

ACTION – 9

Board Endorsement of the Strategy Outlined by the U.S. Secretary of Transportation Related to Dulles Corridor Metrorail Project Phase II and Authorization of the County Executive to Act as the Board's Agent in Negotiating a Phase II Project Memorandum of Understanding

ISSUE:

Board endorsement of the major provisions of a Dulles Corridor Metrorail Project (the Project) Phase II scope reduction strategy as proposed by the U. S. Secretary of Transportation (the Proposal) to reduce project cost from approximately \$3.83 billion to approximately \$2.805 billion. The Proposal includes shifting some project elements to Fairfax County and Loudoun County for full funding and the Metropolitan Washington Airports Authority (MWAA) agreeing to an aerial station at Dulles International Airport. In accordance with the Proposal a Draft Memorandum of Understanding (MOU) was provided to the funding partners by the U.S. Department of Transportation on July 20, 2011, that sets forth a certain understanding, expectations, and commitments concerning the completion of the Project.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors endorse the principal provisions of the Proposal strategy with the following conditions:

1. Regarding funding of the Route 28 station, Fairfax County will make every reasonable effort to assemble a funding option for the Route 28 Station and two parking garages in Fairfax County (Herndon-Monroe and Route 28) that is sufficient to shift the cost of the station and garages out of the Project. However, any Project costs shifting to Fairfax County must be contingent upon securing adequate financing through available options, including a sufficient Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from USDOT, to mitigate the financial impact to Fairfax County. Accordingly, construction costs of the Route 28 Station and the Route 28 and Herndon-Monroe garages should remain in the overall Project budget pending Fairfax County's success in securing financing alternatives such as an adequate TIFIA loan. If Fairfax County is unable to secure an adequate financing alternative then the costs to construct the Route 28 Station and the Route 28 and Herndon-Monroe garages should remain in the Project and shared by all funding parties.
2. Fairfax County, USDOT, the Commonwealth of Virginia, MWAA, and Loudoun County negotiate in good faith a MOU to allow the Project to move forward in a

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way that does not require Fairfax County to fund an inequitable share of Project costs.

3. Loudoun County accepts the principal provisions of the USDOT Proposal.
4. MWAAs accept the principal provisions of the USDOT Proposal, including the aerial station.
5. The final MOU must recognize that any funding commitments by the County are subject to certain contingencies similar to those set forth in the Funding Agreement between the County, MWAAs, and Loudoun pertaining to the availability of funds from the Phase II Dulles Rail Transportation Improvement District, constitutional requirements for annual appropriations if and as applicable, and the right to approve funding participations up to 90 days following receipt of the cost estimate for Phase II and based on the 100 percent preliminary engineering.

The County Executive also recommends to the Board that he act as the Board's agent in further negotiations concerning the MOU on these outstanding issues subject to the Board's approval of a final MOU prior to execution.

TIMING:

Board action is requested on July 26, 2011.

BACKGROUND:

The Dulles Corridor Metrorail Project (DCMP) Phase II is an extension of Metrorail from the Reston-Wiehle Avenue Station along the Dulles International Airport Access Highway (DIAAH), and terminating in Loudoun County at the Route 772 Station, as generally described in the Federal Transit Administration Record of Decision, as amended on November 17, 2006 (the ROD).

At its July 12, 2011 meeting, the Board received a presentation by Federal Transit Administrator Peter Rogoff on proposed USDOT scope reductions and cost sharing for Phase II. These reductions are intended to reduce the cost of Phase II from \$3.83 billion to \$2.805 billion and provide some relief to the toll road rates. The Board did not take any formal action on the proposal. Since then the MWAAs and Loudoun County boards have met and voted on the USDOT proposal. Both the MWAAs and Loudoun County boards voted to accept the recommendations offered by Secretary Ray LaHood with modifications or conditions that would be required for them to support the proposal.

The Secretary's Proposal included a number of provisions that impact all of the funding partners. These include:

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- Fairfax County to fund the cost of the Route 28 Station, currently estimated to be \$83 million
- Fairfax County to fund the cost of the Route 28 Station parking garage, currently estimated to be \$ 53.5 million
- Fairfax County to fund the cost of the Herndon Monroe Station parking garage, currently estimated to be \$51.4 million
- Loudoun County to fund the cost of the three parking garages for the Loudoun stations, currently estimated to be \$130.3 million
- MWAA to accept an aerial alignment for the Dulles Airport Station

On July 20, 2011, the project partners met with USDOT Secretary LaHood and FTA Administrator Rogoff. At that meeting USDOT provided a framework to move the project forward through a Draft Memorandum of Understanding (MOU). The MOU would set forth a mutual understanding between the Project Partners for completion of Phase II. It was also discussed at that meeting that the Commonwealth of Virginia has agreed to provide \$150 million to support the project and MWAA has agreed to accept the aerial station at Dulles International Airport.

FISCAL IMPACT:

The cost for the Route 28 Station is estimated at \$83 million, the Route 28 Station garage at \$53.5 million, and the Herndon Monroe garage at \$51.4 million. These costs could be reduced with the revenue generated by the garages and Federal assistance through the TIFIA loan program. Under the Project Funding Agreement Fairfax County is responsible for 16.1% of these cost, therefore Fairfax would assume 100% of these cost under the USDOT strategy.

ENCLOSED DOCUMENTS:

Attachment I: Metropolitan Washington Airports Authority Metrorail Project Motion July 20, 2011

Attachment II: County of Loudoun, Virginia Motion July 19, 2011

Attachment III: Federal Transit Agency, White Paper Regarding Secretary LaHood's Proposed Scope Reductions

Attachment IV: USDOT's Draft Memorandum of Understanding

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STAFF:

Robert A. Stalzer, Deputy County Executive

Tom Biesiadny, Acting Director, Fairfax County Department of Transportation (FCDOT)

Mark Canale, FCDOT

Jim McGettrick, Office of the County Attorney

Len Wales, Department of Management and Budget

Metrorail Project Motion - July 20 2011

Mr. Chairman, I move that the Board approve the following:

First, that the Board concurs with the modifications proposed by the U.S. Secretary of Transportation to the scope and design plan for Phase 2 of Metrorail Project to include the aerial station adjacent to the North Parking Garage at Dulles International Airport on the condition that the Memorandum of Understanding include the conditions set forth in the following paragraph;

Second, that the Board believes that, before it and other Project partners can reach a final agreement on all of the proposed Phase 2 modifications, a number of related matters need to be resolved, including but not necessarily limited to the following:

1. A commitment from Loudoun and Fairfax Counties that they will assume the funding of the parking garages at the Herndon-Monroe and the Routes 28, 606 and 772 Metrorail stations and for the funding of the Route 28 station itself;
2. A commitment and clarification of the TIFIA assistance that will be made available to MWAA in the event Loudoun and Fairfax Counties are unable to unconditionally assume responsibility for the funding of the parking garages and the Route 28 station;
3. A commitment that the additional \$150 million financial contribution by the Commonwealth of Virginia will be designated for the rail project specifically; and
4. That the partners understand that there are legal restraints imposed on MWAA that prevent it from donating airport owned land that does not serve an airport purpose. Therefore, a resolution to such legal restraints must be resolved in order to build the Route 606 parking garage.
5. A commitment of Federal funding to offset toll rates and to allow for minority contracting, DBE, LDBE targeted goals that exceed the goals established in the Phase 1 project.

Third, that the Board commits to working with its Project partners in developing a memorandum of understanding or similar document that will clarify the matters presented by the Airports Authority, as well as matters presented by the partners, and will succinctly set out the Phase 2 scope, design and finance plan modifications to which the parties have agreed; further, it is the desire of the Board that such a document be prepared within the next seven to ten days and be presented for consideration by the Board at its August 3, 2011, meeting.

**DRAFT MOTIONS:**

1. I move that the Board of Supervisors accept the Compromise Proposal with the following conditions:
  - a. Loudoun will make a reasonable and best effort to assemble a financial option for the three (3) Loudoun garages, thereby taking the cost of the garages out of the project.
  - b. This reduced project scope is contingent upon either a private sector partner and/or the Commonwealth guaranteeing and backing the cost of these garages or other alternative financing options that require no local tax funding support, as well as the realization of TIFIA financing. Staff recommends that the garage costs be kept as an allowance in the overall project cost pending Loudoun working through a potential transaction with the private sector and the Commonwealth. If Loudoun is successful, then the costs are removed from the project. If not, then they remain a project cost shared by all parties.
  - c. The Airports Authority accepts the amended compromise proposal, including the Aerial Station.
  - d. Fairfax County accepts the amended compromise proposal.
  - e. The Commonwealth accepts the amended compromise proposal.
  - f. MWAA donates the land for the parking garage at the Route 606 station.
  - g. Consideration be given by WMATA in regards to reducing their standards for parking garages at Metro stations and considering alternate parking fees for the garages in Loudoun County.

-AND-

- h. I move that the Board of Supervisors again reject the offer of the Airports Authority to maintain an underground station by financing the differential for only Loudoun and Fairfax Counties, but not reducing the burden on the Dulles Toll Road users.

-or-

2. I move an alternate motion.



U.S. Department  
of Transportation  
**Federal Transit  
Administration**

Administrator

1200 New Jersey Ave., S.E.  
Washington, DC 20590

## MEMORANDUM

To: Dulles Metrorail Phase 2 Project Stakeholders

From: Peter M. Rogoff *PMR*  
Administrator

Re: White Paper Regarding Secretary LaHood's Proposed Scope Reductions

Date: July 3, 2011

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- Pursuant to the direction of the Secretary as articulated during our stakeholder meeting of June 30, I have prepared the attached White Paper discussing the details of his final proposal for scope reductions to the Metrorail Phase 2 project. The paper also discusses some associated financing issues as well as the process that gave rise to his proposal.
- Please note that the table of scope reductions included in the White Paper differs from the one discussed at our June 30 meeting in only one respect. I believe it was widely agreed upon at the meeting that the potential opportunity for reducing the number of railcars necessary for the Silver Line service should remain an option to be considered upon WMATA completing its railcar fleet plan. As such, I added this option at the end of the table. The FTA expects to receive WMATA's draft plan later this month.
- Please do not hesitate to contact me or the Secretary's Chief Financial Officer, Chris Bertram, if we can provide additional information.
- I hope you and your families all have a very safe and enjoyable Independence Day holiday.

## **Dulles Rail Phase 2 Cost Reduction Efforts**

### Convening of Stakeholders

On June 1, 2011, U.S. Transportation Secretary Ray LaHood convened the first of five meetings of the principal stakeholders and funding partners of the Dulles Metrorail Phase 2 project, including the Metropolitan Washington Airports Authority (MWAA), Fairfax County, Loudoun County, the Washington Metropolitan Transportation Authority (WMATA), and the Commonwealth of Virginia.

Secretary LaHood convened these stakeholders for the purpose of establishing a common agreed-upon design and finance plan for the Phase 2 project so that it could get back on a path to successful implementation without further delay.

At the inaugural meeting, Secretary LaHood articulated his desire to complete an agreement in principle within 30 days – one that will ensure the deployment of a viable and beneficial regional transit link but at a significantly reduced cost so as to lessen the financial burden on the funding partners, local taxpayers, and the users of the Dulles Toll Road.

### Criteria for Scope Reductions

The Secretary hosted five separate meetings over the 30-day period during which all participants were invited to propose project scope reductions. The Federal Transit Administration (FTA) contracted with its own Project Management Oversight Contractor (PMOC) to independently evaluate the cost and operational impact of each cost mitigation proposal for the benefit of all participants.

Over the ensuing 30 days, stakeholders discussed and debated the merits of each proposal with the technical assistance of FTA's PMOC. The Secretary sought to focus attention on scope reductions that:

- Offered significant cost savings;
- Maintained a cost effective approach to project construction;
- Maintained project performance goals;
- Sustained expected ridership; and
- Minimized significant delays associated with wholesale redesigns or substantial new environmental review requirements.

Secretary's LaHood's Proposal

At the June 30 meeting, Secretary LaHood presented a final proposal that, in the view of the USDOT, best achieves these objectives. Importantly, given the depth of feelings on the part of many stakeholders, the Secretary's proposal also sought to ensure "shared sacrifice" on the part of the major funding partners. Concessions needed to be made by all.

Taken together, the Secretary's final proposal reduces the estimated cost of the Phase 2 by \$1.058 billion below that of the original locally preferred alternative (LPA). This new cost estimate of \$2.767 billion could be reduced by as much as another \$200 million depending on the outcome of analysis of some additional potential scope reductions during July and August. The Secretary's proposed scope reductions are outlined below. A more detailed description of each adjustment is included as an appendix.

	<b>Cost Estimate of Original LPA</b>	<b>\$3.825B</b>
	<b>Initial Project Cost Savings</b>	<b>Identified Cost Savings</b>
1	Construct an Aerial Dulles Airport station near North Garage	-\$562M
2	Provide additional station amenities (windscreens, weatherization) for aerial station	+\$10M
3	Reduce Yard and Shop facilities to Dulles Phase 2 level	-\$81M
4	Transfer Responsibility for Route 28 Station to Fairfax County	-\$136M
5	Transfer Responsibility for 5 parking facilities to Fairfax and Loudoun Counties	-\$235M
6	Reduce canopy design to Phase 1 requirements	-\$15M
7	Utilize steel structures in lieu of concrete	-\$35M
8	Modify Station Finishes	-\$4M
	<b>Initial New Cost Estimate</b>	<b>\$2.767B</b>
	<b>Later Cost Savings Opportunities (July-August)</b>	
9	Value Engineering by MWAA	Up to -\$75M
10	Donation of Property to Project in lieu of ROW Purchase	Up to -\$53M
11	Reduce the number of Traction Power Substations (TPSS) by two (awaits WMATA simulation)	-\$34M
12	Estimating error in SCC50 (TPSS)	-\$15M
13	Reduce number of railcars (awaits WMATA Rail Fleet Plan)	Up to -\$24M

### Further Governmental Assistance

The USDOT's Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for surface transportation projects including highway, transit, railroad, intermodal freight, and port access projects. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA program is designed to fill market gaps and leverage substantial private co-investment. The program has been highly successful in bringing private sector capital into traditionally public sector investments.

In allocating TIFIA assistance, the USDOT must work within a very limited amount of credit subsidy made available annually by Congress. While the amount of credit subsidy required for each loan depends in part on the size of the loan, an even larger determinant is the overall creditworthiness of the project. In recent years, the popularity of the TIFIA program has grown exponentially.

In March of 2010, MWAA submitted a letter of interest for a TIFIA loan totaling \$1.73 billion for the Dulles Rail project. The MWAA request was one of almost 40 such requests which together sought loan assistance in excess of \$12.5 billion. The MWAA request was by far the largest of any request received for 2010, totaling well more than five times the average request for that year. Moreover, the estimated credit subsidy requirement for MWAA's loan would have absorbed all of the credit subsidy available for that year for all potential TIFIA projects across the nation.

In determining how USDOT's very limited TIFIA resources might assist in the Phase 2 project, Secretary LaHood has focused on using TIFIA to assist Loudoun and Fairfax counties in enticing public-private investment and helping defray the costs associated with the assumption of the Phase 2 parking facilities and Route 28 station. Given the difference in creditworthiness between the counties and MWAA, the limited amount of TIFIA subsidy available can go a great deal farther in lowering Phase 2 costs if directed to these project elements. Nothing in the decision would preclude MWAA from applying for Phase 2 assistance at some future time from the TIFIA program.

In the course of the recent stakeholder meetings, both Virginia Transportation Secretary Sean Connaughton and VDRPT Director Thelma Drake have discussed the possibility of the Commonwealth providing further assistance to the Phase 2 project. Such assistance could include extending the terms of the toll road lease to MWAA and providing direct credit assistance through the Commonwealth's recently-enacted State Infrastructure Bank. Both of these mechanisms hold the potential for easing the financing requirements of the project and the burden on toll road users.

Appendix:

Detailed Description of Cost Adjustments

1. Construct an aerial Dulles Airport station near the North Garage. The North Garage Aerial option would result in an aerial alignment with a station located adjacent to the existing North parking garage. In addition to a lower cost, this option reduces the construction duration. It will require further Federal environmental and historic preservation reviews. Access from the North parking garage to the airport terminal is currently provided by an underground pedestrian passageway and a regular bus shuttle service. FTA's PMOC estimates that this option would reduce the project cost by approximately \$562 million.
2. Provide additional station amenities for aerial Airport station. Windscreens could be installed on the platform, while the stairs and escalators can be built to provide for enhanced protection from the weather. Climate controlled enclosures on the platform will be available for waiting passengers. FTA's PMOC estimates that this change would reduce the savings estimated above by approximately \$10 million.
3. Reduce Yard and Shop facilities to Dulles Phase 2 level. The vehicle yard and repair shops were designed for 250 rail cars. The Dulles Phase 2 project only requires facilities to service 184 rail cars. FTA's PMOC consulted with WMATA to determine the type and size of the facilities and equipment required for this project and determined that the scope of the yard could be reduced. FTA's PMOC estimates that reductions to the size of the maintenance-yard would achieve cost savings of approximately \$81 million.
4. Transfer responsibility for the Route 28 Station to Fairfax County. While constructed along with the Phase 2 project, Fairfax County would be responsible for paying the cost of constructing the Route 28 Station. FTA's PMOC estimates the cost of the station to be approximately \$136 million.
5. Transfer responsibility for five parking facilities to Fairfax and Loudoun Counties. There are five new parking garages planned for the Phase 2 project. Under this option, Fairfax and Loudoun Counties would assume the responsibility to acquire property, design, build, construct and operate these parking facilities. This could be accomplished through a Public-Private Partnership or other type of joint development. Parking revenue would accrue to the counties or their project partner – not to WMATA. FTA's PMOC estimates the cost of each parking garage as shown:

<u>Garage Location</u>	<u># Spaces</u>	<u>Estimated Cost</u>
Herndon-Monroe Station	1949	\$51.4 M
Route 28 Station	2027	\$53.5 M
Route 606 Station	1965	\$51.9 M
Route 772 Station (North)	1434	\$37.8 M
Route 772 Station (South)	1540	\$40.6 M
Total Savings	8915	\$235.3 M

6. Reduce station canopy design to be consistent with Phase 1 requirements. The current design of the Phase 2 station platform canopies is 600 feet long to cover the entire platform. This proposed change would reduce the canopy length to a minimum of 300 feet and simplify the design to match the canopies being constructed for Phase 1. FTA's PMOC estimates the cost savings for this change to be approximately \$15 million.
7. Utilize steel structures in lieu of concrete. The current project design incorporates pre-cast segmental concrete girders similar to Phase 1 to support the aerial guideway in Phase 2. There are some locations where less expensive steel girders could be used while still maintaining the structural integrity of the guideway. FTA's PMOC estimates the cost savings of this change to be approximately \$35 million.
8. Modify station finishes. This change calls for less costly roofing, flooring ceiling, interior and exterior wall surfaces and handrails on platforms, mezzanines, pedestrian bridges, and pavilions. FTA's PMOC estimates the savings of this change to be approximately \$4 million.
9. Value Engineering by MWAA. MWAA will undertake a value engineering exercise through a third-party consultant. FTA's PMOC estimates potential cost savings opportunities through this effort could be as much as \$75 million.
10. Donation of Property to Project in lieu of right-of-way purchase. Most of the property required for the project may already be owned by MWAA, Fairfax County, or Loudoun County. In addition, the Dulles Toll Road and the Dulles Greenway median is reserved for the Phase 2 project. Thus, the cost of much of the project right-of-way could be removed from the budget if the counties and MWAA donate the property to the project. MWAA will have to complete an analysis of the ownership and value of the associated parcels in the project budget to fully estimate potential cost savings. This savings could be as high as \$53 million.
11. Reduce the number of Traction Power Substations (TPSS). WMATA's new design standard calls for the Traction Power Substations, which provide electricity to run its trains, to accommodate a 120-second service frequency. However, WMATA has agreed that the Phase 2 project may use the same 135-second frequency as being built for Phase 1. FTA's PMOC believes that this is too stringent a requirement given the 7-minute service frequency called for in WMATA's operating plan for the "Silver Line". The PMOC recommends a 180-second standard, which would allow the deletion of two substations. WMATA disagrees with this proposed option unless a simulation study shows otherwise. FTA's PMOC estimates the savings of this change to be approximately \$34 million.
12. Estimating error in TPSS cost. In its review, FTA's PMOC discovered a discrepancy between the 95% preliminary engineering cost estimate and the design drawings regarding the number of traction power substations for the Dulles Phase 2 Line and the rail yard and shops. FTA's PMOC estimates the correction of this error would reduce the project cost by approximately \$15 million.

13. Reduce number of railcars. The current Dulles Phase 2 project budget calls for the purchase of 64 rail cars. The required number of railcars is based on a 2004 WMATA Operating Plan for 2025 and a 2007 WMATA Rail Fleet Management Plan (RFMP). WMATA is currently updating the RFMP to reflect their current and future system-wide fleet requirements and expects to deliver the draft Plan for review by FTA in July. The 7000 Series rail cars will be manufactured in sets of 4 cars, which are estimated to cost approximately \$12 million each. If two sets of vehicles can be eliminated from the project budget, the resulting savings is estimated by FTA's PMOC to be approximately \$24 million.

**DRAFT**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
UNITED STATES DEPARTMENT OF TRANSPORTATION,  
COMMONWEALTH OF VIRGINIA,  
FAIRFAX COUNTY,  
LOUDOUN COUNTY,  
THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY, AND  
THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY**

**1.0 Introduction**

On this 20<sup>th</sup> day of July, 2011, the United States Department of Transportation (US DOT), the Commonwealth of Virginia (Virginia), Fairfax County (Fairfax), Loudoun County (Loudoun), the Washington Metropolitan Area Transit Authority (WMATA), and the Metropolitan Washington Airports Authority (MWAA) (collectively, the Parties) hereby enter into this MEMORANDUM OF UNDERSTANDING (MOU) to set forth their mutual understandings, expectations, and commitments concerning the completion of a Dulles Metrorail Phase 2 project.

**2.0 Recitals**

WHEREAS, US DOT, Virginia, Fairfax, Loudoun, WMATA and MWAA seek to enhance transportation service by bringing Metrorail service to Tysons Corner, Dulles International Airport, and the Dulles Airport Corridor through to Loudoun;

WHEREAS, on July 19, 2007, Fairfax, Loudoun, and the MWAA entered into an Agreement to Fund the Capital Cost of Construction of Metrorail in the Dulles Corridor;

WHEREAS, pursuant to its Funding Agreement with Fairfax and Loudoun, MWAA is constructing a project consisting of an extension of Metrorail from the existing Orange Line near the West Falls Church Station, through Tysons Corner, along the Dulles Corridor from Tysons Corner to the boundary of Fairfax, into Dulles International Airport, and terminating at Route 772 in Loudoun (the Project);

WHEREAS, for purposes of obtaining one or more Federal grants, construction of the Project has been divided into two phases, with Phase 1 of the Project

(Phase 1) described generally as that portion of the Project from the Metrorail Orange Line near the West Falls Church Station to and including the Wiehle Avenue Station, and Phase 2 of the Project (Phase 2) described generally as that portion of the Project west of the Wiehle Avenue Station to the terminus of the Project at the Route 772 Station in Loudoun County;

WHEREAS, on March 10, 2009, US DOT, through the Federal Transit Administration (FTA), entered into a Full Funding Grant Agreement (FFGA) with MWAA to support the construction of Phase 1;

WHEREAS, the estimated capital cost of Phase 2 project is now \$3.825 billion, up from \$2.5 billion in June 2005;

WHEREAS, the Parties to this MOU recognize the need to modify the design and finance plan for Phase 2 to reduce costs to a level as close to the original \$2.5 billion cost as possible;

WHEREAS, on June 1, 2011, Secretary of Transportation Ray LaHood convened the first of five meetings between the Parties to this MOU for the purpose of establishing a common, agreed-upon design and finance plan for Phase 2, and with the goal of completing the Project at a significantly reduced cost so as to lessen the financial burden on the Parties, local taxpayers, and the users of the Dulles Toll Road; and

WHEREAS, during five meetings over the course of 30 days, the Parties to this MOU discussed and debated the merits of scope reductions that offer significant cost savings, maintain a cost effective approach to project construction and performance goals, sustain expected ridership, and minimize delays in implementing the project.

### **3.0 Agreement**

NOW THEREFORE, US DOT, Virginia, Fairfax, Loudoun, WMATA, and MWAA agree as follows:

#### **3.1 Adjustments to Project Alignment and Design**

- a. The Phase 2 project Metrorail Station at Dulles International Airport shall be an aerial station adjacent to the North Garage. The station shall be augmented with amenities for the purpose of providing

passengers with climate controlled spaces including climate controlled waiting areas at the platform level.

- b. The yard and shop facilities at the "Y-15" site shall be reduced to that necessary to support the service provided by the Dulles Phase 2 project. WMATA may build more extensive facilities at this site for the benefit of the entire WMATA network but the costs of such expansion shall not be part of the Dulles Metrorail Phase 2 project.
- c. The size of station canopies shall be reduced to consistent with Phase 1 project requirements and the finishes designed and installed at such stations shall be economized.
- d. Where possible, cost savings will be implemented through the use of steel structures in lieu of concrete.

### **3.2 Assumption of Responsibility**

- a. The design, construction and operation of the parking facilities at the Herndon-Monroe Station and the Route 28 Station shall be assumed by Fairfax County.
- b. The costs of construction of the Route 28 station shall be assumed by Fairfax County.
- c. The design, construction and operation of the parking facility at the Route 606 Station and the two parking facilities at the Route 772 Station shall be assumed by Loudoun County.

### **3.3 Flexibility and Cooperation**

- a. WMATA shall be flexible in its application of standards for the location, design, and construction of the parking facilities and the Route 28 Station to maximize the opportunity for joint use development and/or public private financing of those facilities.

- b. Parking rates at the Phase 2 project parking facilities shall be determined by the counties that are responsible for their operation with the revenue from the parking facilities being retained by the counties.
- c. Each county shall construct at a minimum the same number of parking spaces for Metrorail users as is called for under the environmental impact statement governing the project.
- d. MWAA shall guarantee access to Loudoun County for the design, construction, and operation of any part of the parking facilities at Route 606 Station that may be located on property controlled by MWAA.

### **3.4 Further Cost Savings Opportunities**

Over the course of the next few months, further cost reductions shall be considered by the Advisory Committee created under by Section 3.8 of this MOU, below. Such further cost reductions may include:

- a. Savings resulting from the value engineering efforts conducted by MWAA;
- b. The donation of property to the project by the Parties in lieu of right-of-way purchases;
- c. A reduction in the number of Traction Power Substations (TPSS) and the associated re-estimating of TPSS costs; and
- d. A reduction in the number of railcars purchased for the purpose of the Phase 2 project.

### **3.5 Credit Assistance**

Through its Transportation Infrastructure Finance and Innovation Act (TIFIA) program, US DOT will provide credit assistance, in the form of a Federal credit instrument, to Fairfax, Loudoun, and/or their partners, for a project that meets TIFIA's statutory and regulatory requirements. The form of TIFIA credit assistance is to encompass several project components, which may include the costs associated with the assumption of responsibility for the Phase 2 parking facilities and Route 28 Station.

Nothing in this agreement would preclude MWAA from applying for TIFIA credit assistance under a future notice of funding availability.

### **3.6 Financial Assistance**

- a. Virginia shall contribute an additional amount of not less than \$150 million toward the Project through the Virginia State Infrastructure Bank. This assistance will be structured in a manner to minimize the tolls paid by toll road users for the Phase 2 project.
- b. In addition, Virginia shall extend the terms of the lease of the toll road to MWAA to further extend the period over which the Phase 2 project can be financed and, in so doing, shall further reduce the exposure of toll road users to the costs of the Phase 2 project.

### **3.7 Financial Commitment**

Virginia, Fairfax, Loudoun, and MWAA shall memorialize their renewed financial commitments to the Project by entering into an intergovernmental agreement, or similar contract, by the \_\_\_\_\_ day of \_\_\_\_\_, 2011. Said intergovernmental agreement shall be cited within amended environmental documents prepared by the FTA and in the TIFIA credit assistance documents.

### **3.8 Advisory Committee**

Virginia, Fairfax, Loudoun, WMATA and MWAA agree to establish a Dulles Metrorail Project Advisory Committee (Advisory Committee).

The purpose of the committee will be to implement the terms of this MOU and regularly monitor progress of planning, design, and construction of the Phase 2 project to ensure that the project is successfully deployed at minimal cost and in a manner satisfactory to all of the Parties to this MOU.

The Advisory Committee shall be comprised of the MWAA President/CEO, Virginia Secretary of Transportation, Fairfax County Executive, Loudoun County Administrator, and WMATA General Manager/CEO, or their designees. The Advisory Committee shall be chaired by the MWAA President in his/her continuing role of the project sponsor of the Dulles Metrorail Phase 2 project.

The Advisory Committee shall meet regularly upon the call of its Chairman but no less frequently than once per month.

**4.0 Miscellaneous Provisions**

**4.1 Effective Date**

This MOU is effective as of the date first written above.

**4.2 Construction of this MOU**

This MOU is intended by the Parties to be construed as whole and indivisible and its meaning is to be ascertained from the entire instrument. All parts of the MOU are to be given effect with equal dignity, including but not limited to the recitals at the beginning of this MOU, and all such parts, including the recitals, are to be given full force and effect in construing this Agreement. No provision of any recital shall be construed as being controlled by or having less force than any other part of this MOU because the provision is set forth in a recital.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date entered herein.

FOR THE UNITED STATES DEPARTMENT OF TRANSPORTATION

\_\_\_\_\_  
Name:  
Title:  
DATE: \_\_\_\_\_

FOR THE COMMONWEALTH OF VIRGINIA

\_\_\_\_\_  
Name:  
Title:  
DATE: \_\_\_\_\_

FOR THE COUNTY OF FAIRFAX

\_\_\_\_\_  
Name:  
Title:  
DATE: \_\_\_\_\_

FOR THE COUNTY OF LOUDOUN

\_\_\_\_\_  
Name:  
Title:  
DATE: \_\_\_\_\_

FOR THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

\_\_\_\_\_  
Name:  
Title:  
DATE: \_\_\_\_\_

FOR THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

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