



Capitol Heights Development Opportunity

Capitol Heights Metro Station

Washington Metropolitan Area Transit Authority

Joint Development Solicitation # 2024-04 – Request for Qualifications

Image Source: Prince George's County Economic Development Platform, 2021

Table of Contents

01 The Opportunity

Executive Summary	03
Joint Development Goals and Program Guidelines	05
Site Description	06
Public Support and Investment	11
Submarket Overview	12

02 Development Considerations

Metro Requirements	15
Site Conditions	17

03 Proposal Submission

Solicitation Process Overview	20
Submission Requirements	22
Evaluation Criteria	25
Evaluation Process	26
Developer Selection	27

04 Appendix 28

Appendix A: Site Information and Background	
Appendix B. Definitions	
Appendix C. General Conditions	
Appendix D. Developer Certifications	
Appendix E. Technical Proposal	



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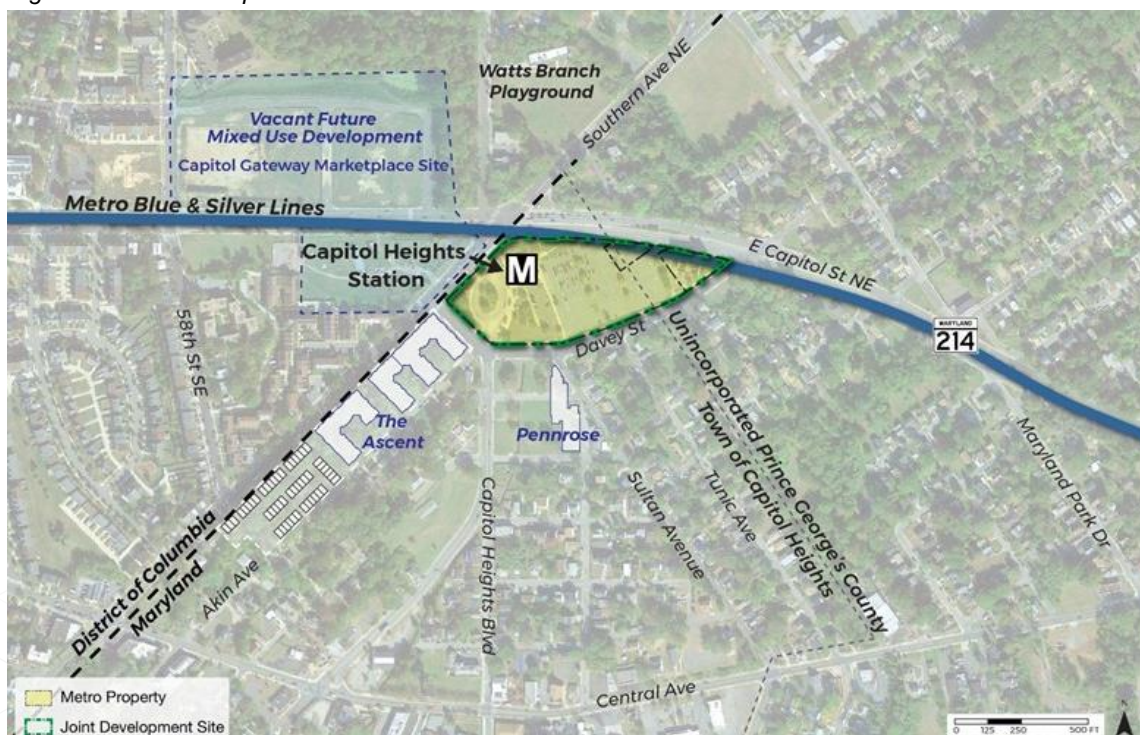
The Opportunity

Executive Summary

The Washington Metropolitan Area Transit Authority ("WMATA" or "Metro") operates the third-largest heavy rail system and sixth-largest bus network in the United States and serves the Washington DC, Maryland and Virginia mega-region. Metro's transit system is critical to the regional economy and employs more than 12,000 employees who serve the region's customers every day. Metro's long-term strategy and day-to-day decision-making are guided by its Strategic Transformation Plan, [Your Metro, The Way Forward](#). The plan guides Metro's priorities and actions over the next five years as Metro works to meet the evolving needs of its customers, regain ridership post-pandemic, and respond to changing mobility patterns to ensure Metro meets the needs of the community.

Since 1975, Metro has completed 55 joint development projects totaling 17 million square feet at 30 Metro stations, more than any other transit authority in the country. Joint development is private development on transit-owned property that requires construction of and/or coordination with transit facilities. By leveraging private investment, Metro brings housing, jobs, retail and services closer to Metro stations and helps advance the region's sustainability and climate goals. Joint development creates more dynamic station environments, increases Metro ridership, contributes to regional housing production goals and expands the regional tax base. This solicitation advances [Metro's 10-Year Strategic Plan for Joint Development](#) and Metro's goal of executing 20 joint development agreements over the next 10 years.

Figure 1: Joint Development Site Location



Executive Summary

Opportunity Overview

The Washington Metropolitan Area Transit Authority (“Metro”) is seeking a qualified team for development of the existing Park & Ride surface lot and bus loop (“the site”) adjacent to the Capitol Heights Metrorail station, a six-acre assemblage along East Capitol St NE. Based on Metro’s analysis, the site may be conducive to market-rate, workforce, and affordable housing development up to 600,000 square feet. Metro welcomes creative programmatic and financing strategies to achieve the joint development vision for the site and recognizes the uses proposed will understandably impact considerations such as phasing or overall development program/density on the site

Metro has approved the closure of the Park & Ride surface lot and the joint development is not required to replace Metro commuter parking. The State of Maryland has committed nearly \$17 million in funding for other site infrastructure and transit facility improvements to support joint development at the station. The station is an integral part of the Blue Line Corridor vision, a consolidated planning and economic development effort by Prince George’s County to catalyze growth and further private investment along the transit corridor. This effort is backed by \$450 million in state funding to advance economic development initiatives along the corridor. Metro has approved the closure of the parking lot for joint development and replacement parking is not required.



Maximum Building Size

Up to 600,000 Square Feet

- 6.12 Total Acres of Land
- 3.88 Developable Acres



Development Potential

Zoning Category:

LTO-C

Allowable Uses:

Multifamily, retail, office, other

Parking: No Minimum

Height: 24-80 Feet



Transportation Network

Multi-Modal Access

- Adjacent to Capitol Heights Metrorail Station & bus routes
- Weekday rail ridership = 1,500
- Weekday bus ridership = 1,900
- 59 Walk Score; 73 Transit Score

Solicitation Schedule and Process

Metro’s anticipated schedule for this solicitation is outlined in the table below. Developers must register for this solicitation to attend the pre-proposal conference and to download Appendix items. Registration can be completed on the Capitol Heights page of the [Metro Solicitations](#) website.

Metro will evaluate proposals and shortlist developers for participation in a future RFP for joint development at the Capitol Heights site. However, Metro reserves the right to designate a Selected Developer from this RFQ.

