



Finance and Capital Committee

Information Item III-A

October 9, 2025

FY2027-FY2032 Capital Improvement Program Update

OVERVIEW			
PRESENTATION NAME	Capital Improvement Program Update	DOCUMENT NO.	300068
ACTION OR INFORMATION	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Action		
STRATEGIC TRANSFORMATION PLAN GOAL	<input checked="" type="checkbox"/> Service Excellence <input type="checkbox"/> Talented Teams <input type="checkbox"/> Regional Opportunity & Partnership <input checked="" type="checkbox"/> Sustainability		
RESOLUTION	No		
EXECUTIVE OWNER			
EXECUTIVE TEAM OWNER	Webster, Tom		
DEPARTMENT	Planning and Performance		
DOCUMENT INITIATOR	Collins, Mike		
OTHER INFORMATION			
COMMITTEE	Finance and Capital	COMMITTEE DATE	10/9/2025
PURPOSE/KEY HIGHLIGHTS	<p>Metro’s Capital Improvement Program (CIP) Update provides an overview of the development and structure of the Capital Program. Metro continues to assume a constrained funding outlook, anticipating a fiscal cliff within the six-year timeframe (exhausting the capacity to issue new debt backed by dedicated funding by approximately FY2029). Metro is developing two Capital Program scenarios: Scenario 1 assumes no additional regional funding, while Scenario 2 assumes additional regional investment.</p> <p>The presentation highlights upcoming Capital Program strategic topics shaping the FY2027-FY2032 CIP, which aim to maximize use of existing assets and find cost efficiencies through modernization.</p>		
DISCUSSION	<p>Metro’s Capital Program used increased regional funding to improve system performance and the customer experience. Structural challenges to capital funding sources threaten recent progress and</p>		

will lead to declining system performance and asset degradation. The FY2027-FY2032 CIP anticipates a capital funding shortfall around FY2029, shaping the investments Metro programs in the near-term.

Metro's Capital Program includes the FY2027 Capital Budget and FY2027–FY2032 CIP.

Metro uses a phased approach to develop the Capital Program. Potential investments are reviewed at each phase in the process before becoming a Recurring Reinvestment Program or a Capital Project. The majority of Metro's Capital Program comprises: (1) Recurring Reinvestment Programs and (2) Capital Projects initiated in previous Capital Program cycles that span multiple years. At current investment levels, few new annual needs receive funding and make it into the Capital Program. Providing excellent service requires ongoing maintenance of the system; Metro is never done reinvesting in core assets. Reinvestments in infrastructure also improve the customer experience.

Metro is previewing efforts to improve communication by increased transparency into the capital investments. This fall, Metro is rolling out quarterly updates on key capital investments.

Metro is developing the proposed FY2027-FY2032 CIP for submission to the Board in December. Metro is preparing two Capital Program scenarios:

- An austere funding outlook ranging from \$11.0B to \$11.2B over the six-year period; and
- Additional regional investment that increases the capital program to a range of \$14.0B to \$15.5B over the six-year period.

Under the austere funding outlook, Metro projects that recent progress made to reinvestment in the system will be reversed leading to declining reliability, worsening customer experience, and increased safety risk.

The CIP Update provides strategic topics that will shape the future of the Capital Program. These concepts will be discussed in more detail with the Board this fall, including:

- Rail Modernization and Automation Program
- Bus Priority Program
- Regional Core Connections Program

INTERESTED PARTIES	Please see the list of approximately 400 capital program vendors provided as an attachment to this document.
RECOMMENDATION/NEXT STEPS	<ul style="list-style-type: none"> • December 2025: Submit the Proposed Six-Year Capital Improvement Program • Spring 2026: Budget Adoption
FUNDING IMPACT	The Capital Budget establishes a not-to-exceed limit for capital expenditures for WMATA's FY2027. WMATA operates under an expense-based budget, which limits funding requests to the estimated funding needed for the fiscal year. The larger Six-Year Capital Improvement Program provides a plan for future investments needed to execute Board policies.

Capital Improvement Program Update

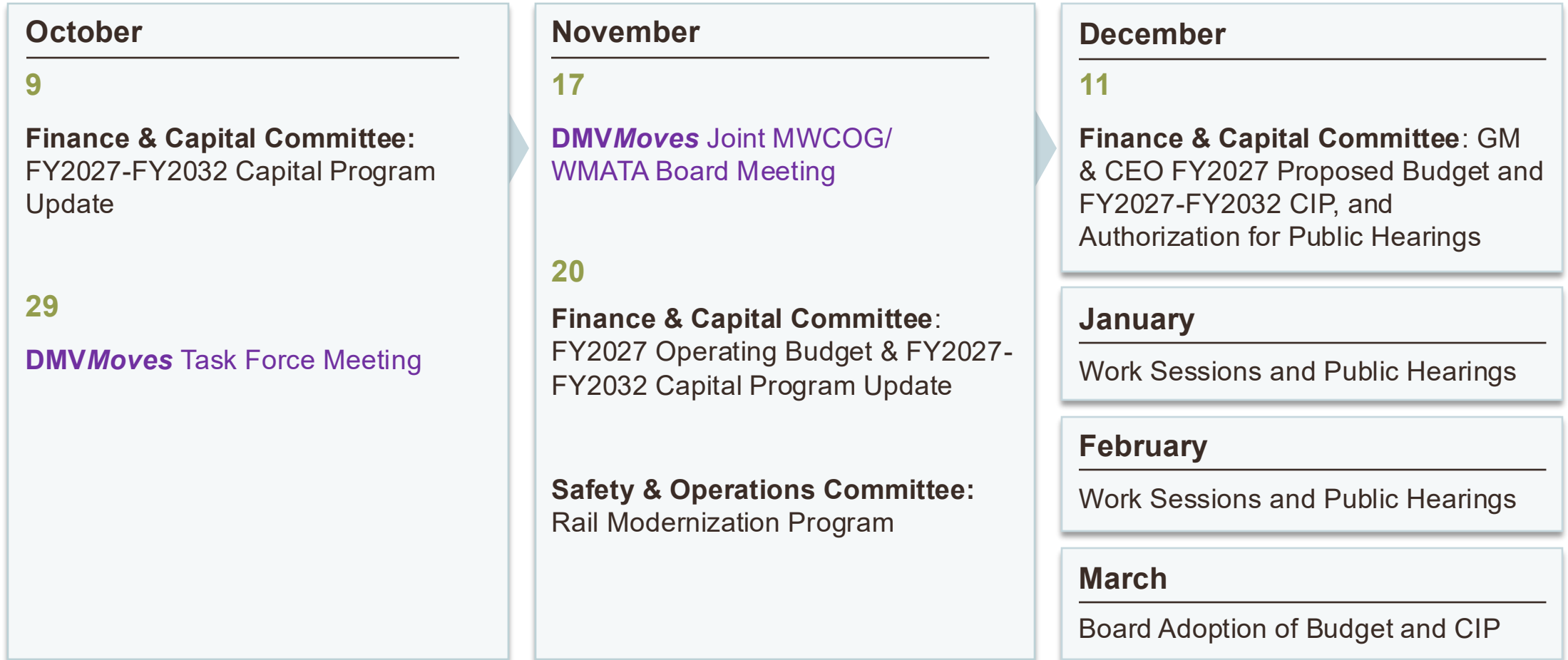


Finance and Capital Committee
Washington Metropolitan Area Transit Authority
October 9, 2025

Agenda

- Capital investment has improved performance and outcomes
- Phases of the Capital Program
- Difference between a Capital Project and a Recurring Reinvestment Program
- How Metro develops the Capital Program and identifies new investment opportunities
- Relationship between Metro's capital funding levels, the fiscal cliff, and reinvestment needs
- Forthcoming Capital Program communication improvements - Quarterly Update on Key Capital Investments
- Why Metro is preparing two funding scenarios for FY2027-FY2032 Capital Program
- Upcoming major Capital Program strategic topics

FY2027-FY2032 Capital Program Development Schedule

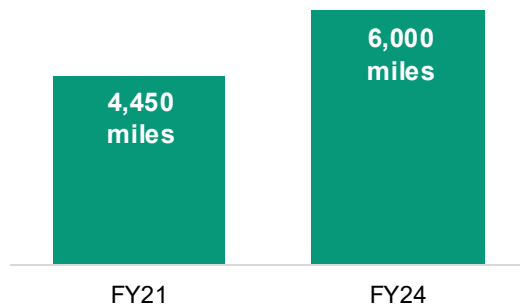


Examples of Capital Program Investments Improving Outcomes

Increased regional funding 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

Bus Fleet Performance

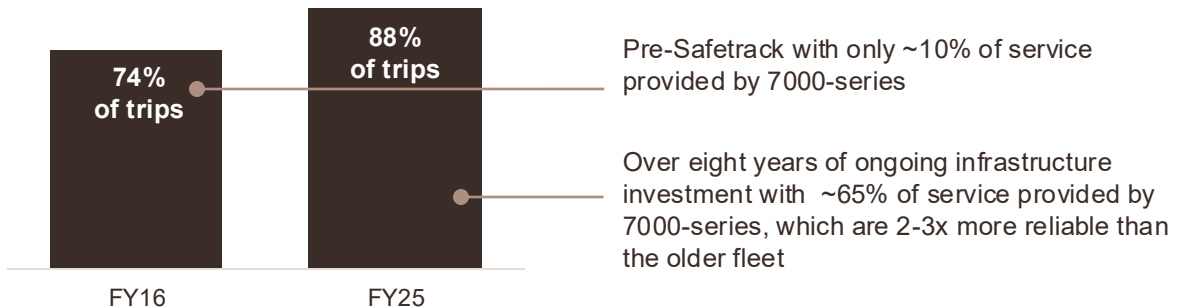


Refurbishment of bus fleets increases **mean distance between failure** by 35%, contributing to fewer missed trips and better on-time performance

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

Rail On-Time Performance

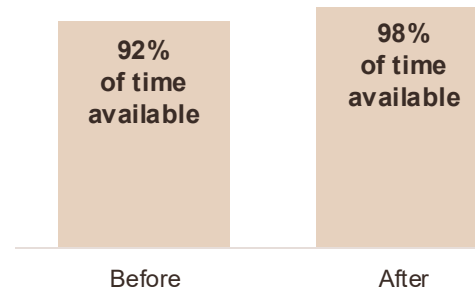
Sustained improvements in **rail on-time performance** are due to investments in infrastructure and vehicles



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

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



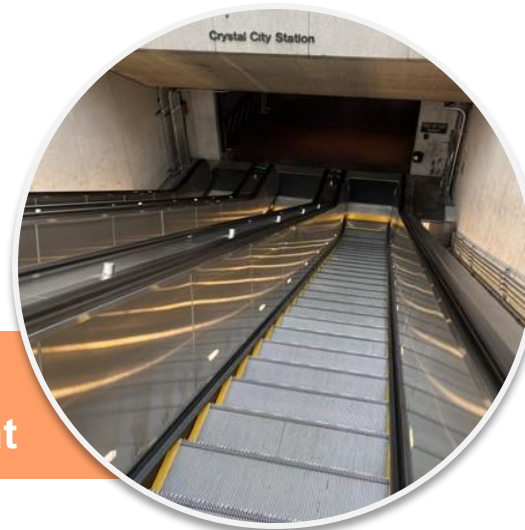
Track Rehabilitation

Power



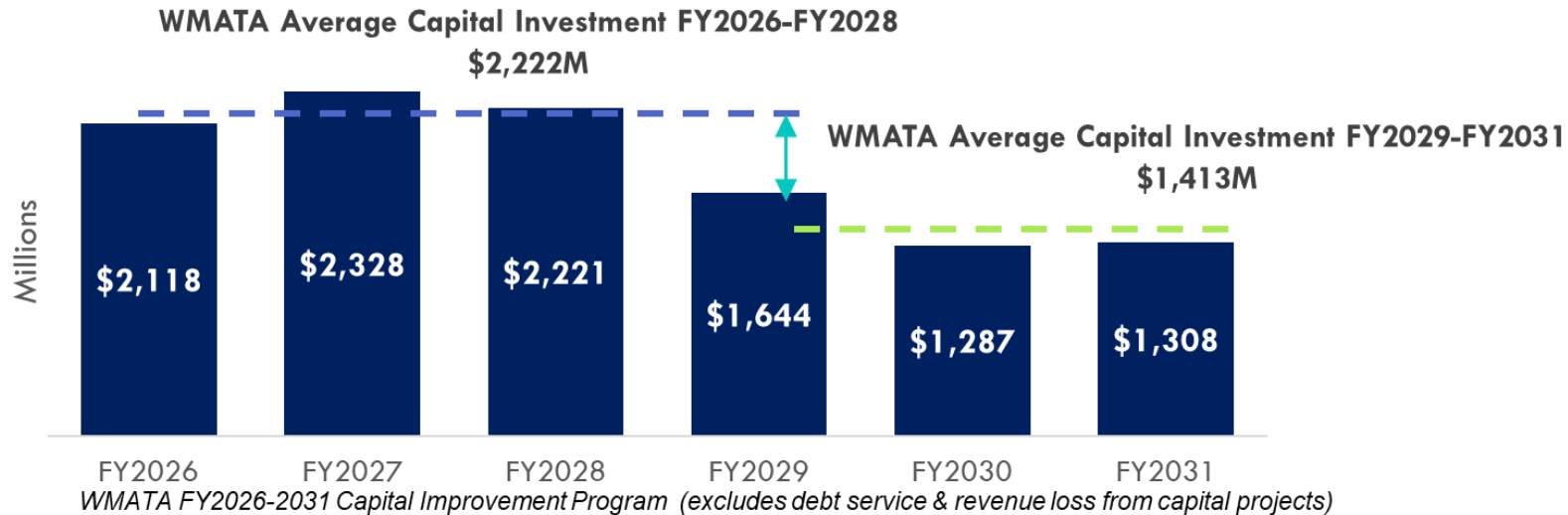
Bladensburg Bus Garage

Escalator Replacement



Challenge: Capital Underinvestment and Funding Structure Cause Recurring Transit Crises

Metro's existing capital funding sources and structural challenges will result in a serious funding shortfall, leading to degradation of assets and performance



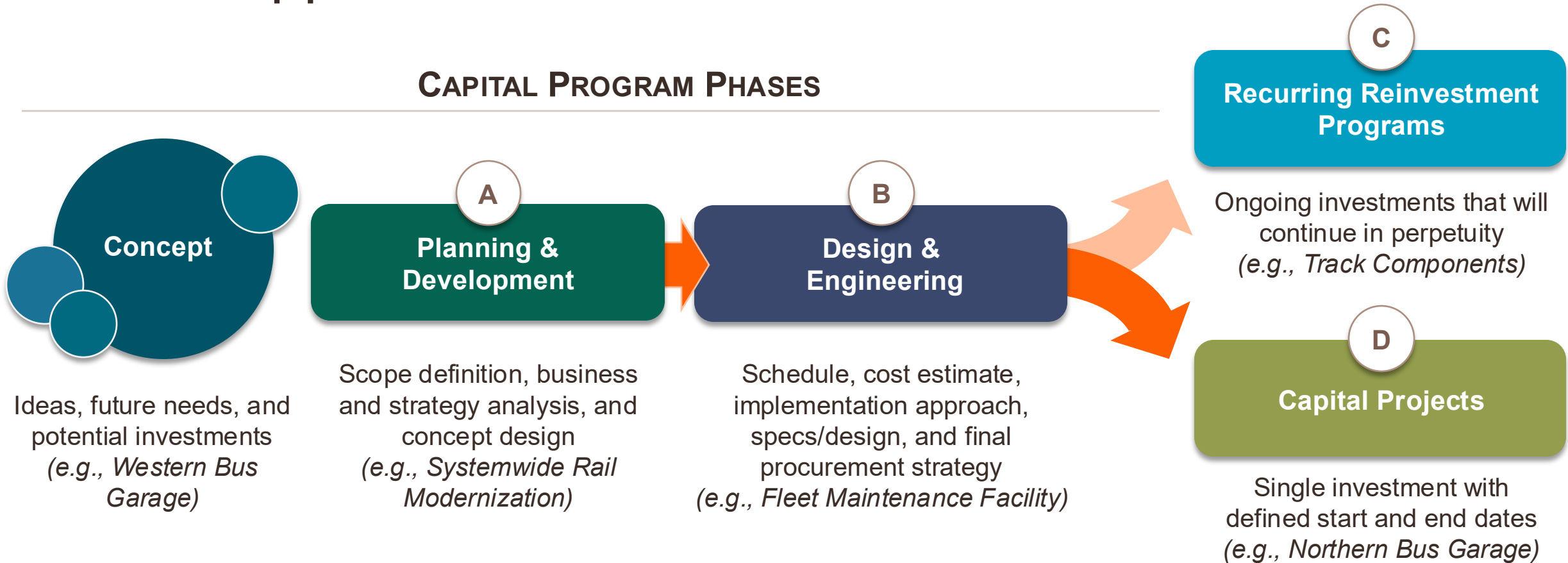
Metro's Existing Structural Capital Funding Challenges

- ⚠️ Capital funding sources **not indexed to grow**
- ⚠️ **Inflation** significantly reduced capital buying power
- ⚠️ **Debt capacity will be exhausted** by ~FY2029
- ⚠️ Will be forced to **reduce capital investment**

Capital Program Structure and Development

Metro Plans and Delivers the Capital Program Through a Phased Approach

CAPITAL PROGRAM PHASES



Difference Between Capital Projects and Programs

CAPITAL PROJECTS

Significant investments in existing system that occur once in a generation

RECURRING REINVESTMENT PROGRAMS

Annual ongoing, recurring, or cyclical investments to keep the system running for bus, paratransit, and rail service

Examples

Bus Garages

Full Facility Replacement



Mid-Life Rehabilitations

Vehicles

Bus and Rail Vehicle Acquisition



Bus and Rail Vehicle Rehabilitation

Station Capacity Circulation

New Pedestrian Tunnel Between Stations

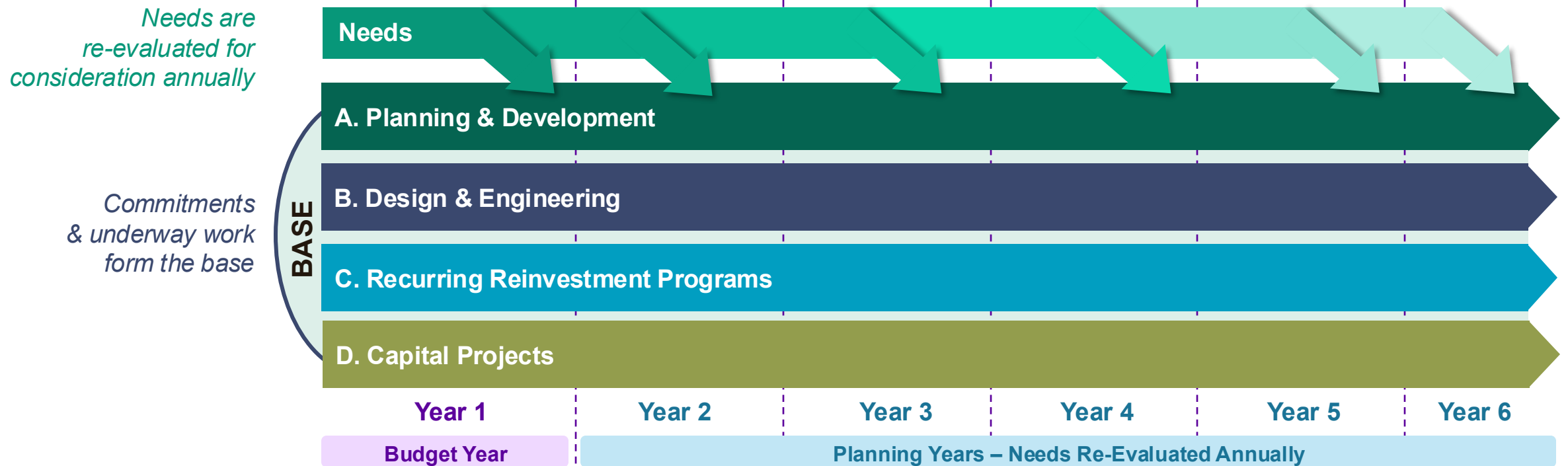


Additional/Replacement Stairways, Escalators, Elevators

Metro Re-Evaluates New Needs on a Rolling Basis

- Metro's Capital Program is developed annually, always beginning with a base of ongoing investments and commitments
- Capital investments often span multiple years, leaving limited near-term capacity to address new needs

ANNUAL BUDGET DEVELOPMENT



Planning & Development: Starting Initial Development and Refinement of a Concept



- Metro undertakes Planning & Development activities to:
 - Define scope
 - Develop a rough order of magnitude cost estimate
 - Perform a cost benefit analysis
 - Conduct business case and alternatives analysis (if applicable)
 - Consider implications of federal requirements
- Upon completion of Planning & Development, investment activities are ready to advance

Illustrative Planning & Development Examples

Initial Development & Refinement

- Regional Core Connections Program
- 8000-series Railcar Options 2+
- Predictive Maintenance
- Emerging Digital/Artificial Intelligence
- Supply Chain Modernization (including Warehouse Management System)

Design & Engineering: Developing a Discrete Project or Program for Delivery

B

- Metro undertakes Design & Engineering activities to:
 - Refine investments with detailed schedule
 - Establish total project cost
 - Identify implementation approach
 - Complete design & specifications
 - Identify procurement strategy
- Investments are in various stages of maturity
- After an internal Implementation Plan is developed, an investment is eligible to advance as either a Recurring Reinvestment Programs or Capital Projects

Illustrative Design & Engineering Examples

Increasing Investment Maturity

Almost Ready for Implementation

- L'Enfant Plaza Mezzanine Elevator
- 8000-series Railcar Option 1

Refining Requirements

- Metro Training Center
- Fleet Maintenance Facility
- Customer Interaction Management System
- Digital Content Management System
- Union Station First Street Entrance
- New Carrollton Railyard Railcar Storage Efficiency
- Fare Collection Software System
- Pocket Track at Stadium-Armory (D&G Junction)

Initiating Implementation

- Escalators (next phase)
- Power Rooms (e.g., stations and escalators)
- Future Bus Vehicles (next contract)
- Red Line Signal Modernization

Recurring Reinvestment Programs: Maintain, Sustain and Modernize the Metro System



- Annual ongoing, recurring, or cyclical investments to keep the system running for bus, paratransit, and rail service



Brookland-CUA Station Bus Shelter

Illustrative Program Examples

Ongoing Annual Investments

- Bus Scheduled Maintenance
- Railcar Scheduled Maintenance
- Network Fiber
- Fare Systems
- Digital and Static Signage
- Rail Maintenance Equipment (e.g., Flat Cars, Prime Movers)
- Bus Shelters
- Bridges and Structures
- Standpipes
- MetroAccess Vehicles
- Technology Hardware (e.g., Servers, Network Switches, Laptops)
- Bus Priority Technology

Capital Projects: Significant Investments in Existing System that Occur Once in a Generation



- Underway investments with defined scope, schedule and total project cost



Northern Bus Garage

Illustrative Project Examples

Defined Scope & Cost

- 8000-series Railcar (Base)
- Bus Vehicles (Current Contract)
- Northern Bus Garage
- Bladensburg Bus Garage
- Enterprise Resource Planning System
- Radio System
- Asset Management System
- Paratransit Scheduling System

Concept: Ideas, Future Needs, and Potential Investments

- Reinvestments in assets that have been identified in various models, strategies, and plans
- Investments to make the system more flexible and efficient
- No significant planning or development underway



Western Bus Garage

Illustrative Concept Examples

No Significant Planning Underway

Modernization for Flexible and Efficient Service

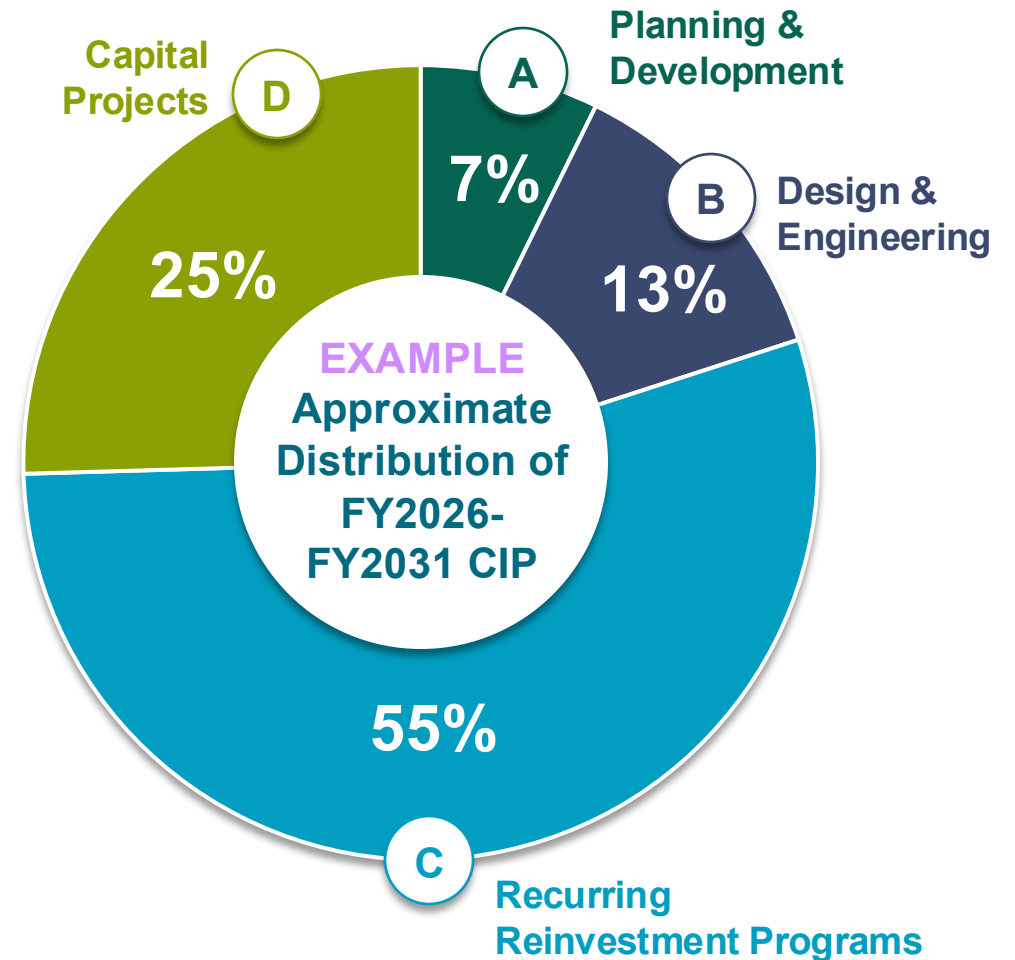
- Future Station Circulation and Capacity Improvements
- Railyard Modernization
- Future Bus Priority Corridors/Rapid Transit
- Future Pocket Tracks and Terminal Improvements

Future Lifecycle Replacement

- Rhode Island Avenue Platform Rehabilitation
- Additional Bus Garage Replacements (Western, Montgomery, Four Mile Run, etc.)
- Railcar Washes
- Parking Garages
- Traction Power Room Rehabilitation – Additional Locations

Balancing the Capital Program to Address Underfunded, Highest Priority Need

- Approved FY2026-FY2031 Capital Program is allocated to Phases A through D
- Without additional regional or federal investment, Metro is limited to the following actions:
 - Cancel or descope projects
 - Reduce the pace or spread-out recurring reinvestment programs
 - Defer initiatives in Planning & Development or Design & Engineering
- Absent those actions, capacity for new needs is substantially constrained
- Metro's highest priority reinvestment need is the signaling system



Primary Capital Program Inputs

Sources of Need

Strategic Transformation Plan

Asset Condition Data & State of Good Repair Needs Outlook

Enterprise Risks & Corrective Actions

Efficiency & Modernization Opportunities

Sources of Constraints

Implementation Readiness

Operational Impact, Track Access & Staff Availability

Funding Capacity

Goods & Services Supply Capacity

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

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



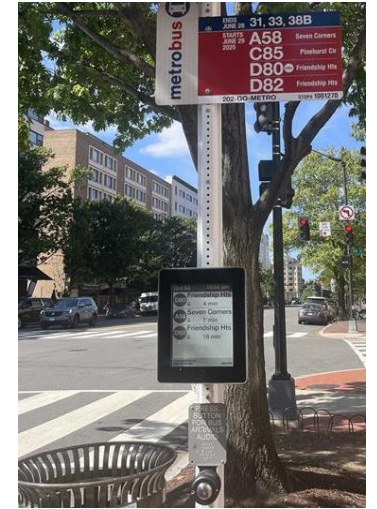
IT Infrastructure at Eisenhower Ave Office

*FY2025-FY2031

Modernizing through Capital Reinvestment

Reinvestments in infrastructure also improve the customer experience

- Customers want a safe, reliable, efficient public transit system
- Metro balances capital investment to:
 - Maintain or improve service delivery through infrastructure investment
 - Make transit the preferred regional travel option
- Metro considers customer experience improvements when completing significant reinvestment activities, e.g., Passenger Information Display Screens, ePaper:
 - Next Bus/Next Train arrivals
 - Service alerts
 - Safety announcements



Capital Program Investments in Security

Improving customer and transit worker safety

Bus Operator Shields

- Equips bus fleet with protective shields to protect bus operators from assault

Metro Integrated Command and Communications Center

- Integrates bus, rail, and security control centers to streamline bus, rail, maintenance, and security operations

Cameras

- Expands video monitoring capacity with over 30,000 cameras systemwide

Enterprise Video Enhancements

- Modernizes and expands video systems and monitoring capabilities to more efficiently search systemwide video cameras for suspects and suspicious activity

Faregate Enhancements

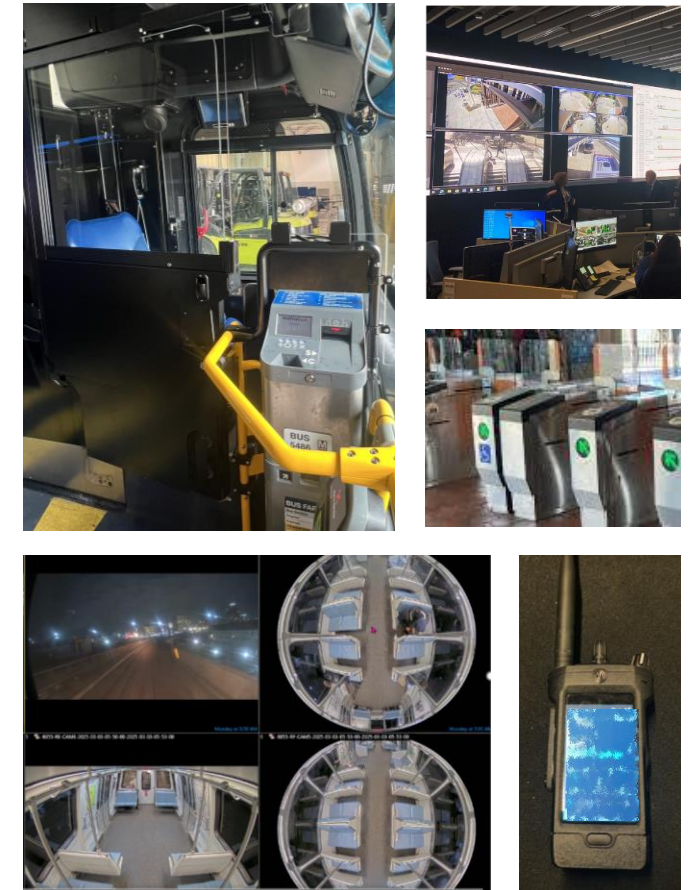
- Retrofits station faregates to improve physical security and deter fare evasion

Improved Station Entrance Gates

- Prevents trespassers from entering the system after hours

APX Next Radios for Metro Transit Police

- Enables the seamless transition to cellular if radio coverage is disrupted or dropped to provide communication continuity



Capital Program Communication Improvements

Improving Communication of Capital Investments Through New Quarterly Updates

CURRENT

PROGRAM PUBLICATION & QUARTERLY FINANCIAL REPORTING



- Comprehensive – full program
- Static snapshots of projects and programs
- Not designed to support policy discussion
- Limited clarity on project status

