

Public Hearing Authorization FY2024 Budget and FY2024–2029 Capital Improvement Program

North Bethesda TMD Advisory Committee

January 18, 2023



FY2024 Operating Budget Recommendation



FY2024 Proposed Budget Initiatives

Service Excellence

Deliver safe, reliable, convenient, accessible & enjoyable service for all customers

Regional Opportunity & Partnership

Design transit service to move more people & connect a growing region

Sustainability

Manage resources responsibly to achieve a sustainable operating, capital & environmental model

Talented Teams

Attract, develop & retain top talent where individuals feel valued, supported & proud of their contribution



Enhance Safety

- Safety Management System (SMS) implementation
- Metro Transit Police Officers
- Crisis Intervention Specialists
- Enhance technical training and staff development



More Frequent & Reliable Service

- Increased Bus and Rail Service Frequency
- Better Bus Network Redesign



Capital Improvements for a Better Metro

- Bus and Rail System State of Good Repair
- New Buses, Railcars, MetroAccess Vehicles
- Modernize Customer Information and Wayfinding
- Open Potomac Yard Station
- Rehab employee and customer restrooms



More Simplified & Equitable Fares

- Low-income Fare program
- Fare Simplification, eliminate peak fare, standardize mileage rates



Improved Customer Service & Communications

- Metro Integrated Comms Center (MICC)
- One stop shopping through consolidated call centers
- Enhanced Passenger Information Displays



Sustainability

- Northern and Bladensburg Bus Garage Electrification
- Zero Emission Buses
- LEED Certified Maintenance Facilities and Offices

Depletion of Federal Funds in FY2024 Results in Major Structural Funding Gap for FY2025

(\$ in millions)	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2025 Scenario
Passenger Revenue	\$485.0	\$102.0	\$213.5	\$301.0	\$406.0	\$428.2
Non-Passenger Revenue	\$95.8	\$64.6	\$67.9	\$81.5	\$103.2	\$106.2
Total Revenue	\$580.8	\$166.6	\$281.4	\$382.5	\$509.2	\$534.4
Total Expenses	\$1,927.2	\$1,880.3	\$1,870.1	\$2,247.2	\$2,322.1	\$2,561.4
Operating Deficit	(\$1,346.4)	(\$1,713.7)	(\$1,588.7)	(\$1,864.7)	(\$1,813.0)	(\$2,027.0)
Subsidy	\$1,125.5	\$1,009.1	\$1,109.7	\$1,191.9	\$1,252.0	\$1,289.5
Federal Relief	\$221.0	\$704.7	\$479.0	\$672.8	\$561.0	-
Funding Gap	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$737.5)

Chart and table totals may not sum due to independent rounding.

FY25 assumes 75% recovery and subject to contractual obligations

Operating Budget Recommended Service and Fare Changes



Rail Optimization Summary

Make service more frequent to reduce travel times, expand destination access, and grow ridership

More frequent all day service

- **Core:** Trains arrive every 3 to 6 minutes
- **Systemwide:** Trains arrive every 8 to 12 minutes or better

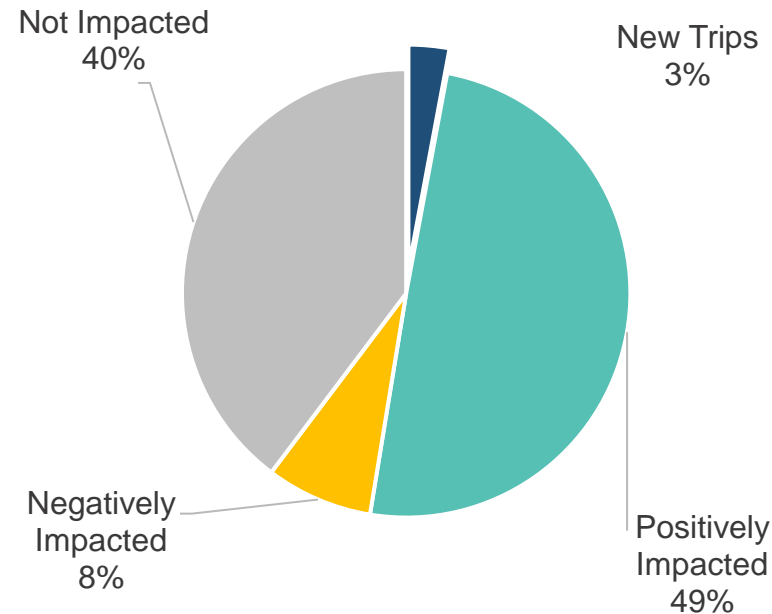
Running 62% more daily train trips systemwide than today

