



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

IDENTIFICATION			
MEAD ID:	96371	ACTION:	N/A
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: (View)		CONTRACTOR:	
LAST MODIFIED:	06/24/2005		

DESCRIPTION	
SUBJECT:	Developer selection for the Grosvenor North joint development site.
PURPOSE:	To request that the Board approve the selection of Trammell Crow Residential and P. N. Hoffman as alternate selected developers for the Grosvenor North joint development site and authorize staff to enter into competitive term sheet negotiations with each developer.

ORIGINATION					
INITIATOR			DEPARTMENTAL APPROVAL		
DOUGLAS HALE on 06/12/2005			Approved by SALPEAS , PANAGIOTIS 06/21/2005		
PHONE:	202-962-2399	OFFICE:	LAND	DEPT:	Secretary and Chief of St

COORDINATION (ROUTING)		
OFFICE	NAME	ACTION/DATE
LAND (7310)	MALASKY, GARY	Approved 06/16/2005
SCOS (7100)	BARTLETT, HAROLD	Approved 06/17/2005
OPAS (3161)	HUGHES, JAMES	Approved 06/23/2005
COUN (1410)	O'KEEFFE, CAROL	Approved 06/27/2005

FINAL APPROVALS	
OFFICE	NAME/ACTION
BEMR	Approved for SCOS by HAROLD BARTLETT on 06/17/2005
PLN_DEV_CMTE	Approved for AGMM by PANAGIOTIS SALPEAS on 06/21/2005
OPER_CMTE	Approved for OPAS by JAMES HUGHES on 06/23/2005
BEMR	Approved for SCOS by HAROLD BARTLETT on 06/28/2005
GM	GMGR CEO <i>P. Salpeas 7/1/05</i>
BOARD	BOARD WMATA (Not Yet Approved)



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NARRATIVE

WMATA offered the Grosvenor North joint development site in its July 2004 solicitation. 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 proposed development and garage addition would replace the existing surface parking. Montgomery County has planned the site for residential development with ancillary retail.

The solicitation required that proposals include the construction of a 500 car addition to the existing parking garage at no cost to WMATA. The solicitation also stated that WMATA had filed a legal challenge in United States District Court to determine if the property is in fact subject to a right of first refusal by Potomac Investment Properties. That challenge continues to work its way through the legal system.

Four proposals were received in response to the solicitation. All four meet WMATA's requirement for construction of the garage addition. In January, 2005, WMATA asked the proposers to include both sale and lease alternatives in their proposals, and each has complied. The proposals are summarized in the confidential attachment.

The evaluation team has scored the proposals. Of the four proposers, one was found to not meet the minimum financial requirement established by an independent appraisal in both its lease and sale alternatives. Of the three remaining proposals, one was determined to have serious technical deficiencies. The two remaining proposers are Trammell Crow Residential and P. N. Hoffman. While these two pass preliminary requirements in the solicitation, both are susceptible to improvement in their financial and technical aspects; therefore, staff recommends that WMATA enter into competitive term sheet negotiations with both Trammell Crow Residential and P. N. Hoffman. The term sheet offering the most favorable terms to WMATA will be presented to the Board for approval.

ALTERNATIVES:

Select only one developer or reject all proposals received. If WMATA selects only one developer, it loses negotiation leverage and reduces its ability to get a proposal that is satisfactory both financially and technically. Rejecting all proposals would result in WMATA reoffering this property, probably no earlier than one year from now. In either event, litigation between WMATA and Potomac Investment Properties would continue to its conclusion, either in settlement or a legal decision.

IMPACT ON FUNDING:

Developer selection will have no impact on funding.

AFFIRMATIVE ACTION REQUIREMENTS:

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

RECOMMENDATION:

That the Board approve the selection of Trammell Crow Residential and P. N. Hoffman as alternate selected developers for the Grosvenor North joint development site and authorize staff to enter into competitive term sheet negotiations with each developer.