



Ronald Mason, Jr., J.D.  
*President*

March 18, 2022

The Honorable Phil Mendelson, Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue NW, Suite 504  
Washington, DC 20004

Re: Proposed Lease between the University of the District of Columbia and the Metropolitan Washington Airports Authority

Dear Chairman Mendelson,

Pursuant to D.C. Official Code § 2-352.02(b)(1), please find enclosed for consideration and approval by the Council of the District of Columbia a proposed lease agreement by and between the University of the District of Columbia (UDC) and the Metropolitan Washington Airport Authority (MWAA) for the use of 25,660 square feet in Hangar #2, located at the Ronald Reagan Washington National Airport. This lease would replace the current lease that UDC has with MWAA for airport hangar space to accommodate UDC's aircraft maintenance program. Specifically, the lease is for five years, with two options of five years each and requires MWAA to make certain capital improvements to Hangar #2.

Because MWAA is requiring a new lease before it begins renovation to the hangar, I am also transmitting the "University of the District of Columbia Lease Agreement with MWAA Emergency Approval Resolution of 2022" and the "University of the District of Columbia Lease Agreement with MWAA Emergency Declaration Resolution of 2022." I kindly request that you agendaize and move them at the Council's next legislative session.

As always, I am available to discuss any questions you may have regarding the proposed lease. In order to facilitate a response to any questions you may have regarding this proposed lease, please have your staff contact Ms. Christina Setlow, Director of State and Local Affairs, at (202) 274-5244. I look forward to a favorable consideration of this contract.

Sincerely,

Ronald Mason, Jr.

**ASPIRE. ACCOMPLISH. TAKE ON THE WORLD.**

4200 Connecticut Avenue, NW — Washington, District of Columbia 20008  
Phone: 202.274.6016 ▪ [www.udc.edu](http://www.udc.edu) ▪ Facsimile: 202.274.5304

Government of the District of Columbia  
University of the District of Columbia



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**COUNCIL REAL ESTATE CONTRACT SUMMARY**

Please note that any capitalized term used but not defined in this Summary shall have the meaning given to such term in the proposed real estate contract.

- 1. The name of the proposed lessor, lessee, grantor or other party to the proposed real estate contract, the type of real estate contract, the source selection method, the primary term of the real estate contract (if applicable), and the consideration to be paid by The District (for leases, the total annual rent for the first year and the fiscal years set forth in the Funding Certification):**

Contract Party Name: Metropolitan Washington Airport Authority  
("MWAA")

Type of Real Estate Contract: Lease Agreement  
University of the District of Columbia as Tenant  
("University")

Location of Real Property: Hangar 2  
2801 Thomas Avenue  
Ronald Reagan Washington National Airport  
Arlington, Virginia 22201

Source Selection Method: Sole Source

The University of the District of Columbia and The Metropolitan Washington Airports Authority (MWAA) have negotiated the terms of a Long-Term Lease Agreement whereby the University may lease space in Hangar #2 located at Washington National Airport.

The demised premises are unique in the rental market as they provide the University aircraft storage space and the ability to operate commercial aircraft engines as required by FAA Charter in a location designed and zoned for like uses.

The University has leased space to operate the Aviation Maintenance Program at Washington National Airport since 1978. The current month to month space agreement has been in effect since 1993.

Primary Term (if applicable): Initial 5-year term

Consideration to be paid by The University (if applicable):

- First Lease Year: \$313,565.20  
 This amount includes base rent, estimated operating costs, insurances, and real estate taxes

2. If the real estate contract is a lease, a breakdown of the Annual Rental for the first Lease Year set forth above, the scheduled escalations thereof and known first Lease Year Additional Rent obligations (e.g., parking and supplemental HVAC costs):

Components of Annual Rental	\$/RSF	Total Amount for First Lease Year	Annual Escalations after First Lease Year
Net Rental	12.22	\$313,565.20	Based on Cost Recovery
Initial Operating Costs	\$0	\$0	N/A
Initial Real Estate Taxes	\$0	\$0	N/A
Building Insurance	\$0	\$0	N/A
Personal Property Insurance	\$0	\$0	N/A
Tenant Improvements Allowance Amortization	\$0	\$0	N/A
<b>Total Annual Rental</b>		\$313,565.20	N/A

Known Additional Rent Obligations for First Lease Year			
N/A			

3. If the real estate contract is a lease, a description of any options to renew the primary lease term set forth above, the contract amount for the primary lease term and each option period (and an explanation of any difference), and a description of any options to purchase the real property:

The proposed Lease includes two 5-year options to extend.

The rental rate will be based on cost recovery, with no annual set increases.  
The space rental rate is the calculated rate for the full service leased Premises.  
Operating and Maintenance Expenses shall be defined as a pro rata share on a square footage basis of all expenses of the Airports Authority paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Premises.

The Lease does not include any option to purchase the real property.

**4. A description of the real property to be acquired, developed or leased, including any applicable improvements:**

Street Address:	<u>2801 Thomas Avenue Arlington, VA 22201</u>
Square/Lot Number:	<u>Ronald Reagan Washington National Airport</u>
Total RSF of Building:	<u>75,948</u>
Total RSF of Premises:	<u>25,660</u>
Description of Improvements:	<u>Upgrade of HVAC System</u> <u>Addition of Chair Lift to comply with ADA</u>

**5. A description of the University's specific real property need associated with the proposed real estate contract and the selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:**

The demised premises are unique in the rental market as they provide the University aircraft storage space and the ability to operate extremely loud commercial engines as required by FAA Charter in a location designed and zoned for like uses.

**6. The background and qualifications of the proposed contract party, including its organization, financial stability, personnel, and performance on past or current real estate contracts with requirements similar to those of the proposed contract:**

The Metropolitan Washington Airports Authority, a body corporate and politic established by the Commonwealth of Virginia and the District of Columbia with the consent of the United States Congress, is authorized to enter into lease agreements and contracts.

The University has leased space to operate the Aviation Maintenance Program at Washington National Airport since 1978. The current month to month space agreement has been in effect since 1993.

**7. Expected outcomes of the proposed real estate contract:**

The University currently leases space at Ronald Reagan Washington National Airport by Letter of Agreement effective January 1, 1993. The University desires and the Airports Authority agrees to provide a full-service lease at the Airport for use as an aircraft maintenance educational facility and provide certain capital improvements to meet federal, District of Columbia and state education guidelines.

By execution of the proposed real estate contract both Parties agree to terminate the existing 1993 Letter of Agreement and execute a full-service lease.

**8. A statement that suitable space owned by the District is not available or cannot be reasonably renovated or altered:**

Based upon an evaluation of space owned by the District or the University, there is no suitable space, whether as-is or which can reasonably be renovated or altered, which would meet the needs of the University as they are addressed under the proposed real estate contract.

There are no current properties owned by the District or the University suitable for onsite aircraft storage and commercial aircraft engine operation with workshop and classroom capacity.

**9. ANC notice of the proposed real estate contract:**

Not Applicable, subject property not within boundaries of a Washington DC Advisory Neighborhood Committee.

**10. A certification that the proposed real estate contract is within the appropriated budget authority for the University for the fiscal year and is consistent with the financial plan and budget adopted in accordance with §§ 47-392.01 and 47-392.02:**

The Office of the Chief Financial Officer (OCFO) for the University has certified the availability of funds for the proposed real estate contract. A copy of the Funding Certification received from the OCFO has been provided along with this summary.

**11. A certification that the proposed real estate contract is legally sufficient:**

The Office of the General Counsel for the University has certified that the proposed real estate contract is legally sufficient. A copy of the document confirming the agreement's Legal Sufficiency has been provided along with this summary.

**12. A certification as to whether the proposed contract party has any currently pending legal claims against The District:**

The Landlord has confirmed that there are no legal claims currently pending against the District.

**13. A certification that the Citywide Clean Hands database indicates that the proposed contract party is current with its District taxes:**

The proposed contract party is current with its District of Columbia taxes. A copy of the Citywide Clean Hands certificate has been provided along with this summary.

**14. A certification from the proposed contract party that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

The Landlord has confirmed that is current with its federal taxes.

**15. The status of the proposed contract party as a certified local, small, or disadvantaged business enterprise, as defined in subchapter IX-A of Chapter 2 of title § 2-218.01 et seq.:**

The proposed contract party is not a certified local, small, or disadvantaged business enterprise.



