

Visualize 2045 (2022 Update) Financial Analysis

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TPB Technical Committee
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Agenda Item #6

visualize
2045 A long-range
transportation plan
for the National
Capital Region

Outline

- Federal Requirement
- Methodology
- Revenues and Expenditures from previous (2018) analysis
- 2022 Analysis
- Preliminary State DOT and WMATA Inputs
- Local Inputs needed!
- Next Steps

Federal Requirement

- Federal planning regulations (§450.324(f)(11)) require:
 - A financial plan that demonstrates how the adopted long-range plan can be implemented
 - The forecast revenues which are reasonably expected to be available must cover the estimated costs of adequately maintaining and operating and of expanding the highway and transit system in the region
 - All revenue and cost estimates are in year of expenditure (YOE) dollars

Objectives for the Visualize 2045 Financial Analysis

- The analysis will use the framework of previous analyses. The Visualize 2045 analysis will cover the period 2023 to 2045
 - The Financial Analysis should demonstrate that the forecast revenues are reasonably expected to be available to implement the LRP through 2045.
 - Should demonstrate the region's commitment to maintaining a State of Good Repair by fully-funding projects required to keep highways and public transportation systems in Good Repair.
 - Should provide for operations and maintenance of the existing transportation system.
 - Should provide for focused capacity expansion to address forecasted growth in the region's population and economy.

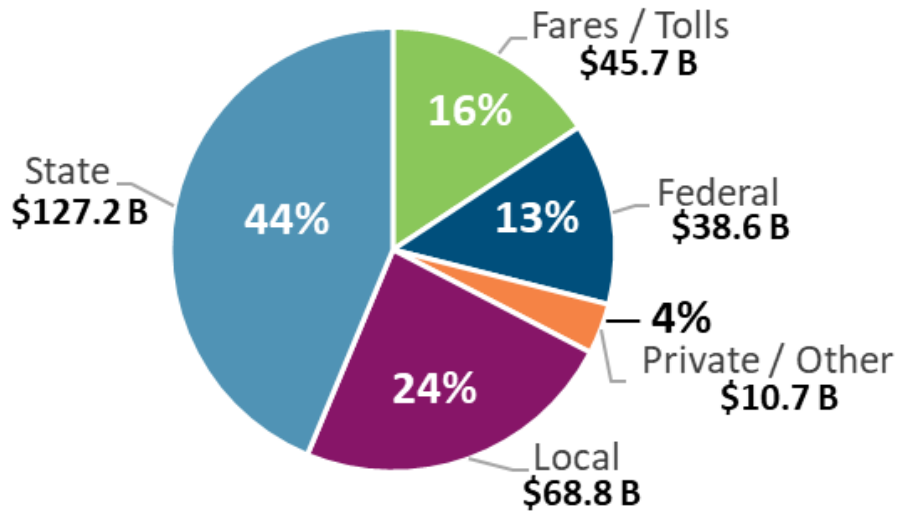
Methodology

- For the near-term years, agencies use revenue and expenditure budgets from Capital Improvement Programs (CIPs), the approved TIP and other approved budget documents
- For long-term years:
 - Revenues are estimated from extrapolation of past trends as well as assumptions about future increases (beyond current legislation and appropriations)
 - Expenditures are developed from project costs in the LRTP project database as well as extrapolated costs for maintenance and operations
- Estimated inflation rates are applied to convert estimates of revenues and expenditures to year of expenditure (YOE) dollars