NEW PRODUCT

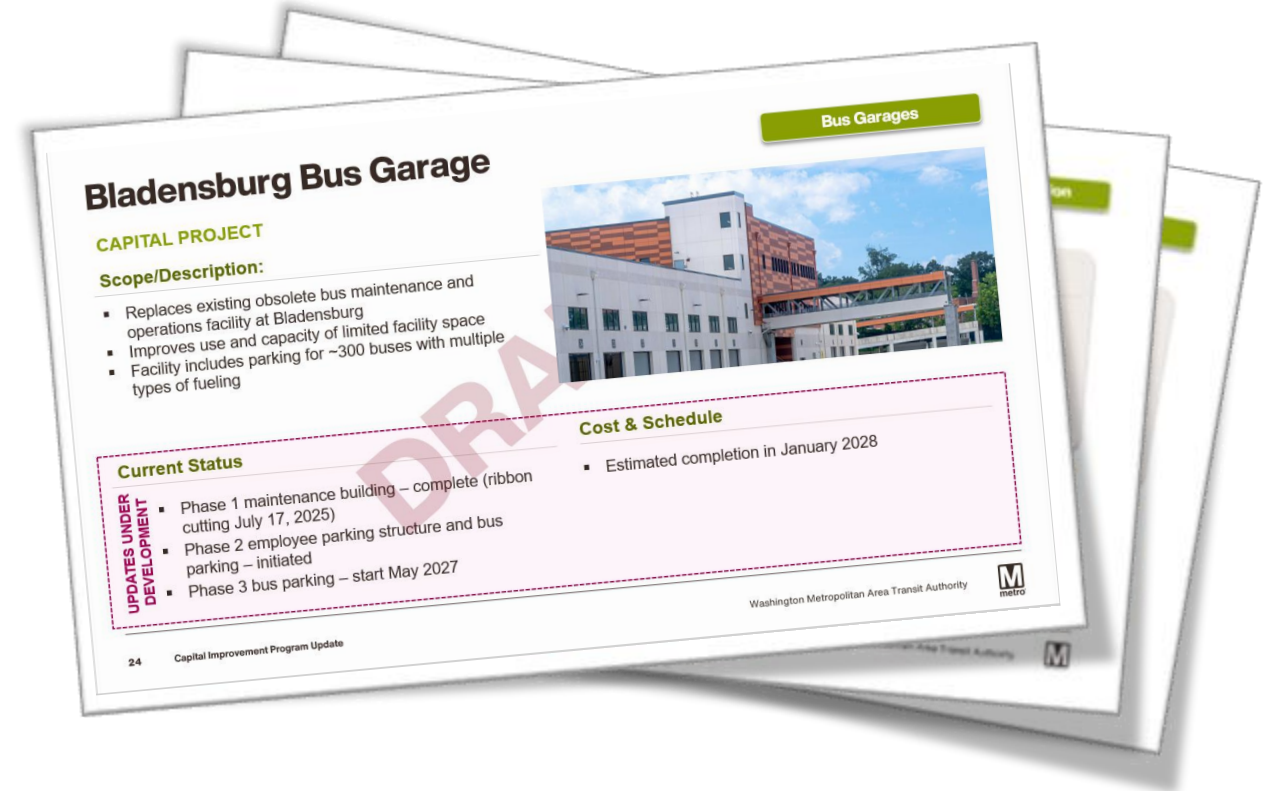
UPDATES ON KEY CAPITAL INVESTMENTS



- Overall program performance/status
- Review status of key investments on rotating basis
- Tailored to support Board-level discussion
- Preview major decisions
- Public Committee updates (with Executive Session discussions, as appropriate)

Quarterly Update: Key Capital Investments

- Potential key investments for Quarterly Update
 - 8000-series Railcars
 - Bus Vehicles
 - Bladensburg Bus Garage
 - Northern Bus Garage
 - Enterprise Resource Planning System
 - Radio System
 - Railcar Fleet Maintenance Facility
 - Metro Training Facility
 - Fare Systems
- First Quarterly Update anticipated in **Fall 2025**



FY2027-FY2036 Capital Program Preview

FY2027 Capital Program Financial Outlook

FY2027-FY2032 Funding Outlook

\$11.0B-\$11.2B

FY2025 FINANCIAL UPDATE

- Scope, schedule, and delivery setbacks due to market and systemic challenges, lower than budgeted operating preventive maintenance expenses, and targeted cost reduction efforts resulted in spending \$479M less in FY2025
 - ~50% needs to be restored to delayed projects
 - ~50% will be reinvested back into the Capital Program

FEDERAL GRANT OUTLOOK & DEDICATED FUNDING

- Assumes current federal grants are renewed and approved (PRIIA and Formula Grants) at similar levels
- As of FY2025, Metro has issued ~\$3 billion in bonds
- Capacity to issue debt runs out in the FY2027-FY2032 six-year timeframe (~FY2029)

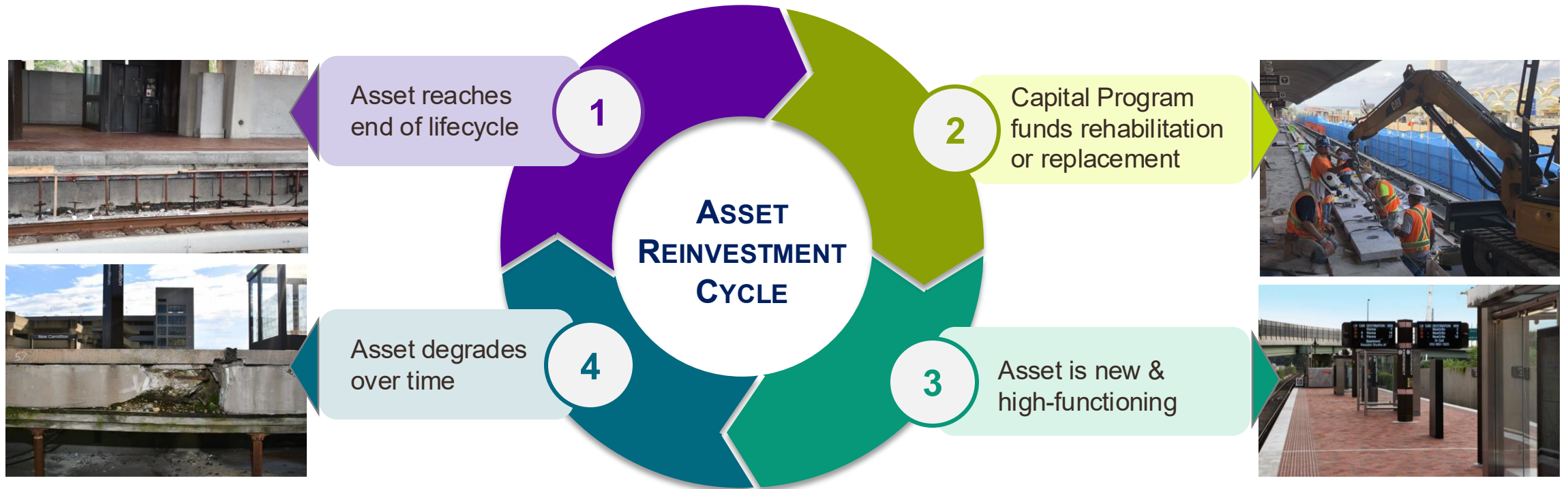
STATE AND LOCAL CONTRIBUTIONS

- Continued \$500M of dedicated funding
- Jurisdictional contributions include 3% growth in total per year for system performance

Recent Progress is at Risk

Providing excellent service requires ongoing maintenance of the system

- Metro will never be done reinvesting in the system and its assets – most of the Capital Program funds Recurring Reinvestment Programs
- Increased regional investment since 2018 allowed a surge in necessary repairs
- Progress and momentum is at risk



Uncertainty of Future Funding Threatens Reliability and Performance Gains

- Funding sources not indexed driving down buying power
- Decreasing dedicated funding and debt capacity will be reached

METRO MUST DEVELOP TWO CAPITAL PROGRAM SCENARIOS FOR CONSIDERATION:

1

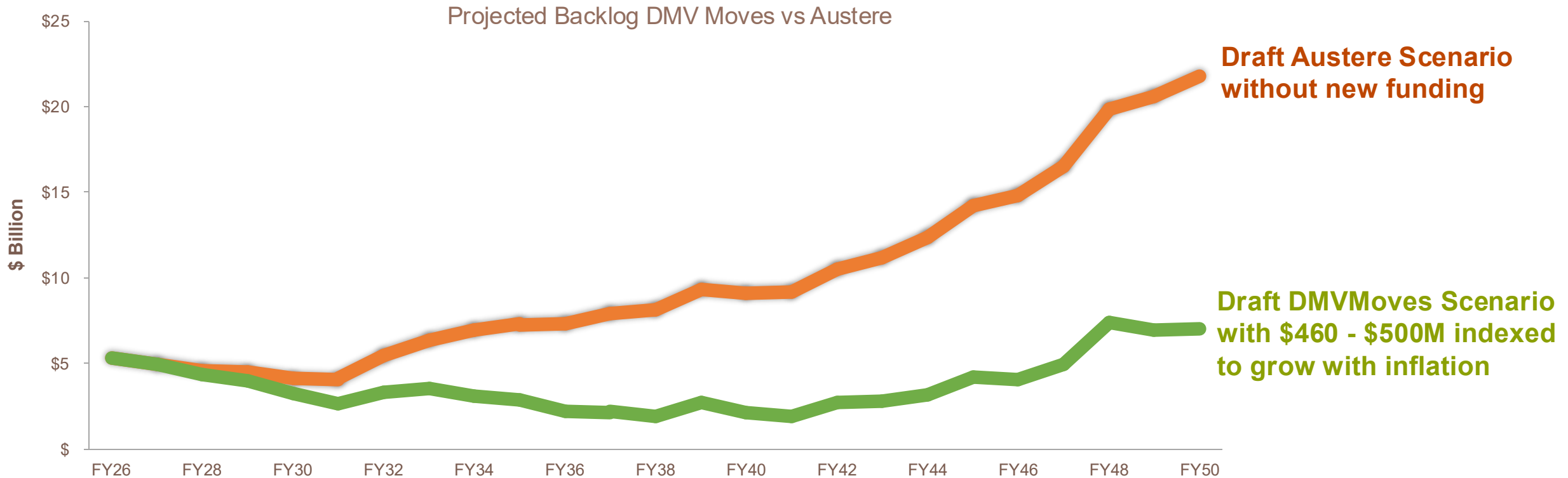
Assumes no additional funding
– Must prepare for an austere future

2

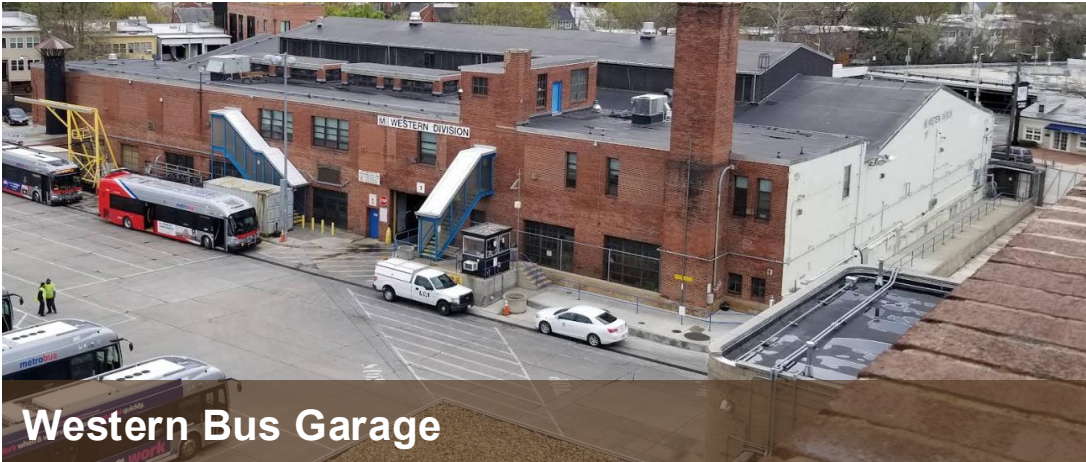
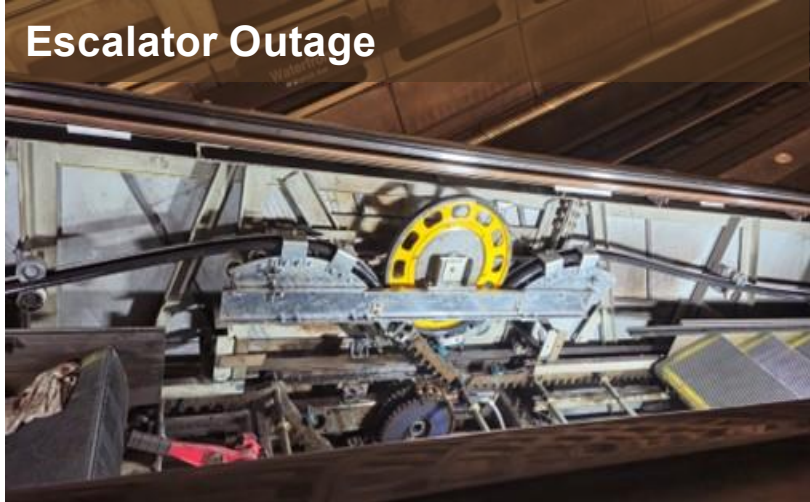
Assumes additional regional investment is received and more work can advance

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



The System Will Always Require Ongoing Investment



Upcoming Capital Program Strategic Topics

Upcoming Capital Program Strategic Topics

Concepts shaping the future Capital Program

▪ Rail Modernization and Automation Program

- An incremental investment strategy to replace existing legacy signaling system with a new signaling system to maximize value of existing asset, beginning with the Red Line

▪ Bus Priority Program

- Facilitate regional prioritization and investment in six high-value bus corridors to improve network performance

▪ Regional Core Connections Program

- A three-part strategy addressing core system capacity constraints comprising rail modernization and automation, Crosstown Bus Rapid Transit corridor, and key station capacity improvements



Rail Modernization is the Path to World Class Transit

Investment in modern, automated systems can transform the way Metro operates

Metro has a unique opportunity to align needed investments in our major systems (railcars and signals) by upgrading our capabilities with next-generation technology.

Automation's benefits can transform Metro's operations

1. **Safer operations:** reduce staff on roadway, keep trespassers off tracks, reduce track fires
2. **Reliability:** increase service reliability up to 99% with precision operation and dynamic adjustments, less physical infrastructure to maintain
3. **Increase capacity:** faster trips and more trains running per hour
4. **Efficiency:** more productive service with the same assets and lower operating costs; growing ridership and revenue

Metro is mobilizing to pursue federal funding opportunities, including Core Capacity grants and low interest financing.

