

# Visualize 2045 Financial Analysis

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TPB Technical Committee  
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Item #07



# Outline

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- Federal Requirement
- Methodology
- Key Assumptions
- Draft Revenues and Expenditures for 2019–2045
- Comparison of Visualize 2045 and Previous Analyses
- Next Steps



# Federal Requirement

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- Federal planning regulations 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 to be shown in year of expenditure (YOE) dollars



# Methodology

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- For the near-term years, agencies used revenue and expenditure budgets from the approved TIP and Capital Improvement Programs (CIPs)
- For long-term years, revenues are estimated from extrapolation of past trends as well as assumptions about future increases. Expenditures are developed from project costs in the CLRP 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



# Key Assumptions - States

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- District of Columbia
  - Revenue growth rate of 2.4% after 2023
  - Most revenues come from general tax revenues
- Suburban Maryland
  - State growth rate of 5%, federal growth rate of 3%
  - Increased private activity to build toll roads
  - Increased contribution to WMATA by the state
- Northern Virginia
  - State growth rate of 2.4%, federal growth rate of 2%
  - More local and regional revenues to WMATA; reduced NVTA funds
  - Assumption that transit capital funding by the state will continue



# Key Assumptions - WMATA

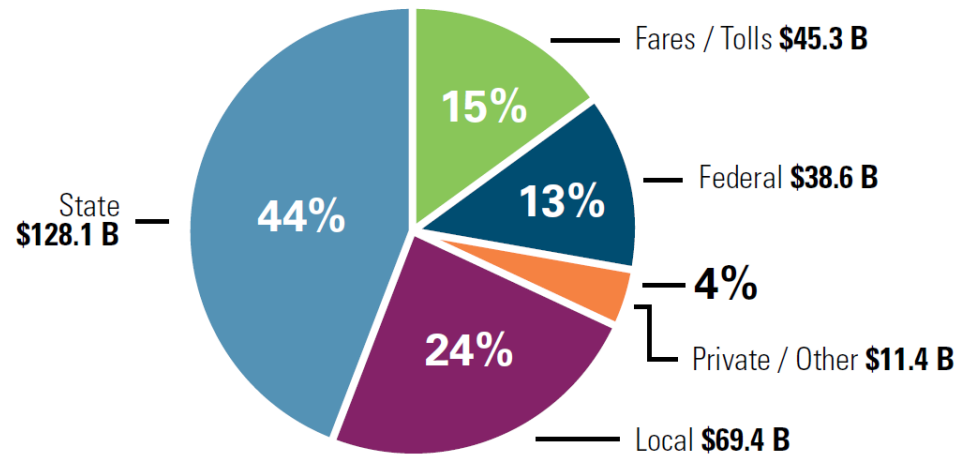
- WMATA inputs
  - Operating revenues and costs based on extrapolation of current trends
  - Capital costs based on Capital Needs Inventory (CNI) and GM/CEO's plan
  - Assumption that PRIIA funding (\$150M/year federal, matched by DC-MD-VA) set to expire in 2019 will be extended through 2045
- TPB staff modified inputs following approval of dedicated funding by DC, MD, and VA
  - New dedicated capital revenues begin in 2020 and continue through 2045, growing at 2.4% beginning in 2023
  - Removal of transit core capacity constraint from Air Quality Conformity Determination travel demand model



