



Washington Metropolitan Area Transit Authority

Programming and Funding of Metro's Capital Investments

WMATA Board Work Session
July 30, 2015



Metro's Capital Investments

- How does Metro program and fund its capital investments?
- What decisions need to be made in the next 8-10 months?





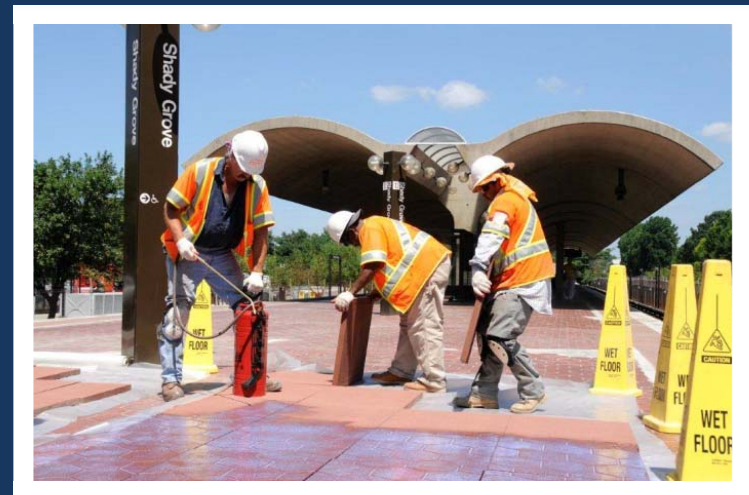
Capital Programming

- Capital Improvement Program (CIP)
 - Six-year investment plan adopted by WMATA Board
 - Emphasizes key regional priorities
 - Year-of-expenditure structure
- Annual Work Plan (AWP)
 - Specific project activities scheduled and funded for each year (often called the 'capital budget')



Capital Funding

- Primary sources:
 - Federal grants (formula, PRIIA, and discretionary)
 - Jurisdictional contributions (required match to grants plus additional funds)
 - Short and long-term financing
- WMATA responsible for federal grant application and management
- Capital Funding Agreement (CFA) provides mechanism for jurisdictional contributions





Capital Funding Agreement

- CFA is central to WMATA's capital program:
 - Establishes CIP and AWP development schedule, including timelines for public and jurisdiction input
 - Provides structure for administration/execution of CIP
 - Commits jurisdictions to:
 - provide required matching funds and additional 'system performance' funds
 - fund contractual obligations made during term of the agreement and long-term debt service beyond expiration of agreement
- Current CFA replaced 'Metro Matters' agreement in 2010 and expires June 2016



Capital Funding Agreement (cont.)

- Discussions to renew CFA began mid-2014 as part of FY2016 budget process:
 - Substantial progress made on administrative and procedural improvements
 - Loudoun County included ahead of Silver Line Phase 2
 - Future regional funding levels remain open issue



