



Planning, Development and Real Estate Committee

Board Action Item III-A

March 27, 2008

**Parking Lease for Former Southeast Bus
Facility**

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

Action
 Information

MEAD Number:
99961

Resolution:
 Yes No

PURPOSE

To obtain Board approval to: 1) negotiate and execute lease agreements with Washington Nationals Stadium, LLC for use of Metro's Southeastern Division Bus Garage and surface parking lot at Van Street, S.E.; and 2) allocate lease revenue to the Operating Reserve Account for Southeastern Bus Garage.

DESCRIPTION

In preparation for the start of the baseball season at the new Washington Nationals Stadium, Washington Nationals Stadium, LLC has requested to lease from Metro the Southeastern Bus Garage facility (when vacated by Metro), and the adjoining surface parking lot at Van Street, S.E., for vehicular parking for Washington National's season ticket holders and attendees at other events to be held at the stadium.

The parking would be included in two separate leases: one for the bus garage and one for the surface lot. The bus garage and Van Street lot can accommodate approximately 230 and 80 parking spaces respectively.

Washington Nationals Stadium, LLC, or its contractor, would operate the parking lots and provide the requisite insurance and indemnification to Metro.

The lease for the Van Street lot would commence on March 29, 2008, the date of the first exhibition game at the stadium, and continue on a month-to-month basis until March 28, 2009, or until settlement on the sale of the bus garage property, whichever is sooner.

The lease for the bus garage would commence on or about April 20, 2008, after the buses have been reallocated from Southeastern Division and Metro has removed its equipment from the garage, and continue on a month-to-month basis until April 19, 2009, or until settlement on the sale of the bus garage property, whichever is sooner.

Washington Nationals Stadium, LLC would be able to extend one or both leases for an additional term of one (1) year upon sixty (60) days prior written notice to Metro, subject to a three percent (3%) escalation in the monthly rental amount. Both leases would provide for cancellation by either party at the end of any month upon thirty (30) days prior written notice.

Monthly revenue over the two-year terms of the leases is as follows:

Bus Garage:	\$27,370 (4/20/08-4/19/09)
	\$28,191 (4/20/09-4/19/10)
Van Street Lot:	\$9,500 (3/29/08-3/28/09)
	\$9,785 (3/29/09-3/28/10)

FUNDING IMPACT

Budget:	Other Revenue
Account:	Operating Reserve Account for Southeastern Garage
This Action:	\$898,795
Remarks:	Revenue to be used to offset operating expenses associated with the closure of Southeastern Garage.

Budget:	FY08	FY09	FY10
	\$94,226	\$445,583	\$358,986

Represents total rental revenue for two-year term for both leases. Actual revenue may be less as these are month-to-month leases cancelable on 30 days notice.

RECOMMENDATION

That the Board approve 1) negotiation and execution of lease agreements with Washington Nationals Stadium, LLC for use of Metro’s Southeastern Division Bus Garage and surface parking lot at Van Street, S.E. for vehicular parking; and 2) the allocation of lease revenue to the Operating Reserve Account for Southeastern Bus Garage.



Lease of Southeastern Bus Garage & Lot to Washington Nationals Stadium, LLC for Parking

Presented to the Board of Directors:

**Planning, Development and Real Estate
Committee**

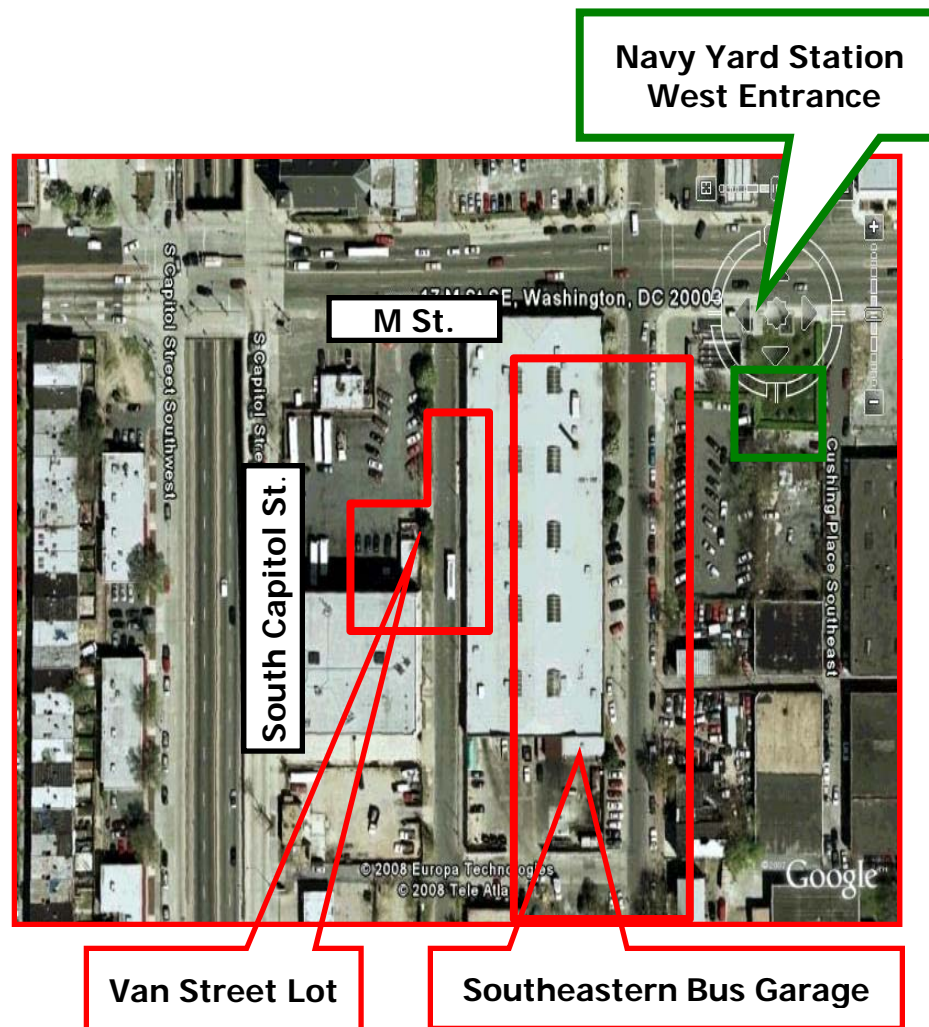
March 27, 2008





Benefits/Costs

- Benefits
 - ✓ Leases would enhance interagency cooperation
 - ✓ Revenue would offset operating expenses associated with closure of Southeastern Garage
 - ✓ Continued activity would avoid liability of an unused vacant building and lot
- Costs
 - ✓ None





Purpose

To obtain Board approval to:

- Negotiate and execute lease agreements with Washington Nationals Stadium, LLC for use of Metro's Southeastern Bus Garage facility and the adjacent surface parking lot
- Allocate lease revenue to the Operating Reserve Account for Southeastern Bus Garage

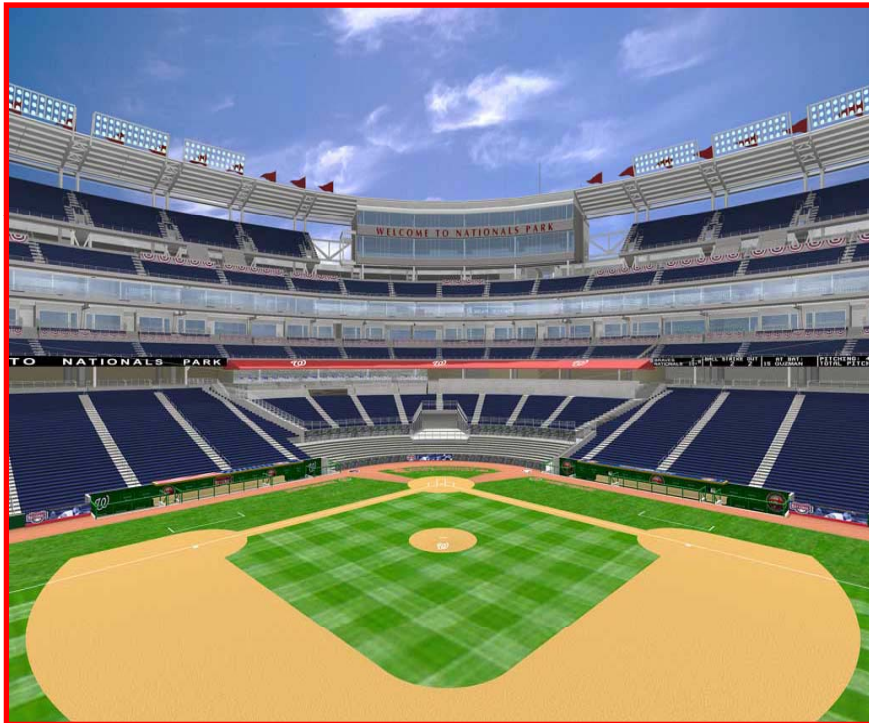


Description

- Washington Nationals Stadium, LLC has requested to lease the:
 - ✓ Southeastern Bus Garage facility, when vacated by Metro
 - ✓ Adjacent surface parking lot at Van Street, SE
- The space will be used for parking for Washington National's season ticket holders and other events to be held at the stadium



Southeastern Bus Garage Re-Allocation



- Operations at Southeastern Bus Garage to end by March 28, 2008
- Bus routes and bus maintenance to be re-allocated to other existing bus facilities
- Southeastern Bus Garage equipment to be removed by April 19, 2008



Southeastern Bus Garage Parking Leases

Washington Nationals
Baseball Stadium

Van Street
Lot



Southeastern
Bus Garage

- Van Street lot lease would commence March 29, 2008
- Southeastern Bus Garage lease would commence April 20, 2008
- Leases would have base-year with option of one additional year
- Leases would provide for thirty-day cancellation notice by either party



Lease Revenues

Assuming 12 month base year & exercise of option for second 12 month year, revenue received by Metro fiscal year would be:

FY08 = \$ 94,226

FY09 = \$445,583

FY10 = \$358,986



Southeastern Bus Garage



Van Street Lot



Recommendation

Recommend the Board approve:

- Negotiation and execution of Southeastern Bus parking leases
- Allocation of lease revenue to the Operating Reserve Account for Southeastern Bus Garage

