

**Potomac Yard Metrorail Station Feasibility Work Group
Meeting Summary
Wednesday, April 15, 2009**

Work Group Members in attendance:

Timothy Lovain
Jennifer Mitchell
Eric Wagner
Noah Teates

Work Group Members not in attendance:

William Eulle

City Staff:

Tom Culpepper
Jeff Farner
Faroll Hamer
Valerie Peterson

WMATA Staff:

John Thomas

Approximately 25 Members of the Public were in attendance.

Welcome

The Potomac Yard Metrorail Station Feasibility Work Group (“Work Group”) meeting began at approximately 7:00 p.m. with Tim Lovain starting the meeting.

Tom Culpepper, City of Alexandria Department of Transportation and Environmental Services (T&ES), reviewed the agenda for the evening. He stated that the intent of the evening was to first, walk through the working draft of the technical memo and identify if anything needs to be incorporated into the final memo, and second, to discuss financing.

Presentation

Mr. Culpepper, Jeff Farner, City of Alexandria Department of Planning & Zoning (P&Z), and John Thomas, WMATA, gave a presentation on the location alternatives for a Metrorail station at Potomac Yard. Mr. Culpepper provided a brief contextual overview of the scope of the study.

Mr. Farner then discussed land use considerations. He identified constraints, including ownership, environmental conditions, the location of the CSX tracks, access to Potomac Greens, and FAA height restrictions. He also discussed the amount of developable land and approved and hypothesized density levels within a ¼ mile and ½ mile radius for the different options. In response to questions, Mr. Farner clarified that the hypothesized density levels assume FAA height restrictions, and do not reflect any effort to increase density near the stations beyond what has been discussed with the PYPAG.

John Thomas, WMATA, discussed design constraints, including the length of level, straight track required to accommodate a station, maximum grade, and curves. He stated that other factors contributing to the cost of Metro stations include elevators for ADA accessibility, a double cross-over, and ancillary space for operations.

Mr. Culpepper discussed the genesis for the seven location options for the Metrorail station including the existing dedication area (Alternative A), three alternatives locations to the north of the existing dedication area (Alternatives B1, B2 and B3), and three locations interior to Landbay F (Alternatives C1, C2, and D). In response to a comment by Mr. Lovain, Mr. Culpepper clarified that any alternative on the far side of the CSX tracks (Alternatives A, B1, B2, and B3) would have a station entrance within Potomac Yard.

Mr. Farner stated that, from a land use perspective, the idea of shifting the Metrorail station to the north was due to the potential to capture additional density.

Mr. Thomas detailed the seven different options:

Alternative A (Reserved Site):

- Side-platform station
- Most accessible from the east side
- Requires least modification of existing facilities
- Work conducted mostly at night
- Cost \$140-180 million (in 2012 dollars – midpoint of construction)

Alternative B1 (Northern In-line Site):

- 1600 ft. north of Alternative A
- Side-platform station
- Track re-alignment would require the acquisition of right-of-way from the National Park Service (NPS)
- No longer being considered due to the NPS impact

Alternative B2 (Northern In-line Site):

- 950 ft. north of Alternative A
- Side-platform station
- Less accessible from east side and closer to Landbay F
- Necessitates construction of new traction power substation (run through existing substation)
- Cost \$150-200 million
- Moves Metrorail tracks from the east side to the west side of Landbay D (“Rail Park”) adjacent to the CSX tracks

Alternative B3 (Northern In-line Site):

- 1250 ft. north of Alternative A
- Side-platform station
- Less accessible from east side and closer to Landbay F
- Requires construction of additional track
- Possible to build station “off-line”
- Cost \$140-180 million

Alternative C1:

- Underground center-platform station
- Impacts existing development on the north side of Four Mile Run
- No longer being considered due to the impact on Potomac Yard Arlington

Alternative C2:

- Underground center-platform station
- Least accessible from east side
- Requires construction of additional track
- Impacts development in Landbays G and H
- Cost \$410-520 million

Alternative D:

- Above-ground center-platform station
- Least accessible from east side
- Requires construction of additional track
- Located within a building

- Impacts development in Landbays G and H and requires two crossings over Landbay K (“Potomac Yard Park”)
- Cost \$230-300 million

Noah Teates questioned the accuracy of the cost estimates at this preliminary stage. Mr. Thomas indicated that the preliminary cost estimates were very close to the actual cost of the New York Avenue station (\$100 million estimated vs. \$102 million actual). He indicated that it is better to give a cost estimate range assuming 30-35% variability at this point.

Mr. Culpepper stated that the next task after working with the Work Group and with PYPAG at their next meeting (on 4/21/09) will be to identify a short list of feasible alternatives.

There was discussion related to the probability of acquiring land from the National Park Service (Alternative B1). David Hayes, NPS, indicated that Alternatives B2 and B3 would require the re-negotiation of an easement with the NPS. Eric Wagner indicated that past experience suggests that this will not be possible. Mr. Farner stated that the City intends to work with the NPS to understand where the easements are and whether they can be shifted.

Jennifer Mitchell, Mr. Lovain, and Mr. Wagner indicated that it is worth looking into working with the NPS due to the cost of alternative options.