Program Elements

Signals



Fleet



Stations/Platforms

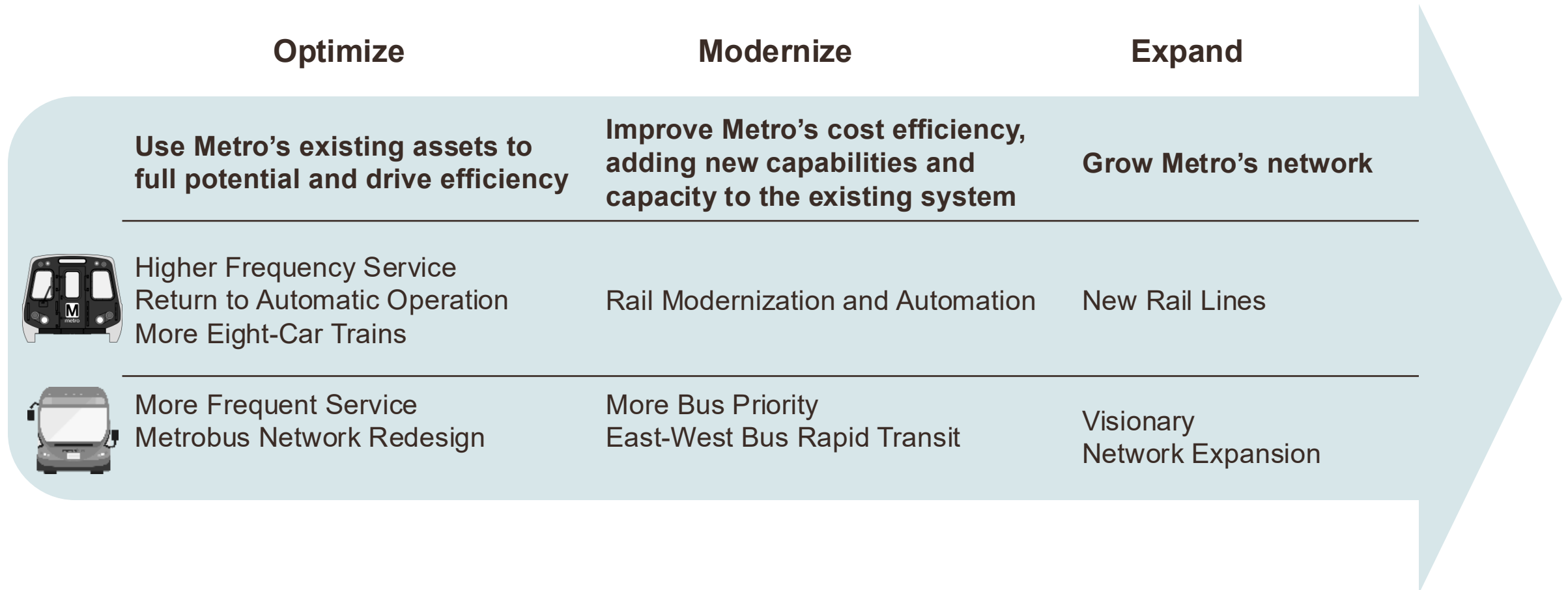


Operations



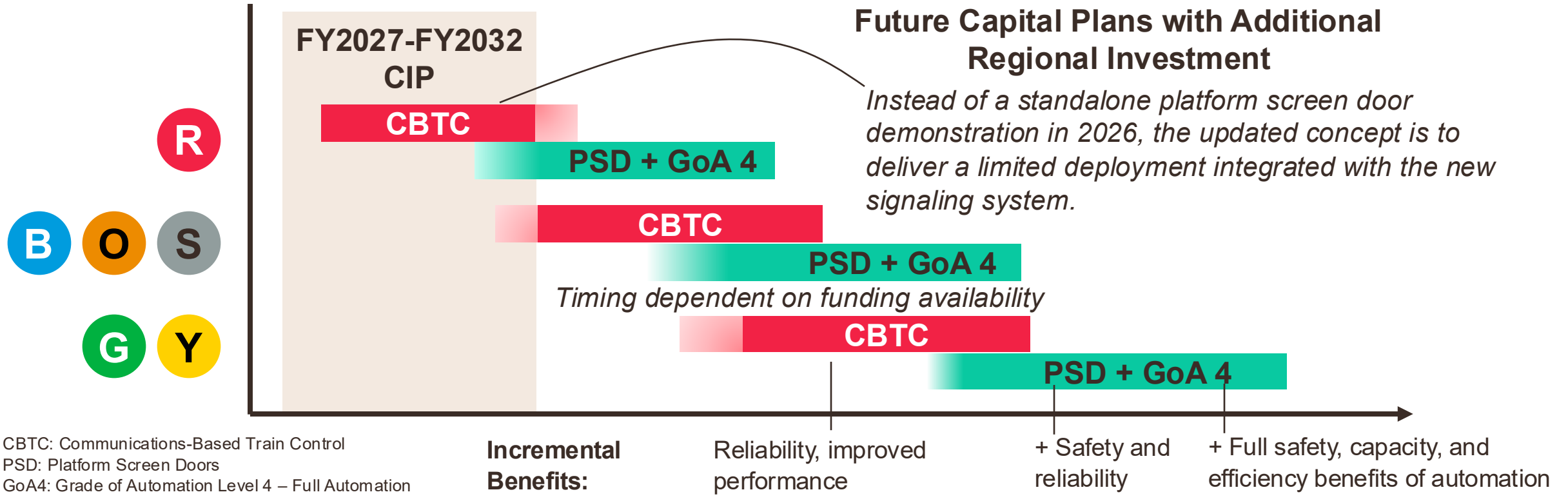
Modernization Strategy

Maximize the use of Metro's existing assets and add new capabilities via modernization



Concept: Incremental Investment in Rail Modernization

Metro is considering options focused on implementing CBTC, beginning with the Red Line. CBTC addresses the critical need to modernize signals, delivers service benefits, and is a building block to full automation. Draft: Under Development for Program Plan in Nov. 2025



Replacing Metro's Signal System is a Systemwide Need

Planning to start with incremental investment in the Red Line; it has the oldest and most self-contained infrastructure footprint

R Red Line

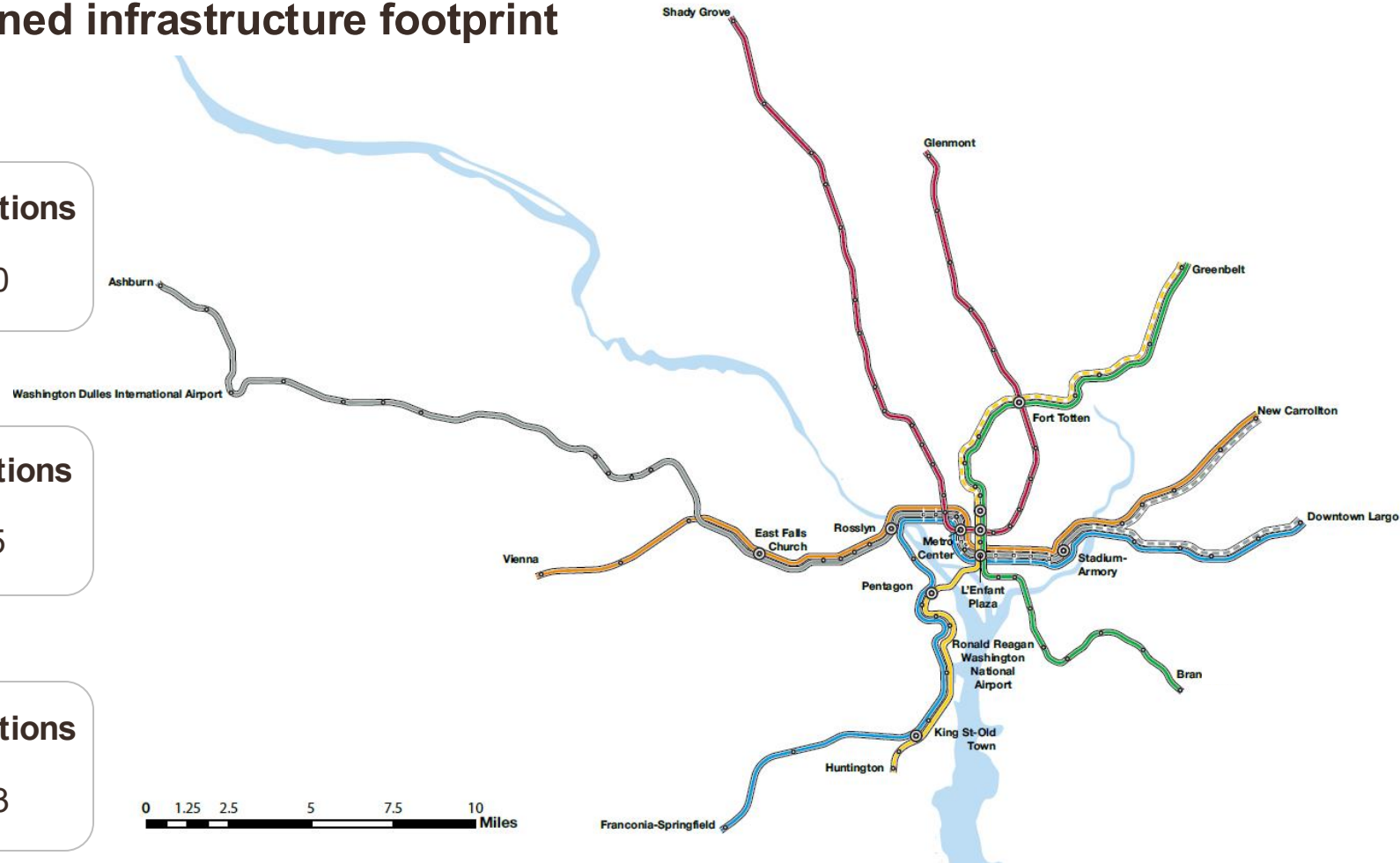
Route Miles	Stations	Avg. Age	Yards	Junctions
32	27	43	3	0