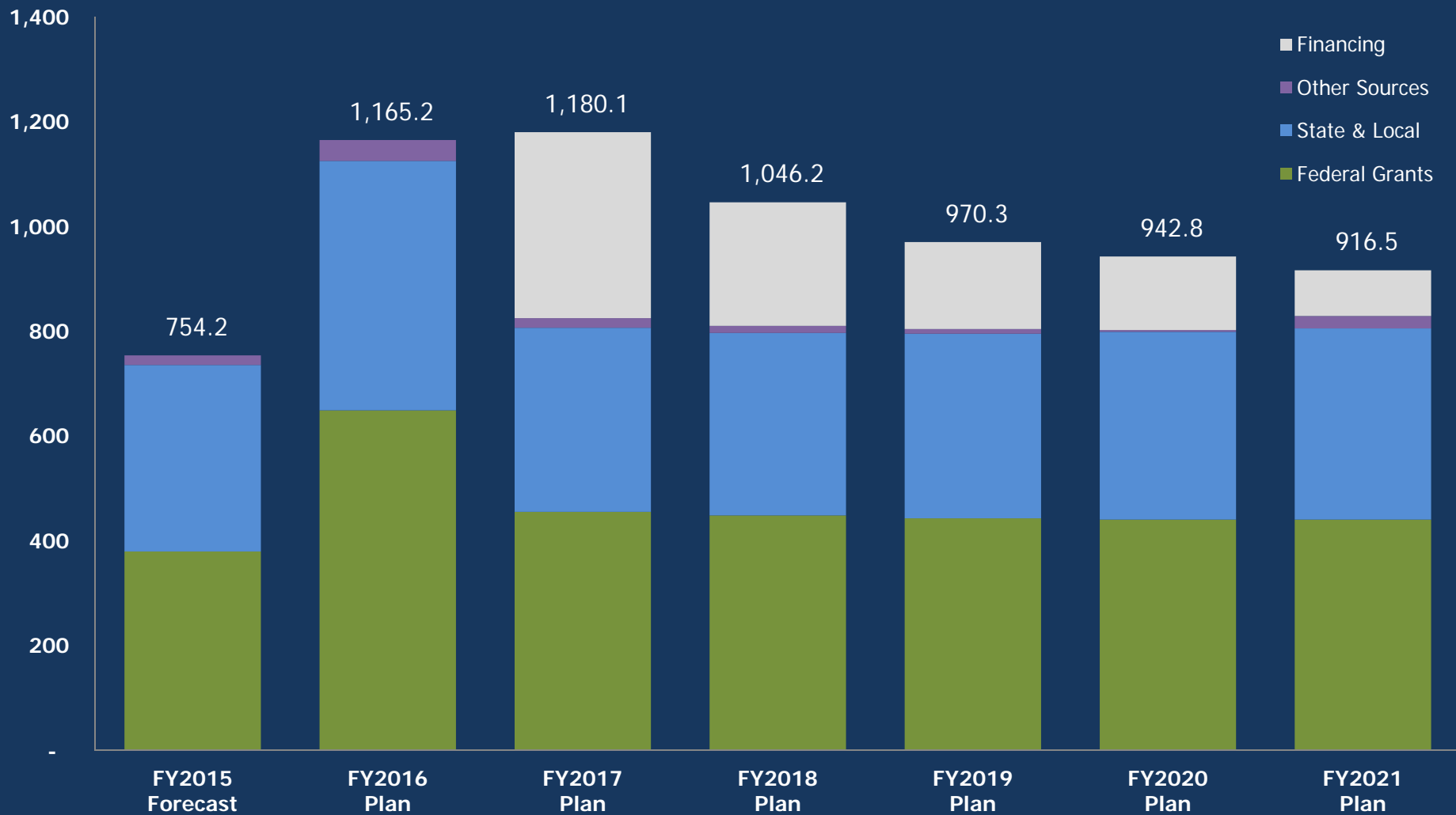


Current CIP Focus Is Safety and State of Good Repair (SGR)

- Safety projects to meet NTSB recommendations and other safety requirements
- Radio infrastructure project
- Completion of Orange/Blue rehab stage 1, initiation of Red Line stage 2 (including tunnel at Medical Center)
- 7000 series railcars to replace 1000, 4000, 5000 series
- Track and structures rehab, leak mitigation and drainage, automatic train control SGR
- Replacement buses and MetroAccess vehicles
- Cinder Bed and Andrews Federal Campus bus facilities
- Elevator/escalator rehab and replacement
- Station and platform rehab



Planned Investment of \$6.2 Billion Between FY2016 and FY2021





Deferred Metro 2025 Projects

- Investment in current CIP is almost \$1 billion lower than originally proposed in Dec 2014:
 - Union Station and Gallery Place access and capacity improvements deferred
 - No bus fleet expansion
 - Heavy Repair and Overhaul Facility and New Carrollton Yard capacity improvements deferred
 - Expansion railcars deferred – 220 additional 7000 series railcars now to be used for replacement of 5000 series



Challenges and Risks

- Competing needs for future funding:
 - Safety requirements from NTSB and FTA SMI
 - Replacement of 2000 and 3000 series railcars
 - Expansion railcars and power upgrades
 - Station access/capacity improvements
 - Additional Buses for Priority Corridor Network
 - Other Metro 2025 projects
- Uncertainty of federal funding:
 - Annual appropriation of formula and PRIIA funding
 - Reauthorization of formula grant programs
 - Expiration of ten-year PRIIA authorization
- Expiration of Capital Funding Agreement



Timeline

- Summer 2015 - Update to Capital Needs Inventory (CNI)
- Fall 2015 - Identification of required investments to address NTSB and FTA SMI recommendations
- December 2015 - Agreement in principle on renewed CFA
- December 2015 - Presentation of GM/CEO Proposed FY2017 Annual Work Plan and FY2017-2022 CIP

