



Finance and Capital Committee

Action Item III-C

April 14, 2023

**Approval of Seven Joint Development Solicitations
and to Conduct Six Public Hearings**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 203447	Resolution: <input checked="" type="radio"/> Yes <input type="radio"/> No
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TITLE:

Compact Hearings and Joint Development

PRESENTATION SUMMARY:

In 2022, Metro published its 10-Year Strategic Plan for Joint Development which prioritizes stations for joint development, proposes strategies to accelerate delivery and establishes a goal to execute 20 new joint development agreements by 2032. Accordingly, staff seeks approval to hold Compact public hearings on proposed changes to accommodate development for six Metro stations and to issue Joint Development solicitations for seven Metro stations.

PURPOSE:

To seek Board approval to: (1) hold Compact public hearings for Brookland, Capitol Heights, Congress Heights, Deanwood, Forest Glen, and North Bethesda Metro Stations, and (2) issue Joint Development solicitations for Brookland, Capitol Heights, Congress Heights, Deanwood, Eisenhower, Fort Totten, and North Bethesda Metro Stations.

DESCRIPTION:

Metro's 10-Year Strategic Plan for Joint Development prioritizes stations for Joint Development, proposes strategies to accelerate delivery and establishes a goal to execute 20 new joint development agreements by 2032. Staff has been coordinating with the District of Columbia, Prince George's County, Montgomery County, and City of Alexandria on Joint Development opportunities that could support approximately 6.6 million square feet of development including more than 4,500 housing units with 825 units set-aside to be affordable to families with low and moderate incomes.

Key Highlights:

- The proposal at Brookland could support approximately 400,000 square feet of future development by relocating the bus loop and Kiss & Ride facilities and reducing Kiss & Ride capacity to eight spaces.

- At Capitol Heights, the proposal could support approximately 570,000 square feet of future development by relocating the bus loop and Kiss & Ride facilities, reducing Kiss & Ride capacity to eight spaces, and eliminating the 372-space Park & Ride lot.
- The proposal at Congress Heights could support approximately 350,000 square feet of future development, a public library, and provide a new entrance to the St. Elizabeth's East Campus by relocating the bus loop and Kiss & Ride facilities and reducing Kiss & Ride capacity to eight spaces.
- At Deanwood, the proposal could support approximately 395,000 square feet of future development and a public library by eliminating the 160-space Park & Ride lot.
- Near Eisenhower, Metro owns undeveloped property adjacent to the new Metro office building on Mill Road that could support approximately 295,000 square feet of future development.
- The proposal at Forest Glen could support approximately 1.4 million square feet of future development by relocating the bus loop and Kiss & Ride facilities, reducing the bus loop capacity to between two and four bus bays, and reducing the Kiss & Ride capacity to 10 spaces.
- At Fort Totten, the proposal could support approximately 680,000 square feet of future development by converting the 408 space Park & Ride lot into a garage and replacing the MTPD precinct.
- The proposal at North Bethesda could support approximately 2.5 million square feet of future development on undeveloped property adjacent to the rail tracks. A new second entrance to the Metro station on the north end of the rail platform will also be considered and may be incorporated into the future development.
- A Compact public hearing is required to receive public input on the proposed changes and Joint Development solicitations are required to select a private partner to execute these projects.

Background and History:

Metro is a national leader in Joint Development, which is a Federal program that involves the delivery of 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.

Between 2018 and 2022 staff engaged the jurisdictions to evaluate joint development opportunities at Metro stations and prepare site plans to reconfigure transit facilities and enable development.

In April 2022, Metro published a 10-Year Strategic Plan that prioritized stations for Joint

Development and proposed strategies to accelerate their delivery.

Between 2022 and 2023 staff continued coordination with jurisdictions to refine conceptual development plans at the Metro stations related to this Board action. Accordingly, Metro and the jurisdictions desire to seek public comment on the concepts and solicit proposals from joint developers that can execute the projects.

District of Columbia (District)

At Brookland, the District adopted a Small Area Plan in 2009 that proposed the redevelopment of the Metro property to accommodate housing by reconfiguring the bus loop and relocating Kiss & Ride operations into smaller facility on-street. In 2019, the District set a goal to create 36,000 new housing units by 2025 and adopted an update to the Comprehensive Plan and Future Land Use Map in 2021 that increased the development potential for the site. Staff have been coordinating with the District and recommend advancing the project for public comment and issuing a Joint Development solicitation.

At Congress Heights, the District published a Master Plan for the revitalization of the historic St. Elizabeth's Campus in 2012 that supports up to five million square feet of mixed-use development. A core infrastructure component of the project includes the creation of a new vehicular entrance to the campus from Alabama Avenue with funding secured in the District's capital budget, which requires relocating Metro's bus loop and Kiss & Ride lot. In 2022, the District submitted an unsolicited proposal to locate a public library at the station through a land swap and funding secured in the District's FY23 capital budget. Staff have been coordinating with the District and recommend advancing the project for public comment and issuing a Joint Development solicitation.

At Deanwood, the Metro Board previously approved the issuance of a Joint Development Solicitation and amendment to the Mass Transit Plan in 2018 to eliminate the 160-space Park & Ride lot enabling the delivery of a mixed-use housing project. The solicitation was put on hold until the District adopted an update to the Comprehensive Plan and Future Land Use Map in 2021 that increased the development potential for the site. In 2022 the District also expressed interest to include a public library as a tenant of the project with funding secured in the District's capital budget. Given the time elapsed since the initial Compact public hearing, staff recommends providing another opportunity for public comment and issuing a Joint Development solicitation.

At Fort Totten, the District adopted a Small Area Plan in 2009 that proposed the redevelopment of the Metro property to accommodate housing by converting the Park & Ride lot into a garage. The Metro Board previously approved the execution of a Joint Development Agreement in 2015 but it was later terminated by mutual consent. In 2019, the District set a goal to create 36,000 new housing units by 2025 and adopted an update to the Comprehensive Plan and Future Land Use Map in 2021 that clarified the development potential for the site. Staff has been coordinating with the District and recommend issuing a Joint Development solicitation. A Compact Public Hearing is not

required because there are no changes to the capacity of or access to transit facilities.

Maryland

At Capitol Heights, the Metro Board previously approved the execution of a Joint Development Agreement in 2016 and amendment to the Mass Transit Plan in 2017 to eliminate the 372-space Park & Ride lot enabling the delivery of a mixed-use residential building. The Joint Development was later terminated by the developer in 2018. In 2019, the Metro Board approved the issuance of a new Joint Development solicitation for the station but was put on hold due to the pandemic and new planning efforts initiated by Prince George's County to accelerate and maximize development in the Blue Line Corridor. Staff has been coordinating with Prince George's County on a new concept plan that proposes reconfiguration of the bus loop enabling a larger two-building mixed-use residential development and recommends advancing the project for public comment and issuing a Joint Development solicitation.

At Forest Glen, Montgomery County adopted a Sector Plan in 2019 that proposed the redevelopment of the Metro property to accommodate housing by converting the Park & Ride lot into a garage and by reconfiguring the bus loop and relocating Kiss & Ride operations to smaller on-street facility. It additionally increased the development potential for the site. In 2022, the Housing Opportunities Commission of Montgomery County submitted an unsolicited proposal to develop 1,125 housing units on the site. Staff has been coordinating with Montgomery County and recommend advancing the project for public comment.

