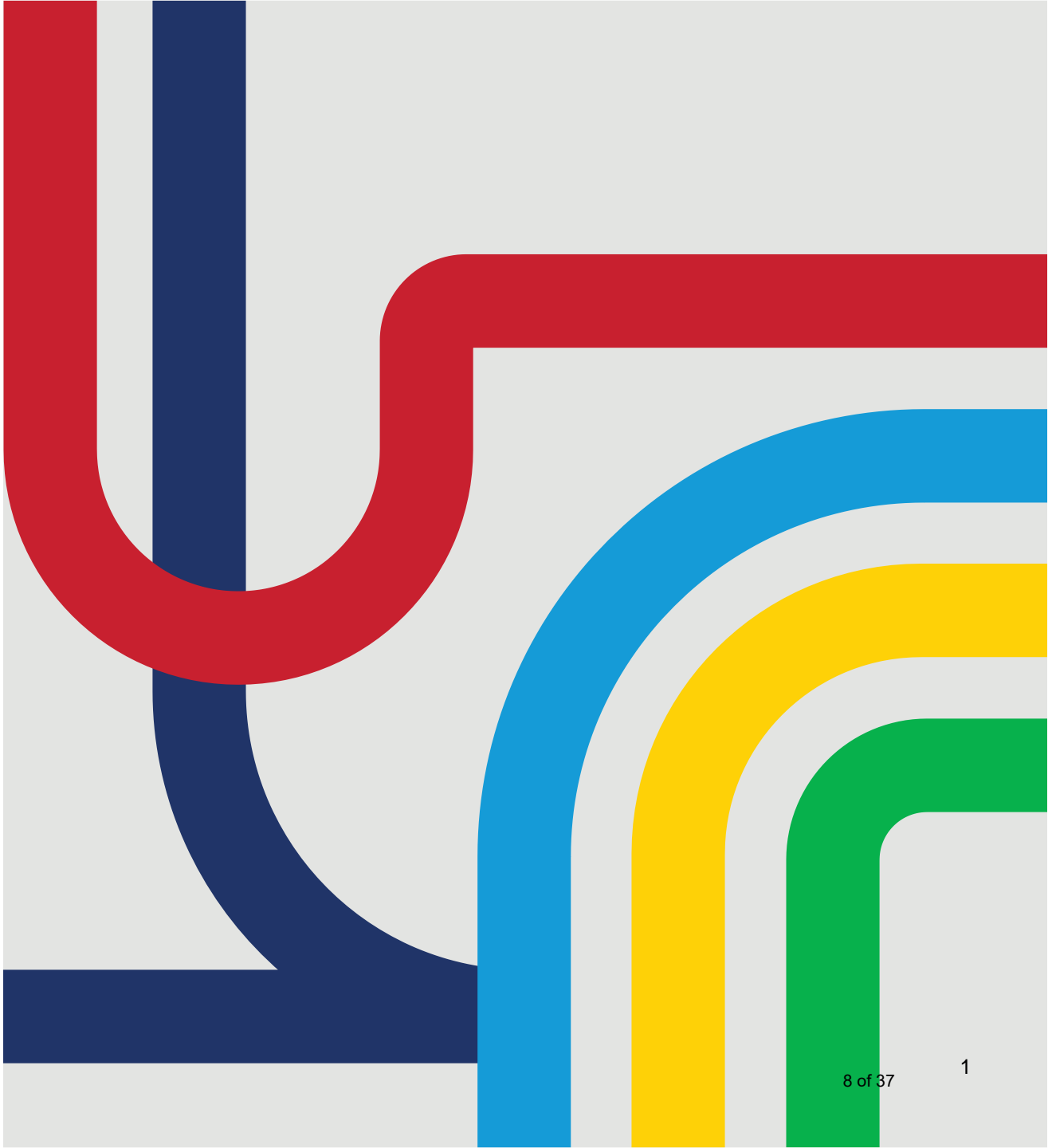
