budget (Attachment B) that includes proposals for service changes to Metrorail and Metrobus (Attachment C) and fare changes (Attachment D); and

WHEREAS, Staff proposes to close the Metro Center Sales Office and relocate the sales office to the new L'Enfant Plaza Metro Headquarters building (Attachment E) due to decreasing demand for in-person purchases of fare media products as more customers use mobile fare media and internet sales;

NOW, THEREFORE, be it

*RESOLVED*, That in accordance with the Federal Transit Administration (FTA) Urbanized Area Formula Program ("Section 5307") requirements, the Board of Directors will conduct at least two public hearings, one of which will be held within the geographic limits of the Northern Virginia Transportation Commission as required by the Virginia dedicated funding statute (VA Acts of Assembly Ch. 854 Enact. Cl. 8), to solicit public comment on WMATA's proposed Fiscal Year 2023 capital budget, which incorporates WMATA's Program of Projects, and proposed Fiscal Year 2023-2028 Capital Improvement Plan as set forth in Attachment A, and be it further

*RESOLVED*, That the Board of Directors directs the General Manager and Chief Executive Officer to report on the findings of the public hearings on the Fiscal Year 2023 capital budget, which incorporates WMATA's Program of Projects, and proposed Fiscal Year 2023-2028 Capital Improvement Plan, as well as the findings of the Title VI Equity Analysis and other outreach efforts on the proposed service and fare changes; and be it finally

*RESOLVED*, That in order for the Board of Directors to incorporate public input in its deliberations on the Fiscal Year 2023 proposed capital and operating budgets and related matters, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

/s/ Patricia Y. Lee

Patricia Y. Lee

Executive Vice President and General Counsel

WMATA File Structure No.:  
18.8 Public Hearings and Meetings

## FY2023 Grant Applications

### Overview

WMATA is committed to improving the safety, reliability, and affordability of its system by substantially improving its assets — from rail stations, tracks and traction power infrastructure to the vehicles, maintenance facilities and cooling systems — and providing a better transit experience for hundreds of thousands of customers each day.

The proposed FY2023 capital budget of \$2.4 billion and six-year capital plan of \$14.0 billion include investment in ongoing projects, prioritized system preservation and renewal needs from the Capital Needs Forecast and asset management and reliability plans. Over the past four years, Metro has spent over \$6 billion on capital investments. Capital delivery set a record level of investment in the Metro system delivering approximately \$1.8 billion in FY2021.

Capital program publications detail the following:

- Capital Needs Forecast identifying a total of \$23.0 billion in investment needs unconstrained by cost or execution capacity.
- Capital Program Strategy outlining the vision and goals for capital investments.
- 10-Year Capital Plan projecting \$23.0 billion in investments constrained by delivery capacity for major projects. (Note: Due to delivery capacity constraint, there are potentially significant investment needs beyond the 10-year planning horizon.)
- Six-year Capital Improvement Program investments of \$12.4 billion and a FY2022 capital budget of \$2.3 billion with a list of priority projects and programs constrained by affordability and delivery capacity.

Major capital program investments to further improve service and customer experience include:

- **Railcars and Rail Facilities.** Major *vehicle* investments include the 7000- and 8000-series railcar acquisition programs. Major *facilities and systems* investments include the public address system, Heavy Repair and Overhaul Facility, and rehabilitation of railyards, and the railcar wash.
- **Rail Systems.** Major investments include Train Control Room Rehabilitation, Switch Machine Replacement, Rail Power System Rehabilitation, AC Power Rehabilitation, Radio Infrastructure Replacement, and Braking Energy Recovery Installation.
- **Track and Structures Rehabilitation.** Major investments include track rehabilitation and maintenance; tunnel remediation and water leak mitigation; and bridge and aerial structural rehabilitation.
- **Station and Passenger Facilities.** Major investments include Station Fire Control Infrastructure improvements; station infrastructure rehabilitation, replacement, and improvements; parking garage, surface lot, canopy, and elevator rehabilitations; passenger information, lighting, and station cooling system work.
- **Bus, Bus Facilities, and Paratransit.** Major *vehicle* investments include bus acquisition and rehabilitation and paratransit vehicle purchases. Major facilities investments include Northern and Bladensburg garage replacements and Montgomery and Four Mile Run garage rehabilitation; closed circuit television, shelter, stop accessibility, display signs, and terminal rehabilitation.
- **Operations and Business Support.** Major investments include office construction in DC, MD, and VA; data center replacement; enterprise IT infrastructure state of good repair; service vehicle replacement; roof rehabilitation and replacements; and environmental compliance.

