

UNION STATION REDEVELOPMENT CORPORATION

To: Distribution via Email or Fax

From: David S. Ball, President

Date: July 20, 2011

Re: Addendum #1 to Proposals for Management of the Washington, D.C., Union Station Parking Garage.

This document is Addendum #1 to the July 6, 2011 Request for Proposals for the Management of the Washington D.C. Car/Bus Parking Facility. This document contains answers to received questions. The final date for submission of written questions is extended to Friday, July 22, 2011 by 12:00 p.m. EST. Please refer to page 34 of the RFP for complete instructions. USRC is providing this addendum in advance of deadline for submission of written questions to assist operators in developing quality bids. All other sections of the RFP are complete and unchanged.

Per page 33 of the RFP, please e-mail Dball@usrcdc.com and Famare@usrcdc.com to acknowledge your receipt of this notice.

Distribution:

Mr. Andrew C. Blair, Colonial Parking
Mr. Tony Tennant, Colonial Parking
Mr. Brian G. Bush, Ampco System Parking
Mr. Ian Larrabee, Central Parking
Mr. Chris Sherman, Central Parking
Mr. Jack Skelton, Republic Parking
Mr. John W. Madden, Jr., Standard Parking
Mr. Getachew Tesfaye, Landmark Parking
Mr. Gregory S. Hatfield, Landmark Parking
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Ms. Patricia Tunstall, Edgewood Managers
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Mr. Rick Hotchkiss, The Hotchkiss Group
Mr. Allen K. Bahn, American Consulting Services
Mr. Aristides Rodriguez, Potomac Parking Logistics
Mr. Mohamed Idris, MKN Parking
Mr. Stephano Dubuc, Eparking
Mr. Jonathon Gershowitz, Monument Parking

1) Preferred Business Relationship and Scope of Required Services (Page 23 & 24 of RFP)

- A) The base bid should include all revenue and expenses for the mezzanine level, level 1 through 4, and taxi dispatch services.
- B) Bidder should provide as an alternate a separate management plan for the bus deck and the offsite lot based on the Phase III Sam Schwartz Engineering Study. See attached table showing estimated revenue and expenses for the bus deck and the offsite lot. Representative Term Sheet between USRC and the intercity operators is also attached.

USRC understands that developing a management plan for a bus terminal may be outside the expertise of many parking operators. USRC encourages bidders to partner or confer with organizations that have experience in managing intermodal transportation centers.

2) Answers to Questions Submitted by Parking Operators

- Q. Will the garage operator be responsible for supplying appropriately trained personnel to serve as spotters to facilitate the safe backing of buses?
 - A. The garage operator is responsible for providing appropriate training for all its employees. Intercity bus operators will primarily be responsible for backing of their respective buses.
- Q. Likewise, will the garage operator be responsible for supplying appropriately trained personnel to control pedestrian flow at bus crossings, especially on peak travel days?
 - A. The garage operator is responsible for providing trained personnel to control pedestrian flow at all times.
- Q. Are the current Union Station Garage employees unionized? Is the next operator required to be unionized?
 - A. The current operator is a partnership between Colonial Parking and Eparking of DC. Colonial employees are not union members and Epark employees are union members. USRC's labor policy for garage employees is per page 32 of Appendix A.
- Q. Is out-of-home advertising permitted on the interior and/or exterior of the garage? If so, is there any presently and under what contractual arrangement? If not, can this revenue generating service be incorporated into this RFP? If not, will the USRC accept unsolicited proposals apart from this RFP process for out-of-home advertising?

Is there an interior advertising contract for Union Station? If so, please describe the contractual arrangement. If so, does it include rights for the parking facility? If not, will the USRC accept an unsolicited proposal for advertising in and on the parking garage to include Union Station in its entirety? If not, is the USRC considering issuance (or have a solicitation(s) programmed to be released in the future) of an RFP for in-terminal or exterior advertising

- A. Current advertising within the interior of the garage is provided by Nvision Media Group. Advertising on the exterior of the garage is subject to District Government restrictions. Bidders are encouraged to provide proposals for advertising. USRC seeks bids according to this addendum and the July 6, 2011 RFP.