B O S Blue, Orange, and Silver Lines

Route Miles	Stations	Avg. Age	Yards	Junctions
58	43	35	3.5	5

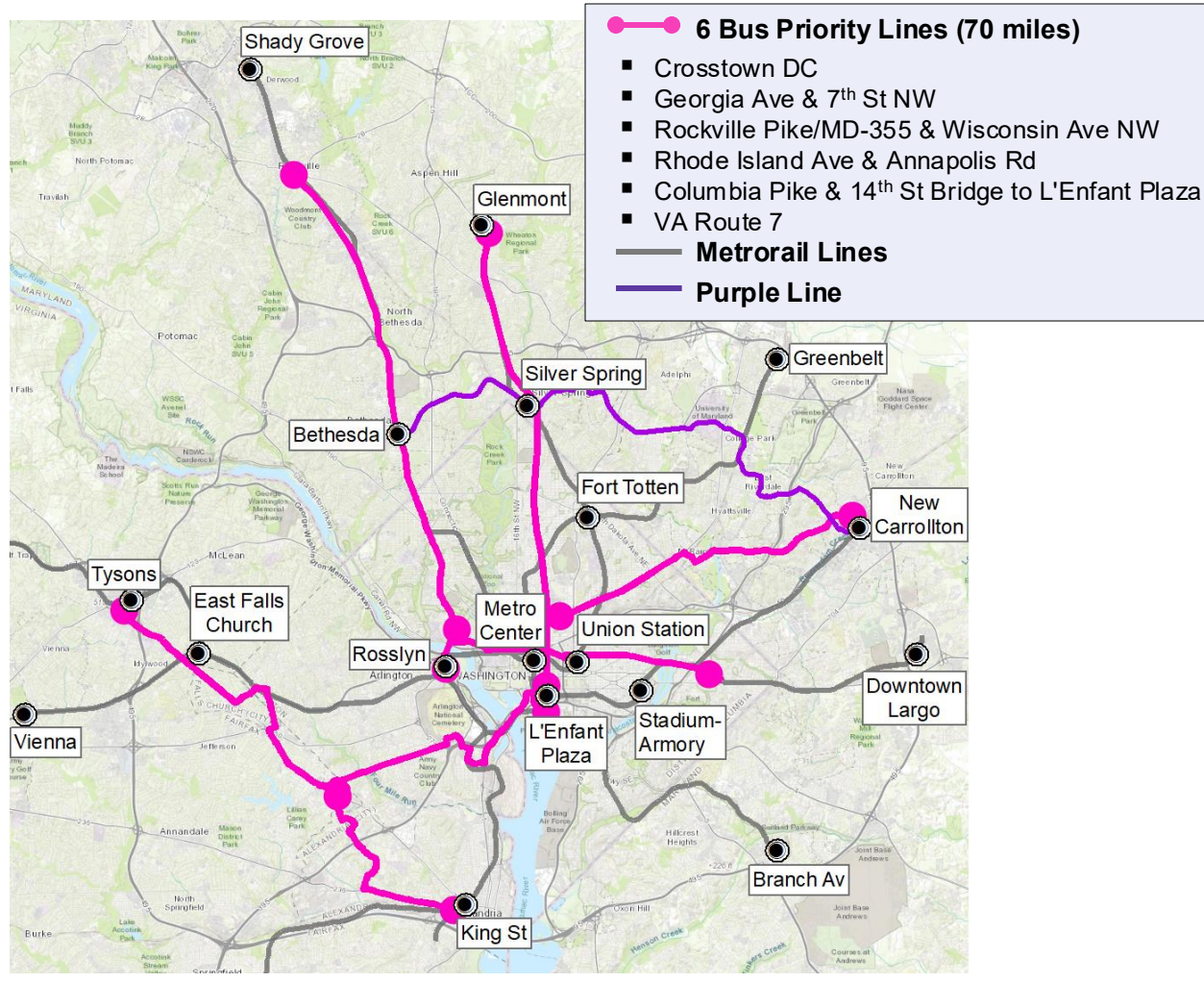
G Y Green and Yellow Lines

Route Miles	Stations	Avg. Age	Yards	Junctions
38	32	34	2.5	3



Regional Priority Bus Rapid Transit Network

Investment by local jurisdictions and Metro to deliver six high-value projects in six to eight years



Why these corridors:

- Selected based on shared metrics and local priorities, and potential for high return on investment
- Unified approach across borders benefits commuter bus and multiple operators

Why this matters:

- These corridors carry about 3.6M customers per month
- Average bus speeds are slow (6.8 mph to 9.6 mph)
- Faster buses reduce travel time and grow ridership, drive down the unit cost of bus service, and support economic growth

Requires Partnership:

- Investments in bus priority infrastructure, technology, fleet, and facilities by Metro and jurisdictions

Regional East-West BRT:

- Supports BOS capacity and resiliency

Regional Core Connections Program

Revised Blue/Orange/Silver Corridor Approach

Study Purpose and Scope

Find a solution for the capacity constraints and reliability challenges created by Blue/Orange/Silver lines sharing track through the center of the system



High cost of Blue Line loop concept (\$30 - \$35B) and funding constraints requires a less costly alternative that delivers benefits faster

New Build Rail Line



\$800M - \$1B per mile

Automation Retrofit



\$40M - \$50M per mile

Bus Rapid Transit



\$35M - \$40M per mile

Potential Approach: Regional Core Connections Program

Regional Core Connections Program will improve capacity, reliability, safety, and cost-efficiency systemwide and address Blue/Orange/Silver corridor needs

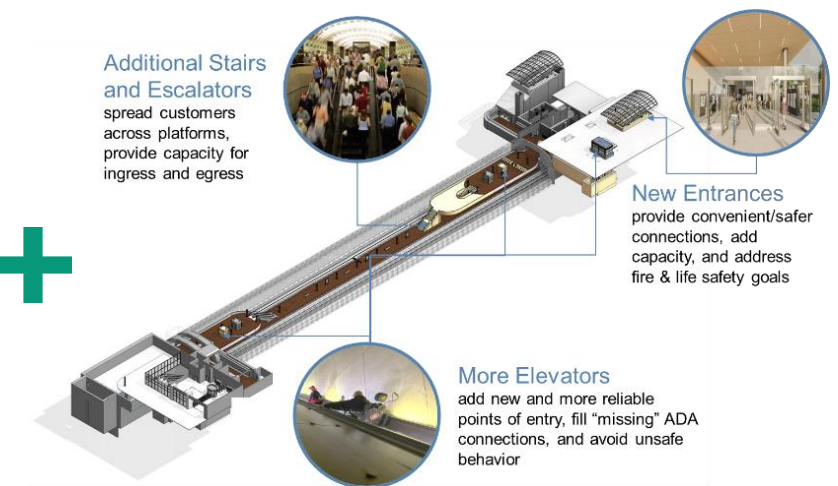
Rail Modernization and Automation



Regional East-West Bus Rapid Transit



Station Access and Capacity



- Systemwide Rail Modernization/Automation
- Regional East West Bus Rapid Transit – Rosslyn ↔ Benning Road

- Farragut Crossing Connection
- Foggy Bottom Second Entrance
- Metro Center-Gallery Place Connection

Next Steps

Continue to develop capital program, advance program planning and development on major strategic programs and return for further discussion with the Board

- November 2025 – FY2027 Operating Budget, FY2027-FY2032 Capital Program Update, and Rail Modernization Program Plan
- December 2025 – Regional Core Connections Program
- December 2025 – GM & CEO FY2027 Proposed Budget, FY2027-FY2032 Capital Improvement Program, and Authorization for Public Hearing



Strategic Topics for Discussion

Metro's future progress will be shaped by capital investment strategy

- **Rail Modernization and Automation Program**
 - Phased, system-wide concept for CBTC and platform screen doors – Red Line, Blue/Orange/Silver Lines, then Green/Yellow Lines
- **Bus Priority Program**
 - Working with partners to facilitate jurisdictional investment in bus priority corridors
- **Regional Core Connections Program**
 - Three-pronged approach to address capacity constraints in the regional core – rail modernization, east-west bus rapid transit, station access and capacity