



(Board Copy)
Washington Metropolitan Area Transit Authority
**METRO ELECTRONIC ACTION
DOCUMENT**

IDENTIFICATION

MEAD ID:	99585	ACTION:	N/A
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: (View)		CONTRACTOR:	
LAST MODIFIED:	07/13/2006		

DESCRIPTION

SUBJECT:	Approval of the FY 2007 Joint Development Work Program
PURPOSE:	To obtain Real Estate Committee and Board approval of the FY 2007 Joint Development Work Program.

ORIGINATION

INITIATOR		DEPARTMENTAL APPROVAL	
ELISA HILL on 06/14/2006		Approved by THOMAS , EDWARD 07/13/2006	
PHONE: 202-962-1593	OFFICE: LAND	DEPT: Secretary and Chief of St	

COORDINATION (ROUTING)

OFFICE	NAME	ACTION/DATE
PRMT (7410)	JACKSON, LUCY	Approved 06/21/2006
LAND (7310)	MALASKY, GARY	Re-assigned 07/12/2006
(1120)	MONEME, EMEKA	Approved 07/12/2006
(8110)	THOMAS, EDWARD	Approved w/ Comments 07/13/2006
COUN (1410)	O'KEEFFE, CAROL	Approved 07/13/2006

FINAL APPROVALS

OFFICE	NAME/ACTION
JOINT_DEV	Approved for by EMEKA MONEME on 07/12/2006
BEMR	Approved for GOVR by DEBRA JOHNSON on 07/13/2006
GM	Approved for GMGR by GMGR CEO on 07/13/2006
BOARD	BOARD WMATA (Not Yet Approved)



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NARRATIVE

Improvements to the Joint Development Process and Revenue-Generating Elements

In FY 2006, the Board recognized that Joint Development needed a better planning framework and provided resources and direction toward that end. Joint Development has collaborated with BPPD to establish complementary work programs that integrate the local jurisdictions master plan and zoning requirements with WMATA facilities replacement and station access guidelines to provide potential partners a more accurate and complete description of the development potential of the sites offered in solicitations.

The General Manager has established a Joint Development Task Force which will begin soon to review the Joint Development Work Program, guidelines and business operations and make recommendations for improving the program. That work should be completed by December 2006-January 2007.

The properties selected for this year's solicitation package were done so based on near term marketability, private sector interest and the support of the local jurisdictions for their development. A consultant was used to analyze the market, zoning, site constraints and other factors that predict a site's market and development potential. Based on selection standards developed by staff in Joint Development with their consultant, all available sites were ranked and categorized by level of private sector interest, amount of required public intervention and stakeholder support and/or other constraints. The lists of potential sites were sent to the local jurisdictions for comments. Comments from local government representatives (elected representatives and staff) were also sought. This process resulted in the list of sites presented in the FY 2007 Work Program.

Changes to the property selection and developer solicitation processes are already underway for next year's offering. These changes make the process more transparent; solicit more input from the local community prior to finalizing the solicitation package in order that the community's vision for the properties can be clearly conveyed to potential developers; in conjunction with BPPD, Joint Development takes a more active role in local planning exercises for areas involving station properties and in local zoning and development legislation that may affect WMATA properties values and/or use.

The FY 2007 Work Program reflects the requirements of the Revised Joint Development Policies and Guidelines, approved and adopted by the Board on February 21, 2002. The annual work program describes the joint development activities which will be undertaken in the upcoming fiscal year.

The sites to be offered for development in FY 2007 are classified as Level 1 (significant private sector interest; no public intervention required) or Level 2 (private sector interest but stakeholder or other constraints; or stakeholder support but weak private sector interest).

Sites Recommended for Solicitation by Jurisdictions

The following sites which have been approved by the local jurisdictions will be offered for development in FY 2007:

DISTRICT OF COLUMBIA (3 sites)

Navy Yard Chiller Plant

Navy Yard East Entrance
Shaw-Howard University (3 parcels)

MARYLAND – PRINCE GEORGE’S COUNTY (1 site)

Capitol Heights

VIRGINIA – FAIRFAX COUNTY (1 site)

Backlick Road

VIRGINIA – CITY OF ALEXANDRIA (1 site)

Royal Street Bus Garage

A solicitation for the Shaw-Howard University parcels may be released mid-year after the litigation affecting these parcels is resolved. The timing of the Royal Street Bus Garage solicitation will be determined in collaboration with the Mayor of the City of Alexandria. Additional prospective sites in Arlington County, Virginia, the City of Alexandria, Virginia, the City of Rockville, Maryland, Montgomery County, Maryland and Prince George’s County, Maryland are undergoing additional study and planning efforts by the respective jurisdictions and will not be offered in FY 2007.

FINANCIAL IMPACT

Discounted cash value to WMATA for projects that were closed and for which term sheets and agreements were executed in FY 2006 is approximately \$80 million over the term of the agreements. The total value of the development projects is estimated to exceed \$775 million. Project revenues for FY 2006 are expected to exceed the budget projection of \$9.6 million. Consistent with the FY 2007 Budget, the Joint Development Program is projected to generate \$20.7 million in sales, guaranteed ground rent and connection fees in FY 2007.

RECOMMENDATION

Staff recommends that the Real Estate Committee and the Board approve the FY 2007 Joint Development Work Program. Upon approval, a solicitation document will be widely disseminated in an effort to generate transit oriented development proposals for the offered sites.