At North Bethesda, the Metro Board previously approved the execution of a Joint Development Agreement in 2001 leading to delivery of four mixed-use buildings with 941 housing units, 312,000 square feet of office space, and 63,000 square feet of retail. A fifth building will break ground later this year that will deliver an additional 354 housing units. The developer's rights for the remaining undeveloped land expired in 2017. Montgomery County has since established a memorandum of understanding with Metro for future life-science anchored mixed-use development of the site to include the University of Maryland Institute for Health Computing. The County has also been coordinating with the State of Maryland on funding for required on-site infrastructure and received \$10 million from the State of Maryland's FY23 capital budget. Montgomery County also adopted a Sector Plan in 2010 that proposed adding a second Metrorail station entrance on the north end of the platform to support growth in the area and maximize transit access and utilization. Accordingly, staff recommends advancing the project for public comment and issuing a Joint Development solicitation.

Virginia

At Eisenhower, Metro has developed a 430,000 square foot office building on a triangular parcel on Mill Road within 1,200 feet of the station. A portion of the site remains available for development with careful integration of the design with the transit facilities given the proximity to the Metro rail tracks. This approach aligns with the Small

Area Plan adopted by the City of Alexandria in 2019. Staff have been coordinating with the City of Alexandria on the concept plans and recommend issuing a Joint Development solicitation. A compact public hearing is not required because there are no changes to the capacity of, or access to, transit facilities.

Discussion:

Metro's Strategic Plan for Joint Development establishes a goal to execute 20 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, housing production, and housing affordability goals while adding \$800 million to the tax base over the next 30 years, in net present value terms, by introducing private uses on Metro property.

Board approval to hold Compact public hearings is needed to gather public input on proposed changes to Metro's transit facilities, which will help to accelerate the delivery of the projects. The public hearings are anticipated to be held beginning in summer 2023. Upon conclusion of the public comment period, staff will submit staff reports to the Board for approval with associated amendments to the Mass Transit Plan. The proposed changes include:

- At Brookland: (i) relocating the bus loop and Kiss & Ride facilities and (ii) reducing Kiss & Ride capacity to eight spaces;
- At Capitol Heights: (i) relocating the bus loop, (ii) reducing Kiss & Ride capacity to eight spaces, and (iii) eliminating the 372-space Park & Ride lot;
- At Congress Heights: (i) relocating the bus loop and (ii) reducing Kiss & Ride capacity to eight spaces;
- At Deanwood: (i) eliminating the 160-space Park & Ride lot;
- At Forest Glen: (i) relocating the bus loop and Kiss & Ride facilities, and (ii) reducing the bus loop capacity to between two and four bus bays, (iii) and reducing the Kiss & Ride capacity to ten spaces; and
- At North Bethesda: (i) adding a new second entrance to the Metro station on the north end of the rail platform.

Board approval to issue Joint Development solicitations is also needed to select private partners that can execute these projects, except at Forest Glen where Metro received an unsolicited proposal. The solicitations shall be issued on a rolling basis beginning summer 2023 through 2024. Staff expects to seek Board approval to execute Joint Development Agreements between 2024 and 2025 if proposals and negotiations support the Board-approved Joint Development Policy criteria. In the meantime, staff may continue coordination with the jurisdictions and/or joint developers on the conceptual designs, zoning and/or entitlements to confirm the development costs and

revenue potential. Some projects may require financial assistance for upfront infrastructure costs. Staff is coordinating with local governments on funding strategies for any feasibility gaps to ensure the projects provide a positive net fiscal impact to Metro.

FUNDING IMPACT:

No direct impact on funding.	
Project Manager:	Liz Price and Steven Segerlin
Project Department/Office:	Finance/LAND

TIMELINE:

Previous Actions	<p>2017 – Board approval of Compact Public Hearing Staff Report and Amendments to the Mass Transit Plan for Capitol Heights Metro Station</p> <p>2018 – Board approval to issue a Joint Development Solicitation for Deanwood Metro station</p> <p>2018 – Board approval of Compact Public Hearing Staff Report and Amendments to the Mass Transit Plan for Deanwood Metro station</p> <p>2019 – Board approval to issue a Joint Development Solicitation at Capitol Heights Metro station</p> <p>2022 – Management publishes 10-Year Strategic Plan for Joint Development</p>
Anticipated actions after presentation	<p>2023 to 2024 – Seek Board approval of the Compact Public Hearing Staff Report and changes to the Mass Transit Plan for Brookland, Capitol Heights, Congress Heights, Deanwood, Forest Glen, and North Bethesda Metro stations</p> <p>2024 to 2025 — Seek Board approval to Execute a Joint Development Agreement for Brookland, Capitol Heights, Congress Heights, Deanwood, Eisenhower, Fort Totten, Forest Glen, and North Bethesda Metro stations</p>

RECOMMENDATION:

Approval to: (1) hold Compact Public Hearings for Brookland, Capitol Heights, Congress Heights, Deanwood, Forest Glen, and North Bethesda Metro Stations, and (2) issue Joint Development Solicitations for Brookland, Capitol Heights, Congress Heights, Deanwood, Eisenhower, Fort Totten, and North Bethesda Metro Stations.

Joint Development Project Approvals

Finance & Capital Committee
April 2023



Purpose

Seek Board authorization to:

Hold six Compact Public Hearings at:

- DC – Brookland, Deanwood & Congress Heights
- MD – Capitol Heights, Forest Glen, and North Bethesda

Issue seven Joint Development Solicitations at:

- DC – Brookland, Congress Heights, Deanwood and Fort Totten
- MD – Capitol Heights and North Bethesda
- VA – Eisenhower (Mill Road)

Background

2018 – 2022

Planning efforts to prepare sites for Joint Development

April 2022

10-Year Strategic Plan for Joint Development published

2023 – 2024

Compact Public Hearings & Joint Development Solicitations

WMATA's Compact requires public outreach about proposed changes to the transit facilities from:

(1) Metro customers & commuters, (2) nearby residents & businesses, and (3) users of the road network

Joint Development Strategic Plan

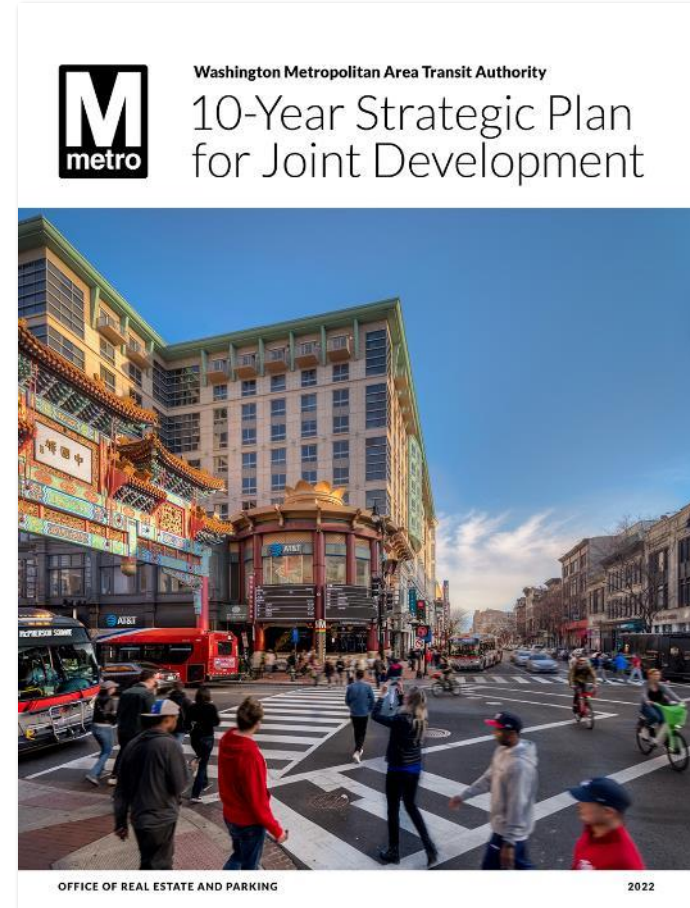
Published April 2022

Established goal to execute twenty new joint development agreements by 2032

Proposed acceleration strategies

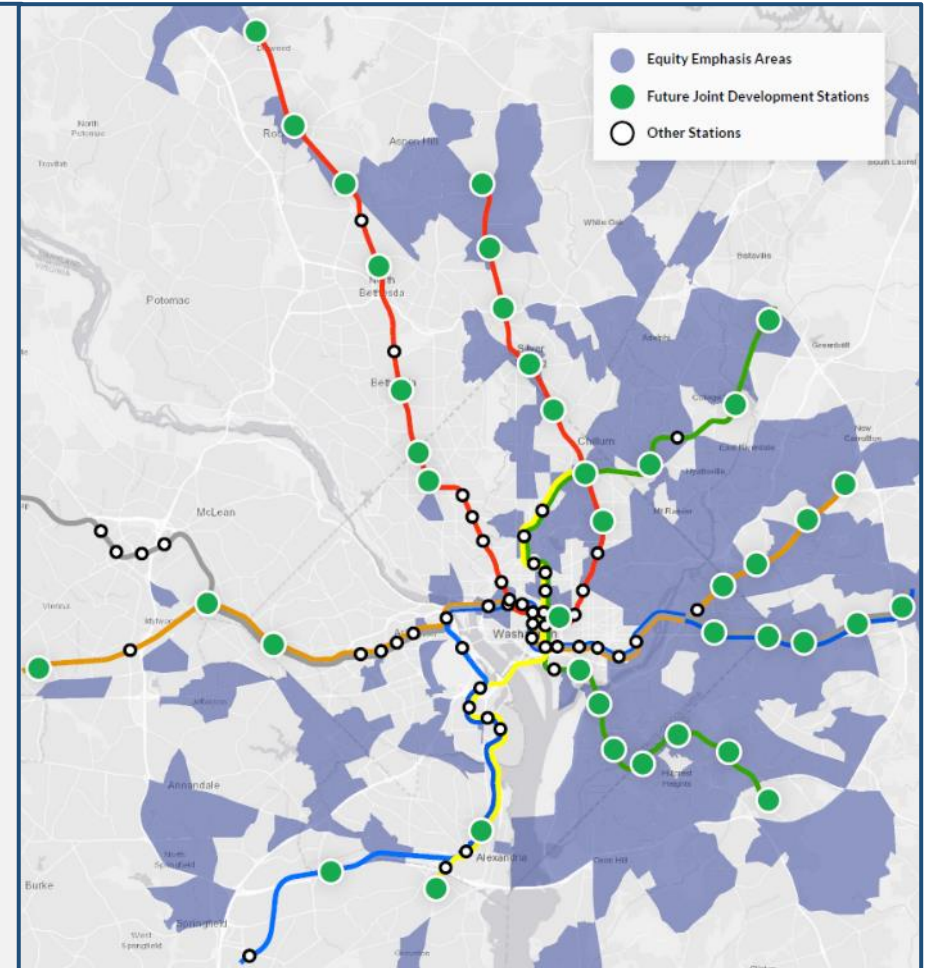
Prioritized infrastructure investments and coordination with jurisdictions

Identified stations for future solicitations



Future Opportunities & Fiscal Benefits

- **40** Metro stations with land available
- **70 percent** in MWCOG Equity Emphasis Areas
- **31 million** sq. ft. of new mixed-use development
 - **26,000** new housing units
 - **5 million** square feet of commercial
- **\$340 million** in new annual local & state taxes
- **Grows Metro ridership & revenues**



Potential Impacts of Proposed Projects

4,500+ Housing units and \$800M+ in local & state tax revenues over the next 30 years

Location	Station	Gross Floor Area Square Feet	Housing Units	Tax Benefits 30-Year Estimate
District of Columbia <ul style="list-style-type: none"> ▪ 1.8 million square feet ▪ 1,800+ total housing units ▪ 180+ affordable units 	Brookland	400,000	400+	\$285 Million revenue to local govts
	Congress Heights	350,000	350+	
	Deanwood	395,000	300+	
	Fort Totten	680,000	750+	
Maryland <ul style="list-style-type: none"> ▪ 4.5 million square feet ▪ 2,500+ total housing units ▪ 625+ affordable units 	Capitol Heights	570,000	500+	\$480 Million revenue to local govts
	Forest Glen	1,400,000	1,000+	
	North Bethesda	2,500,000	1,000+	
Virginia <ul style="list-style-type: none"> ▪ 295,000 square feet ▪ 200+ total housing units ▪ 20+ affordable units 	Eisenhower (Mill Rd)	295,000	200+	\$35 Million revenue to local govts

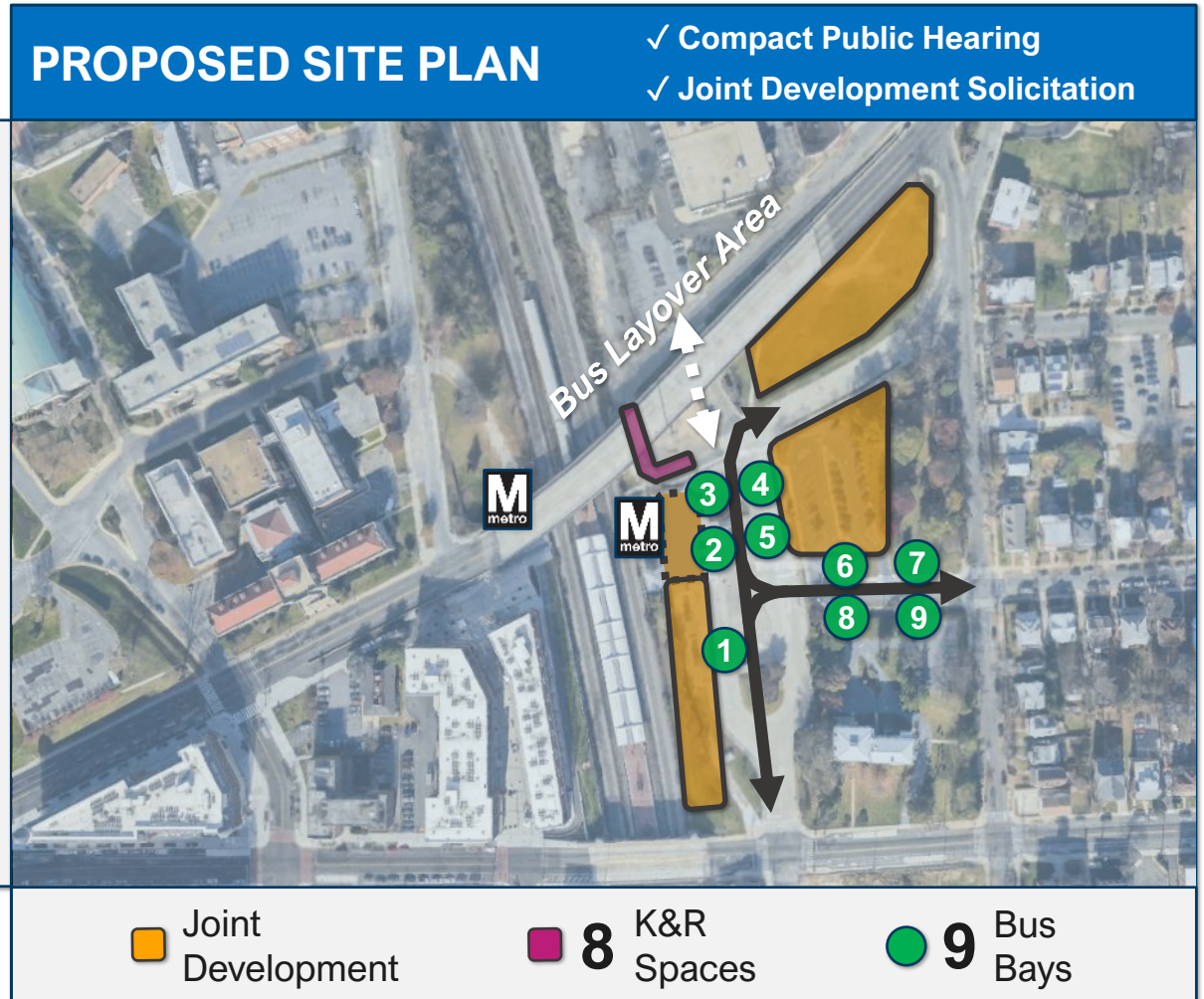
Brookland

Potential for 400+ housing units and retail

Supports District's Small Area Plan and Mayor's goal to create 36,000 housing units

Proposed reconfiguration of bus loop and reduction of 20 K&R spaces to align with demand

Improves bicycle & pedestrian accessibility by reducing vehicular conflicts



Congress Heights

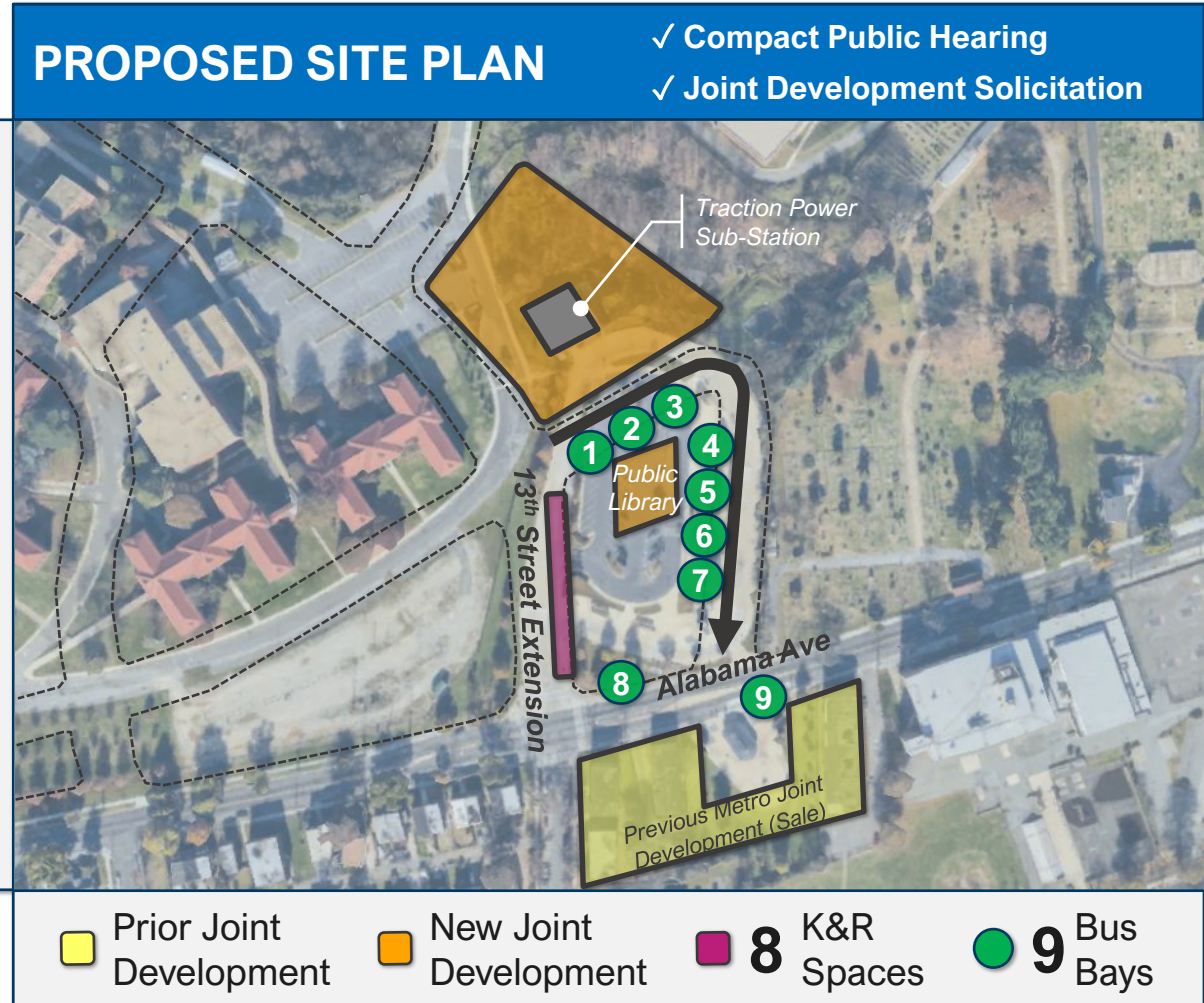
Potential for 350+ housing units and retail

District proposed land swap for DC Public Library creates new joint development site

