

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202058

Resolution:
☒ Yes ☐ No

TITLE:

Indemnification Provision in Huntington Lease

PRESENTATION SUMMARY:

Staff seeks approval to include an indemnification provision in a lease with Huntington Metro, LLC, to support temporary bus operations during the Summer 2019 Shutdown of the Yellow Line and Blue Line Metro Stations in the City of Alexandria and Fairfax County.

PURPOSE:

Staff seeks Board approval to include an indemnification provision in a ground lease with Huntington Metro, LLC, in order to construct a temporary bus loop on property adjacent to the Huntington Metro Station, while the permanent bus loop is being used for construction staging during the Yellow/Blue Lines platform rehabilitation and garage demolition project, which starts in Summer 2019.

DESCRIPTION:

Key Highlights:

- A short-term ground lease is required to support bus operations during the Summer 2019 shutdown of the Yellow Line and Blue Line Metrorail stations in the City of Alexandria and Fairfax County.
- A temporary bus loop will be constructed on property adjacent to the Huntington Metro Station, while the permanent bus loop is being used for construction staging
- The property owner requires Metro to indemnify it, which is an unfunded liability to Metro and requires Board approval.

Background and History:

During the Summer 2019 platform rehabilitation project Metro will need to temporarily relocate the existing bus loop on the south side of the Huntington Metro Station to an off-site location so that Metro can use the bus loop as a construction staging area. Approximately two acres of available, unimproved land adjacent to the station's south parking garage is owned by Huntington

Metro, LLC. Staff is finalizing the terms of a ground lease with Huntington Metro, LLC to execute the lease by January 31, 2019.

Discussion:

Huntington Metro LLC, the landlord of the property adjacent to the Huntington Metro Station, seeks indemnification, which is an unfunded liability to Metro, and requires Board Approval. The term of the lease will be short term, estimated currently to be two years, which would be the period of indemnification.

FUNDING IMPACT:

The indemnification language in the ground lease does not allow for quantitative analysis of any future impact on funding, if any.	
Project Manager:	Bruce Bourque
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	None
Anticipated actions after presentation	Execution of a ground lease, January 31, 2019

RECOMMENDATION:

Approval to include an indemnification provision in a ground lease with Huntington Metro, LLC., in order to construct a temporary bus loop on property adjacent to the Huntington Metro Station, while the permanent bus loop is being used for construction staging.

**SUBJECT: APPROVAL TO INCLUDE AN INDEMNITY IN FAVOR OF THE
COUNTERPARTY IN CONNECTION WITH GROUND LEASE BETWEEN
WMATA AND HUNTINGTON METRO LLC**

2019-03

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

WHEREAS, Resolution 2011-30 requires approval by the WMATA Board of Directors for any non-procurement agreement that contains an indemnity in favor of the counterparty; and

WHEREAS, WMATA is planning a 2019 summer platform rehabilitation project, which will impact the Yellow and Blue Lines in both Alexandria, Virginia and Fairfax County, Virginia, and as a result, requires land in the vicinity of the Huntington Metro Station to locate a temporary bus loop; and

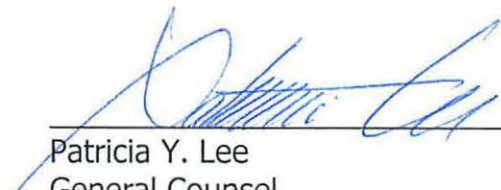
WHEREAS, Staff is negotiating with the owner of the land next to the Huntington Metro Station, Huntington Metro LLC, to lease land for the temporary bus loop; and

WHEREAS, The proposed lease agreement contains an indemnity in favor of the counterparty; NOW THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager/Chief Executive Officer or his designee to include an indemnity in favor of the counterparty as may be required by the ground lease between WMATA and Huntington Metro LLC; and be it finally

RESOLVED, That in order to timely complete the negotiations and execute the ground lease, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel

WMATA File Structure No.:
15.2.1 Grants of Indemnification

**Motioned by Mr. Evans, seconded by Mr. Dorsey
Ayes: 8 – Mr. Evans, Mr. Crawford, Mr. Smedberg, Mr. Horner, Mr. Price, Mr. Goldman, Mr. Dorsey and
Mr. McMillin**