



**Finance Committee**

**Action Item III-B**

**June 9, 2016**

**Pilot Metrobus Service from  
National Harbor to Virginia**

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:  
201753

Resolution:  
☒ Yes ☐ No

### TITLE:

National Harbor Pilot Metrobus Service

### PRESENTATION SUMMARY:

The Board will be presented with information about a new pilot bus service connecting National Harbor, Maryland, with Virginia across the Woodrow Wilson Bridge.

### PURPOSE:

Seeking Board approval to establish a reimbursable operating project for FY2017 to support the implementation of pilot bus service between National Harbor, Maryland, and Virginia across the Woodrow Wilson Bridge.

### DESCRIPTION:

#### Key Highlights:

- Demand for a cross-Potomac connection between Virginia and the National Harbor area in Maryland will increase this fall with the opening of the MGM Casino.
- The State of Maryland, Prince George's County, the City of Alexandria, and Fairfax County have all expressed support for the new NH2 Metrobus service across the Woodrow Wilson Bridge.
- A pilot program for the NH2 in FY2017 will allow Metro to evaluate ridership demand, conduct ridership surveys, and complete an FTA-required Title VI equity analysis.
- If the NH2 pilot is successful and the Board determines that it should continue as a permanent service, the NH2 will be incorporated into the FY2018 operating budget as a regular regional route.

#### Background and History:

Metrobus operated a route across the Woodrow Wilson Bridge in the late 1990s, before much of the extensive development on both sides of the Potomac River took place. This route was discontinued after several years due to low ridership and the need to reduce expenses.

However, at the time of the creation of the NH1 Metrobus service in 2008, which connects the National Harbor development in Prince George's County with Southern Avenue Metrorail station, Metro anticipated a future extension of Metrobus service

across the reconstructed bridge to connect National Harbor with Alexandria and King Street station. Since that time, development and job growth in that area of Prince George's County has continued, including the opening of Tanger Outlets in 2013 and the scheduled opening of the new MGM Casino in November 2016. The 2014 Oxon Hill Area Metrobus Service Evaluation study also confirmed the need for connecting bus service across the Potomac.

### **Discussion:**

As the National Harbor area adds the MGM Casino and several hotels, generating both employee and visitor trips, and as the Eisenhower Valley/King Street area of Virginia continues to develop, the demand for a transit connection across the Woodrow Wilson Bridge has grown.

Prince George's County and the Maryland Department of Transportation, as well as the City of Alexandria and Fairfax County, have all expressed their support for the establishment of this bus connection. In addition, the National Harbor developer (the Peterson Group) has proposed to contribute \$500,000 annually to offset Metro's operating costs.

The proposed NH2 service would operate from 6:00 am to 1:00 am on both weekdays and weekends. Buses would run in each direction every 30 minutes, connecting Huntington and King Street stations in Virginia with the Oxon Hill Park-and-Ride, MGM Casino, and downtown National Harbor in Maryland. The projected annual operating cost of the service is approximately \$2.9 million. Estimated initial annual ridership is 230,000 trips, so the annual subsidy required for the service (before any developer contribution) is approximately \$2.6 million. The service will require three buses.

If the NH2 is approved, service would be operated as a pilot from October 2016 to June 2017 (nine months), and a reimbursable project in the amount of \$2,175,000 will be created to support the service in FY2017. The participating jurisdictions noted above would be responsible for any NH2 expenses not covered by farebox revenues or the proposed developer contribution. Metro staff would then conduct a service evaluation by the spring of 2017 to assess ridership, cost recovery, future demand, and the demographics of riders (including a Title VI equity analysis, as required by FTA).

If the route is successful and the Board approves the pilot service to become permanent, the NH2 service would be incorporated as a regular regional route in the FY2018 budget.

### **FUNDING IMPACT:**

No impact on FY2017 subsidized operating budget -- project will be funded through separate reimbursable operating project budget in FY2017. The new reimbursable project budget will be \$2,175,000, to be funded through a combination of fare revenues, developer contribution, and jurisdictional support. If approved as a permanent route in FY2018, the expected annual operating costs for the route are approximately \$3.0 million, with an ongoing requirement of three buses for the service. The route would be included as a regional route and the jurisdictional subsidy would be allocated accordingly.