Proposed extension of 13th Street SW

Reconfiguration of bus loop and reduction of 46 K&R spaces to align with demand

Supports District's 2012 master plan for St. Elizabeth's Campus



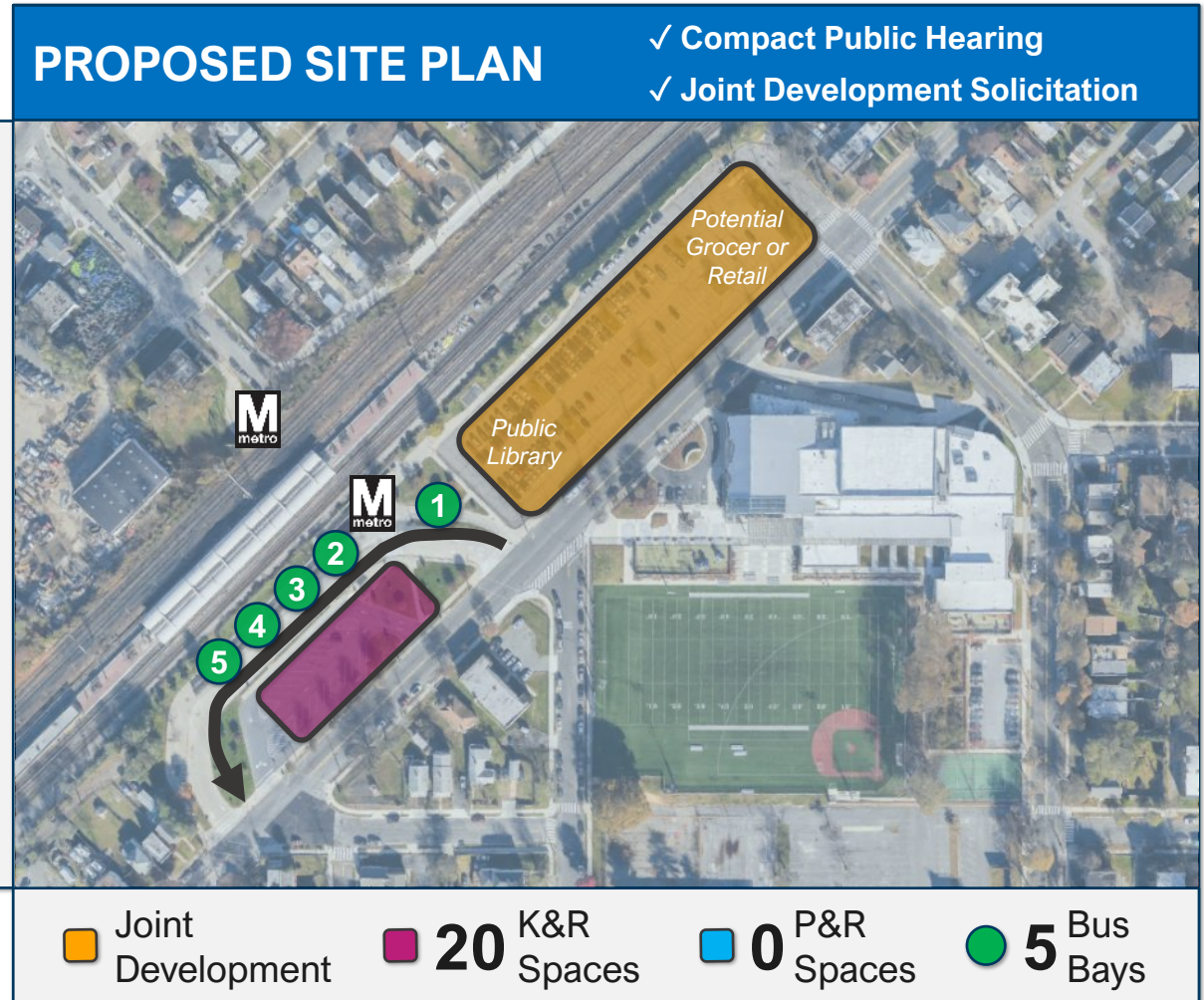
Deanwood

Potential for 300+ housing units and retail

Supports District's 2008 Small Area Plan and Mayor's goal to create 36,000 housing units

DC Public Library has expressed interest in leasing space in future project

Board approved elimination of parking in 2018; another CPH recommended given time elapsed



Fort Totten

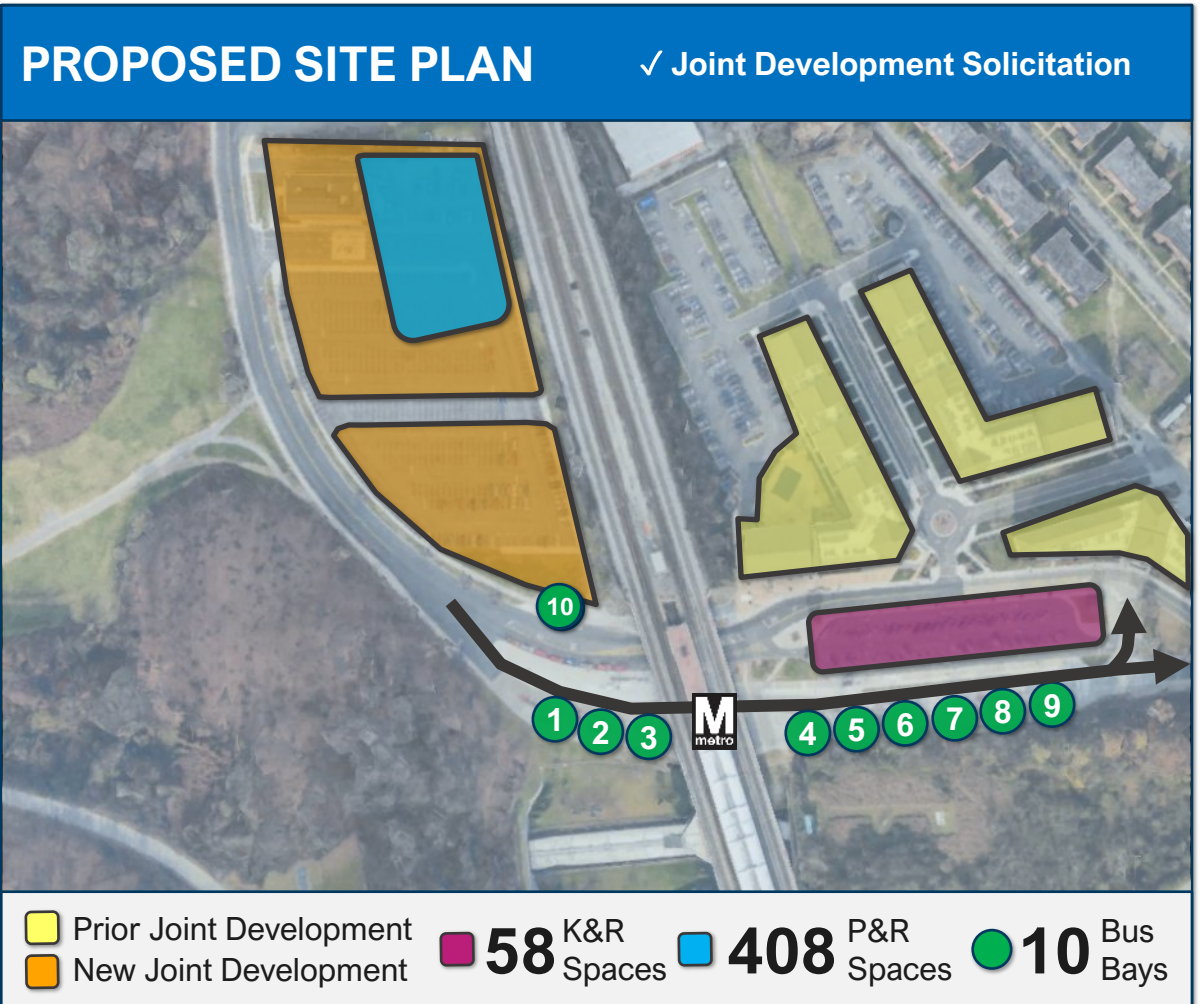
Potential for 750+ housing units and retail

