

# Shaping the Future of DMV Transit

*Greater Washington Board of Trade  
November 13, 2024*



# During Today's Discussion...

- Metro Highlights: America's Transit System
- Metro Financial Management and Structural Financial Challenge
- Need a Regional Vision for Transportation

# Metro's impact by the numbers



**9**

years of consecutive  
clean audits

**43**

consecutive months  
ridership growth

**92%**

record rail-customer  
satisfaction

**83%**

record bus-customer  
satisfaction

**98.7%**

uptime for escalators

**33%**

Metro electricity  
comes from  
carbon-free sources

**31%**

reduction in crime —  
lowest level in five  
years

**14**

LEED-certified  
buildings

**82%**

reduction in fare  
evasion at stations  
with modified fare  
gates

**1,240**

new hires, including  
123 bus operators  
and 406 student bus  
operators

**\$100M**

invested in  
partnership for  
affordable housing

**10,000**

customers enrolled  
in Metro Lift

**33%**

exceeded goal on  
Federal Diverse  
Business Enterprise

**\$104M**

grant to convert  
Cinder Bed bus  
garage to all-electric

**24/7**

fourteen DC bus  
routes operating  
overnight

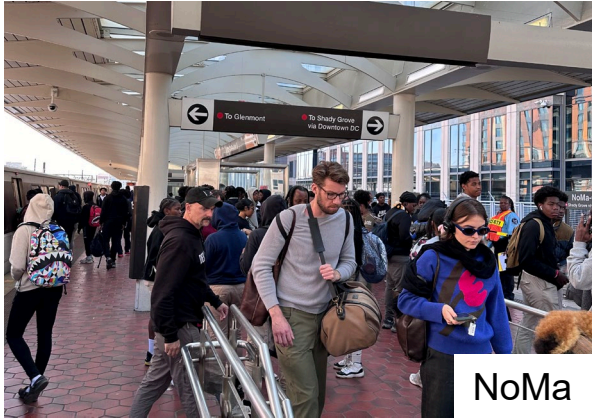
**54%**

decrease in  
rail-safety incidents  
over past two years



13,000 employees. Countless achievements. **One Metro.**

# Where Metro Goes the Region Grows...



\$9.4 B

Business output and economic activity supported by transit

\$330 B

Total value of property within Metro station areas

\$3.2 B

Annual property tax revenue generated by Metro station areas

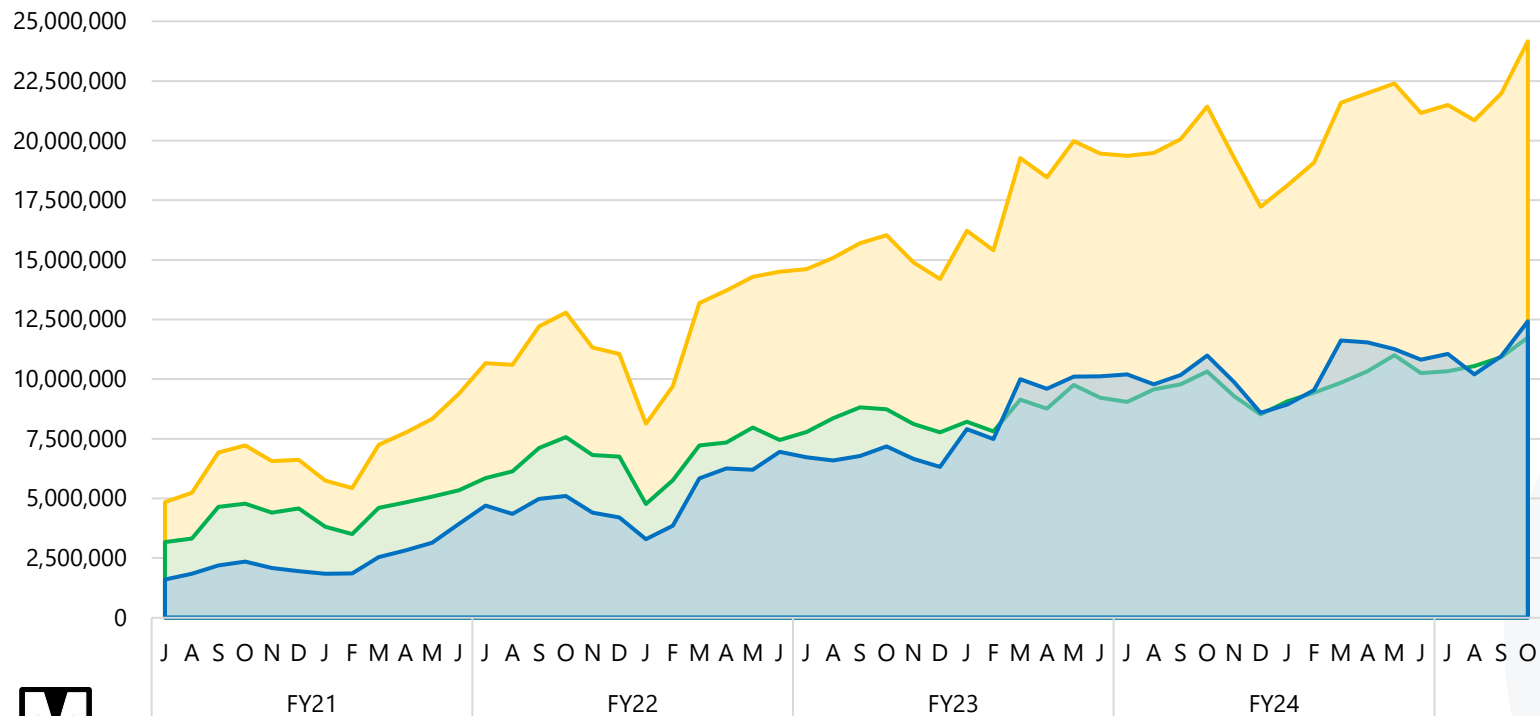
# Metro Financial Management and Structural Funding Challenge



# 43 Consecutive Months of Ridership Growth

- Metrobus leads the nation in ridership recovery\*
- Metrorail is 1<sup>st</sup> for ridership growth among major US city rail systems\*
- October was 13% higher than October 2023 (+13% on rail, +14% on bus)

All ridership | Metrorail | Metrobus



Note: As of January 2023, Metrorail ridership reports all (tap and non-tap) ridership.

