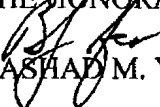


City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 8, 2012
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM:  RASHAD M. YOUNG, CITY MANAGER
SUBJECT: CONTINUATION OF THE ROUTE 1 CORRIDOR STREETCAR
CONVERSION PROJECT WITH ARLINGTON COUNTY THROUGH A
SEGMENTED STUDIES AND IMPLEMENTATION PROCESS

ISSUE: How to continue the Route 1 Corridor Streetcar Conversion alternatives and environmental studies as a joint project with Arlington County.

RECOMMENDATION: That City Council:

1. Approve continuation of the joint Route 1 Corridor Streetcar Conversion Project with Arlington County as a two-segment project, and
2. Authorize the City Manager to sign an amended Project Coordination Agreement.

BACKGROUND: The Route 1 Corridor serves as a major transportation corridor in Northern Virginia and the Washington metropolitan region, connecting major destinations such as Old Town, Alexandria, Crystal City, and Pentagon City. The corridor is served by a variety of regional and local bus routes, Metrorail, and Virginia Railway Express, as well as handles significant automobile traffic.

Responding to increasing population growth in the region, increasing density throughout the corridor, and projected automobile traffic in the corridor, Arlington County and the City of Alexandria have undertaken several planning studies focused on enhancing surface transit along Route 1. In March 2003, Arlington and Alexandria completed the Crystal City/Potomac Yard (CCPY) Transit Alternatives Analysis, which laid the groundwork for a future transitway in the corridor.

Arlington County completed a Documented Categorical Exclusion (DCE) for the CCPY Transitway between the Crystal City Metrorail Station and the Arlington County/City of Alexandria border (Attachment 1, Segments D and E) in 2007 and updated in 2010 to reflect changes in the transitway alignment and proposed redevelopment in Crystal City. Additionally, the City of Alexandria completed a DCE for Segment B (Route 1 from Potomac Avenue to East Glebe Road) of the Crystal City/Potomac Yard Transitway in 2011. The transitway will open in its entirety (Pentagon City Metrorail Station to Braddock Road Metrorail Station) in late 2013 to early 2014 as a bus facility with segments in both dedicated and shared lanes.

DISCUSSION: The City of Alexandria (the “City”) and Arlington County (the “County”) in 2011 agreed to study the potential conversion of the bus facility to streetcar use as a coordinated project between the two jurisdictions. As a result, an agreement was signed by both the City and the County to complete the necessary environmental work to determine the impacts of converting the CCPY transitway to future streetcar use. The \$3.6 million estimated cost of this study was decided to be divided evenly between the County and the City. The contract amount of the Alternatives Analysis optional task was \$0.2 million and the contract amount for the Environmental Assessment was \$3.4 million.

This agreement included the optional task of an Alternatives Analysis which is necessary for Alexandria to maintain the option of applying and competing for federal New Starts/Small Starts funding for the portion within Alexandria. The value of the New Starts/Small Starts capital grant funding from the Federal Transit Administration (FTA) to the City could be between \$30 million to over \$100 million, depending on the length of the streetcar line (possibly as far south as the Braddock Road Metrorail Station).

The streetcar conversion study has progressed to the point that a decision is needed on whether or not to proceed with the Alternatives Analysis. Arlington County has determined that it does not anticipate requesting federal New Starts/Small Starts funding and therefore does not need to perform the Alternatives Analysis. The County plans to use the add-on commercial transportation tax, tax increment financing, bonds, and state capital reimbursement grants, in addition to non-New Starts federal funds, as the primary fund sources for the Route 1 Corridor streetcar project within Arlington.

The City has already determined, through its Potomac Yard planning, to allocate its special tax district and tax base growth from Potomac Yard, along with substantial developer contributions, to fund a potential new Metrorail station in Potomac Yard with a mid-range cost projection in 2010 of \$240 million. As a result, the City does not have the same revenue flexibility that the County has to dedicate local money to the streetcar project in large part because Arlington is not facing the need to fund building a new Metrorail station in the Crystal City area. Therefore, the City cannot forego the Alternatives Analysis as the fiscal cost of doing so would be in the tens of millions in lost federal grant potential.

