FY2026 Mid-Year Financial Review and Revised FY2027 Proposed Budget

Finance and Capital Committee

Washington Metropolitan Area Transit Authority

March 26, 2026

Delivering Your Metro, the Way Forward

Focus Today

Service Excellence
Deliver safe, reliable, convenient, accessible, and world-class service that customers can trust across all modes.

Objectives of Service Excellence Goal

- **Safety and Security**
- **Reliability**
- **Convenience**

Focus Today

Talented Teams
Attract, develop, and retain world-class talent where individuals feel valued, supported, and proud of their contribution.

Objectives of Talented Teams Goal

- **Recruitment and Retention**
- **Learning and Development**
- **Customer Service Mindset**

Focus Today

Financial & Organizational Efficiency
Steward public resources and efficiently allocate resources where they drive the most value, to ensure service delivery.

Objectives of Financial & Organizational Efficiency Goal

- **Financial Responsibility**
- **Organizational Efficiency**
- **Energy Management**

FY2026 Mid-Year Highlights

Operating Budget

- **Strong ridership and revenue growth** offset operating expense pressures, keeping Metro on budget
- **Metro Rail** – Every other Yellow Line train now provides service to Greenbelt
- **Metro Bus** – Launched new commuter peak service and improved access from Alexandria and Arlington to downtown D.C. on bus (A29), increased frequency, and improved 49 routes systemwide

Capital Program

- **Fare Modernization** – Tap.Ride.Go. launched on Metro Bus on November 18, 2025, making payment easier and more accessible
- **Metro Bus** – Completed 45 bus rehabilitations, and put five newly acquired buses into service, improving bus service reliability
- **Metro Rail** – Completed 12 switch machine, 16 cable, and 11 bond replacements, strengthening system performance and reliability
- **Metro Access** – Received 116 new vehicles, improving fleet reliability and accessibility
- **Escalators & Elevators** – Replaced nine escalator units and rehabilitated four elevator units, improving accessibility to stations, availability, and reliability
- **Security Cameras** – Installed new security cameras on 182 6000-series railcars, enhancing safety, security, and system reliability

FY2026 Mid-Year Operating Budget Key Points

Overall: Through January, on budget, as higher than planned revenues helped offset expense pressures

Strong revenue: Total revenue of $349M, $27M above budget, led by rail passenger and parking revenues despite winter weather and federal shutdown impacts

Expense pressures: Total expenses of $1,556M, $28M above budget, driven by continued cost pressures from propulsion, paratransit, and personnel

Outlook: Budget still balanced despite winter weather and federal shutdown impacts and cost pressures

Winter Weather and Shutdown Impacts Put Pressure on Outlook; Year-End Estimate Still Balanced

($ in millions)	FY2025 Actual	FY2026 Budget	FY2026 Feb Forecast
Total Revenue	**$594**	**$564**	**$632**
Gross Expenses	**$2,531**	**$2,607**	**$2,675**
Preventive Maintenance Transfer	($89)	($109)	($109)
Net Expenses	**$2,442**	**$2,498**	**$2,566**
Gross Subsidy	**($1,848)**	**($1,934)**	**($1,934)**
Prior Year Savings		$28	$28
Federal Relief	$123	$0	$0
Jurisdictional Contribution	**$1,753**	**$1,906**	**$1,906**
Operating Result	$28	$0	$0

Amounts are independently rounded and may not sum

FY2026 Capital Program Summary

FY2026 CAPITAL INVESTMENT FORECAST

- Board approved FY2026 Capital Budget of **$2.1 billion**
- **$995 million** invested in the Capital Program through January 2026
- FY2026 year-end forecast of **$1.9 billion**

INVESTMENT SCHEDULE CHANGES

- Bus Vehicles - delays primarily due to domestic bus manufacturing capacity constraints and high demand
- Railcar Vehicles - schedule delays primarily due to design delays and manufacturer testing challenges

INVESTMENTS ADVANCING

- Advancing program development activities for Red Line Rail Modernization
- Design and engineering for a new Metro Training Center
- Design and engineering for a Fleet Maintenance Facility at Dulles railyard

Revised FY2027 Proposed Budget

Development of Proposed FY2027 Budget

Context

- Initial Budget Outlook (November 2025): Fiscal outlook presented to Board reflecting projected cost growth and revenue conditions.
- GM/CEO Proposed Budget (December 2025): Regional subsidy growth at 3%, included bus and rail service improvements.
- Board-authorized Public Engagement (January – February 2026): targeted public communication and outreach effort to increase awareness, answer questions and solicit feedback on the proposed budget and associated service proposals, including three public hearings held on February 3, 4, 5, 2026.

