

**Potomac Yard Metrorail Station Feasibility Work Group
Meeting Summary
Tuesday, May 19, 2009**

Work Group Members in attendance:

William Euille
Timothy Lovain
Eric Wagner
Noah Teates

Work Group Members not in attendance:

Jennifer Mitchell

City Staff:

Rich Baier
Jeffrey Farner
Mark Jinks
Sandra Marks
Valerie Peterson

WMATA Staff:

John Thomas

Approximately 25 Members of the Public were in attendance.

Welcome and Overview

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

Jeffrey Farner, P&Z, provided a brief overview of the agenda for the meeting.

Review Station Location Alternatives

John Thomas, WMATA, detailed revisions to the station location alternatives B3 and D1, and provided information on the new alternative D2 (aerial). Revisions to alternative B3 included a reduction in the track length, a reduction in the cost of construction, and the ability to construct the station off-line. Revision to alternative D1 included a 10% reduction in the track length.

Mr. Thomas detailed the new alternative D2, which is located slightly to the east of alternative D1. Unlike alternative D1, alternative D2 minimizes the impact on Landbays G, H, and K.

Cost vs. Value Presentation

Mr. Farner discussed issues for consideration in the location of a Metro station at Potomac Yard. He stated that cost was just one of many considerations. Mr. Farner provided a graph showing the potential densities within the ¼ and ½ mile walksheds for the alternative station locations, and compared the densities to other Metro stations in Alexandria. He discussed the value that Metro stations add to property values, ridership, and accessibility issues. Mr. Farner showed 3-D illustrative examples of alternatives B and D. He discussed the location of the different alternatives in relation to the transit corridor and other future development opportunities.

Mr. Farner stated that the Multimodal Transportation Study revealed that traffic on Route 1 will get dramatically worse if nothing happens on Landbay F. The question will be how to ensure that development on Landbay F best serves the City.

Eric Wagner questioned how the traffic conditions compared under the different scenarios. Sandra Marks, T&ES, indicated that the traffic under the 1.5 FAR (without Metro) and the 2.5 FAR (with Metro) would be comparable.

Mr. Farner discussed the open space impacts of the different alternatives and National Park Service (NPS) scenic easements that would be needed. Tim Lovain questioned which alternatives would require scenic easements. Mr. Farner clarified that all the B alternatives would required scenic easements from the NPS. Noah Teates asked if the NPS is amenable to working with the City. Mr. Farner stated that they appear willing to sit down and talk.

Mark Jinks, Deputy City Manager, discussed the preliminary draft financial analysis. He stated that the City is still working with consultants but does not have final draft numbers for tonight. He indicated that the model is looking at absorption (build-out rate) and tax revenues. He stated that the model is assuming that property values within a ¼ mile of the Metro would be approximately 10% higher in value, the creation of a special tax district, and a to-be-determined developer contribution amount. Mr. Jinks stated that likely conclusions of the preliminary financial analysis are: that over time (30 years) there will be sufficient tax revenues, but that there will be a large debt service amount that will need to be paid back in the early years of the

project before the development is generating sufficient tax revenues to cover it; that the City debt burden would be greatly increased.

Mr. Jinks stated that Congressman Moran has already put in an earmark for this project requesting the reauthorization of the upcoming Federal bill for the transportation program. Rich Baier, T&ES, stated that the City may need to re-prioritize projects for which funding has been requested. Mr. Jinks indicated that funding from the State is not currently available. Noah Teates questioned if there might be any possibility of attracting a Federal project like the Patent and Trademark Office (PTO) in Carlyle to stimulate development. Mr. Jinks stated that the City's economic development agency, AEDP, has coined "Federal-Friendly Zones" and the federal General Services Administration (GSA) is aware that the City is interested in attracting Federal offices. He stated that large PTO-type projects (2.5 million square feet of office space) are rare.

Mr. Lovain questioned what trade-offs were involved with resolving the issues related to the to the National Park Service scenic easements. Mr. Thomas stated that if land within the easement was needed for a station, they would need to be compensated (either with an equal land exchange or in cash).

Mr. Baier questioned what the group wanted to emphasize any alternatives to PYPAG. Mr. Farner asked if alternative B1 should be included given the potential cost of negotiations with the National Park Service. Mr. Baier concluded that the feasible alternatives remaining include A, B2, B3, and D2.

