

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

Document
Number:
207806

Resolution:
☒ Yes ☐ No

Presentation Name:

Twinbrook Metro Station West Joint Development

Project Manager:

Andy Scott

Project Department:

Finance- Office of Real Estate and Development

Purpose/Key Highlights:

Request Board authorization to implement joint development on the west side of the Twinbrook Metro Station: 1) execute a joint development agreement for the sale of 1.2-acres of land, 2) hold a Compact public hearing to modify transit facilities, and 3) issue a joint development solicitation.

Interested Parties:

Hines Acquisition, LLC (Hines)
Savills
WSP
Hogan Lovells

Background:

Metro's Strategic Transformation Plan prioritizes transit-oriented development through 1) right-sizing transit facilities and modernizing pick-up/drop-off facilities; 2) increasing development readiness; and 3) minimizing implementation risks by offering smaller parcels and Metro's 10-Year Strategic Plan for Joint Development establishes a goal to execute twenty new joint development agreements by 2032.

Joint development maximizes the value of Metro assets by increasing transit ridership, generating new fare and real estate revenues, and supporting local economic development, housing priorities and the tax base by introducing private uses on Metro property. Twinbrook West is identified in the 10-Year Strategic Plan for Joint Development as a priority for near-term development and staff is working with the City

of Rockville to explore potential partnerships to optimize joint development opportunities.

Discussion:

There are three proposed board actions related to Joint Development. The first is approval of a joint development agreement. Metro's joint development policies allow for the consideration of unsolicited offers from adjacent property owners that would result in higher density transit-oriented development. Metro received an unsolicited offer from Hines Acquisition, LLC, a developer who owns two adjacent properties, to acquire Metro's property which was currently improved with a stormwater management facility serving the station. On the assembled properties, the developer would construct a 437-unit apartment building with ground floor retail.

Metro has negotiated a joint development agreement to sell the land fee simple, requiring the developer to replace the stormwater pond with an underground vault and assume maintenance responsibilities. Further, the developer will be required to construct a segment of roadway, part of a broader plan to implement joint development, on the balance of Metro's property on the west side of the station. The proposed joint development agreement meets the Board of Director's joint development approval criteria as described below.

Board Policy Requirement	Proposed Project
Maintains or enhances transit ridership, safety and/or access	The JDA enables a mixed-use development adjacent to the Metro station that will increase ridership, replacing light-industrial buildings with an apartment building with ground floor retail. The development is projected to generate 194 new daily Metrorail riders.
Maintains or enhances WMATA's ability to operate transit services and/or maintain the transit system	Requires the purchaser to replace a stormwater management pond with an underground vault and assume maintenance responsibilities.
Has a positive net fiscal impact for WMATA	Purchaser will acquire the property fee simple at market value. Land proceeds will be invested in improvements to enable the next phase of joint development. The purchaser will also assume the maintenance obligations of the stormwater facilities, reducing Metro's ongoing operational cost.
Is consistent with or enhances local land use and economic development plans	Supports the City of Rockville's priority on transit-oriented development.

Complies with the FTA Guidelines	The JDA complies with FTA guidelines and execution is contingent upon FTA concurrence.
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The second and third proposed board actions – holding a Compact Public Hearing and issuing a joint development solicitation – relate to a future phase of development at the west side of the station.

The future joint development project would require modifications to Metro transit facilities to free up space for development. The existing bus loop and the kiss & ride will be removed. The kiss & ride will be rebuilt as an on-street facility. A new bus loop will be constructed using a portion of the existing bus loop and the new roadway constructed by the Hines project. The surface parking on the west side of the station would also be removed. The 435-space Twinbrook garage, built as part of a prior joint development project, has enough capacity to support daily parking demand. This past Spring, peak utilization of the surface lot and garage equaled an estimated total of 208 spaces.

A Compact public hearing would allow the community to comment on the proposed modifications to the transit facilities: relocating the bus loop and the kiss & ride and closing the 188-space surface parking lot. These actions would create a cumulative 3.3-acre site which would then be offered for competitive joint development solicitation.

Funding Impact:

No direct impact on funding.

Previous Actions:

October 2002 – Metro executed a joint development agreement (JDA) with a prior developer for both the east and west side of the Twinbrook Metro Station.

2010-2015 – Metro executed two ground leases with the developer, allowing for the construction of 492 residential units and 29,500 square feet of ground floor retail. The developer also constructed the Twinbrook garage.

September 2017 – The JDA expired for the remaining site.

January 2021 – Hines submitted unsolicited proposal to acquire a portion of the site.

Next Steps:

Summer 2024 – Execute a joint development agreement with Hines.

Fall 2024 – Seek FTA concurrence of the JDA.

Winter 2025 – Hold a Compact public hearing.

Spring 2025 - Seek Board approval of the Compact public hearing staff report.

Summer 2025 – Close on the sale of property to Hines, execute easements and construction agreements.

Fall 2025 – Issue a joint development solicitation for balance of Twinbrook West

Recommendation:

Approval to: Execute a JDA for the sale of 1.2-acres, hold a Compact public hearing, and issue a joint development solicitation at Twinbrook Metro Station West.

SUBJECT: AUTHORIZATION TO EXECUTE A JOINT DEVELOPMENT AGREEMENT FOR LAND
LOCATED AT THE TWINBROOK METRO STATION

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Joint Development Policies, as amended by Resolution 2022-34, require the Board of Directors to authorize staff to execute a joint development agreement related to an unsolicited proposal; and

WHEREAS, Section 3.3 of the Joint Development Policies allow WMATA to consider unsolicited offers to lease or purchase WMATA property from an adjoining property owner for an assemblage; and

WHEREAS, Hines Acquisition, LLC, an adjacent landowner, submitted to WMATA an unsolicited proposal to acquire approximately 1.2 acres of land located south of the Twinbrook Metro Station (west of the tracks) to construct a mixed-use development; and

WHEREAS, Staff has negotiated a joint development agreement with Hines Acquisition that meets the approval criteria for joint development in the Joint Development Policies and is consistent with Metro's 10-year Strategic Plan for Joint Development;

NOW THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer or his designee to execute a joint development agreement with Hines Acquisition, LLC, or its affiliate, to purchase approximately 1.2 acres of land located south of the Twinbrook Metro Station (west of the tracks); and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with Compact Section 8(b).

Reviewed as to form and legal sufficiency,

/s/
Patricia Y. Lee
Executive Vice President, Chief Legal Officer, and
General Counsel

SUBJECT: AUTHORIZATION TO ISSUE A JOINT DEVELOPMENT SOLICITATION AND TO HOLD A COMPACT HEARING FOR TWINBROOK METRO STATION

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Section 2.3 of the Joint Development Policies, as amended by Resolution 2022-34, requires the Board of Directors to authorize staff to issue a joint development solicitation;

WHEREAS, Compact Section 15 requires the Board to transmit proposed amendments to the Mass Transit Plan to certain enumerated agencies and to conduct a public hearing; and

WHEREAS, In furtherance of WMATA's 10-year Strategic Plan for Joint Development, staff recommends offering the west side of the Twinbrook Metro Station for joint development; and

WHEREAS, Modifications to Metro transit facilities on the west side of the Twinbrook Metro Station would create an approximately 3.3 acre site available for joint development; and

WHEREAS, The proposed joint development would result in the following changes to the Mass Transit Plan:

(A) Relocation of three bus bays and Kiss & Ride facilities; and

(B) Closure of the 188-space surface parking lot;

NOW THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer to issue a joint development solicitation for the west side of the Twinbrook Metro Station; and be it further

RESOLVED, That, in accordance with Compact Section 15, the Board of Directors authorizes staff to transmit the proposed Mass Transit Plan amendments to the enumerated agencies and to hold a public hearing on the proposed changes to the west side of the Twinbrook Metrorail station; and be it further

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer to release the Public Hearing Staff Report based on the public hearing to the public for comment prior to Board of Directors approval; and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with Compact Section 8(b).

Reviewed as to form and legal sufficiency,

/s/

Patricia Y. Lee
Executive Vice President, Chief Legal Officer, and
General Counsel

WMATA File Structure Nos.:

12.7.2 Master Plans Mass Transit Plan (including transit zone modifications)

21.9.1 Joint Development Solicitations and Requests for Proposal