

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

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 99926	Resolution: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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PURPOSE

To obtain approval of the WMATA Board of Directors for a 180-day extension of the Master Development Agreement negotiation period for the Morgan Boulevard Joint Development project and authorization for staff to continue negotiations with Garrett Morgan Boulevard Joint Venture, the Selected Developer.

DESCRIPTION

The proposed Morgan Boulevard Joint Development project consists of a multi-phase, mixed-use, transit-oriented development project on WMATA's 37-acre property near the northwest corner of Central Avenue (MD Route 214) and Garrett Morgan Boulevard in Prince George's County, Maryland. As planned, this project will include 460 condominium units, 84 townhouses, 485 rental apartments, 153,000 square feet of office space, 120,000 square feet of retail space, and replacement of the existing WMATA facilities. Presently, the site includes 608 park and ride parking spaces, 78 Kiss & Ride parking spaces, 14 bus bays, a motorcycle parking area, bicycle racks and lockers, a day care center, and vacant land.

On June 28, 2007, the WMATA Board of Directors approved an extension of the negotiation period for the Master Development Agreement between WMATA and the Garrett Morgan Boulevard Joint Venture, the selected developer of the Morgan Boulevard joint development site. At the time the extension was approved, the developer and staff anticipated that it would take an additional six months for the selected developer to reach agreement with three adjacent property owners in order to assemble the WMATA site with those adjacent sites.

The "Approved Sector Plan and Sectional Map Amendment for the Morgan Boulevard and Largo Town Center Metro Areas" (Maryland-National Capital Park & Planning Commission, May 2004) calls for mixed-use development of the WMATA site and the adjacent properties. The proposed land assemblages would bring to fruition the vision for the large tract of land northwest corner of Central Avenue and Garrett Morgan Boulevard expressed in the Approved Sector Plan.

WMATA's site is irregularly-shaped with two separate frontages on Central Avenue. Two of the three adjacent properties have frontages on Central Avenue. By combining the WMATA parcel with these two parcels, the Selected Developer will be able to provide uninterrupted commercial development along Central Avenue as contemplated by the Approved Sector Plan.

The WMATA site also fronts on Garrett Morgan Boulevard, but has limited frontage to provide access points for the development. The third assemblage parcel, which fronts on Garrett Morgan Boulevard, will greatly aid the development of the WMATA site by providing access from the WMATA property to Garrett Moran Boulevard.

Because each of the three assemblage parcels has a different owner, and each of the owners has a unique objective, the selected developer's negotiations have been delicate and time-consuming. In one case, there is a family disagreement within the selling group, which has caused further delay.

Staff and the selected developer anticipate that it may take an additional 180 days to make the necessary changes to the phasing plan, the existing draft Master Development Agreement, and the ancillary exhibits (e.g., sales contract and concept site plan).

Alternative

Do not approve the extension request. If this alternative is chosen, the selected developer and WMATA will not be able to conclude the Master Development Agreement negotiations in the requisite amount of time, and the Morgan Boulevard joint development site will have to be re-advertised. This would have the adverse consequence of delaying the development without necessarily improving the net present value of the consideration WMATA would receive from the transaction.

FUNDING IMPACT

Extending the deadline for completing negotiations on the Master Development Agreement will have no adverse impact on funding. WMATA staff will not accept any changes to the Master Development Agreement that reduce the value of the transaction to less than the value of the Term Sheet transaction.

RECOMMENDATION

That the Board (a) approve a 180-day extension of the negotiation period for the Morgan Boulevard Master Development Agreement, and (b) authorize staff to continue negotiations with Garrett Morgan Boulevard Joint Venture.