



Planning, Development and Real Estate Committee

Board Action Item VIII-B

November 20, 2008

**Shared Use by Marriott of WMATA's Parking
Garage at Prince George's Plaza Metrorail
Station**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100176	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Shared Use by Marriott of Metro Garage

PURPOSE:

Seek authorization to negotiate and execute an amendment to the joint development retail ground lease with Prince George's Station Retail, LLC to allow Courtyard by Marriott at Belcrest Center guests non-exclusive use of 45 spaces in Metro's parking structure at Prince George's Plaza Metrorail station.

DESCRIPTION:

Metro executed a ground lease with Prince George's Station Retail, LLC (Developer) on January 11, 2006. The 154,000 SF retail development is now opened. The Developer now proposes to sublease a small part of the retail site, originally reserved for a freestanding bank, to Deanne Ayers-Howard and LeRoy Howard, who will construct and own a 162-room Courtyard by Marriott hotel. The hotel site is across the street from the station entrance.

The hotel will be able to satisfy Prince George's County parking requirements through guests' use of parking at the existing retail parking structure. The hotel will have 20 reserved spaces on the top floor of the retail parking structure, and guests will otherwise be able to use that parking structure at no cost as would any other retail customer. Marriott is seeking 45 spaces in the Metro parking structure to assure lenders of adequate back-up capacity for guests.

Marriott would pay Metro 1.5 times the Metro daily parking fee for up to 45 guests to have unlimited parking structure entry/exit in a 24-hour period. Access to the parking spaces would be non-exclusive; i.e., neither reserved nor held for Marriott guests, but available on a first come, first served basis. Marriott would pay for installation of equipment at the parking structure to allow guests to exit the parking structure using room card keys, up to 45 per day, which would be coded for exit from the parking structure. Metro would be able to read each card and accordingly bill Marriott for those used within a 24-hour period.

In order to allow the use of these 45 parking spaces, an amendment to the ground lease would have to be negotiated and executed. The purpose of the amendment would primarily be to foster transit use by hotel patrons and to reduce land used for parking at transit stations, both in support of Transit Oriented Development. Secondly, the purpose would be to earn additional revenue for Metro. The 1,068-space Metro parking structure currently has only 51% occupancy. Metro would offer Marriott a five-year lease with five one-year renewal options, cancellable by either party. Metro could also cancel the lease within the five-year period if parking structure occupancy reached 92.5%. Prior to the first renewal option, Metro would survey transit use by Marriott guests and determine peak period parking structure occupancy to decide whether continued leasing would promote transit usage and be consistent with use regulations. Metro's use regulations permit incidental use of parking structures for non-transit patrons in non-peak and/or non-revenue hours in connection with joint development projects, or as otherwise approved by the Board. There would likely be some Marriott guest peak hour parking under the proposed arrangement.

Metro's 2005 Development-Related Ridership Survey concluded that on average transit accounted for 27% of all trips generated from hotels located near a Metrorail station. The 45 spaces requested by the Developer equate to 28% of the 162 rooms planned for the hotel. Consequently, although the parking spaces being made available to Marriott guests might not be attributable to the specific individuals using the Metrorail system, they do reflect the percentage of hotel guests that would be expected to use the transit system. This creates a rational nexus between the shared parking agreement and the preservation of Metro infrastructure for Metro riders.

Hotel employees would not be permitted to use the proposed parking arrangement for personal use. Any violation of this commitment would be grounds for termination by Metro of Marriott's parking use.

The proposed use is subject to approval by the Federal Transit Administration.

FUNDING IMPACT:

Parking revenue would be allocated to general parking and the Prince George's County surcharge account.

RECOMMENDATION:

Authorize staff to negotiate and execute an amendment to the joint development retail ground lease with Prince George's Station Retail, LLC to allow the non-exclusive, shared use of 45 parking spaces at the Prince George's Plaza Metrorail station parking structure by Marriott at Belcrest Center guests.



Shared Use By Marriott of Metro's Parking Structure at Prince George's Plaza Metrorail Station

Presented to the Board of Directors:

Planning, Development and Real Estate Committee

November 20, 2008





Purpose

Authorization to negotiate and execute an amendment to the joint development retail ground lease with Prince George's Station Retail, LLC to allow Courtyard by Marriott at Belcrest Center guests non-exclusive use of 45 spaces in the Metro parking structure at Prince George's Plaza Metrorail station.



Prince George's Plaza Metrorail Station



Background

- Prince George's Plaza joint development project includes housing, retail, and office space. Retail space has opened, and first apartment occupancy is anticipated by end of November 2008
- Marriott is building a 162 room hotel 250 feet from the Prince George's Plaza Metrorail station
- Marriott is seeking non-exclusive, shared use of 45 spaces in the Metro parking structure serving the station
- These spaces would serve as back-up parking capacity for guests (not employees)



Courtyard by Marriott at Belcrest Center



Existing Conditions

- Prince George's Plaza Metrorail station parking structure has 1,068 spaces
- Station serves a developing, mixed-use area with adjacent residential, retail and office land uses
- Parking structure is operating at 51% occupancy during the peak period

Metro
Parking
Structure



Prince George's Plaza Metrorail Station



Current Regulations

- Use regulations permit incidental use of structure
- Use must be during non-peak and/or non-revenue hours, or must be approved by Board
- This proposal includes peak hour usage and therefore requires Board approval



Proposed Agreement

- Marriott would pay Metro 1.5 times the daily rate for each occupied space (not to exceed 45)
- Marriott customers would have unlimited entry/exit
- All spaces would be non-exclusive (non-reserved)
- Marriott would pay for installation of appropriate technology to allow for tracking of ins/outs
- Initial agreement would be for 5 years (Metro can cancel lease if parking structure occupancy reaches 92.5%) with the option for yearly renewals after that
- Agreement creates rational nexus between hotel guests and transit users
 - Metro's 2005 Development-Related Ridership Survey found 27% of hotel trips were via transit
 - 45 spaces requested = 28% of hotel capacity (45 spaces/162 rooms)



Benefits to WMATA

- Support Transit-Oriented Development (TOD)
 - Reduce need for construction of additional parking
 - Create link between land use and Metrorail station
- Take advantage of surplus capacity, increasing parking revenue



Site in 2003



Proposed Hotel

Metro Parking Structure

Site after proposed development



Recommendation

Authorize staff to negotiate and execute an amendment to the joint development retail ground lease with Prince George's Station Retail, LLC to allow the nonexclusive, shared use of 45 parking spaces at the Prince George's Plaza Metrorail station parking structure by Marriott at Belcrest Center guests



Prince George's Plaza Area