The six-year plan includes reimbursable projects such as the Silver Line, the Potomac Yard infill station, and the Purple Line.



### Financial Plan by Investment Category

Capital Investment Categories (\$M)	FY2023 Budget	FY2024 – FY2028 Plan*	Six-Year Total
Railcars and Railcar Facilities	\$303	\$2,129	\$2,432
Rail Systems	\$203	\$1,448	\$1,651
Track and Structure Rehabilitation	\$459	\$1,299	\$1,758
Stations and Passenger Facilities	\$525	\$2,170	\$2,694
Bus, Bus Facilities, and Paratransit	\$441	\$1,819	\$2,260
Operations and Business Support	\$380	\$1,249	\$1,629
<b>Total Capital Investments</b>	<b>\$2,311</b>	<b>\$ 10,113</b>	<b>\$12,425</b>
Revenue Loss from Capital Projects	\$12	\$50	\$62
Debt Service - Dedicated Funding	\$101	\$1,424	\$1,525
<b>Total Capital Program Cost</b>	<b>\$2,425</b>	<b>\$11,587</b>	<b>\$14,012</b>

### Capital Program Funding Sources

Funding Sources (\$M)	FY2023 Proposed Budget	FY2023- FY2028 Plan
<b>Federal Grants</b>		
Formula and Other Grants	\$343	\$2,149
PRIIA <sup>2</sup>	\$149	\$149
<b>Subtotal Federal Grants</b>	<b>\$491</b>	<b>\$2,298</b>
<b>State and Local Contribution</b>		
District of Columbia	\$330	\$2,018
State of Maryland	\$313	\$1,924
Commonwealth of Virginia	\$291	\$1,793
<b>Subtotal State and Local</b>	<b>\$934</b>	<b>\$5,735</b>
<b>Jurisdiction Reimbursable Projects</b>	<b>\$40</b>	<b>\$96</b>
<b>Metropolitan Washington Airports Authority</b>	<b>\$10</b>	<b>\$42</b>
<b>Debt and Other Fund Sources<sup>1</sup></b>	<b>\$949</b>	<b>\$5,840</b>
<b>Grand Total</b>	<b>\$2,425</b>	<b>\$14,012</b>

1. Does not reflect passage of the Infrastructure Investment and Jobs Act
2. Debt service projections are preliminary estimates

### FY2023 Operating Budget Proposal

WMATA's Proposed FY2023 Operating Budget totals \$2.28 billion, not including operating reimbursables and debt service. The budget is funded by system generated revenues of \$374.6 million, jurisdictional subsidy of \$1.19 billion and \$715.8 million of federal relief. The jurisdictional subsidy consists of \$1.143 billion in contributions adhering to the 3 percent annual subsidy growth cap and \$49.0 million in legislative exclusions.

The proposed operating budget includes projected ridership at 53% of pre-pandemic levels and would fund continuation of service at or near pre-pandemic levels that became effective in September 2021. In addition, the budget funds additional service to be phased in 2022 including Silver Line Phase 2 revenue service, Potomac Yard station operations, and equity improvements.

<i>\$ in millions</i>	<b>FY2021 Original Pre-Pandemic</b>	<b>FY2021 Actual</b>	<b>FY2022 Budget</b>	<b>FY2023 Proposed</b>
Passenger Revenue	\$677.8	\$102.0	\$159.5	\$293.1
Non-Passenger	\$146.0	\$64.5	\$68.4	\$81.5
Total Revenue	\$823.7	\$166.6	\$227.9	\$374.6
Expenses	\$2,070.0	\$1,880.3	\$2,100.2	\$2,282.2
<b>Operating Deficit</b>	<b>(\$1,246.3)</b>	<b>(\$1,713.7)</b>	<b>(\$1,872.2)</b>	<b>(\$1,907.7)</b>
Subsidy	\$1,246.3	\$1,009.1	\$1,109.7	\$1,191.9
Federal Relief	\$0.0	\$704.7	\$762.6	\$715.8
<b>Funding Gap</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