**242.3 million trips in FY24**

**21% higher than FY23**

**81% recovery to FY19**

**768,000 average weekday customers**

**123.3 million trips on Metrorail**

**27% higher than FY23**

**64% recovery to FY19**

**389,000 average weekday customers**

**117.5 million trips on Metrobus**

**15% higher than FY23**

**96% recovery to FY19**

**371,000 average weekday customers**

**1.4 million trips on MetroAccess**

**0.2% growth from FY23**

**61% recovery to FY19**

**8,000 average weekday customers**



# Strong Financial Management

## Ridership & Revenue

- 242M customer trips in FY2024 – 21% growth from FY2023
- Rail fare evasion down 82%, paid trips up
- Implemented a 12.5% fare increase for FY2025
- FY2025 Q1
  - Ridership up 9% compared to last year
  - Revenue up \$17M; 14% above budget
  - Projected 255M total trips in FY2025



## Cost Management

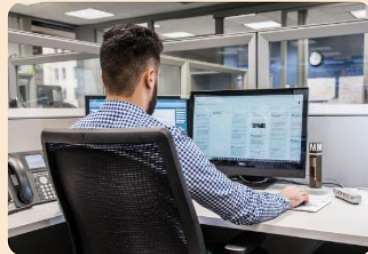
- **Identified \$532M in cost reductions:**
  - \$257M operating budget (FY2023-2025)
  - \$275M capital program
- No salary and wage increases for Local 689 and non-represented employees FY2025
- New Local 689 collective bargaining agreement minimizes impacts from future inflationary spikes
- Zero growth budget in FY2025
- Implemented service optimization and efficiencies (e.g. targeted use of 6-car trains)



# 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

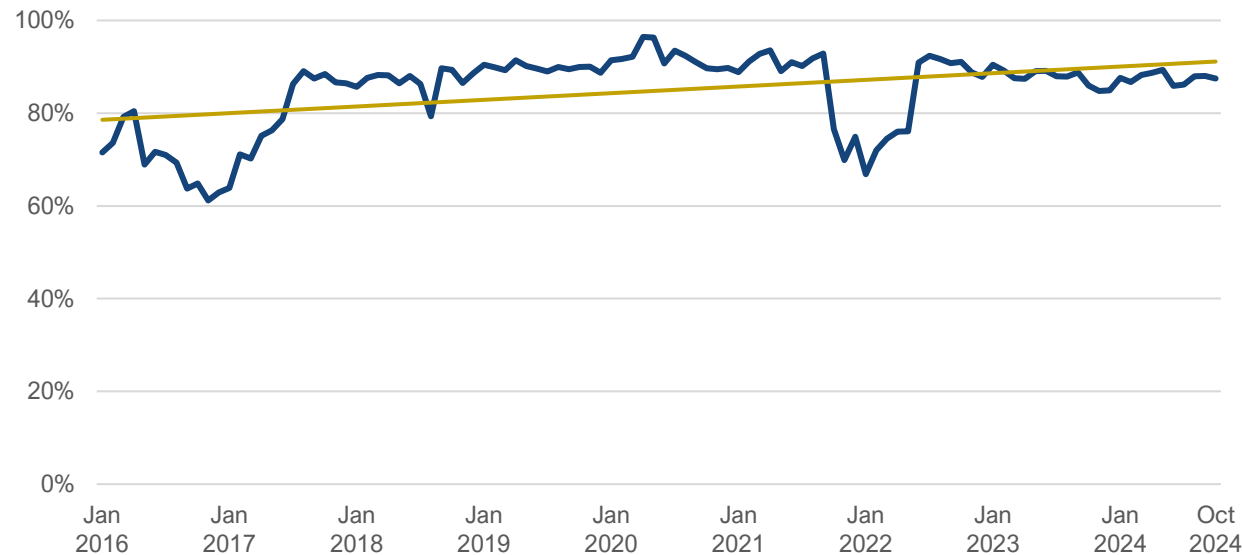




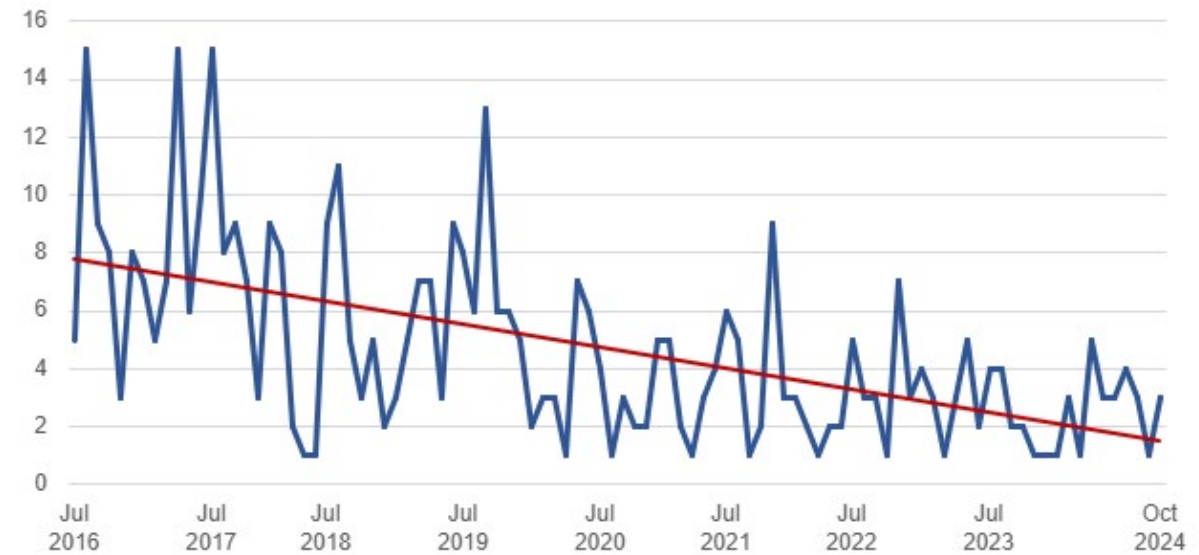
# Metro's Capital Investments Improve Performance & Safety

