



Finance & Budget Committee

Action Item III-C

April 12, 2018

Potomac Yard Station Project

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201968

Resolution:
☒ Yes ☐ No

TITLE:

Potomac Yard Station Budget Amendment

PRESENTATION SUMMARY:

Amend the budget for the Potomac Yard Station Project for design and construction.

PURPOSE:

Board approval is being sought to increase the budget for the Potomac Yard Station project, to authorize the GM/CEO to negotiate and execute funding agreement with City of Alexandria, and to amend the CIP.

DESCRIPTION:

Key Highlights:

The Potomac Yard Station is a proposed in-fill station between National Airport and Braddock Road Stations on the Blue/Yellow Lines.

Background and History:

WMATA and the City of Alexandria (Alexandria) have been working in concert to advance the proposed in-fill station on the Blue/Yellow Lines between National Airport and Braddock Road Stations.

Discussion:

In October 2008 Alexandria requested that WMATA establish a reimbursable project for a new rail station between National and Braddock Road Stations. In February of 2009 the Board approved the establishment of a reimbursable project with an initial budget of \$1.5 million. Subsequently the Board approved increasing the project budget to \$11 million as the project advanced thru preliminary engineering, the preparation of an Environmental Impact Statement and the procurement of a design/build contract. Procurement is nearing completion and the selection of a contractor to prepare final design and to construct the station is at hand. This enables Alexandria and WMATA to finalize the project budget and the project agreement. Adding the final design and construction costs to the project requires an increase of the project budget to \$290,000,000. Alexandria will fund all capital costs incurred until the project is closed out. WMATA's six-year CIP and project budget must be amended to award contract for final design and construction and advance the project. The project schedule anticipates

that the new station will open to customers in mid-FY2022.

The new Potomac Yard station will result in increased operating budget expenses and additional operating revenue for WMATA beginning in FY2022. Preliminary estimates indicate that additional annual operating expenses will be approximately \$2-3 million and initial incremental operating revenue will range from \$1-2 million, resulting in an annual operating subsidy increase of about \$1-2 million. As the new station is a capital project approved by the Board of Directors, the incremental operating subsidy will be considered an addition to the base subsidy and above the three percent operating subsidy growth cap. Specific operating and maintenance strategies and cost estimates will be developed prior to the FY2022 budget.

In addition, the new station will add to WMATA's infrastructure and equipment asset inventory. Long-term, these new assets will require rehabilitation and replacement through WMATA's CIP.

FUNDING IMPACT:

This action will increase the Potomac Yard project budget by \$279 million, from \$11 million to \$290 million and increase the six-year CIP by the same amount. All costs associated with advancing the project will be funded by the City of Alexandria through a reimbursable project agreement.	
Project Manager:	Fred Robertson
Project Department/Office:	COO/DECO

TIMELINE:

Previous Actions	In December 2015 the Board approved: Public Hearing Staff Report, Preferred Alternative, Adding Station to Adopted Regional System, and acquisition of property.
Anticipated actions after presentation	May 2018 - award the Design/Build Contract for the station design and construction.

RECOMMENDATION:

Board approval to: 1) increase the Potomac Yard Station project budget by \$279 million for design and construction, 2) authorize the GM/CEO to negotiate and execute funding agreement with City of Alexandria, and 3) amend the CIP.



Washington Metropolitan Area Transit Authority

Amend Capital Improvement Program: Potomac Yard Station Project

Finance and Budget Committee
April 12, 2018



Purpose

Obtain Board approval to:

- Increase Potomac Yard Station project budget by \$279 million for design and construction
- Authorize GM/CEO to negotiate and execute funding agreement with City of Alexandria
- Amend Capital Improvement Program



Background

- October 2008 City of Alexandria asked WMATA to establish project for in-fill station between National and Braddock Road Stations
- February 2009 Board approved project with initial budget of \$1.5 million funded by Alexandria
- Project budget increased to \$11 million for preliminary design, Environmental Impact Statement and procurement process
- In December 2015 the Board approved:
 - Public Hearing Staff Report
 - Preferred Alternative
 - Adding Station to Adopted Regional System
 - Acquisition of property



Project Status

- \$290 million total estimated project cost to be funded by City of Alexandria
- Design/Build procurement nearly complete; value of contract not yet final
- WMATA CIP and project budget must be amended to award contract for final design and construction
- Contract duration approximately 3.5 years; station open to customers mid-FY2022



Recommendation

Board approval to:

- Increase Potomac Yard Station project budget by \$279 million for design and construction
- Authorize GM/CEO to negotiate and execute funding agreement with City of Alexandria
- Amend Capital Improvement Program

SUBJECT: INCREASE FUNDING FOR THE POTOMAC YARD METRORAIL STATION
REIMBURSABLE PROJECT

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Pursuant to Resolution 2011-30, the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors approval is required to enter into a reimbursable project agreement greater than \$500,000, and pursuant to Resolution 2017-11, Board approval is required to increase the budget for the Six-Year Capital Improvement Program (CIP); and

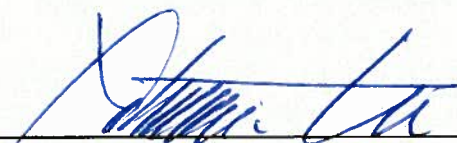
WHEREAS, WMATA and the City of Alexandria wish to enter into an amended and restated reimbursable project agreement established by Resolution 2009-22, continue the Potomac Yard Metrorail Station Project into construction, and increase the project budget; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager/Chief Executive Officer (GM/CEO), or his designee, to negotiate and execute one or more reimbursable project or project coordination agreements with the City of Alexandria to increase the budget for the Potomac Yard Metrorail Station Project; and be it further

RESOLVED, That the Board of Directors authorizes the GM/CEO, or his designee, to increase the Potomac Yard Metrorail Station Project Budget and the FY2019-2024 Six-Year CIP by \$279,000,000, to be funded by the City of Alexandria; and be it further

RESOLVED, That in order to ensure timely execution of the Reimbursable Agreement, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel