

infrastructure and associated operating expenses. At the time the budget was adopted, Council directed staff to work with the Transportation Commission to develop priorities for reprogramming the TIP balance. In the intervening period, WMATA, the Maryland Department of Transportation, Prince George's County and Fairfax County approached the City with the possibility to pilot a Metrobus connection between National Harbor and Alexandria. The current proposal, with details outlined below, would run from October 2016 through June 2017 and would provide service in time for the expected November 2016 opening of the \$1.3 billion MGM National Harbor.

The proposed reprogramming of the TIP balance was discussed by the Transportation Commission at its June meeting. A letter from the Transportation Commission in support of programming this balance for the NH2 service is provided in Attachment 1. In addition, at its June meeting, the WMATA Finance Subcommittee unanimously approved the pilot proposal. The WMATA Board will consider approval of the pilot service at its July 2016 meeting.

DISCUSSION: The proposed NH2 service would operate seven days a week from 6:00 am to 1:00 am. Buses would run in each direction every 30 minutes, connecting Huntington and King Street Metro stations in Virginia with the Oxon Hill Park-and-Ride, MGM National Harbor, and downtown National Harbor in Maryland. The service will require three buses, which will be provided by WMATA, with an estimated initial annual ridership of 230,000.

The route would be the first transit connection across the new Woodrow Wilson Bridge between Alexandria and Prince George's County. Metrobus operated a route across the Woodrow Wilson Bridge in the late 1990s, before extensive development in Prince George's County took place. However, the route was discontinued after several years due to low ridership and the need to reduce expenses.

Since 2008, National Harbor has been served by the NH1 line which connects with the Southern Avenue Metro Station. A connection between the King Street or Eisenhower Avenue stations in Alexandria and the Huntington Station in Fairfax County would provide access to approximately 11,500 jobs in Prince George's County. MGM will add an estimated 3,600 jobs to 7,000 existing jobs at National Harbor and 900 jobs at Tanger Outlets, which opened in 2013. Approximately 2,000 residents live at National Harbor. A WMATA Service evaluation study for the Oxon Hill Area confirmed the need for bus service across the Woodrow Wilson Bridge.

In addition to employment access, the service is expected to have benefits for visitors. Projected visitation to MGM National Harbor is 9 million annually, which is double National Harbor's current visitation and 2.5 times Alexandria's current visitor volume. The City's MGM Readiness Task Force, which reported to City Council in March 2016, considered a public transit connection between King Street and National Harbor as a potential project. However, it was not recommended in the initial package of projects presented to Council due to funding uncertainty. The nine-month pilot program will allow Metro to evaluate ridership demand, conduct customer surveys and complete a Federal Transit Administration (FTA) required Title VI equity analysis. If the route is successful and the WMATA Board approves permanent adoption of the service, the NH2 could be considered as a regular regional route in the WMATA and City FY 2018 budget.

The total projected annual operating cost of the service is approximately \$3 million and will require an operating subsidy of \$2.8 million. Expected farebox revenues from the service cover the difference between the operating cost and subsidy required. The National Harbor developer, Peterson Group, has committed to contribute \$500,000 annually to offset the operating costs.

The service will overlap with the planned King Street Metrorail Station Area Improvements CIP project, which may require future service adjustments. However, City staff will work closely with WMATA to provide

ongoing, comprehensive service updates to riders, employers, and businesses.

FISCAL IMPACT: In FY 2017, the City investment in the nine-month pilot project is proposed at \$566,000. If the service is carried forward starting in FY 2018, the cost of the service will be incorporated into the City's annual operating subsidy to WMATA. While the subsidy amount would be subject to the WMATA formula for operating regional bus routes and may be adjusted according to results of the pilot program, if established as a regional route, initial estimates for the City's annual contribution is approximately \$736,000.

ATTACHMENTS:

Attachment 1: Letter from the Transportation Commission to City Council

Attachment 2: Presentation

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