Previous (2018) Analysis – Revenues

Visualize 2045 Revenues

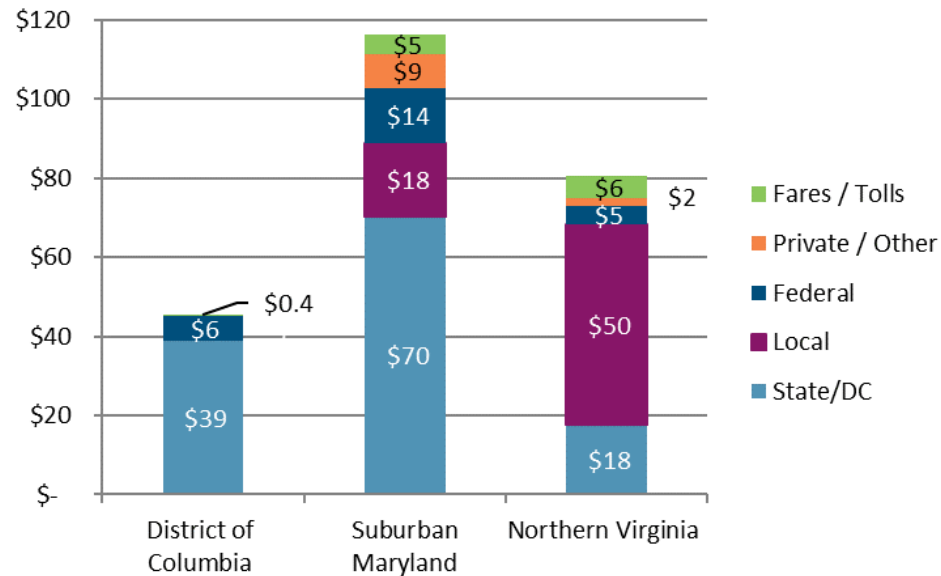
\$ Billions Year of Expenditure



Total: \$291.1 Billion

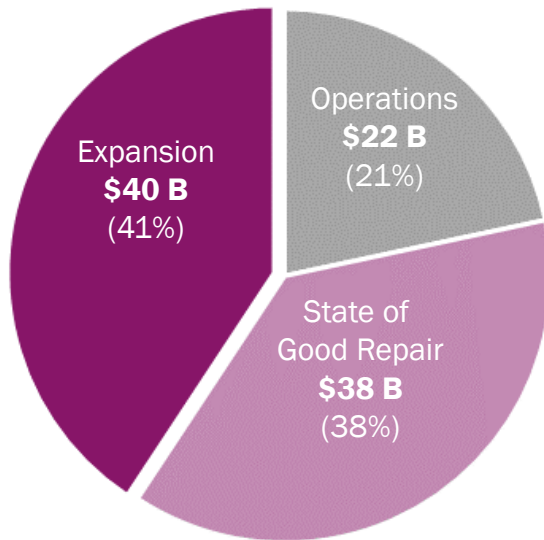
Revenues by State (2019 – 2045)

(Does not include WMATA federal or fare revenues)



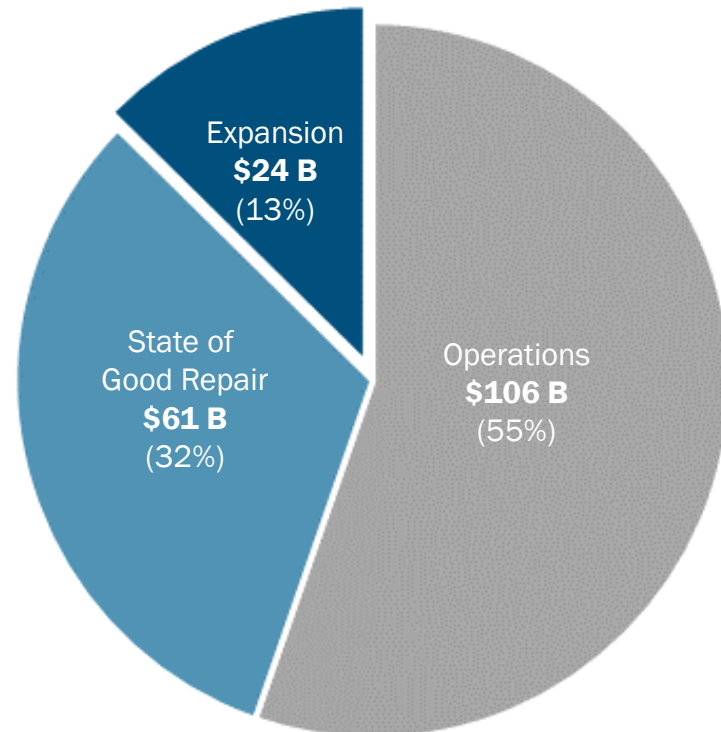
Previous (2018) Analysis – Expenditures

Highways



\$99.5 Billion
(34% of total expenditures)

Transit



\$191.6 Billion
(66% of total expenditures)

2022 Financial Analysis

- Period of analysis: 2023 – 2045 (twenty-three years)
 - General assumption that travel demand reverts to pre-pandemic conditions; some projects may be delayed
- Scope of Work
 - Revenue & Expenditure Determination
 - Revenues projected through 2045, by category:
 - Federal, State, Local, Private+Other, Fares+Tolls
 - Expenditures projected through 2045 by category:
 - Operations, State of Good Repair, Expansion
 - Validation of all project costs in current TIP and LRTP
- *State DOTs and WMATA have submitted preliminary figures*

Preliminary State Inputs

- District of Columbia
 - Growth rate of 2.4%
 - Projection reduced by 38% vs. 2018 analysis (*for same period*)
 - Most revenue comes from general tax revenues

- Maryland DOT for Suburban Maryland
 - State growth rate of 5.3%, federal growth rate of 3%
 - Projection reduced by 13% vs. 2018 analysis
 - Private funding to build toll roads

- Virginia DOT for Northern Virginia
 - State growth rate of 3.8%, federal growth rate of 1.7%
 - Projection increased by 14% vs 2018 analysis
 - Depends upon regional revenues to an increasing extent (e.g., NVTA, NVTC, PRTC, VRE, etc.)

Preliminary WMATA Inputs

- Operating expenditures and revenues based on the cap of 3% annual subsidy increase
- Capital expenditures and revenues based on Capital Needs Inventory (CNI) and GM/CEO's plan
 - Dedicated capital revenues of \$500 million from States annually through 2045
 - Assumption that PRIIA local match continues through 2045, but does not assume federal appropriations
 - Other capital contributions increase at 3% annually
 - Increased bond issue and federal Capital Grants to fund all SGR needs and New Needs / Expansion

Request for Local Inputs

The financial analysis also needs revenue and expenditure inputs from local jurisdictions, transit agencies, and other transportation organizations.

Typically, information is provided via a spreadsheet.

- Maryland Counties
 - Individually forecast revenues from federal, state, and local sources, based on recent years and near-term projections.
 - Forecast expenditures for highway and transit projects and O&M costs, especially local transit. Bike & pedestrian expenditure forecast optional.
- Virginia Jurisdictions and Agencies
 - Similar to above but factor in support for WMATA operating & capital needs.

Next Steps

- Technical Inputs Solicitation for LRTP, TIP 2022 Update and Air Quality Conformity Analysis approved by TPB
 - LRTP/Air Quality Conformity Inputs: due 2/12/2021
 - Detailed Transit Assumptions: due 3/5/2021
- Financial Analysis next steps
 - Local inputs – due by March 5
 - Review & Reconciliation– March through August
 - Draft Results – September
 - Report production and final analysis – by January 2022

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