

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201837

Resolution:
☒ Yes ☐ No

TITLE:

College Park Joint Development Agreement

PRESENTATION SUMMARY:

This presentation summarizes a proposed Joint Development Agreement for approximately 5 acres of land on the east side of the College Park-U of Md Metro Station.

PURPOSE:

Request the Board authorize staff to:

- Execute a Joint Development Agreement with Gilbane Development Company, for private development at College Park-U of Md Metro Station; and
- Hold a Compact Public Hearing on the removal of a 530-space surface Park & Ride lot at College Park-U of Md Metro Station.

DESCRIPTION:

In July 2016, the Board approved the selection of Gilbane Development Company (Developer) for a joint development project at College Park-U of MD Metro Station and authorized staff to execute a non-binding Term Sheet. Staff has executed the Term Sheet and has negotiated a Joint Development Agreement (JDA) consistent with the Term Sheet.

Board approval to execute the JDA and authorization to hold a Compact Public Hearing are requested in furtherance of the joint development project.

Key Highlights:

- The proposed Joint Development Agreement (JDA) is for private mixed-use development by Gilbane Development Company of the surface Park & Ride lot at the College Park-U of Md Metro Station.
- The proposed project is planned for 430 residential units and 11,900 square feet of retail. This transit-oriented development will be served by Metro's Green Line, MARC, and the new Purple Line.
- The project is estimated to generate approximately \$14.2 million in revenue and add 350 daily boardings.

Background and History:

The College Park-U of Md Metro Station includes a five-bay bus loop, 530-space surface Park & Ride lot, and a 1,290-space Park & Ride garage. It also includes a Kiss & Ride, a taxi stand and a secure 100-space Bike & Ride facility. The Metro station is adjacent to a MARC commuter rail station and the Maryland Transit Administration is planning to construct a Purple Line stop immediately south of the east entrance to the Metro station.

The joint development project requires removal of the surface Park & Ride lot. In anticipation of joint development, the State of Maryland and Prince George's County financed construction of a 1,290-space garage to replace and expand the number of spaces lost at the surface Park & Ride lot. The Mass Transit Plan was amended by the Board on January 16, 2003 to remove the surface parking lot and add the new garage. The garage opened for service in 2005.

Since 2005, there have been attempts to offer the site for joint development, which previously were unsuccessful. The newest solicitation issued in July 2015 and amended in September 2015 was successful and received four competitive bids. In July 2016, the Board approved the selection of Gilbane Development Company and authorized staff to negotiate and execute a term sheet, which staff has done.

The term sheet calls for the Developer to develop approximately 430 residential units and 11,900 square feet of ground floor retail. The Developer agreed to a 98-year capitalized ground lease for \$14.2 million, plus provisions for Metro to receive additional payments from capital events (i.e. when the Developer sells their interest in the project or refinances the project). The joint development project requires no replacement of transit facilities, since the garage is already constructed and still has adequate capacity to accommodate current parking demand.

In 2015, Prince George's County approved the College Park-Riverdale Park Transit District Development Plan, which includes development of Metro's Park & Ride lot, as well as the University of Maryland College Park (UMCP) Campus and its research park, M-Square. UMCP, Prince George's County and the City of College Park are actively promoting an "innovation" district near and around the College Park-U of Md Metro Station.

Discussion:

- The JDA is consistent with the Board-approved terms of the Term Sheet. Additionally, the JDA includes provisions for:
 - Adjustments in the ground lease payment based on the number of approved units. The current plan calls for 430 residential units, with a ground lease payment of \$14.2 million. Payment increases by \$33,000 per unit, if more than 430 units are approved by the local government. Likewise, it decreases if fewer units are approved. However, regardless of the number of units approved, the ground lease payment may not decrease below \$13.5 million.

- Closing on a ground lease within 16 months of execution of the JDA, subject to excusable delays. The developer may extend the closing date by 6 months, by paying an extension fee of \$50,000. Up to four extensions (for \$50,000 each) may be executed.
- Overall, the project is estimated to generate 350 net new daily boardings as a result of the residential and retail development. No ridership losses are expected as a result of the removal of parking, since there is adequate parking in the new garage on site. There are an average of 1,040 paid parking transactions at College Park-U of Md Metro Station per day. After removal of the surface Park & Ride lot, parkers can be accommodated in the 1,290-space garage on the site.
- Due to the length of time since the Board approved the removal of parking in 2003, staff recommends a new Compact Public Hearing be held to engage the public and advise them of the changes called for in the Mass Transit Plan.

FUNDING IMPACT:

The proposed project will result in \$14.2 million upfront payment to Metro. Future revenues are anticipated, since Metro will receive a share of proceeds from future capital events. Joint Development revenues are dedicated to the Capital Improvement Program, per Board policy. The removal of the surface lot will result in decreased operating and maintenance costs.

Project Manager:	Andy Scott
Project Department/Office:	Office of Real Estate and Station Planning

TIMELINE:

Previous Actions	<p>January 2003 - The Board of Directors amended the Mass Transit Plan to include the construction of a 1,290 space garage to replace the surface parking and provide expanded capacity.</p> <p>June 2005 - The Board of Directors approved the opening of the garage and the continuing use of the surface lot on a temporary basis until the land was needed for Joint Development.</p> <p>2003-2014 - Unsuccessful attempts were made to execute a Joint Development project.</p> <p>July 2015: Metro issued a Joint Development Solicitation seeking development of the site. This was amended in September 2015 to exclude the northern portion of the site.</p> <p>April 2016: Metro staff selected Gilbane Development Company as the developer, subject to Board approval and FTA concurrence.</p> <p>July 2016: The Board approved the selection of Gilbane Development Company and authorized staff to negotiate and execute a term sheet.</p>
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	<p>October 2016: Metro's General Manager and Treasurer provided certification to Metro's bond trustees that the removal of the surface Park & Ride lot is permitted under Metro's gross revenue bond covenants.</p>
<p>Anticipated actions after presentation</p>	<p>Winter/Spring 2017:</p> <ul style="list-style-type: none"> • Execute the JDA • Negotiate a ground lease and associated easements to implement the project, consistent with the JDA • Seek FTA concurrence • Hold a Compact Public Hearing <p>Summer 2017: Seek Board approval of the Compact Public Hearing Staff Report for changes to the College Park-U of Md Metro Station.</p> <p>Spring 2018: Close on the ground lease. The Developer anticipates beginning construction in 2018.</p>

RECOMMENDATION:

Approve a Joint Development Agreement with Gilbane Development Company for private development on a portion of Metro's property at College Park-U of Md Metro Station.
 Authorize staff to hold a Compact Public Hearing on the removal of the surface parking lot.

SUBJECT: APPROVAL TO NEGOTIATE AND EXECUTE A JOINT DEVELOPMENT AGREEMENT WITH GILBANE DEVELOPMENT COMPANY FOR JOINT DEVELOPMENT AT THE COLLEGE PARK-U OF MD METRO STATION; AND CONDUCT A WMATA COMPACT PUBLIC HEARING FOR PARKING CHANGES AT THE COLLEGE PARK-U OF MD METRO STATION

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

WHEREAS, The Washington Metropolitan Area Transit Authority (WMATA) issued Joint Development Solicitation 2015-01, requesting proposals for the private development of a portion of the WMATA-owned land at the College Park-U of MD Metrorail Station (Metro Station) in College Park, Maryland (College Park Joint Development Site); and

WHEREAS, The College Park Joint Development Site consists of an approximately 5-acre surface parking lot at the Metro Station and an adjacent 1-acre area known as the Brook Parcel, but does not include the Metro Station entrance, the existing bus loop, or the existing Kiss & Ride area; and

WHEREAS, In Board Resolution 2016-33, the Board of Directors authorized staff to negotiate and enter into a non-binding term sheet with Gilbane Development Company, subject to Board approval of any binding agreement, and such a non-binding term sheet was signed on September 9, 2016; and

WHEREAS, WMATA and Gilbane Development Company have negotiated a proposed Joint Development Agreement (JDA) that is acceptable to both parties; and

WHEREAS, Pursuant to the proposed JDA, Gilbane Development Company will ground lease the Joint Development Site from WMATA for a term of 98 years in exchange for a payment of approximately \$14.2 million, as well as Metro receiving a share of proceeds from future capital events and construct approximately 430 units of multifamily housing and 11,900 square feet of retail space, with associated parking for residential and retail use; and

WHEREAS, In 2005, WMATA constructed a 1,290-space garage at the Metro Station to replace up to 600 surface parking spaces in support of Joint Development; and

WHEREAS, Pursuant to the proposed JDA, the 530-space surface parking lot on the College Park Joint Development Site will be removed to support the proposed Joint Development project, with no additional replacement parking being provided; and

WHEREAS, The removal of the surface parking lot is an alteration to the Adopted Regional System (ARS) for which the WMATA Compact requires a public hearing; and

WHEREAS, Any binding JDA shall be subject to any further requirements imposed by the WMATA Board of Directors following a public hearing on the proposed alteration to the ARS; and

WHEREAS, WMATA staff seeks Board of Directors approval to negotiate and execute a binding JDA on substantially the terms set forth above; and

WHEREAS, WMATA staff seeks Board of Directors approval to conduct a public hearing on the proposed changes to the ARS; now, therefore be it

RESOLVED, That the Board of Directors hereby authorizes staff to negotiate and execute a binding JDA with Gilbane Development Company for the development of the College Park Joint Development Site substantially on the terms set forth above; and be it further

RESOLVED, That in accordance with Sections 13-15 of the WMATA Compact, the Board of Directors authorizes staff to hold a public hearing on the elimination of the 530-space surface parking lot at the Metro Station; and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with Section 8 (b) of the WMATA Compact.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel