Report by Finance and Capital Committee (A) 09-22-2022

Washington Metropolitan Area Transit Authority Board Action/Information Summary

Action ○ Information	MEAD Number: 203389	Resolution: ○ Yes ○ No
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TITLE:

Greenbelt Metro Station Joint Development

PRESENTATION SUMMARY:

Staff will seek Joint Development approvals related to disposition of Metro-owned property and reconstruction of Metro transit facilities, should the site be selected for the new FBI headquarters by the United States General Services Administration (GSA)

PURPOSE:

Request Board authorization to (i) negotiate a joint development agreement with the GSA for the sale of up to 40-acres of Metro property at the Greenbelt Metro Station without holding a competitive solicitation and (ii) hold a Compact public hearing on proposed changes to transit facilities at the Greenbelt Metro Station.

DESCRIPTION:

Section 530 of the Consolidated Appropriations Act, 2022 instructed GSA to select a new site FBI headquarters as soon as possible. The Greenbelt Metrorail Station is one of three sites under consideration. Should GSA select the Greenbelt site, Metro would benefit from increased ridership, improved transit facilities and access, as well as real estate proceeds from disposition and development of Metro-owned land. As Metro responds to inquiries from GSA as part of this process, staff now seeks Board authorizations to advance the project.

Key Highlights:

- If the site is selected by GSA, the project could include 2.1 million square feet of public office space with additional opportunities to deliver ~1.3 million square feet of private development.
- Proposed changes to the transit facilities would be funded by the State of Maryland (State) and Prince George's County (County) and include: (i) combination of the Bus loop, Park & Ride, and Kiss & Ride into a new structured garage and (ii) reduction of the Park & Ride capacity to 2,400 spaces and Kiss & Ride capacity to 20 spaces. These changes will maximize public and private development potential and value to WMATA,

- while also reducing costs accelerating overall project delivery and ensuring station access for Metro's customers.
- A Compact Public Hearing is required to receive public input on proposed changes to Metro's transit facilities at Greenbelt Metro Station.

Background and History:

On December 21, 2000, Metro executed a Joint Development Agreement with Metroland Developers, LLC., for the sale of the Greenbelt Metro property. The project did not advance because the infrastructure was not funded.

In 2011, GSA initiated a procurement for the new FBI headquarters. That year, Metro and Metroland Developers, LLC (subsequently renamed Renard Development Company, LLC) executed an amended and restated JDA, providing the Developer additional time to pursue a federal tenant to catalyze development. The duration of the JDA was further extended in 2013 to pursue the FBI project.

In 2014, GSA identified three sites for consideration – a federally owned site in Fairfax County, a privately-owned site in Prince George's County and the Greenbelt Metro Station site.

In July 2016, the Board approved the first Compact Hearing Staff Report and amended the Mass Transit Plan for the relocation and replacement of transit facilities.

In July 2017, GSA cancelled the procurement for the new FBI headquarters and on March 1, 2019, the JDA with the Developer expired and, as a result, all development rights terminated.

In March 2022, the Consolidated Appropriations Act, 2022 adopted by Congress instructing GSA to select one of the three previously considered sites as soon as possible, and GSA later made inquiries to WMATA about the availability of the Greenbelt site for development.

Staff worked with the State and County to reevaluate the transit facilities needs and the proposed designs for their replacement. It was determined that a reduction in capacity could be accommodated based on pre-COVID parking rates. It was also determined that an alternative design consolidating the transit facilities would improve the feasibility and help accelerate the delivery of the private development and reduce costs by avoiding replacement of a storm water pond. WMATA has coordinated with the State and County, and the parties have a preliminary design concept and desires to bring the concept forward for public comment.

Discussion:

Staff has a conceptual design for changes to Metro facilities at Greenbelt Metro Station required to support the Joint Development project. The reconfiguration of Metro facilities would be funded by the State and County. Staff anticipates that the project will increase ridership by increasing the number of jobs and households located within a 1/2-mile of the Metro. It will additionally improve the customer experience by consolidating the bus and parking facilities closer to the station entrance and making other bicycle and pedestrian enhancements to improve safety.

A Compact Public Hearing is required to receive public input on proposed changes to Metro's transit facilities, which include: (i) combination of the Bus loop, Park & Ride, and Kiss & Ride into a new structured garage and (ii) adjustment of the Park & Ride capacity to 2,400 spaces and Kiss & Ride capacity to 20 spaces. Staff recommends conducting the Compact Public Hearing in Fall 2022.

Additionally, staff seeks Board authorization to negotiate a joint development agreement directly with GSA without holding a competitive solicitation. The Board's approved Joint Development policy allows WMATA to consider proposals from jurisdictional partners without holding a competitive solicitation. Staff is also submitting to the Board amendments to Metro's Joint Development Program Guidelines clarifying that jurisdictional partners include signatories to the Compact, any local government located in the transit zone, and agencies of the federal government, such as GSA.

Should the site be selected for the FBI Headquarters, staff will negotiate a joint development agreement with GSA exclusively and return to the Board at a future date for approval to execute. Staff will continue to coordinate with the state and local jurisdictions on funding and delivery of critical infrastructure for this project that could exceed \$400 million for transit facilities and station access improvements that include local streets, an expanded I-495 interchange and other off-site traffic mitigations. No Metro capital funds are sought for the funding of these improvements.

With the remaining Metro-owned property, consisting of approximately 14 acres, Metro intends to issue a Joint Development solicitation in the future to make that land available for private, mixed-use development to complement the public uses and generate tax and non-tax proceeds for the State and County supporting the financing of the required public infrastructure.

FUNDING IMPACT:

Metro is committing no funds. Real estate revenues may be generated.		
Project Manager:	Andy Scott	
Project Department/Office:	Office of Real Estate and Parking	

TIMELINE:

Previous Actions	2000 – Executed Joint Development Agreement for Greenbelt 2011 – Extended the agreement for the developer to pursue a large federal tenant 2013 - Further extended the agreement for the FBI headquarters project 2014 – GSA identified three sites for consideration for the FBI headquarters – including the Greenbelt Metro Station 2016 – Board amended the Mass Transit Plan to reconfigure the transit facilities 2019 –JDA terminated by its terms
Anticipated actions after presentation	 Fall 2022/Winter 2023 Hold a Compact Public Hearing Seek Board approval of a Joint Development Agreement for 40 acres of Metro property with the GSA Brief the Board on the proposed jurisdictional infrastructure funding agreement. Seek approval to issue a Joint Development Solicitation for the 14-acres of remaining station property. Winter 2023 – Seek Board approval of the Compact Public Hearing Staff Report and changes to the Mass Transit Plan

RECOMMENDATION:

Authorize staff to:

- 1. Negotiate a joint development agreement with the GSA for the sale of up to 40acres of Metro property at the Greenbelt Metro Station without holding a competitive solicitation; and
- 2. Hold a Compact Public Hearing on proposed changes to the Greenbelt Metro Station.

SUBJECT: APPROVAL TO CONSIDER AN UNSOLICITED PROPOSAL FROM GSA FOR JOINT DEVELOPMENT PROJECT AND HOLD A COMPACT PUBLIC HEARING FOR AMENDMENTS TO THE MASS TRANSIT PLAN AT GREENBELT METRORAIL STATION

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

WHEREAS, The Board-adopted Joint Development Policies require Board approval to issue a Joint Development solicitation and permits staff to consider unsolicited proposals from a jurisdictional partner; and

WHEREAS, The Greenbelt Metrorail Station is one of three locations under consideration by the United States General Services Administration (GSA) for the new FBI headquarters; and

WHEREAS, The GSA has made an unsolicited inquiry to WMATA regarding the sale of property at the Greenbelt Metrorail Station for the new FBI headquarters; and

WHEREAS, Staff recommends negotiating with the GSA for a potential sale of up to 40 acres of WMATA property at the Greenbelt Metro Station for the new FBI headquarters; and

WHEREAS, Staff believes the joint development of the area in and around the Greenbelt Metro Station for the new FBI headquarters would increase transit ridership, generate real estate revenues for Metro and accelerate public and private investment in the area.

WHEREAS, Staff has prepared a plan for proposed changes to the Greenbelt Metrorail Station to (i) combine the Bus loop, Park & Ride and Kiss & Ride into a new structured garage, (ii) reduce the Park & Ride capacity to 2,400 spaces, and (iii) reduce Kiss & Ride capacity to 20 spaces;

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

NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes staff to consider any unsolicited proposal from the U.S. General Services Administration as part of a joint development for the new FBI headquarters at the Greenbelt Metrorail 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 at the Greenbelt 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 in order to timely respond to the joint development opportunity at Greenbelt Metrorail Station for the new FBI headquarters, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

/s/

Patricia Y. Lee

Executive Vice President and General Counsel

WMATA File Structure Nos. 12.7.2 Master Plans/Mass Transit Plan (including transit zone modifications) 21.9.4 Joint Development Agreements