- Highest customer satisfaction levels in history:
  - **92% rail satisfaction**
  - **83% bus satisfaction**
  - **79% MetroAccess satisfaction**
- Consistently **87%** of customer rail trips on-time thanks to fewer disruptions
- Ridership grew **21%** in FY2024 over FY2023
- Railcar reliability grew **21%** over FY2023, tripled since FY2018
- **70%** decrease in smoke and fire incidents since FY2017

Metrorail On-Time Performance

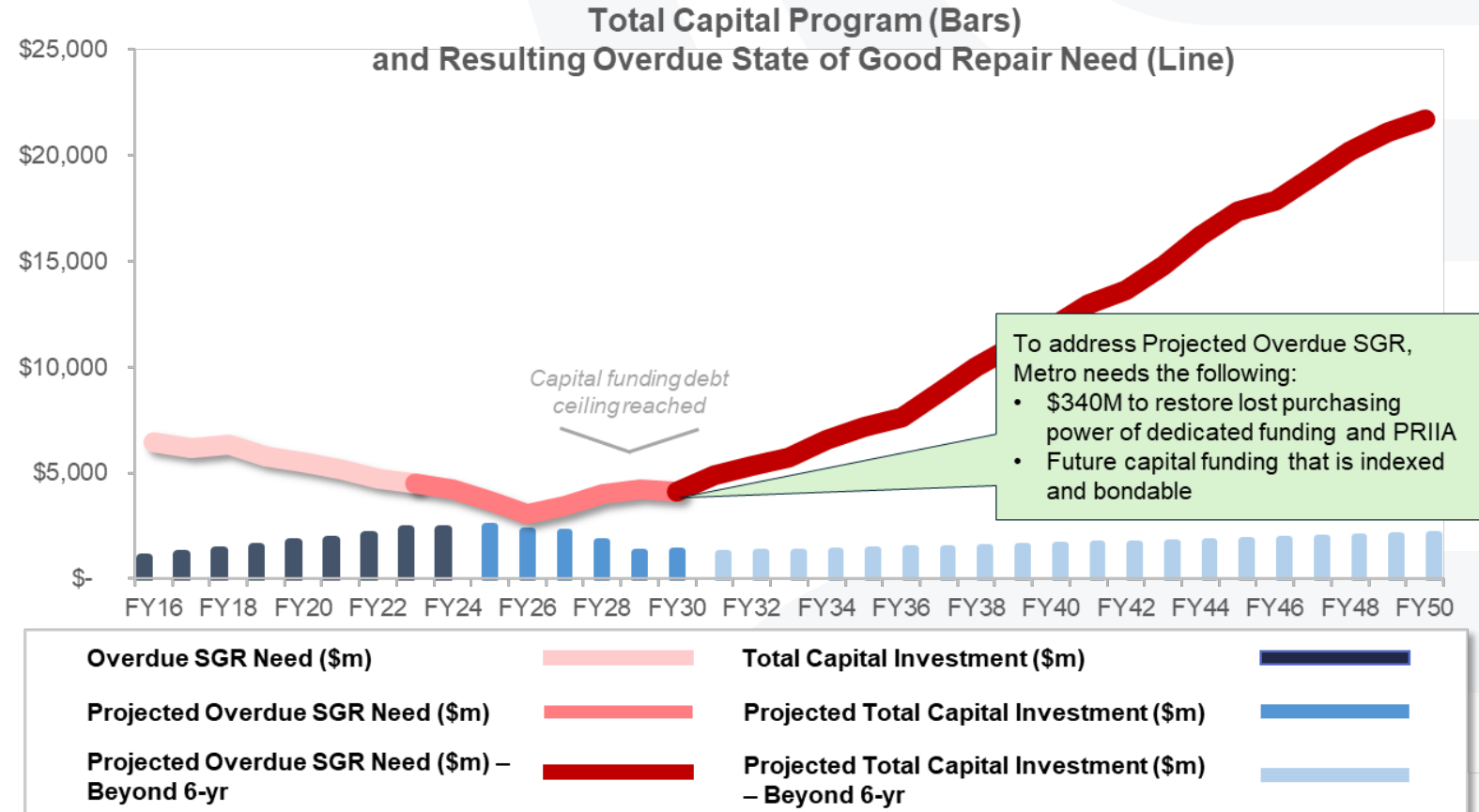


Smoke and Fire Incidents



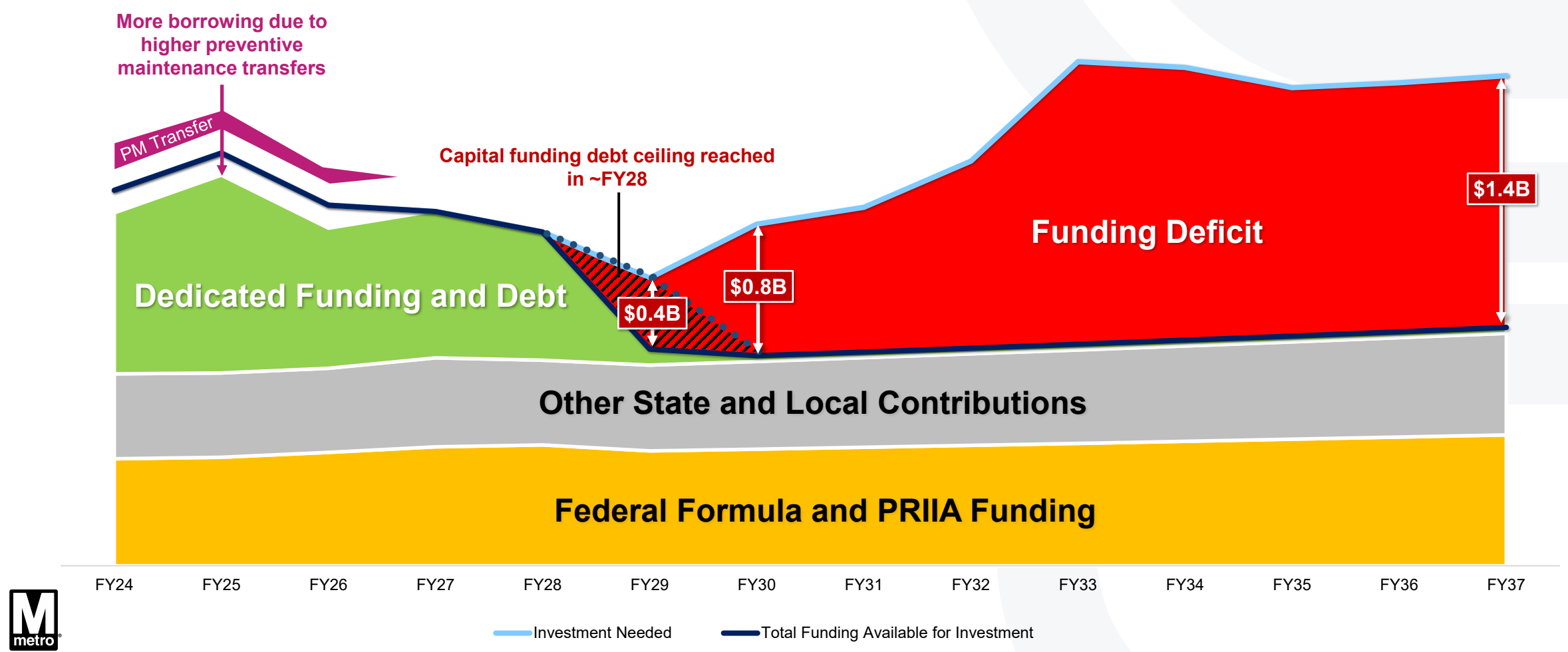
# Deficit Threatens Progress Made on State of Good Repair

- 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



