



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** DECEMBER 2, 2015

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

Authorization for the City Manager to Sign a Net Benefits Agreement Regarding the Potomac Yard Metrorail Station between the National Park Service and the City of Alexandria.

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**ISSUE:** Authorization for the City Manager to Sign the Net Benefits Agreement Regarding Potomac Yard Metrorail Station between the National Park Service and the City of Alexandria.

**RECOMMENDATION:** That City Council:

- (1) Authorize the City Manager to sign the proposed Agreement (attached) Regarding Potomac Yard Metrorail Station between the National Park Service (NPS) and the City of Alexandria, also commonly referred to as the “Net Benefits Agreement”.

**BACKGROUND:** On May 20, 2015, the City Council selected Alternative B as the locally preferred alternative for the purposes of fulfilling the City’s obligation under the Environmental Impact Statement (EIS) process through the National Environmental Policy Act (NEPA) for construction of the proposed Potomac Yard Metrorail Station. At that time, City Council also adopted a proposed mitigation framework in regard to the NPS-administered George Washington Memorial Parkway (GWMP) and authorized the City Manager to negotiate a Net Benefits Agreement with NPS consistent with that mitigation framework, subject to City Council approval.

**DISCUSSION:** The Final EIS will evaluate Alternative B as the preferred alternative for the Potomac Yard Metrorail Station. Alternative B will require the permanent use of approximately 0.16 acres and the temporary use of 0.55 acres of NPS-administered land from the GWMP, and has impacts to park natural and cultural resources. It also will require the permanent use of approximately 1.71 acres and temporary use of 3.09 acres of the Greens Scenic Area Easement, which covers property owned by the City of Alexandria but which is administered by NPS through a scenic easement.

The purpose of the Net Benefits Agreement is to document mitigation measures and a series of enhancements to be implemented in order to minimize impacts to the GWMP as a result of the Metrorail station and to incorporate measures into the project so that the project would have a “net-benefit” to the GWMP. A “net benefit” is achieved when the transportation use, the measures to minimize harm, and the mitigation incorporated into the project are found to result in an overall enhancement of the property when compared to a No Build alternative.

The Net Benefits Agreement includes (but is not limited to) the following elements:

- Exchange of approximately 7,000 square feet of GWMP property and 1.71 acres of the Greens Scenic Area Easement for full ownership by the United States of most of the remaining parkland covered by this easement (approximately 13.56 acres). The exact amount of land to be exchanged will be determined through further design of the station and the completion of the Final EIS.
- \$12 million to be deposited in the NPS Impact Fund Account, which was established between the NPS and The Conservation Fund ( a Virginia-based national non-profit organization that works closely with NPS), to fund appropriate mitigation projects to minimize or offset Metrorail station impacts within the GWMP. Projects include stormwater improvements, development of and at least partial funding for a master plan for Daingerfield Island, repairs and improvements to the Mount Vernon Trail, and plans and studies to address planning needs of the south section of the GWMP;
- Limitations on the height and other restrictions (on items such as materials, signage, and lighting) on portions of North Potomac Yard adjacent to the GWMP;
- Design of the station and landscape, including planting, plant selection, and berms, to mitigate the visual impact of the station on the GWMP; and
- NPS participation in the design process for the station.

These elements will minimize and mitigate the impacts to the GWMP from the Metrorail station, and will result in lasting benefits to GWMP users and City of Alexandria residents. The Net Benefits Agreements does not cover wetlands restoration and mitigation, which will be required under Section 404 of the Clean Water Act. There may also be additional mitigation required for impacts to the GWMP as part of the process to satisfy Section 106 of the National Historic Preservation Act.

**FISCAL IMPACT:** The financing plan for the Potomac Yard Metrorail Station entails a self-financing plan that will not require the use of current General Fund revenues. The bulk of the capital costs is contemplated to be paid for using new Potomac Yard-generated tax revenues and developer contributions. The City has established the Potomac Yard Metrorail Station Fund, the proceeds of which are to be used solely for the design, construction, and financing of the station and are segregated from other City revenues. The Station Fund will receive revenue from net new tax revenues from Potomac Yard, two special tax districts, and developer contributions. The plan also assumes \$69.5 million in Northern Virginia Transportation Authority (NVT A)-granted 70% funds, with the majority of that funding requested for FY 2017. The City has also been awarded a \$50 million loan from the Virginia Transportation Infrastructure Bank (VTIB). The 30-year loan

locks in an interest rate of 2.17%.

The cost estimate for the Potomac Yard Metrorail Station includes a contingency of over \$30 million, which is intended to cover expenses unknown at the time of the estimate, including the cost of the Net Benefit Agreement. The \$12 million to be deposited in the NPS Impact Fund Account will be covered by this contingency.

**ATTACHMENTS:**

Attachment 1: Agreement Regarding Potomac Yard Metrorail Station between the National Park Service and the City of Alexandria

**STAFF:**

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