



Legislation Details (With Text)

File #: 20-0816 **Name:**

Type: Resolution **Status:** Agenda Ready

File created: 4/13/2020 **In control:** City Council Legislative Meeting

On agenda: 4/21/2020 **Final action:**

Title: Public Hearing and Consideration of Enhanced Southwest Access to the Potomac Yard Metrorail Station and Modifications to the WMATA Funding Agreement for the Potomac Yard Metrorail Station.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 20-0787_Attach1 - SW Access Modified Idea 1, 2. 20-0787_Attach2 - Amended and restated funding agreement 062018 with updated attachments 040219.pdf, 3. 20-0787_Attach3 - June 25 2019 City Council Docket Memo, 4. 20-0787_Attach4 - Memorandum from City Manager to PYMIG dated March 18 2020, 5. 20-0787_Attach5 - PYMIG Enhanced Southwest Access Input, 6. 20-0787_Attach6 - Letters of Support from the Transportation Commission, 7. 20-0787_Presentation

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

MEMORANDUM

DATE: APRIL 8, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

Public Hearing and Consideration of Enhanced Southwest Access to the Potomac Yard Metrorail Station and Modifications to the WMATA Funding Agreement for the Potomac Yard Metrorail Station.

ISSUE: Consideration of Enhanced Southwest Access to the Potomac Yard Metrorail Station and 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 \$50 million in State and Federal funding for the Potomac Yard Metrorail Station.

RECOMMENDATION: That City Council:

- 1) Receive staff's recommendation to proceed with the enhanced southwest access concept Modified Idea

#1 (Attachment 1), and docket for public hearing and consideration on April 18, 2020;

- 2) Approve modifications to the WMATA Funding Agreement (Attachment 2) to reflect the addition of \$50 million in funding from the Virginia Department of Rail and Public Transportation (DRPT), 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; and,
- 3) Authorize the City Manager to direct WMATA to finalize negotiations with Potomac Yard Constructors (PYC) to design and construct Modified Idea #1 for enhanced southwest access to the Potomac Yard Metrorail Station.

BACKGROUND: At its June 25, 2019 Legislative meeting, City Council directed staff to continue refining options for providing enhanced access to the Potomac Yard Metrorail Station from the southwest, specifically from E. Glebe Road. Council specifically directed staff to request that WMATA direct its contractors (PYC) 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 Development Special Use Permit (DSUP) (June 25, 2019, docket memo included as Attachment 3). Staff believed that further refinement of the design could eliminate some of the remaining unknowns, as well as lower the cost estimate and allowances to bring this option close to or within the \$50 million in funding available as part of the Commonwealth of Virginia's Amazon HQ2 incentive package to provide enhanced access to the Potomac Yard Metrorail Station from the southwest.

Following Council's action, WMATA gave direction to PYC to provide cost estimates for the two options. Concurrently, the City and WMATA began preparation of an independent cost analysis for the options. Upon receipt and review of PYC's initial cost estimate, several key differences in assumptions about materials, quantities, construction methods, and unit prices were identified between the PYC estimate and the WMATA/City estimate. WMATA and the City determined these differences in assumptions were significant enough that the estimate could not be accepted without additional research into the areas of divergence. DRPT provided additional analysis and oversight to ensure justifiable use of the \$50 million.

WMATA and PYC continued discussions and concluded with an agreed fee for Modified Idea #1 that was deemed fair and reasonable by WMATA, the City, and DRPT. Additionally, it was determined that the additional construction for this access enhancement could be completed within the \$50 million in funding designated for this purpose, and within the current project schedule completion date of March 2022. The exact change order amount has not been finalized between WMATA and PYC; however, City and WMATA staff are comfortable that up to \$50 million in addition to the credit the City will receive from PYC for the original ramp is sufficient to cover the design and construction costs, construction oversight and administrative costs, as well as an appropriate additional construction contingency

While the agreed-on costs are specifically for Modified Idea #1, it was stipulated during the pricing discussions that any line-item costs could then be used for pricing the 2018 DSUP Ramp, if that option was preferred by stakeholders. The 2018 DSUP Ramp is estimated to potentially cost \$10 to \$15 million less than Modified Idea #1. If City Council recommends continuing with this ramp option, additional, but greatly simplified, negotiations would be required.

In a memo from the City Manager dated March 18, 2020 (Attachment 4), staff recommended that PYMIG make a recommendation to City Council to approve moving forward with Modified Idea # 1 as the preferred alternative.

DISCUSSION:

I. PYMIG Feedback

While PYMIG members were unable to meet due to COVID-19 physical distancing restrictions, members were asked to provide feedback on the staff recommendation for proceeding with Modified Option #1 directly to staff via email.

Thirteen of the fourteen members provided feedback stating Modified Idea #1 was the preferred option. Currently, the Business At-large representative position is not filled; however, the previous PYMIG representative holding that seat indicated a preference for the 2018 DSUP ramp, because of concerns about potential cost overruns with the Modified Option #1 threatening the project's viability. All PYMIG member comments received are included in Attachment 5.

II. WMATA Change Order Process

Several steps remain before a construction change order to the contract can be officially issued, should City Council approve the proposed modifications to the Funding Agreement; however, WMATA can immediately issue a change order to PYC to begin the design of the southwest access, to be funded within the existing project contingency, while the remaining steps are taking place.

Once Council approves the modified Funding Agreement, WMATA's Board would need to approve an increase to the project budget, which is anticipated to occur by the end of May; after which, Funding Agreement revisions could be finalized. WMATA would then begin the process of finalizing steps necessary to issue a change order to PYC for the design and construction of the southwest access. Assuming no additional impacts to administrative functions due to COVID-19, WMATA anticipates the executed modification would be complete and issued to PYC by July 2020.

III. Next Steps

Once PYC receives notification to begin the design of Modified Option #1 for enhanced southwest access, they will begin to develop plans that would incorporate the new access into the existing station design for an amendment to the December 2018 DSUP. This amendment will be docketed for Planning Commission and City Council approval at that time. Staff anticipates that this would occur in September 2020. The amended design will also need go to the Board of Architectural Review (BAR) for approval in the fall.

Staff will continue to keep City Council and PYMIG updated on progress of the project, including the enhanced southwest access, as the project proceeds.

FISCAL IMPACT: By amending the WMATA Funding Agreement for the funding of the Potomac Yard Metro Station project, City Council is authorizing the project budget to increase from \$320 million to \$370 million. There will be no additional fiscal impact on City funding provided for this project. The \$50 million in additional funding will be made available to the City in the form of a grant administered by DRPT.

ATTACHMENTS:

Attachment 1: Enhanced Southwest Access Concept: Modified Idea #1 Exhibit

Attachment 2: June 2018 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
Attachment 3: June 25, 2019 City Council Docket Memo
Attachment 4: Memorandum from City Manager to PYMIG, dated March 18, 2020
Attachment 5: PYMIG Enhanced Southwest Access Input
Attachment 6: Letters of Support from the Transportation Commission
Attachment 7: PowerPoint Presentation

STAFF:

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