



Legislation Details (With Text)

File #: 23-0843 **Name:** Second amendment to the amended and restated agreement between the Washington Metropolitan Area Transit Authority and the City of Alexandria for the funding of the Potomac Yard Station Project

Type: Other **Status:** Agenda Ready

File created: 2/22/2023 **In control:** City Council Legislative Meeting

On agenda: 6/13/2023 **Final action:**

Title: Consideration of Modifications to the Washington Metropolitan Area Transit Authority Funding Agreement for the Potomac Yard Metrorail Station.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 23-0843 Attachment 1 Second Amendment to the Potomac Yard June 20 2018 Agreement Execution Version 05222023, 2. 23-0843 Attachment 2 Amended and Restated Agreement between WMATA and the City for the Funding of the PY Station Project, 3. 23-0843 Attachment 3 First Amendment to the Amended and Restated Agreement Between WMATA and the City for the Funding of the PY Metro Station Project

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2023

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: TERRY SUEHR, DIRECTOR, PROJECT IMPLEMENTATION

DOCKET TITLE:

Consideration of Modifications to the Washington Metropolitan Area Transit Authority Funding Agreement for the Potomac Yard Metrorail Station.

ISSUE: Consideration of modifications to the Amended and Restated Agreement Between the Washington Metropolitan Area Transit Authority (WMATA) and the City of Alexandria, Virginia, for the Funding of the Potomac Yard Station Project (Funding Agreement) to add \$10 million in funding for the Potomac Yard Metrorail Station.

RECOMMENDATION: That City Council approve a second amendment to modify the WMATA Funding Agreement (Attachment 1) to reflect the addition of \$10 million in funding from the Potomac Yard fund balance and authorize the City Manager to enter into an amendment to the Funding Agreement that reflects this change and is in general conformance with the remaining terms and conditions of the executed Funding Agreement attached.

BACKGROUND: On May 2, 2023, the City received notice from WMATA that the project budget is insufficient to complete the project. WMATA's current cost accounting and forecast indicate a \$10,000,000 shortfall, resulting from unanticipated increases in technical oversight, project duration, project management, and scope. This request for additional funding does not cover any current or future litigation or claims associated with the project. Potential additional costs include the ongoing litigation associated with the installed escalators, the delay claim notice from the contractor, or other claims not yet filed. WMATA has denied these claims, but they are subject to litigation. The Amended and Restated Agreement between Washington Metropolitan Area Transit Authority and the City of Alexandria, Virginia for the Funding of the Potomac Yard Station Project is included as Attachment 2 and the First Amendment to the Amended and Restated Agreement Between the Washington Metropolitan Area Transit Authority and the City of Alexandria, Virginia for the Funding of the Potomac Yard Station Project is included as Attachment 3.

DISCUSSION: Staff performed an analysis to reconcile WMATA's budget and forecast and concur with the cost projections. Additional construction costs include the stone retaining wall (NPS requirement), required change to Davis-Bacon wage rates, Automatic Train Control (ATC) criteria change, and other changes to design requirements or field conditions. Soft costs for WMATA project management, oversight, and technical review were contributors to the budget overruns as well. Some of this can be attributed to the extended project duration. Other costs are attributable to complexities not anticipated in the original budget. To support full evaluation, staff have engaged a construction accounting consultant to provide an in-depth review of the WMATA costs associated with this project. Costs will be reconciled including potential reimbursement of City dollars at the completion of this review to ensure all costs paid by the City were within the project scope.

WMATA has stated that project expenditures are expected to exceed the current project budget on or about June 30, 2023. WMATA will submit a project budget increase request to their Board on June 22, 2023. Once approved, the Funding Agreement revisions will be finalized.

The Station opened to revenue service on May 19, 2023. The focus of the contractor has now shifted to restoring community and City amenities impacted to facilitate construction, project punch list items, and restoration of the wetlands this fall (wetland planting season is November to March). Overall project completion is anticipated for winter 2023 to 2024.

Staff will continue to keep City Council and the community updated on the remaining construction elements and restoration progress as the project proceeds to completion.

FISCAL IMPACT: By amending the WMATA Funding Agreement for the funding of the Potomac Yard Metro Station project, City Council is authorizing the WMATA project budget to increase from \$340 million to \$350 million. The \$10 million in additional funding will be made available from the Potomac Yard fund balance that has been generated from special tax district revenues and was established to support the construction and operation of the new Metrorail station.

ATTACHMENTS:

1. Second Amendment to the Potomac Yard June 20, 2018 Agreement
2. Amended and Restated Agreement Between the Washington Metropolitan Area Transit Authority and the City of Alexandria, Virginia for the Funding of the Potomac Yard Station Project
3. First Amendment to the Amended and Restated Agreement Between the Washington Metropolitan Area Transit Authority and the City of Alexandria, Virginia for the Funding of the Potomac Yard Station Project

STAFF:

Emily A. Baker, Deputy City Manager

Tarrence Moorer, Interim Director, Department of Transportation and Environmental Services

Daphne Kott, Project Director, Department of Project Implementation