Project Manager:	Jim Hamre
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Project Department/Office:	BPLN
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**TIMELINE:**

<b>Previous Actions</b>	N/A
<b>Anticipated actions after presentation</b>	<p>August 2016 - Execution of Memorandum of Understanding (MOU) and reimbursable project agreement among WMATA and participating jurisdictions for pilot NH2 service</p> <p>October 2016 - Start of pilot NH2 service</p> <p>Spring 2017 - Evaluation of NH2 service and decision on inclusion of NH2 as permanent regional route in FY2018 operating budget</p>

**RECOMMENDATION:**

Recommend Board approval to establish a reimbursable operating project for FY2017 to support the implementation of pilot bus service between National Harbor, Maryland, and Virginia across the Woodrow Wilson Bridge.



Washington Metropolitan Area Transit Authority

# Pilot Metrobus Service from National Harbor to Virginia

Finance Committee  
June 9, 2016



# Purpose

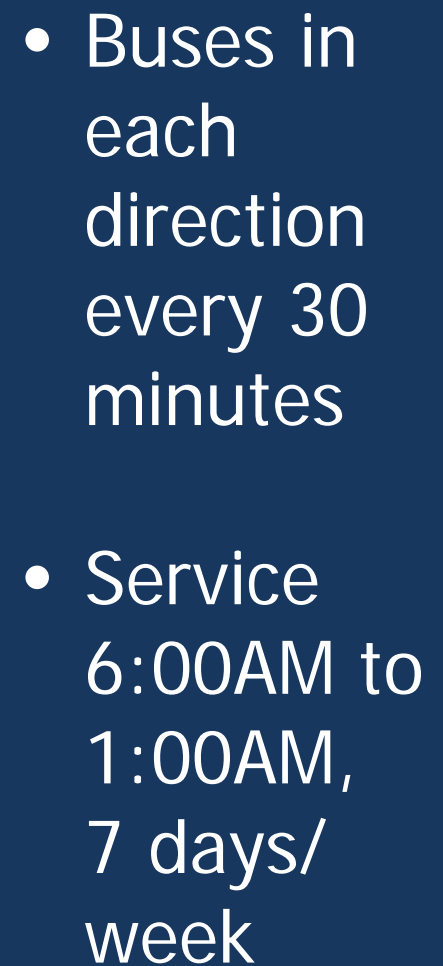
Authorize new reimbursable operating project in FY2017 for pilot Metrobus service between National Harbor and Virginia





# Growing Demand for Transit Service Across the River

- National Harbor opened 2008, Tanger Outlets in 2013
- MGM Casino to open November 2016 with two convention centers, casino, seven hotels, restaurants, theatre, and 3,800 residents
- Alexandria-King Street area includes US District Court, Patent and Trade Office, one million+ sq. ft. of office space, eight hotels, theatre, and multiple transit connections
- Transportation plans for Fairfax, Alexandria, and Prince George's County recommend adding this transit connection







# Projected Costs and Funding

- Projected annual operating cost: \$2.9 million
- Projected initial annual ridership: 230,000
- Annual subsidy: \$2.6 million
- Proposed annual contribution of \$500,000 from National Harbor developer (Peterson Group) to offset costs
- MDOT, City of Alexandria and Fairfax County to share remaining costs





# Next Steps

- If NH2 is approved:
  - Service operated as a pilot October 2016 to June 2017 (nine months), reimbursable project created to support service in FY2017
  - Service evaluation in spring 2017 to assess ridership, cost recovery, future demand, and demographics of riders (including Title VI equity analysis)
- If successful and Board approves as permanent, service would be incorporated as regular regional route in FY2018 with subsidy impact for all jurisdictions





# Recommendation

Recommend authorization for new reimbursable operating project in FY2017 for pilot Metrobus service between National Harbor and Virginia



SUBJECT: CREATION OF NEW BUS SERVICE CONNECTING NATIONAL HARBOR, MARYLAND, AND VIRGINIA AND APPROVAL TO ENTER INTO A REIMBURSABLE PROJECT AGREEMENT

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, When the NH1 Metrobus service started in 2008, to connect the National Harbor development in Prince George's County with Southern Avenue Metrorail station, the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors anticipated a future extension of Metrobus service across the reconstructed Woodrow Wilson Bridge to connect National Harbor with the City of Alexandria and King Street Metrorail station; and

WHEREAS, Development and job growth in that area of Prince George's County has continued since 2008, including the opening of Tanger Outlets in 2013 and the scheduled opening of the new MGM Casino in November 2016; and

WHEREAS, Expanded public transportation is needed to link this new development with Virginia, particularly to connect workers with job opportunities; and

WHEREAS, The 2014 Oxon Hill Area Metrobus Service Evaluation study also confirmed the need for connecting bus service across the Woodrow Wilson Bridge; and

WHEREAS, The Maryland Department of Transportation, Prince George's County, the City of Alexandria, and Fairfax County ("the NH2 Jurisdictions") have requested a new NH2 Metrobus service to operate between Huntington and King Street-Old Town stations in Virginia and the Oxon Hill Park-and-Ride Lot, MGM Casino, and downtown National Harbor in Maryland on weekdays, Saturdays, and Sundays between 6:00 A.M. and 1:00 A.M. daily, with service every 30 minutes; and

WHEREAS, The NH2 Jurisdictions have requested that the new service commence in October 2016, ahead of the planned opening of the MGM Casino; and

WHEREAS, The projected 12-month operating cost of this service is approximately \$2.9 million; and

WHEREAS, The developer of National Harbor, the Peterson Group, has proposed to provide \$500,000 annually to help offset the operating costs of the NH2 service; and

WHEREAS, Introducing the proposed NH2 service on a pilot basis is appropriate in order to confirm ridership demand, conduct ridership surveys, and complete an FTA-required Title VI equity analysis; and

WHEREAS, The NH2 Jurisdictions have proposed to fund the pilot service in FY2017 as an operating reimbursable project, with the NH2 Jurisdictions jointly providing funding for all expenses not covered by fare revenues or by the developer contribution; and

WHEREAS, If the pilot service is successful and the Board approves the continuation of the NH2 as a permanent service, it is expected that the NH2 would be included in the FY2018 operating budget as a regional route, given that the route crosses jurisdictional boundaries and connects regional activity centers; now therefore be it

*RESOLVED*, That the Board of Directors approves amending and increasing the FY2017 Operating Reimbursable Budget by \$2,175,000 for nine months of NH2 pilot service; and be it further

*RESOLVED*, That the General Manager/Chief Executive Officer is authorized to negotiate and execute a Memorandum of Understanding (MOU) and reimbursable project agreement for the pilot service among WMATA, the NH2 Jurisdictions, and private stakeholders; and be it further

*RESOLVED*, That the Board of Directors directs staff to plan, implement, and operate the new Metrobus NH2 service as a pilot program for up to nine months to connect locations in and around National Harbor in Prince George's County, Maryland, with the Huntington and King Street-Old Town Metrorail stations in Virginia; and be it further

RESOLVED, That the NH2 pilot service shall begin on or about October 1, 2016, or within 30 days of the final execution of the MOU and reimbursable project agreement, whichever is later, to allow for customer notification, operator training, signage, and other start-up activities; and be it further

*RESOLVED*, That staff will provide the Board of Directors with a Title VI equity analysis and recommendation to continue or discontinue the pilot service prior to the adoption of the FY2018 operating budget; and be it finally



RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with § 8(b) of the WMATA Compact.

Reviewed as to form and legal sufficiency,



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Mark R. Pohl  
Acting General Counsel

WMATA File Structure Nos.:  
4.3.3 Reimbursable Agreements  
6.6.4 Bus Route and Service Planning

PROPOSED