



Finance, Administration and Oversight Committee

Action Item III-B

December 13, 2007

**Southeastern Bus Garage – Approval of Project,
Budget Amendments, Contract Advertisement
and Property Exchange Agreement**

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

Action
 Information

MEAD Number:
99896

Resolution:
 Yes No

PURPOSE

To obtain Board approval of the attached Resolution, for the replacement of the Southeastern Bus Garage at the former D.C. Village:

1. Approve the Public Hearing Staff Report Supplement, Final Environmental Assessment, Final General Plans and Final Financial Plan;
2. Approve the project and amend the Mass Transit Plan, subject to the availability of funding;
3. Increase the project capital budget for the replacement of the Southeastern Bus Garage from \$6,859,764 to \$66,859,764 by \$60,000,000 and increase the FY08 capital budget from \$730,832,000 to \$790,832,000 by the same, subject to the availability of funding;
4. Upon receipt of funds, establish an operating reserve account for \$9.25 million plus accrued interest, to fund the temporary leaseback, deadhead or interim costs until replacement is operational, subject to the availability of funding; and
5. Authorize the negotiation and execution of a property exchange agreement with the District of Columbia.

And, in addition to the above actions, also authorize the advertisement of a Request for Proposals to design-build the bus facility. Staff will return to the Board for contract award.

DESCRIPTION

1) Garage Replacement

WMATA held a July 10, 2007 public hearing on the Draft Environmental Assessment, Proposed General Plans and Preliminary Financial Plan for the replacement of the Garage at D.C. Village. WMATA staff issued the Public Hearing Staff Report for public review that ended October 18, 2007. Staff has prepared the Public Hearing Staff Report Supplement, Final Environmental Assessment, General Plans and Financial Plan for Board approval. The Resolution includes Board approval of a new Metrobus facility with an initial capacity of up to 114 buses and an ultimate capacity of 250 buses, both subject to availability of funding.

The financial plan for capital funding of \$66,859,764 includes proceeds from the sale of properties at and associated with the existing Southeastern Bus Garage. The budget increase will fund WMATA project management costs and one design-build contract that combines site preparation and the new facility with up to 114-bus capacity. The police training facility is part of the ultimate facility but, due to lack of funding, is not part of the initial facility.

2) Exchange and Cooperation in Development Agreement:

Over the years, the District of Columbia and WMATA have each built facilities on property of the other pursuant to right of entry agreements. Those agreements contemplated the conveyance of the required permanent real estate interests, at fair market value, at a later date. WMATA has identified a 16-acre site on District-owned property at D.C. Village suitable for the replacement Southeastern Bus Garage. The District and WMATA have agreed, as part of WMATA's acquisition of the D.C. Village site, to complete all outstanding real estate transactions between the parties through an exchange of properties. The Exchange and Cooperation in Development Agreement will be used to effectuate this property exchange. The sale of the Southeastern Bus Garage property to the John Akridge Development Company, from which a portion of the proceeds will be used to build the replacement garage at D.C. Village, is contingent on completion of this exchange.

Of the four(4) properties to be acquired by WMATA: one is for the bus garage replacement at D.C. Village; two are for a portion of the Congress Heights Metrorail station and tunnel; and one is for the Benning Road Metrorail station entrance. Of the seven (7) properties to be acquired by the District: one (comprising two parcels) is for the Fort Totten Solid Waste Transfer Station; one is for widened Piney Branch Road, N.W.; one is for widened Howard Road, S.E.; one (comprising three small parcels) is for the Shannon Place, S.E. cul-de-sac; one (comprising seven small parcels) is vacant land across from the Anacostia Metrorail station; one (comprising four small parcels) is vacant land on Dunbar Road, S.E.; and one is for a portion of 45th Street, N.E. which was realigned as part of the construction of the Benning Road Metrorail station entrance. The Agreement includes a one-time-payment by WMATA to the District in the amount of \$400,000.

Also included as part of this Agreement is the retirement of a debt owed WMATA by the District, in the amount of \$167,879, on the sale of WMATA property at 12th and G Streets, N.W. The property is the site of the Grand Hyatt Hotel adjacent to the Metro Center Metrorail station. Pursuant to a Land Purchase Agreement dated July 21, 1986, the District purchased the property from WMATA on September 24, 1986 for \$7.6 million. The Agreement provided for the payment of \$6 million at settlement with the balance of the purchase price, plus interest, to be paid at a later date. The District paid the \$1.6 million balance to WMATA on July 15, 1987 without the required interest. The interest due, to date, on the \$1.6 million balance is \$167,879.

IMPACT ON FUNDING

Impact on Capital Funding		Notes
(\$ M)		
Current Budget	\$ 6.86	
Proposed Budget Increase	60.00	1
Proposed Capital Budget	66.86	2, 3 & 6
Prior Obligations	\$ 5.86	
This Action	-	
Remaining Capital Budget	\$ 61.00	

Impact on Operational Funding (Operating Reserve)		Notes
(\$ M)		
Sale Proceeds	\$ 9.25	4
Interest	\$ 0.40	
Total	\$ 9.65	
Forecasted Operating Cost during Project Implementation (through FY2010)		
Leaseback	\$ 0.22	
Deadheading	9.43	
Total	\$ 9.65	5

Notes:

1. Authority to obligate and expend this addition to the Capital Budget is subject to receipt of sufficient funds from the sale of the existing Southeast bus garage.
2. This project is obligation-based and not part of the Metro Matters program.
3. The Capital Budget includes all direct and indirect capital labor and non-labor cost.
4. The Operating Reserve will be funded upon receipt of funds from the sale of the Southeast bus garage.
5. Interest earned on \$60M of the sales proceeds shall accrue to the benefit of the capital budget, and interest earned on the remaining \$9.25M of sales proceeds shall accrue to the benefit of the Operating Reserve established pursuant to this Action.
6. The Capital Budget includes the \$400,000 for WMATA payment to the District of Columbia under the Exchange and Cooperation in Development Agreement.

Upon opening the new facility, additional deadheading cost is forecasted at approximately \$1M annually.

RECOMMENDATIONS

To obtain Board approval of the attached Resolution, for the replacement of the Southeastern Bus Garage at the former D.C. Village:

1. Approve the Public Hearing Staff Report Supplement, Final Environmental Assessment, Final General Plans and Final Financial Plan;
2. Approve the project and amend the Mass Transit Plan, subject to the availability of funding;
3. Increase the project capital budget for the replacement of the Southeastern Bus Garage from \$6,859,764 to \$66,859,764 by \$60,000,000 and increase the FY08 capital budget from \$730,832,000 to \$790,832,000 by the same, subject to the availability of funding;
4. Upon receipt of funds, establish an operating reserve account for \$9.25 million plus accrued interest, to fund the temporary leaseback, deadhead or interim costs until replacement is operational, subject to the availability of funding; and
5. Authorize the negotiation and execution of a property exchange agreement with the District of Columbia.

And, in addition to the above actions, also authorize the advertisement of a Request for Proposals to design-build the bus facility. Staff will return to the Board for contract award.

PRESENTED AND ADOPTED:

SUBJECT: SOUTHEASTERN BUS GARAGE - APPROVAL OF PROJECT, BUDGET AMENDMENTS AND PROPERTY EXCHANGE AGREEMENT

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

WHEREAS, On January 19, 2006, the Board of Directors resolved that the Southeastern Bus Garage (the "Project") is a first priority project for relocation and directed staff to explore all reasonable alternatives in preparing a plan to accomplish the relocation, subject to the availability of funding and jurisdictional coordination and endorsement; and

WHEREAS, The District of Columbia has proposed that 16 acres of D.C. Village in Southwest Washington, D.C. be the replacement site for the Project; and

WHEREAS, On January 25, 2007 and on April 26, 2007, the Board of Directors amended the Fiscal Year 2007 Systems Access/Capacity Plan to fund a feasibility study, project development, final design and early actions for the replacement of the Project; and

WHEREAS, On April 26, 2007, the Board of Directors directed staff to combine the transit police training facility with the replacement of the Project; and

WHEREAS, On May 24, 2007, the Board of Director authorized the General Manager to advertise the first contract for demolition of buildings and site preparation; and

WHEREAS, On May 24, 2007, the Board of Directors authorized staff to hold a Compact Public Hearing on the Project and for the General Manager to release the Public Hearing Staff Report for public review, as soon as the Report was available; and

WHEREAS, A public hearing was held on the Project on Tuesday, July 10, 2007 at 7:00 p.m., at the chapel of the Saint Elizabeth's Hospital in Southeast Washington, D.C.; and

WHEREAS, The record of the public hearing remained open until July 24, 2007; and

WHEREAS, A report on the public hearing entitled *Public Hearing Staff Report; Review of the Public Hearing and Staff Recommendations For New Metrobus Facility and Metro Police Training Facility; Hearing No. 177; Docket No. RO7-2*, dated October 2007, (Staff Report) was prepared; and

WHEREAS, The Staff Report addressed issues and comments raised at the public hearing and during the period for written and electronic comments after the hearing, and presented the staff recommendations for the Project; and

WHEREAS, The Staff Report, including the transcripts of the public hearing, was available for review through the Office of Secretary and at WMATA's website for a two-week period, commencing Thursday, October 4, 2007 and closing on Thursday, October 18, 2007; and

WHEREAS, A report entitled *Public Hearing Report Supplement; Analysis of Comments Received From the Public Review of the Public Hearing Report and Final Team Recommendations for New Metrobus Facility; Hearing No. 177; Docket No. RO7-2*, dated November 2007 (Staff Report Supplement) was prepared which summarizes the Staff Report public review process and responds to issues and comments raised during the review and also presents the final staff recommendations; and

WHEREAS, Among the final staff recommendations in the Staff Report Supplement is approval of the new Metrobus facility, as depicted on the General Plans, having an initial capacity of up to 114 buses, subject to availability of funds, and having an ultimate capacity of 250 buses and a police training facility, if additional funding is identified; and

WHEREAS, Over the years, the District of Columbia and WMATA have each built facilities on property of the other pursuant to right of entry agreements. Those agreements contemplated the conveyance of the required permanent real estate interests, at fair market value, at a later date; and

WHEREAS, The District of Columbia and WMATA have discussed the WMATA acquisition of the 16-acres of D.C. Village for the new Metrobus facility and, as part of that acquisition, completion of all outstanding real estate transactions through an exchange of properties, as listed in Attachment A of this Resolution, and a WMATA payment of \$400,000 to the District of Columbia; and

WHEREAS, On September 27, 2007, the Board of Directors approved the sale of the Project for \$69,250,000, of which \$60,000,000 and its interest is allocated for the capital cost of the replacement facility, and of which \$9,250,000 and its interest is for the temporary leaseback, deadhead and interim costs until the replacement facility is operational, subject to WMATA's purchase of District property for the replacement facility

and to the Board of Directors approval of the Project and amendment of the Mass Transit Plan; and

WHEREAS, The Staff Report, the Staff Report Supplement, the Final Environmental Assessment, General Plans and Financial Plan along with the transcript of the public hearing, have been made available to the Board of Directors and the Board has considered this information; and

WHEREAS, On December 13, 2007, the Finance, Administration and Oversight Committee was briefed on the contents of the Staff Report and Staff Report Supplement including issues raised in the record of the public hearing and from the public review of the Staff Report and including the final staff recommendations; now, therefore be it

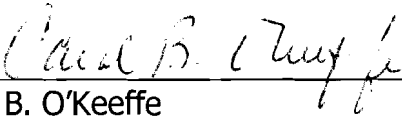
RESOLVED, That the Board of Directors approves the Staff Report Supplement and its final staff recommendations, the Final Environmental Assessment, General Plans and Financial Plan for the new Metrobus facility; and be it further