# Metro and the Region Face Capital Program Deficits

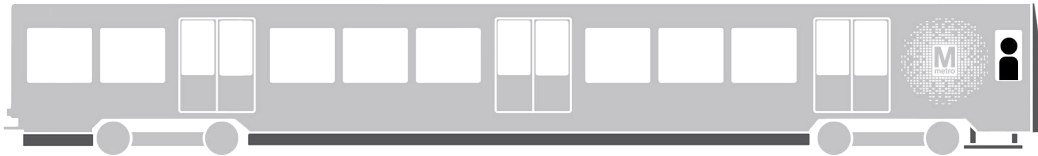
**Dedicated capital funding borrowing capacity projected to be exhausted in about FY2028** and new capital funding will be needed to address ongoing system safety, renewal and modernization needs



\* Based on FY2025 Budget; assumes reauthorization of IIJA

# What's Needed to Keep Metro and Region Moving

**Metro's structural operating deficit remains**



**Closing the projected FY2026 budget gap requires:**

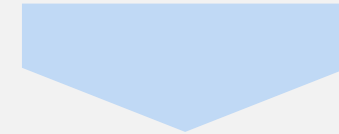
- \$95 million as planned in the two-year budget outlook
- 3% subsidy growth
- ~\$72 million of additional federal capital fund transfer