Supports District's 2009 Small Area Plan and Mayor's goal to create 36,000 housing units

No compact hearing required: proposed replacement of surface parking with garage

Expanded MTPD Precinct facilities

Street-level activation improves pedestrian accessibility to Metro



Capitol Heights

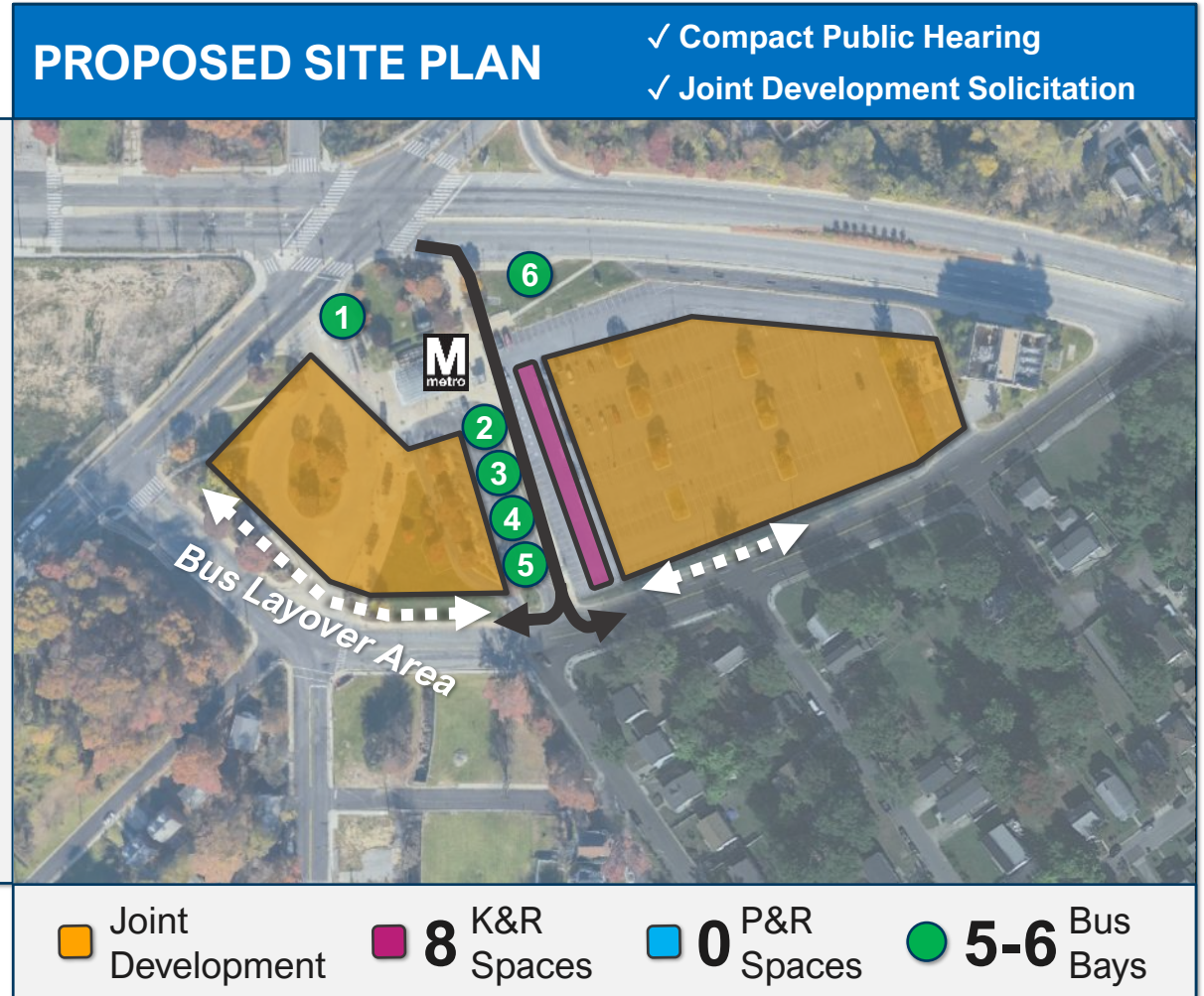
Potential for 500+ housing units and retail

Supports Prince George's County Blue Line Corridor initiative (2021)

Proposed reconfiguration of bus loop and reduction of 15 K&R spaces to align with demand

Board approved elimination of parking in 2017

Street-level activation improves pedestrian accessibility to Metro



Forest Glen

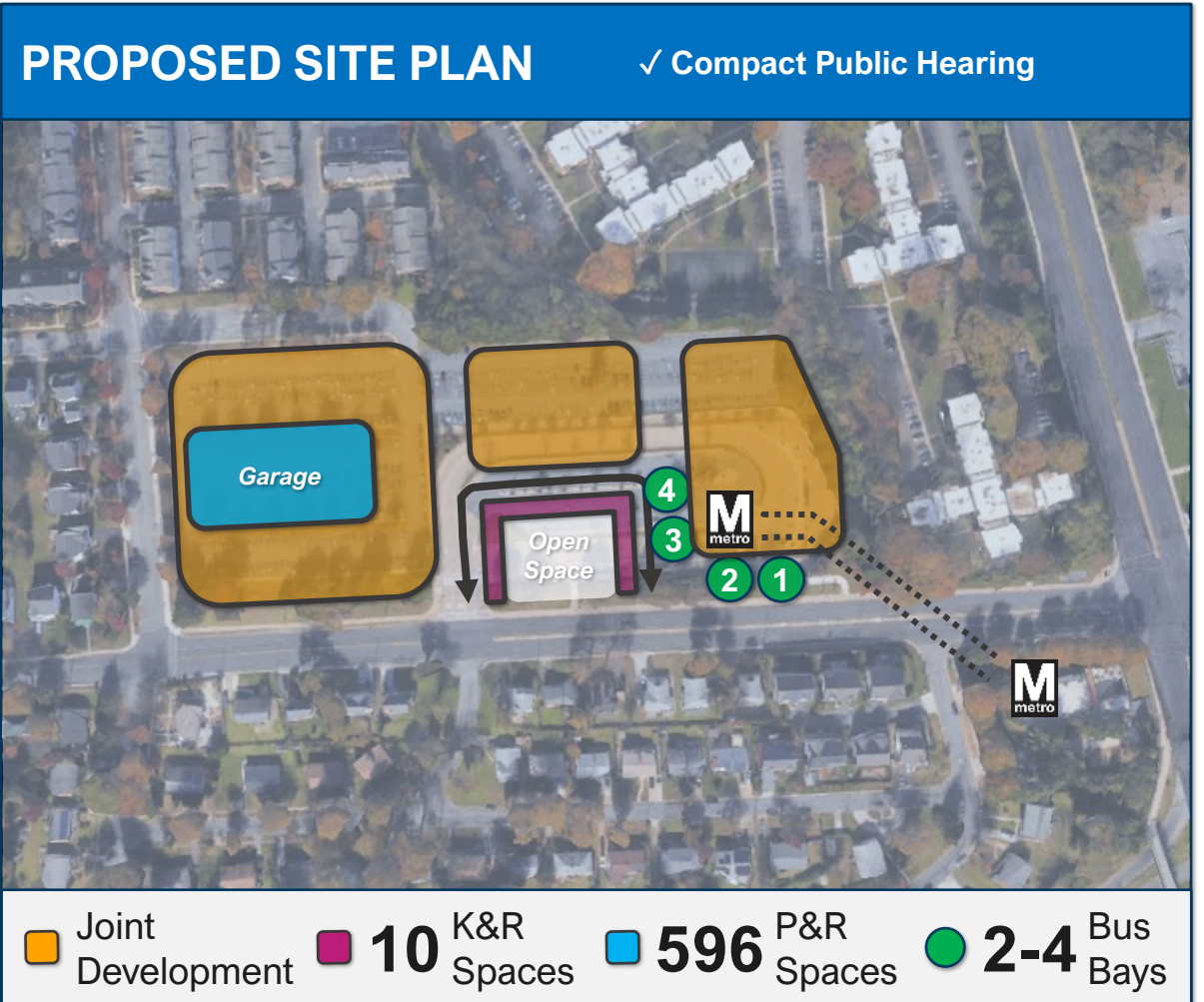
Potential for 1,000+ housing units and retail

