



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

IDENTIFICATION			
MEAD ID:	99578	ACTION:	N/A
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: (View)		CONTRACTOR:	
LAST MODIFIED:	07/11/2006		

DESCRIPTION	
SUBJECT:	That the Board approve a term sheet for the Grosvenor North joint development site
PURPOSE:	To obtain Board approval of either the lease or sale term sheet negotiated with Trammell Crow Residential (TCR) for the Grosvenor North joint development property and authorization for staff to enter into discussions with the developer for a binding agreement based on the Board's determination. Such agreement will provide that WMATA or Trammell Crow Residential may terminate the Definitive Agreement and WMATA will have no liability to Trammell Crow Residential if Potomac Investment Properties is successful in its appeal and the parties cannot agree on a plan to proceed.

ORIGINATION					
INITIATOR			DEPARTMENTAL APPROVAL		
DOUGLAS HALE on 06/02/2006			Not Approved Yet		
PHONE:	202-962-2399	OFFICE:	LAND	DEPT:	Secretary and Chief of St

COORDINATION (ROUTING)		
OFFICE	NAME	ACTION/DATE
PRMT (7410)	JACKSON, LUCY	Approved 06/07/2006
LAND (7310)	MALASKY, GARY	Approved 06/13/2006
(1120)	MONEME, EMEKA	Approved 06/13/2006
COUN (1410)	O'KEEFFE, CAROL	Approved 07/10/2006
OPAS (3161)	HUGHES, JAMES	Approved 07/10/2006

FINAL APPROVALS	
OFFICE	NAME/ACTION
JOINT_DEV	Approved for by EMEKA MONEME on 06/13/2006
JOINT_DEV	Approved for by EMEKA MONEME on 07/12/2006
OPER_CMTE	Approved for OPAS by JAMES HUGHES on 07/10/2006
GM	Approved for GMGR by GMGR CEO on 07/12/2006
BOARD	BOARD WMATA (Not Yet Approved)



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**NARRATIVE**

WMATA offered the Grosvenor North joint development site in its July 2004 solicitation. On July 22, 2005, the Board approved Trammell Crow Residential (TCR) and P. N. Hoffman as alternative selected developers and rejected two other proposals. On May 19, 2006, the Board approved the extension of the term sheet negotiating period.

The site consists of approximately 15 acres adjacent to the Grosvenor Metrorail station in Montgomery County, Maryland. It is currently occupied by WMATA bus bays, Kiss & Ride, a 1,500-space parking garage, and surface parking. The solicitation required that proposals include the construction of a 500-space garage addition at no cost to WMATA. Montgomery County has planned the site for residential development with ancillary retail.

Subsequent to the Board's approval of alternate selected developers, staff negotiated to improve the technical and economic offerings of each proposal. As a result, TCR's offer proved to be superior to Hoffman's; therefore, staff pursued term sheet negotiations with TCR. The alternative TCR term sheets (lease and sale) are summarized in the confidential attachment.

TCR's plan includes up to 700,000 square feet of residential space and up to 18,000 square feet of ancillary retail space located in a plaza at the Metrorail station entrance. In addition, TCR will build the 500-space addition to WMATA's existing parking garage, as well as new bus bays and Kiss & Ride spaces. The proposed development and garage addition would replace the existing surface parking.

WMATA's solicitation for this site stated that WMATA had filed a legal challenge in the United States District Court to determine if the property is, in fact, subject to a right of first refusal by Potomac Investment Properties. WMATA obtained a favorable summary judgement in this litigation; however, Potomac Investment Properties has elected to appeal the judge's decision.

**ALTERNATIVES:**

Reject both lease and sale alternatives. Rejecting both proposals would result either in WMATA attempting to re-negotiate with TCR to reach an agreement per the Board's directive, or re-offering this property, probably no earlier than one year from now.

**IMPACT ON FUNDING:**

Please see the confidential attachment.

**AFFIRMATIVE ACTION REQUIREMENTS:**

There are no affirmative action requirements associated with the proposed action.

**RECOMMENDATION:**

That the Board approve either the lease or sale term sheet negotiated with Trammell Crow Residential for the Grosvenor North joint development property and authorize staff to enter into discussions with the developer for a binding agreement based on the Board's determination. Such agreement will provide that WMATA or Trammell Crow Residential may terminate the Definitive Agreement and WMATA will have no liability to Trammell Crow Residential if Potomac Investment Properties is successful in its appeal and the parties cannot agree on a plan to proceed.