# Draft Revenues: Visualize 2045

## Visualize 2045 Revenues

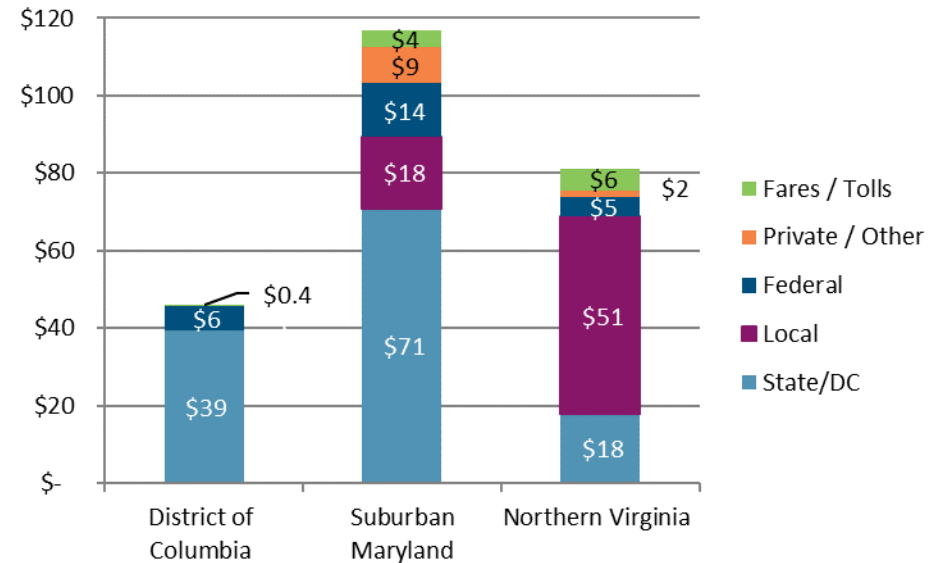
\$ Billions Year of Expenditure



**Total: \$292.9 Billion**

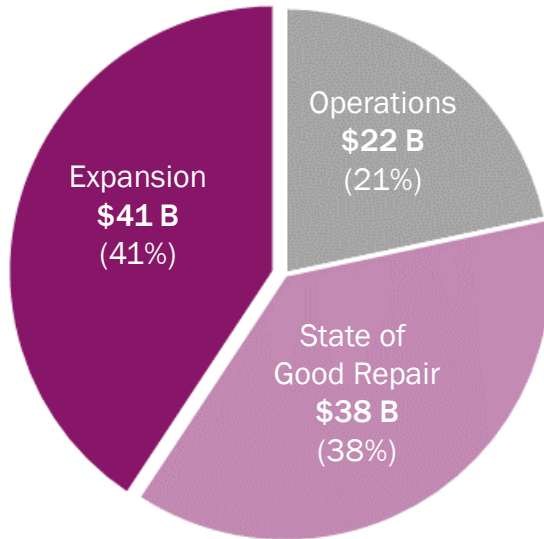
## Revenues by State (2019 – 2045)

(Does not include WMATA federal or fare revenues)



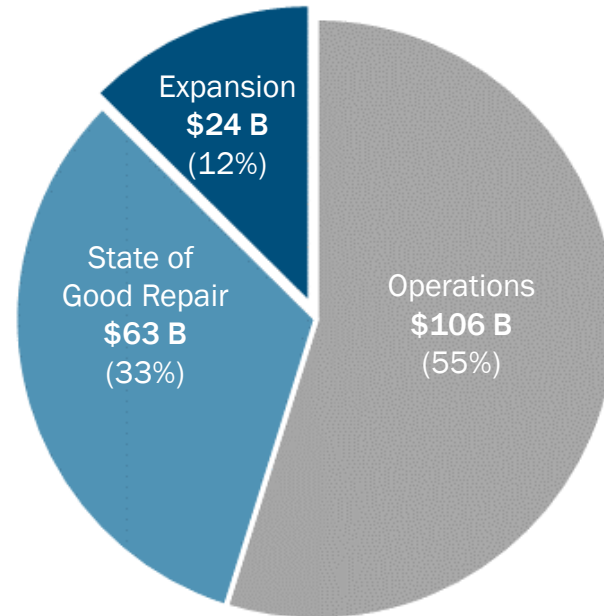
# Draft Expenditures: Visualize 2045

## Highways



**\$100 Billion**  
(34% of total expenditures)

## Transit

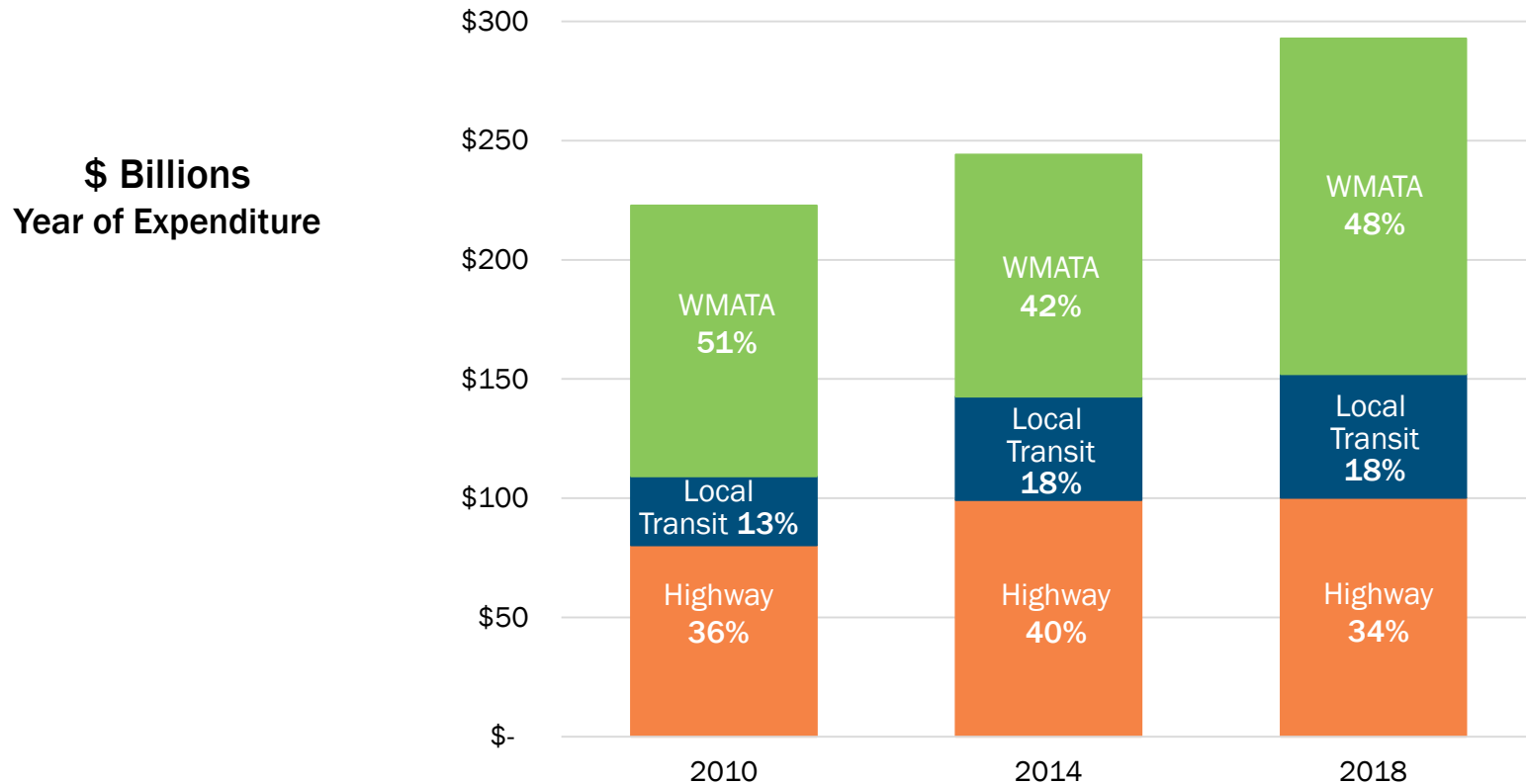


**\$193 Billion**  
(66% of total expenditures)





# Visualize 2045 compared to 2014 CLRP



- Since 2014, total revenues and expenditures are up (+20%)
- Transit expenditures are up significantly (+33%)
- Highway expenditures are slightly up (+2%)



# Next Steps

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The Financial Analysis demonstrates that the forecast revenues are reasonably expected to be available to implement Visualize 2045

- Demonstrates the region's commitment to maintaining a State of Good Repair for highways and public transportation systems
- Provides for operations and maintenance of the existing transportation system
- Provides for capacity expansion to address forecasted growth in the region's population and economy

The TPB will be asked to approve Visualize 2045 at the October 17 TPB meeting, which includes the Financial Element



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