Mayor Euille questioned if the financial analysis considered the positive financial benefit to the land owner in terms of increased market capitalization. Mr. Jinks stated that the analysis assumed that tax revenues are 10% greater within ¼ mile of the Metro station.

Mr. Teates questioned if alternative D2 conflicted with any existing buildings. Mr. Farner stated that it would impact Landbay F, but would not conflict with any approved development in Landbays G or H.

Mr. Wagner stated that he had great concerns about the cost and feasibility of constructing a Metro absent substantial contributions to funding from sources other than the City. Mayor Euille stated that there will be very few dollars, if any, from the City.

The Work Group discussed the Federal Transit Administration's New Starts program. Mr. Jinks stated that it may be one of the most likely sources of federal funding for transit at Potomac Yard.

Public Comment

David Fromm questioned if the densities illustrated within the ¼ and ½ mile walksheds in Figure 20 (of the Technical Memorandum dated May 15, 2009) included only development within Potomac Yard. Valerie Peterson, P&Z confirmed that the densities only include development within Potomac Yard. Mr. Teates noted that there are two parcels on the west side of Route 1

that have been identified for future redevelopment. Mr. Farner stated that a separate planning effort would be required for these parcels; densities on these parcels were not included in Figure 20. Mr. Wagner noted that PYPAG will review the Transportation Study on Thursday, which shows that the mode split for Metro and no-Metro alternatives drops outside of the ¼ mile walkshed.

Mr. Fromm also questioned the source of the office and residential densities and questioned if there was value to having additional office density. Mr. Farner stated that the densities were current assumptions and subject to change, but considered the amount of office density in Landbays G and H, and absorption, critical mass, and mix of uses.

Mr. Fromm also stated that PYPAG had considered additional height in some areas, which resulted in an FAR of 2.7. He questioned if the additional density resulting from additional height would make a difference. Mr. Farner stated that current heights under consideration were approx. 150 ft. He stated that heights of 200-220 ft. for four buildings, for example, would result in approximately 800,000-900,000 additional sq. ft. Mr. Farner stated that Crystal City is adding 14 million sq. ft. of development (3.5-4.0 FAR). Mr. Wagner stated that, if he heard Mr. Jinks correctly, the project is sustainable at build-out. The problem is absorption, and additional height will not speed that process. The stated that build-out at Carlyle will be 20 years.

A member of the public questioned if the attraction of a federal tenant would assist in securing federal funding for the Metro. Mr. Wagner stated that at the most recently built in-line Metro station (New York Avenue), the Federal government contributed \$25 million, the District contributed \$60 million, and the property owner contributed \$25 million. Mr. Jinks stated that it was rare.

A member of the public asked for additional information on the Small Starts program. Mr. Thomas stated that it is a part of the New Starts program for projects under \$250 million and is a more simplified process than what is required for New Starts projects.

A member of the public questioned the Work Group's concern of using tax dollars to pay for the Metro station when the numbers are not finalized. Mr. Wagner stated he (speaking for himself) was concerned about using tax payer dollars to pay for the project. Someone noted that another part of the equation is the developer contribution. Mr. Jinks noted that [Potomac Yard Development] has probably already spent more than the cost of the Metro station on infrastructure.

A member of the public questioned if the B or D alternatives would put the City in the position to compete with Pentagon City. Mr. Farner stated that the possible densities with the B and D alternatives are roughly similar; however, the distance to the main body of Potomac Yard from the B alternatives is greater and the density within the ¼ mile walkshed is greater for the D alternatives. He said the City would need to balance density and cost. The Work Group discussed these trade-offs.

Mr. Fromm questioned the illustrative D alternative which pulled the Metro station into the main body of Potomac Yard, yet didn't develop 360 degrees around it. Mr. Baier noted the proximity

to and potential impact on the adjacent open space, and Mr. Farner stated that the depth of the area between Metro station and the CSX tracks may not be large, but could be further studied.

Someone questioned if people really take Metro to go shopping. Mr. Jinks stated that approximately 40% of shoppers at Pentagon City arrive via Metro.

A member of the public questioned when the value of the property would go up, and generate more tax dollars. The Work Group discussed how the assessed value of the property will not increase much until buildings are built.

Mr. Lovain added that there is currently a backlog of Capital Improvement Program (CIP) projects.

The meeting was adjourned at approximately 8:30 p.m.