To: Chairman Skinner and the VRE Operations Board  
From: Rich Dalton  
Date: June 19, 2020  
Re: Authorization to Execute a Letter of Intent Regarding the Design, Funding and Construction of the Planned VRE Crystal City Station  

Recommendation:  
The VRE Operations Board is asked to authorize the Acting Chief Executive Officer to execute a Letter of Intent (LOI) with JBG-SMITH (JBGS) regarding the design, funding, and construction of the planned VRE Crystal City Station.

Summary:  
A new VRE Crystal City Station has been proposed on JBGS property. VRE and JBGS intend to collaborate on the station design to support the broader vision that JBGS is pursuing for National Landing (i.e. Crystal City, Pentagon City, and adjacent areas) while ensuring that VRE’s design requirements are met. Ongoing coordination will minimize redesign costs and overall disruption of VRE and JBGS activities.

Background:  
VRE is currently designing the new Crystal City Station and has been collaborating with JBGS. Ongoing coordination on the final design and construction of the station is advisable to:
1. Avoid undue disruption to JBGS tenants and ensure structural integrity of existing buildings and below grade structures during construction
2. Ensure the construction and operation of portions of the station does not impair ongoing building operations regarding loading, access, etc.
3. Minimize redesign costs and overall disruption for ongoing or planned VRE and JBGS projects that overlap or are adjacent to each other

4. Ensure the architecture and design of the station not only supports VRE needs but also serves as a gateway to National Landing from Ronald Reagan National Airport

A non-binding LOI will identify a process by which VRE and JBGS can make informed decisions about their commitments to collaboratively design, fund, and construct the Station. Once consensus is reached, these commitments are proposed to be documented in a binding agreement.

The process involves the following steps:

1. VRE has shared the concept design for the station that is being advanced. JBGS will independently develop a design incorporating enhancements that better meet their vision for the station. Both designs will be developed to a sufficient level of detail to be able to identify a reasonable cost estimate for each design.

2. In July 2020, the VRE team will undertake a comparative evaluation of the two designs considering various aspects including costs, functionality, safety, constructability, and ongoing maintenance considerations.

3. VRE and JBGS will review the VRE team’s recommendations to incorporate or reject any enhancements proposed by JBGS, as well as the estimated cost for elements recommended to be incorporated into the design (i.e. “betterments”). Once consensus is reached, JBGS will respond in writing regarding its intention to fund the identified betterments and VRE will then incorporate all such betterments committed to by JBGS into its design.

The LOI also includes recommendations on how the binding agreement should address the responsibility and timeline for funding and construction of agreed upon betterments, as well as a process for settling disputes regarding responsibilities for any schedule variances and cost overruns. Additional considerations addressed by the LOI include JBGS’ willingness and interest in:

1. Managing the development and construction of any/all components of the station outside the active track corridor subject to all applicable procurement requirements.

2. Performing routine maintenance under a service agreement with VRE subject to all applicable procurement requirements.

3. Naming the new station “National Landing Station” consistent with the renaming of the Crystal City Business Improvement District, and funding reasonable costs associated with updating maps, signage and other materials for this purpose.

4. Providing public access easements over JBGS property, access for maintenance and operation activities upon request, as well as temporary construction access at no cost to VRE.
5. Obtaining approval of a site plan amendment by Arlington County as necessary provided JBGS is compensated for such costs.

6. Requesting factual information from VRE so that JBGS can seek credit from Arlington County as part of their entitlement process.

7. Not precluding the extension of the pedestrian bridge from the station to National Airport, nor the expansion of passenger rail service, either by VRE, or by other operators such as Amtrak or MARC.

Fiscal Impact:

JBGS is willing to fund the cost of certain design elements, materials, features and other aspects that VRE is willing to incorporate into the project that go beyond the conventional VRE station design standards, and which VRE alone would not have cause or financial ability to incorporate into the project. The final amount and timing of funding to be provided by JBGS has not been identified in the LOI but are proposed to be included in a future binding agreement between VRE and JBGS.
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WHEREAS, a new VRE Crystal City Station has been proposed on JBG-SMITH property; and,

WHEREAS, VRE and JBG-SMITH intend to collaborate on the station design; and,

WHEREAS, the station design will aim to support the broader vision that JBG-SMITH is pursuing for National Landing (i.e. Crystal City, Pentagon City, and adjacent areas) while ensuring that VRE’s design requirements are met; and,

WHEREAS, ongoing coordination will minimize redesign costs and overall disruption of VRE and JBGS activities; and,

WHEREAS, a Letter of Intent will identify the collaboration process;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby find that, in accordance with recently adopted amendments to budget bills HB 29 and 30, meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Operations Board to assemble in a single location on June 19, 2020, and that meeting by electronic means is authorized because the items on the June 19, 2020 Operations Board Meeting Agenda are statutorily required or necessary to continue operations of the Operations Board and the discharge of the Operations Board’s lawful purposes, duties, and responsibilities; and further find that meeting by electronic means is authorized because the items on the June 19, 2020 Operations Board Meeting Agenda are encompassed within the continuity of operations ordinances adopted by member localities of the Virginia Railway Express Operations Board to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby authorize the Acting Chief Executive Officer to execute a Letter of Intent with JBG-SMITH regarding the design, funding, and construction of the planned VRE Crystal City Station in a form approved by legal counsel.
Approved this 19th day of June 2020

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Gary Skinner
Chairman

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Jeanine Lawson
Secretary