

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

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 99711	Resolution: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	-----------------------	--

PURPOSE

To request Board approval to execute a three-year lease with Verizon for use of WMATA property for the parking of vehicles, machinery, and equipment and material storage.

DESCRIPTION

WMATA owns approximately 9.4 acres of vacant land at Backlick and Industrial Roads in Springfield, Virginia, of which three acres are asphalt paved. The property was recently offered for lease to the public through competitive bids. Acceptable bids had to meet or exceed the fair market rental rate of \$10,333.33 per month as determined by WMATA appraisal. Verizon subsequently submitted a lease offer for three years to use the property for the parking of utility construction equipment, field vehicles and material storage. The Verizon offer is at a rental rate of \$10,500 which is higher than WMATA's appraised fair market rental rate. WMATA and Verizon have verbally agreed to a three year lease at a first-year rent of \$126,000 (\$10,500 per month), with annual increases of 5%. The lease will contain a six (6) month cancellation provision to provide WMATA flexibility for a possible future sale, development or use of the property for operational purposes. On January 19, 2006 the WMATA Board approved a five-year lease (MEAD #99110) with the Fairfax County School Board for similar terms; however, the Fairfax County Board decided that it could not agree to a termination option, and negotiations were terminated by mutual consent.

FUNDING IMPACT

This is a revenue generating contract. Based on a lease commencement date of February 1, 2007, the annual revenue would be as follows:

FY07	\$ 52,500
FY08	\$128,625
FY09	\$135,055
FY10	<u>\$ 81,032</u>
Total	<u>\$397,212</u>

RECOMMENDATION

That the Board of Directors approve the execution of a three year lease with Verizon for the use of WMATA property for parking of utility construction equipment, field vehicles and material storage.