Unsolicited proposal from MoCo's Housing Opportunities Commission (HOC)

Accelerated development of the site with greater levels of affordable housing

Supports MoCo's 2019 Sector Plan

Proposed reconfiguration of bus and parking facilities and reduction of 62 K&R spaces to align with demand



North Bethesda

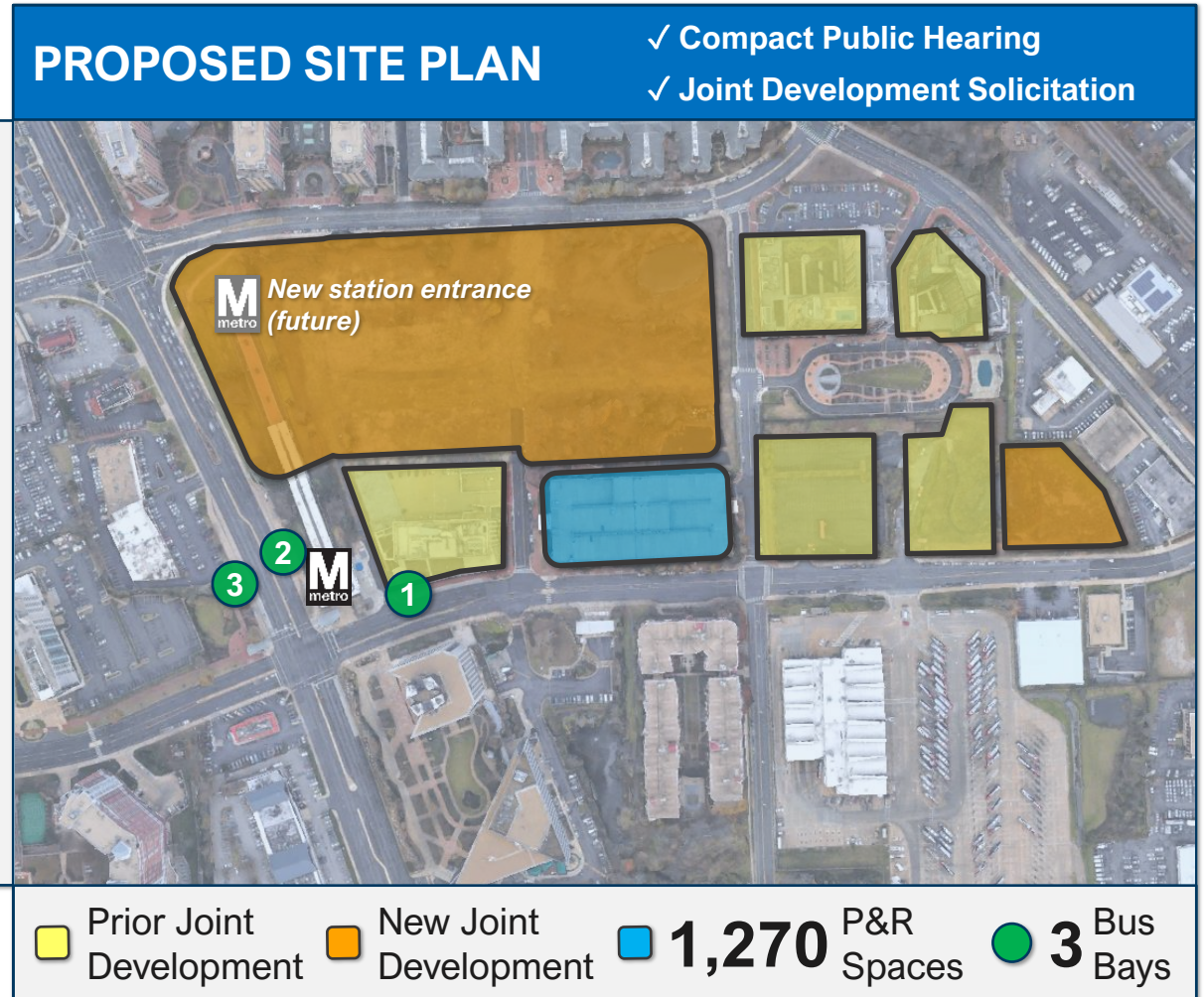
Potential for 2.5 million square feet mixed-use including 1,000+ housing units

Supports 2010 North Bethesda Sector Plan

Life science anchor: future location for Univ. of Maryland's Institute of Health Computing

Proposed new second Metro entrance would improve transit access to the north

Completed street grid improves pedestrian access



Eisenhower

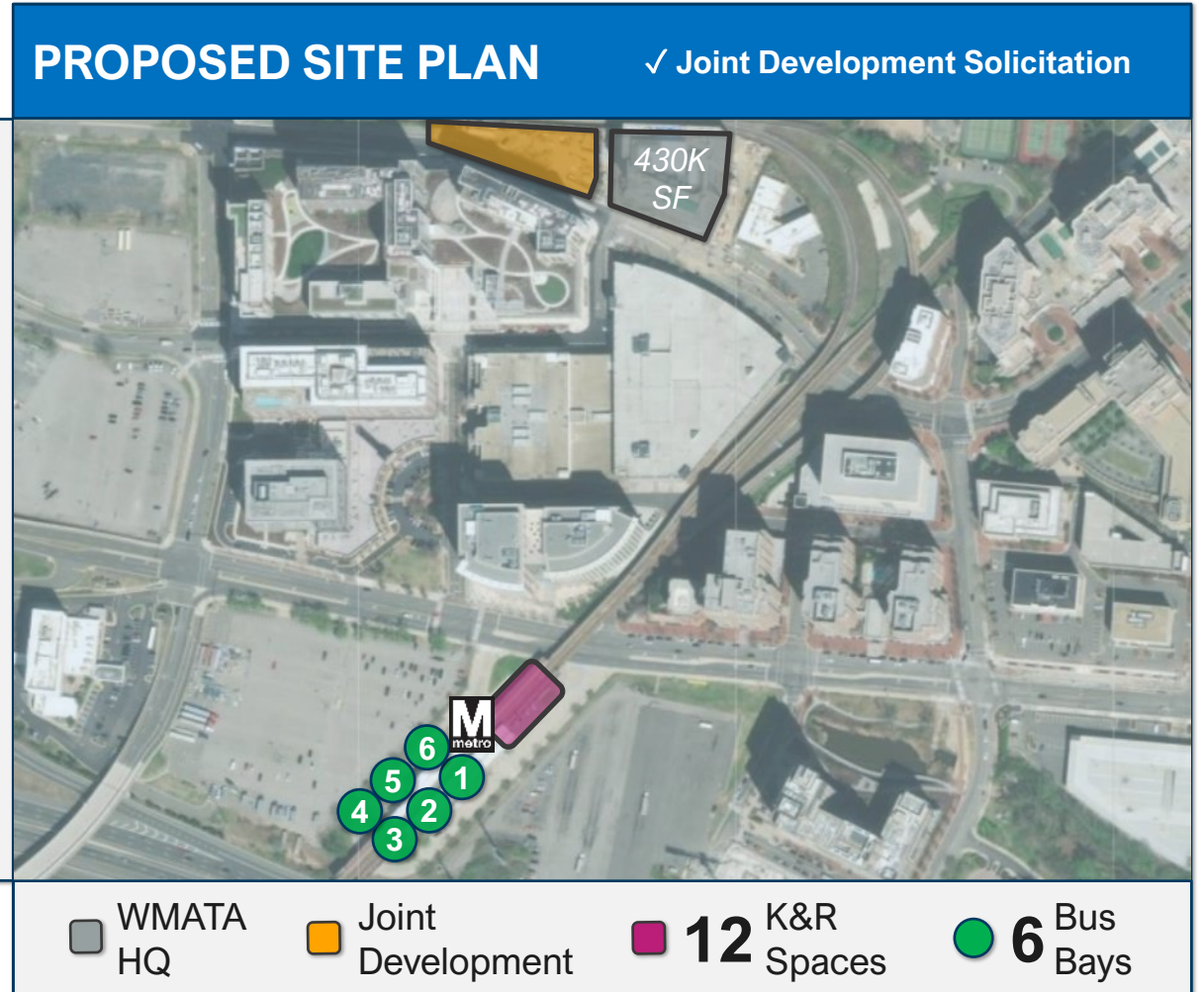
Potential for 200+ housing units and retail

Supports Alexandria's 2019 Small Area Plan

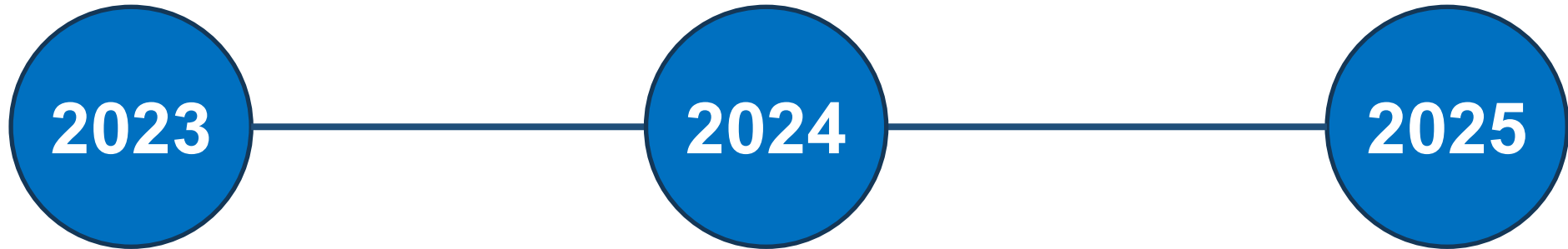
Adjacent to WMATA's new VA Office Building

No transit facility changes required

Advances transit-oriented development in emerging high-density neighborhood



Next Steps



- Hold Compact public hearings
- Seek Board approval of Hearing Staff Reports beginning Fall 2023
- Issue Requests for Qualifications (RFQs) or Proposals (RFPs) on rolling basis beginning Summer 2023

- Seek Board approval to Execute Joint Development Agreements in 2024-2025 if negotiations satisfy Joint Development Board policy criteria
 - Maintains or enhance transit ridership
 - Maintains or enhances WMATA's ability operate transit services
 - Positive net fiscal impact
 - Consistent with local land use & economic development plans
 - Complies with FTA guidelines

Recommendation

Board authorization to:

Hold six Compact Public Hearings at:

- DC – Brookland, Deanwood & Congress Heights
- MD – Capitol Heights, Forest Glen, and North Bethesda

Issue seven Joint Development Solicitations at:

- DC – Brookland, Congress Heights, Deanwood and Fort Totten
- MD – Capitol Heights and North Bethesda
- VA – Eisenhower (Mill Road)

SUBJECT: AUTHORIZATION TO ISSUE JOINT DEVELOPMENT SOLICITATIONS AND TO HOLD COMPACT PUBLIC HEARINGS

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

WHEREAS, Section 2.3 of the Joint Development Policies adopted by the Board of Directors in Resolution 2018-13 requires the Board's authorization to issue a joint development solicitation; and

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 sites at the following Metro stations for joint development: Brookland-CUA, Capitol Heights, Congress Heights, Deanwood, Eisenhower Avenue, Fort Totten, and North Bethesda; and

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

- (A) Brookland-CUA Station - (i) relocate the bus loop and Kiss & Ride facilities and (ii) reduce Kiss & Ride capacity from 28 to eight spaces;
- (B) Capitol Heights Station - (i) relocate the bus loop and Kiss & Ride facilities, (ii) reduce Kiss & Ride capacity from 23 to eight spaces, and (iii) eliminate the 372-space Park & Ride lot;
- (C) Congress Heights Station - (i) relocate the bus loop and Kiss & Ride facilities and (ii) reduce Kiss & Ride capacity from 54 to eight spaces;
- (D) Deanwood Station - (i) eliminate the 160-space Park & Ride lot; and
- (E) North Bethesda Station - (i) add a new second entrance on the north end of the rail platform; and

WHEREAS, WMATA received an unsolicited proposal for joint development at the Forest Glen Metro station that would result in the following changes to the Mass Transit Plan:

(i) relocate the bus loop and Kiss & Ride facilities, (ii) reduce the bus loop capacity to from five to between two and four bus bays, and (iii) reduce the Kiss & Ride capacity from 72 to ten spaces;

NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer to issue joint development solicitations for sites at the Brookland-CUA, Capitol Heights, Congress Heights, Deanwood, Eisenhower, Fort Totten and North Bethesda Metro stations; 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 Brookland-CUA, Capitol Heights, Congress Heights, Deanwood, Forest Glen, and North Bethesda Metro stations; and be it further

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer to release the Public Hearing Staff Reports based on the public hearings 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 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 No.:
12.7.2 Master Plans/Mass Transit Plan (including transit zone modifications)
21.9.1 Joint Development Solicitations