



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of July 11, 2009**

DATE: July 1, 2009

SUBJECT: Approval of an Agreement by and between Arlington Hotel Associates LLC ("Arlington Hotel"), VNO Courthouse I LLC ("VNO I"); VNO Courthouse II LLC ("VNO II") and the County Board of Arlington County, Virginia ("County") for Location and Construction of a Secure Bicycle Room Facility on Lot 1, Courthouse Plaza, RPC No. 18004065.

C. M. RECOMMENDATIONS:

1. Approve the attached Agreement by and between Arlington Hotel Associates LLC ("Arlington Hotel"), VNO Courthouse I LLC ("VNO I"); VNO Courthouse II LLC ("VNO II") and the County Board of Arlington County, Virginia ("County") for Location and Construction of a Secure Bicycle Room Facility on Lot 1, Courthouse Plaza, RPC No. 18004065 ("Agreement").
2. Authorize the Real Estate Bureau Chief, Engineering and Capital Projects Division, Department of Environmental Services, to execute, on behalf of the County Board, the Agreement, subject to approval as to form by the County Attorney.

ISSUES: The Agreement is required to comply with conditions of the Site Plan #231. There are no issues identified with this request.

SUMMARY: The Agreement, attached hereto as Exhibit A, memorializes the site plan requirement for Arlington Hotel Associates LLC, the ground lessee of Courthouse Plaza Lot 6, and the developer of the hotel that is being constructed on the property, to construct a secure bicycle storage facility in the office building garage for the use of the office building tenants. The County is a party to the Agreement because the County has the right to install bicycle lockers in the bicycle storage room facility at its option and at a later date.

BACKGROUND: In conjunction with plans for development of the hotel located on Lot 6 of Courthouse Plaza ("Hotel") (See Vicinity Maps, attached as Exhibit B), Arlington Hotel is required, by amended Condition #84 of Site Plan #231, to enter into an agreement with the owners of the office buildings located in Courthouse Plaza to locate and construct a secure bicycle storage facility before issuance of the certificate for partial occupancy of any space on

County Manager: RC/GA

County Attorney: PJA, SAM

Staff: Linda Collier, Real Estate Bureau, DES

9.B.

the P1 level of the hotel parking garage. The attached Agreement memorializes the site plan condition.

DISCUSSION: The Agreement memorializes the requirements for the location and construction of a secure bicycle storage facility in conjunction with the construction of the Hotel. The Agreement, along with the site plan condition, requires Arlington Hotel to construct the bicycle room in its initial location. The Agreement further provides that VNO I and VNO II shall maintain the bicycle room and that VNO I and VNO II, at their sole cost and expense, may reconfigure and relocate the bicycle room after its initial construction. All of the parties have reviewed and agreed to the terms of the Agreement. The County is a party to the Agreement because the Agreement gives the County the right to purchase and install fifty lockers in the bicycle storage facility.

FISCAL IMPACT: None at present; if the County later installs the fifty lockers in the bicycle storage facility, then the County will bear the cost of purchasing and installing such lockers.

CONCLUSION: It is recommended that the County Board approve the Agreement by and between Arlington Hotel Associates LLC ("Arlington Hotel"), VNO Courthouse I LLC ("VNO I"); VNO Courthouse II LLC ("VNO II") and the County Board of Arlington County, Virginia ("County") for Location and Construction of a Secure Bicycle Room Facility on Lot 1, Courthouse Plaza, RPC No. 18004065, subject to approval as to form by the County Attorney.

EXHIBIT A
To Board Report

AGREEMENT

This Agreement (this "Agreement") is made as of this ____ day of _____, 2009 by and between ARLINGTON HOTEL ASSOCIATES LLC, a Virginia limited liability company ("Arlington Hotel"), VNO COURTHOUSE I LLC, a Delaware limited liability company ("VNO I"); VNO COURTHOUSE II LLC, a Delaware limited liability company ("VNO II"); and THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body corporate and politic (the "County").

RECITALS:

- R-1. The County is the fee simple title holder of Lots 1 through 6 Courthouse Plaza as said lots are more particularly shown on a plat attached to a Deed of Quit Claim, Vacation, Rededication and Resubdivision dated as of February 19, 1988 recorded on March 25, 1988 in Deed Book 2319 at Page 483 among the land records (the "Land Records") of Arlington County, Virginia.
- R-2. Arlington Hotel has entered into a ground lease dated June 20, 2005 and a First Amendment to Deed of Lease dated February 20, 2007 (together the "Hotel Ground Lease") with the County for Lot 6 of Courthouse Plaza in order to construct and operate thereon a hotel containing approximately 176 rooms and approximately 141,110 + gross square feet of floor area above grade and related facilities to become a part of the "Courthouse Plaza" development. A memorandum of the Hotel Ground Lease is recorded in Deed book 4133 at Page 820 among the land records of Arlington County, Virginia.
- R-3. Lots 1 and 2 of Courthouse Plaza were leased by the County to Courthouse Plaza Associates Limited Partnership as the ground tenant under that certain Indenture of Lease dated January 20, 1987, a memorandum of which ground lease is recorded in Deed Book 2264 at Page 1135, as amended by Amendment to Memorandum of Lease recorded in Deed Book 2330 at Page 574 among the Land Records, as amended by First Amendment to Indenture of Lease dated as of May 17, 1988, and further evidenced by Memorandum of Lease dated as of December 21, 2007 recorded in Deed Book 4160 at page 1388 among the Land Records, and VNO I has succeeded to all the rights of the tenant under the aforesaid ground lease and is the fee simple owner of the improvements constructed on Lots 1 and 2 of Courthouse Plaza.
- R-4. Lot 5 of Courthouse Plaza was leased by the County to Courthouse Plaza Associates Limited Partnership as the ground tenant under that certain Indenture of Lease dated January 20, 1987, a memorandum of which is recorded in Deed Book 2264 at Page 1143 among the Land Records, as amended by First Amendment to Indenture of Lease dated as of September 28, 1993 and recorded in Deed Book 2624 at page 0839 among the Land Records, and as further evidenced by Memorandum of Lease dated December 21, 2007, recorded in Deed Book 4160 at Page 1477 among the Land Records, and VNO II has

**EXHIBIT A
To Board Report**

succeeded to all the rights of the tenant under the aforesaid ground lease, and is the fee simple owner of the improvements constructed on Lot 5 of Courthouse Plaza.

- R-5. Lots 1 through 6 of Courthouse Plaza are subject to the provisions of Site Plan Number 231 (the "Site Plan") as amended by the County Board on February 26, 2006, by Minor Site Plan Amendment approved by the County Board on June 19, 2007, and by amendment approved by the County Board on _____, 2009.
- R-6. Condition No. 84 of the Site Plan requires, among other things, Arlington Hotel to construct, at its sole cost and expense, a secure bicycle storage space ("Bicycle Storage Space") to accommodate bicycle racks for 50 bicycles and 50 clothing lockers, and to equip the Bicycle Storage Space with bicycle racks to accommodate 50 bicycles and to install gates and other security features, including a card reader.
- R-7. Condition No. 84 also requires, among other things, Arlington Hotel to enter into an agreement with VNO I and VNO II, or the owner of the lot upon which the Bicycle Storage Facility is to be located to provide for the initial location, construction and maintenance of the Bicycle Storage Facility.

NOW, THEREFORE, for and in consideration of the mutual promises of the parties and of other good and valuable consideration receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound do hereby agree as follows:

1. VNO I and VNO II shall make available, without cost to Arlington Hotel or the County except as set forth in this Agreement, an area consisting of approximately 705 square feet in the parking garage located on Lot 1 of Courthouse Plaza as more particularly shown on the Plan entitled Courthouse Plaza Garage Level G-1 by Gorove/Slade Associates, Inc., attached as Exhibit A hereto (the "Bicycle Storage Space") for the initial construction of a secure bicycle storage facility as described in this Agreement.

2. Arlington Hotel shall, at its sole cost and expense, construct within the Bicycle Storage Space a secure bicycle storage enclosure (the "Bicycle Storage Facility") sufficient to accommodate (i) bicycle racks to accommodate fifty (50) bicycles, and (ii) fifty (50) clothing storage lockers of the minimum size of 15 inches wide, 18 inches deep and 36 inches high, all substantially in accordance with that plan dated May 4, 2009 entitled "Bike Room at Arlington Courthouse Plaza", prepared by Sheridan, Behm, Eustice & Associates, Ltd. attached as Exhibit B hereto ("Bike Room Plan"). Arlington Hotel's obligation for construction hereunder shall include the installation of gates and other security features, including a card reader or other access system, the specifications of which shall be determined by VNO I and VNO II. Arlington Hotel shall also install bicycle racks in accordance with the Bike Room Plan. Such bicycle racks shall be paid for by Arlington Hotel.

**EXHIBIT A
To Board Report**

3. Arlington Hotel shall be obligated to obtain all governmental permits and approvals necessary for the construction of the Bicycle Storage Facility and to perform all construction in a good and workmanlike manner, lien free and in accordance with the Declaration (as defined below) and all applicable codes and ordinances and shall commence construction thereof within fifteen (15) days of the issuance of building permits for the Bicycle Storage Facility and shall diligently and continuously prosecute the work to completion. Arlington Hotel shall, during the course of performance of the aforesaid work, provide or cause its contractors to provide to VNO I, VNO II and the County insurance coverage in accordance with the requirements contained in Section 9.6 of that certain Declaration of Easements, Covenants, Restrictions and Agreements recorded on September 18, 2007 in Deed Book 4135 at Page 1221 among the Land Records ("Declaration").

4. VNO I and VNO II agree that the Bicycle Storage Facility (as it may be relocated or reconfigured from time to time) shall be made available for use, at no user charge, by the occupants and tenants of the office buildings located on Lots 1, 2 and 5 of Courthouse Plaza at the times that the portion of the garage controlled by VNO I and VNO II is available to occupants and tenants of such office buildings subject to periodic maintenance and construction and to such reasonable rules and regulations as may be established by VNO I and VNO II from time to time.

5. VNO I and VNO II shall allow the County, at its option and at its sole expense, to install clothing storage lockers in the Bicycle Storage Facility constructed by Arlington Hotel in accordance with the Bike Room Plan (or as otherwise approved by VNO I and VNO II).

6. Following completion of the Bicycle Storage Facility such Bicycle Storage Facility (as it may be relocated or reconfigured from time to time), including any gates, security facilities, bicycle racks and clothing storage lockers, shall be maintained, repaired and replaced by VNO I and VNO II.

7. VNO I and VNO II shall have no obligation to offer to the owners of or tenants of the residential buildings located on Lots 3 and 4 of Courthouse Plaza or to the owner or hotel guests of the hotel located on Lot 6 of Courthouse Plaza any rights to use of the Bicycle Storage Facility.

8. After initial construction of the bicycle storage facility in the Bicycle Storage Space, VNO I and VNO II shall have the right from time to time, in their discretion and at their sole cost and expense, to relocate the Bicycle Storage Facility to another portion of the Courthouse Plaza parking garage owned by VNO I or VNO II or to reconfigure the Bicycle Storage Facility (including changing the capacity thereof) in accordance with actual user needs as determined by VNO I and VNO II. VNO I and VNO II shall replace parking spaces that may be displaced by the relocation or reconfiguration of the bicycle storage facility. Neither this Agreement nor the Site Plan (as amended) shall be deemed to require any approval by the County in connection with any such relocation or reconfiguration.

**EXHIBIT A
To Board Report**

9. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

10. This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia, without regard to principles of conflicts of law.

WITNESS the following signatures and seals.

ARLINGTON HOTEL ASSOCIATES LLC,
a Virginia limited liability company

By: Donohoe/Arlington LLC, a Virginia
limited liability company, its Manager

By: Donohoe Investment Management
Company LLC, a Maryland limited
liability company, its Sole Member

By: TDC Real Estate Corp.,
a Delaware corporation,
its Manager

By: _____
Name: _____
Title: _____

**EXHIBIT A
To Board Report**

VNO COURTHOUSE I LLC, a Delaware limited liability company

By: CESC One Courthouse Plaza L.L.C., a Delaware limited liability company, its Sole Member

By: CESC One Courthouse Plaza Holdings L.L.C., a Delaware limited liability company, its Sole Member

By: Charles E. Smith Commercial Realty L.P., a Delaware limited partnership, its Sole Member

By: Vornado CESC Gen-Par L.L.C., a Delaware limited liability company, its General Partner

By: Vornado Realty L.P., a Delaware limited partnership, its Sole Member

By: Vornado Realty Trust, a Maryland real estate investment trust, its General Partner

By: _____
Name:
Title:

**EXHIBIT A
To Board Report**

VNO COURTHOUSE II LLC,
a Delaware limited liability company

By: CESC Two Courthouse Plaza Limited Partnership,
a Virginia limited partnership
its Sole Member

By: CESC Two Courthouse Plaza Manager L.L.C.,
a Delaware limited liability company,
its General Partner

By: Charles E. Smith Commercial Realty L.P.,
a Delaware limited partnership,
its Sole Member

By: Vornado CESC Gen-Par L.L.C.,
a Delaware limited liability company,
its General Partner

By: Vornado Realty L.P.,
a Delaware limited partnership,
its Sole Member

By: Vornado Realty Trust,
a Maryland real estate
investment trust, its General
Partner

By: _____
Name:
Title:

**EXHIBIT A
To Board Report**

THE COUNTY BOARD OF ARLINGTON COUNTY,
VIRGINIA, a body corporate and politic

By: _____
Name: _____
Title: _____

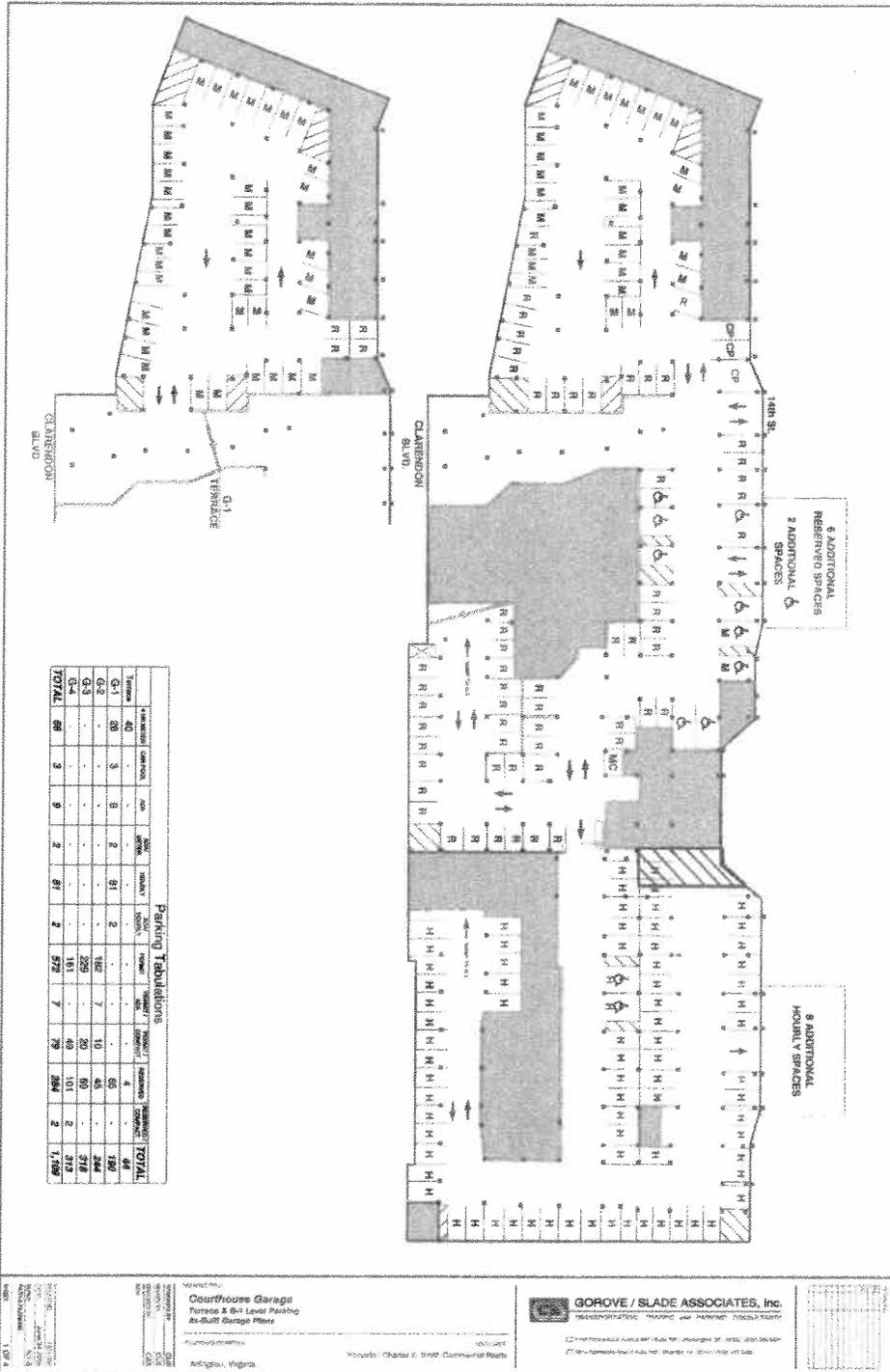
APPROVED AS TO FORM:

County Attorney

EXHIBIT A To Board Report

EXHIBIT A

Courthouse Plaza Garage Level G-1



Parking Solutions

TYPE	STALLS	RESERVED	HOURLY	TOTAL
G-1	40	3	0	43
G-2	20	0	0	20
G-3	10	0	0	10
G-4	10	0	0	10
TOTAL	80	3	0	83

GOROVE / SLADE ASSOCIATES, Inc.
 ARCHITECTS
 1000 14th St, Suite 1000
 St. Paul, MN 55102
 Phone: 612.222.1111
 Fax: 612.222.1112
 Website: www.gorove-slade.com

Courthouse Garage
 Terrace & G-1 Level Parking
 14th Street Garage Phase

PROJECT NO. 1000000000
 DATE: 10/1/2010
 DRAWING NO. G-1000000000
 SCALE: AS SHOWN
 PROJECT LOCATION: 14th Street Garage Phase

PREPARED BY: [Name]
 CHECKED BY: [Name]
 DATE: 10/1/2010

VICINITY MAP II
COURTHOUSE PLAZA

