Metro Update for the Virginia CTB

Randy Clarke, General Manager and CEO, WMATA
Valerie Santos, Chair, WMATA Board of Directors
Paul Smedberg, 1st Vice Chair, WMATA Board of Directors
Walter Alcorn, Principal Director, WMATA Board of Directors

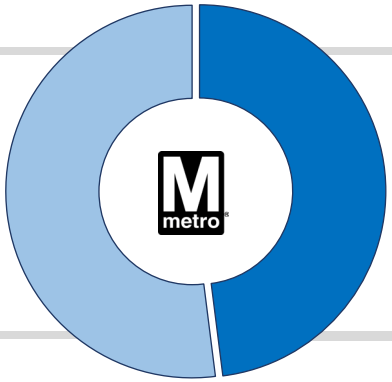
Washington Metropolitan Area Transit Authority
October 14, 2025

Metro At A Glance

FY2026 Budget

Capital $2.4B

Operating $2.6B*



$5.0B *total budget*

*Includes reimbursables and debt service

Regional Investment

Metro station areas =3% of land

Metro repays the ***region's investment*** many times over.

30% of property value

65% of new office developments

$3.2B Tax revenue

Transit customers save $2,800 **per year** *on average by not having to pay for rideshares, taxis, parking, and tolls*

Accomplishments

Service Excellence



Activated Automatic Door Operations across all lines, a critical step in the rail automation program

Talented Teams



Welcomed the inaugural class of the new Metro Transit Police Department Criminal Justice Academy

Regional Opportunity & Partnership



Restructured the Metrorail and Metrobus operating subsidy allocation formula to improve transparency and better align service costs with regional benefits

Financial Stewardship & Resource Management



Completed installation of more-secure faregates at all 98 stations and fareboxes on 1,500 buses to reduce fare evasion

Metro's Impact by the Numbers

#1
2025 APTA award for outstanding transit agency

9
years of successful clean audits

92%
FY25 historic customer satisfaction numbers on rail

83%
FY25 historic customer satisfaction numbers on bus

3
category leaders in federal safety measures

55%
reduction in crime over three years — lowest level in eight years

30,000+
systemwide public safety cameras

82%
reduction in Metro Rail fare evasion

57%
of paratransit trips served through Abilities-Ride

1,490
residential units built on Metro property since 2022

$2.2M
saved by customers using Metro Lift

54
consecutive months of year-over-year ridership growth

265M
total trips in FY2025

11
new high-frequency routes in new bus network

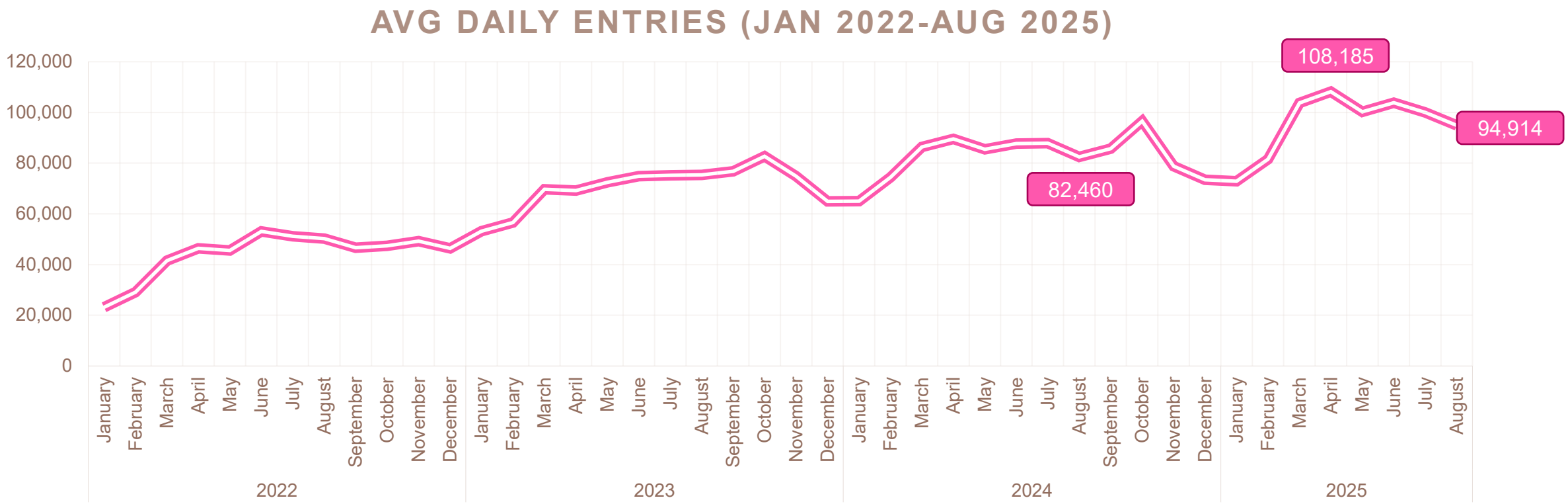
$215M
annual tax revenue through joint development

Virginians Are Returning to Metrorail

The number of trips originating at Virginia Metrorail stations continues to grow year-over-year.

April 2025 saw the highest ridership at Virginia Metrorail stations since the pandemic, with over 108,000 average daily rail entries.

August 2025 ridership was over 16 percent higher than August 2024 ridership at Virginia Metro stations.



Public Safety Progress



Installation of new fare gates to reduce fare evasion

- 55% decrease in crime within the system over three years, lowest level in eight years
- Thanks to taller fare gates and increased enforcement, fare evasion is down 82% on Metrorail
- MTPD officers have issued over 6,000 citations for fare evasion on Metrobus in 2025 so far
- Public Safety personnel stationed in Metro Integrated Command and Control Center monitor a system of more than 30,000 cameras
- MTPD academy doubles police training capacity and saves $1M in annual operating costs
- Newly adopted banning policy allows Metro to ban offenders from the entire system for up to a year

APTA Transit Agency of the Year!!!!



Team Metro Celebrating APTA Transit Agency of the Year



APTA's Outstanding Partnership in Public Transportation with Kimley-Horn and Foursquare for Integrated Transportation Planning



APTA's 2025 AdWheel Best Marketing and Communications Educational Initiative, Better Bus Network Redesign



APTA's 2025 Heavy Rail Security Gold Award



Benefits of Transit and Operating Budget Update

Transit Is Essential To Our Region

$9.4b

Additional business output from transit.

