

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
200008

Resolution:
 Yes No

TITLE:

Potential New Joint Development Solicitations

PRESENTATION SUMMARY:

This presentation describes the sites for which Metro is proposing to issue new joint development solicitations in CY 2013 and beyond. The JD Plan is based upon meeting the goals and objectives of the organization and the strategic plan in the support of regional mobility, connecting communities and financial stability.

PURPOSE:

Request Board approval of the Plan for Potential New Joint Development Solicitations.

DESCRIPTION:

In implementing the joint development program, Metro is focused on adhering to the "Joint Development Policies and Guidelines" as described in Background and History, below. Further, Metro staff engage local jurisdictional partners through consultation with planning and economic development officials to ensure that the proposed projects align with jurisdictional priorities.

Key Highlights:

Metro is considering issuing solicitations for 11 properties across Virginia, Maryland and the District of Columbia. These sites were selected based on market strength, developer offers and inquiries, adjacent land uses and projects, and consultation with local planning and economic development officials.

Pursuing the potential new joint development solicitations described in this MEAD supports two of Metro's Strategic Goals:

- 1) Improve regional mobility and connect communities
- 2) Ensure financial stability and invest in our people and assets

Toward improving regional mobility, staff have ensured that the proposed projects span the entire Washington area. Staff evaluated Metro stations to identify those stations with underutilized land that might support development. Toward the objective of connecting communities, staff looked for opportunities to build upon surrounding development activity where Metro property could be used to further catalyze and connect such projects to transit facilities.

From a regional perspective, particular emphasis has been placed on helping foster the location of employment centers at those stations outside of the core. This strategy will help balance out demand on the Metrorail system by encouraging reverse commutes across the system. A few examples include (1) the White Flint Station project, where the developer has constructed a new headquarters for the Nuclear Regulatory Commission (NRC), (2) Metro's former bus garage property in Ballston, where the developer is constructing a new headquarters for the Defense Advanced Research Project agency (DARPA), (3) in the District of Columbia, sale of the Congress Heights property to help support the District's efforts to catalyze the St Elizabeths' campus redevelopment, and finally (4) efforts at New Carrollton, Greenbelt, and other sites in Prince George's County to create employment centers at those stations.

Background and History:

Metro is committed in pursuing transit-oriented development in the Washington region through joint development projects. Metro defines joint development as a creative program through which property interests owned and/or controlled by Metro are marketed to private developers with the objective of developing transit-oriented projects. Metro has had a very active public/private Joint Development Program since completing the first joint development ground lease in 1975. As stated in the Joint Development Policies and Guidelines (Rev. Nov. 20, 2008), Metro aggressively seeks partners to develop Metro-owned or controlled property in order to achieve the following goals:

1. Promoting Transit-Oriented Development (TOD) by giving priority to joint development proposals that contain the following smart growth principles: reduce automobile dependency; increase pedestrian/bicycle-originated transit trips; foster safe station areas; enhance surrounding area connections to transit stations, including bus access; provide mixed-use development with housing in compliance with local regulations; and offer the opportunity to obtain goods and services and enjoy active public spaces near transit stations.
2. Creating a source of revenue for the Authority to maintain the transit system by expeditiously negotiating Joint Development agreements between Metro and public or private development entities; and
3. Attracting new riders to the transit system by fostering commercial and residential development projects on Metro-owned or controlled land and on private properties adjacent to Metro stations.
4. Where appropriate to station setting, market dynamics, and local policy, supporting the establishment of employment centers consistent with TOD design principles and transit system operating and investment needs.
5. Implementing station access improvements which support pedestrian, bicycle, bus, ADA (Americans with Disabilities Act), and automobile access consistent with each station area's particular station access needs as determined by Metro's station access planning program.
6. Supporting other transit agency goals as they may arise, including potentially the provision of affordable housing for staff to support recruitment of employees from outside the region and/or other goals. Implementation of this goal will be subject to Metro Board adoption of a policy governing the application of this goal.
7. Assisting Metro local area jurisdictions in recapturing a portion of their past financial contributions and continuing to make subsidy payments by augmenting

the local property tax base, as well as other local revenue.

Discussion:

In selecting the Potential New Joint Development Solicitations, staff reviewed WMATA's available properties and assessed their development potential using the following criteria:

- Market strength
- Developer offers, interest, inquiries
- Adjacent land uses and projects
- Consultation with local planning and economic development officials

From this review, staff are proposing to issue solicitations for the following properties:

Virginia

Metro has experienced some of its greatest success in advancing transit-oriented development around the Metrorail stations in Virginia. From one of the first Metro joint development projects above Ballston station (the Hilton Hotel, condominium, and office towers) to the large-scale, mixed-use development that is currently under construction at Dunn Loring Metro as assisted in reshaping communities across Arlington, Alexandria, Falls Church, and Fairfax. As a result of that success, there are only a few sites remaining in Virginia and Metro is seeking opportunities at all of them, as follows:

- East Falls Church
- West Falls Church
- Huntington

District of Columbia

In the District of Columbia, Metro has also achieved similar success in implementing joint development projects. One of the oldest projects in DC is the office building located above the L Street entrance of our Farragut North Station. More recent examples of successful efforts include the U Street, Columbia Heights, and Petworth Stations, all which involved development of Metro properties. The four sites that staff are proposing to pursue will build upon this track record and will serve as a catalyst for the District's economic development priorities away from the core. At Anacostia, for example, the District is soliciting development partners for the Barry Farm redevelopment, directly adjacent to the Metro station. Metro's pursuit of a joint development project at the station will build upon and complement the District's efforts. The four proposed sites for the District are the following:

- Anacostia
- Navy Yard (Chiller Site)
- Brookland
- Fort Totten

Maryland

As in the other two jurisdictions, Metro's joint development efforts in Maryland have also seen great success. Among the earliest projects completed was Bethesda Metro Center (the hotel and office building) project directly above that station. Currently, in

Montgomery County there are two very large-scale transformative joint development projects at Twinbrook and White Flint that have helped reshape the areas around our stations along the Rockville Pike corridor. In Prince George's County, there are numerous opportunities to advance transit-oriented development and Metro's focus has been on working with the County to help prioritize which projects should advance sooner than others. We are proposing issuing solicitations for the following four sites in Maryland:

- Branch Avenue
- Capitol Heights
- Morgan Boulevard
- Grosvenor

Solicitation Approach

Solicitations for each of the sites above will be through the "Request for Proposals (RFP)" process, with the exception of the Anacostia site for which a "Request for Qualifications (RFQ)" process will be used. The Anacostia site will require significant coordination between the selected developer and WMATA, District of Columbia, and National Park Service stakeholders due to significant bus operations along with constrained site conditions. Overcoming these challenges at Anacostia will be better addressed through a collaborative planning effort among the stakeholders.

FUNDING IMPACT:

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Stan Wall
Project Department/Office:	Office of Real Estate and Station Planning (LAND)

TIMELINE:

Previous Actions	
Anticipated actions after presentation	Select developer(s) for each site, negotiate term sheets, and obtain Board approval.

RECOMMENDATION:

Approval of the Plan of Potential New Joint Development Solicitations.