Circuit Court for Prince George's County
Case No. CAE20-11589

UNREPORTED

IN THE COURT OF SPECIAL APPEALS

OF MARYLAND

No. 1632

September Term, 2021

6525 BELCREST ROAD, LLC

v.

DEWEY L.C., et al.

Berger,
Friedman,
Adkins, Sally D.
(Senior Judge, Specially Assigned),

JJ.

Opinion by Berger, J.

Filed: October 25, 2022

This case is before us on appeal from an order of the Circuit Court for Prince George's County dismissing a declaratory judgment action filed by 6525 Belcrest Road, LLC ("Belcrest"), appellant. The only issue before us in this appeal is whether the circuit court's dismissal of Belcrest's complaint was legally correct when the parties had engaged in mandatory arbitration proceedings and the arbitration award had been confirmed by the circuit court. Perceiving no error, we shall affirm.

FACTS AND PROCEEDINGS

This is the third case that has come before us stemming from a dispute between Belcrest and the appellees regarding a surface parking lot located on property owned by Dewey, L.C., Bald Eagle Partners, LLC, and BE UTC Dewey Parcel LLC (collectively referred to as "Dewey").[1] As we explained in our prior opinion in a related case, *6525 Belcrest Rd. LLC v. Prince George's Cnty. Council*, No. 726, Sept. Term 2021 (unreported opinion filed May 4, 2022) ("*Belcrest I*"), Belcrest is the owner of a commercial office building known as Metro Center III in Hyattsville, Maryland, which is located across the street from Dewey's property.[2] Dewey's property is currently used as a surface parking

[1] The second of the three cases in this related litigation is the case of *6525 Belcrest Road, LLC v. Dewey L.C.*, No. 1393, September Term 2021 (the "arbitration case" or "*Belcrest II*"), which was argued before this Court on September 9, 2022. The opinion in the arbitration case is being filed simultaneously with the opinion in this case (the "declaratory judgment case"). Seeing no reason to reinvent the wheel, we have reproduced and readopted without reference some (but not all) of the language from *Belcrest I* and *Belcrest II* setting forth the factual and procedural background.

[2]After we filed our opinion in the related case, Belcrest filed a petition for a writ of certiorari, which was subsequently denied by the Court of Appeals. Petition for Writ of

lot, but Dewey proposes to develop the property by removing the existing surface parking lot and replacing it with a predominantly residential development consisting of multifamily dwellings and condominiums, as well as limited commercial/retail uses. Since 1970, owners and tenants of Metro Center III have used the surface parking lot located on Dewey's property. There is no on-site parking at Metro Center III.

In *Belcrest I*, we addressed Belcrest's assertion that a Waiver of Off-Street Parking and/or Loading Requirements (the "Parking Waiver") that was obtained at the time of Metro Center III's construction formed the basis for Belcrest's continuing right to use the parking lot. We expressly rejected Belcrest's Parking Waiver arguments in *Belcrest I*, in which we held that the Parking Waiver was an exemption from then-applicable parking requirements set forth in the Prince George's County Code in 1970. Slip op. at 20. We further held that the Parking Waiver did not establish or grant a continuing, perpetual right in the Dewey Property separate and apart from any agreement negotiated privately between the parties. *Id.*

Belcrest and Dewey are parties to a contractual parking arrangement (the "Ground Lease"), which was entered into on March 31, 1998, by Belcrest's predecessor and Dewey. The Ground Lease was amended in July of 2014. Pursuant to the Ground Lease, the owner of Metro III is the lessee of 7.92 acres of the surface parking lot on the Dewey Property. Section 6.1 of the Ground Lease provided that "[u]pon prior written notice," the landlord

Certiorari, *6525 Belcrest Road LLC v. Prince George's County Council, et al.*, Petition Docket No. 145, Sept. Term 2022 (denied August 30, 2022).

had "the right, at any time and from time to time, to substitute" different parking premises so long as certain conditions were satisfied. The Ground Lease contains an arbitration clause.

In 2019, Dewey sought to provide substitute parking to Belcrest pursuant to Section 6.1 of the Ground Lease. In response, Belcrest filed an action in the Circuit Court for Prince George's County seeking a declaratory judgment establishing that Dewey had no right to provide substitute parking, that the Metro Center III parcel and the parking lot parcel were permanently merged for zoning purposes and cannot be demerged or subdivided, and that Belcrest and its successors and assigns have an absolute perpetual easement over and in the parking lot parcel. Circuit Court for Prince George's County, Case No. CAE20-11589. Belcrest named multiple defendants in addition to Dewey, including Bald Eagle Partners, LLC, BE UTC Dewey Parcel LLC, and the Maryland-National Capital Park and Planning Commission ("MNCPPC"). Dewey immediately filed a demand for arbitration before the American Arbitration Association. The circuit court stayed all proceedings in the declaratory judgment action pending resolution of the arbitration matter, having determined "that all points of controversy in this matter either directly or indirectly arise from two written agreements, both of which contain arbitration clauses."

Before the arbitrator, Belcrest presented several arguments regarding arbitrability, arguing *inter alia* that the issue of parking substitution was outside the scope of the arbitrator's authority and that the Parking Waiver issue was non-arbitrable. Belcrest argued

that Dewey sought relief "outside the scope and jurisdiction of the arbitration." In an October 19, 2020 opinion and order granting partial summary judgment to Dewey, the arbitrator rejected Belcrest's arguments. The arbitrator reaffirmed this decision in a separate opinion and order granting, in part, and denying, in part, Dewey's Second Motion for Partial Summary Judgment on February 14, 2021.