Proposed Union Station Intercity Bus Slip Fee

June 29, 2011

Union Station Bus Deck

Revenues

Other Bus Deck Revenues

Gray Line Office Space and Slip Rent	3	\$121,911
Non Bus Space Revenues	0	14,631
Transient (Tour Bus)	0	700,000
DC Circulator	4	61,042
Parking Tax	-	(126,000)
Total Other Revenue		\$771,584

Total Gross Revenues \$771,584

Expenses

Existing Operating Expenses

Utilities	\$73,260
Security	101,864
Maintenance Personnel/Housekeeping	84,480
Contract Services/Supply/Equipment	27,700
Insurance	17,213
Management Fee	52,500
Total Existing Operating Expenses	\$357,017

Additional Operating Expenses

Security	\$563,760	Estimate of increased off duty MPD personnel needed
Bus Attendants/Supervisor	444,762	Includes Supervisor and Attendants on Bus Deck and offsite lot
Insurance	4,303	
Other Offsite Lot Expenses	100,800	Estimate annual offsite lot expenses including utilities, supplies, etc.
Total Additional Expenses	\$1,113,625	

Total Operating Expenses \$1,470,642

Net Operating Deficit to USRC (\$699,058)

Total Intercity Bus Slips 23

Intercity Bus Slip Fee \$30,394

**UNION STATION INTERCITY BUS FACILITY OPERATORS
EXCLUSIVE USE LICENSE TERM SHEET**
Date: July 6, 2011

INITIAL TERM: Five (5) years

RENEWAL: Automatically renews for successive one-year terms unless terminated by USRC or Operator prior to the last day of the 37th month prior to the expiration date (e.g., the deadline for terminating the License after the 5th year is the last day of the 24th month of the Term).

SLIP FEE: \$30,000 per slip per year, subject to adjustment up or down based upon the actual costs incurred in operating the Bus Deck and the Offsite (Bus Parking) Lot, net of tour bus and other non-intercity bus revenue derived from the facilities. For purposes of determining such costs, no capital costs or maintenance reserves shall be included. Any DC Possessory Interest Tax applicable to the intercity bus slips shall be payable by the Operators and shall not be included in the costs of operating the facilities. Retention of slip(s) by Operator will be subject to satisfaction of minimum bus usage.

PER PASSENGER FEE: The Operators shall pay to a Union Station Bus Deck Escrow Fund \$.75 per passenger, applicable to passengers originating or terminating at Union Station. Upon funding in full the amounts described in the following paragraph, the Bus Deck Management Committee shall adjust the amount of this Per Passenger Fee from time-to-time. The foregoing amount of such fee assumes approximately 3.3 million passengers per year. The License will include a mutually acceptable methodology for determining passenger loads.

BUS DECK ESCROW FUND: Funds in the Escrow Fund shall be used in the following priority: (i) repay USRC its initial capital outlay for retrofitting the Bus Deck and improving the Offsite Lot, together with interest until repaid at 3% per annum; (ii) fund a (separate) maintenance reserve fund in the initial amount of \$3,100,000, plus such additional amounts to be determined by USRC, consistent with Haahs recommendations and after consultation with the Bus Deck Management Committee; and (iii) fund such additional capital improvements of the Bus Deck and Offsite Lot, or adjust the Per Passenger Fee as appropriate, as determined by the Bus Deck Management Committee.

USRC CAPITAL COSTS: USRC to provide the initial capital to retrofit the Bus Deck and to improve the Offsite Lot, currently estimated at approximately \$4,100,000 - 4,600,000, to be repaid as a first priority from the Bus Deck Escrow Fund.

BUS DECK MANAGEMENT COMMITTEE: The Management Committee comprised of the Union Station Bus Facility stakeholders will periodically review the actual costs of operating the Bus Deck and the Offsite Lot (and any related facilities) and adjust the Slip Fee and the Per Passenger Fee if and as appropriate (consistent with the foregoing terms), and will consult with USRC in determination of the level of services and new capital expenditures needed for the

facilities. If the Per Passenger Fee fails to generate the projected revenue, any shortfall shall be made up by an adjustment to the Per Passenger Fee and/or the Slip Fee.

CONDITION: The terms of this Term Sheet are non-binding on any parties, subject to execution of the MOU referenced below and the respective Licenses between USRC and each Operator, which Licenses may address matters unique to each of the Operators. Implementation of the Bus Deck plan is subject to sufficient Operator interest to enable the plan to be financially viable. [REDACTED] agreement to the terms in the Term Sheet is contingent upon all other Operators who will operate from the Bus Deck agreeing to those same terms.

PROCESS: Provided that adequate time is available for review, comment and negotiation of terms, (i) Term Sheet to be agreed upon by July 7, 2011; (ii) Memorandum of Understanding (MOU) to be agreed upon by July 21, 2011, and to include the Operators paying \$70,000, which is a portion of the costs to be incurred by USRC prior to execution of Licenses; and (iii) Licenses to be agreed upon by August 31, 2011.

AGREED TO AS OF THE 7TH DAY OF JULY, 2011:

UNION STATION REDEVELOPMENT CORPORATION

By: _____

David S. Ball, President

OPERATOR:

By: _____