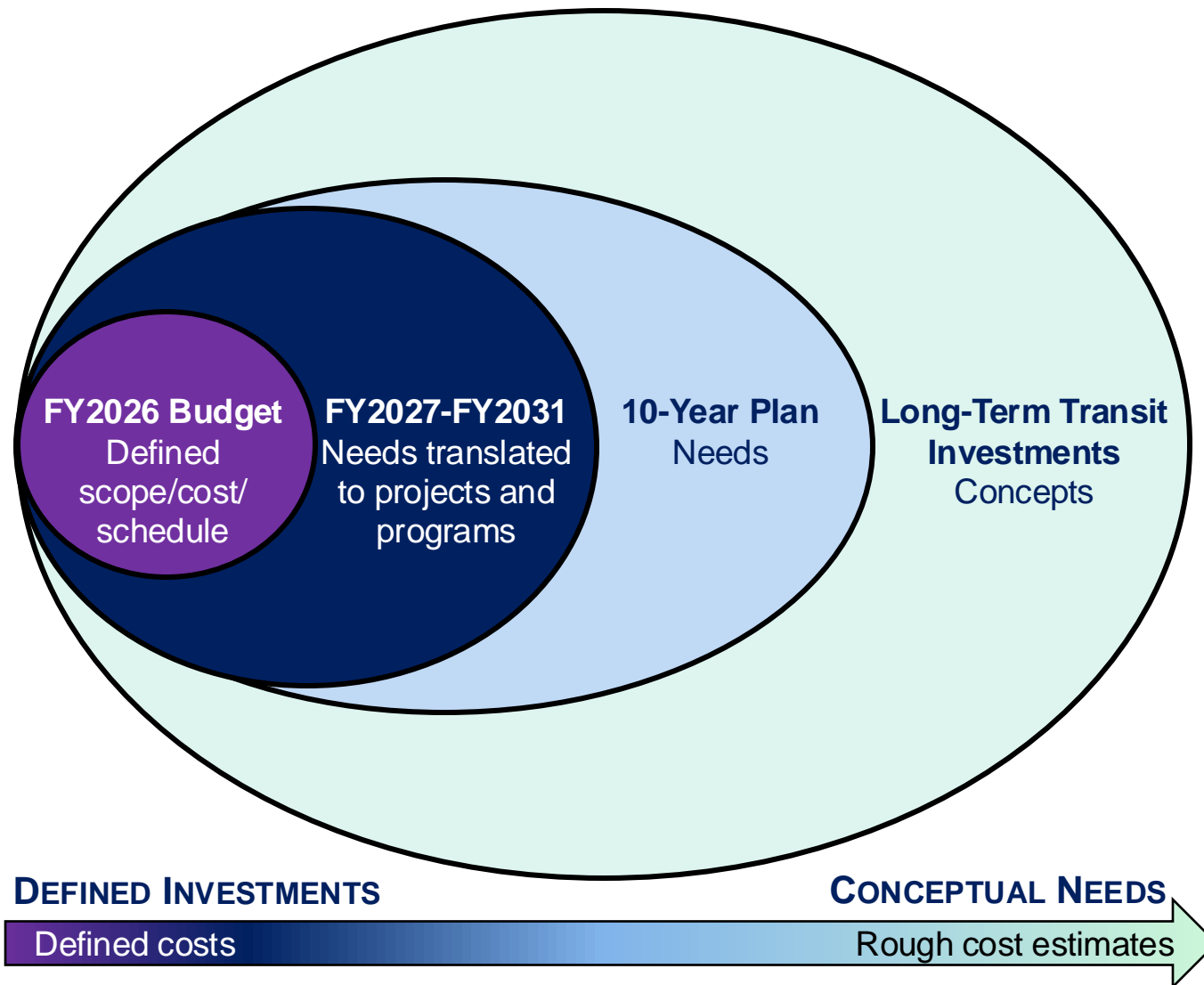


