



Joint Development and Real Estate Committee

Item III-A

June 23, 2011

Approval of Connection Agreements Policy

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 101222	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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TITLE:

Revised Policy on Connection Agreements

PURPOSE:

To obtain Board approval of a revised policy for direct connections to Metro stations or property.

DESCRIPTION:

On July 24, 1969 the Board adopted a policy entitled Commercial Connection with Metro stations. Subsequently, the Board adopted Resolutions Nos. 83-21 and 95-39, which established policies regarding Government or Commercial connections to Metrorail stations.

Construction of the Dulles Metrorail extension has raised questions regarding the terms by which Metro would agree with selected land owners to make direct connections from transit property to private, immediately adjacent property. The current connection fee policy provides little guidance as to how the policy should be applied from place to place and situation to situation; consequently, the policy would benefit from refinements clarifying how it is to be applied in the variety of direct connection settings that may be encountered region-wide, both for the current system and for future Metro facilities.

Metro staff have identified and evaluated a range of options for modifying the connection fee policy to address future direct connection requests, and has prepared the attached, proposed Board resolution outlining an updated approach to the current connection fee policy. The proposed connection policy is summarized below:

Government Connections

1. Government connections, which are direct connections from government-owned and/or operated facilities (Federal, State or local) to a Metro station or Metro station property, will be negotiated on a case-by-case basis on terms and conditions tailored to the individual case, including compensation to Metro where appropriate.

2. The government entity shall pay for land, property rights, any required retrofitting of the station, including compliance with provisions of the "Americans with Disabilities Act," all construction costs and any additional Metro operations or maintenance costs. The cost of Metro staff project review time and any connection fees for government entities are waived up to \$50,000. Any expenses incurred above this amount will be reimbursed by the government entity.

3. When a government entity facilitates an exclusive connection to a Metrorail station by a private developer, the project will be handled as a Commercial Connection (as defined below). Metro will evaluate a Government Connection proposal for its design and financial feasibility and impact on Metro facilities. A copy of the proposal will be transmitted to Board members from the relevant jurisdiction for their information and use.

4. Following receipt of comments, Metro staff will forward to the Board (a) a summary of the connection proposal, staff evaluation, and comments from the local jurisdiction; (b) the staff recommendation; and (c) a request for authorization to negotiate and execute an agreement.

Commercial Connections

1. Commercial connections, which are direct connections between privately or commercially owned and/or operated facilities to a Metro station or Metro station property, will be negotiated on a case-by-case basis on terms and conditions tailored to the individual case.

2. Metro will not seek to impose connection fees except in situations where private property owners desiring to connect directly to the Metro system (a) have not contributed to the funding of the transit infrastructure and (b) would connect to the Metro system in a manner inconsistent with transit-oriented development (TOD) design principles.

3. Private entities may propose a direct connection to a Metrorail station at their expense. Private entities shall pay for land, property rights, any required retrofitting of the station, including compliance with the provisions of the "Americans with Disabilities Act," all construction costs, and any additional Metro operations or maintenance costs. The cost of Metro staff project review time shall be reimbursed by the entity proposing the connection.

4. Metro's highest priority with respect to station accessibility and commercial connections is to promote, facilitate, and support TOD design principles (e.g., directness of pedestrian paths, active streetscapes, etc.) which facilitate and broaden station accessibility for current and future Metro patrons.

5. Metro will evaluate a connection proposal for its design and financial feasibility and impact on Metro facilities. A copy of the proposal will be transmitted to Board members from the relevant jurisdiction for their information and use.

6. Following receipt of comments, Metro staff will forward to the Board (a) a summary of the connection proposal, staff evaluation, and comments from the local jurisdiction; (b) the staff recommendation; and (c) a request for authorization to negotiate and execute an agreement.

7. For each instance where a direct, commercial connection to Metro facilities is proposed by an adjacent property owner, Metro will (a) calculate the incremental economic value that will accrue to the private property owner from the direct Metro connection proposed and (b) communicate this value to local funding partners, Board members, and to the public more broadly.

8. In consideration of the real estate proffers for the Dulles Extension made by adjacent, private property owners, Metro will not establish connection fees for direct connections to the four Dulles Extension stations in Tysons Corner, other than fees associated with direct capital and operating costs Metro may incur to operate and maintain these connections.

Revising the Board policy on connections to Metro stations and property supports Metro's strategic goals of (a) using every resource wisely by using Metro property to increase the economic value of land in Metro station areas and, thereby, increasing public resources available to support transit; (b) delivering quality service by providing a passenger amenity through enhanced connections to Metro stations and properties; and (c) to the extent connection fees are applicable, generating revenue for Metro capital investment.

FUNDING IMPACT:

Any funds obtained from the imposition of connection fees would be deposited in the Transit Infrastructure Investment Fund (TIIF) or any successor capital investment fund, the use of which would be restricted to Federal Transit Administration eligible capital projects. Increased economic value in Metro station areas would increase public resources available to support transit.

Project Manager: Steven E. Goldin
Department: Planning and Joint Development
Office: Station Area Planning and Asset Management

RECOMMENDATION:

Approval of a revised policy for direct connections to Metro stations or property.



Washington Metropolitan Area Transit Authority

Revised Policy on Connection Agreements

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Purpose

Request Board approval of a revised policy for direct connections to Metro stations or properties



East West Highway Connection – Prince George's Plaza Metrorail station



Background

- In 1969, the Board adopted a policy entitled “Commercial Connection with Metro Stations.” Board later adopted two resolutions establishing policies regarding Government or Commercial Connections to Metrorail stations
- Construction of the Dulles Metrorail Extension has raised questions regarding the terms by which Metro would agree with selected land owners to make direct connections between transit property and private, immediately adjacent property
- Current connection policy provides little guidance as to how it should be applied in the variety of direct connection settings that may be encountered region-wide, currently and for future Metro facilities



Government Connections

Direct connections from government-owned and/or operated facilities to a Metro station or Metro station property will be negotiated on a case-by-case basis, including compensation.



IRS Connection – New Carrollton Metrorail station



Government Connections Parameters

- Government entity shall pay for:
 - ✓ Land or property rights
 - ✓ Required retrofitting, including ADA
 - ✓ All construction, operational, and maintenance costs, if any
 - ✓ Metro staff project review costs above \$50,000
- Government facilities in private developments will be treated as a Government Connection
- Proposed connection plan will be transmitted to the relevant jurisdictional Board members
- Final proposal will be submitted to Board for approval



Commercial Connection

Direct connections between privately or commercially owned and/or operated facilities to a Metro station or Metro station property will be negotiated on a case-by-case basis tailored to the individual needs.



Metro Center Connections

Washington Center Offices
1001 G Street, NW

Grand Hyatt Hotel
1000 H Street, NW



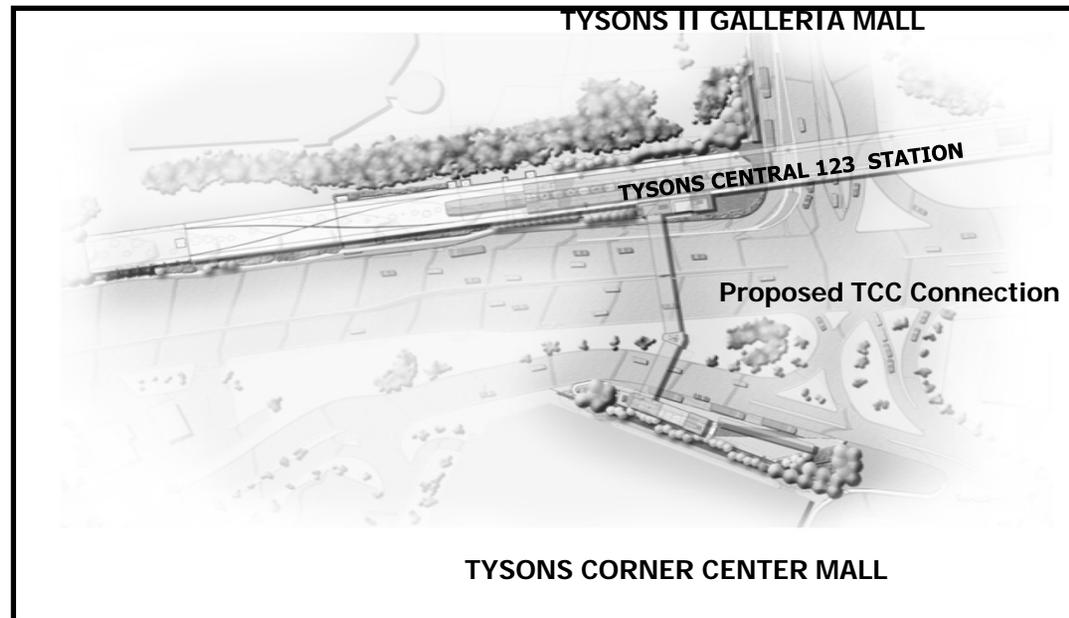
Commercial Connections Parameters

- Metro will not seek connection fees except where the developer:
 - ✓ Did not contribute to the funding of the transit infrastructure
 - ✓ Seeks to connect to the Metro system in a manner inconsistent with transit-oriented development design principles
- Private developers pay for:
 - ✓ Land or property rights
 - ✓ Required retrofitting, including ADA
 - ✓ All construction, operational, and maintenance costs, if any
 - ✓ Metro staff project review costs
- Proposed connection plan will be transmitted to the relevant jurisdictional Board members
- Final proposal will be submitted to Board for approval



Dulles Extension Connections Fees

- In consideration of real estate proffers made by adjacent private property owners, Metro will not require connection fees for the four Dulles Extension stations at Tysons Corner
- Adjacent owners will pay fees associated with direct capital costs Metro may incur or fees to operate and maintain the connections





Recommendation

Board approval of the revised policy for direct connections to Metro stations or property.



SUBJECT: POLICY ON CONNECTIONS TO METRO STATION PROPERTY

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Board of Directors on July 24, 1969, adopted a policy entitled Commercial Connection with Metro Stations, generally referred to as system interface; and

WHEREAS, The Board of Directors adopted Resolutions Nos. 83-21 and 95-39 establishing policies regarding government or commercial connections to Metro stations; and

WHEREAS, The existing connection policies would benefit from refinements to clarify how the current policies are to be applied in a variety of direct connections settings which may be encountered region-wide, both for the current Metro system and for future Metro facilities; now, therefore be it

RESOLVED, That the Board of Directors hereby repeals all previous Board Resolutions and policies regarding connections to Metro stations; and be it further

RESOLVED, That the Board of Directors establishes the following policies regarding Government Connections:

1. Government Connections are direct connections from government-owned and/or operated facilities (Federal, State or local) to a Metro station or Metro station property.
2. Government Connections will be negotiated on a case-by-case basis on terms and conditions tailored to the individual case, including compensation to Metro where appropriate.
3. Government entities may construct, at their expense, non-exclusive connections to Metrorail stations. The government entity shall pay for land, property rights, any required retrofitting of the station, including compliance with provisions of the "Americans with Disabilities Act," all construction costs and any additional Metro operations or maintenance costs. The cost of Metro staff project review time and

any connection fees for government entities are waived up to \$50,000. Expenses incurred above this amount would be reimbursed by the government entity.

4. When a government entity facilitates an exclusive connection to a Metrorail station by a private developer, the project will be handled as a Commercial Connection (as defined below). If the proposed connection is linked to a joint public/private development on public property, the costs for Metro staff review time and the connection fee will be pro-rated according to relative interest in the development, with the government entity's share waived up to \$50,000. Expenses incurred above this amount shall be reimbursed by the government entity.
5. Metro will evaluate a Government Connection proposal for its design and financial feasibility and impact on Metro facilities. If determined to be acceptable, staff will coordinate review of the proposal among Metro offices and local jurisdictional staff. In addition, a copy of the proposal will be transmitted to Board members from the relevant jurisdiction for their information and use.
6. Following receipt of comments, WMATA staff will forward to the Board of Directors: i) the connection proposal with a summary of the proposal, staff evaluation, and comments from the local jurisdiction; ii) the staff recommendation; and iii) a request for authorization to negotiate and execute an agreement; and be it further

RESOLVED, That the Board of Directors establishes the following policies and procedures regarding Commercial connections to Metrorail stations:

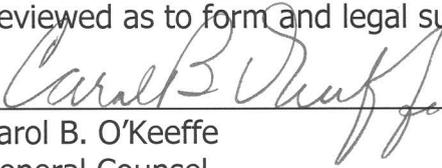
1. Commercial Connections are direct connections between privately or commercially owned and/or operated facilities to a Metro station or Metro station property.
2. Commercial Connections will be negotiated on a case-by-case basis on terms and conditions tailored to the individual case.
3. Metro will not seek to impose connection fees except in situations where private property owners desiring to connect directly to the Metro system: i) have not contributed to the funding of the transit infrastructure; and ii) would connect to the Metro system in a manner inconsistent with Transit-Oriented Development (TOD) design principles.
4. Private entities may propose a direct connection to a Metrorail station, at their expense. Private entities shall pay for land, property rights, any required retrofitting of the station, including compliance with the provisions of the "Americans with Disabilities Act," all construction costs, and any additional Metro operations or maintenance costs. The cost of Metro staff project review time shall be reimbursed by the entity proposing the connection.

5. Metro's highest priority with respect to station accessibility and commercial connections is to promote, facilitate, and support TOD design principles (e.g., directness of pedestrian paths, active streetscapes, etc.) which facilitate and broaden station accessibility for current and future Metro patrons.
6. Metro shall work closely with local governments at the earliest possible stages of station access planning and entitlement processes to communicate Metro's accessibility goals, TOD design principles, and the economic value of proximity to Metro.
7. Metro will evaluate a connection proposal for its design and financial feasibility and impact on Metro facilities. If determined to be acceptable, staff will coordinate review of the proposal among Metro offices and local jurisdictional staff. In addition, a copy of the proposal will be transmitted to Board members from the relevant jurisdiction for their information and use.
8. Following receipt of comments, Metro staff will forward to the Board of Directors: i) the connection proposal with a summary of the proposal, staff evaluation, and comments from the local jurisdiction; ii) the staff recommendation; and iii) a request for authorization to negotiate and execute an agreement.
9. For each instance where a direct, commercial connection to Metro facilities is proposed by an adjacent property owner, Metro will: i) calculate the incremental economic value that will accrue to the private property owner from the direct Metro connection proposed; and ii) communicate this value to local funding partners, Board members, and to the public more broadly.
10. In calculating the incremental economic value accruing to the private property owner from the direct Metro connection, Metro will also identify any costs, benefits, risks, and/or issues, to Metro or the relevant local jurisdiction(s), that may be associated with the establishment of a direct connection; and be it further

RESOLVED, That Metro will not establish connection fees for direct connections to the four Dulles Extension stations in Tysons Corner, other than fees associated with direct capital and operating costs Metro may incur to operate and maintain these connections; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel