

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100801	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Developer Selection for Wheaton Solicitation

PURPOSE:

Request approval to select the B.F. Saul Company as the Developer for Wheaton station.

DESCRIPTION:

This item supports the following strategic goals:

1. Deliver quality service by providing for future growth in bus service
2. Use every resource wisely by developing Metro`s property to its highest and best use.
3. Maintain and enhance Metro`s image by creating Transit Oriented Development and fostering the re-creation of a suburban downtown.

On June 25, 2009, the Board approved a Memorandum of Understanding ("MOU") with Montgomery County, Maryland (the "County") to include Metro properties in a joint solicitation seeking a developer to plan and redevelop downtown Wheaton. The Request for Qualifications ("RFQ") was issued January 15, 2010. It sought a developer or development team to coordinate the creation of a development plan for the Wheaton core with Metro, the County, and local stakeholders. Staff is finalizing a new station access study for Wheaton station that projects the number and size of bus bays that will be needed to accommodate future growth at Wheaton station. The results of the study will be incorporated into the new development plan, which will also be reviewed to ensure safe and convenient access for pedestrians and bicycles. The MOU then sets out a process for ultimately valuing development rights after a design has been approved and Metro, the County, and the Developer know how much private development will be possible and what the associated costs will be. The agreement for transferring development rights, including financial terms, will be subject to future Board approval.

This is Metro`s first selection utilizing the RFQ process. County and Metro staffs

are unanimous in recommending the selection of the B.F. Saul Company as the developer ("Developer") for Wheaton station. The B.F. Saul Company is financially strong and experienced, with century old roots in the County. The company owns 19 hotels, 11 office buildings, 1 apartment property (managing 4 others), and a 21.9% interest in Saul Centers Real Estate Investment Trust, which owns 47 retail centers and 5 office buildings. The company formerly owned controlling interest in Chevy Chase Bank, which it sold last year. Notable properties include the Hay Adams Hotel and the Kennedy-Warren apartments (the latter owned and managed since 1931).

The principal evaluation criteria were: (1) project vision, (2) experience and expertise to implement the project vision, (3) financial strength, and (4) likelihood that Developer would have a long-term commitment to the project. The B.F. Saul Company is highly qualified by all these measures.

As provided in the MOU, the process is designed to move forward in steps with the Board having approval rights to the development plan, the "General Development Agreement," and any subsequent agreements related to the sale or lease of Metro property. If a Compact public hearing is required, the Board would also be asked to approve the resulting staff report.

FUNDING IMPACT:

There is no current impact on funding. Assuming this process is successful, there will be future agreements which, if approved by the Board, would likely generate revenue and/or improve station access.

Office of Station Area Planning and Asset Management (SAAM)
Project Manager: Gary Malasky

RECOMMENDATION:

Approval of the selection of B.F. Saul Company as the Developer for Wheaton station pursuant to the RFQ solicitation issued jointly with Montgomery County, Maryland.