Capital Program Work Session

Finance and Capital Committee



Capital Program is Aligned with Metro's Strategic Transformation Plan



Strategic Transformation Plan Goals & Objectives Inform:

● Long-Term Transit Investments

Inventory of capital needs and concepts

● 10-Year Plan

Projects, programs and needs:

- Financially unconstrained
- Execution constrained

● FY2027- FY2031 Plan &

● FY2026 Budget

Near-term projects, programs and needs:

- Financially constrained
- Delivery constrained

FY2026 – 2031 Proposed Capital Program Continues Metro's Capital Strategy in Near-term

- Invest in system to provide safe, efficient, and reliable service for customers, employees, and the region
- Invest in efforts to improve cost efficiency
- Sustain safety and reliability through recurring maintenance, rehabilitation and replacement programs

CAPITAL BUDGET BREAKDOWN

FY2026 Annual Budget	\$2.1B
<hr/>	
FY2027 – FY2031 Capital Plan	\$8.3B
<hr/>	
Total Capital Investments	\$10.5B
<hr/>	
Debt Service & Revenue Loss	\$2.0B
<hr/>	
FY2026 – FY2031 Proposed Capital Program	\$12.5B
<hr/>	
<div> Any Reallocated Capital Resources from FY2024-2025</div>	

\$10.5B Six-Year Capital Program

Capital Investment Categories (\$M)	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2026-FY2031
Bus & Paratransit	\$483	\$440	\$384	\$343	\$284	\$363	\$2,297
Business Support	\$286	\$319	\$273	\$193	\$156	\$146	\$1,373
Rail Systems	\$344	\$253	\$370	\$187	\$120	\$92	\$1,366
Railcar	\$434	\$525	\$447	\$450	\$400	\$373	\$2,629
Stations & Passenger Facilities	\$315	\$422	\$222	\$148	\$135	\$131	\$1,372
Track & Structures Rehabilitation	\$275	\$297	\$262	\$198	\$192	\$203	\$1,426
Total*	\$2,137	\$2,255	\$1,958	\$1,518	\$1,287	\$1,308	\$10,463

* Excludes Debt Service and Revenue Loss

Mission Critical Investments Not Programmed

Significant investment needs are not funded in the proposed FY2026 – FY2031 Capital Program due to resource constraints

SELECT EXAMPLES OF CRITICAL UNFUNDED INVESTMENTS:





Investment	Investment
Escalator Replacement	Station Fire Alarm Reinvestment
Tunnel Water Leak Mitigation	Traction Power State of Good Repair
Shaft Systems Reinvestment	Low-Voltage Power Room Rehabilitation
Outdoor Station Platform Edge Reinvestment	Station Intercom Reinvestment
Bus Garage Reinvestment	Tunnel Drainage Pumping Stations
Roadway Maintenance Machine Replacement	Station Sewage Ejector Reinvestment

Metro is reevaluating resource availability for the capital program due to the following factors:

- Performance/utilization of FY2025 Budget
- Reducing corrective and preventive maintenance transfers to the capital program due growth in fare revenue and operating cost savings
- Capital savings due to adoption of commercially and/or locally accepted standards in projects and programs, minimizing Metro customization
- Overhead or administrative savings from reduced contracted program management and support services
- Improved management of grant allocations to allow for full utilization across the capital program
- Minimizing the cost (i.e., interest rate) of debt issuance and capitalizing on market trends

**In conjunction with a revised operating budget,
Metro will present a revised capital program reflecting
updated resource availability**

Potential Program Changes – Increased Investment in Critical Programs

	Fire Systems	<ul style="list-style-type: none">• Previously unfunded need to replace the fire alarm system, including fire alarm panels in communications rooms, at rail stations• Supports the start of fire system replacements
	High & Low Voltage Power	<ul style="list-style-type: none">• Supports planning for the next group of 40 traction power reinvestment locations that were deferred due to funding constraints• Will support AC Power upgrades that are essential to support basic functions of the system
	Shafts	<ul style="list-style-type: none">• Rehabilitation of shafts to address damage to the structure from water infiltration, including repairs to grouting, concrete, ladders, stairs, electrical equipment, bollards, and drainage systems
	Escalators	<ul style="list-style-type: none">• We have made significant progress to make escalators more reliable, reducing injuries and minimizing failures• Allows for a new cycle of proactive replacement, which was previously unfunded

Traction Power Reliability and Capacity

BACKGROUND

- Traction Power equipment is essential to basic functions of Metrorail, providing the power that moves trains
- Significant reinvestment needed to replace worn or obsolete equipment and maintain reliability of traction power infrastructure at 124 locations
- Meeting Board policy goal to enable capacity and service improvements requires upgrading components to supply more power



INVESTMENT OUTLOOK

- 58 locations included in Proposed Six-Year Capital Program
 - Proposed Capital Program deferred \$282M of traction power investments
 - New resources available will be allocated to start planning for additional locations
- All locations needed for 8-car operations are programmed and funded

8000 Series Railcars

BACKGROUND

- New railcars maintain the fleet in a state of good repair, supporting safety and reliability
- Investment replaces legacy railcars
- Includes improved customer features - modern technology and open gangways

INVESTMENT OUTLOOK

- Option for second increment of 104 vehicles funded in program; additional operating resources required for increased rail service to support growing ridership
- Additional increments would enable future service and capacity improvements
 - Capital and operating needs not funded



CURRENT STATUS

- **Completing preliminary design phase, final design phase in Winter 2025**
- **Delivery of first increment of 256 vehicles replaces legacy fleet railcars beginning in 2028**

\$917M Included in Proposed FY2026 – FY2031 Program

Cost Effective Delivery of Training for the Region

New, co-located facility for **cost-effective delivery of training opportunities** for employees & the region

BACKGROUND

- Carmen Turner Facility (CTF) currently used for focused hands-on training, including emergency response
- CTF does not meet Metro's training requirements
 - Does not meet current code requirements; cost prohibitive to bring it up to code
 - Significant rehabilitation needed due to age, condition, issues impacting staff
 - Training requirements have outgrown CTF; inefficient and fragmented delivery of training

EVOLVING TRAINING NEEDS

- Training structure recently re-aligned into single team
- Increasing number of training requirements; more comprehensive and complex
 - Launched key training for: automatic train operations, zero-emission bus, customer experience, and Roadway Worker Protection updates
- Open Metro Corrective Action findings linked to systemic training shortfalls
 - New facility and organizational changes help address Corrective Action findings
- Goal to establish efficiencies through co-located operator, maintenance, police, safety and emergency management training



Metro Training Facility

ALTERNATIVES CONSIDERED

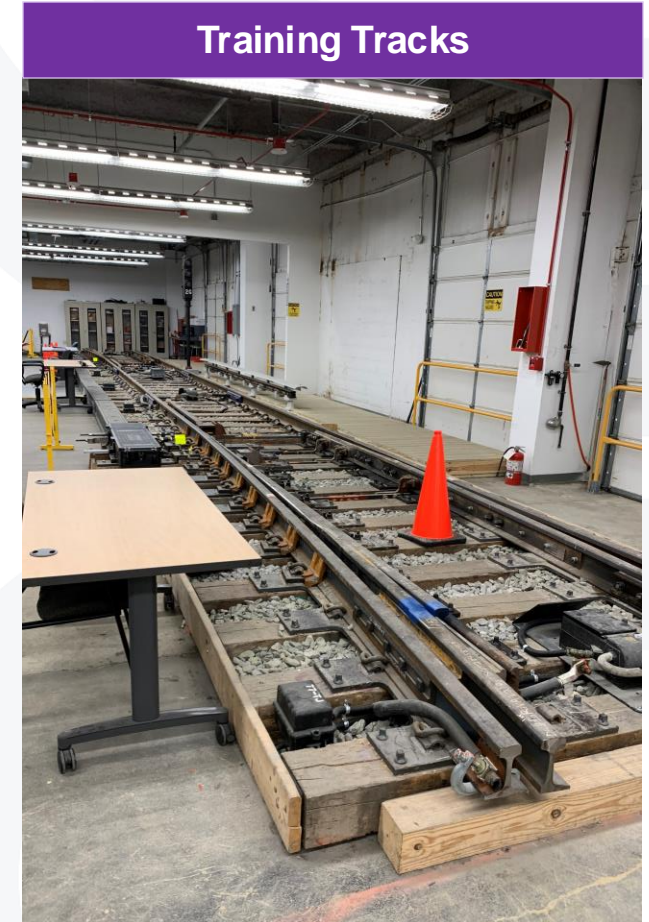
Reviewed real estate portfolio, including Carmen Turner Facility, and identified 3636 Pennsy Dr site as preferred location

- Maximizes use of existing real estate assets
- Site will allow the development of a facility that supports our current and future training requirements
- Consolidates regional emergency management response training
 - Local fire departments train at Metro facilities

CURRENT STATUS

Metro is refining requirements and planning for the unified Metro Training Facility

\$100M Included in Proposed FY2026 – FY2031 Program



Limited Electrification Investments in the Capital Program

No funding to continue zero emission transition after ongoing investments are complete

**Current
Status**

4

Battery Electric Buses
(BEB) in Service

8

Additional BEBs
Expected in 2025

12

Charging Stations Installed
at Shepherd Parkway

ONGOING ELECTRIFICATION EFFORTS IN THE CAPITAL PROGRAM

Facilities

- Northern Bus Garage – Under Construction
- Bladensburg Bus Garage – Under Construction
- Cinder Bed Road Bus Garage – Under Design
- Western Bus Garage – Not Funded

Vehicles

- Five-year contract to procure BEB & hybrid buses awarded in 2024
- Contract vehicle provides flexibility on type of buses purchased – including up to 400 ZEBs (~25% of total fleet)
- MetroAccess feasibility study for charging stations

\$516M Included in Proposed FY2026 – FY2031 Program

NO FUNDING FOR ADDITIONAL:

- **ELECTRIC VEHICLES**
- **FACILITIES TO SUPPORT ELECTRIC VEHICLES**

Prioritizing Frequent, Safe, Reliable Service

Zero-emission vehicles are only part of the strategy to support environmental goals

EXTERNAL FACTORS IMPACTING ELECTRIFICATION

- Limited domestic bus manufacturing capacity
- Zero emission bus and charger technology not fully mature and rapidly evolving
- Supporting efforts to address manufacturing challenges (e.g., active participation in Northeast Transit Bus Consortium to standardize bus specs across agencies)
- Funding availability



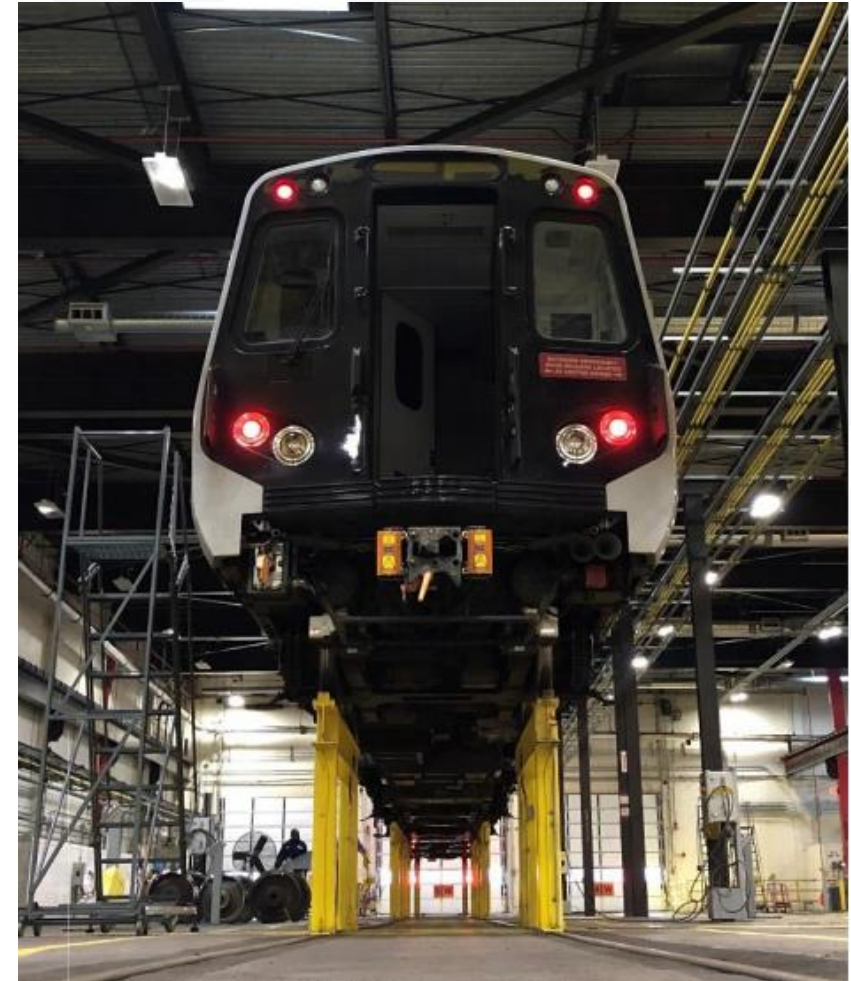
METROBUS STRATEGY – REGARDLESS OF ZERO EMISSION GOALS

- Frequent transit service drives ridership and contributes to regional emission reductions regardless of propulsion type
- Metro and the region should not sacrifice safe, frequent, and reliable service
- Metro will continue use of conventional hybrid and/or compressed natural gas (CNG) buses to maintain service

Railcar Maintenance Capacity

Metro does not have capacity to perform required maintenance activities with existing infrastructure

- In 2014, Metro transitioned from mid-life overhaul to industry best practice scheduled maintenance program (SMP) to improve reliability of railcars
 - SMP requires cyclical maintenance activities over a defined timeframe
- During 7000-Series procurement, railcar reliability issues prompted Metro to prioritize fleet renewal over balanced delivery of new railcars
- Increasing maintenance demand creates:
 - Severe capacity constraints
 - Inability to perform required SMP activities with existing infrastructure
- Investment in railcar maintenance facilities needed to address peak SMP requirement



Maximizing Existing Infrastructure at Dulles Railyard

Modifications at Dulles Railyard will help Metro address majority of SMP capacity requirements

✗ INITIAL SOLUTION – NEW DEDICATED FACILITY

- Previous solution to construct a new facility to support SMP activities became cost prohibitive, exceeding \$700M due to elements such as:
 - Unforeseen Soil Condition
 - Site Preparations
 - Utilities Improvements
 - Inflation and Cost Escalation

\$200M Included in Proposed
FY2026 – FY2031 Program

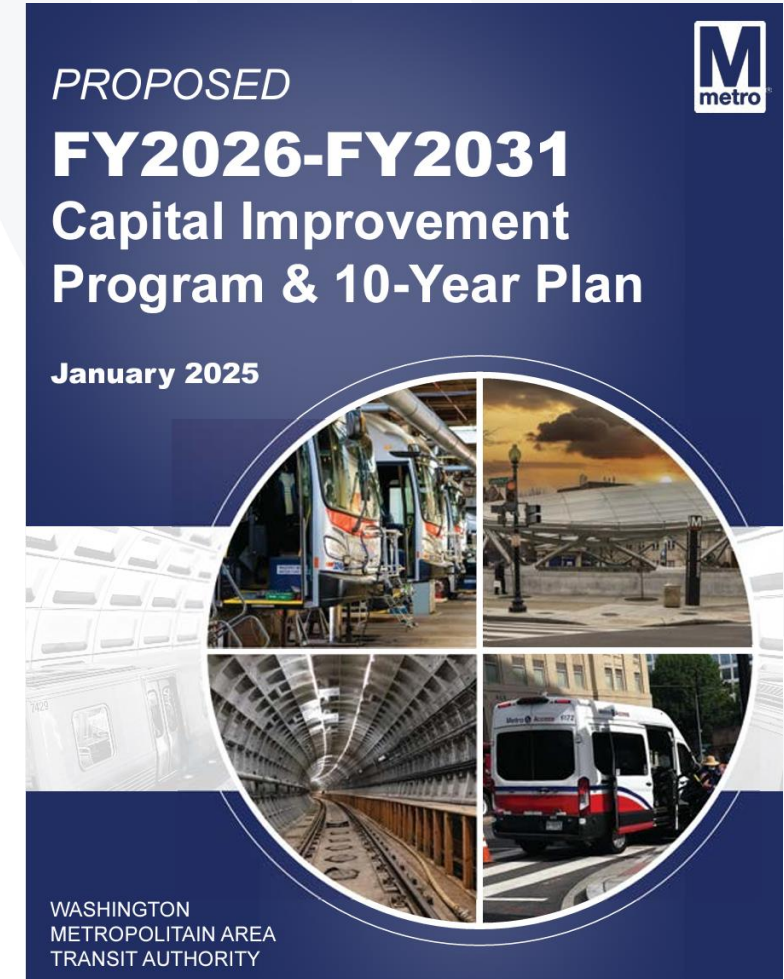


➡ REVISED & RESCOPED – RAIL FLEET MANAGEMENT FACILITY AT DULLES RAILYARD

- Retrofit existing space at Dulles Railyard to increase SMP capacity and consolidate heavy repair efforts
 - Not intended to produce operating cost savings or generate return on investment
 - Necessary to help meet SMP requirements
 - Modifications will address the majority of SMP capacity need
- Without investment, Metro will not be able to maintain all railcars in-house, leading to:
 - Non-preferred operating solutions, such as high-cost outsourcing railcar maintenance
 - Impacts to railcar reliability and spare ratios

Next Steps

- Budget Public Engagement and Public Hearings
- Updated Proposed Six-Year CIP
- Capital Improvement Program and Budget Adoption
- Future updates: Rail Automation Program Development



Link:

[https://www.wmata.com/initiatives/budget/upload/Wmata_Proposed_FY2026-FY2031_CIP - 10-Year Plan.pdf](https://www.wmata.com/initiatives/budget/upload/Wmata_Proposed_FY2026-FY2031_CIP_-_10-Year_Plan.pdf)