Mr. Lovain stated that between Alternatives B2 and B3, which are relatively similar, Alternative B3 is the better alternative due to cost and construction impact.

Ms. Mitchell indicated that the ease of construction is a very important consideration, in terms of schedule and overall risk.

Mr. Wagner stated that he didn’t think any alternatives should be ruled out (or ruled in) until the financial analysis is considered, because feasibility is both physical and financial.

Mr. Teates questioned the timeline for the different alternatives. Mr. Thomas indicated that the timeline is approximately three years for each alternative.

Mr. Wagner questioned the impact of the C alternatives on adjacent landbays. Mr. Farner indicated that the C alternatives come above ground in Landbay G (which is already approved for development) and would negatively impact Landbays G, H, and K.

Mr. Culpepper requested that additional comments be directed to staff for incorporation in the final memorandum.

Ms. Mitchell questioned if there was any way to quantify cost impacts on Landbay G.

Faroll Hamer, P&Z, stated that the graphics should be revised to show approved development in Landbay G in order to better assess the impact of the track alignments on the plan.

Mr. Lovain questioned if there were inherent advantages to sticking with the reservation area. Mr. Culpepper stated that the primary concerns include the accessibility of the reservation area from the main body of the yard, and how disruptive construction at this location would be for the residents of Potomac Greens. Mr. Wagner clarified that the accessibility to the main body of the yard is the same for all B alternatives; the difference between the B alternatives is the relative density levels.

Fiscal Analysis

Mark Jinks, Deputy City Manager, discussed the Potomac Yard fiscal analysis. He first detailed the structure of the revenues analysis: a 30-year projection; in 2009 dollars; with revenues calculated on a gross basis, then deduct a percentage needed to pay for City services based on the use (hotel, office, retail, and residential); and calculating the primary tax revenues (real estate, business tangible, sales, meals, hotel, and gross receipts) assuming both a 15-year build-out and a 30-year build-out.

Mr. Jinks stated that three scenarios were examined: 1) assuming no further development; 2) assuming new development with no Metrorail station; and 3) assuming new development with a Metrorail station (assuming additional density and a 10% increase in tax revenues within ¼ mile).

Mr. Wagner questioned if the analysis was looking at the difference between scenarios two and three to determine the cash stream that would be used to fund the Metrorail station. Mr. Jinks stated that it was a policy decision as to whether the additional increment generated by the Metrorail station would be invested in the Metrorail station or elsewhere. He indicated that the additional increment generated by the Metrorail station was unlikely to be sufficient to pay debt service for the Metrorail station, which he stated to be about \$9 million/year over 30 years. Mr. Wagner questioned what the additional tax rate would have to be to cover the \$9 million debt service. Mr. Jinks estimated the additional tax rate to be about 2.5 cents (until the development is generating tax revenues).

Mr. Lovain asked what amount of additional tax revenues that could be expected with additional development near a Metrorail station. Mr. Jinks stated that approximately 4,000,000 additional square feet ¼ mile closer to a Metrorail station equates to approximately \$1 million more in real estate tax revenues.

Mr. Jinks stated that, when Metrorail was originally constructed the Federal government paid for \$0.85-0.90 on the dollar for Metrorail stations, but this is no longer the case. Mr. Wagner questioned the amount of the Federal contribution to the Dulles expansion. Ms. Mitchell stated that it was 29%.

Ms. Mitchell questioned the amount of additional density that could be expected between scenarios two and three. Mr. Farner indicated that staff would have that number at the next PYPAG meeting (on 4/21/09), and that it will include mode-share. Ms. Mitchell stated that the mode-share is a very important piece of the pie, considering other developments in Alexandria, like Carlyle.

Ms. Mitchell questioned whether the results of the P&Z study which found 10% property value increases close to Metrorail was accurate because she recalled hearing that the Orange line had significantly greater effects. She stated that it might be helpful to talk to someone in Fairfax County, as they looked at this same issue in Tysons Corner. Mr. Teates said information concerning the Orange line would be most interesting. Mr. Farner stated that Sarah Woodworth will be presenting information concerning this issue at the next PYPAG meeting (on 4/21/09).

Mr. Jinks continued his discussion of the Potomac Yard fiscal analysis by discussing financial scenarios, including 100% City financing (General Obligation bonds) or one of many combinations to include developer contributions or a special tax district.

Mr. Teates questioned if the current landowners had been included in any discussions to date. Mr. Jinks indicated that yes, they have, and that a special tax district is included in the current Potomac Yard approval (CDD #100).

Next Steps

Mr. Culpepper stated that next steps include briefing the PYPAG on the working draft of the technical memorandum (on 4/21/09), and finalizing the draft with any additional requests from the Work Group. The next Work Group meeting (scheduled for 5/19/09) should identify which alternatives are technically feasible, and those will be forwarded to PYPAG for them to decide how to proceed with the planning effort.

Mr. Lovain stated that he thought alternative C2 could be taken off the table.

Mr. Teates expressed a desire that the Work Group have more information concerning working with the National Park Service on the B alternatives.

Mr. Wagner expressed an interest in learning more about the timing of cash flows and the carrying of debt service.

The meeting was adjourned at approximately 8:15 p.m.