**\$140M and 3% growth would keep system running**

**\$140M**

**New Funding in FY2028**



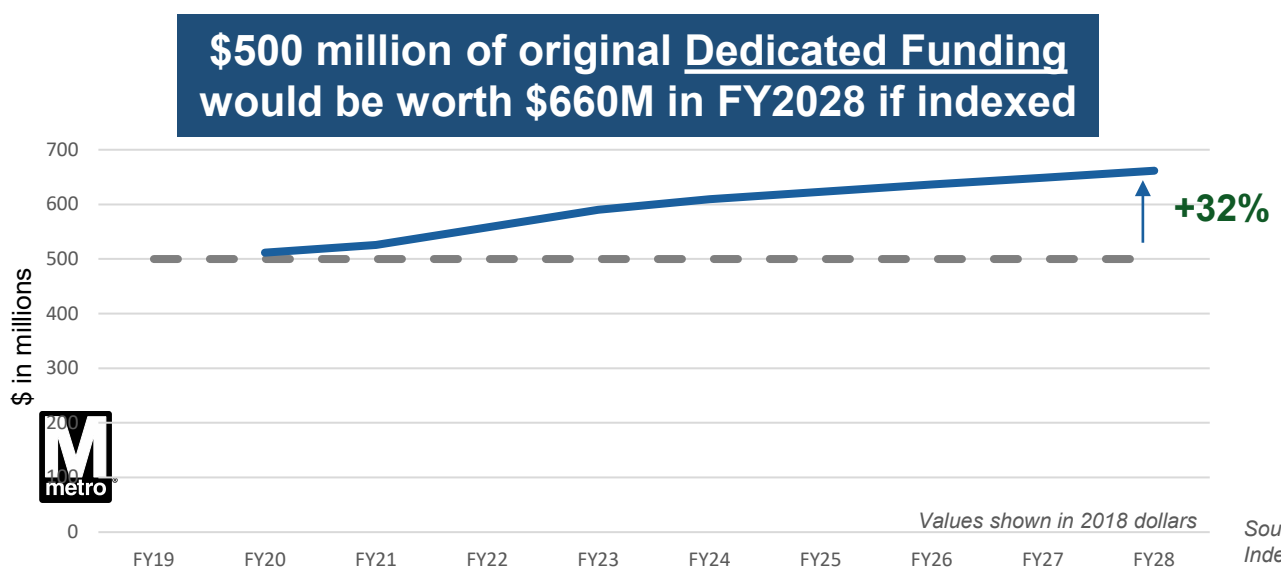
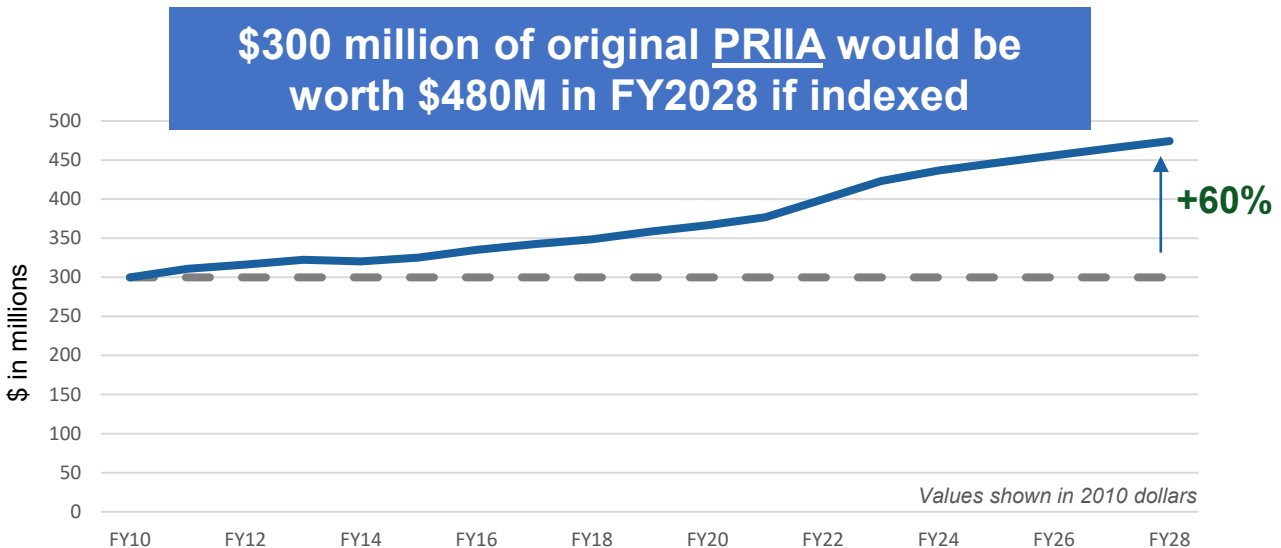
**Would allow Metro to stop using federal capital funds to cover operating deficit**



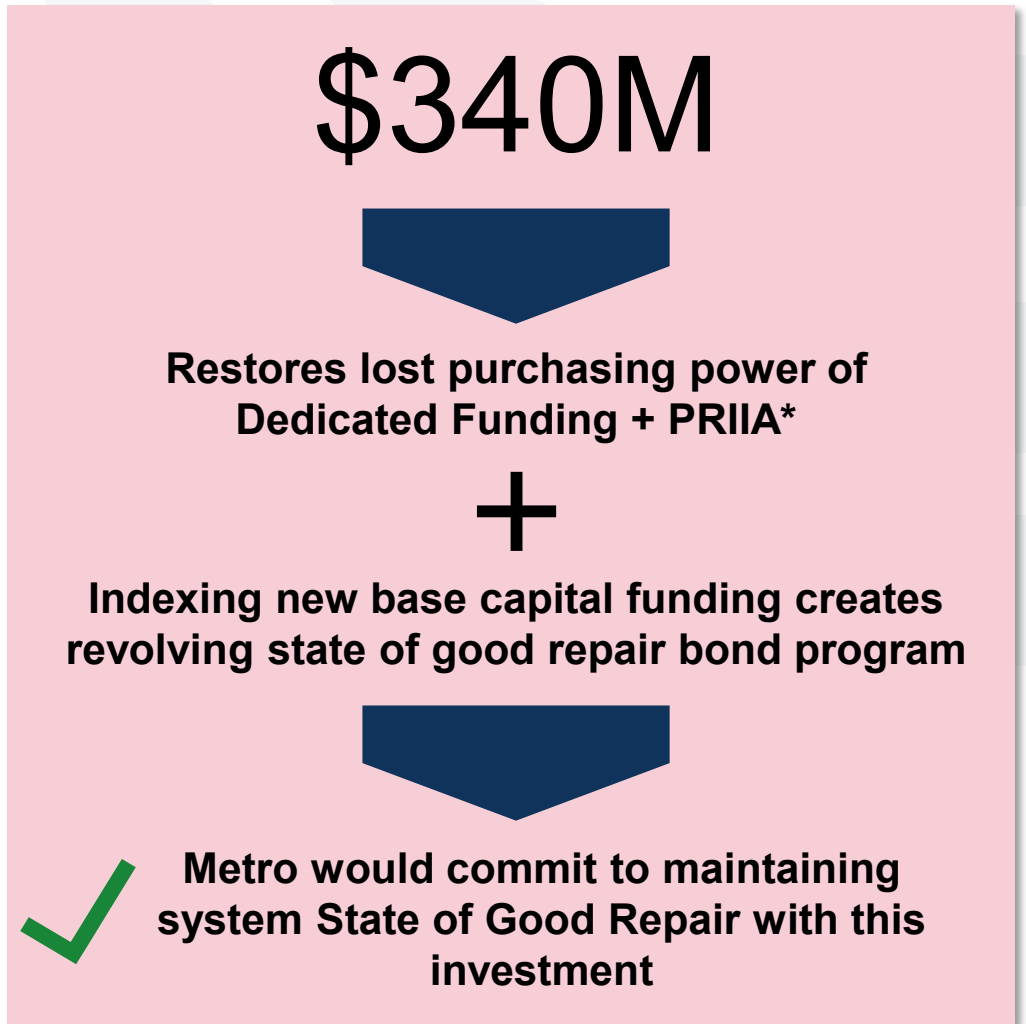
**Metro would commit to maintaining current service levels with this investment**