Reasons for Revising the Proposed FY2027 Budget

- Updated financial forecast: revenue and expense assumptions updated based on FY2026 Mid-Year Financials
- Regional affordability and economic considerations: Metro is responding to jurisdictional concerns about the affordability of the original FY2027 Budget proposal and seeks to moderate year-over-year growth in jurisdictional contributions

Evolution of Metro's Operating Subsidy Framework

FY2019

- Metro's overall subsidy growth was 3%; jurisdictions grow at varying rates (above or below 3%) as determined by Board-approved rail, bus and paratransit allocations last revised in the 1990s

FY2020 – 2024 (beginning of 3% state-level cap era)

- Maryland and Virginia 3% operating subsidy growth cap is incorporated into budget framework starting with the FY2020 budget; Board approves uniform 3% increases for DC, MD, and VA
- During the pandemic, federal relief (CARES, CRRSAA, ARPA) utilized to close operating gaps and provide subsidy credits to jurisdictions
  - Metro provides $196M subsidy reductions to jurisdictions beginning in FY2021

FY2025

- Legacy version of subsidy model applied without the 3% cap as jurisdictions commit additional subsidy while Metro and largest unions agree to 0% salary and wage increases, and fares are increased by 12.5%
- Federal relief funding fully spent

FY2026

- Budget utilizes Board-adopted restructuring of Bus and Rail formulas, subsidy includes 3% growth and replacement of federal relief

FY2027 Proposed Budget

- Overall subsidy increase of 3%; jurisdictions grow at varying rates (above or below 3%) as determined by Board-approved allocation formula

To Reduce Jurisdictional Subsidy Growth, Revised Budget Proposal Defers Some Bus and Rail Service Improvements and Begins New Abilities-Ride Administrative Fee

FY2027 Proposed (Original Plan)

Metro Bus

- More frequent service, including 24-hour routes
- More weekend service
- Improvements across the District of Columbia, Maryland, and Virginia starting about July 1

Metro Rail

- Late night and weekend frequency increases
- Added peak capacity for crowding

FY2027 Revised Proposal

Metro Bus

- Maryland improvements deferred beyond FY2027
- Additional District of Columbia improvements above proposed original plan beginning December 2026

Metro Rail

- Delay improvements until December 2026

Abilities-Ride New $3 per-trip administrative fee

Proposed budget revisions slow the growth in jurisdictional subsidies—especially for Rail and Access—bringing total growth down to 1.8% from 3%

Metro Bus

6.6% → **7.0%**
Proposed Revised

Defer Maryland enhancements while accelerating Visionary Network improvements in the District of Columbia

Metro Rail

-1.8% ↘ **-3.4%**
Proposed Revised

Delay service improvements and higher transfer of preventive maintenance activity costs to capital budget

Metro Access

13.4% ↘ **7.2%**
Proposed Revised

New Abilities-Ride administrative fee and resulting impact to induced demand from free trips

Total

3.0% ↘ **1.8%**
Proposed Revised

Total subsidy reduced to 1.8%; Maryland subsidy growth reduced to 3%

Updated FY2026 Forecast Revises Outlook for FY2027

Expenses +$11M to reflect trends from FY2026 Forecast, updated service proposal

Revenue +$14M from updated forecast including improved fare payment compliance, expanded Tap.Ride.Go. and multi-day parking, and Abilities-Ride administrative fee

Prior Year Savings +$12M from reconciliation of prior pass sales revenue

Net Savings of $15M and **Preventive Maintenance increase of $7M** reduce overall Subsidy growth from 3.0% to 1.8%

$ in M	FY2026 FORECAST	FY2027 PROPOSED		FY2027 REVISED	
		Amount	Vs. FY26 Forecast	Amount	Vs. FY26 Forecast
Expense	$2,675	$2,740	2.4%	$2,751	2.8%
Revenue	$632	$651	3.0%	$665	5.2%
Prior Year Savings	$28	-	-100.0%	$12	-57.8%
Gap before PM and Subsidy	**($2,014)**	**($2,089)**	**3.7%**	**($2,074)**	**3.0%**
Preventive Maintenance Transfer	$109	$126	15.5%	$133	22.3%
Jurisdictional Subsidy	**$1,906**	**$1,963**	**3.0%**	**$1,940**	**1.8%**
District of Columbia	$737	$746	1.2%	$743	0.8%
Maryland	$677	$711	5.0%	$697	3.0%
Virginia	$492	$506	2.9%	$500	1.6%

Amounts are independently rounded and may not sum

Note: $12M prior year savings preliminary estimate; estimates subject to change

Repeatedly Capping Total Subsidy Growth to Keep Each Jurisdiction at or Below 3% Breaks Metro's Operating Budget Model

Reducing subsidy to 1.8% growth in FY27, then returning to 3% in FY28 and beyond, creates $232M shortfall over 10 yrs

Repeated subsidy growth of 1.8% in FY28 and beyond, creates $1.2B shortfall over 10 yrs

Revised FY2027-FY2032 Proposed Capital Program

INCLUDED IN $11B REVISED PROPOSAL

- Red Line Modernization
- Bus, rail, and paratransit vehicle replacements
- Lower levels of lifecycle reinvestments
- Adjustments for updated scope, schedule or cost changes for major investments, for example rail and bus vehicles

WITH ADDITIONAL REGIONAL INVESTMENT (DMV*Moves*)

- Rail Modernization systemwide
- 8000 Series Option 1+
- Additional lifecycle reinvestments to improve and maintain performance, including:
  - Bus garages – including Western Bus Division
  - Stations, escalators, elevators, stairways
  - Parking garages
  - Electrical, heating, cooling, lighting
  - Bridges and tunnels

Next Steps

Conduct additional public engagement on accelerated Visionary Network bus improvements in the District of Columbia and Title VI Analysis

Board consideration for approval in April:

- Recommended FY2027 Operating Budget and FY2027–2032 Capital Improvement Program
- Title VI Analysis Report
- FY2027 Budget Public Hearing Staff Report
- Debt Policy
- Concurrence on Red Line Modernization Program and Federal Funding Approach

Appendix

Proposed FY2027 Bus Service Improvements Within the District of Columbia

Route	Day	Time Period	Current		Proposed	
C13 *	All days	7a-9p	12 min		9 min peak, 10 min off-peak	
C35*	Weekends	All Periods	Deanwood-Ft Dupont *(weekday peak extends to Naylor Rd; FY27 adds weekday all day to Naylor)*		Deanwood-Naylor Rd *(add weekend all day to Naylor Rd)*	
C35	Weekdays	All Periods	Some trips end at Fort Dupont		Extend all weekday trips to Naylor Rd	
C43	All days	M-F: Off-peak Sa-Su: All Periods	40 min		30 min	
C55*	All days	Evening (weekdays); all day (weekends)	L'Enfant-Buzzard Pt **M-F** to **6pm** 15 min All other periods 30 min	Buzzard Pt-Union Station All periods 30 min	L'Enfant-Buzzard Pt **M-Su** to **9pm** 15 min All other periods 30 min	Buzzard Pt-Union Station All periods 30 min
C57	Weekdays	AM Peak	Begin at 7am		Begin at 6am	
C57*	Weekdays	All Periods	30 min (peak only)		30 min (to 6a-9p)	
C57*	Saturdays	All Periods	No Service		30 mins (7a-9p)	
C63*	All days	All Periods	Via 31st St NE		Via Bladensburg Rd *(restore connection to Senior Center)*	
C63	All days	All Periods	Deanwood-Washington Hospital		Deanwood-Petworth (change implemented 12/2025)	
C91	All days	M-F: Midday to Late-Night Sa-Su: All Periods	M-F: 20-40 min Sa-Su: 30-40 min		M-F: 20 min Sa-Su: 20 min	

* - Service improvements beyond what was detailed in original proposed budget presented December 2025.

Proposed FY2027 Bus Service Improvements Within the District of Columbia (Continued)

Route	Day	Time Period	Current	Proposed
D2X*	Weekends	All Periods	No service	15 min
D4X	Weekdays	Midday to Late-Night	10-12 min	10 min
D6X	Weekends	Late-Night	Run until 11pm	Run until 12am (midnight)
D24	All days	M-F: Midday, Evening Sa-Su: All Periods	30 min	20 min
D32*	All days	24-hour service	No service (12a-6a)	20 min *(overnight)*
D36*	All days	All Periods	Via 4th St NE	Via Edgewood St. NE *(restore connection to Senior Communities)*
D50*	All days	7a-9p	8 min. (weekday peak) / 15 min. (weekdays) / 16 min. (Sat) / 20 min. (Sun)	8 min (weekday peak)/ 12 min
D70*	All days	24-hour service	No service (2:30a-6a)	20 min *(overnight)*
D72	All days	Midday to Late-Night	Most trips end at Mt. Pleasant	Alternate trips to Van Ness UDC; every trip Late-Night
D74*	All days	7a-9p	15 min. (weekday Peak) / 20 min	15 min
D74*	All days	24-hour service	No service (mid-6a)	20 min (overnight)

* - Service improvements beyond what was detailed in original proposed budget presented December 2025.

Deferred FY2027 Bus Service Improvements Within Maryland

Route	Day	Time Period	Current	Formerly Proposed
P40	All days	Late Night	50 Min	30 min
P12	Weekdays	Peak Periods	45 min	30 min
M70	All days	Evening, Late –Night	20-30 min Evening; 30-35 min Late-Night	20 min Evening; 30 min Late-Night
M60	All days	All periods	M-Sa: 12 min afternoon peak All days: 30 min 9pm-12am	M-Sa: 10 min afternoon peak All days: 20 min 9pm-12am
P97	All days	All periods	Operates on weekdays only	Replace P93 in Birchwood; Add weekend service
M12	Weekdays	Peak period	Some trips end at Takoma-Langley Transit Center	Extend all trips to end at Hyattsville

Proposed FY2027 Bus Service Improvements Within Virginia

Route	Day	Time Period	Current	Proposed
A49	Weekdays	Peak Periods	Begin at 5:40am & 4:10pm; Peak direction only service	Begin at 5:00am & 3:30pm; Add bi-directional trips
A76	Weekdays	Peak Periods	30 min	15 min between Mark Center and Ballston

FY2027 Rail Service Improvement Proposal

Deferred until December 2026

O S B

More Frequent Weekday Service

Morning, Midday & Evening

Tap into off-peak travel demand for growth with more frequent service all day

trains every 10 min
all day before 9:30 PM, weekdays
improved from 12 min

Interlined segments have higher frequency:
Rosslyn to Stadium-Armory: **trains every 3.3 min**
East Falls Church to Rosslyn: **trains every 5 min**
New Carrollton branch: **trains every 6.7 min**
Downtown Largo branch: **trains every 6.7 min**

R

More Frequent Late Night Service

Align late night frequencies across lines and closer to daytime frequency

trains every 7 to 8 min
9:30 PM - closing
improved from 10 min

The Red Line is the busiest in the evening and late night, yet its core late night frequency is currently lower than the combined core frequencies on other lines.

Matches current Yellow and Green late night frequency and closer to the Red Line's every 6-minute daytime frequency.

Peak Period Capacity

Accommodate ridership growth with targeted use of more eight-car trains and schedule adjustments

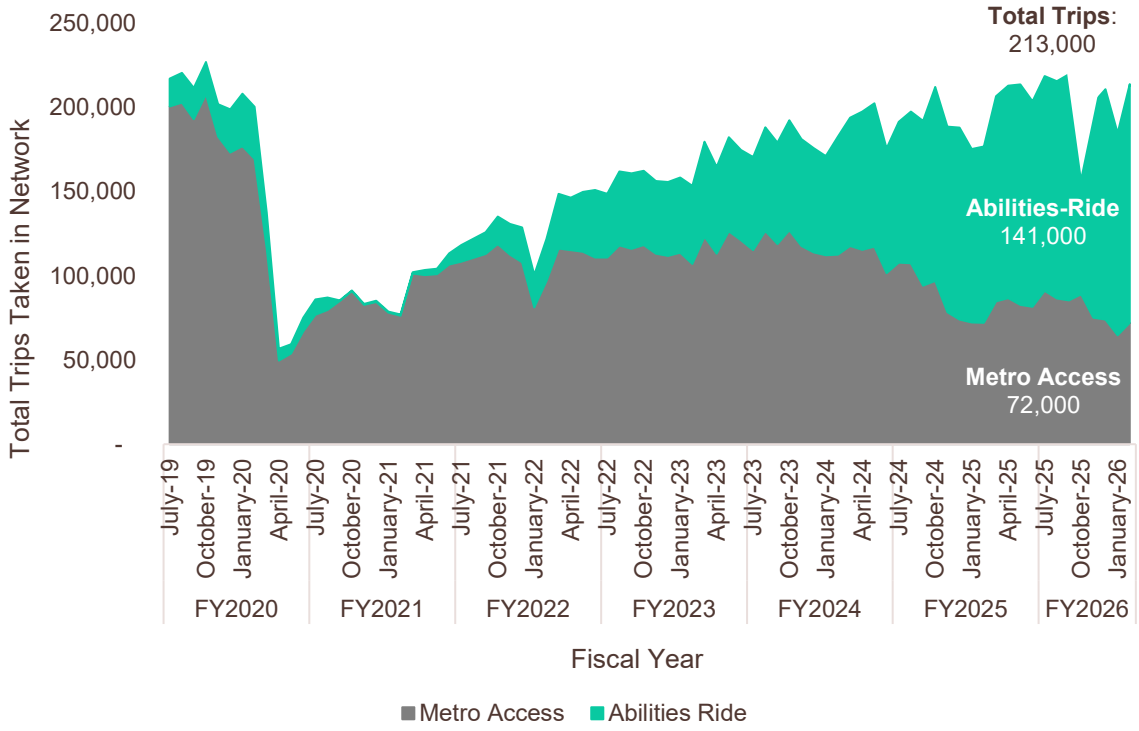
Today, a majority of Metro Access network customers benefit from the convenience of the Abilities-Ride program

Abilities-Ride is a voluntary program for customers able to accept curb-to-curb service.

Available across the region in 2019, Abilities-Ride was made **temporarily free** to incentivize participation in the program.

A majority of trips taken in the Metro Access network now benefit from the convenience of Abilities-Ride.

Total Monthly Trips Taken in Metro Access Network:
By Provider, FY2020 to FY2026



Key Capital Investment Updates – Q2 of FY2026

Investments Reported Quarterly

- 8000-Series Railcars
- Bladensburg Bus Garage
- Bus Fleet Acquisition
- Enterprise Resource Planning Software
- Fare Systems
- Fleet Maintenance Facility
- Metro Training Center
- Northern Bus Garage
- Radio System
- Rail Modernization & Automation

8000-Series Railcars

Acquire new railcars to replace legacy fleet and support safety and reliability

Description & Context

- Metro is procuring 8000-series railcars to replace legacy railcars that have been in service for nearly 40-45 years
- Procurement initiated in 2018 for railcars, spare parts and special tools, training and training aids, and cab simulators
- Contract awarded in 2020 for base order (256 railcars)
- Metro has been working with the supplier to finalize a design incorporating customer feedback throughout the process

Current Total Project Cost Estimate: $905.3M

Lifetime Spend to Date: $140.5M (16%)

KEY FEATURES

Railcars

- Fully ADA compliant
- Additional handholds and multi-purpose area for gear
- Enhanced passenger comfort features such as heated floors
- Gangways to connect railcars
- Aluminum exteriors
- Enhanced inter-car barriers
- Undercar lighting

Safety & Security

- Improved video surveillance
- Integrated digital displays with real time information
- Developed to latest cyber security standards

8000-Series Railcars (cont.)

CURRENT STATUS

- Base contract (256 railcars) underway
- Option 1 and all future options are unfunded in the Proposed Capital Program and can only advance if Metro receives additional funding through DMV*Moves* efforts
- Previously announced schedule delays due to design finalization for various components of the railcars, including car body, brakes, door system, HVAC and lighting
- Manufacturer railcar testing identified need for additional design modifications; reviewing schedule impact

Identified Risks & Mitigations

Risk	Mitigation
Additional delivery delays	▪ Focused and in-person meetings between Metro and the vendor to resolve critical issues
Updating railcar design based on public input	▪ Streamline review of materials submitted by vendor ▪ Planning for timely stakeholder participation

Key Milestones

- **June 2026** — Delivery of full-scale mockup
- **December 2026** — Deadline to execute Option 1 (+104 railcars)
- **June 2027** — Deadline to execute Option 2 (+104 Railcars)
- **Late FY2028** — Delivery of pilot cars
- **May 2030** — All base order railcars in revenue service

Bladensburg Bus Garage

Rebuild & modernize outdated facility built in 1962 that has reached its end of useful life to continue to provide reliable, efficient service

Description & Context

- Metro is rebuilding the existing 60+ year old bus garage while providing service to customers
- Will have capacity for ~300 buses (mix of diesel, CNG, and electric buses)
- Facility runs the most bus service in the region
- Provides transportation services to customers on routes throughout the District of Columbia and parts of Maryland
- Facility includes operations and maintenance, fueling, and bus parking
- Improves work environment and condition for employees

Current Total Project Cost Estimate: $541.0M

Lifetime Spend to Date: $306.3M (57%)

KEY FEATURES

Facility

- Supports multiple fueling types
- Parking for ~300 buses
- Includes Metro Transit Police substation

Efficiency

- Consolidates multiple buildings into single modern bus operations and maintenance facility

Bladensburg Bus Garage (cont.)

