



Finance and Capital Committee

Action Item III-A

May 9, 2024

Joint Development Downtown Largo/Lottsford Road

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	Document Number: 205735	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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Presentation Name:

Joint Development Downtown Largo/Lottsford Road

Project Manager:

Andrew Scott

Project Department:

CFO/LAND

Purpose/Key Highlights:

To seek Board authorization to execute a Joint Development Agreement, for the sale of 1.36-acre Metro owned site located 0.5 miles from the Downtown Largo Metro Station. This action aligns with Metro's Strategic Transformation Plan goal to advance regional opportunity and partnership.

Interested Parties:

Banneker Ventures

Background:

This project leverages prior investments made in the extension of the Blue Line to Downtown Largo. In the 1990s, when the Blue Line extension was planned, Maryland funded an underground train storage yard to facilitate future transit-oriented development adjacent to the Downtown Largo Metro station. Metro previously disposed of two parcels – 9400 and 9450 Lottsford Road – to Banneker Ventures through excess property sales in 2020 and 2022.

The remaining parcel at 9450B Lottsford Road is currently occupied by surface and underground Metro operational facilities, including (1) a water treatment facility that pumps out ground water seeping into the underground rail yard and treats the water before discharging, (2) an access point to the underground tracks, (3) a small administrative building and (4) employee parking.

In 2022, Banneker submitted an unsolicited offer to acquire 9450B Lottsford Road as

part of a site assemblage to develop 800 housing units, 70,000 square feet of retail and a public plaza. Metro has negotiated a Joint Development Agreement (JDA) to sell the land fee simple at appraised value. The JDA also requires the purchaser to fund, design and reconstruct Metro’s facilities, including a water treatment facility, a Metrorail operations building with an access point to Metro’s underground transit facilities. The proposed project supports Prince George’s County vision of fostering vibrant, dense, mixed-use development in Downtown Largo.

Discussion:

Metro is a national leader in Joint Development, a federal program that involves delivering private development on transit-owned property in coordination with public transportation facilities. The projects provide economic, social and environmental benefits to Metro, the jurisdictions and communities.

Metro's 10-Year Joint Development Strategic Plan establishes a goal to execute twenty new joint development agreements by 2032. These projects maximize the value of Metro assets by increasing transit ridership and generating new fare and real estate revenues. They also support local economic development and housing priorities and grow the tax base by introducing private uses on Metro property.

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. The proposed Joint Development Agreement meets the approval criteria in the Board of Director’s Joint Development policy, as described below.

Board policy requirement	Proposed project
Maintains or enhances transit ridership, safety and/or access	Enables mixed-use development .5 miles from Downtown Largo Metro Station that will increase ridership.
Maintains or enhances WMATA’s ability to operate transit services and/or maintain the transit system	Requires the purchaser to replace any impacted transit facilities, according to Metro’s requirements and specifications. Metro will retain easements for its new facilities.
Has a positive net fiscal impact for WMATA	Purchaser will acquire the property fee simple at appraised value and fund all costs associated with relocating Metro’s transit facilities.
Is consistent with or enhances local land use and economic development plans	Supports Prince George’s County Blue Line Corridor Initiative and the vision for Downtown Largo.
Complies with the FTA Guidelines	The JDA complies with FTA guidelines and its execution is contingent upon FTA concurrence.

Funding Impact:

No direct impact on funding.

Previous Actions:

December 2004 – Blue Line extension opens with underground tail tracks

April 2014 – Metro wastewater treatment facility opens

April 2020 - Board approves excess property sale to Banneker Ventures (9400 Lottsford Rd)

March 2022 - Board approves excess property sale to Banneker Ventures (9450 Lottsford Rd)

November 2022 - Banneker submits unsolicited proposal for 9450B Lottsford Rd

Next Steps:

2024 – Execute a Joint Development Agreement

2024 – Seek FTA concurrence of the JDA

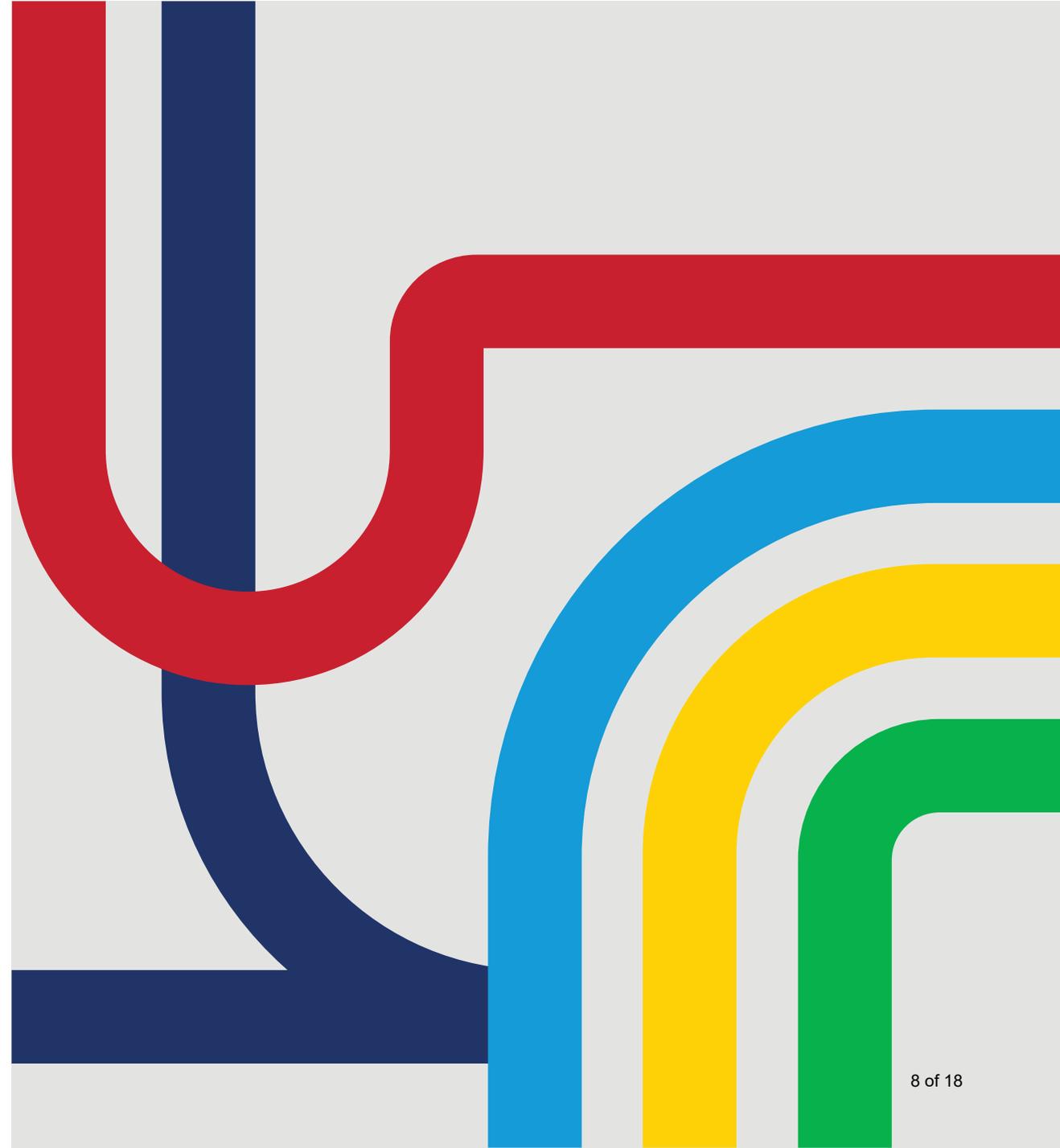
~2025 – Closing on the sale of property, execution of easements

Recommendation:

Approval to: Authorize for staff to execute a Joint Development Agreement, for the sale of a 1.36-acre Metro owned site in Largo, Maryland.

Joint Development Downtown Largo/ Lottsford Road

Finance and Capital Committee



Regional Opportunity & Partnership, a strategic goal from Your Metro, the Way Forward

Joint Development Downtown Largo/ Lottsford Road



Service excellence

Deliver safe, reliable, convenient, equitable, accessible, and enjoyable service for customers.



Talented teams

Attract, develop, and retain top talent where individuals feel valued, supported, and proud of their contribution.



Regional opportunity & partnership

Design transit service to move more people and equitably connect a growing region.



Sustainability

Manage resources responsibly to achieve a sustainable operating, capital, and environmental model.

Focus today



Objectives of Regional Opportunity & Partnership Goal

Community Partnership & Engagement |

Accelerate transit-oriented development increasing ridership for Metro and tax revenue for state and local jurisdictions.

- **Approval Criteria (Joint Development Policies Section 2.0)**
 - Maintains or enhances transit ridership, safety and/or access
 - Maintains or enhances WMATA's ability to operate transit services and/or maintain the transit system
 - Has a positive net fiscal impact for WMATA
 - Is consistent with or enhances local land use and economic development plans
 - Complies with the FTA Guidelines

Downtown Largo/Lottsford Rd Background

Joint Development Downtown Largo/ Lottsford Road



**UMD Capital Region
Medical Center**

**County Exec Office
Building**

**9450B Lottsford Rd
.5 miles from Downtown Largo
Station**

**Downtown Largo
Metro Station**



Downtown Largo/Lottsford Rd Background

Joint Development Downtown Largo/ Lottsford Road

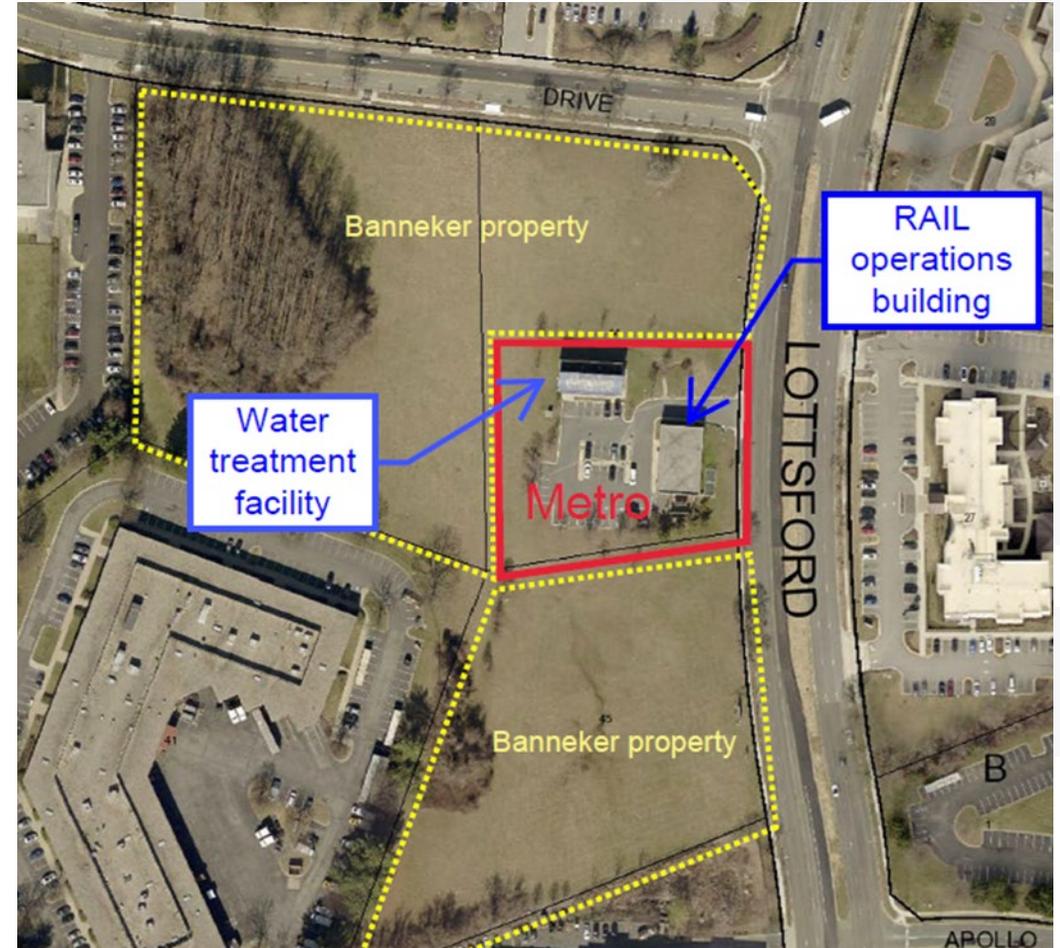
- **Dec 2004** Downtown Largo Station opened

- **Apr 2014** Metro wastewater treatment facility opened

- **Apr 2020** Board approved excess property sale to Banneker Ventures (9400 Lottsford Rd)

- **Mar 2022** Board approved excess property sale to Banneker Ventures (9450 Lottsford Rd)

- **Nov 2022** Banneker submitted unsolicited proposal for 9450B Lottsford Rd



Downtown Largo/Lottsford Road JDA

Joint Development Downtown Largo/ Lottsford Road

- **Unsolicited offer from Banneker Ventures**
 - Proposed assemblage of 1.36-acre Metro site with three adjacent lots owned by Banneker Ventures
 - Increases housing, retail, public space & placemaking
 - ~800 residential units, 70,000 SF of retail, public plaza
 - Fee simple sale
 - Developer constructs WMATA replacement facilities



Recommendation

Joint Development Downtown Largo/ Lottsford Road

Board approval to authorize staff to execute a Joint Development Agreement for Downtown Largo/Lottsford Road



SUBJECT: AUTHORIZATION TO EXECUTE A JOINT DEVELOPMENT AGREEMENT FOR
9450B LOTTSFORD ROAD

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, Banneker Ventures, an adjacent landowner, submitted to WMATA an unsolicited proposal to acquire approximately 1.36 acres of land located at 9450B Lottsford Road, Upper Marlboro, Maryland, near the Downtown Largo Metro Station (the "Property") to construct a mixed-use development; and

WHEREAS, Staff has negotiated a joint development agreement with Banneker Ventures 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 for Banneker Ventures to purchase WMATA's property of approximately 1.36 acres of land located at 9450B Lottsford Road, Upper Marlboro, Maryland; and be it finally

RESOLVED, That this Resolution shall take effect immediately to allow staff to timely execute the joint development agreement.

Reviewed as to form and legal sufficiency,

/s/

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

WMATA File Structure No.:
21.9.4 Joint Development Agreements

PROPOSED