# What's Needed to Keep Metro in Good Repair

Capital funding value has eroded – was not indexed to inflation



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



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

\*Assumes annual appropriation of PRIIA 13



# What's Needed to Get the Most Value from Existing System

Additional \$120M of investment in operations would serve more people and support the region's growth









## 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



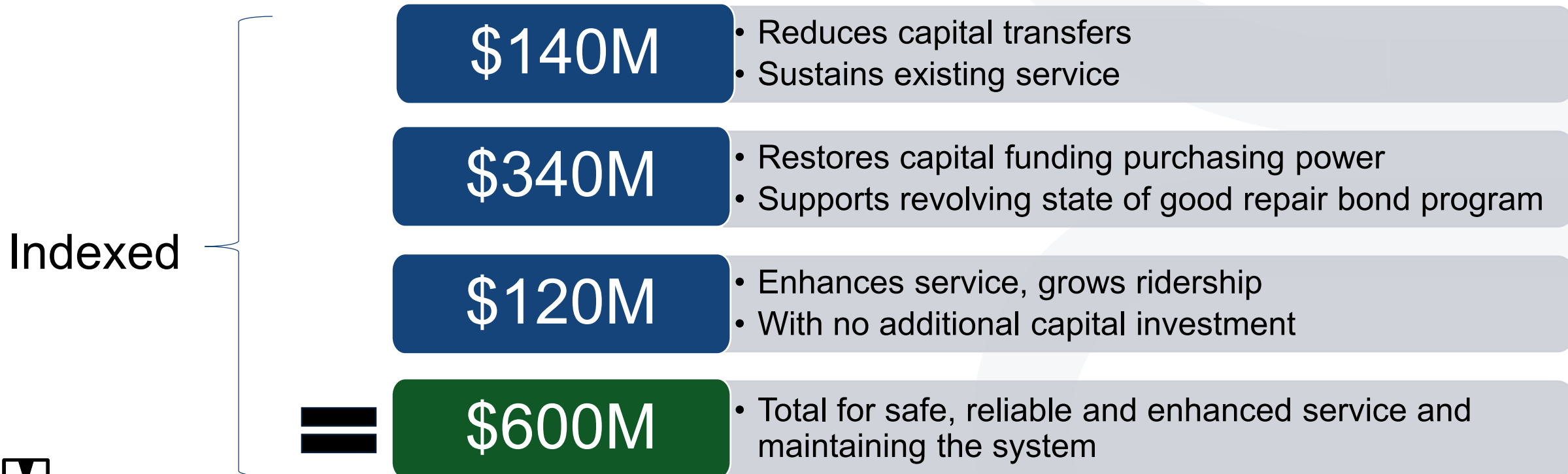
## Metrorail

- More 8-car trains for capacity
- 3-4 hour peak periods
- More frequent trains      
- Weekends open at 6am, close at 2am

Metro and region can leverage the system's existing capital assets and ramp up service through FY2028, increasing connections and frequency at low marginal cost

# Long-term, Predictable, Sustainable Funding for Safe, Reliable Service

Additional investment of \$600M annually in FY2028 and indexing of Metro's funding to inflation would maintain the system's state of good repair and ensure Metro can continue to provide frequent and reliable service to the DMV.



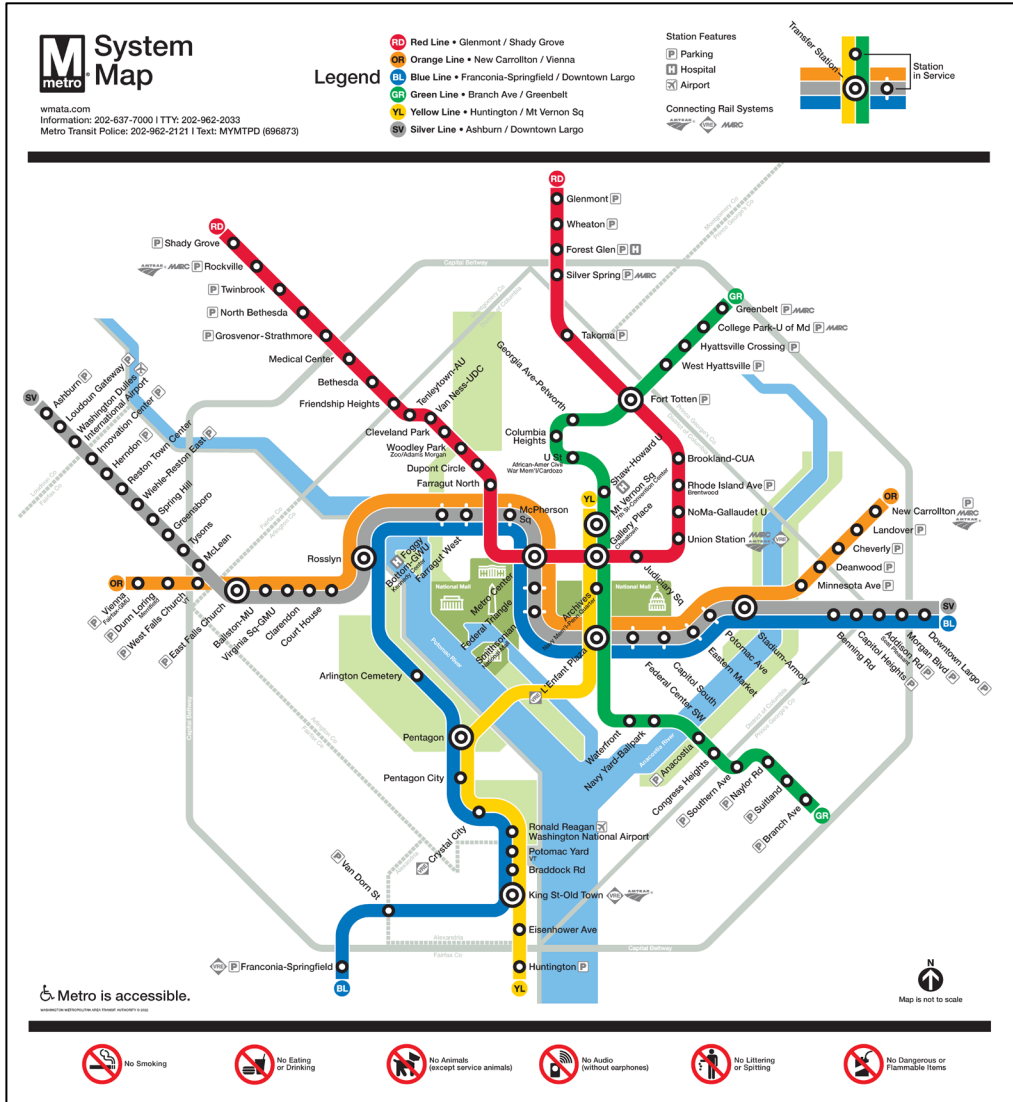
# Long-Term Predictable, Sustainable Funding for Transit



# The Future Requires A Shared Vision

The region once had a unified transit vision...

But lacks one now



**Your Metro, The Way Forward**  
Strategic Transformation Plan

**M metro**

**move dc**  
2021 UPDATE

**FAIRFAX COUNTY**  
TRANSIT STRATEGIC PLAN  
FISCAL YEAR 2023 THROUGH FISCAL YEAR 2035  
APPROVED BY THE BOARD OF SUPERVISORS ON DECEMBER 8, 2022

**Prince George's County**  
**TRANSIT**  
TRANSFORMATION

**SYSTEM PLAN 2050 DRAFT PLAN REVIEW**  
March 15, 2024  
**VRE**

**TRANSAction PLAN**  
2022 UPDATE  
**NVTA's TransAction**  
Transportation Action Plan for Northern Virginia  
**NVTC**  
NORTHERN VIRGINIA TRANSPORTATION COMMISSION

**DRPT**  
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION  
**ARLINGTON VIRGINIA**  
**ARLINGTON**  
Transit Strategic Plan  
FY2025-2034  
OCTOBER 2023  
**ART**  
ARTIST IN RESIDENCE

**CONNECTING OUR COMMUNITIES**  
MCDOT'S VISION FOR TRANSPORTATION IN MONTGOMERY COUNTY, MD

**MCDOT**  
www.montgomerycountymd.gov/MCDOT

**MARC**  
CORNERSTONE PLAN  
ACC

**ARTIST IN RESIDENCE**



# Modernization: Additional Capital Investments to Improve Efficiency and Grow Ridership

## Advanced Signaling System

- Replace 1970s legacy signaling system
- **Safer** and **more reliable**
- **Improves efficiency** and reduces operating costs
- **Faster service** and more frequency and capacity



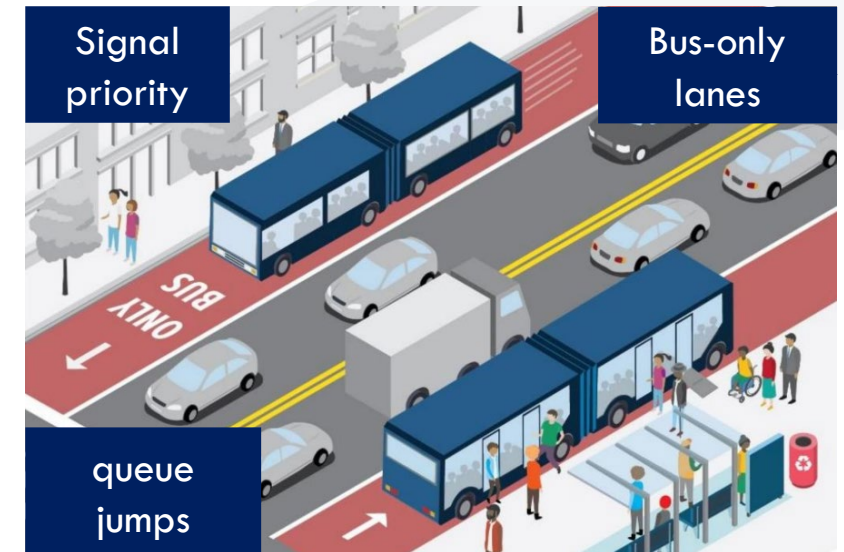
Paris



London

## Regional Approach to Bus

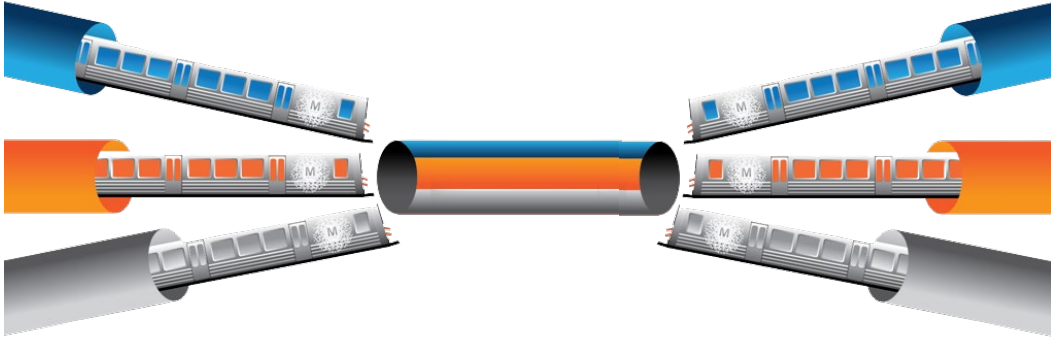
- Coordinated regional planning and prioritization, purchasing, construction
- Regional approach to bus priority and bus rapid transit - separate high frequency bus service from traffic
- **Faster** and **more reliable** bus trips
- **Lower costs**



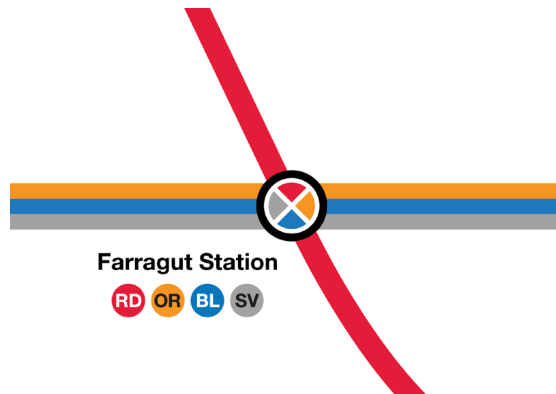
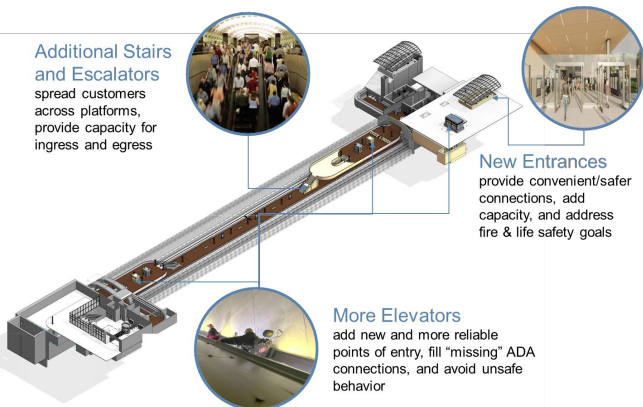


# Additional Investment to Expand Transit Can Move More People + Generate Economic Activity

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



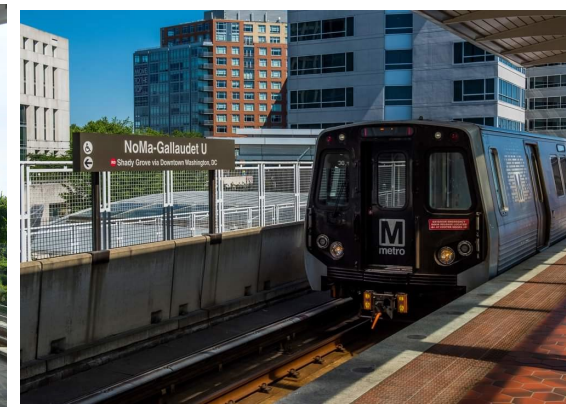
**Build new station entrances to connect them to more housing/jobs and increase accessibility**



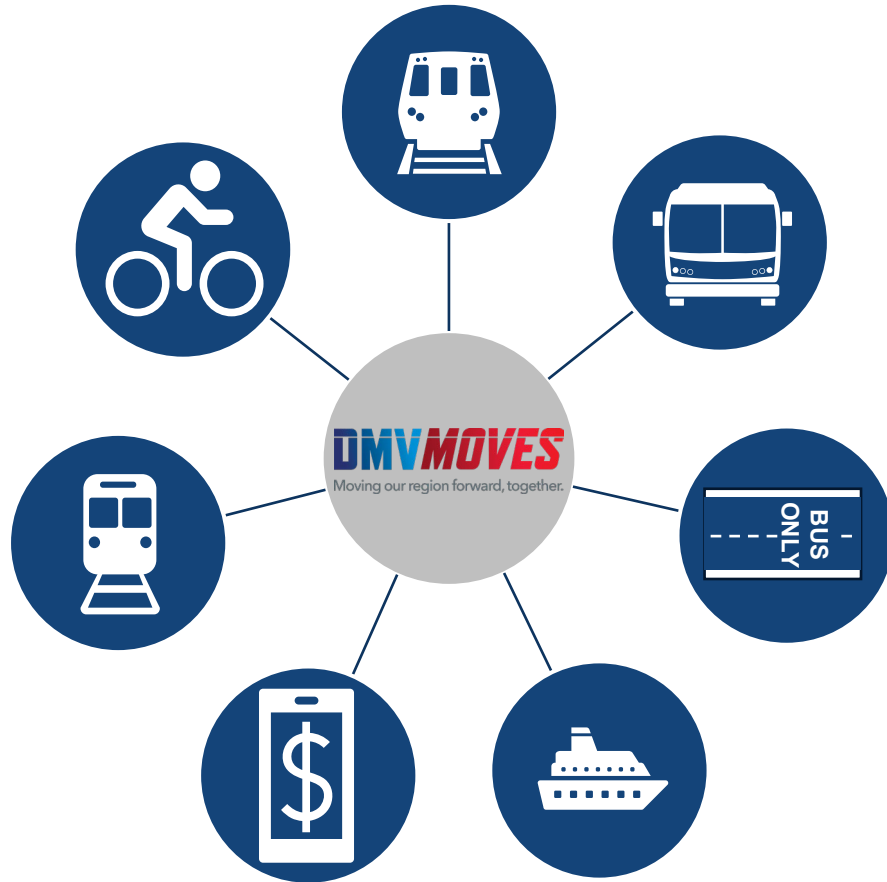
**Move more people to more places with bus rapid transit (BRT) lines, ferry services, bike share**



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



# Imagine a Future...



**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)