Since the issue of not undertaking the Alternatives Analysis was raised, the Mayor and County Board Chair, the City Manager and County Manager, as well as senior and project staff from both jurisdictions have discussed how to resolve this study issue. The recommended solution is a two-segment project implementation as indicated below:

1. Arlington County would proceed with the Environmental Assessment for the streetcar project within Arlington as the initial operable segment.
2. No Alternatives Analysis for either the Arlington or the Alexandria streetcar segments would be undertaken at this time.
3. In late 2013, Arlington County would complete the Environmental Assessment and proceed into preliminary engineering for the initial operable segment.

4. In early 2014, the City would plan to initiate Alternatives Analysis and environmental studies for the extension of the streetcar conversion project. This would come soon after the site of the Potomac Yard Metrorail station (or a no-build alternative) is determined via a Record of Decision through the ongoing Environmental Impact Statement Metrorail station study process.

Under this approach, the County could proceed directly to the Environmental Assessment study of the Arlington segment of the streetcar project. The design of this initial streetcar segment would not preclude a later extension into Alexandria and would ensure a smooth transition with the City's bus rapid transit system. The City would continue to focus on completing the Potomac Yard Metrorail Station Environmental Impact Statement study. Studies of a streetcar conversion extension would then be planned by the City to start in 2014. This project approach allows the Alexandria segment of the streetcar project to be studied after the City knows the location and status of the proposed Potomac Yard Metrorail station.

Structuring the Route 1 Corridor Streetcar Conversion Project as two operable segments may have a beneficial effect for the City, as the Federal Transit Administration may rank a smaller City-only segment higher for funding purposes, as it would be connecting a future designated Potomac Yard Metrorail station site with a planned Crystal City streetcar line. These types of small projects that link existing rail systems and add operable segments to existing lines are very good candidates for federal funding.

Under this proposed plan, Arlington would have its streetcar segment in Crystal City constructed and under operation by 2019, with the City's Potomac Yard streetcar segment, if chosen to be implemented, potentially able to be completed and operable approximately two years later.

In order to implement the above plan for the sequential streetcar studies, the existing Project Coordination Agreement between the City and the County would be amended. The City would pay its share of study costs incurred to date, and after that the County would pay 100% for the initial operable segment studies, and the City would pay 100% for studies of a streetcar extension into Alexandria. It is possible that the City may retain the same consultant which will be used by the County to complete the Environmental Assessment, but no decision needs to be made on this issue until the City starts to plan for the streetcar extension studies early in 2014.

FISCAL IMPACT: In the short term, the City would be expending about \$0.3 million of its previously planned \$1.8 million share of the joint project with Arlington County to complete the Environmental Assessment for the corridor. Estimates for the second segment Alternatives Analysis and environmental documentation, including utilizing the work completed under the current contract to the degree possible, and assuming the extension from the County southern terminus to the Potomac Yard Metrorail Station, is approximately \$1.0 million.

If the area to be studied was continued south to the Braddock Road Metrorail station then the cost of the study would rise to about \$2.0 million, which is about what the shared study with the County would have been. A decision on the study scope in regard to the length of the area to study can be made by the City in early 2014. Since the source of the streetcar conversion study monies is the City's Transportation Improvement Program fund, for the FY 2014 budget process there would need to be a rescheduling of fund planned expenses to reflect the change in transitway conversion study plan timing.

ATTACHMENT(S):

Attachment 1: Segments of CCPY Transitway and Preliminary Station Locations and Alignment

STAFF:

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Mark Jinks, Deputy City Manager

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Abi Lerner, P.E., Deputy Director, T&ES Transportation

Susan Gygi, Potomac Yard Projects Manager, T&ES Transit Services

Attachment 1 – Segments of CCPY and Preliminary Station and Alignment

