

CHIEF ADMINISTRATIVE OFFICERS TECHNICAL PANEL

Final Report on Metro for COG Board of Directors

April 26, 2017

Technical Panel

District of Columbia

- Rashad Young, City Administrator, District of Columbia
- Jeffrey DeWitt, Chief Financial Officer

Maryland

- Tim Firestine, Chief Administrative Officer, Montgomery County
- Nicholas Majett, Chief Administrative Officer, Prince George's County

Virginia

- Tim Hemstreet, County Administrator, Loudoun County
- Mark Jinks, City Manager, City of Alexandria
- Ed Long, County Executive, Fairfax County
- Mark Schwartz, County Manager, Arlington County

Washington Metropolitan Area Transit Authority

- Dennis Anosike, Chief Financial Officer
- Andrea Burnside, Chief Performance Officer
- Barbara Richardson, Chief External Affairs



We All Agree

- **Metro is essential** to the region & regional economy – must be brought to a **safe & reliable** state
- **Capital & maintenance needs** require significant funding – needs a regional solution
- Cost of delay is too high
- These are difficult times – we must come together as a region to find a solution

**Metro is a regional asset
that requires
a regional solution**

Following the Interim Report

Since we presented the Interim Report, we've:

- Updated the analysis of WMATA's capital, operating and maintenance funding needs for next 10 years to reflect WMATA's Capital Needs Inventory and adopted FY 2018 budget.
- Re-calculated funding needs and gap over next 10 years:
 - \$15.6 billion capital funding is required to address safety and get to State of Good Repair; with a funding gap of \$6.1 billion
 - \$21.1 billion is needed for operations and maintenance; with a \$1.3 billion maintenance funding gap
 - Additional capital funding for critical capital projects is required; funding gap is at least several billion dollars over next 10 years



Following the Interim Report

- Analyzed and discussed revenue options
- Narrowed the choices and focused on revenue that will meet Metro's capital/maintenance needs over 10 years
- Weighed pros and cons of each option; also considered implications of state needs and challenges
- Looked at metrics that will help ensure that Metro moves towards a more safe and reliable system
- Focused on regional economy and Metro's important role in the region

Our Regional Economy

- Important to consider Metro's capital needs in context of regional economy
 - Failure to invest in Metro could result in regional tax revenue reduction of \$1-2 billion annually
 - Over \$50 billion in planned and proposed development near Metro and future regional economic growth depend on a well-functioning, safe and reliable Metro system
- Metro benefits everyone, whether you take Metro or not – e.g., congestion relief, less need for additional roads, bridges and parking, environmental benefits

A “Regional Entity”

- Our economy is regional – all are interlinked
- No one revenue solution will exactly match current Metro agreements
- In lieu of regional entity, how can we best collect revenue as a region?
 - Looked for way to generate revenue that meets Metro’s capital/maintenance needs
 - Looked for most equitable method
 - Looked for new money; money not collected today
 - Plan is back-loaded as Metro gears up for infrastructure improvements



Our Analysis

- DC CFO Jeff DeWitt will present his work:
 - Determining Metro's 10-year capital and maintenance needs
 - Impact on the region
 - Cost of delay/failure to act



CAOs' Perspective

- Fairfax County Executive Ed Long
 - Report validated reasonable and achievable needs
 - Local budgets can be developed without extreme requests
 - Urgency of a regional solution by January 2019
 - Dedicated funding source is critical
 - No solution is perfect and that is why a regional solution is needed
 - Regional solution is critical to our economy
 - The consequences of no action will be devastating



Challenges & Next Steps

- COG coordinates with business community, LaHood initiative, WMATA, and others
- Develop legislative proposals for 2018 sessions
- Federal funding support (PRIIA & FTA grants) must remain very high priority
- Technical Panel stands ready to provide ongoing assistance to COG Board as requested

Discussion

- We have come along way and the road is full of bumps in our path -- but we must preserve Metro for the good of the region
- Questions?

MWCOG Staff:

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