



(Board Copy)
Washington Metropolitan Area Transit Authority
**METRO ELECTRONIC ACTION
DOCUMENT**

IDENTIFICATION			
MEAD ID:	99181	ACTION:	N/A
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: (View)		CONTRACTOR:	
LAST MODIFIED:	05/10/2006		

DESCRIPTION	
SUBJECT:	Request approval to issue RFP for Demonstration Program for retail services in Metrorail stations
PURPOSE:	To request approval of the Real Estate Committee and the Board of Directors to issue a Request for Proposals (RFP) for a Demonstration Program to provide retail services at twelve (12) Metrorail stations and to amend the "Regulation Concerning The Use By Others Of WMATA Property" to allow for retail uses in both the free and paid areas of Metrorail stations.

ORIGINATION					
INITIATOR			DEPARTMENTAL APPROVAL		
MARK MEISTER on 12/08/2005			Approved by SALPEAS , PANAGIOTIS 12/27/2005		
PHONE:	202-962-1589	OFFICE:	LAND	DEPT:	Secretary and Chief of St

COORDINATION (ROUTING)		
OFFICE	NAME	ACTION/DATE
LAND (7310)	MALASKY, GARY	Approved 12/16/2005
STRK (6210)	BOND, MURRAY	Approved 12/28/2005
MTPD (1810)	HANSON, POLLY	Approved w/ Comments 03/03/2006
MTPD (1810)	HANSON, POLLY	Re-assigned 03/01/2006
(1711)	GOODINE, FRED	Approved 03/08/2006
COUN (1410)	O'KEEFFE, CAROL	Approved 03/16/2006
OPAS (3161)	HUGHES, JAMES	Approved 03/20/2006
(1120)	Moneme, Emeka	Approved 03/21/2006

FINAL APPROVALS	
OFFICE	NAME/ACTION
PLN_DEV_CMTE	Approved for by PANAGIOTIS SALPEAS on 12/27/2005
SAFE	Approved for by FRED GOODINE on 03/08/2006
OPER_CMTE	Approved for OPAS by JAMES HUGHES on 03/20/2006
BEMR	Approved for by Emeka Moneme on 03/21/2006
GM	Approved for GMGR by GMGR CEO on 04/07/2006
BOARD	BOARD WMATA (Not Yet Approved)



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NARRATIVE

DISCUSSION:

On July 16, 2004, the Board approved a modification to the Regulation Concerning The Use By Others Of WMATA Property (hereinafter, "the Use Regulations") to allow commercial use of Authority-owned facilities including the free areas of Metrorail stations (with the exception of the sale of food, beverages and tobacco), subject to Board approval of the specific uses. In addition to generating revenue to WMATA, the objectives of the retail program include:

Providing frequently-used/needed goods or services to transit patrons which will reduce travel time required to purchase such goods and services; and

Increasing transit ridership to reduce air quality impacts, energy consumption and traffic congestion.

LAND proposes to issue a Request for Proposals (RFP) to select a licensee(s) to install, operate and manage retail concessions at 12 Metrorail stations. Four (4) stations each in the District of Columbia, Maryland and Virginia are included in the Demonstration Program:

District of Columbia

Anacostia (outside of station)
 Gallery Place - Chinatown (free and paid areas of mezzanine)
 Georgia Ave - Petworth (free area of mezzanine)
 Metro Center (free and paid areas of mezzanine)

Maryland

College Park - U of Md (at least one of the following: paid area of mezzanine, outside of station, inside garage)
 Glenmont (free area of mezzanine)
 New Carrollton (outside of station)
 Shady Grove (outside of station)

Virginia

King Street (free area of mezzanine)
 Rosslyn (free area of mezzanine)
 Vienna/Fairfax - GMU (free area of mezzanine and outside of station)
 West Falls Church - VT/UVA (outside of station)

Station selection criteria included ridership, location (downtown, suburban, end-of-line) and tourist destinations. Sites were generally chosen in the free areas of the stations with the exception of Metro Center and Gallery Place-Chinatown where inadequate space is available outside the fare gates. Sites are recommended for the paid area of the mezzanine at those stations. Architectural criteria will be included in the RFP to ensure a uniform, professional appearance among all stations.

The Use Regulations do not permit retail uses in the paid areas of Metrorail stations. Therefore, approval is requested to amend the Use Regulations to allow for retail sites in both the free and paid areas of Metrorail stations. If approved, section 100.7 Definitions, (e) "Commercial Use of Authority-owned Facilities" would be amended to read:

"Commercial Use of Authority-owned Facilities" means the use of the Authority's parking facilities/structures, Metrorail stations, Metrobus garages, rail yards and office buildings, for

commercial ventures, such as office space and retail ventures (sale of products or services, except food, drink and tobacco, deemed to reduce the travel time of transit users by providing easy access to frequently used/needed products or services). Each commercial use requires Board approval."

Proposers will be asked to submit proposals which do not include the sale of food, beverages and tobacco.

The Selected Proposer(s) will be required to obtain all local jurisdictional zoning and any other applicable approvals for its retail operations. A licensee(s) with the financial resources and experience in operating a large-scale retail program is being sought for this Demonstration Program. The licensee(s) will be responsible for all capital outlays and overseeing day-to-day operations including rent collection and facilities maintenance. To encourage participation by local small businesses, one of the criteria for selecting a licensee(s) will be the proposer's plan to include local small businesses (including Disadvantaged Business Enterprises) in its retail operation.

The licensee(s) will be granted an exclusive license to operate retail services at the twelve Metrorail stations for a term of five (5) years with two (2) one year extension options. Based upon the success of the Demonstration Program and upon mutual agreement of the parties, the licensee(s) will have the right to add retail locations at other Metrorail stations during the license term.

ALTERNATIVES:

Do not approve the issuance of the RFP and forgo a potentially significant revenue source and customer amenity.

IMPACT ON FUNDING:

This is a revenue generating contract with all costs to be borne by the selected licensee(s).

AFFIRMATIVE ACTION REQUIREMENTS:

Although this RFP for Retail Services is a new endeavor, WMATA desires to maximize participation by Disadvantaged Business Enterprises (DBEs). WMATA is therefore requesting all proposers to provide a plan to identify potential opportunities for DBE participation, as well as those DBE firms which may provide services, equipment or supplies needed on this solicitation.

RECOMMENDATION:

That the Real Estate Committee and the Board of Directors approve (1) the issuance of a Request for Proposals for a Demonstration Program to provide retail services at the following twelve (12) Metrorail stations:

District of Columbia

Anacostia (outside of station)
 Gallery Place - Chinatown (free and paid areas of mezzanine)
 Georgia Ave - Petworth (free area of mezzanine)
 Metro Center (free and paid areas of mezzanine)

Maryland

College Park - U of Md (at least one of the following: paid area of mezzanine, outside of station, inside garage)
 Glenmont (free area of mezzanine)
 New Carrollton (outside of station)
 Shady Grove (outside of station)

Virginia

King Street (free area of mezzanine)
Rosslyn (free area of mezzanine)
Vienna/Fairfax - GMU (free area of mezzanine and outside of station)
West Falls Church - VT/UVA (outside of station)

with the understanding that staff will present a licensee(s) and proposed retail uses to the Board for approval; and (2) that the Board of Directors adopt a resolution amending the "Regulation Concerning The Use By Others Of WMATA Property" to permit retail uses in both the free and paid areas of Metrorail stations.

SUBJECT: REVISIONS TO THE USE REGULATION CONCERNING THE USE BY OTHERS OF WMATA PROPERTY

**PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, In 1980, the Board of Directors (the "Board") adopted Board Resolution #80-19, in which it declared that it would allow the use of WMATA property by others for a limited number of activities, including some commercial activity, but clearly stated its intent to closely monitor/control such use; and

WHEREAS, In 1987, the Board adopted Board Resolution #87-02, promulgating the Regulation Concerning the Use By Others of WMATA Property (the "Use Regulation") to codify the policy expressed in Board Resolution #80-19, and allowed some additional activities; and

WHEREAS, In 1995, the Board adopted Board Resolution #95-27, amending the Use Regulation to allow WMATA to lease WMATA property for the installation of communications antennas and equipment in addition to fiber optic cables; and

WHEREAS, In 2002, the Board adopted Board Resolution #2002-47, amending the Use Regulation to allow WMATA to use its parking facilities for non-transit, public parking, civic uses, and limited commercial uses; and

WHEREAS, In 2004, the Board adopted Board Resolution #2004-07 and #2004-35, making many substantive changes to the Use Regulation, one of which was to allow commercial use (excluding the sale of food, beverage and tobacco) of Authority-owned facilities, including the free areas of Metrorail stations, subject to Board approval prior to the initiation of such commercial use; and

WHEREAS, Staff now proposes to issue a Request for Proposals to select a licensee(s) to install and operate retail concessions at twelve (12) Metrorail stations to provide frequently-used/needed goods or services as a convenience to transit customers and to produce a source of revenue for WMATA; and


WHEREAS, Three (3) designated sites (Metro Center, Gallery Place-Chinatown, and College Park/UMd Metrorail Stations) do not have sufficient space in the free areas for such commercial activity and commercial activity is proposed for the paid areas of those stations; and

WHEREAS, Staff recommends that the Board adopt revisions to the Use Regulation, attached hereto as Exhibit A, to allow commercial ventures (retail sites) in both free and paid areas of Metrorail stations where safety and security permit such use; now, therefore be it

RESOLVED, That the Board adopts the revision to the Use Regulation, attached hereto as Exhibit A, to allow for commercial ventures, such as concession stands, where safety and security permit, to provide frequently-used/needed goods or services as a convenience to transit customers and to produce a source of revenue for WMATA, subject to Staff receiving prior Board approval for each venture; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel

EXHIBIT A

Section 100.7 (Definitions) of the Regulation Concerning the Use by Others of WMATA Property:

(e) “Commercial Use of Authority-owned Facilities” means the use of the Authority’s parking facilities/structures, ~~free areas of~~ Metrorail stations, Metrobus garages, rail yards and office buildings for commercial ventures, such as, office space and retail ventures (sale of products or services, except food, drink and tobacco, deemed to reduce the travel time of transit users by providing easy access to frequently used/needed products or services). Each commercial use requires Board approval.