

Minutes
Planning, Development and Real Estate Committee
March 27, 2008

The meeting was called to order at 9:08 a.m. Present were:

Committee Members:

Mrs. Catherine Hudgins (Chair)
Mr. Christopher Zimmerman
Mr. Peter Benjamin
Ms. Elizabeth Hewlett
Mr. William Euille
Mr. Jeff McKay
Mr. Anthony Giancola

Approval of Agenda

The agenda was approved.

Approval of Minutes

The minutes from the February 28, 2008 meeting were approved as submitted.

Action Item

A. Parking Lease for Former Southeast Bus Facility

The staff recommendation to allocate lease revenue to the Operating Reserve Account for Southeastern Bus Garage was modified by the General Manager prior to Board discussion to allocate the funds to a capital account for unfunded needs.

Mr. Requa sought Board approval to negotiate and execute lease agreements with the Washington Nationals Stadium, LLC, for use of Metro's Southeastern Division Bus Garage and surface parking lot at Van Street, S.E.; and to allocate lease revenue to the Operating Reserve Account for Southeastern Bus Garage.

Mr. Zimmerman asked about the terms of the lease. Mr. Requa responded that the lease was for one year with a 30-day termination clause in the event of the sale of the property. Mr. Zimmerman then asked if Metro expected the lease to extend beyond one year. Mr. Catoe stated there was a possibility the lease would extend beyond one year. He also stated the temporary lease would be until Metro starts building a new facility or until construction begins on the site. Mr. Zimmerman suggested putting a time limit on the lease.

Mr. Zimmerman expressed concern that Metro not be in the business of using assets to promote not using transit and that Metro not allow this temporary parking lot to extend beyond temporary.

Mr. Zimmerman added that his concern was not terminating the lease but renewing the lease. Mr. Catoe stated that the lease term would be for one year and, if the lease was to be extended or renewed, it would return to the Board for approval.

Mr. Giancola moved that the Committee accept the lease for a term of one year and any extension would come back to the Board for approval. The motion was seconded by Mr. Zimmerman. The Committee voted in favor of the motion as amended; the vote was unanimous.

Mr. Catoe stated that two sources of money for the move have been identified in a prior Board action. From the prior action on the sale of property, the District of Columbia agreed to fund the operating deadhead costs. Also, once the property is sold, prior Board action identifies monies for the operating costs of the buses until a new facility is built. Mr. Catoe strongly recommended these monies go into a capital fund.

Mr. Requa stated that the Board took two prior actions regarding the garage. The Board authorized WMATA to sell the property, the agreement was that \$9.25M be put in an operating reserve account to offset costs while building the new facility. Staff came back to the Board with the District of Columbia's request to close the facility. There was \$1.39M left from funds that came from the sale of the parking lot adjacent to the Navy Yard Station. The Board authorized the money go into the operating reserve account that was already established. This \$1.39M will be used first then the District of Columbia's money. When the sale of the property is complete, another \$9M would go into this account to be used for operating expenses.

After further discussion Mr. Zimmerman moved to allocate funds to a capital account be approved; Ms. Hewlett seconded the motion. The Committee voted in favor of allocating the funds to a capital account; Mr. Giancola opposed.

Information Items

A. Briefing on Metro Matters

Mr. Catoe stated that the Metro Matters financial agreement required that staff report back to the Board on the status of the program on an annual basis.

Mr. Couch provided the Committee with an overview of the projects within the Metro Matters Program and the accomplishments achieved. He also provided the Committee with an update on projects that are not part of the Metro Matters Program.

Mr. Zimmerman requested that staff provide summary information on the how much was the breakdown of the different parts, how much did we plan to do and what did we do. He further requested more information on the total of the deferred projects and a history of the program.

B. Briefing on Urgent Unfunded Capital Needs

Mr. Couch provided the Committee a briefing on the urgent unfunded capital needs currently affecting the safe and effective operation and maintenance of Metrorail, Metrobus, and MetroAccess.

Mrs. Hudgins asked for clarification since these items were defined as urgent and are outside of the Metro Matters Program. Staff responded that the Authority is not moving forward but are continuing to deal with the deterioration that can cause system failures for customers.

Mr. Catoe stated staff will provide the urgent projects outside of the Metro Matters Program in summary form. Mr. Catoe stated that the next steps to be taken before coming back to the Board will include looking at every project, including existing projects, to determine if it is absolutely needed today. He also stated that staff is working on an analysis that will be brought back to the Committee of the plan to reprogram dollars.

Mr. Catoe stated that he intends to return to the Board in April/May with recommendations on any reprogramming because it has to go back to the jurisdictions for their approval.

Mr. Catoe also stated that there is a greater need than what was identified and the funding is still the same which means staff has to look at how to shift things from one category to the other and at the same time look at getting the funds for the items that need reprioritizing.

Mr. Benjamin stated that there is clearly a need to do these projects and the jurisdictions are stretched in approving Metro Matters, which is a \$4B program including debt service. Mr. Benjamin stated that Virginia has agreed, if the Federal Government could come up with an extra \$150M per year, that they would come up with \$150M. He stated what needs to be done is to figure out how to adjust the program we have defined to fit the dollars that we currently have available.

Mrs. Hudgins requested a better description outlining the projects, costs, and implementation when this item returns to the Committee.

The meeting was adjourned at 10:15 a.m.