$330b

Property value in Metro station areas.



1.2m

Auto trips avoided each day by 2025.

20x safer

Nearly 30 deaths and over 2,500 injuries avoided annually.

$2,800

Annual household savings from riding transit.

250k

Jobs accessible within an hour on transit.

8

Metric tons of fine particulate matter avoided.

30mins

Additional daily exercise from riding transit.

FY2025 Year-End Savings:

Savings highlight Metro's continued operational efficiency and strengthening ridership and revenue trends

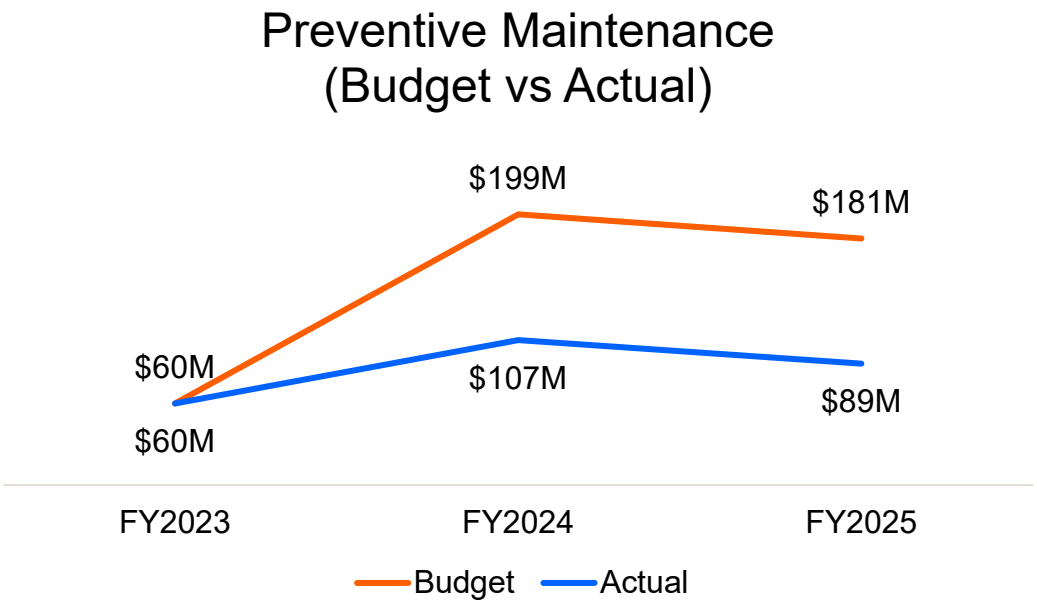
Total FY2025 Savings = $120M

$28M
One-Time Operating Savings

$92M
PM Transfer Savings

Savings carried into FY2026 **Operating Budget**

Reinvestment in the **Six-Year Capital Program**



FY2026 Budget Summary

OPERATING SOURCES $2,584

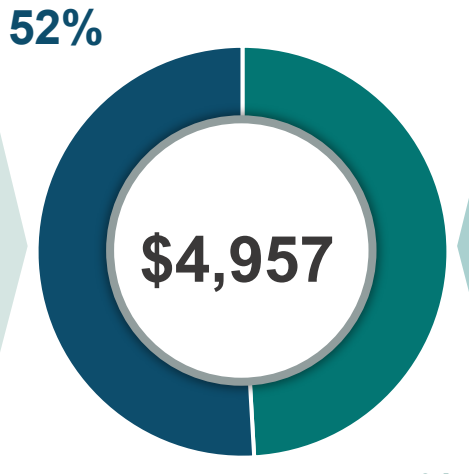
PASSENGER REVENUE	$463 (18%)
NON-PASSENGER REVENUE	$101 (4%)
SUBSIDY	$1,906 (74%)
PRIOR YEAR SAVINGS	$28 (1%)
CONTRIBUTIONS FOR DEBT SERVICE & REIMBURSABLES	$86 (3%)

OPERATING USES $2,584

OPERATING EXPENSE	$2,498 (97%)
DEBT SERVICE	$72 (3%)
REIMBURSIBLE	$13 (<1%)

FY2026 BUDGET

$ in Millions



CAPITAL SOURCES $2,373

FEDERAL	$614 (26%)
STATE	$959 (40%)
DEBT	$653 (28%)
OTHER AND PRIOR YEAR FUNDS	$146 (6%)

CAPITAL USES $2,373

CIP INVESTMENT	$2,118 (89%)
DEBT SERVICE	$245 (10%)
REVENUE LOSS	$10 (<1%)

**For Gross Revenue Bonds*

***Includes Joint Development projects*

****Charts and table totals may not sum due to independent rounding*

FY2026 Operating Budget Drives Ridership, Modernization, and Efficiencies

Rail Optimization

- Add peak capacity to address ridership growth
- Extend half of Yellow Line trains to Greenbelt
- (Begins December 2025)
- Open earlier on weekend mornings and close late on weekend late nights

Savings from automatic train operations help fund service; **~$2.5 million** in savings from deferring YL extension and reducing staffing at 5 stations with multiple entrances during low ridership times

Better Bus Network

- Implement the Year One Better Bus Network
- 11 more routes in the Frequent Service Network
- Increased midday, evening, and weekend service

Total of **$6 million** of savings from new scheduling software as well as reduction of peak bus and deadhead time

Fares and Fees

- No fare changes
- Introduce open payment (Tap. Ride. Go.)
  - Tap to ride with contactless credit/debit mobile devices and cards with no fee

Savings included under modernization investments

Modernization Investments

- Targeted cost reductions and efficiencies from
  - Technology Modernization
  - Cash Collection Modernization
  - Inventory and Supply Chain Modernization

$10 million of savings from modernization

The Federal Transit Administration's required Title VI analysis of the proposed rail service and fee changes is attached to the resolution. The analysis describes one disparate impact finding and Metro's substantial legitimate justification for moving forward.



Capital Program Update

FY2026 Capital Sources and Uses

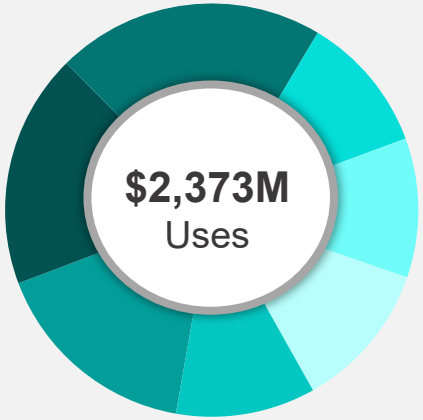
DEDICATED FUNDING FROM STATES	$500M (21%)
FEDERAL FORMULA FUNDS	$470M (20%)
DEBT PROCEEDS	$653M (28%)
SYSTEM PERFORMANCE AND MATCH	$311M (13%)



Sources do not include revenue loss from capital projects and debt service

PRIIA MATCH FROM STATES	$149M (6%)
FEDERAL PRIIA FUNDS	$144M (6%)
OTHER & PRIOR YEAR FUNDS	$146M (6%)

RAILCARS & RAILCAR FACILITIES	$399M (17%)
BUS, BUS FACILITIES & PARATRANSIT	$441M (19%)
DEBT SERVICE AND REVENUE LOSS FROM CAPITAL PROJECTS	$255M (11%)
OPERATIONS AND BUSINESS SUPPORT	$307M (12%)



$ in Millions

STATION AND PASSENGER FACILITIES	$328M (14%)
RAIL SYSTEMS	$336M (14%)
TRACK AND STRUCTURE REHABILITATION	$307M (13%)

Capital Program Cost Savings

- Metro identified more than $175M of Capital Program administrative savings*
- Metro has identified over $100M through project reviews of opportunities for structural recurring savings by simplifying standards, requirements and practices, and reducing customization
- Capital program cost reductions preserve funding capacity for future investments
- Metro will continue to identify opportunities for further cost savings and efficiencies

Examples of Cost Savings – No Impact to Investment Outcome

*FY2025-FY2031

Bus Shelters

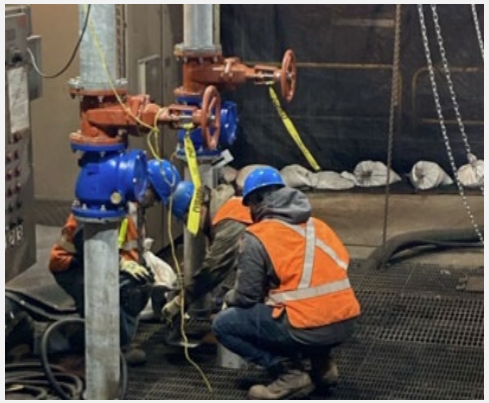
Reducing per shelter cost by ~50%



Rhode Island Ave-Brentwood Station

Drainage Pumping Stations

Reducing project cost by ~$5M



Drainage Pumping Station Work

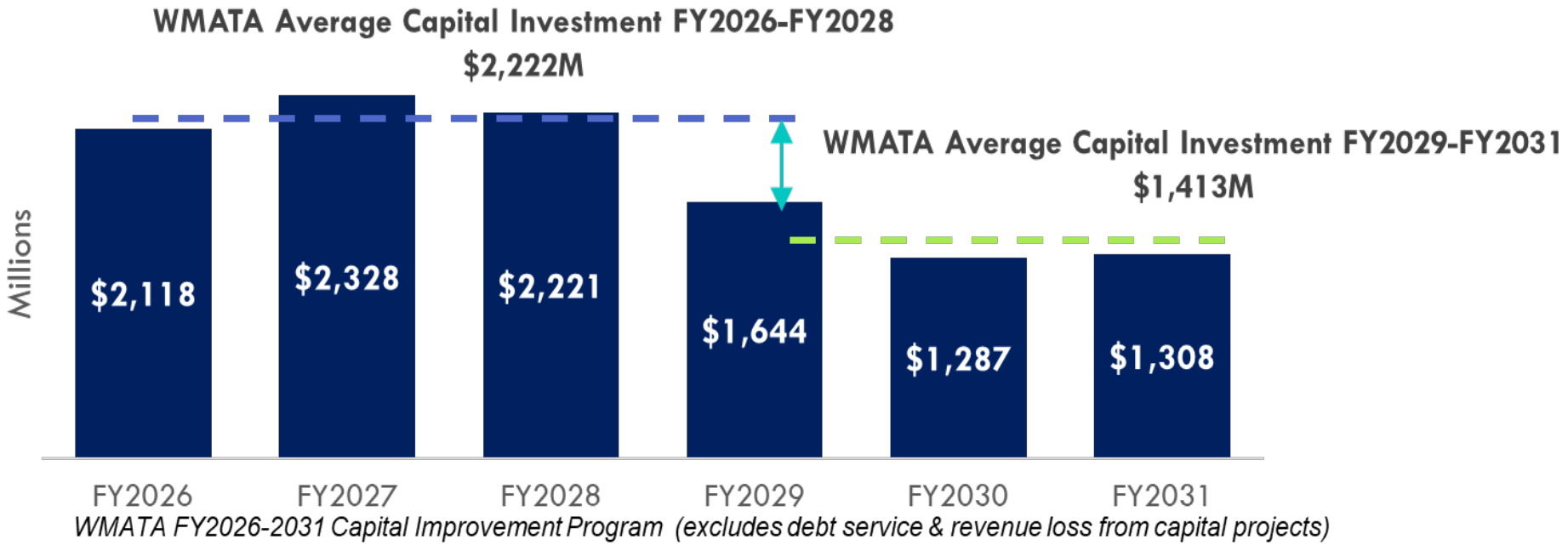
Digital Modernization

Reducing system support cost by ~$17M



IT Infrastructure at Eisenhower Ave Office

Metro and the Region Face a Transit Funding Crisis



WMATA FY2026-2031 Capital Improvement Program (excludes debt service & revenue loss from capital projects)

Metro's capital funding challenges

- Capital funding sources **not indexed to grow**
- **Inflation** significantly reduced capital buying power
- **Debt capacity will be exhausted** by FY 2029
- Will be forced to **reduce annual capital investments**

Solution is funding that:

- Is **dedicated**, **reliable,** and **predictable**
- **Grows** at least 3% per year
- Is **bondable**
- **Is unencumbered and flexible** in use

Regional Coordination Through DMVMOVES

Mission

Joint initiative to deliver a **sustainable transit funding** model and a **unified vision of transit** as an integrated, world-class mobility network that makes the DMV a:

- thriving global economy
- preferred home
- leader in innovation
- leader in environmental sustainability and social equity

Metropolitan Washington Council of Governments

metro

Leadership

Task Force





Virginia Task Force members

- WMATA Board Vice Chair Paul Smedberg
- Arlington County Board Member Matt de Ferranti
- Fairfax County Board of Supervisors Chair Jeffrey McKay
- Fairfax County Supervisor Rodney Lusk
- Loudoun County Board of Supervisors Chair Phyllis Randall
- Virginia Delegate Mark Sickles
- Virginia Senator Scott Surovell
- Virginia DRPT Director Tiffany Robinson

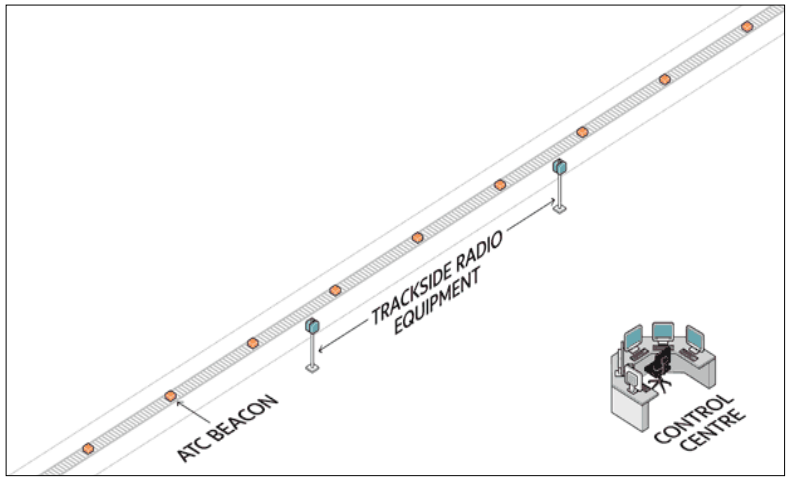
Advisory Groups

- Government Partners Advisory Group
- Community Partners Advisory Group

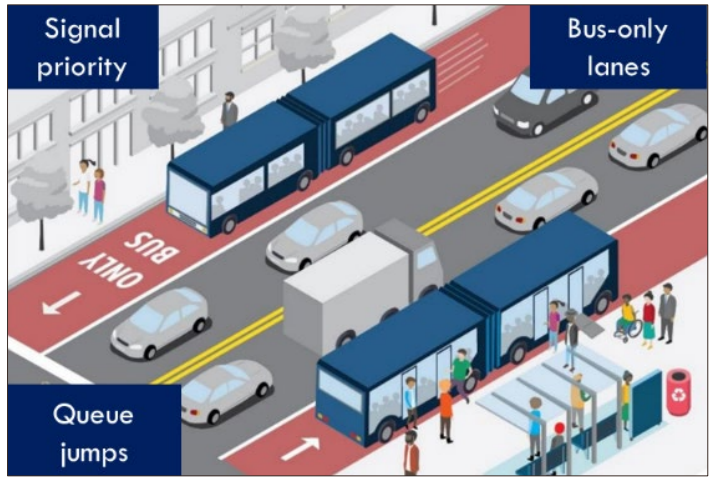
DMVMOVES Transit Investment Plan

World-Class Metro System

Rail Modernization



Bus Frequency and Priority



Reinvesting in and Modernizing Metro



Fast, frequent service all day/all week



metro access

Modern vehicles, intrastructure, and technology



Sustained repair and replacement of assets



Integrated, customer-focused system

$460M-$500M annually starting in FY28

+ 3% per year

Plus state/local investments in:

- Priority bus corridors
- Improved local bus service
- Commuter rail growth plans

Thank You

Government Relations Team Contact

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Appendix

FY2025 Budget Operating Efficiencies

- ☑ **Cost Efficiency Task Force:** Implemented an additional $50 million in ongoing operating expense efficiencies and savings across the Authority for FY2025 and beyond
- ☑ **Salary and Wage Adjustment:** Froze wages of all non-represented employees and two of Metro's largest collective bargaining units saving $38 million
- ☑ **Optimized Service Based on Ridership:** Scheduled peak service periods to align with ridership levels. Operated more six-car trains where shorter trains provide sufficient capacity. Reduced service levels on holidays with low ridership. Total savings of $20 million.

FY2026 & FY2027 Budget Drivers – Revenue

Passenger





Ridership
- Travel patterns and office telework policies
- Continued strength of weekend and off-peak trips
- Regional population growth

Fare Evasion
- Taller and stronger faregates installed at all stations provide a lower fare evasion trend
- Continue fare recovery and enhanced enforcement

Service Levels
- Better Bus Network Redesign
- Subject to change based on board decisions

Average Fare
- Assume no fare increase in FY2026

Non-Passenger





Parking Counts
- Strength in rail ridership

Real Estate/Joint Development
- Execution of the Strategic Plan for Joint Development

Advertising
- Contract provides annual guarantee and revenue share based on advertising sales.

Infrastructure Contracts
- Extend and maintain current fiber-optic contracts

FY2026 & FY2027 Budget Drivers – Expenses

Personnel





Collective Bargaining Agreement (CBA)

- New Local 689 CBA minimizes the impact from future inflationary spikes (total wages capped at 5%)
- New agreement includes general wage increases (GWI) of 3% for FY2026 & FY2027
- Upcoming CBA negotiations for transit police (FOP), Local 922, and Local 2

Overtime

- New Local 689 CBA limits the hours worked by bus and rail operators to be consistent with industry standard

Non-Personnel





Inflation

- Historically high inflation from recent years has increased baseline expenses
- Inflation outlook of 3.0% in FY2026 and 2.3% in FY2027 for non-personnel expenses

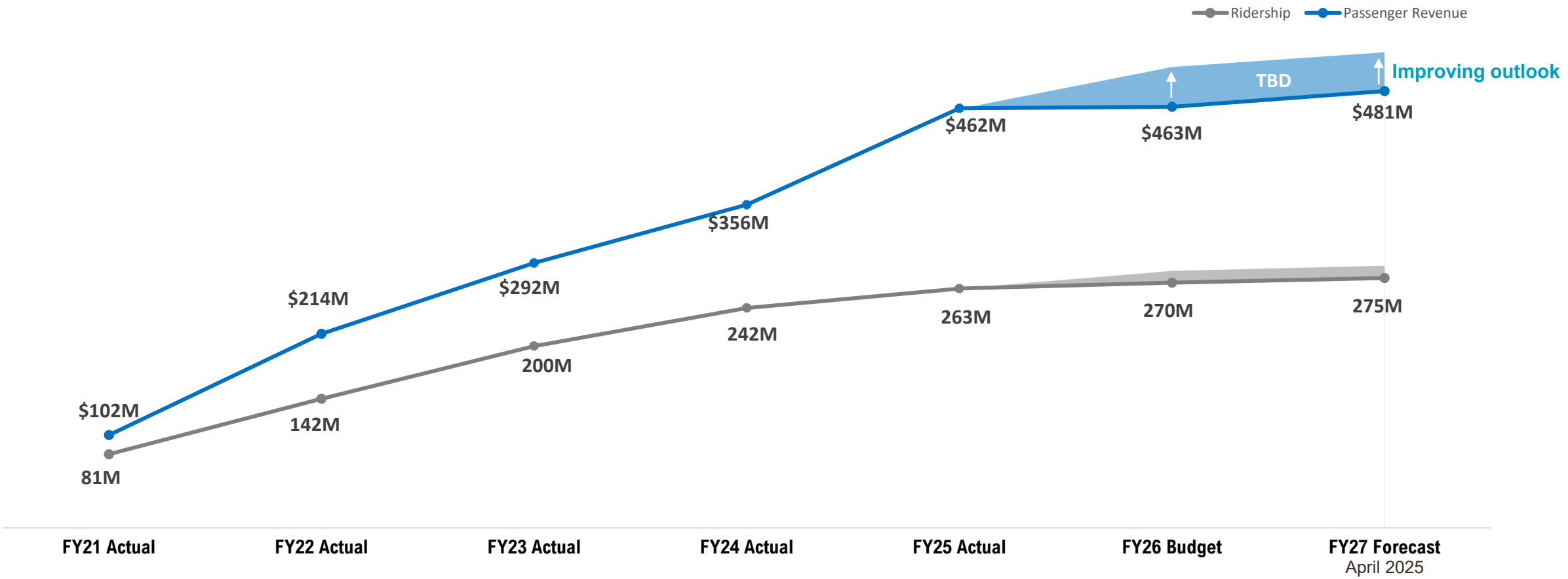
Energy

- Diesel and Compressed Natural Gas based on historical spending trends
- Fuel projections include FY2025 initiative to reduce non-revenue vehicle fleet

Paratransit

- Continue trend of promoting a blend of traditional and lower-cost alternative providers

Ridership Outlook Improving from FY2026 Budget Levels



FY2027 Operating Budget Preview: Key Savings & Reinvestments

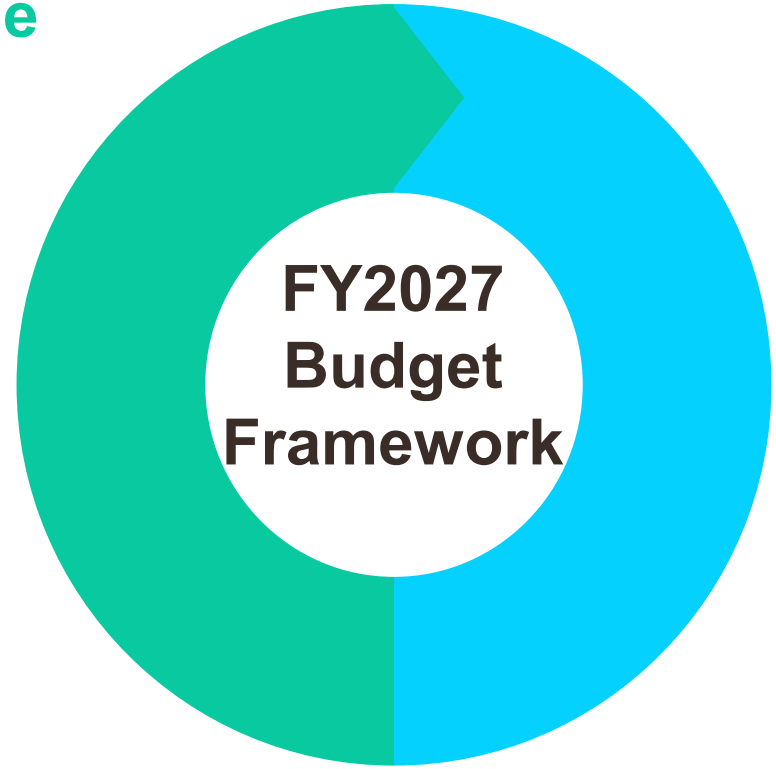
Efficiencies and Revenue

Automatic Train Operations
Additional scheduling efficiencies from return to ATO

Bus Efficiencies
Savings from optimizing bus schedules

Vacancy Management
Reduce positions to align staff with operational priorities

Improved Ridership
Stronger than anticipated growth driving higher revenue



Reinvestments

Service Optimization
Address crowding and enhance all-day Metrorail service, improve Metrobus frequency, span, and coverage

Initiatives
Enhance organizational development and digital modernization

Preventive Maintenance
Reduce reliance on capital resources to fund operating expenses

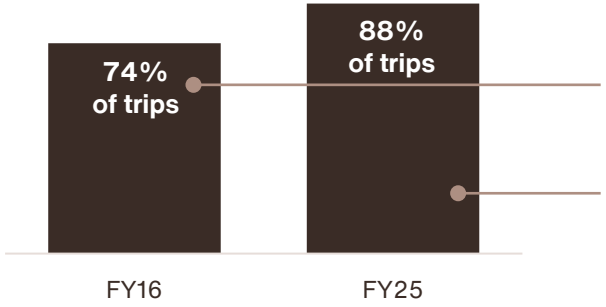
Examples of Capital Program Investments Improving Outcomes