RESOLVED, That the Board of Directors hereby:

- (1) Amends the Mass Transit Plan (ARS-68, as revised) by adding the new Metrobus facility at D.C. Village in Southwest Washington, D.C., with an initial capacity of up to 114 buses and having an ultimate capacity of 250 buses and a police training facility, if additional funding is identified;
- (2) Increases the project capital budget for the replacement of the Southeastern Bus Garage by \$60,000,000 from \$6,859,764 to \$66,859,764 and approves an increase of the FY08 capital budget from \$730,832,000 to \$790,832,000 by the same amount;
- (3) Approves establishing an operating reserve account for \$9,250,000 plus accrued interest, for the temporary leaseback, deadhead and interim costs until the replacement facility is operational;
- (4) States that the foregoing actions are subject to the availability of funding currently anticipated to be provided by the sale of the Southeastern Bus Garage site; and
- (5) Authorizes the General Manager to negotiate and execute an Exchange and Cooperation in Development Agreement with the District of Columbia for the exchange of real property, as listed in Attachment A of this Resolution; 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

PROPOSED

Attachment A: Property Exchange List

Owner	Property	Address	Use	WMATA Land Area SF	DC Land Area SF
DC	D. C. Village	4901 Martin Luther King, Jr. Avenue, SW	Southeastern Bus Garage Relocation	-	696,960
DC	St. Elizabeth's (Congress Heights Station - portion)	Alabama Avenue, SE	Station, Parking Lot, TPSS, Stormwater Management System	-	90,702
DC	Malcolm X School	1351 Alabama Avenue, SE	Tunnel Easement	-	10,429
DC	Portion of 45 th Street, NE ROW	Benning Road and 45 th Street, NE	Benning Road Metrorail Station	-	7,294
WMATA	Fort Totten Solid Waste Transfer Facility	Gallatin Street, NE	District Solid Waste Transfer Station	76,998	-
WMATA	Piney Branch Road, NW ROW	Piney Branch Road, NW	District widening of Piney Branch Road, NW	1,637	-
WMATA	Howard Road, SE ROW	Howard Road, SE	District widening of Howard Road, SE west side	16,933	-
WMATA	Shannon Place, SE	Shannon Place and Howard Road, SE	Cul-de-sac east side Howard Road, SE	10,625	-
WMATA	Howard Road, SE	Howard Road, SE	Vacant land east side Howard Road, SE	25,521	-
WMATA	Dunbar Road, SE	2601-2607 Dunbar Road, SE	Vacant Lot in residential neighborhood	9,820	-
WMATA	45 th Street, NE	Square 5139, Part of Lot 1	Realignment of 45 th Street, NE	2,772	-

November 29, 2007

Southeastern Bus Garage Approval of Project, Budget Amendments, Property Exchange Agreement and Contract Advertisement

Presented to the Board of Directors:

**Finance, Administration and Oversight
Committee**

December 13, 2007





Project Development

- District completion of its relocation of family shelters, hypothermia shelter and food distribution warehouse from DC Village
- Staff Report and Supplement on July 10, 2007 Public Hearing:
 - Support of District of Columbia and community
 - Concerns of the Architect of the Capitol
- Final Environmental Assessment, General Plans and Financial Plan



Initial and Ultimate Project

- The Resolution includes Board approval of a new Metrobus facility with an initial capacity of up to 114 buses and an ultimate capacity of 250 buses, both subject to availability of funding.
- The police training facility is part of the ultimate facility but, due to lack of funding, is not part of the initial facility.
- The Resolution includes Board authorization to negotiate and execute a property exchange agreement with the District. See Appendix.



Capital and Operating Budgets (\$M)

Impact on Capital Funding		Notes
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Recommendations

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Appendix - Exchange Agreement

- An exchange of four DC properties for seven WMATA properties.
- Payment of \$400,000 to DC.
- The new bus facility will be LEED Certified; LEED Silver if budget permits.
- The exchange closes out all outstanding real estate transactions between WMATA and DC.
- Details of properties involved are presented on the following slides.

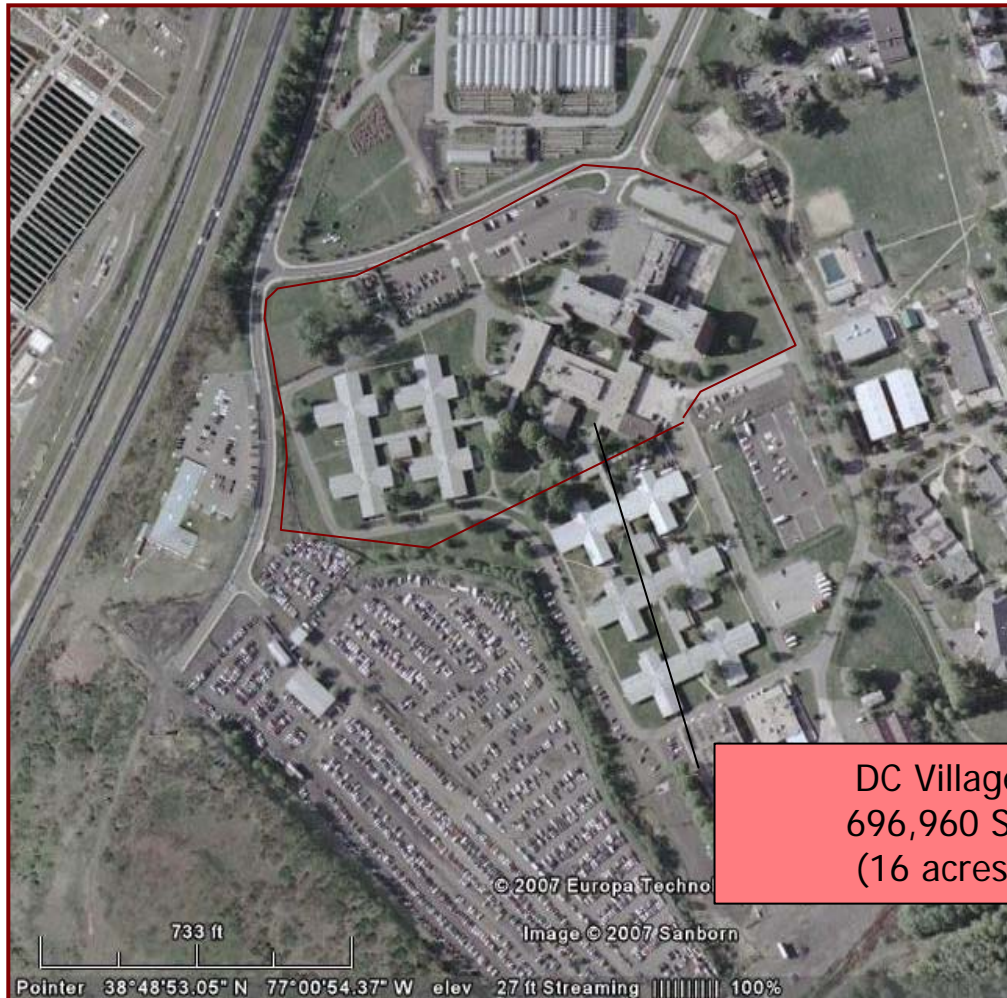


Property Exchange List

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District Property D.C. Village



DC Village
696,960 SF
(16 acres)



District Property

Congress Heights Metrorail Station





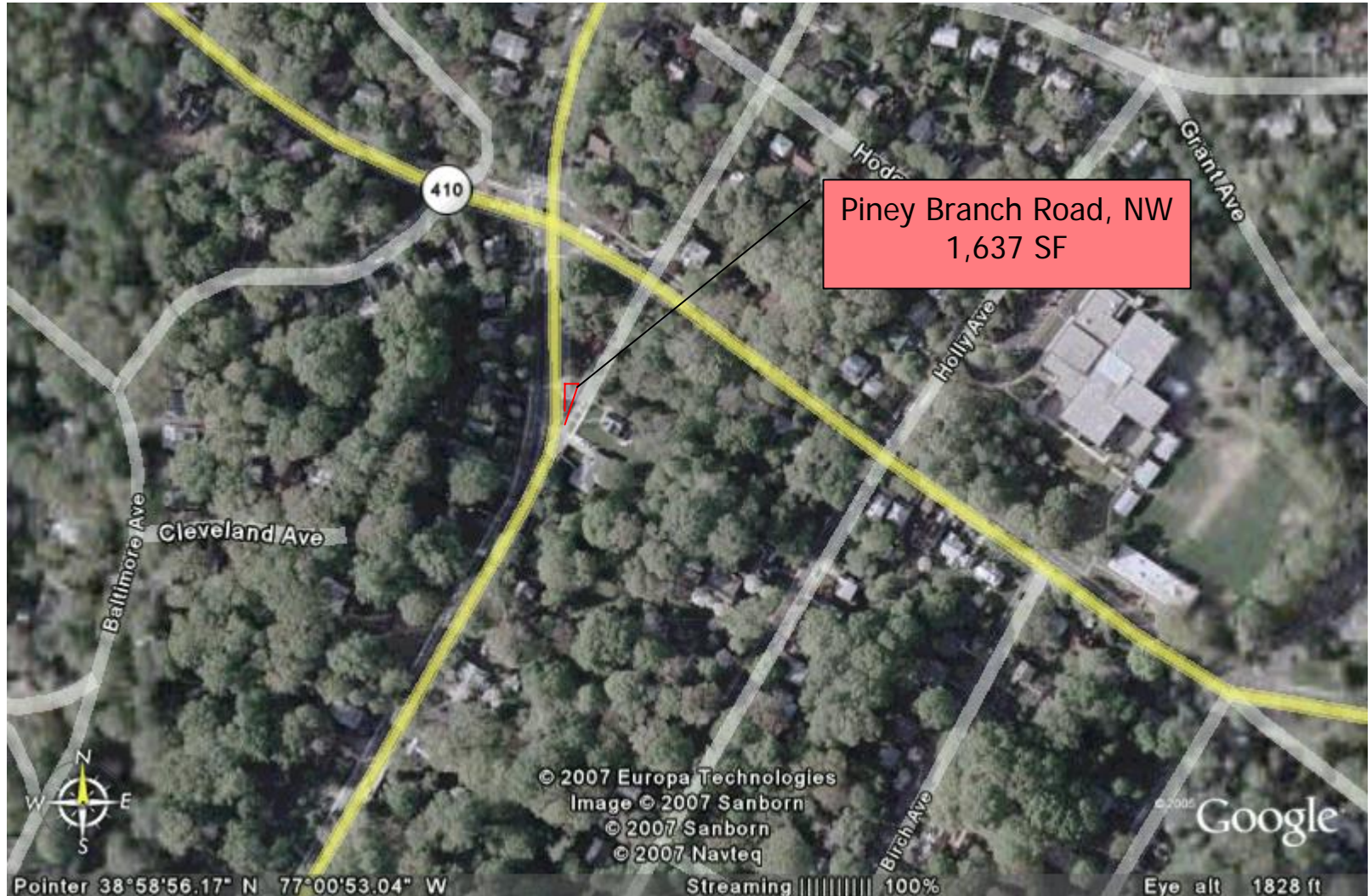
WMATA Property

Fort Totten Solid Waste Transfer Station





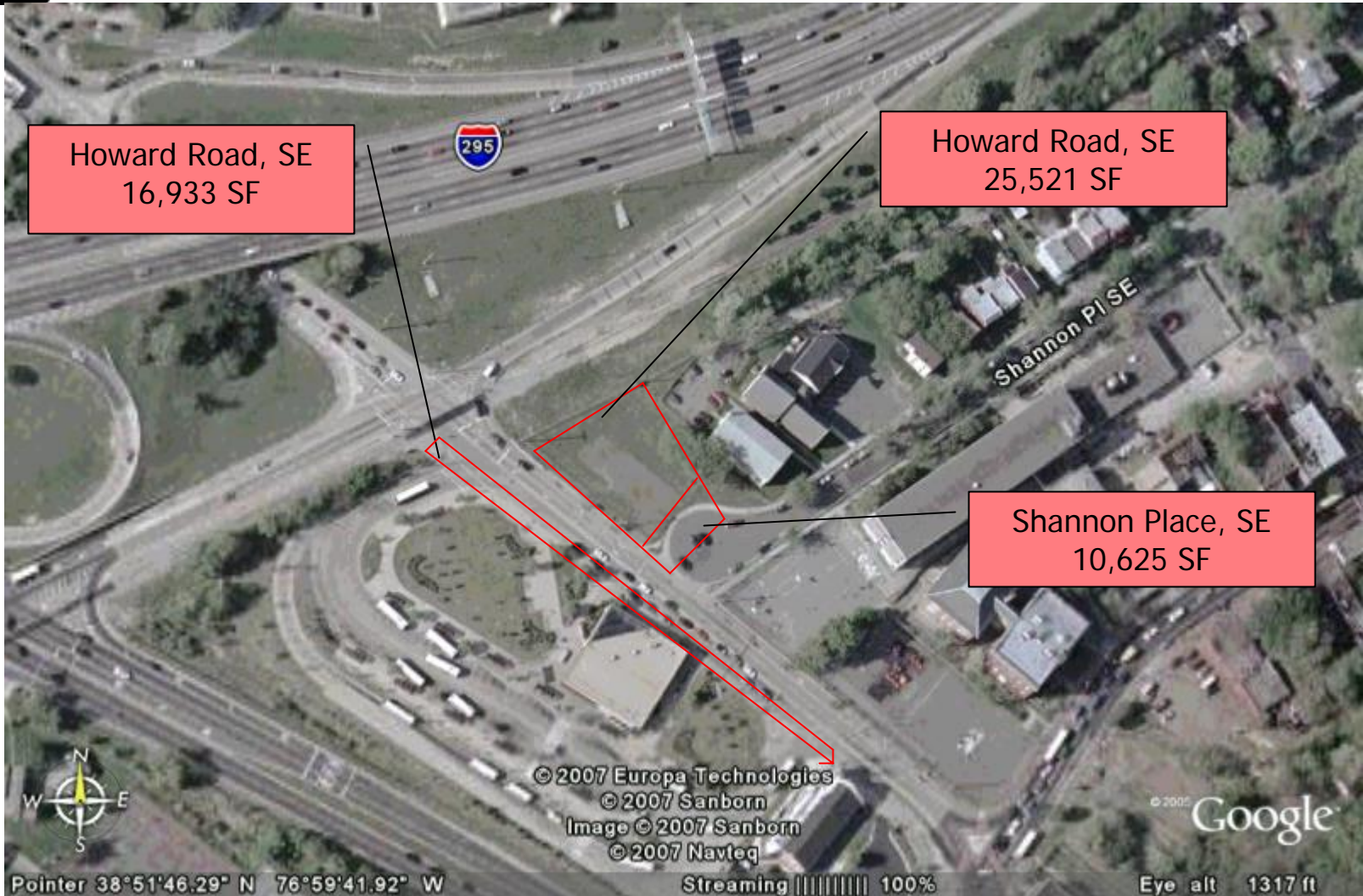
WMATA Property Piney Branch Road, NW





WMATA Property

Howard Road, SE and Shannon Place, SE





WMATA Property Dunbar Road, SE





WMATA Property 45th Street, NE