CURRENT STATUS

- Operations and maintenance building open; parking facility construction underway
- Potential cost increase of ~$150M was mitigated through scope reduction of battery electric bus components and value engineering efforts resulting in a revised total project cost increase of $48.3M for higher equipment costs and project delays

Identified Risk & Mitigation

Risk: Complexity of installing new charging technology

Mitigation: Work with bus equipment supplier and project delivery team to minimize delays

Key Milestones

- ☑ **July 2025** — Operations & Maintenance Building Open
- ☑ **August 2025** — Begin Parking Facility Construction
- ☐ **January 2028** — Complete Parking Facility and New Entrance; Begin Surface Lot
- ☐ **July 2028*** — Construction complete: complete bus parking, gantries and charging equipment

**13-month delay due to redesign, and long lead times for equipment*

Bus Fleet Acquisition

Purchase new buses to deliver reliable and efficient service for the region

Description & Context

- Metro replaces buses to maintain a ~15-year lifecycle to support bus reliability
- Metro Bus fleet size is ~1,400 buses
- Procurement for new buses awarded in November 2024 to replace up to 500 buses
  - ~100 buses per contract year
  - Mix of fueling types
- Only two domestic bus manufacturers facing high demand
- Create runtime savings and reliability improvements, allowing Metro to deliver better services with fewer resources

Current Total Project Cost Estimate: $121.1M

Lifetime Spend to Date: $22.5M (19%)

KEY FEATURES

Safety

- Bus operator protective shields included in new bus contract and are being retrofitted into existing vehicles
- New cameras on buses
- Collision avoidance technology

Modern Elements

- Real-time tracking
- Durable vinyl seats
- New layout for more standing room and expanded multi-purpose area

Bus Fleet Acquisition (cont.)

CURRENT STATUS:

- 5 battery electric buses delivered in FY2026
- Delivery of 100 hybrid buses for the first phase of the current acquisition contract expected by March 2027
- The first two Nova Bus battery electric buses entered service in October 2025
- 60-foot articulated bus procurement in development

UPCOMING STRATEGIC DECISION:

- Work with region and industry to standardize bus requirements

Key Milestones

November 2024
Executed base contract for 100 buses

February 2026
Executed Option 1 for additional 100 buses

June 2026
Anticipate delivery of 9 hybrid buses

March 2027
Anticipate completion of base contract bus delivery

Identified Risks & Mitigations

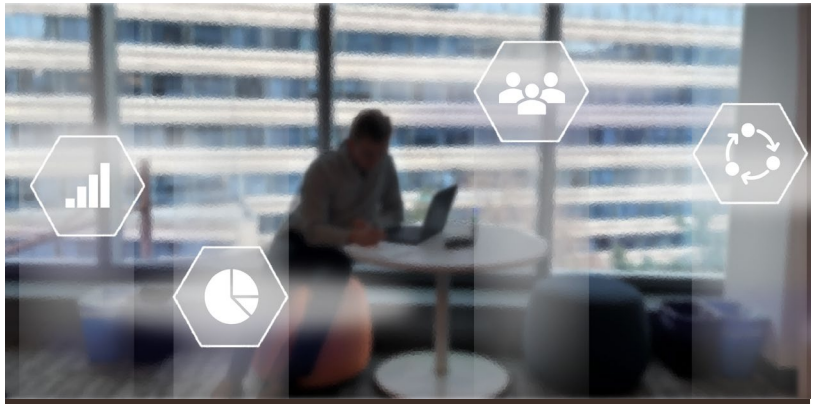
Risk	Mitigation
Supply chain constraints affect manufacturers' ability to build buses	Close coordination with vendor
Customization of transit buses	Engage in industry effort to reduce customization
Vendor production delays and high demand for domestic buses	Execute option years in a timely manner to maintain spot in production line and speed up delivery of buses in FY2026

Enterprise Resource Planning Software

Streamline operations by modernizing legacy on-premises Enterprise Resource Planning (ERP) system

Description & Context

- Software that automates and streamlines core business processes by linking multiple systems and reporting on an integrated digital platform
- Transforms Metro's current human capital management, financial planning, management and reporting, and payroll processes using modern, secure, industry-standard software



Total Project Cost: $370.0M

Lifetime Spend to Date: $105.3M (28%)

KEY FEATURES

Human Capital Management

- Secure management of personnel documentation and efficient job creation and hiring processes
- Modernized, automated payroll processes

Financial Management

- Automating, centralizing, and unifying budgeting, funding, accounting and reporting; and implementing controls to reduce errors and ensure auditability

Procurement

- Automate manual processes and improve reporting and tracking of contract activities

Enterprise Resource Planning Software (cont.)

CURRENT STATUS:

- Continue implementation of the new ERP system, including integration of new ERP and various Metro software and modules
- Finance modules were temporarily paused to allow for a comprehensive fit-gap analysis, which was necessary to re-baseline the project plan and establish a realistic new go-live date
- Total project cost increase of $144M, from $226M to $370M, due to additional testing, deployment delays, and additional scope/business process transformation

Identified Risk & Mitigation

Risk: Oracle uses "train the trainer" model and end-user training not yet included in the project plan

Mitigation: Staff augmentation for end-user training and training plan and strategy developed in December 2025

Key Milestones

- ☑ **December 2025** — Go/No-go (Go) Decision on Grants Made
- ☑ **March and April 2026** — Parallel Payroll Testing Round 2 & 3
- ☐ **June 2026** — Human Capital Management and Payroll modules go live
- ☐ **July 2027** — Finance Management modules go live

Fare Systems

Expand and modernize payment options, improve the customer experience, and reduce fare evasion

Description & Context

- Metro must continue to innovate and modernize to adapt to evolving customer payment expectations
- To support modern payment methods and reduce fare evasion, Metro replaced faregates systemwide and fareboxes fleetwide, enabled acceptance of contactless debit and credit cards at all faregates and on-board all Metro Buses
- Beginning the process of replacing fare vending machines with modern customer kiosks and updating parking payment system

FY2027 - FY2032 Program Budget: $237.7M

Average Annual Spend (FY20 - FY25): $55.2M

KEY FEATURES

Customer Experience

- Implement new methods for customers to pay through virtual Smart Trip cards and Tap. Ride. Go. functionality
- Streamlined fare policy and passes

Fare Evasion

- Modified 1,200 faregates with taller barrier doors and raised mezzanine fencing height to deter fare evasion
- Metro Transit Police enforcement policy on buses

Fare Systems (cont.)

CURRENT STATUS:

- Implementing Tap. Ride. Go. (i.e., acceptance of contactless credit and debit cards) at parking facilities
- Finalizing procurement to replace fare vending machines with customer kiosks that accommodate modern customer payment opportunities through a contemporary interface

Key Milestones

- ☑ **May 2025** — Launched Tap. Ride. Go. for Metro Rail
- ☑ **November 2025** — Launched Tap. Ride. Go. for Metro Bus
- ☐ **Spring 2026** — Award contract for customer fare kiosks
- ☐ **Fall 2026** — Complete installation of Tap. Ride. Go. at parking facilities

Fleet Maintenance Facility

Centralize railcar maintenance functions to be more efficient and increase number of railcars rehabilitated

Description & Context

- To improve railcar reliability, Metro is increasing the frequency of scheduled maintenance
- Facility will be constructed to support expanded scheduled maintenance program (SMP)
- Repurposing existing space at the Dulles Railyard in lieu of previously planned Heavy Repair and Overhaul Facility in Landover, MD, to reduce overall investment cost

Total Project Cost: $194.9M

Lifetime Spend to Date: $1.0M (1%)

KEY FEATURES

Facility

- Conversion of existing warehouse for additional repair bays and shop space
- Maintenance facility connected to mainline to efficiently move railcars

Operations

- Specialized railcar maintenance equipment
- Connection from maintenance shop to railyard

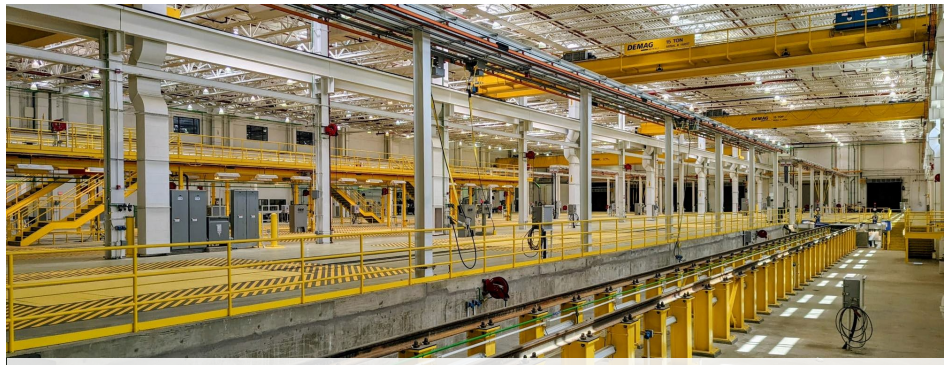
Financial Efficiency

- New facility will maximize use of existing infrastructure and minimize cost
- Additional capacity will improve timely output of SMP

Fleet Maintenance Facility (cont.)

CURRENT STATUS

- Investment currently on track and proceeding through the Design & Engineering phase
- Exploring automation technology and best practices for future benefit and increased reliability and operational efficiencies



Current Dulles Maintenance Shop

Key Milestones

Fall 2025
10% design (conceptual) complete

Spring 2026
Anticipated 30% design completion

Summer 2026
Award contract and Notice to Proceed

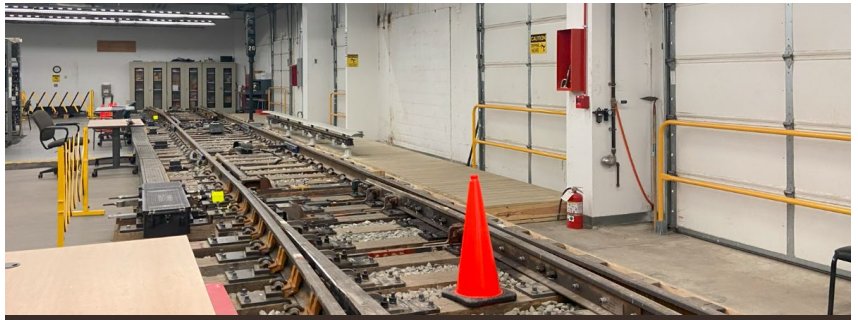
Summer 2028
Anticipated construction completion