Proposal to make the temporary service changes approved by the Board in June 10, 2021 permanent which results in service improvements in the following lines:		
Juris.	Route	Line Name
DC	31	Wisconsin Avenue
DC	33	
DC	32	Pennsylvania Avenue
DC	36	
DC	42	Mount Pleasant
DC	43	
DC	52	14th Street
DC	54	
DC	64	Fort Totten-Federal Triangle
DC	62	Takoma-Petworth
DC	63	
DC	79	Georgia Avenue Limited
DC	90	U Street-Garfield
DC	92	
DC	A6	Anacostia-Livingston
DC	A7	
DC	A8	
DC	D6	Sibley Hospital - Stadium-Armory
DC	D8	Hospital Center
DC	E2	Ivy City-Fort Totten
DC	E4	Military Road-Crosstown
DC	G8	Rhode Island Avenue
DC	H2	Crosstown
DC	H4	
DC	H6	Brookland-Fort Lincoln
DC	N2	Massachusetts Avenue
DC	N4	
DC	N6	
DC	S9	16th Street Limited
DC	U4	Sheriff Road-River Terrace
DC	U5	Marshall Heights
DC	U6	
DC	V2	Capitol Heights-Minnesota Ave
DC	V4	
DC	W2	United Medical Center-Anacostia

DC	W3	
DC	W4	Deanwood-Alabama Avenue
DC	X2	Benning Road-H Street
DC	X8	Maryland Avenue
MD	83	College Park
MD	86	
MD	A12	Martin Luther King Jr. Hwy
MD	C2	Greenbelt-Twinbrook
MD	C4	
MD	C8	College Park-White Flint
MD	C12	Hillcrest Heights
MD	C14	
MD	D12	Southern Ave-Suitland
MD	F4	New Carrollton-Silver Spring
MD	F6	New Carrollton-Fort Totten
MD	F8	Langley Park - Cheverly
MD	F12	Ardwick Industrial Park Shuttle
MD	F13	Cheverly-Washington Business Park
MD	H12	Marlow Heights-Temple Hills
MD	J2	Bethesda-Silver Spring
MD	K6	New Hampshire Avenue-Maryland
MD	K9	New Hampshire Avenue-MD Limited
MD	K12	Forestville
MD	P12	Eastover-Addison Road
MD	P18	Oxon Hill-Fort Washington
MD	Q1	Veirs Mill Road
MD	Q2	
MD	Q4	
MD	Q5	
MD	Q6	
MD	R2	Riggs Road
MD	R12	Kenilworth Avenue
MD	T18	Annapolis Road
MD	Y2	Georgia Avenue-Maryland
MD	Y7	
MD	Y8	
VA	1A	Wilson Blvd-Vienna
VA	1B	
VA	1C	Fair Oaks-Fairfax Blvd
VA	7A	Lincolnia-North Fairlington
VA	8W	Foxchase-Seminary Valley
VA	10A	Alexandria-Pentagon
VA	16G	Columbia Pike-Pentagon City
VA	16H	

VA	16Y	Columbia Pike-Farragut Square
VA	18G	Orange Hunt
VA	18H	
VA	21C	Landmark-Holmes Run Parkway
VA	23B	McLean-Crystal City
VA	23T	
VA	28A	Leesburg Pike
VA	29K	Alexandria-Fairfax
VA	29N	
VA	MW1	Metroway - Potomac Yard

Proposal to convert non-revenue reverse direction 3Y trips into new 3F route, and extend 3Y to East Falls Church station		
<b>Juris.</b>	<b>Route</b>	<b>Line Name</b>
VA	3F	Lee Highway-McPherson Sq
VA	3Y	

PROPOSED

**Proposed Metrorail  
Service Changes**

**1. Improve Late Evening frequency**

Improve Blue, Orange, Green, Yellow and Silver Line headways to 15 minutes from 20 minutes and improve Red Line headways to 10 minutes from 15 minutes.

Late evening frequencies would start at 9:30 pm and operate seven days per week.

**2. Improve Weekend Frequency**

Improve Blue, Orange, Green, Yellow and Silver Line headways to 12 minutes from 15 minutes and improve Red Line headways to 6 minutes from 12 minutes on Saturday and Sunday. The weekend frequency would operate from start of service to 9:30 pm.

**3. Standardize Weekday Off-peak Frequency**

Improve Blue, Orange, Green, Yellow and Silver Line headways to 12 minutes and improve Red line headways to 6 minutes from 5:00 am to 6:30 am and from 7:00 pm to 9:30 pm to be consistent with midday weekday service.