Dedicated capital funding passed in 2018 has improved system performance, resulting in a better customer experience

- Investments in making trips safer, faster, and more frequent transformed customer satisfaction and ridership
- Sustained improvements in rail on-time performance, escalator availability, and mean distance between failure are due to investments in Metro assets

Rail On-Time Performance

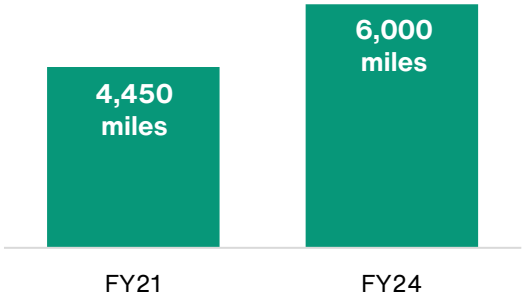
Sustained improvements in **rail on-time performance** are due to investments in infrastructure and vehicles



Pre-Safetrack with only ~10% of service provided by 7000-series

Over eight years of ongoing infrastructure investment with ~65% of service provided by 7000-series, which are 2-3x more reliable than the older fleet

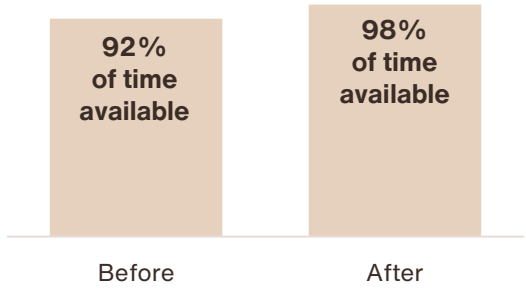
Bus Fleet Performance



Refurbishment of bus fleets increases **mean distance between failure** by 35%, contributing to fewer missed trips and better on-time performance

**Subset of the fleet that received mid-life overhaul*

Escalator Availability



Replacing aging escalators increases **availability** by 6 percentage points, or over **1 hour per day per unit***

**Among 23 escalators replaced during this period*

Investments Delivered



Railcar Acquisition

Tap. Ride. Go.





Bus Acquisition



Platform Rehabilitation



Bladensburg Bus Garage



Track Rehabilitation

Power

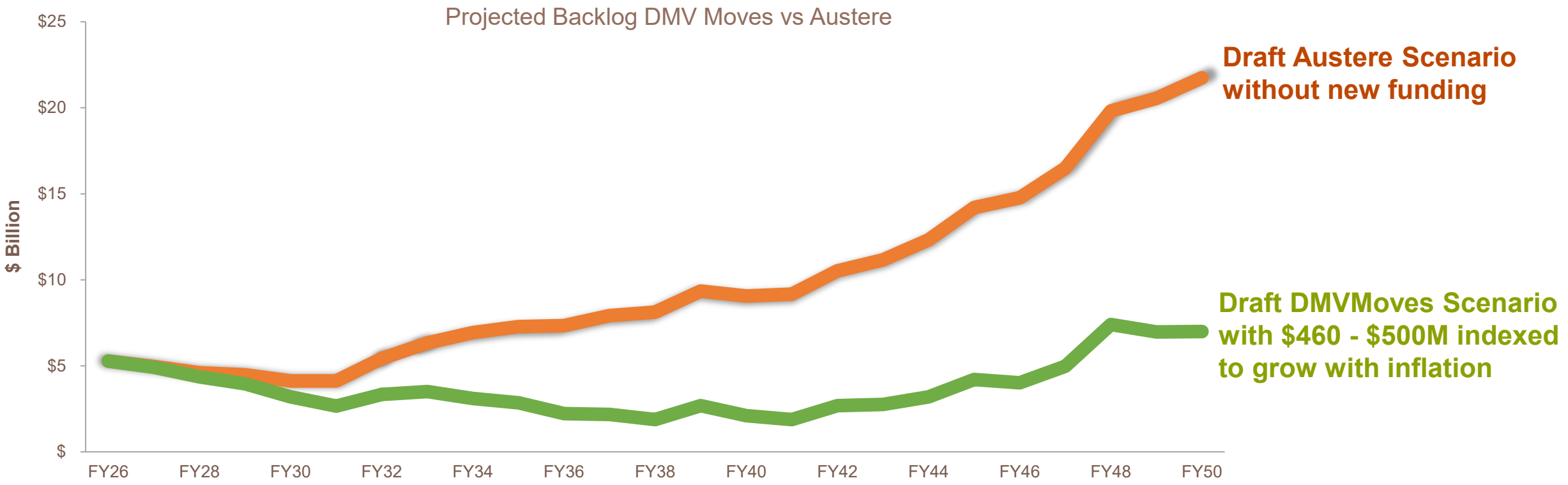




Escalator Replacement

Impact of Draft Capital Program Scenarios on Reinvestment Backlog

Without additional funding, progress will be reversed leading to declining reliability, worsening customer experience, and, eventually, increased safety risk



Ridership Update

54 Consecutive Months of Ridership Growth

In March through June 2025, all months surpassed 24 million trips on Metrobus and Metrorail for the first time since August through November 2019

- July – September Stats:
  - +18% rail ridership YOY
  - +21% rail ridership on weekdays
  - + 6% overall ridership

- For CY25, Metro ridership is +8% over 2024 through September

Virginia Stats

Metrorail: +15% over 2024 in Q1 FY25

Top performers:

- Eisenhower Ave +45%
- Loudoun Gateway +39%
- West Falls Church +36%
- Ashburn +34%
- Dulles 2nd-busiest day ever on August 29

Parking: +32% over 2024 in Q1

Metrobus: -7% vs. 2024

Continuous Customer Improvements

More Accessible Hours

- Fridays and Saturdays Metrorail is open later
- Open until 2 a.m. instead of 1 a.m.
- Saturdays and Sundays Metrorail opens earlier
- Open at 6 a.m. instead of 7 a.m.

Automatic Train Operation systemwide which provides more safe, reliable, frequent service

Launched Tap. Ride. Go. on Metro Rail, allowing customers to use any form of **contactless payment**

- Metro Bus and Metro Parking* slated for contactless payment later this year

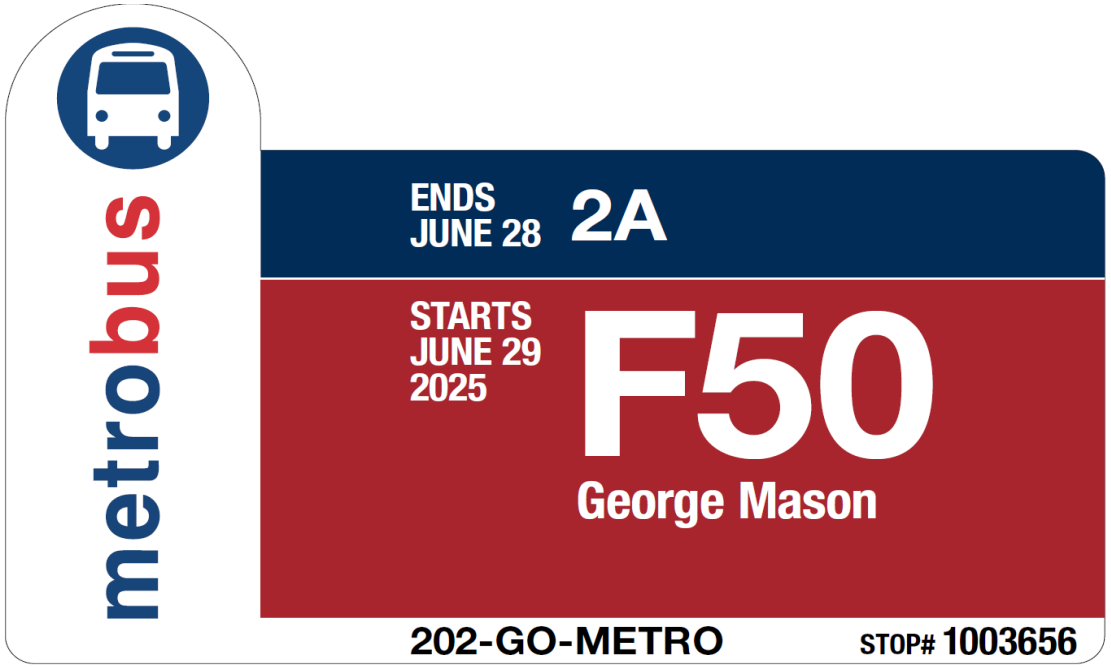
Launched **MetroPulse App**, which is available in Apple, Google stores, over 64,000 installs since launch



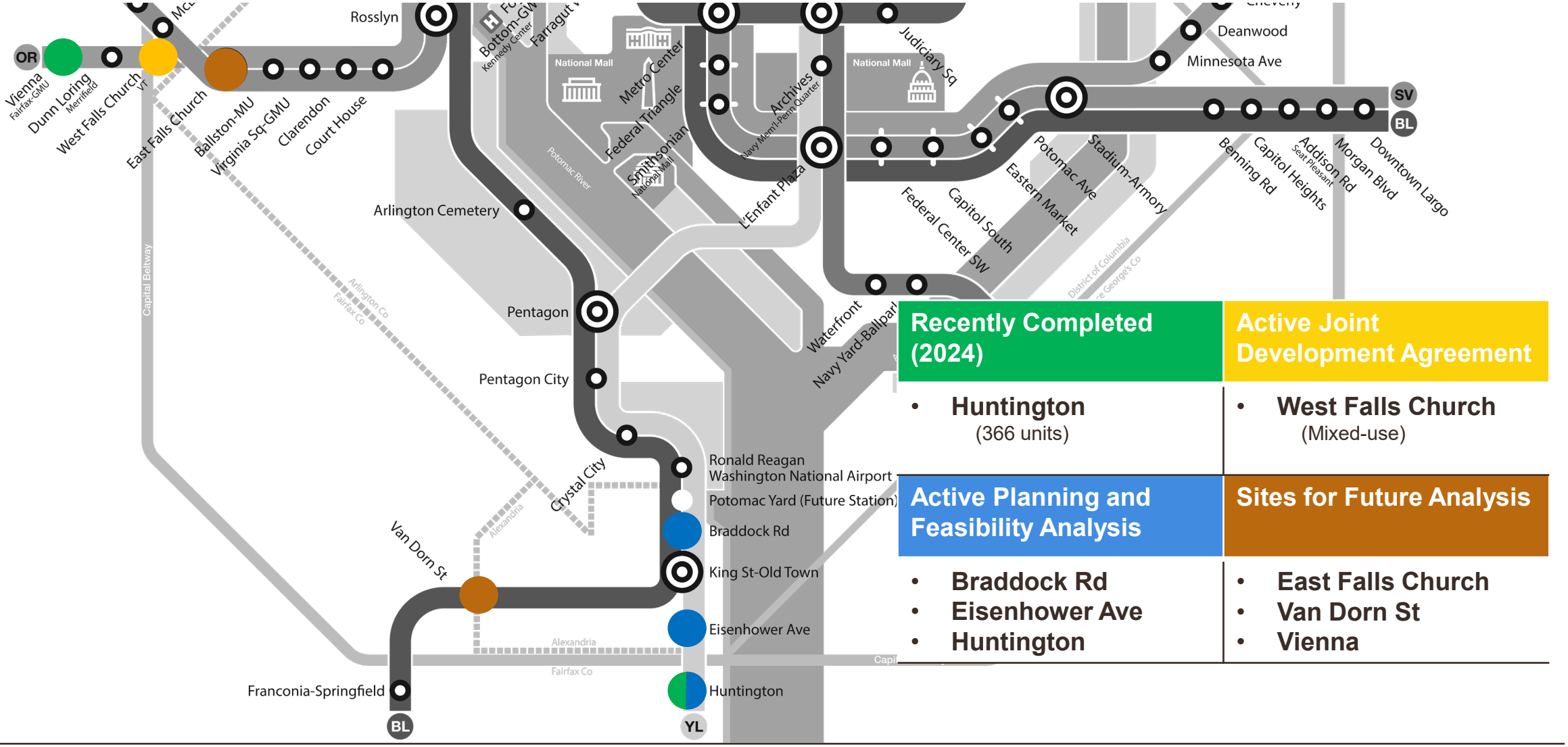
A New Bus Network

The 2025 Better Bus Network Redesign represents Metro's commitment to improving service and connections **using the resources we have today**. By changing bus routes and service times, this network better connects the region, increases access to better bus service, and makes the bus more convenient. The network redesign **went into effect on June 29th.**

- First Network Redesign in 50 Years
- \+ Revenue Neutral
- \+ Better Connects the Region
- \+ Makes the Bus More Convenient to Use
- \+ Improves Service on Evenings & Weekends
- \+ Fills Service Gaps
- = **Better Service for Our Customers Today**

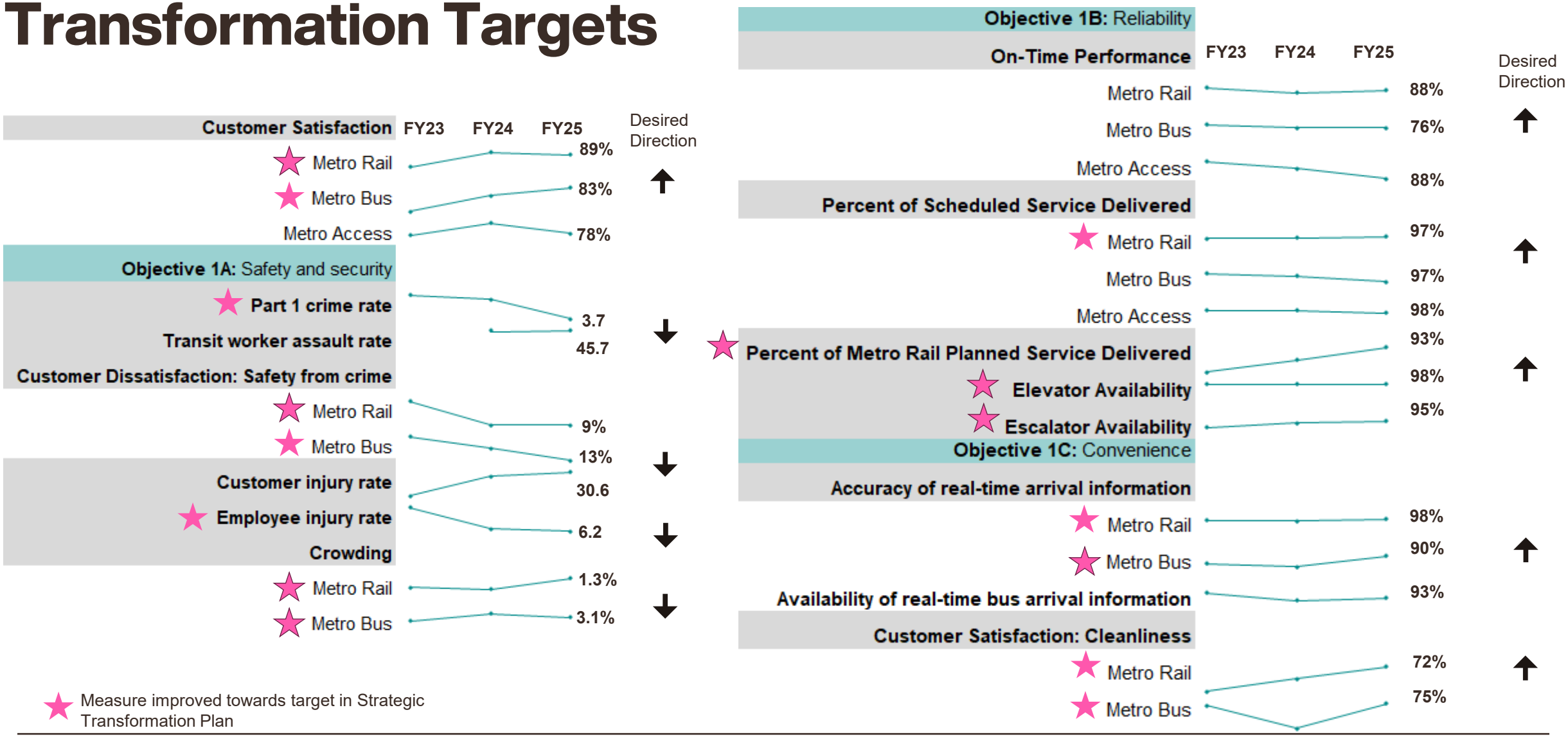


Virginia Development Overview



Recently Completed (2024)	Active Joint Development Agreement
• **Huntington** (366 units)	• **West Falls Church** (Mixed-use)
Active Planning and Feasibility Analysis	**Sites for Future Analysis**
• **Braddock Rd** • **Eisenhower Ave** • **Huntington**	• **East Falls Church** • **Van Dorn St** • **Vienna**

Metro Is Making Progress Towards Ambitious Strategic Transformation Targets



Virginia Code 33.2-1526.1 (M) | Strategic plan requirements

The strategic plan shall require:

a) An assessment of state of good repair needs

b) A review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes

c) An evaluation of the opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed

d) An examination and identification of opportunities to share services where multiple transit providers' services overlap

e) An examination of opportunities to improve service in underserved areas

Metro's path forward:

- Integrate these standards into the refreshed Strategic Transformation Plan to build on existing efforts around each
- Planned comment period and adoption:
  - Open for public comment from Oct. 11th through Nov. 4th
  - Public Hearing on October 30th, 2025
  - Planned Board adoption December 11th, 2025

Board, staff, and community input have shaped updates to Strategic Transformation Plan

Visioning workshops with Board + Staff

40+ interviews with Board and Staff

Surveys

Staff town halls

Benchmarking from transit peers

Conversations with regional partners + community groups



Highlights of our refreshed STP

- Reinforced our ambition to provide **world-class transit** and be the **primary connector** of people and places across the DMV Region
- Elevated and expanded Metro's focus on achieving **Financial & Organizational Efficiency** as a **core goal**
- Recognized **Regional Partnership & Long-Term Transit Planning** as a critical **cross-cutting enabler** across all 3 goals
- Elevated **"Continuously Improving"** as a new guiding value and set new standards for **customer service** including internal processes
- Refreshed how we activate the plan to emphasize **community engagement** and ties to the **capital plan**
- **Streamlined priorities** to focus on critical programs **empowering our team** to deliver on our ambition