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Attachments:	1. Attachment 1_DSUP Ramp Exhibit, 2. Attachment 2_Southwest Access Ideas, 3. Attachment 3_PYMIG Council memo_Final signed, 4. Attachment 4_Presentation Southwest		

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

MEMORANDUM

DATE: JUNE 19, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

Consideration of Potomac Yard Metrorail Station Southwest Access Options.

ISSUE: Consideration of next steps in evaluating southwest access options for the Potomac Yard Metrorail Station project.

RECOMMENDATION: That City Council:

- 1) Receive staff's recommendation to further advance the design of a Modified Idea #1, including elimination of the escalator in the southwest pavilion;
- 2) Hold a public hearing on the recommendation on June 22, 2019; and
- 3) At its Legislative Meeting on June 25, 2019, direct the City Manager to request that WMATA direct its

contractors (Potomac Yard Constructors) to further advance the design of a Modified Idea #1 and continue to develop pricing for the ramp option included in the December 2018 approved DSUP.

BACKGROUND: On December 15, 2018, City Council approved an amended DSUP for the Potomac Yard Metrorail Station project. This amendment reduced the scope of the station by removing the south station entrance to keep the project at an affordable level. The amended DSUP also added a ramp from the north entrance toward E. Glebe Road to provide enhanced access to the station for riders entering from the southwest. A plan view of this ramp is included in Attachment 1.

In November of 2018, the Commonwealth of Virginia indicated they would provide \$50 million in funding available for enhancing access to the Station from the southwest in the State's Amazon HQ2 incentive package. Following this announcement, City and WMATA staff developed three ideas for providing enhanced access to the station from the southwest, in consultation with the Potomac Yard Metrorail Station Implementation Work Group (PYMIG). Images of the three ideas are included in Attachment 2.

Following the development of these ideas, WMATA directed its design/build contractor, Potomac Yard Constructors (PYC), to further develop the concepts so that preliminary pricing could be provided to determine which, if any, of these ideas could be constructed within the additional \$50 million available. PYC has recently submitted preliminary pricing of these three ideas to WMATA.

DISCUSSION:

I. Enhanced Southwest Access Cost Estimates

The pricing information provided by the contractor is preliminary and not intended to represent final costs. While the contractor did advance the design enough to provide pricing information, there are still unknowns that will have to be resolved before contract change order level prices can be provided. If the City chooses to proceed with one of the concepts, WMATA would then negotiate the change order contract cost with the contractor. The potential impact on the construction schedule, if any, would be part of the negotiations and would be settled before a notice to proceed date could be determined.

The numbers below are estimated budget increases for each of the ideas based on the preliminary price information provided to WMATA. These budget numbers include allowances for items not included in the preliminary pricing, construction contingencies, and project management/administration costs.

Alternative Concept (\$ in millions)	Total Estimated Budget Increase
Idea #1 (South Access Pavilion with Bridge to North Entrance)	\$75 m
Idea #2 (E. Glebe Ramp with Moving Walkway to North Entrance)	\$90 m
Idea #3 (Southwest Access Pavilion with Small Mezzanine)	\$100 m

While staff had expected the pricing for Idea #3 could exceed the available funding, it now appears that each of these concepts is considerably higher than the \$50 million in State funding that is available to construct this enhanced access to the Station. The State has indicated that \$50 million is the maximum amount available.

The amended DSUP that was approved by City Council in December 2018 included a pedestrian ramp from the north entrance extending down and to the south, landing at E. Glebe Road (as shown in Attachment 1). At the time of the DSUP approval, WMATA did not have a formal price from the contractor for this ramp but

estimated the cost to be about \$15 million. This estimate was provided before any engineering was performed on this ramp. The intention was that this additional cost would be covered by the overall project construction contingency. For purposes of comparison, WMATA has developed an estimate for this ramp using similar price information provided for the alternatives listed above. Based on these same pricing parameters, the estimated additional budget required for this ramp is \$25 million.

II. Enhanced Southwest Entrance Schedule Impacts

The contractor has not yet provided any specific information related to schedule changes associated with these enhanced access ideas, because the timing of notification of any change order is unknown. However, WMATA has indicated that Idea #3 could delay the project by as much as 8 to 12 months. WMATA has indicated that Ideas #1 and #2 should not have a significant delay and may allow for the operational opening of the station (from the north entrance), even if the enhanced south access point was not yet completed.

III. Cost Implications

With the cost estimates of the three Potomac Yard Metrorail station southwest enhanced access ideas being priced at \$75 million, \$90 million and \$100 million, respectively, and with only \$50 million available from the Commonwealth of Virginia, this results in a significant net increase in costs to the City of \$25 million, \$40 million, or \$50 million in added construction costs. If the City chose to proceed with one of these three ideas, these additional costs would need to be borrowed. To understand the full financial implications of this additional debt, the City calculated the interest costs from long term borrowing of these additional costs. This then increases the net long-term costs to the City for these three ideas to \$49 million, \$78 million or \$98 million in added debt service. The financial and schedule impacts of the three ideas as well as the ramp included in the approved DSUP are summarized in the following table.

These additional borrowing costs are material increases which neither the project budget nor the City budget can absorb. If these additional costs were added to the project budget, the net effect would be borne by the City's General Fund and therefore crowd out other City capital investments or funding of programs and services. In effect, this could result in a project with neighborhood/localized benefits crowding out projects with citywide benefits. For example, if City capital projects had to be reduced, that could negatively impact planned investments in schools, parks, transit, or other transportation improvements. On the operating side, for example, funding for education, public safety, human services, or parks and recreation could be negatively impacted by higher debt service costs for added southwest access project costs. In addition, these net debt service costs to the City would add to the City's already increasing debt burdens, at a time when overall substantial construction market price inflation will likely result in materially increased costs of priority capital projects already planned for the City government and the Alexandria City Public Schools.

IV. Modified Idea #1

While all of the estimated costs for the additional enhanced access ideas significantly exceed the available funding, staff believes that the cost of Idea #1 may be able to be reduced through value engineering and further design refinement. Specifically, the entry pavilion at Glebe Road in this option includes an escalator in addition to the elevators and stairs. In contrast, the entry pavilion for Idea #3 included stairs and elevators only. If the escalator were removed from Idea #1, considerable savings would occur. In addition, further refinement of the design could eliminate some of the remaining unknowns and lower the cost estimate and allowances. It is possible that these refinements might bring this option close to or within the \$50 million State funding available, as well as reduce the potential that this option would impact the construction schedule.

V. Community Outreach

On May 31, 2019, staff provided a memo to PYMIG outlining this pricing information and recommending that the City request WMATA to direct PYC to further advance the design of Idea #1, reflecting elimination of the escalator in the pavilion, and work with staff to evaluate whether the cost for this alternative can be reduced to be close to or within the \$50 million of State funding available. In addition to sending the memo directly to PYMIG, a City-wide eNews was sent out with a link to the memo posted on the City's website.

Staff attended a meeting of the Potomac Yard Civic Association on June 3 to discuss the memo and recommendation and answer community questions. The Potomac Yard Civic Association has expressed support for the staff recommendation to further advance the Modified Idea #1.

Staff also attended a meeting of the Chamber of Commerce Government Relations Committee on June 4. The discussion debate by committee members focused on Modified Idea #1, and whether or not the choice should be escalators or stairs.

PYMIG held a meeting on June 10, during which staff presented the pricing information and received feedback from PYMIG and community members in attendance. Several PYMIG members questioned whether a Modified Idea #1 with stairs and an escalator provided a significant improvement over the ramp option included in the DSUP, as it did not result in any significant travel time savings. These members also asked if additional enhancements could be applied to the ramp option with the additional State funding available. Some expressed doubts that the Modified Idea #1 exercise would result in enough savings to make this option affordable. Others expressed that the addition of an elevator was an improvement for disabled users and provided more of a sense of entering the Metrorail system. After much discussion by PYMIG members and the meeting attendees, PYMIG supported the staff recommendation that the City direct WMATA to advance the Modified Idea #1 while at the same time advancing the design of the ramp in the DSUP so that a more fully developed cost could be provided by the contractor. With this approach, staff will be able to present refined pricing for both options to PYMIG in the fall for further consideration.

VI. Next Steps

Staff is recommending that the City request WMATA to direct PYC to further advance the design of Idea #1, reflecting elimination of the escalator in the pavilion, and work with staff to evaluate whether the cost for this alternative can be reduced to be close to or within the \$50 million of State funding available, and without delay to the scheduled station opening. At the same time, WMATA should direct PYC to develop pricing for the ramp included in the DSUP so that a real comparison of costs can occur. Staff will consider additional enhancements to the southwest access that can be added to the ramp option with the available additional State funding.

WMATA has indicated that PYC would require two to three months to further advance the engineering necessary and provide updated pricing information. Staff will work with WMATA and PYC to bring this information back to PYMIG in September and then to City Council for a decision.

FISCAL IMPACT: By directing PYC to further advance the design of Modified Idea #1, WMATA will add a nominal cost to the project to pay for PYC's time and effort for the engineering and pricing activities. These costs are not significant in comparison to the change order costs once an option is selected and WMATA moves forward with modifying PYC's contract. In addition, the engineering work done at this stage will support the future work if the City decides to move forward with Modified Idea #1.

ATTACHMENTS:

Attachment 1: DSUP Ramp Exhibit

Attachment 2: Southwest Access Ideas

Attachment 3: PYMIG Letter to City Council

Attachment 4: Presentation

STAFF:

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