

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202053

Resolution:
☒ Yes ☐ No

TITLE:

West Falls Church Metro Station Joint Development

PRESENTATION SUMMARY:

Staff will present development opportunities at West Falls Church Station and request Board approval to issue a Joint Development Solicitation. Staff intends to issue a limited solicitation to developers involved with the real estate transactions on the adjacent public properties.

PURPOSE:

- To seek Board authorization to issue a Joint Development Solicitation for the West Falls Church Metro Station.

DESCRIPTION:

Metro owns 24 acres on the south side of I-66 that could accommodate joint development by the reconfiguration and relocation of bus bays, Kiss & Ride, and Park & Ride spaces. Metro has completed a joint development feasibility study and evaluated the future transit needs and potential transit-oriented development at West Falls Church Metro Station. The site can accommodate the replacement of parking on a one-for-one basis, the relocation of bus bays and a reconfigured Kiss & Ride, as well as include 500-700 units of new residential development, 150,000 square feet of office and 50,000 square feet of retail.

Two adjacent property owners are public entities, both of which have redevelopment plans in process. The City of Falls Church has selected a developer to redevelop 10 acres for approximately 1.2 million square feet of mixed use development. The other property owner, Virginia Tech has received two proposals for a mixed-use education, housing and office development.

To gain the greatest ridership benefits from the proposed adjacent development, Metro's property should be redeveloped with the necessary pedestrian and urban environment continuity with the two other developments. Staff recommends issuing a joint development solicitation to the two developers who bid on the City of Falls Church request for proposal and who are currently bidding on the Virginia Tech parcel. Both developers are qualified developers in the region and have significantly

studied the site. Metro would benefit most from being able to assemble its property with one of the two adjoining property developers.

Key Highlights:

- Two adjoining public property owners (the City of Falls Church and Virginia Tech) are engaging developers to redevelop two properties adjacent to the West Falls Church Metro Station as education-based, mixed-use developments.
- Metro analyzed the concept of how a master plan for combined properties could garner higher ridership than separately planned sites.
- Staff desires to issue a Joint Development Solicitation to the two developers who have proposed on both the City of Falls Church request for proposal and the Virginia Tech redevelopment opportunity.

Background and History:

Metro owns 24 acres on the south side of I-66, which could accommodate joint development by the reconfiguration and relocation of bus bays, kiss & ride, metered and Park & Ride spaces. After the opening of the Silver Line, ridership from the West Falls Church Metro Station significantly dropped.

Earlier in 2018, Metro completed a joint development feasibility study and evaluated the future transit needs and potential transit oriented development at West Falls Church Metro Station. This study took into account three major external influences that will directly impact ridership at this Metro station.

The Virginia Department of Transportation (VDOT) will begin construction in Summer 2019 on a new highway connector ramp that will provide direct access from I-66 eastbound to the West Falls Church Metro station. This new connection off of I-66 is estimated to carry an estimated 1,000 cars to the West Falls Church Metro Station per day.

In November 2018, the City Council of the City of Falls Church selected a development team (a partnership between EYA, PN Hoffman and Regency Centers) to redevelop a 10.3-acre site at the current George Mason High School campus to include 1.2 million square feet of retail, office, residential, hotel and civic space uses. Adjacent to Metro's property, the development promises new ridership potential at West Falls Church Metro Station. The first phase of the development is expected to be completed in 2023.

Virginia Tech and the University of Virginia occupy a 100,000 SF academic facility on a 7.5-acre site. In August 2018, Virginia Tech received an unsolicited offer under Virginia's Public-Private Education Facilities and Infrastructure Act, for the redevelopment of its site adjacent to the West Falls Church Metro Station. Currently, Virginia Tech is reviewing the two development proposals it has received, one proposal provided by HITT-Rushmark, the other by EYA-PN Hoffman-Regency.

The joint development feasibility study concluded that one-for-one replacement parking was required, and that the existing surface parking spaces could be consolidated into an expansion of the existing Metro garage. The joint development feasibility study also identified a way to consolidate the bus loop into the ground floor of the parking garage, thereby freeing up land directly in front of the station entrance for development. In total, by consolidating the bus and parking functions, Metro can accommodate on its property at least 500 residential units, 150,000 square feet of office and 50,000 square feet of retail.

Lastly, Fairfax County is currently undertaking a process to update its Comprehensive Plan through potential Site Specific Plan Amendments. Metro filed an amendment to allow for additional development flexibility on the Metro property. The amendment process is scheduled to be completed in 2019. A developer selected for Metro's site would greatly improve Metro's responsiveness during the Comprehensive Planning process.