**4. Improve Weekday Peak Frequency**

Improve Blue, Orange, Green, Yellow and Silver line headways to 10 minutes from 12 minutes. Improve Red line headways to 5 minutes from 6 minutes

The weekday peak service improvements would operate Monday through Friday from 6:30am to 9:30 am and from 3:00 pm to 7:00 pm.

**5. Close Rail Later Sunday Through Thursday**

The Metrorail system would operate one additional hour to midnight Sunday through Thursday.

**6. Close Rail Later Friday and Saturday**

The Metrorail system would operate two additional hours on Friday and Saturday (to 1:00am).

**7. Start Sunday Service Earlier**

The Metrorail system would start one hour earlier at 7 am instead of 8 am on Sunday.

**8. Open Silver Line Phase 2**

The Metrorail system will expand the Silver Line from Wiehle-Reston East to Ashburn with stations at Reston Town Center, Herndon, Innovation Center, Dulles International Airport, Loudoun Gateway and Ashburn.

**9. Open Potomac Yard-VT Station**

The Yellow and Blue lines will expand to include the Potomac Yard-VT station.

PROPOSED

## Fare Changes

**FY22 Temporary Changes Proposed for Permanent Adoption**  
**FY23 Pandemic Fare Initiatives**

<b>Metrorail Fares</b>	<b>CURRENT Fares/Fees</b>	<b>Proposed Fare Options</b>
<b>Peak Fares<sup>1</sup></b>		
1 · Boarding charge (up to 3 miles)	\$2.25	no change
2 · Composite miles between 3 and 6 miles	\$0.326	no change
3 · Composite miles over 6 miles	\$0.288	no change
4 · Maximum peak fare	\$6.00	no change
5 · Charge for senior/disabled is one-half peak fare	\$1.10 - \$3.00	no change
<b>Off-Peak Fares<sup>2</sup></b>		
6 · Boarding charge (up to 3 miles)	\$2.00	no change
7 · Composite miles between 3 and 6 miles	\$0.244	no change
8 · Composite miles over 6 miles	\$0.216	no change
9 · Maximum off-peak fare	\$3.85	no change
10 · <b>Weekend Flat Fare<sup>3</sup></b>	<b>\$2.00 - \$3.85</b>	<b>\$2.00</b>
· <b>Weekend senior/disabled Flat Fare</b>	<b>New</b>	<b>\$1.00</b>
11 · <b>Late Night Flat Fare</b>	<b>\$2.00 - \$3.85</b>	<b>\$2.00</b>
· <b>Late Night senior/disabled Flat Fare</b>	<b>New</b>	<b>\$1.00</b>
12 · Charge for senior/disabled is one-half the peak fare	\$1.10 - \$3.00	no change
<b>Unlimited Combo Passes<sup>4</sup></b>		
13 · <b>Monthly unlimited passes</b>	\$72 to \$216	<b>\$64 to \$192</b>
14 · 1-day unlimited pass	\$13.00	no change
15 · 3-day unlimited pass	\$28.00	no change
16 · 7-day short-trip unlimited pass	\$38.00	no change
17 · 7-day unlimited pass	\$58.00	no change
<b>6-Month Promotion</b>		
17P · <b>7-day unlimited pass</b>	\$58.00	<b>\$29.00</b>
· <b>Add Value Bonus</b>	<b>N.A.</b>	<b>Receive \$5 in stored value for every \$25 loaded (does not include SmartBenefits)</b>
<b>Other Rail Fares</b>		
18 · <b>Bus-to-rail transfer utilizing SmarTrip® card</b>	<b>\$0.50 discount</b>	<b>\$2.00 discount</b>
19 · Monthly TransitLink Card on MARC and VRE <sup>5</sup>	\$114.00	no change
20 · Monthly TransitLink Card on MTA <sup>5</sup>	\$176.00	no change
21 · Surcharge on Entry/Exit for station improvements, two stations per Compact jurisdiction <sup>6</sup>	\$0.05	no change
<b>Metrobus Fares</b>		
<b>Regular Fares</b>		
22 · Cash boarding charge for local bus	\$2.00	no change



23	· Cash boarding charge for express bus	\$4.25	no change
24	· Cash boarding charge for designated airport routes	\$7.50	no change
25	· SmarTrip® boarding charge for local bus	\$2.00	no change
26	· SmarTrip® boarding charge for express bus	\$4.25	no change
27	· SmarTrip® boarding charge for designated airport routes	\$7.50	no change

**Senior/Disabled: One-Half Regular Fares**

28	· Cash boarding charge for local bus	\$1.00	no change
29	· Cash boarding charge for express bus	\$2.10	no change
30	· Cash boarding charge for designated airport routes	\$3.75	no change
31	· SmarTrip® boarding charge for local bus	\$1.00	no change
32	· SmarTrip® boarding charge for express bus	\$2.10	no change
33	· SmarTrip® boarding charge for designated airport routes	\$3.75	no change

**Cash Upload to SmarTrip®**

34	· Surcharge for cash upload to SmarTrip® on board bus	\$0.00	no change
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**Bus Transfers utilizing SmarTrip® card**

35	· Local to local bus	free	no change
36	· Local to express bus	\$2.00 discount	no change
37	· Local to designated airport routes	\$2.00 discount	no change
38	· Rail-to-bus transfer	\$0.50 discount	\$2.00 discount
39	· Transfer from MARC, VRE, & MTA with weekly/monthly pass	free	no change
40	· Transfer from regional bus partners	varies	varies

**Bus Passes**

41	· 7-Day Regional Bus Pass	\$15.00	\$12.00
42	· 7-Day Regional Senior/Disabled Bus Pass	\$7.50	\$6.00

**Other Fare Media**

43	· Package of 10 tokens, available to organizations	\$20.00	no change
44	· DC student tokens - 10 trips per pack	\$10.00	no change

**MetroAccess Fares<sup>7</sup>**

45	· MetroAccess fare (within ADA 3/4 mile service corridor)	varies	varies
46	· Maximum fare	\$6.50	no change

**Parking Fees<sup>8</sup>**

47	· District of Columbia	\$4.45 - \$4.95	no change
48	· Montgomery County	\$4.45 - \$5.20	no change
49	· Prince George's County	\$3.00 - \$4.95	no change
50	· Virginia	\$3.00 - \$4.95	no change
51	· Monthly reserved parking fee	\$45.00 - \$65.00	no change
52	· Parking meters \$1.00/60 minutes	\$1.00	no change
53	· Prince George's parking garage at New Carrollton (monthly)	\$85.00	no change
54	· Non-Metro rider parking fees	\$7.50 - \$15.00	no change
55	· Special event parking fees	up to \$25.00	no change

**Other Fees**

56	· Bicycle locker rental	\$120.00 (annual)	no change
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<sup>1</sup> Peak fares are in effect from opening through 9:30 a.m. and from 3:00 p.m. to 7:00 p.m. weekdays, excepton national holidays.

<sup>2</sup> Off-peak fares are in effect during all other hours on weekdays and all national holidays.

<sup>3</sup> Weekend flat fares are in effect from Saturday opening until Sunday closing.

<sup>4</sup> Unlimited Combo Passes shall be valid on Metrorail, Metrobus and Regional Bus Providers (including butnot limited to ART, DC Circulator, CUE, DASH, Fairfax Connector, The Bus, and Ride On) instead of only Metrorail and Metrobus upon the implementation of and subject to WMATA entering into a revenue sharing agreement with regional providers.

<sup>5</sup> Metro's portion of the TransitLink Cards on MARC, VRE, and MTA.

<sup>6</sup> A \$0.05 surcharge on entry and exit at up to two stations in each jurisdiction in the Compact Transit Zoneto fund station-specific capital improvements to Metro facilities at the station(s) where the surcharge is levied may be imposed with further Board approval.

<sup>7</sup> MetroAccess fare is twice the equivalent fixed route SmarTrip® fare based on fastest trip.

<sup>8</sup> Parking fees consist of Metro's base fee plus jurisdiction surcharge, if any.

#### Additional Fare Changes

1. The District of Columbia currently provides additional \$0.50 subsidy to increase the value of bus torail transfers for passengers transferring from bus to rail on DC Bus Routes 94, A2, A4, A6, A7, A8, W1, W2, W3, W5, W6 and W8. To the extent that the \$2 bus to rail transfer is in place, the additional subsidy provided by the District of Columbia shall terminated.
2. Notwithstanding the fare changes made in this Resolution the virtual bus-to-bus transfers between lines serving the Addison Road and Capitol Heights Metrorail stations via Metrorail at no charge with the use of a SmarTrip® card authorized in Resolution 2017-52 shall continue in effect.

Closure and Relocation of Metro Center Sales Office

The proposal is to permanently close the Metro Center Sales Office and relocate the sales office to the new L'Enfant Plaza Metro Headquarters building.

PROPOSED