

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 18, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #7: POTOMAC YARD METRORAIL STATION
FEASIBILITY STUDY AND RETLATED PROPOSED CIP REALLOCATION

In the FY 2009 CIP adopted last May, Council provided \$500,000 in City funds to finance the proposed Potomac Yard Metrorail Station feasibility study. Council also established a Study Work Group (which will hold its first meeting on Thursday, February 19). Since the adoption of the CIP, T&ES has been working with WMATA to have WMATA and its planning and engineering consultants develop a study plan and budget. The study contemplated at this time would have two phases. The first phase includes engineering, technical and financial feasibility studies, which will cost in total about \$0.5 million. The second phase (the scope of work remains under discussion) would cost about \$1.0 million, and would be initiated only if there was a Council decision in late 2009 or early 2010 to proceed with the project. The second phase, if authorized, would result in engineered drawings to about the 30% level, which is the level needed to launch a design-build construction project. It is not likely that the second phase would be authorized for a number of years, as construction of a station needs to wait until full financing is in place (which will likely require some level of development in the Town Center of Potomac Yard (Landbays G and H) to have been initiated and completed).

The attached letter to WMATA's General Manager (a WMATA process requirement) formally asked for the study, and identified the funding source. As the letter indicates, the City is proposing to use a Metrorail TIF capital account held by WMATA in the City's name for this study. These TIF funds derived from the now closed out accounts from the construction of the 103-mile Metrorail system. These funds can only be used for jurisdiction specific projects related to the Metrorail system. As such, this Potomac Yard Metrorail Station is the first project to come forward that is able to access these funds.

As a result of being able to use these TIF funds, the \$500,000 included in the FY 2009 CIP is proposed in the FY 2010 budget to be reallocated to pay for a portion of the Waterfront Study. This reallocation of the FY 2009 \$0.5 million permitted the Planning and Zoning consultant budget to be reduced by \$0.5 million in FY 2010.

Attachment: February 9 letter from Mayor Euille to John Catoe, General Manager of WMATA



City of Alexandria, Virginia

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Mayor*

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February 9, 2009

Mr. John B. Catoe, Jr., General Manager
Washington Metropolitan Area Transit Authority
600 5th Street, N.W.
Washington, D.C. 20001

Dear John:

Thank you for your recent letter agreeing to assist the City of Alexandria in studying the feasibility of constructing a new Metrorail station at Potomac Yard.

Since our last communication on this matter, we have worked with John Thomas in your Office of Engineering Services to determine how this study should be managed and develop a general scope of work and project cost estimate. At this time, we have agreed that the study would be managed by WMATA in cooperation with Alexandria staff and determined that the cost of this effort for both phases of this study would be about \$1.5 million.

At this time, I ask that we complete the necessary steps to authorize and fund this study. Based on a reported balance of about \$1.6 million in Alexandria's Transit Infrastructure Investment Fund (TIIF) account, we request that the WMATA Board approve initiation of this study using the available TIIF funds to finance the effort. We propose that this study be completed in two phases, with the City authorizing the release of the funds for each phase once an agreed upon scope of work and budget for each phase is mutually agreed to. The first phase, a concept development phase, to examine two possible alternatives for the station location, refine the station concept plan, complete an initial environmental scan and prepare concept cost estimates and initial ridership projections. The second phase (which may or may not occur depending on the City decisions made after studying the outcome of Phase I of this study), to be authorized when the final station location and concept have been approved, will produce an environmental document for the project. City and WMATA staff will jointly develop a scope of work and budget for each phase.

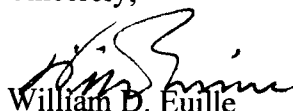
"Home Town of George Washington and Robert E. Lee"

Mr. John B. Catoe, Jr., General Manager
Washington Metropolitan Area Transit Authority
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We further ask that this request be presented to the Finance Committee and Board for approval at the earliest opportunity.

Thank you for your assistance. We look forward to working with WMATA on this matter.

Sincerely,



William D. Euille
Mayor

- cc: John Thomas, Director, MCAP, Office of Engineering Services
- Jim Hartmann, City Manager
- Mark Jinks, Deputy City Manager
- Bruce Johnson, Director, OMB
- Rich Baier, Director, T&ES
- Tom Culpepper, Deputy Director, T&ES