- 101% more than in July 2022




Faster trips for customers, less time waiting to transfer

Annual Customer Trips

Baseline: 112.3m
Proposal: 115.7m



Proposed Service Changes to Improve Frequency and Access


	 METROBUS 135 Lines		 METRORAIL <small>(headways in minutes)</small> 1,278 Railcars				 METROACCESS 759 Vehicles	
FY2023 Budget	12 Min. Frequency	20 Min. Frequency	Line	AM/PM Rush	All Day	Late Night	Vans	Sedans
	20 lines	16 lines	RD	5	6	10	532	227
FY2024 Proposed Budget	Route	Improve Frequent Bus Service	BL OR GR YL SV	10	12	15	On-demand paratransit vehicles	
	B2 (DC)	Upgrade busy Bladensburg Road-Anacostia line, a top 15 ridership route, to every 12 minutes all day	RD	5	6	10	No Change	
	A12 (MD)	Restructure Martin Luther King Jr. Highway service, extending service every 20 minutes to Downtown Largo	GR YL	6	6	10		
	16M (VA)	Restructure Columbia Pike service, connecting Skyline to Crystal City with service every 12 minutes all day	OR	7.5	10	15		
			BL SV	10	12	15		



Fare Simplification Proposal

Standardize peak and off-peak fares, align rail and bus base fares, and discount fares for low-income customers

Current Fare Structure


	Base Fare	Max Fare	Reduced Fare ¹
 Peak	\$2.25	\$6.00	50% off the peak fare
After first 3 miles, 0.326 per mile After 6 miles, \$0.288 per mile			
Off-Peak Weekday	\$2.00	\$3.85	
After first 3 miles, 0.244 per mile After 6 miles, \$0.216 per mile			
Late Night² and Weekend	\$2.00		\$1.00
Bus	\$2.00		\$1.00

Free Transfers

MetroAccess fares are twice the fastest comparable fixed-route fare with a maximum of \$6.50 per trip.

¹ For senior and disabled customers
² Late Night fares apply after 9:30pm

Proposed Fare Structure

	Base Fare	Max Fare	Reduced Fare ¹
 Regular	\$2.00	\$6.50	\$1.00 to \$3.25
After first 3 miles, \$0.40 per mile			
Late Night² and Weekend	\$2.00		\$1.00
Bus	\$2.00		\$1.00

Free Transfers

MetroAccess fares are twice the fastest comparable fixed-route fare with a maximum of \$6.50 per trip.

¹ 50% discount for senior, disabled, and low-income customers
² Late Night fares apply after 9:30pm



Service and Fare Optimization Summary







	Proposals		Trips Positively Impacted (Millions, Annual)	Trips Negatively Impacted (Millions, Annual)	Estimated Ridership Change (Millions, Annual)	Incremental Net Op. Budget Impact (\$M, Annual)
Service	Green/Yellow Line Investment		23.3	8.9	2.8	(\$13.0)
	Orange Line Investment		34.1	0	0.5	(\$6.0)
	Improve Frequent Bus Service		-	-	0.7	(\$5.1)
	Potomac Yard Station		-	-	0.2*	(\$0.3)
	Total Above Base New Service				4.0	(\$24.3)
Fare	Fare Structure Simplification				0.3	\$11.1
	Low-Income Fare Program				1.6	(\$4.0)
	Total Fare Optimization				1.9	\$7.1
Total					5.9	(\$17.2)

Chart and table totals may not sum due to independent rounding;
 *Potomac Yard ridership estimate is annualized

FY2024–2029 Capital Improvement Program



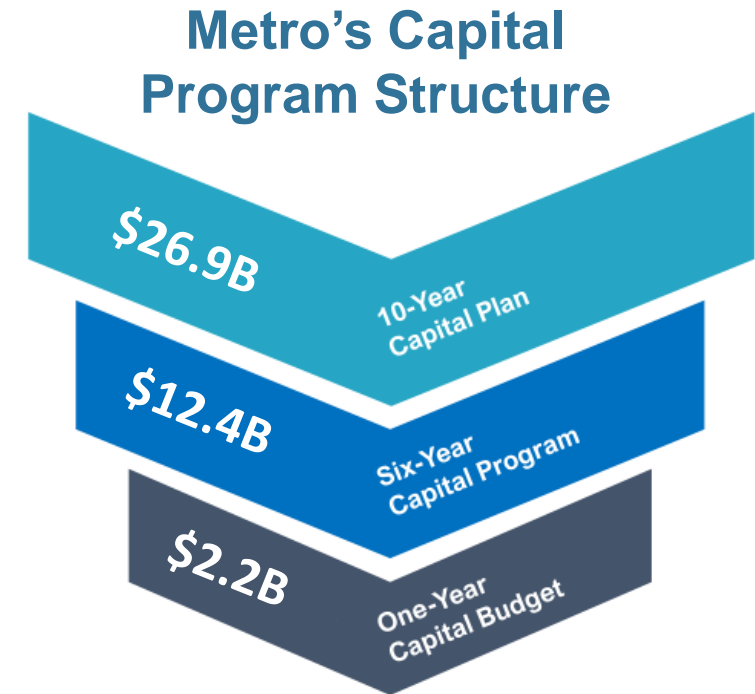
Capital Program Goals

Capital Budget

Funds replacement, rehabilitation, maintenance & modernization efforts

Capital Program Goals

- Transform Metro into a world class transit agency
- Demonstrate commitment to customers
- Focus on ensuring safety, customer experience and improving service
- Rehabilitate, replace, and modernize the system
- Advance sustainability and resilience
- Maintain fiscal accountability and commitments to region



10-Year Capital Plan

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

Six-Year Capital Improvement Program

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

One-Year Capital Budget

Expenditure forecast for capital projects and programs in current budget year

Capital Investment Categories

Capital Investment Categories (\$M)	FY2024 Proposed Budget	FY2025 – FY2029 Plan	Six-Year Total*
Railcars and Railcar Facilities	\$424	\$2,390	\$2,814
Rail Systems	\$323	\$1,273	\$1,596
Track and Structure Rehabilitation	\$284	\$1,512	\$1,796
Stations and Passenger Facilities	\$353	\$1,523	\$1,876
Bus, Bus Facilities, and Paratransit	\$528	\$2,256	\$2,784
Operations and Business Support	\$294	\$1,253	\$1,547
Total Capital Investments	\$2,205	\$10,207	\$12,412
Revenue Loss from Capital Projects	\$10	\$50	\$60
Debt Service - Dedicated Funding	\$173	\$1,739	\$1,912
Total Capital Program Cost	\$2,388	\$11,996	\$14,384

*FY2024-FY2029 Plan capital investment category allocation subject to change as project costs and schedules are refined.

Addressing Overdue Needs, Safety, and State of Good Repair

Regional & Federal Investments Address Overdue Needs & On-going Requirements

ADDRESSING OVERDUE CAPITAL NEEDS

Substantial Progress (*Highlights*)

- Replacement of Legacy Railcars
- Track Rehabilitation
- Platform Program – 20 Stations Complete

More To Do to Catch Up (*Priority Needs*)

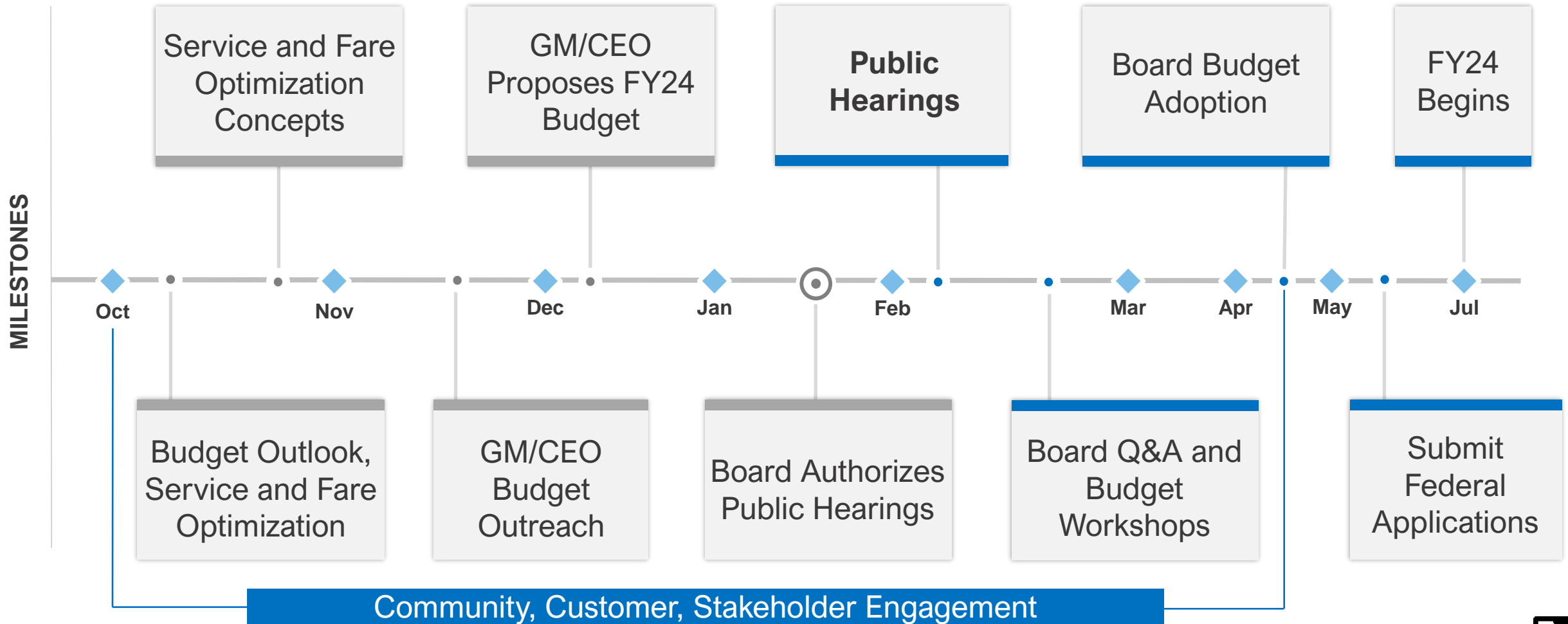
- Structures - Bridges, Platforms, Tunnels
- Systems - Train Control, Radio and Comms, Power
- Facilities - Bus Divisions, Rail Maintenance, Offices

INVESTING IN ONGOING PROGRAMS TO SUSTAIN SAFETY & STATE OF GOOD REPAIR

Recurring & Cyclical Maintenance, Rehabilitation & Replacement Programs

- | | | | |
|------------------------|--------------------------|--------------------|---------------------------|
| • Buses | • Track | • Traction Power | • Bus Customer Facilities |
| • Railcars | • Parking Facilities | • Signal Systems | • Bus, Rail & Admin |
| • Paratransit Vehicles | • Elevators & Escalators | • Lighting Systems | Maintenance Facilities |
| • Service Vehicles | • Mechanical Systems | • Cooling Systems | |

Next Steps to Get Customer Input



Strathmore Square Joint Development



Phase 1 – Multifamily building under construction, delivering in mid-2024

- 330 units w/15% affordable
- 1.2 acre park
- First development to utilize county's new tax abatement program