

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

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 200046	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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**TITLE:**

College Park Metro Station Joint Development

**PRESENTATION SUMMARY:**

Metro staff and private sector developers have reached agreement in concept on a long-awaited development project on Metro-owned land on the the east side of the College Park Metro Station. The proposed development would include a multifamily development project at the southern part of the site and either a second multifamily building, one or two hotels or one or two office buildings on the northern part of the site. Metro's bus bays would be slightly relocated as part of this project.

**PURPOSE:**

Approve the negotiation and execution of a term sheet with private sector developers for mixed-use development on Metro-owned land on the east side of the College Park Metro Station.

**DESCRIPTION:**

Metro has been seeking development on the east side of the College Park Metro Station site since at least 1999. Negotiations with the current developers began after a solicitation in 2003. After many starts and stops, Metro and private sector development companies Fairfield Residential and Manekin have reached conceptual agreement on a development plan. The plan proposes the development of a multifamily project on the southern part of the site, largely where the surface parking lot is now located, and either a second multifamily project with some ground floor retail, one or two hotels or one or two office buildings on the northern part of the site, closer to the existing Metro parking garage.

The price to be paid to Metro will be determined by appraisal, with some of the compensation to be provided in the form of a new and slightly larger bus loop and the balance to be paid in cash. The new bus loop is proposed to contain six or seven bus bays (instead of the current five) and will be relocated a few dozen yards south of its current location to accommodate development on the northern part of the site.

Unlike previous proposals, which anticipated shared parking in the Metro parking garage on the northernmost portion of the site, this new proposal locates its parking in a private garage to be built by the developers. The current Metro surface parking lot on the southern part of the site will be closed, as originally planned when the Metro parking garage was built in 2003-2005, and customers now using the Metro surface parking lot will instead park in the Metro parking garage.

**Key Highlights:**

The developers propose to build a new multifamily project on the southern part of the site and either a second multifamily development with some ground floor retail or one or two hotels or office buildings on the northern part of the site. The developers will also build a new bus loop for Metrobus and other bus services.

The developers will pay Metro for the site an amount to be determined by a third-party appraisal, some of which will be paid in cash and some paid in the form of the new bus loop.

The Metro garage will continue to be used for commuter parking. Parking generated by the private development will be accommodated in private parking, chiefly a private garage to be built by the developers for the use of their project.

### **Background and History:**

Metro's current solicitation for development of this site was issued in 2003. The winning bidder was a consortium of Fairfield Residential, which would build a multifamily project, and Manekin, which would build an office building(s). A term sheet was approved by the Board in late 2004 and signed by the parties early in 2005. The parking for the multifamily development was to be provided in a private garage built by the developers. The 740 parking spaces needed for the office building(s) was anticipated to be located in the Metro parking garage which was then under construction; the State of Maryland provided funding for the majority of the garage in the expectation of spurring private development on the property.

The project has been delayed by a series of events, including uncertainty over the precise routing of the Maryland Transit Administration's Purple Line light rail line through the Metro property and the amount of land that would be lost to the Purple Line and the recent recession. In addition, the delays have led over the years to the utilization of the Metro parking garage and surface parking on site by commuter parkers, which made unfeasible the previously-anticipated shared parking with the office development on the site.

The route of the Purple Line through the site has been determined over the past few months. Fairfield Residential and Manekin have also recently determined that Fairfield Residential can increase the size of its own private garage on the southern part of the property to accommodate parking generated by the development on the northern half of the site. These events, along with the continued popularity of multifamily development, have enabled Metro and the private sector parties to move forward after years of stalled effort.

### **Discussion:**

Metro's original solicitation in 2003 required that the winning bidder have an overall plan for the entire site. As a result, development of the more-easily-developed multifamily component on the southern part of the site has been stalled because of the more difficult project on the northern part of the site. The northern part of the site is more affected by the routing of the proposed Purple Line, by its non-rectangular shape, and by the unavailability of parking in Metro's garage for tenants or users of that part of the site.

Unless agreement is reached on the currently-proposed project, Metro's options have been and would seem to continue to be to either:

(1) revert to the original proposal, allow the tenants and users of the northern part of the site to park in the Metro parking garage, and thereby displace several hundred Metro commuter parkers; or

(2) terminate negotiations and again bid the site in its entirety to the development community; or

(3) terminate negotiations and re-bid the site as separate northern and southern parcels, which would allow the more feasible development to proceed on the southern parcel even if no development occurred on the northern parcel.

Those options have not been attractive to Metro. Displacing our commuter parkers would displease our existing customer base and could lead to reduced Metrorail ridership at the College Park Metro Station. Terminating the winning bidders from 2003, while considered legal, would result in its own uncertainties, expenses and delays, without any certainty that a more feasible proposal would emerge for the site.

**FUNDING IMPACT:**

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Steven A. Teitelbaum, Senior Real Estate Advisor
Project Department/Office:	Department of Finance and Administration/Office of Real Estate and Station Planning (LAND)

**TIMELINE:**

<b>Previous Actions</b>	<p>2003 -- Metro invited bids for the site.</p> <p>2004 -- On April 16 (MEAD 72891), the Board approved Fairfield Residential and Manekin as the selected developers. On September 17 (MEAD 80971), the Board granted an extension of time to negotiate a term sheet. On December 17 (MEAD 85811), the Board approved a prospective term sheet between Metro and the selected developers calling for multifamily residential with self-contained parking on the southern part of the site and two office buildings leasing 740 parking spaces in the Metro garage on the northern part of the site.</p> <p>2005 -- February 10, Metro and the winning bidders sign the term sheet. The parties begin negotiations of a binding joint development agreement for the sale of the property. (After near-success, those negotiations founder in 2007 in part because of continued uncertainty of the effect of the proposed Purple Line and in part because the parties cannot reach agreement on the terms of the private developers' use of the Metro parking garage.)</p>
<b>Anticipated actions after presentation</b>	<p>Spring/Summer 2013 – Finalize a non-binding term sheet and negotiate a binding joint development agreement between Metro, Fairfield Residential and Manekin. Conduct an appraisal to determine the purchase price of the site.</p> <p>Summer/Fall 2013 -- Return to the Board for approval of the purchase price and the joint development agreement.</p>

**RECOMMENDATION:**

Approve the negotiation and execution of a term sheet for development on Metro-owned land on the east side of the College Park Metro Station.