Metro Training Center

To support modernizing the Metro system, Metro needs to modernize training

Description & Context

- Consolidated training facility that will centralize Metro training
- Provides modern and dedicated training spaces, and allows Metro to better utilize resources
- Currently, training is in disparate locations and in outdated and inefficient facilities
- Establishes best in class facility to support a world-class transit system with modular classrooms, simulators, augmented reality/virtual reality training



Total Project Cost: $114.0M

Lifetime Spend to Date: $2.9M (3%)

KEY FEATURES

Facility

- State-of-the-art facility and technology
- Maximize existing infrastructure utilizing previously purchased site
- Reconstructed lot in Landover for bus, commercial driver, and MTPD training

Benefits

- Allows improved delivery of bus, rail and Metro Access service
- Jurisdictional first responders use
- Supports regional transit with potential shared services

Efficiency

- Reduce impact of training exercises and new maintenance techniques on the system
- Establish economies of scale and efficiencies through integrated facility

Metro Training Center (cont.)

CURRENT STATUS:

- Investment currently on track and proceeding through the Design & Engineering phase
- Site and building due diligence underway

Key Milestones

Fall 2025
Construction Manager at Risk contract advertised

Spring 2026
Award Construction Manager at Risk design phase services contract

Summer 2026
Anticipate 30% design completion

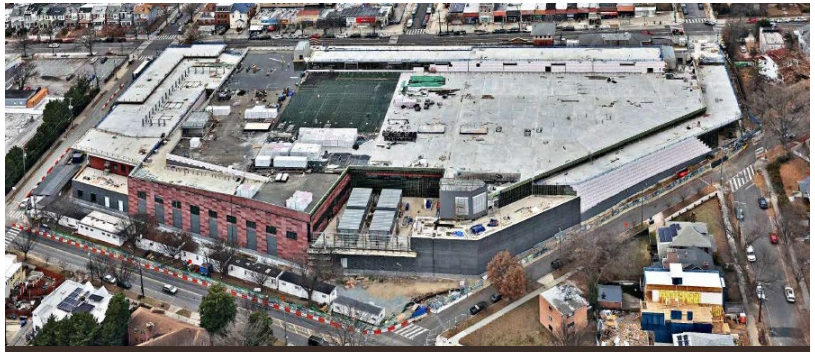
Spring 2028
Anticipate construction completion

Northern Bus Garage

Rebuild and modernize outdated facility built in 1906 passed the end of useful life and closed in 2019

Description & Context

- Metro is rebuilding the 100+ year facility, originally a streetcar barn
- Garage closed in 2019 as it was deteriorating and could not support modern bus operations and maintenance needs
- Facility is being reconstructed into a modern bus operations and maintenance facility that will support an electric bus fleet
- Facility provides service to many routes in the Frequent Service Network



Total Project Cost: $790.4M

Lifetime Spend to Date: $424.4M (54%)

KEY FEATURES

Facility

- Charging infrastructure and equipment to fully support battery electric buses
- Provides multiple access points and parking for ~150 buses, including articulated buses

Community

- New retail opportunities and improved streetscapes
- Keeps the historical facade
- Provides community space
- Includes Metro Transit Police substation

Northern Bus Garage (cont.)

CURRENT STATUS:

Changes in strategic direction to include battery electric buses and project design drove schedule delays which led to a total project cost increase of $125.4M

- Additional staff and contractor support for extended construction timeframe
- Long lead times for battery electric bus equipment
- Fire life safety requirements associated with battery electric bus
- Additional environmental cleanup

Identified Risk & Mitigation

Risk: Complexity of installing new fueling technology

Mitigation: Work with battery electric bus equipment supplier and project delivery team to minimize delays

Key Milestones

- ☑ **July 2025** — Complete Steel Structure
- ☑ **September 2025** — Begin Plumbing Overhead Rough-In
- ☐ **April 2026** — Complete Pepco Electrical Feeder Design
- ☐ **July 2029*** — Anticipated Completion

**19-month delay due to battery electric bus redesign and long lead times for battery electric equipment*

Radio System

Essential for staff to provide service, communicate with Metro Integrated Command and Communications Center, first responders, and provide systemwide cellular coverage for customers

Description & Context

- Metro's current internal communication and public safety radio systems are outdated, causing communication gaps
- Started in 2017, this project seeks to replace Metro's radio infrastructure and add cellular coverage throughout the system
- All tunnel, facility, above ground infrastructure, as well as obsolete radio devices, will be replaced
- Project implemented alongside Fiber Optic Cable replacement

Total Project Cost: $608.7M

Lifetime Spend to Date: $506M (83%)

KEY FEATURES

Below Ground

- Systemwide cellular and radio coverage
- New fiber optic cabling throughout system to support new radio system

Above Ground

- Radio towers installed at 25 of 27 sites
- Provides coverage to 95% of Metro service area

Devices

- State-of-the-art radio units distributed to personnel and installed in vehicles

Radio System (cont.)

CURRENT STATUS

Total project cost increase of $38.8M due to:

- Project delays
- Contractor performance issues
- Staffing extensions
- Additional fiber lease costs and design changes

Identified Risks & Mitigations

Risk	Mitigation
Failure of legacy radio system	Increased maintenance of existing system
Dependent on vendor to construct remaining tower sites	Coordinate with vendor to complete in timely manner; explore options to complete work with third party contractor

Key Milestones

Fall 2025
Activated upgraded public safety radio system in Arlington County

Summer 2026
Complete radio upgrades at six of nine railyards and on 6000-series railcars*

Summer 2027
Complete installation of new radio system in remaining jurisdictions** and take delivery of all handheld radio and subscriber units

December 2027
Anticipated completion

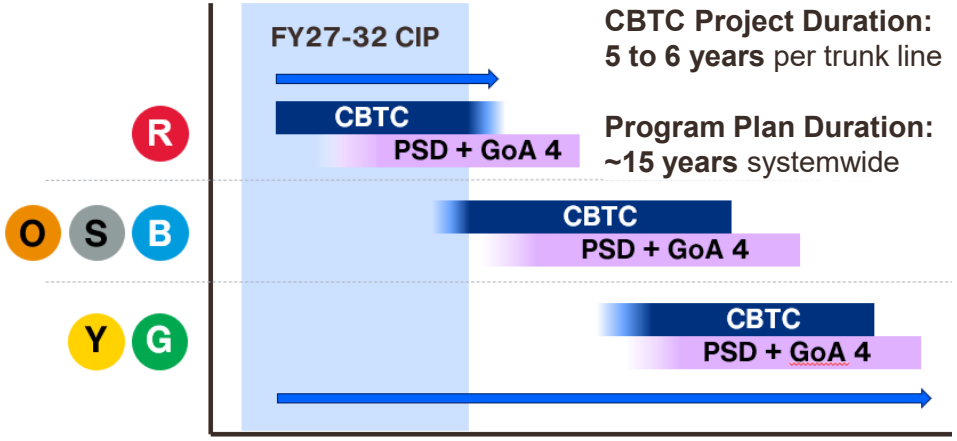
**3000- and 7000-series railcars already complete*
***Fairfax County, City of Alexandria, Montgomery County, Price George's County, and the District of Columbia*

Rail Modernization & Automation

Rail Modernization & Automation is Metro's highest priority need

Description & Context

- Metro's legacy rail signaling system is approaching obsolescence and faces growing maintenance costs and difficulty sourcing replacement parts
- The required investment will be implemented incrementally in phases to improve the safety, reliability, capacity, and efficiency of the existing 128-mile rail system with modern, automated operations
- Start systemwide rail modernization on the Red Line allowing communications-based train control (CBTC) equipped railcars to operate in fully automatic train operation (GoA 4), with platform screen doors (PSDs) between Grosvenor-Strathmore and Silver Spring Stations.



GoA 4: Grade of Automation Level 4 – Full Automation

KEY FEATURES

Rail Modernization

- Construct a parallel, new rail signaling system with modern technology (CBTC), enabling efficient automated operations
- Phase out inefficient, legacy rail signaling system

Rail Automation

- Metro was originally designed for semi-automatic operation (GoA 2) which automates setting a train in motion and stopping a train
- Full automation (GoA 4) expands automated capabilities to closing doors and operating in the event of a disruption

Rail Modernization & Automation (cont.)

BUDGET OUTLOOK:

- The Proposed FY2027-FY2032 Capital Improvement Program budgets for planning work to develop the systemwide implementation strategy and Red Line Modernization & Automation
- Pursue Capital Investment Grants (CIG) Program funding and other federal sources, e.g., federal financing through the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program
- DMV*Moves* funding needed to implement systemwide

Investment	Phase	ROM ($M)	Funded in Proposed Budget	Est. Percentage Federal
Strategic Implementation Plan Development	Underway Project	28	Yes	0%
Red Line Modernization & Automation	Design & Engineering	1,612	Yes	40-60%
Orange, Blue, Silver, Yellow, and Green Lines Signal Modernization	Concept	3,845	No	TBD
Platform Screen Doors (Remaining Systemwide)	Concept	2,161	No	TBD
TOTAL		**7,646**		

Rail Modernization & Automation (cont.)

CURRENT STATUS:

- Seek approval of a contract modification for Strategic Implementation Plan Development to support RFP for Red Line Modernization & Automation
- Develop federal funding strategy
- Perform pre-bid due diligence to inform procurement strategy
- Monitor status of additional regional funding
- Complete engineering study to inform scope/RFP development

Risk	Mitigation
Program Management	Establish core team to support internal coordination
Regulatory	Begin frequent, close coordination with FTA to ensure compliance with federal requirements (NEPA, etc.)
Schedule	Secure timely approvals to facilitate quick program delivery
Procurement	Work with industry partners to gauge interest and capability to deliver CBTC
Funding	Coordinate with funding partners to obtain additional regional funding

Key Milestones

- ☑ **February 2026** — Hold informational meetings with FTA
- ☐ **Q2 2026** — Request entry into federal CIG Program as Core Capacity project*
- ☐ **Q1 2027** — Select Locally Preferred Alternative (LPA)
- ☐ **Q1-Q2 2027** — Release RFP and award contracts for CBTC and PSD design work

** Local funding for the cost to complete all Project Development activities must be committed and available upon request to enter the CIG Program.*