

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202041

Resolution:
☒ Yes ☐ No

TITLE:

Indemnification Related to Potomac Yard Station

PRESENTATION SUMMARY:

Staff seeks Board approval for indemnification in two ground leases in support of the construction of the Potomac Yard Metrorail Station, a reimbursable project.

PURPOSE:

Request Board approval to execute two ground leases with two homeowners associations (Old Town Greens Townhome Owners Association and Potomac Greens Homeowners Association), both of which leases contain provision for Metro to indemnify the respective associations.

DESCRIPTION:

Staff seeks Board approval to execute two ground leases with two homeowners associations (Old Town Greens Townhome Owners Association and Potomac Greens Homeowners Association), both of which leases contain provision for Metro to indemnify the respective associations. The leases are required for Metro to construct the new Potomac Yard Metrorail Station in the City of Alexandria, Virginia.

Key Highlights:

- The ground leases are each for a four-year term with two one-year options to renew
- The HOA facilities are between 13 to 20 years old
- Metro will build a new replacement traffic circle, tennis courts & tot lot in place and kind

Background and History:

Property Owner: Potomac Greens Homeowners Association

The Potomac Greens Homeowners Association (HOA) owns a traffic circle at the intersection of Potomac Greens Drive and Carpenter Road. Potomac Greens Drive dead-ends at property owned by the City of Alexandria where Metro will construct the station. A substantial majority of the construction of the station will occur at this dead-end site. The only reasonable access to the

construction site is along Potomac Greens Drive and Carpenter Road, both roads are two-lane roads. At this intersection, the HOA built and maintains a landscaped traffic circle. In the professional opinion of Metro staff and the contractor, the traffic circle needs to be temporarily demolished to allow for heavy vehicles and equipment to make the right turn onto Carpenter Road from Potomac Greens Drive. Upon completion of the project, the traffic circle, which is about 13 years old, will be rebuilt new in place and in kind.

Property Owner: Old Town Greens Townhome Owners Association

The Old Town Greens Townhome Owners Association (HOA) owns two tennis courts and an adjacent tot lot along an existing private access road on HOA land used by the HOA residents to reach the tennis courts and the tot lot and by Metro staff to reach Metro's Traction Power Substation C11 (TPSS C11). TPSS C11 is located on City land about ½ mile north of the HOA facilities. The City property will be conveyed to Metro as part of the Potomac Green Metro Station project conveyances from the City. Metro will be placing construction trailers at the TPSS C11 site for use by Metro's project management staff and by the contractor's management team, and both teams' vehicles. The existing access road is too narrow to allow for two-way vehicular traffic. In order to widen the road, the tennis courts and the tot lot will need to be temporarily demolished. Upon completion of the project, the tennis courts and tot lot, which are 20 years old, will be rebuilt new in place and in kind.

Discussion:

Both HOAs require Metro to indemnify them in the ground leases, which is an unfunded liability to Metro and requires Board approval.

FUNDING IMPACT:

The indemnification language in the ground leases do not allow for quantitative analysis of any future impact on funding, if any.	
Project Manager:	Anabela Talaia
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	N/A
Anticipated actions after presentation	November 2018 - Execute the ground leases

RECOMMENDATION:

Board approval to indemnify Old Town Greens Townhouse Owners Association and Potomac Greens Homeowners Association in connection with the execution of ground leases for the Potomac Yard Metrorail Station.

PRESENTED AND ADOPTED: November 15, 2018

**SUBJECT: APPROVAL TO INDEMNIFY COUNTERPARTIES IN CONNECTION WITH
EXECUTION OF GROUND LEASES FOR THE POTOMAC YARD METRORAIL
STATION CONSTRUCTION**

2018-50

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

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

WHEREAS, Staff is negotiating two ground leases with two homeowners associations (Old Town Greens Townhome Owners Association and Potomac Greens Homeowners Association) for construction access for construction of the Potomac Yard Metrorail Station; and

WHEREAS, The ground leases require WMATA to indemnify the respective homeowners associations; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager/Chief Executive Officer or his designee to indemnify the respective homeowners associations as may be required by the ground leases; and be it finally

RESOLVED, That, in order to timely negotiate and execute the ground leases as required by the Potomac Yard Metrorail Station project schedule, 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. Price
Ayes: 8 – Mr. Evans, Mr. Crawford, Mr. Corcoran, Mr. Horner, Mr. Price, Mr. Goldman, Mr. Dorsey and
Mr. McMillin