The arbitrator issued a Final Award of Arbitration on August 12, 2021, ordering, *inter alia*, that Dewey "was within its rights under the Ground Lease and the First Amendment to make a parking substitution under Paragraph 6(f) of the Ground Lease and First Amendment and the Parking Exchange Notices issued by Claimant are a valid and legally binding exercise of those rights." The arbitrator further determined that there was "no showing of a merger by zoning," Belcrest had no express or implied easement, and Belcrest had no other equitable interest in the parking lot property beyond any interest obtained pursuant to the Ground Lease. After the arbitration concluded, the circuit court lifted a stay in the declaratory judgment case and dismissed the matters as to all parties on November 17, 2021. Belcrest's appeal of the dismissal of the declaratory judgment action forms the basis for the appeal in this case.

On August 24, 2021, Dewey filed a petition to enforce the arbitrator's award in the Circuit Court for Prince George's County. In response, Belcrest moved to vacate the arbitration award, arguing that the arbitrator exceeded the scope of his authority when

addressing the Parking Waiver issue. The circuit court denied Belcrest's motion to vacate and confirmed the arbitration award.[3] Belcrest noted an appeal on November 3, 2021.

Further, on November 3, 2021, Belcrest filed a Rule 2-535 Motion to Modify, Reconsider, or Revise Judgment in the circuit court, arguing that the order confirming the arbitration award should be reconsidered and revised in light of Belcrest's rejection of the Ground Lease. Belcrest contended that the arbitration award, "to the extent it sought to declare the rights and obligations of the parties under the Ground Lease, became moot" when the bankruptcy court authorized Belcrest's rejection of the Ground Lease. The circuit court denied Belcrest's Rule 2-535 motion on December 14, 2021. On January 10, 2022, Belcrest filed a second notice of appeal challenging the circuit court's denial of its Rule 2-535 motion.

In *Belcrest II*, filed simultaneously with this opinion, we rejected Belcrest's assertion that the arbitrator exceeded the appropriate scope of the arbitration and affirmed the circuit court's confirmation of the arbitration award.

DISCUSSION

I. Standard of Review

Our review of the circuit court's grant of a motion to dismiss is de novo. *D.L. v. Sheppard Pratt Health Sys., Inc.*, 465 Md. 339, 350 (2019). "When reviewing the grant of a motion to dismiss, the appropriate standard of review 'is whether the trial court was

[3] The order was dated and signed by the circuit court on October 6, 2021, but the docket entry reflects a date of October 5, 2021.

legally correct.'" *Id.* (quoting *Blackstone v. Sharma,* 461 Md. 87, 110 (2018)). When reviewing a motion to dismiss, appellate courts "accept all well-pled facts in the complaint, and reasonable inferences drawn from them, in a light most favorable to the non-moving party because the object of a motion to dismiss is to argue that relief could not be granted on the facts alleged as a matter of law." *Sprenger v. Pub. Serv. Comm'n of Md.*, 400 Md. 1, 21 (2007) (cleaned up).

II. Discussion

In Belcrest's complaint for declaratory judgment, Belcrest asked the court to declare that the Metro Center III parcel and the parking lot parcel were permanently merged for zoning purposes and cannot be demerged or subdivided. In addition, Belcrest sought a determination that Belcrest and its successors and assigns have an absolute perpetual easement over and in the parking lot parcel. Belcrest further sought an additional declaration that Dewey's actions pursuant to the Ground Lease violated Belcrest's legal rights to use the parking lot parcel. Belcrest asserts that the issues raised in the complaint presented well-pleaded allegations that should not have been dismissed in a motion to dismiss. Dewey responds that all of the matters raised in the declaratory judgment action were subject to the binding arbitration clause in the Ground Lease. Dewey contends that these matters were resolved conclusively in arbitration, and, accordingly, the circuit court appropriately dismissed the declaratory judgment action.

We agree with Dewey. All of the arguments presented in Belcrest's complaint for declaratory judgment were raised and decided by the arbitrator in the parties' mandatory

arbitration. The arbitration award was confirmed by the circuit court and affirmed by this court on appeal in *Belcrest II*. Belcrest concedes as much in its opening and reply briefs. Belcrest expressly "proceeds in argument on the premise that this Court will have rule favorably in [*Belcrest II*] and addresses the question of whether it presented a legal cause of action sufficient to survive a motion to dismiss under the assumption that the AAA arbitrator was not allowed to consider the legal status of the Parking Waiver." In Belcrest's reply brief, Belcrest acknowledged that "*absent the existence of an arbitration agreement*, the [c]ircuit [c]ourt would have had no grounds to dismiss [Belcrest's] claims." (Emphasis supplied.) Belcrest's reply brief concludes by arguing that because "the arbitration conducted in this case is invalid in accordance with Appellant-Belcrest's arguments in [*Belcrest II*], this Court should reverse the [c]ircuit [c]ourt's grant of the motion to dismiss and allow the case to proceed on the merits."

Critically, we held in *Belcrest II* that the arbitration was not invalid. Accordingly, we affirmed the circuit court's confirmation of the arbitration award. No. 1393, September Term 2021, slip op. 12-14. We need not -- and shall not -- revisit the substance of the arbitration in this opinion. We, therefore, hold that the circuit court properly dismissed the declaratory judgment action after the confirmation of the arbitration award.

JUDGMENT OF THE CIRCUIT COURT FOR PRINCE GEORGE'S COUNTY AFFIRMED. COSTS TO BE PAID BY THE APPELLANT.