Discussion:

The documentation to support the Board's decision to authorize a Joint Development Solicitation is provided herein. The following table provides an analysis of this proposed project based on the approval criteria.

Board Approval Criteria for Joint Development	Staff analysis
<i>Maintains or enhances transit ridership, safety and/or access</i>	VDOT's I-66 ramp to the Metro Station and the two adjoining public-private partnerships will enhance ridership and transit access. To maximize ridership, however, Metro's property should be master planned with the adjacent property plans and redeveloped to ensure seamless pedestrian continuity from the development to the station entrance. Metro recommends one-for-one replacement parking, and one-for-one bus bay replacement.
<i>Maintains or enhances WMATA's ability to operate transit services and/or maintain the transit system</i>	The proposed plan does not impact Metro's ability to operate transit services. The Metro station itself is across I-66 and not at the joint development site.
<i>Has a positive net fiscal impact for WMATA</i>	Metro could gain up to \$688,000 to \$1 million in annual ridership revenue, based on an analysis of the development potential of its own property using Metro's Station using Metro's Station Walk Area Ridership Model. However, when one includes the estimated ridership from the City of Falls Church development and the Virginia Tech

	development, it is possible that annual ridership revenues could increase by an estimated \$2,460,000 to \$3,470,000. Additionally, Metro would benefit from real estate revenues.
<i>Is consistent with or enhances local land use and economic development plans</i>	In December 2017, Metro submitted an amendment to the Fairfax County Comprehensive Plan, which will be fully analyzed and vetted by Fairfax County. Ultimately, the County's land use approvals will be what Metro will adhere to.
<i>Complies with FTA Guidelines</i>	This will be a requirement.

Metro Joint Development policies call for a competitive selection process, though an exception is permissible for land assemblage opportunities from adjacent property owners that would result in a higher density transit-oriented development. In this case, staff is seeking Board approval to issue a limited solicitation to the selected developers adjacent publicly-owned property. This is intended to achieve the policy goal of achieving higher density. By controlling two adjacent sites, a developer will be better able to create a plan that maximizes density, by having greater flexibility for the distribution of density and uses in the station area. The developer can also support the local government's comprehensive plan update process, by creating a more comprehensive vision for the station area.

FUNDING IMPACT:

Joint Development is a revenue-producing activity for Metro, which results in new ridership revenue and real estate revenue.	
Project Manager:	Andy Scott, Senior Real Estate Advisor
Project Department/Office:	CFO/LAND

TIMELINE:

Previous Actions	(No relevant previous Board actions)
Anticipated actions after presentation	<p>Winter/Spring 2019 – Continued coordination with adjoining projects. Negotiate a Joint Development Agreement with a developer selected for an adjacent site.</p> <p>TBD – Board authorization to Execute a Joint Development Agreement.</p>

RECOMMENDATION:

- Board authorization to issue a Joint Development Solicitation for the West Falls Church Metro Station.

PRESENTED AND ADOPTED: January 24, 2019

**SUBJECT: AUTHORIZATION TO ISSUE A JOINT DEVELOPMENT SOLICITATION FOR
THE WEST FALLS CHURCH METRORAIL STATION**

2019-01

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

WHEREAS, Resolution 2018-13 requires WMATA Board of Directors' authorization to offer sites in a joint development solicitation; and

WHEREAS, Staff anticipates that ridership at the West Falls Church Metrorail Station will increase as a result of the completion of a planned highway interchange project and other access improvements constructed by the Virginia Department of Transportation; and

WHEREAS, The Metro site lies between properties owned by the City of Falls Church and Virginia Tech, both of which are considering public-private partnerships for the redevelopment of their respective parcels with transit-oriented developments and new facilities to address their institutional goals; and

WHEREAS, Staff seeks to maximize density in the station area and increase transit ridership, by coordinating the development of the Metro site and the adjacent sites by selecting a developer from one of the adjacent public-private partnerships; and

WHEREAS, Staff recommends issuing a joint development solicitation for the West Falls Church Metrorail Station, therefore be it

RESOLVED, That the Board of Directors hereby authorizes the General Manager/Chief Executive Officer to issue a Joint Development Solicitation for the West Falls Church Metrorail Station, and be it finally

Motioned by Mr. Dorsey, seconded by Mr. Smedberg

Ayes: 8 – Mr. Evans, Mr. Crawford, Mr. Smedberg, Mr. Horner, Mr. Price, Mr. Goldman, Mr. Dorsey and Mr. McMillin

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

Reviewed as to form and legal sufficiency,

A handwritten signature in blue ink, appearing to read "Patricia Y. Lee", is written over a horizontal line.

Patricia Y. Lee
General Counsel

WMATA File Structure No.:
21.9.1 Joint Development Solicitation and Request for Proposal