



Legislation Text

File #: 14-5284, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 18, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

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

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

RECOMMENDATION: That City Council authorize the City Manager to sign the proposed revised Agreement (Attachment 1) regarding the 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 the scenic easement is held by NPS.

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.

On December 8, 2015, the City Council authorized the City Manager to sign the Net Benefits Agreement. Following the authorization by City Council, City and NPS staff worked toward finalizing the Net Benefits Agreement. Around the same time, NPS, FTA, and the City began reviewing the Final EIS, which included a Phase II Environmental Site Assessment (ESA). The ESA identified the extent of contamination at the site of the proposed construction work. Following review of the Phase II ESA, NPS staff notified the City that they would be unable to accept the land proposed as part of the land exchange. City staff was advised that the Department of the Interior has a policy to minimize potential liability by not acquiring contaminated property.

City and NPS staff have been working together to identify alternate parcels for the land exchange. Recently, NPS staff proposed that the City transfer a smaller portion (approximately 7.24 acres) of the Scenic Easement as part of the land exchange. This is the portion of the easement that runs between the Potomac Greens neighborhood and the GWMP (Attachment 2). An ESA has not been performed for this site, which was also part of the former rail yard. NPS would conduct an ESA as part of the exchange process, and if contamination is found, an alternate parcel would need to be identified. NPS proposes moving forward with this parcel while

at the same time continuing to pursue alternatives in case contamination is present.

The Net Benefits Agreement endorsed by City Council in December 2015 described the specific parcels to be exchanged. Therefore, the modified agreement describes the revised parcels to be exchanged, while providing flexibility if an alternative parcel needs to be identified.

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 has been planned to 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 (NVTA)-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 City has requested a \$20 million TIGER grant, and will be requesting an \$88 million loan through the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which like the VTIB loan provides low interest rates and flexible repayment terms to minimize risk.

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

Attachment 2: Exhibit of Proposed Parcel

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