Date of Notice: February 9, 2022

Notice Number: L0006920800

METROPOLITAN WASH AIRPORTS AUTHORITY  
1 AVIATION CIR  
WASHINGTON DC 20001-6000

FEIN: \*\*-\*\*\*3553  
Case ID: 1070180



### **CERTIFICATE OF CLEAN HANDS**


As reported in the Clean Hands system, the above referenced individual/entity has no outstanding liability with the District of Columbia Office of Tax and Revenue or the Department of Employment Services. As of the date above, the individual/entity has complied with DC Code § 47-2862, therefore this Certificate of Clean Hands is issued.


TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES  
CHAPTER 28 GENERAL LICENSE  
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT  
D.C. CODE § 47-2862 (2006)  
§ 47-2862 PROHIBITION AGAINST ISSUANCE OF LICENSE OR PERMIT

Authorized By Marc Aronin  
Chief, Collection Division

To validate this certificate, please visit [MyTax.DC.gov](https://MyTax.DC.gov). On the MyTax DC homepage, click the “Validate a Certificate of Clean Hands” hyperlink under the Clean Hands section.

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**THRU:** Deloras Shepherd   
Associate Chief Financial Officer, Education Cluster

**FROM:** Roy Layne   
Chief Financial Officer, University of the District of Columbia

**DATE:** December 13, 2021

**RE:** Approval of the Lease Agreement Between the University of the District of Columbia and the Metropolitan Washington Airports Authority

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**Conclusion:**

The University of the District of Columbia (University) has the available funding in the operating budget to support the proposed lease agreement between the University and the Metropolitan Washington Airports Authority (MWAA).

**Background:**

The Board of Trustees (“Board”) of the University of the District of Columbia passed Resolution No. 2021-39 on November 9, 2021 which provided approval to the proposed Lease Agreement (“Agreement”) between the University and the MWAA for the use of 25,660 rentable square feet of available space at Hangar #2 Washington National Airport Washington, DC 20001, for the accommodation of the University’s aircraft maintenance educational facility.

The University has leased space to operate the Aviation Maintenance Program at Washington National Airport since 1978. The current month-to-month agreement has been effective since January 1, 1993. The University and MWAA propose to terminate the existing 1993 Letter of Agreement to execute a full-service lease under the new Agreement.

Terms of the agreement include:

- An initial five (5) year lease term with two (2) five-year renewal extension options.
- Initial base rent rate of \$12.22 per square foot for 25,660 rentable square feet.
- Annual rent of \$313,565.20 prorated and paid monthly in the amount of \$26,130.43.
- Annual rental rate may be changed once each year, with no set annual increases, and will be on a cost recovery basis of actual operating and maintenance expenses.



- All utilities except electrical are included in annual rent; electrical utility expenses will be paid to MWAA based on cost recovery allocation.
- MWAA will lead Tenant Improvements Projects for HVAC Upgrades and Chairlift with Maximum Cost to UDC of \$750,000.

Lease Year	Fiscal Year	Annual Base Rent	Operating Costs	One-time*	Total
1	FY22	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
2	FY23	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
3	FY24	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
4	FY25	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
5	FY26	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
<b>Option One</b>					
6	FY27	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
7	FY28	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
8	FY29	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
9	FY30	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
10	FY31	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
<b>Option Two</b>					
1	FY32	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
2	FY33	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
3	FY34	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
4	FY35	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
5	FY36	\$ 313,565.20	\$ 15,901.92	\$ -	\$ 329,467.12
<b>Total with Options</b>		<b>\$ 4,703,478.00</b>	<b>\$ 238,528.80</b>	<b>\$ -</b>	<b>\$ 4,942,006.80</b>

\*Note: one-time costs are not set but may include up to \$750,000 in reimbursement to MWAA for capital improvement projects.

**Financial Impact:**

The initial base rent rate of the proposed lease is the same as the base rent rate of the current month-to-month agreement. Additionally, electrical costs are already separately billed by MWAA based on cost recovery allocation under the current agreement. Therefore, the incremental cost increase of the proposed agreement as compared to the current agreement is limited to the proposed tenant improvement projects of up to \$750,000 and the increase 138 rentable square feet which results in a net rental cost increase of \$1,686.36 annually, or \$140.53 monthly.

The University has sufficient budget in operating funds in FY22 to pay for annual base rent of \$313,565.20, estimated operating costs of \$15,901.92, and reimbursement of proposed tenant improvements of up to \$750,000. Sufficient budget in operating funds for the annual base rent and ongoing operating costs were also included in the FY23 Budget Submission.

**CERTIFICATE**

To: The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004

From: Avis Marie Russell  
General Counsel

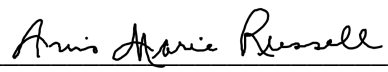
Re: Legal Sufficiency Certification – Approval of a Lease Agreement between the Board of Trustees of the University of the District of Columbia and the Metropolitan Washington Airports Authority as Landlord (The “Lease Agreement”)

Date: January 10, 2022

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This is to certify that this Office has reviewed the above referenced Lease Agreement and it is legally sufficient subject to submission of any required materials and Council approval.

If you have any questions, please do not hesitate to contact me at (202) 274-5604.

By:   
Avis Marie Russell  
General Counsel  
University of the District of Columbia

**BOARD OF TRUSTEES  
UNIVERSITY OF THE DISTRICT OF COLUMBIA  
UDC RESOLUTION NO. 2021 – 39**

**SUBJECT: APPROVAL OF A LEASE AGREEMENT BETWEEN THE BOARD OF TRUSTEES OF THE UNIVERSITY OF THE DISTRICT OF COLUMBIA AND THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY AS LANDLORD (THE “LEASE AGREEMENT”)**

**WHEREAS**, pursuant to D.C. Code § 38-1202.1(a)(5), the Board of Trustees (“Board”) possesses all powers necessary or convenient to accomplish its statutorily prescribed objects and duties, including the power to make, deliver, and receive deeds, leases and other instruments; and

**WHEREAS**, the University Administration recommends the University enter into a new Lease Agreement for the use of 25,660 rentable square feet of available space at Hangar #2 Washington National Airport Washington, DC 20001 from the Metropolitan Washington Airports Authority (“MWAA”), for the accommodation of the University’s aircraft maintenance educational facility; and

**WHEREAS**, pursuant to a Letter of Agreement effective January 1, 1993 (“1993 Letter of Agreement”), the University currently leases space at Washington National Airport; and

**WHEREAS**, both the University and MWAA agree to terminate the existing 1993 Letter of Agreement to execute a full service lease which will include an initial term of five (5) years, with two (2) options to extend the term of the Lease Agreement for additional five-year terms; and

**WHEREAS**, pursuant to the Lease Agreement, MWAA will also provide certain capital improvements to meet federal and District of Columbia education guidelines in an amount not to exceed \$750,000, which will be reimbursed by the University; and

**WHEREAS**, pursuant to 8B DCMR § 2100.3, the President shall lease as he deems to be in the interest of the University and necessary for the accommodation of University activities; and

**WHEREAS**, pursuant to 8B DCMR § 2100.7 and 2100.8 acquisition of space by lease will be by negotiation, and on the basis most favorable to the University with due consideration to maintenance and operation efficiency and only at charges consistent with prevailing scales in the community for comparable facilities; and

**WHEREAS**, the Lease Agreement was negotiated, and the Administration has determined that the terms in the Lease Agreement are favorable to the University with due consideration to maintenance and operation efficiency and that the charges are consistent with prevailing scales in the community for comparable facilities; and

**WHEREAS**, pursuant to 8B DCMR § 2100.9, the Lease Agreement and any future exercise of any lease renewal option by the University will require the approval of the Board and District of Columbia Council (“Council”) approval prior to entering into the Lease Agreement and at the time such option is exercised, respectively.

**BOARD OF TRUSTEES  
UNIVERSITY OF THE DISTRICT OF COLUMBIA  
UDC RESOLUTION NO. 2021 – 39**

**NOW THEREFORE BE IT RESOLVED**, that, subject to the required approval of the Council, the Board of Trustees approves the Lease Agreement and the President is authorized to execute the Lease Agreement in substantially the form attached hereto as **Attachment A**.

**BE IT FURTHER RESOLVED**, that as soon as practicable, the President is hereby directed to transmit the Lease Agreement to the Council for its approval.

Submitted by the Operations Committee:

October 19, 2021

Approved by the Board of Trustees:

November 9, 2021



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Christopher D. Bell  
Chairperson of the Board