

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201964

Resolution:
☒ Yes ☐ No

TITLE:

Greenbelt Joint Devel. Agreement Term Extension

PRESENTATION SUMMARY:

WMATA seeks to extend the term of the Joint Development Agreement between WMATA and Renard Development Company, LLC, (Developer) for up to one year to allow the Developer to continue to pursue an anchor tenant at the Greenbelt Metro station site.

PURPOSE:

Board approval to extend the term of the Second Amended and Restated Joint Development Agreement between WMATA and Renard Development Company, LLC (Developer) for up to one year to allow the Developer to pursue an anchor tenant at the Greenbelt Metro station site.

DESCRIPTION:

Key Highlights:

A project of this magnitude with a strong anchor tenant would have major benefits for WMATA and the local community, such as:

- The tenant's employees and visitors would generate new ridership revenue for WMATA
- The sale of the site to the Developer would generate real estate revenue for WMATA
- WMATA would gain updated parking and bus facilities

Background and History:

On October 6, 2011 WMATA and Renard Development Company, LLC (Developer) executed an Amended and Restated Joint Development Agreement (JDA) making the Greenbelt station site available for a U.S. Federal Bureau of Investigation (FBI) consolidated headquarters relocation. The agreement is due to expire on March 1, 2018. The Developer has requested that WMATA extend the JDA to ensure that the Greenbelt Metro station joint development asset remains a potential site for the FBI opportunity.

The Developer has proposed a secure site for the FBI's estimated 11,000 employees who would be housed within the 78-acre Metro site. It has also proposed over a million square feet of mixed use joint development: housing, retail, hospitality, and office. The redevelopment would occur on Metro's surface parking lots. The Developer would build WMATA replacement facilities at no cost to WMATA: a garage structure with over 3600 spaces for Metro Park & Ride customers plus reconfigured bus bays and short term parking beneath the new private development.

In mid-2014, the U.S. General Services Administration (GSA) which is conducting the site selection for an FBI headquarters building announced that Greenbelt was one of three finalist sites. It requested further information from the developers of all three sites and initially expected to make a selection in 2015, which selection is still pending. Recently, GSA put forth a new proposal which has the FBI staying at its current location. However, that proposal has not been funded by the U.S. Congress.

Discussion:

The JDA is set to expire on March 1, 2018. Since discussions are continuing on the FBI location and since the Developer, the State of Maryland, WMATA and local jurisdictions have spent considerable effort in preparing the Greenbelt site for a possible FBI headquarters, it is prudent to keep the JDA in force should the GSA modify its position or should another tenant emerge in the near term.

A project would have great benefit for WMATA in terms of new rail ridership revenue from "reverse" commuters to and from the Greenbelt Metro station site, revenue from sale of the site to the Developer and new parking and bus facilities. It would be a catalyst for development in the Greenbelt area.

Previous redevelopment schemes for the site over the decade prior to 2011 were unsuccessful, and no new opportunities appear likely at this time. For this reason, and because an extension requires no additional expenditure by WMATA, Board approval of the consent item is recommended.

FUNDING IMPACT:

The JDA requires extension fees of \$200,000 per year from the Developer. However, in light of the considerable investment by the Developer and the region so far, staff is waiving the \$200,000 fee for March 1, 2017 to March 1, 2018 and for March 1, 2018 to March 1, 2019; however such fees would be paid if the Greenbelt site is selected by the GSA.

Project Manager:	Rosalyn Doggett
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	March 24, 2011 - Board approval to enter into an amended JDA October 6, 2011 - Execution by WMATA and Developer of Second Amended and Restated JDA
Anticipated actions after presentation	Final GSA decision on FBI headquarters site - indeterminate date

RECOMMENDATION:

Board approval to extend the term of the Second Amended and Restated Joint Development Agreement between WMATA and Renard Development Company, LLC (Developer) for up to one year to allow the Developer to pursue an anchor tenant at the Greenbelt Metro station site.

SUBJECT: APPROVAL TO EXTEND TERM OF GREENBELT SECOND AMENDED AND
RESTATED JOINT DEVELOPMENT AGREEMENT

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

WHEREAS, Resolution 2011-30 requires the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors' approval of Joint Development Agreement (JDA) amendments that involve a change in term; and

WHEREAS, Resolution 2014-32 provides that the WMATA Board of Directors shall evaluate the modification of an approved JDA as to whether the modification is in the best interest of WMATA and has received Federal Transit Administration concurrence (if necessary); and

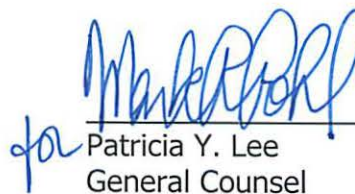
WHEREAS, The Second Amended and Restated JDA by and between WMATA and Renard Development Company, LLC (Developer) for the development of the Greenbelt Metro station site anticipates a redevelopment of the site for a consolidated Federal Bureau of Investigation (FBI) headquarters and mixed use development expires on March 1, 2018; and

WHEREAS, A final decision on the location of an FBI headquarters has not yet been reached and an extension of the term would allow the Developer to continue to pursue the relocation of that Federal agency or another to the Greenbelt station site; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes an extension of the term of the JDA for up to 12 months; and be it finally

RESOLVED, That in order to extend the term of the JDA before its expiration, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



for Patricia Y. Lee
General Counsel