



## MEMORANDUM

**TO:** TPB Technical Committee  
**FROM:** Eric Randall, TPB Transportation Engineer  
**SUBJECT:** Update on Visualize 2045 Long-Range Transportation Plan Financial Element  
**DATE:** September 6, 2017

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Visualize 2045 is the federally required long-range transportation plan for the National Capital Region. It will identify all regionally significant transportation investments planned through 2045 and provide detailed analysis to help decision makers and the public “visualize” the region’s future under current plans.

This memorandum provides an update for the TPB Technical Committee on the status of the financial element of Visualize 2045. The financial element is one of many “elements” of the plan, and it is specifically tied to the constrained element/project/program list that is an input for the air quality conformity determination and that fulfills federal requirements. In preparation for the Visualize 2045 Technical Inputs solicitation, an interim financial analysis is being completed to inform the solicitation and constrained conformity inputs.

The Constrained Element is the portion of the plan that was previously referred to as the Financially Constrained Long-Range Transportation Plan (CLRP). Like the CLRP had done in the past, the Constrained Element of Visualize 2045 will undergo federally required analyses to ensure that it supports the region’s air-quality improvement goals and that sufficient financial resources will be available to implement the projects and programs in it.

## BACKGROUND

Federal metropolitan planning regulations require MPOs to develop a financial plan that demonstrates how the adopted long-range transportation plan could be implemented given revenues that are reasonably expected to be available. “Financial constraint” or “fiscal constraint” is the analysis performed to demonstrate that the forecast revenues which are reasonably expected to be available through 2045 must cover the estimated costs of adequately maintaining and operating, and of expanding, the highway and transit system in the region through 2045. Visualize 2045 will address this requirement in the financial “element” of our plan.

More specifically, the financial element should:

- Demonstrate the region’s commitment to maintaining a State of Good Repair by fully funding projects and programs required to adequately maintain highways and public transportation systems;
- Provide for operations and maintenance of the existing transportation system; and
- Provide for focused capacity expansion to address forecast growth in the region’s population and economy.

The process of developing the financial element of Visualize 2045 is a change from the previous financial analyses for the Constrained Long Range Plans. In the past, the financial analysis was conducted in parallel with the responses to the Call for Projects solicitation and the submission of conformity projects. With Visualize 2045, an interim financial analysis is being prepared prior to the Technical Inputs solicitation to provide a baseline of anticipated revenues and existing planned expenditures, based on existing projects and programs in the FY2017-2022 Transportation Improvement Program (TIP), the 2016 Constrained Long-Range Transportation Plan (CLRP), and the Air Quality Conformity Inputs table for both the CLRP and TIP. It is expected that the inputs provided by the implementing agencies in response to the Technical Inputs solicitation and for conformity will start from this baseline and that agencies will adjust their revenues and expenditures with their inputs to then enable staff to determine financial constraint. The financial element will then be finalized as part of the Visualize 2045 long range plan when submitted for approval by the TPB in October 2018.

### **STATUS: INITIAL ESTIMATES RECEIVED; STILL AWAITING FINAL FIGURES**

Initial development of the Visualize 2045 financial element began at the end of January 2017. The largest implementing agencies in the region (DDOT, MDOT, VDOT, WMATA, and others) were asked to provide initial revenue forecasts by the end of May and expenditure forecasts by the end of July. In addition, the implementing agencies were asked to review the projects and programs in the FY2017-2022 Transportation Improvement Program (TIP), the 2016 Constrained Long-Range Transportation Plan (CLRP), and the Air Quality Conformity Inputs table for both the CLRP and TIP. The latest revenue forecasts and the update of the existing project and program costs form the basis for the interim financial analysis.

For the revenue forecasts, the DOTs, WMATA and other agencies were asked to provide long-term (through 2045) financial revenue projections, in Year of Expenditure dollars (i.e., incorporating long-term inflation forecast). Such revenues included: federal funds (programmatic and discretionary grant projections), state fuel tax revenues, tolls/fares, sales taxes, and other source projections.

For the update of existing expenditure costs, agencies were asked to review the current TIP and CLRP to update existing projects and programs with the latest information on planned costs. This included the categorization of expenditures by modes (highway, local transit, commuter rail, WMATA) and by purpose (Operating and Maintenance, Capital – State of Good Repair, and Capital – Expansion). Expenditures for existing projects and programs were to be projected through 2045.

As of September 1, most of the implementing agencies have provided initial estimates of revenues for the interim financial analysis. Virginia DOT's information is still pending. Agencies are still in the process of updating expenditure costs for projects and programs in the current TIP and CLRP.

Two sets of revenue and expenditure tables are attached. A draft set of revenue and expenditure tables, with data provided to date, are included for the Visualize 2045 interim financial analysis, based on updated revenue projections and on a review of the costs of projects and programs in the 2016 CLRP. These tables will be further revised over the course of the next month. In addition, for comparative purposes the revenue and expenditure tables from the 2014 CLRP financial analysis are included.

## **NEXT STEPS**

This update on the progress of the interim financial analysis will be presented to the TPB at its September 20 meeting.

Agencies are completing project and program costs updates for current data in the iTIP/CLRP database, with a deadline of Friday, September 15. Reconciliation will then take place to match existing expenditures with the newly projected revenues. Some funding gaps or differences may remain.

An interim financial analysis memo will then be prepared for consideration by the TPB as it reviews and approves the Technical Inputs solicitation for Visualize 2045 at its October 18 meeting. The memo will be referenced as part of Technical Inputs solicitation document. Any surplus revenues or unfunded expenditures will be highlighted in the Technical Inputs solicitation as the implementing agencies prepare to provide project and program inputs to Visualize 2045.

Table 1 Interim Revenues - Vizualize 2045 financially constrained long range plan (2019 - 2045)

Millions of YOE Dollars

	Federal	State/DC	Local	Private / Other	Fares / Tolls	TOTAL
<b>District of Columbia</b>						
Highway	\$5,927	\$1,133	\$4,010			\$11,070
Local Transit	\$100		\$5,739	\$19	\$417	\$6,275
Commuter Rail						
WMATA Support		TBD				\$0
<b>Sub-Total</b>	<b>\$6,027</b>	<b>TBD</b>	<b>\$9,749</b>	<b>\$19</b>	<b>\$417</b>	<b>\$53,154</b>
<b>Maryland</b>						
Highway						\$0
Local Transit						\$0
Commuter Rail						\$0
WMATA Support		TBD				\$0
<b>Sub-Total</b>	<b>\$0</b>	<b>TBD</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,693</b>
<b>Virginia</b>						
Highway	TBD	TBD	TBD	TBD	TBD	\$0
Local Transit		\$2,231	\$6,546		\$2,225	\$11,002
Commuter Rail	\$1,422	\$619	\$642	\$1,295	\$1,536	\$5,514
WMATA Support		TBD	TBD			\$0
<b>Sub-Total</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>
<b>WMATA Fares, Grants and Other Nonjurisdictional (Regional) Funds</b>						
<b>Sub-Total</b>	\$13,622			\$219	\$28,598	\$42,439
<b>GRAND TOTAL</b>	<b>\$21,071</b>	<b>\$3,983</b>	<b>\$16,937</b>	<b>\$1,533</b>	<b>\$32,776</b>	<b>TBD</b>
<b>WMATA Summary (included above)</b>						
Capital	\$13,622	TBD	TBD	\$219		\$13,841
Operating		TBD	TBD		\$28,598	\$28,598
<b>Subtotal WMATA</b>	<b>\$13,622</b>	<b>TBD</b>	<b>TBD</b>	<b>\$219</b>	<b>\$28,598</b>	<b>\$42,439</b>

Table 2 Interim Expenditures - Updated figures for 2016 CLRP Amendment (2019 - 2045)

Millions of YOE Dollars				
	Operations	State of Good Repair	Expansion	TOTAL
<b>District of Columbia</b>				
Highway				\$11,070
Local Transit				\$6,275
Commuter Rail				\$0
WMATA Support	TBD	TBD	TBD	\$0
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,345</b>
<b>Maryland</b>				
Highway				\$27,228
Local Transit				\$12,737
Commuter Rail				\$6,819
WMATA Support	TBD	TBD	TBD	\$0
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,784</b>
<b>Virginia</b>				
Highway				\$0
Local Transit				\$11,002
Commuter Rail				\$5,514
WMATA Support	TBD	TBD	TBD	\$0
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,516</b>
<b>WMATA Fares, Grants and Other Nonjurisdictional (Regional) Funds</b>				
<b>Sub-Total</b>	<b>\$28,598</b>	<b>\$13,622</b>	<b>\$219</b>	<b>\$42,439</b>
<b>GRAND TOTAL</b>	<b>\$28,598</b>	<b>\$13,622</b>	<b>\$219</b>	<b>\$123,084</b>
<b>WMATA Summary (included above)</b>				
DC	TBD	TBD	TBD	\$0
Maryland	TBD	TBD	TBD	\$0
Virginia	TBD	TBD	TBD	\$0
WMATA Expenses Paid by	\$28,598	\$13,622	\$219	\$42,439
<b>Subtotal WMATA</b>	<b>\$87,265</b>	<b>\$50,856</b>	<b>\$5,798</b>	<b>\$143,919</b>

**Table 1. Revenues – Financially Constrained Long-Range Plan (2015-2040)**  
*Millions of Year of Expenditure Dollars*

	Federal	State	Local <sup>a</sup>	Private/ Other	Fares <sup>b</sup> / Tolls	Total
<b>District of Columbia</b>						
Highway	\$5,624	\$2,128		\$1,956		\$9,708
Local Transit	\$282	\$5,210			\$879	\$6,371
Commuter Rail						\$0
WMATA Support		\$17,042				\$17,042
<b>Subtotal</b>	<b>\$5,906</b>	<b>\$24,380</b>	<b>\$0</b>	<b>\$1,956</b>	<b>\$879</b>	<b>\$33,121</b>
<b>Suburban Maryland</b>						
Highway	\$11,494	\$26,622	\$10,023	\$824		\$48,964
Local Transit	\$1,791	\$5,126	\$6,380		\$2,422	\$15,718
Commuter Rail		\$4,951			\$791	\$5,742
WMATA Support		\$16,902				\$16,902
<b>Subtotal</b>	<b>\$13,285</b>	<b>\$53,600</b>	<b>\$16,403</b>	<b>\$824</b>	<b>\$3,213</b>	<b>\$87,325</b>
<b>Northern Virginia</b>						
Highway	\$3,767	\$12,036	\$13,880	\$2,745	\$8,080	\$40,509
Local Transit	\$294	\$1,794	\$4,909	\$1,573	\$3,268	\$11,838
Commuter Rail	\$1,125	\$602	\$583	\$8	\$1,430	\$3,749
WMATA Support		\$5,860	\$6,525			\$12,385
<b>Subtotal</b>	<b>\$5,186</b>	<b>\$20,292</b>	<b>\$25,897</b>	<b>\$4,327</b>	<b>\$12,779</b>	<b>\$68,480</b>
<b>WMATA Fares, Grants and Other Non-jurisdictional (Regional) Funds</b>						
<b>Subtotal</b>	<b>\$13,382</b>			<b>\$647</b>	<b>\$41,132</b>	<b>\$55,160</b>
<b>Total</b>	<b>\$37,759</b>	<b>\$98,272</b>	<b>\$42,300</b>	<b>\$7,754</b>	<b>\$58,002</b>	<b>\$244,086</b>

<sup>a</sup> For Virginia, Local funds include both county and city jurisdictions as well as the funds allocated to the Northern Virginia Transportation Authority (NVTA), which receives the revenues from a dedicated regional sales tax.

<sup>b</sup> Fares also includes other transit operating revenues.

**WMATA Summary: Jurisdictional Support plus Non-jurisdictional Funds (included above)**

Capital <sup>d</sup>	\$13,382	\$10,163	\$2,127	\$647		\$26,318
Operating <sup>e</sup>		\$29,642	\$4,398		\$41,132	\$75,172
<b>Subtotal WMATA</b>	<b>\$13,382</b>	<b>\$39,805</b>	<b>\$6,525</b>	<b>\$647</b>	<b>\$41,132</b>	<b>\$101,490</b>

<sup>d</sup> WMATA Capital funding also includes \$647 million of bonds, shown under Other funding.

<sup>e</sup> WMATA Operating funding does not include \$798 of capital funding for preventative maintenance which would be transferred from the capital budget to the operating budget

**Table 2. Expenditures – Financially Constrained Long-Range Plan (2015-2040)**  
*Millions of Year of Expenditure Dollars*

	Operations	State of Good Repair	Expansion	Total
<b>District of Columbia</b>				
Highway	\$1,297	\$6,332	\$2,079	\$9,708
Local Transit	\$3,710	\$159	\$2,502	\$6,371
Commuter Rail				\$0
WMATA Support	\$12,768	\$4,073	\$201	\$17,042
<b>Subtotal</b>	<b>\$17,775</b>	<b>\$10,564</b>	<b>\$4,782</b>	<b>\$33,121</b>
<b>Suburban Maryland</b>				
Highway	\$10,582	\$21,437	\$16,945	\$48,964
Local Transit	\$7,788	\$2,136	\$5,795	\$15,718
Commuter Rail	\$2,882	\$565	\$2,295	\$5,742
WMATA Support	\$12,764	\$3,946	\$192	\$16,902
<b>Subtotal</b>	<b>\$34,016</b>	<b>\$28,083</b>	<b>\$25,227</b>	<b>\$87,325</b>
<b>Northern Virginia <sup>3</sup></b>				
Highway	\$12,050	\$20,434	\$8,024	\$40,508
Local Transit	\$6,482	\$1,839	\$3,517	\$11,837
Commuter Rail	\$2,723	\$216	\$810	\$3,749
WMATA Support	\$8,508	\$3,704	\$174	\$12,386
<b>Subtotal</b>	<b>\$29,763</b>	<b>\$26,192</b>	<b>\$12,525</b>	<b>\$68,480</b>
<b>WMATA Expenses Covered by Fares, Grants, and Other Non-jurisdictional Funds</b>				
<b>Subtotal</b>	\$41,132	\$14,028		\$55,160
<b>Total</b>	<b>\$122,685</b>	<b>\$78,867</b>	<b>\$42,534</b>	<b>\$244,086</b>
<b>WMATA Summary: Jurisdictional Support plus Non-jurisdictional Funds (included above)</b>				
D.C.	\$12,908	\$3,856	\$201	\$16,965
Maryland	\$12,764	\$3,946	\$192	\$16,902
Virginia	\$8,508	\$3,704	\$174	\$12,386
WMATA Expenses Paid by Fares, Grants, and Other Non-jurisdictional Funds	\$41,132	\$14,028	\$0	\$55,160
<b>Subtotal WMATA</b>	<b>\$75,312</b>	<b>\$25,534</b>	<b>\$567</b>	<b>\$101,413</b>

<sup>3</sup> Northern Virginia expenditures include the regional revenues newly allocated to the NVTA. NVTA is still in the process of assigning its new revenues to specific projects. Forecast expenditures were developed through projections for the type of projects that will be funded.