

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number:	Resolution: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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PURPOSE

To obtain Board: (i) approval of MR Ballpark 5 LLC as the selected developer of the Navy Yard station (West Entrance) joint development project; (ii) authorization to execute a Sale and Development Agreement with MR Ballpark 5 LLC; and (iii) authorization of the disposition of the net sales proceeds.

DESCRIPTION

WMATA received an unsolicited joint development proposal from MR Ballpark 5 LLC to purchase the Navy Yard station (West Entrance), an adjacent parking lot, and to construct the station upgrades to WMATA's specifications. WMATA advertised receipt of the unsolicited proposal and received no other proposals.

To meet the District's April 2008 opening date, staff has negotiated a Sale and Development Agreement ("Agreement") with MR Ballpark 5 LLC ("Developer") including:

- 1) WMATA will sell Developer in fee simple: the Navy Yard station (West Entrance) reserving an easement encompassing the underground station and related facilities and surface and air rights easements for transit facilities and access; and an adjacent surface parking lot used by WMATA's Southeastern Bus Garage employees.
- 2) Developer will assemble parcels to build an office and retail mixed-use project and parking.
- 3) Developer will provide temporary replacement parking spaces for Southeastern Bus Garage employees in a parking lot or a new garage for up to six years. After three years there could be a charge for the spaces.

WMATA may return the parking spaces at any time without financial consequences; however, the spaces must be returned once the Southeastern Bus Garage is relocated.

- 4) WMATA will be the Technical Manager overseeing the Developer's design and construction of the station upgrades. Funding for the upgrades will come from a third party.
- 5) There is a "Study Period" ending October 20, 2006. Either party can withdraw from the Agreement during that time. To ensure that the station upgrades are built, WMATA is engaged in a parallel process to build the station upgrades itself. There are financial benefits to WMATA from going forward with the Developer, making it the preferred course of action.
- 6) This project is subject to FTA approval.
- 7) There are two issues, schedule and affordable housing, still being negotiated, as of the mailout date of Board materials. Additional information will be submitted on these issues in the next few days.

FUNDING IMPACT

Station upgrades will: (i) permit a significant increase in ridership at the station; (ii) be paid by a third-party funding source; and (iii) require that the West Entrance be closed during construction but the Navy Yard station will continue operating. The net proceeds from the lot will be held to be applied to the cost of the replacement Southeastern Bus Garage, and the net station proceeds will go into the TIIF.

RECOMMENDATION

Staff recommends that the Board: (i) approve MR Ballpark 5 LLC as the selected developer for the Navy Yard station (West Entrance) joint development project; (ii) authorize the execution of the Sale and Development Agreement; and (iii) authorize the net proceeds from the lot be held to be applied to the cost of the replacement Southeastern Bus Garage and the net station proceeds be placed in the TIIF.