

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100775	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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**TITLE:**

Dunn Loring JDA Amendment

**PURPOSE:**

Authorization for General Manager/Chief Executive Officer to negotiate and execute an amendment to the Dunn Loring-Merrifield Metro Station Joint Development Agreement.

**DESCRIPTION:**

This action will support Metro's strategic goal of using every resource wisely by providing new investment to the Dunn Loring-Merrifield station area at no cost to Metro and retaining the net present value of Metro revenue as originally anticipated. The project increases the number of bus bays and parking spaces for Metro customers, improves access to the station for vehicles, pedestrians and bicyclists, and results in an attractive, mixed use, transit-oriented development at the Dunn Loring-Merrifield station.

Metro issued a solicitation for development of the station site in July 2003, and the Board selected Trammell Crow Residential (TCR) as developer from among three bidders in April 2004. After Board approval of a term sheet in September 2004, Metro and the developer negotiated and executed a Purchase, Sale and Development Agreement (Joint Development Agreement) in May 2005. The developer then sought development approvals from Fairfax County, which had recently enacted a Comprehensive Plan amendment for the Dunn Loring-Merrifield area calling for certain design elements to be included in a development plan: an extension of Merrifield's "Main Street" to the station, a park along Main Street, a Metro replacement garage along I-66 to buffer any new development from the freeway, and additional parking for Metro patrons. The developer offered to add 645 spaces to the existing 1,355 Metro spaces as a proffer to the County, and the addition was approved during the County entitlement process. The money to construct the additional spaces would otherwise have been deposited into the Transit Infrastructure Investment Fund (TIIF). Following County approvals, Metro held a public hearing on the changes to transit facilities on the site, and its hearing report was approved by the Board in July 2007. The developer then started preparing construction documents for the Metro garage and the private portions of the project, but was stymied in obtaining construction funding by the financial crisis that began in mid-2008.

Financing is now available for the project. Further, Trammell Crow Residential reorganized in mid-2010 and proposes that the developer for this project be a Joint Venture (JV) composed of an equity investor, a JP Morgan-managed non-profit pension fund, and an affiliate of Mill Creek Residential Trust (MCRT), an entity that includes the former principals of TCR.

The proposed amendments will help expedite construction of the proposed transit-oriented development at the station: up to 720 multifamily units, including 8% affordable housing, and

65,000 square feet of retail space on the portion of Metro's 15-acre site that will be sold to the developer.

On the portion of the site to be retained by Metro, MCRT plans to construct:

- 2,000 Metro parking spaces, mainly in a structure - an increase of 645 spaces;
- Eight bus bays, an increase of two over the number of existing bays;
- Improved pedestrian and bicycle paths to the station; and
- 60,000 square feet of retail development that the JV plans to lease from Metro.

MCRT and Metro propose to amend the Joint Development Agreement to:

- Allow assignment of TCR's interest in the Joint Development Agreement to an MCRT affiliate and a further assignment of portions of the MCRT affiliate's interest and obligations to the JV;
- Provide for a secured escrow fund to ensure financing for the Metro garage without affecting the proposed equity investor's tax-exempt status;
- Provide for revised financial arrangements so that Metro can participate in capital events and similar transactions without affecting the equity investor's tax-exempt status; and
- Delay the JV's start of retail construction on the property held by Metro for up to 2.5 years after the sale of the residential property and start of Metro garage construction. The JV contends that lender financing for 60,000 square feet of retail space with no tenant leases is unavailable today.

**FUNDING IMPACT:**

This action will result in the same net present value of Metro revenue that was originally anticipated. Sale of a portion of the property will provide developer financing to construct an expanded Metro garage of 2,000 spaces and additional bus bays at no cost to Metro. Retail development on the portion of the site retained by Metro will provide lease revenue to Metro that will be deposited into the Transit Infrastructure Investment Fund (TIIF).

Project Manager: Rosalyn Doggett  
Department/Office: PLJD/SAAM

**RECOMMENDATION:**

Authorization for the General Manager/Chief Executive Officer to negotiate and execute an amendment to the Dunn Loring-Merrifield Joint Development Agreement.