

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 101225	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Sale of Congress Heights Station Property

PURPOSE:

Obtain Board approval to sell three parcels of land that comprise the Congress Heights Metrorail Station south entrance to Sanford City Partners I, LLC.

DESCRIPTION:

The subject property, which includes the south entrance to the Congress Heights Metrorail station, is located in Washington, D.C., mid-block between 13th and Congress Streets, SE on the south side of Alabama Avenue. The site consists of three parcels containing approximately 41,068 square feet of land. The property includes Metro's escalator, entrance walkway, and vent shafts.

Because of its small size, lack of vehicular ingress/egress, and Metro operational constraints, the property has limited marketability and independent utility as a stand-alone development project. Selling the property will maximize revenue to Metro by allowing the adjacent landowner, Sanford City Partners I, LLC, to span buildings across property boundaries, thereby maximizing the development density of both Metro's property and Sanford City Partners I, LLC's, adjacent land.

The property was advertised under a joint development solicitation in 2005, but did not generate any interest. Metro recently received an unsolicited proposal to purchase or lease the property from Sanford City Partners I, LLC, an adjacent landowner. In response to the Sanford City Partners I, LLC, proposal, the property was screened internally. No objections to selling the property were raised subject to retention and protection of Metro's operational facilities and access rights.

On May 26, 2011, the Board approved staff to negotiate the sale of the property exclusively with Sanford City Partners I, LLC. The sale price for the property as part of an assemblage is estimated to be \$3,000,000, which was determined by an approved contract appraisal. The estimated current value of the property without assemblage is estimated at less than \$1,000,000.

The property was also screened through the District of Columbia government, which raised no objections to the disposition of the property. The District of Columbia Office of

Planning is encouraging high density development around the station to complement the St. Elizabeths Hospital East Campus/Department of Homeland Security redevelopment project. The sale is contingent upon approval of the Federal Transit Administration (FTA).

The proposed sale supports Metro`s strategic goal of using every resource wisely by using Metro property to generate revenue for the capital budget. Allowing the adjacent landowner/developer to assemble the properties will (1) facilitate high density, transit oriented development around the station consistent with local community goals, (2) increase local tax revenues, and (3) increase Metrobus and Metrorail ridership revenues by adding activities and passenger amenities adjacent to the station.

FUNDING IMPACT:

Proceeds of \$3,000,000 from the sale will be deposited into the capital budget in accordance with FTA regulations that require proceeds from the sale of property acquired with Federal funds be directed to FTA-eligible capital projects.

Project Manager: Bob Burns
Department: Planning and Joint Development (PLJD)
Office: Station Area Planning and Asset Management (SAAM)

RECOMMENDATION:

Approval to sell three parcels of land that comprise the Congress Heights Metrorail station south entrance to Sanford City Partners I, LLC.