

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202034

Resolution:
☒ Yes ☐ No

TITLE:

Former Walter Reed Parking Space License

PRESENTATION SUMMARY:

Staff seeks Board approval for an indemnification that will allow Metro to temporarily park twenty (20) buses at an available parking lot at the former Walter Reed site on Georgia Ave. because conditions at the Northern bus facility (located on 14th and Decatur Streets N.W.) are such that the buses are not safe to stay inside that facility overnight and Metro requires an alternate overnight bus parking site.

PURPOSE:

Request Board approval to execute a parking space license agreement with TPWR Developer LLC, which agreement contains a provision for Metro to indemnify the owner.

DESCRIPTION:

A portion of the Northern bus facility has been closed to overnight bus parking due to structural issues identified in the building. As a result, twenty (20) articulated buses are being transported daily and stored overnight at the Montgomery and Bladensburg bus facilities. The buses return to Northern bus facility the following morning and pay the District of Columbia government for the right to park on the public street in front of the Northern bus facility prior to the start of daily operations.

Metro's long term plan is to redevelop the Northern bus facility; in the meantime, Metro requires temporary bus parking through June 2019. The owner of the former Walter Reed complex, TPWR Developer LLC, has agreed to license the Metro parking spaces it owns through June 2019. The location is two miles from the Northern bus facility and is a good temporary solution for bus parking.

Key Highlights:

- Staff has identified the former Walter Reed site on Georgia Ave. N.W. in Washington, DC as a solution for providing temporary bus parking for twenty (20) articulated buses between now and through June 2019 and is negotiating a parking space license with the owner.

- The owner of the former Walter Reed site requires an indemnification provision in the parking space license agreement, which indemnification requires Board approval since it represents an unfunded liability to Metro.

Background and History:

A portion of the Northern bus facility has been determined to have structural issues that could pose a safety concern for overnight bus storage. As a result, twenty (20) articulated buses are being transported daily and stored overnight at the Montgomery and Bladensburg bus facilities.

The buses return to Northern bus garage every morning and Metro pays the District of Columbia government for the right to park on the public street in front of the Northern bus facility prior to the start of daily bus operations. The total cost to Metro for transport from the remote bus facilities and for street parking is more than \$150,000 per month. Moreover, the time required to transport the buses reduces the window for daily maintenance activities. Finally, the local community and area businesses object to Metro utilizing scarce on-street parking for temporary bus parking.

Staff sought an overnight parking solution that is closer to the Northern bus facility, reduces deadhead costs, and is cheaper for Metro. A parking lot is available on the former Walter Reed hospital site located on Georgia Ave. N.W. and staff is negotiating a parking space license for \$30,000 per month for the period between October 2018 and June 2019, subject to Board approval of Metro's indemnifying a third-party (i.e. the property owner).

Discussion:

Board approval is required if Metro is to indemnify a third-party. While Metro does not typically indemnify third-parties, because such a provision subjects Metro to a potentially unfunded liability, agreeing to indemnify another party is required from time to time. In this case, TPWR Developer LLC requires Metro to indemnify them in order for Metro to use the Walter Reed property temporarily. Given the close proximity of the former Walter Reed site to the Northern bus facility and the short term license, staff recommends Metro's agreeing to such indemnification provisions.

FUNDING IMPACT:

The indemnification language in the licenses do not allow for quantitative analysis of any future impact on funding, if any. However, the cost savings to Metro for entering into the parking space license is estimated to be \$120,000 per month, or \$1.2 million through June 2019.

Project Manager:	Anabela Talaia
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	N/A
Anticipated actions after presentation	October 2018 - Execute Walter Reed parking space license agreement.

RECOMMENDATION:

Board approval to execute a parking space license agreement with TPWR Developer LLC, which agreement contains a provision for Metro to indemnify the owner.

**SUBJECT: APPROVAL TO INDEMNIFY COUNTERPARTY IN CONNECTION WITH A
LICENSE TO PARK BUSES AT THE FORMER WALTER REED COMPLEX**

2018-42

**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

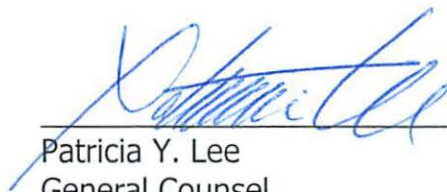
WHEREAS, WMATA needs a license from TPWR Developer LLC (TPWR) to park buses at the former Walter Reed complex; and

WHEREAS, TPWR requires an indemnification from WMATA in the license agreement;
NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager/Chief Executive Officer or his designee to indemnify TPWR as may be required by the license agreement in order to park buses at the former Walter Reed complex; and be it finally

RESOLVED, That, in order to park buses at the former Walter Reed complex as soon as possible, 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