ACTIVITY	DATE
RFQ Release	September 18, 2024
Pre-Proposal Conference	September 30, 2024 at 10:00 AM
Site Visit	October 2, 2024 at 10:00 AM
RFQ Questions Due	October 16, 2024
RFQ Question Responses Provided	October 25, 2024
RFQ Response Due	December 13, 2024 at 4:00 PM
Shortlisted Teams Selected	Winter 2025
RFP Released to Shortlisted Teams	Winter 2025

Proposal Submission

Developers must submit an electronic copy of their response in PDF format, no later than 4:00 PM ET on the due date provided in the schedule above. Responses should be sent to CapitolHeightsJD@wmata.com, with the subject: “Capitol Heights RFQ 2024-04”.

Joint Development Goals & Program Guidelines

Joint development is defined as private development on transit-owned property that requires construction of and/or coordination with transit facilities. By leveraging private investment, Metro brings housing, jobs, retail and services closer to transit accessible locations and helps advance the region's sustainability and climate goals. Metro's 10-Year Strategic Plan for Joint Development set a goal of executing 20 joint development agreements over the next 10 years.

Joint development creates more dynamic station environments, increases Metro ridership, contributes to regional housing production goals and expands the regional tax base. Current joint developments generate nearly \$200 million per year in state and local tax revenue and future joint developments could add an estimated \$340 million per year.

Metro's Joint Development Goals



Generate new ridership and create value

Joint development increases ridership and creates value around existing Metro facilities by transforming parking lots and underutilized land into vibrant, mixed-use, higher density communities.



Foster a dynamic built environment that provides a sense of place

Joint development encourages transit-oriented development that prioritizes transit, pedestrian, and bicycle access and placemaking that strengthens local communities.



Support transit-oriented economic development

Joint development supports local and regional economic development priorities by attracting new jobs, industries and housing that generates net new state and local tax revenue on previously tax-exempt land.



Supporting local housing opportunities

Joint development contributes to the region's housing production goals and encourages collaboration between Metro and local jurisdictions to create innovative financing tools (for example, Montgomery County's tax abatement for high-rise housing on Metro property).

Metro's Joint Development Program Guidelines

Joint development must adhere to the requirements of the Federal Transit Administration (FTA) and Metro Board policies. The Joint Development Agreement and any Metro property-related terms negotiated with the developer are subject to FTA and Metro Board approval. The program is guided by:

- [Metro's Joint Development Program Guidelines](#)
- [Metro's Station Area Planning Guide](#)
- [Metro's 10-Year Strategic Plan for Joint Development](#)
- [Federal Transit Administration Guidance on Joint Development](#)

Site Description

Vision

The future Joint Development is an important opportunity to revitalize the Capitol Heights Metro station. The new development should fit seamlessly into the Town of Capitol Heights, providing appropriate diversity of housing sizes, amenities and commercial uses that complement the existing residential neighborhood. Commercial uses should cater to transit riders and the local residential community. Metro envisions a project that is consistent with Prince George's County zoning and Blue Line Corridor economic development objectives. The future Joint Development should employ transit-oriented development best practices, such as minimizing parking spaces, and delivering a connected and walkable environment. Metro encourages the inclusion of public art, consideration for quality public realm design, and/or other placemaking strategies to activate and distinguish the development.

Location

The site is located at 5500 Davey Street in Capitol Heights, Maryland, and is immediately adjacent to the Capitol Heights Metrorail Station, which serves the Blue and Silver Lines. It is accessible from the north via East Capitol St (MD 214), from the south via Davey St, and from the west by Southern Ave SE. It is bounded on all sides by public roads.

The site is approximately 6.12 acres (~265,000 square feet) and currently includes a bus loop, Kiss & Ride area, and a 372-space Park & Ride. A small portion of the site to the east is in unincorporated Prince George's County and is currently in use as a traction power substation (TPSS) and chiller plant (substation and chiller plant are referred to throughout this document as "Utility Plant"). Special considerations will need to be made by the developer if any development is proposed adjacent to or above the box culvert.

Planning Priorities

The Capitol Heights Transit District Development Plan (TDDP) developed by the Maryland-National Capital Parks and Planning Commission (M-NCPPC) identified several planning and development priorities for the Capitol Heights Metro Station, including:

- Distinctive design to create a landmark development for the Town of Capitol Heights with consideration of high quality.
- Pedestrian experience that promotes safe, walkable approaches to and from the station.
- Low-Impact Development (LID) features to mitigate the potential environmental impacts of excess stormwater runoff from paved and other impervious surfaces. In addition, well-designed LID features permit more compact and environmentally friendly development. Typical LID features include green roofs, rain gardens, bioswales, micro pools, and other creative uses of open space.
- Provide opportunities for diverse ground floor uses that serve both the needs of the commuters and Capitol Heights residents.
- Well-designed environments combine natural and built elements in a manner that encourages people to experience them close-up, i.e., on foot or bicycle.

Site Description

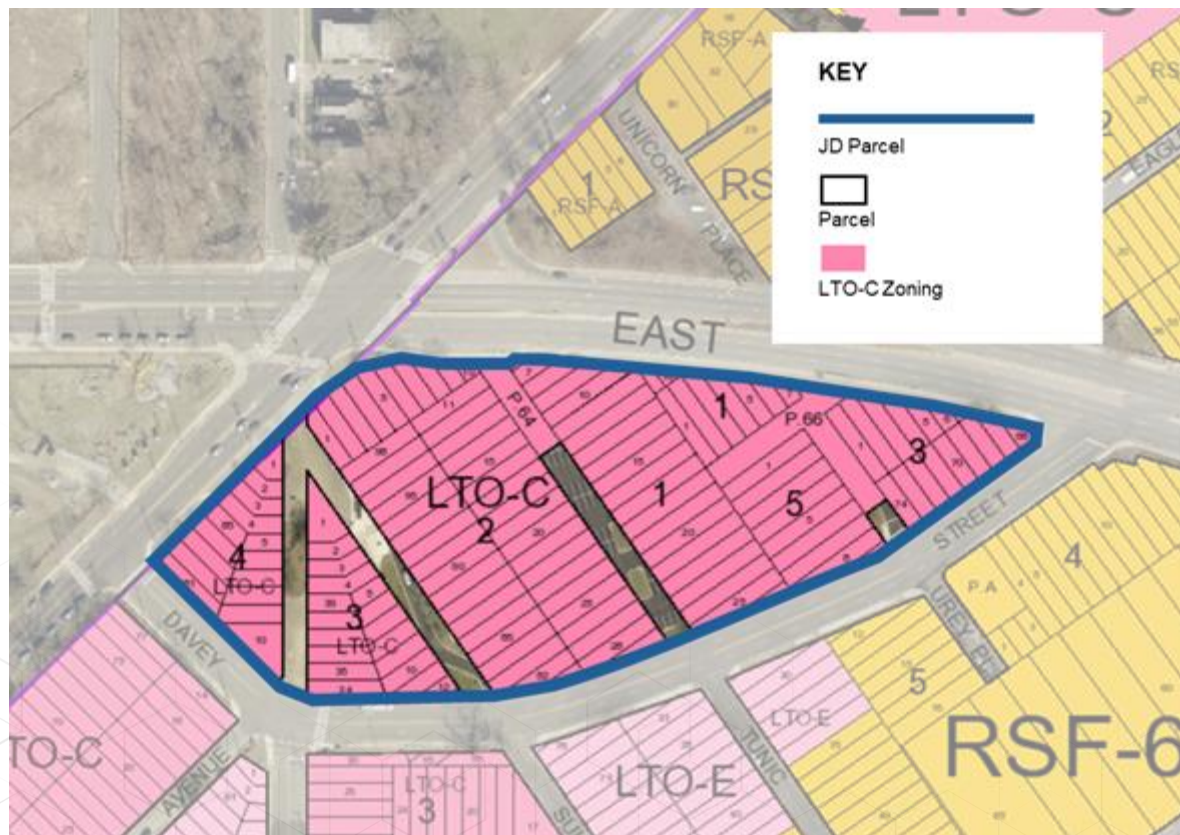
Existing Zoning and Land Use

Zoning for the site is under the authority of Prince George's County Planning Department and is subject to Prince George's County Zoning Ordinance. The current zoning for the Metro parcels is Local Transit-Oriented – Core (LTO-C), which is intended to promote moderate-intensity, vibrant, and transit-rich mixed-use centers.

- Multifamily residential, retail, office, and other uses are allowed and have no minimum parking requirements.
- LTO-C zoning permits block lengths from a minimum 200 feet to a maximum 600 feet.
- The Floor Area Ratio (FAR) must be between 0.5 to 3.0 for the nonresidential component of development.
- A minimum lot coverage of 65% to a maximum of 100% is allowed.
- 70% of a building's width is required to be within a setback minimum of 15 feet to maximum of 27 feet from adjacent streets.
- The principal structure height must be between 24 and 80 feet.

Based on total property size and infrastructure needs, Metro's initial site conceiving analysis estimated that full buildout of the site could support up to 600,000 square feet of total development, though total density will vary based on market and financial feasibility.

Figure 2. Joint Development Parcel Zoning and Lot Map



Site Description

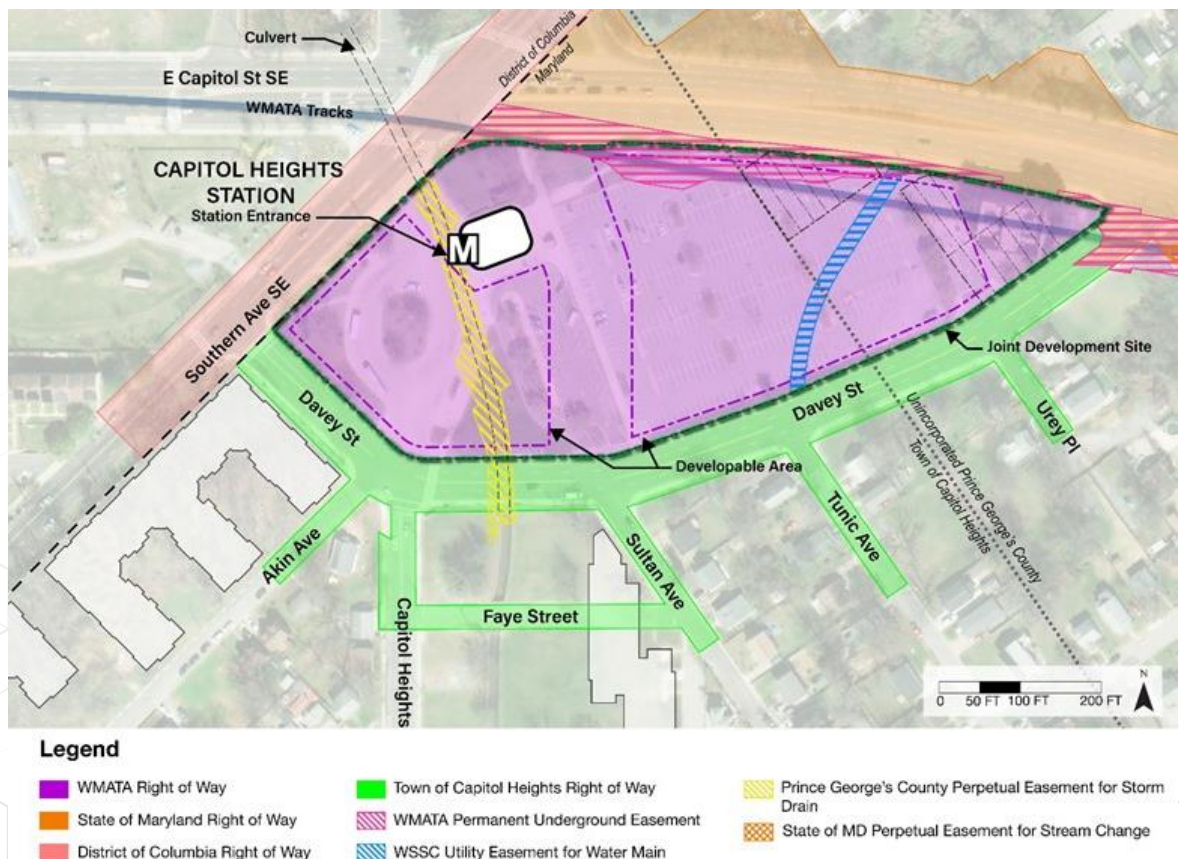
Existing Zoning and Land Use

A zoning amendment is not required to accommodate joint development on the site but would be needed to develop at a density consistent with Prince George's County's Blue Line Corridor Vision. While the intent of the LTO-C zone is compatible with Metro's goals for the site, the zoning designation is intended for standard blocks approximately 200 feet wide. The unique shape and topography of the site, as well as on-site transit-related infrastructure not typically found on a development parcel, may render future development incompatible with specific requirements of the zoning designation. For example, accommodating the existing Metro station entrance and plaza area, bus transitway, and other on-site transportation infrastructure may reduce achievable lot coverage of potential development below minimum requirements for the LTO-C zone. In that instance, a zoning amendment would be needed to recognize the unique nature of the site. In addition to minimum lot coverage, other potential zoning considerations for awareness include nonresidential development density and building setbacks.

Additionally, while most of the site is within the Town of Capitol Heights, the eastern portion lies within unincorporated Prince George's County. For those parcels within Prince George's County, entitlements will only be required from the County. For the parcels in the Town of Capitol Heights, entitlements will also have to be obtained from the Town separately, as well as any relevant utility permits. The developer should confirm with which jurisdiction to apply for entitlement and how taxes and other administrative matters are governed.

All developers should independently verify their proposals align with zoning requirements and development guidelines established by the Prince George's County Zoning Department.

Figure 3. Joint Development Site Rights of Way and Easements



Site Description

Figure 4. Bus loop from Southern Avenue egress



Figure 5. Park and Ride entrance and adjacent utility plant to the east



Site Description

Development Potential

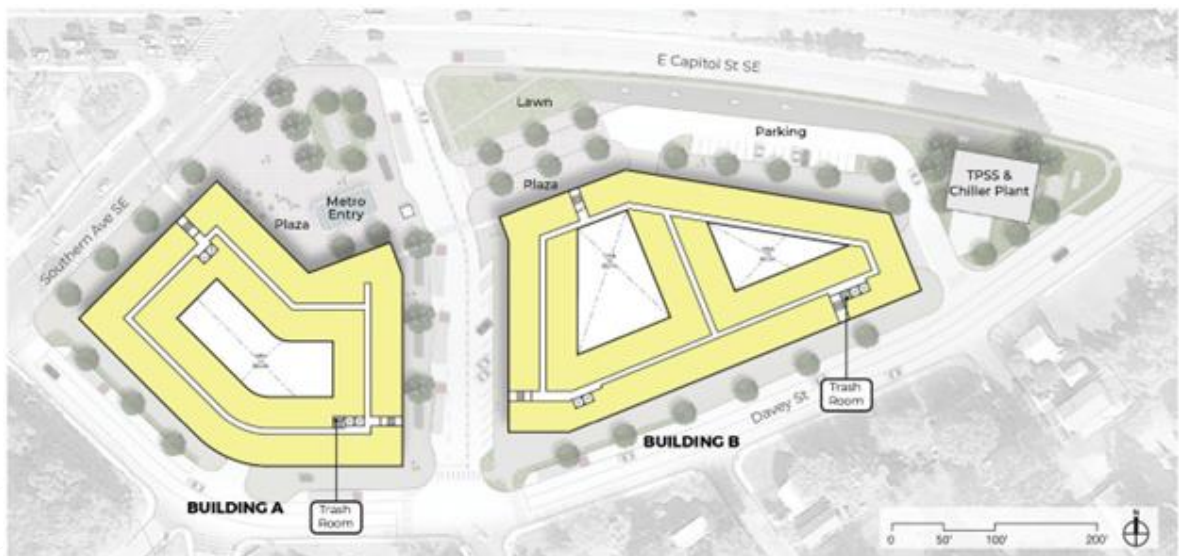
Joint development of the Capitol Heights site is the culmination of long-running planning efforts. Metro conducted studies for the site to confirm transportation needs and infrastructure requirements, evaluate site opportunities, and explore the potential for private residential or commercial uses. As part of that effort, Metro engaged in meetings with the County's Office of Planning, M-NCPPC, and nearby property owners. Additionally, Metro developed layout and massing analysis that responded to all identified site constraints, existing market conditions, and the following programmatic goals:

- Realignment of bus loop through site into a one-way bus-only transitway
- Preservation of existing WMATA Metrorail facilities and associated infrastructure
- Clear establishment of development pads for supporting private development

Metro recognizes that the current environment for new development is challenging and will require a team that is effective in attracting diverse sources of funding to support financial feasibility and achieve the vision for the site. Metro also recognizes the uses proposed will understandably impact considerations such as phasing or overall development program/density.

Figure 6 provides a demonstrative example of maximum site buildout (for illustrative purposes only). See Appendix A for planning studies and relevant documentation completed to date for the Station area.

Figure 6. Typical Residential Level, Conceptual Site Drawing



Public Support and Investment

Blue Line Corridor Investments

The Capitol Heights Station is an integral part of the Blue Line Corridor vision, a consolidated planning effort to transform the transit corridor into an economic engine for the County by catalyzing development, creating jobs, and incentivizing the development of a sports and entertainment-branded corridor.

The planning effort is backed by \$450 million, including up to \$400 million in bonds from the Maryland Stadium Authority to advance economic development and \$50 million in direct additional funding from the State to support planning and implementation. This funding will be used to support construction of a range of new signature facilities along the Corridor, including an amphitheater, market hall, central library and cultural center, civic plaza, and youth sports fieldhouse. Additional public investment in infrastructure will support the development of “complete streets” and the Central Avenue Connector Trail. Redevelopment of the joint development site is well-aligned with the County’s overarching vision for the corridor and provides a strong opportunity for collaboration and support.

In May 2024, Maryland announced a nearly \$17 million funding allocation to support infrastructure improvements at the Capitol Heights Metro Station that will support future development on the site. Please see the [Metro press release](#) and [Senate Bill 361](#) (p. 55) for additional information.

Housing

The Maryland Department of Housing & Community Development (DHCD) strongly supports transit-oriented development efforts, especially increasing housing density near transit stops, affordable housing projects, and mixed-use redevelopment. To this end, DHCD is enhancing its engagement in Joint Development activities in a number of important ways to help facilitate more effective and efficient processes for bringing DHCD resources and expertise into Joint Development projects.

In order to provide additional clarity to developers, planners, partner agencies, and other stakeholders, DHCD has provided the following commitments to Joint Development projects:

1. Incentive Points will be awarded for Low Income Housing Tax Credit (LIHTC) applications for affordable Housing projects located within Joint Development areas, as clarified in [Maryland’s 2024 Qualified Allocation Plan \(QAP\) & Rental Housing Program Guide](#).
2. Special consideration will be granted for applications for [State Revitalization Program \(SRP\) resources](#), such as Maryland’s Strategic Demolition Fund, Community Legacy Program, etc., for activities within Joint Development areas.
3. Senior staff liaisons will be assigned to help troubleshoot applications for DHCD resources for Joint Development activities and to facilitate connections and navigate processes within other Maryland State agencies when appropriate.
4. DHCD staff will be involved as needed and where appropriate in reviewing and providing feedback on project proposals to help increase the likelihood that plans are structured and timed to be able to make use of DHCD and other State resources.

Geographic Economic Development Programs

The Capitol Heights site is eligible for a number of economic development programs that may provide additional opportunity for resources or funding tools for development, including:

- [Qualified Census Tracts \(QCT\)](#): Qualified Census Tracts have access to additional resources and priority for new investments.
- [Enterprise Zone](#): Maryland Enterprise Zone provides property and state income tax credits for businesses in exchange for job creation and investments.
- [Opportunity Zone](#): The Opportunity Zone program is administered by the U.S. Treasury and provides federal tax incentives for investment in selected communities.

Submarket Overview

Recent and Planned Development

Development in the Capitol Heights station area, defined as a one-mile radius from the station, includes 372 multifamily units and a small amount of ground floor retail since 2015. Four large-scale projects are planned:

Under Construction and Recently Delivered:

- **Park Place at Addison Road Metro (Delivery 2025)**
193 units, income restricted, 6 floors
- **The Strand (2024)**
86 units with ground-floor retail, income restricted, 6 stories
- **The Turner Flats at Beulah Crossing (Completed 2023)**
38 units, market rate, 4 floors
- **5900 Foote Street NE (Completed 2023)**
16 units, market rate, 3 floors
- **EastBrooke at Beulah Crossing (Completed 2015)**
39 units, income restricted, 4 floors

Planned Projects:

- **The Ascent at Capitol Heights Metro**
280 units, income restricted, 6 floors
- **210 on the Park**
130 units, income restricted, 5 floors
- **Pennrose**
111 units, income restricted
- **Capitol Gateway Marketplace**
11-acres for grocery-anchored, mixed-use development



The Strand

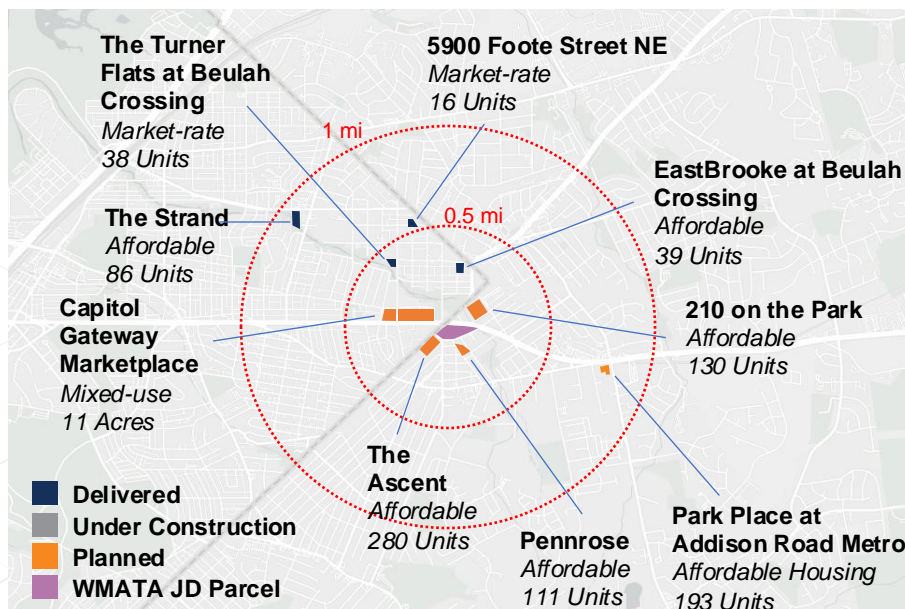


Turner Flats at
Beulah Crossing



EastBrooke at
Beulah Crossing

Figure 7. Recent and Planned Development in the Station Area



Source: CoStar, Metro research and outreach

Submarket Overview

Demographics

Between 2010 and 2020, the population of Prince George's County grew by 12% and the population in the Capitol Heights station area grew by 4% to 23,668. Limited new development in the area and the site's attractive location offers potential for both market-rate and affordable housing development. A residential gap analysis completed by Metro consultants in 2023 indicates demand for more than 350 units, both market-rate and affordable, within the 1-mile station area through 2027. Additional demographic and market information is provided in Appendix A.

Accessibility

Given Capitol Height's central location and regional access by both transit and nearby roadways, more than 1 million jobs are reachable within a 30-minute commute. From the Capitol Heights station, a Metro rider can reach Downtown DC in less than 20 minutes and Arlington, Virginia in 35 minutes.

Capitol Heights Station Area Quick Facts

23,668

Total population within one mile (2023)

1M+

Jobs within a 30-minute commute

\$57K

Median income within one mile (\$2023)

372

Multifamily units under constr. or recently delivered within one mile

\$2.35

Class A market-rate multifamily rent in Prince George's County (\$/SF/Month)

7.4%

Market-rate multifamily vacancy rate

\$2.10

Average affordable multifamily rent within one mile (\$/SF/Month)

1.8%

Affordable multifamily vacancy rate

02

Development Considerations

Metro Requirements

Transit Facility Infrastructure

As part of planning work to date, Metro has confirmed site infrastructure needs to support transit operations at the station. **Metro does not require replacement of the existing Park & Ride facility at Capitol Heights.** WMATA held a Compact Hearing November 8, 2023 to solicit community input on changes to the Capitol Heights Metro Station including closing the existing 372-space Park & Ride facility, relocating the bus loop, and relocating and reducing the Kiss & Ride facility to eight spaces. Metro obtained public input on the proposed changes through February 23, 2024 and published the Compact Hearing staff report in February 2024. On April 25, 2024, the WMATA Board of Directors approved the Compact Hearing staff report and Mass Transit Plan changes that enable joint development and increase transit ridership.

Metro's transit infrastructure work will be funded through a [state budget allocation](#) of almost \$17 million. The responsibility to construct the improvements is to be determined.

The proposed infrastructure changes and corresponding development potential provide an opportunity to enhance placemaking as well as pedestrian safety, accessibility, and walkability for passengers arriving or departing the station by bike or walking.

This section details requirements for replacement of on-site facilities, what Metro and developers will be accountable for, and what developers must be responsive to in their proposal. Metro's Office of Real Estate and Development worked with internal stakeholders to identify transit facility needs.

- The following facilities must remain in place:
 - **Traction Power Substation (TPSS)** – The TPSS and chiller plant serving the station is located at the east end of the site and must be retained in its current location. The existence of vent and exhaust shafts at the west end of the station cavern and water chiller plant, traction power substation (TPSS), vent shaft, and emergency shaft at the east end of the station cavern, as well as the site's proximity to the underground tracks will require coordination with Metro for the structural design of the future development.
 - **Station Entrance and Elevator** – The station entrance and elevator must be retained in its current location.
- Replacement of the following facilities will NOT be required:
 - **Park & Ride** – The existing 372-space surface parking lot will serve as the primary development pad. Existing parking does not need to be replaced.
- Replacement of the following facilities will be funded by Metro:
 - **Bus-Only Driveway** – The existing bus loop will be realigned and transitioned into a one-way, bus-only driveway bisecting the site and linking East Capitol St NE with Davey Street. The selected developer will not be responsible for reconfiguring the existing bus loop. However, developers should assume a development opportunity based on the proposed layout rather than the existing site layout. The revised layout will increase safety and provide an additional development site on the west side of the site. DDOT, SHA, and MDOT have reviewed the traffic study and recommendations and have provided positive feedback on the report's planned locations of the busway curb cuts and potential signalization of two (2) intersections at both ends of Davey Street.
 - **Kiss & Ride Parking** -- Eight Kiss & Ride spaces must be relocated along the eastern side of the busway. The developer will need to coordinate with Metro to confirm capacity and design requirements.

Metro Requirements

Metro Transaction Structure

Metro prefers a ground lease structure where Metro will retain ownership of the land and the Selected Developer will lease the property for up to 99 years. Metro expects recurring lease payments with the opportunity to participate in cashflows based on the performance of the project and capital events. Metro recognizes that the current environment for new development is challenging and will require a team that is effective in attracting diverse sources of funding to support financial feasibility and achieve the vision for the site. Future financial proposals from developers shortlisted to respond to the forthcoming Request for Proposals (RFP) should clearly articulate all proposed ground lease payment terms (including escalations or resets), which may include predevelopment rent, base ground rent, participating rent, capital event rent, post-amortization rent, or other forms of rent.

Additional Requirements

Joint development of the site must comply with all applicable design requirements as established by Metro, which include, but are not limited to, the following documents.

- [Metro's Joint Development Program Guidelines](#)
- [Metro's Station Area Planning Guide](#)
- [Metro's 10-Year Strategic Plan for Joint Development](#)
- [Federal Transit Administration Guidance on Joint Development](#)

Additionally, Metro is subject to requirements of the Federal Transit Administration (FTA). Terms of the Joint Development Agreement negotiated with the Selected Developer, as it pertains to Metro property, are subject to FTA concurrence.

The local government does not have affordable housing requirements in place that are applicable to the Project. However, developers are encouraged to work with the City and County officials as needed to achieve the local government's housing goals and utilize associated incentives.

Site Conditions

Site Utilities

Utility Relocation Costs

Metro will relocate any sanitary and water lines impacted by the identified transit infrastructure improvements and will coordinate with Prince George's County and WSSC Water, as needed. The replacement utilities completed by Metro are anticipated to be funded using a portion of the \$17 million State allocation for FY 2025. The timing of bus loop realignment is anticipated to precede other development of the site in preparation for private development to be completed by the Selected Developer. Additional information and the timing of the realignment will be provided in a subsequent Joint Development Solicitation RFP

The Developer will be responsible for all coordination and costs associated with relocating existing sanitary and water lines impacted by proposed private development uses. The Developer must coordinate with Prince George's County and WSSC Water, as needed. See Appendix A.4 for approximate locations.

All additional site infrastructure requirements will be the sole responsibility of the developer.

Easements

There is a 16' sewer utility easement through the center of the site, as shown in Figure 8. The easement contains a 42" and 10" sewer line and buildings are not permitted to be constructed over the sewer easement area. Metro's test-fit concept exploring joint development feasibility located an access road over the easement to create two development pads on the site, one north of the easement and one south of the easement.

A Traction Power Substation (TPSS) and chilled water plant are located on the east corner of the site. This cannot be relocated or removed. Metro requires always-available 20-foot access for people and equipment to perform regular maintenance and repair inside the TPSS and to its access points. The Selected Developer, depending upon the final design, will be required to ensure access. Additional information on the easement and site utility considerations is provided in Appendix A.

Additional Due Diligence

A site survey has also been completed. Metro's existing due diligence materials are provided in Appendix A for the station. Any additional site information or due diligence must be conducted by the selected development partner. There are no existing entitlements for the site.

Site Conditions

Figure 7. Proposed Transit Infrastructure

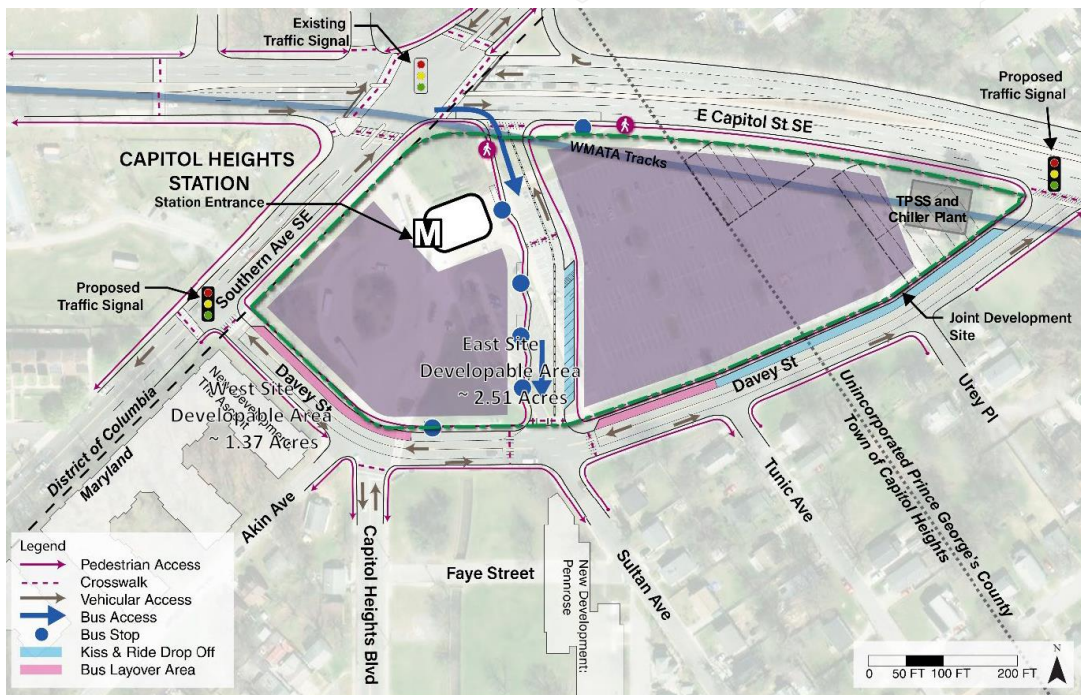
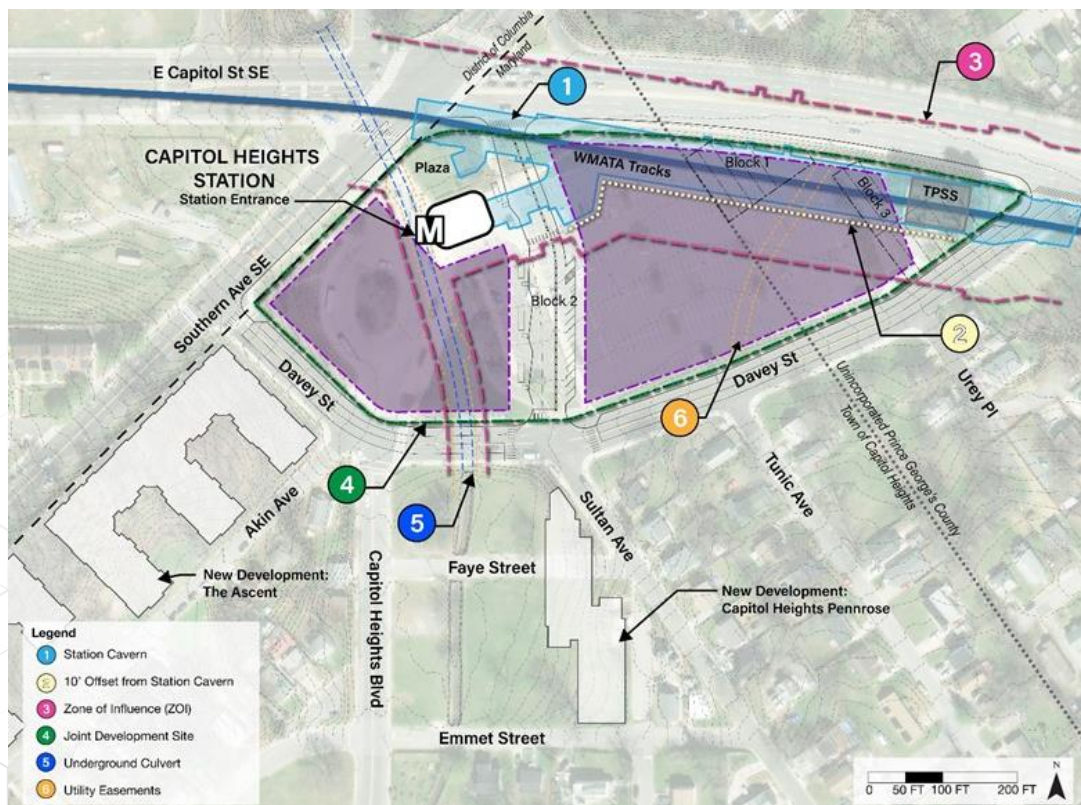


Figure 8. Joint Development Site Utilities and Easements



03

Proposal Submission

Solicitation Process Overview

Parties interested in responding to this Solicitation are required to submit proposals that include developer qualifications, past project experience, and demonstrated financial capacity. Metro encourages proposals to include minority-owned (racial and ethnic minorities and other persons who are members of historically disadvantaged groups) firm participation in the development team composition. Additional details about the site and joint development requirements are found in Appendices A – C. An executable Developer Certification is found in Exhibit D. Full submission requirements are provided in Appendices E.

Please refer to the Solicitation Schedule and Process for important dates for deliverables.

Following proposal submission and evaluation of responses received, Metro anticipates shortlisting developers for participation in a subsequent RFP. Metro also reserves the right to designate a Selected Developer based upon submissions to this RFQ.

Please refer to the Metro Joint Development Solicitation web page for schedule updates.



PRE-SOLICITATION

COMPLETED

Metro has completed and provided preliminary due diligence documents including ZOI analysis, test fits in some cases, and Board-approved Compact Public Hearing staff reports.



SOLICITATION/DEVELOPER SHORTLIST

Fall 2024 - Spring 2025

Metro releases Joint Development Solicitation(s), evaluates proposals, and selects a Developer to commence negotiations.



JOINT DEVELOPMENT AGREEMENT/NEGOTIATION

Summer - Fall 2025

Metro and Selected Developer finalize terms, Metro receives Board approval, and all parties execute Joint Development Agreement (JDA).



PROJECT DEVELOPMENT

2026-2027

Selected Developer leads project entitlements, secures financing, executes ground lease, and begins construction

ACTIVITY	DATE
RFQ Release	September 18, 2024
Pre-Proposal Conference	September 30, 2024 at 10:00 AM
Site Visit	October 2, 2024 at 10:00 AM
RFQ Questions Due	October 16, 2024
RFQ Question Responses Provided	October 25, 2024
RFQ Response Due	December 13, 2024 at 4:00 PM
Shortlisted Teams Selected	Winter 2025
RFP Released to Shortlisted Teams	Winter 2025

The terms of a Joint Development Agreement negotiated pursuant to this joint development solicitation are subject to the approval of the Metro Board of Directors and the FTA.

Solicitation Process Overview

Inquiries

The Pre-Proposal Conference will be held online on the date included in the solicitation schedule in this RFQ. To register, please visit the Capitol Heights Joint Development Solicitation page on the Metro solicitations website.

All developer inquiries concerning this joint development solicitation should be submitted via email to: CapitolHeightsJD@wmata.com, with the subject: "Capitol Heights RFQ 2024-04 Inquiries."

The deadline for receipt of written inquiries is included in the solicitation schedule. Metro will respond in writing to all inquiries received by the deadline, and all responses will be posted to the Solicitation web page later than the date listed in the solicitation schedule. Oral explanations or responses are not binding. Metro assumes no responsibility for interpretations of this joint development solicitation made by developers.

Site Visit and Inspections

Many areas of the joint development site are open to the public in the normal course of Metro's transit operations. Those areas may be visually inspected by developers during hours open to the public.

If selected, all other inspections may be arranged by contacting Metro as stated in the Inquires section and by obtaining from Metro staff a Right of Entry Agreement for non-invasive entries (e.g., surveys) or a Real Estate Permit for physically invasive entries (e.g., soil borings) from Metro staff. In the case of any joint development site that is also owned in part by a third party, entry and inspection on that third party's property also requires its agreement.

Submission Requirements

Submission Content

Submittals must include a Statement of Qualifications, which should include the following, to be submitted digitally in a single PDF document that includes the following:

- Cover Letter
- Understanding of the Opportunity Statement
- Technical Proposal
 - Team Composition and Information
 - Developer Experience
 - Financial Capacity
 - Public Partner Approach
- Supplemental Materials (if applicable)

Details on submission requirements are provided below and in Appendix E. All required forms must be completed by developers and included as part of their proposal submission.

Submittals are limited to no more than 50 pages (25 double-sided pages), not including a title page or table of contents.

Detailed Submission Requirements

COVER LETTER

The cover letter should include the full title of the RFQ, submittal date, principal contact, address, telephone number, email address, and brief narrative outlining proposer's interest, capabilities, and relevant project experiences. The cover letter must be signed by a principal or officer authorized to represent and commit the developer and affirm that all included information is true and correct.

UNDERSTANDING OF THE OPPORTUNITY

Provide narrative of your approach for transit-oriented development at Capitol Heights. Proposers should include:

- Overview of potential uses at the Capitol Heights site and how these uses can be successful
- Present opportunities and challenges facing the Capitol Heights site, including those associated with Metro's proposed transit facility changes
- Provide narrative on how your team may address any identified challenges
- Present any suggestions or recommendations your team has for Metro regarding joint development at the Capitol Heights site.

TECHNICAL PROPOSAL

The technical proposal template form is included in Appendix E and includes the following.

Team Composition and Qualifications

- Developer background and team structure
- History of litigation with Metro; Defaults, Bankruptcies, Criminal History, Debarments, etc.
- Key Personnel
- Provide three references, one must include lender or equity investor

Submission Requirements

Detailed Submission Requirements

Developer Experience

Describe team's experience and ability to successfully execute development and the specific goals defined by Metro. Projects should demonstrate experience with:

- Mixed-use development
- Transit-oriented development
- Joint development partnerships and/or transactions with public, non-profit, education, or other large institutions
- Complex zoning and entitlement processes within Prince George's County and Maryland, such as zoning map amendments
- Working with Metro's infrastructure requirements
- Community engagement strategy

Respondents should include no more than eight (8) prior projects total but are not required to provide eight.

Financial Capability

Respondents must provide experience with successful raising of financings (e.g., construction and permanent debt, equity, tax credits, public subsidies) in the past ten years. Information should include

- Size of project
- Sources of financing (confidential to Metro)
- Experience with public programs, such as Low-Income Housing Tax Credits (LIHTC) or other programs

Teams must also provide a high-level financing approach that identifies sources and provides additional information on financial risks and mitigation strategies.

Development and Partnership Approach

Teams must provide an approach to advancing the development plan and design.

Proposal Submission

Developers must submit an electronic copy of their response in PDF format, no later than 4:00 PM ET on the date provided in the solicitation schedule of this RFQ. Responses should be sent to CapitolHeightsJD@wmata.com, with the subject: "Capitol Heights RFQ 2024-04".

Metro reserves the right to issue amendments or supplements to this Joint Development Solicitation.

Submission Requirements

Process Considerations

Acceptance / Rejection of Proposals

This joint development solicitation does not commit Metro to designate a Selected Developer or to enter into a Joint Development Agreement. Metro reserves the right to accept or reject any or all Proposals. Rejection of a Proposal need not be by an affirmative act on Metro's part. Metro reserves the right to reissue this joint development solicitation to either the invited proposers or to any and all developers, in Metro's sole and absolute discretion.

Binding Agreement

An executed Joint Development Agreement approved by the Metro Board of Directors and the FTA is the only binding commitment of and by Metro with respect to a joint development. Designation of a Selected Developer, Metro's acceptance of the Final Proposal, or any conduct or oral representation by Metro shall not in any way constitute a binding obligation or commitment by Metro. By submitting a Proposal, the developer acknowledges it will have no legal or equitable right to, or interest in, any joint development except as set forth in an executed Joint Development Agreement approved by the Board of Directors and the FTA.

Costs

Metro shall not be liable for any costs incurred by a developer responding to this joint development solicitation or any costs incurred with respect to their preparation of a Proposal or their negotiation of the Joint Development Agreement and related final documentation. Each respondent and each Selected Developer shall bear all its/their own costs in that regard.

Issuing Information

This joint development solicitation is issued in accordance with Metro's [Joint Development Program Guidelines](#). Please note that capitalized terms used in this joint development solicitation are generally defined in Appendix B. This joint development solicitation is intended to provide developers with summary information about Metro's requirements to facilitate preparation of a Proposal for this joint development site. However, this document does not attempt to define all of Metro's joint development contract requirements in detail.

Amendments and Supplements to the Joint Development Solicitation

Metro reserves the right to issue amendments and/or supplements to this joint development solicitation. Any amendments or supplements issued can be found in the [Solicitations section of Metro's website](#).

Acceptance of Terms and Conditions

By submitting a Proposal, the developer is deemed to have agreed to and accepted all terms and conditions set forth in this joint development solicitation – including the General Conditions in Appendix C - and any amendments or supplements issued before the Final Proposal is submitted. All submissions to the solicitation shall remain the property of WMATA at its sole discretion.

Evaluation Criteria

Evaluation of proposals will be based on information provided in the Developer's submissions, in accordance with the requirements of this Solicitation; any interviews; and any additional information requested by Metro. Only developer submissions deemed to be complete and fulfilling the minimum threshold requirements will be evaluated using the scoring described below. Developers will be notified if their submission is deemed incomplete.

Developer proposals deemed to be complete will be evaluated using the categories below, which are ordered according to importance.

Ranked in Order of Importance	Evaluation Factor
1	Developer Experience <ul style="list-style-type: none"> Team experience with complex development partnerships with public partners, economic development agencies, or other similar entities Team experience delivering mixed-use, transit-oriented projects with various uses and typologies, particularly for projects similar in scale and income mix to what the respondent anticipates for the site (for example, if the developer anticipates proposing affordable and workforce units, provide experience developing similar affordable and workforce projects) Team experience demonstrating successful entitlement processes within Maryland, including successful community engagement, specifically in Prince George's County Key personnel have demonstrated experience with projects of similar size, scale, program
2	Financial Capability <ul style="list-style-type: none"> Demonstrated success in raising capital (public and private) for projects greater than \$40 million and similar in scale and income mix to what the respondent anticipates for the site Experience in working with institutional investors on mixed-use developments General project financing approach and financial risk mitigation strategies
3	Understanding of the Opportunity <ul style="list-style-type: none"> The quality of the developer's approach to meeting project goals and objectives described in the RFQ. The extent to which the development team articulates a clear understanding of Metro's objectives for joint development and how they may be realized at the site. Demonstrated understanding of the Capitol Heights submarket and opportunities Demonstrated understanding of opportunities and issues arising of proposed Metro transit facility modifications Ideas and presentation for viable options to address phasing, amenities, and placemaking for transit-oriented development
4	Development and Partnership Approach <ul style="list-style-type: none"> Compelling narrative for future development program, urban design and transit integration aligned with Metro Vision and its locational importance Approach to advancing development plan and design Well-defined engagement plan citing coordination with Metro, County, and local jurisdictions to gain development approvals Community engagement strategy

Evaluation Process

Metro shall designate an Evaluation Team composed of Metro staff to review submissions in coordination with its consultants. Jurisdictional officials may also be asked to consult with the Evaluation Team.

Submission Review Process

Each submission will be evaluated with a view towards providing the best outcome for Metro in Metro's sole and absolute discretion. An award will be determined by Metro based upon its subjective determination of which factors are most relevant. This decision is in Metro's sole and absolute discretion.

Non-Responsive Proposals

Proposals that in Metro's sole and absolute discretion are deemed nonresponsive or not reasonably susceptible of being selected for award will be rejected. Metro reserves the right to accept or reject any Proposal without negotiation or discussion.

Meetings with Developers

Based on Metro's evaluation of proposal submission, some or all the developers may be further invited for an interview to present their proposal to Metro or project stakeholders. If interviews are held, Metro assumes, at minimum, that the principal project manager will attend in person. Metro will offer teams invited for in-person interviews a range of dates and times to accommodate schedules. Metro may also request additional information as part of the interview.

Best And Final Offer

Metro may negotiate concurrently with one or more Developers based on their Proposals. At any time, Metro reserves the right to request additional supporting information from Developers or request a Best and Final Offer. Developers will not be entitled to change their proposals after submission, except in instances at the explicit request from Metro.

Shortlisted Developer Status

Upon evaluation of all proposal materials, Metro staff may submit a recommendation regarding the designation of shortlisted developers. This recommendation will be based on the evaluation criteria included in this Solicitation.

Continuing Offers

Unless a Proposal is withdrawn in accordance with the terms of this Joint Development Solicitation, each Proposal received will be deemed to be a continuing offer good for two hundred ten (210) days or until the Proposal is accepted or rejected by Metro, whichever first occurs.

Integrity and Other Matters

Metro may consider matters reflecting on the integrity, business ethics and character of the Developer, its principals and its Development Team. Metro may consider other matters such as litigation with Metro, defaults, bankruptcy, criminal history, and debarments.

Waiver of Irregularities

Metro may, at its election, waive any minor informality or irregularity in Proposals received.

Developer Selection

Shortlist Selection

Each Proposal will be evaluated with a view towards providing the best outcome for Metro. A shortlist will be determined by Metro based upon its subjective determination of which factors are most relevant. This decision is in Metro's sole and absolute discretion. Metro shall designate an evaluation panel composed of Metro staff to review submitted proposals in coordination with its consultants. Jurisdictional officials may also be asked to consult with the evaluation panel. A designation as a Shortlisted Developer is made by Metro staff and provides no binding rights to any Shortlisted Developer. If/when Metro issues an RFP to shortlisted firms, Metro reserves the right to withdraw the RFP at any time, at its sole discretion.

Metro also reserves the right to select a development team based upon submissions to this RFQ and is under no obligation to administer a subsequent RFP. Metro reserves the right to withdraw the RFP at any time, at its sole discretion.

Joint Development Agreement Negotiations

Following Metro designating a Selected Developer, Metro staff will negotiate a Joint Development Agreement (and other necessary documentation) with the Selected Developer that incorporates the provisions of their Proposal. Additionally, the Joint Development Agreement shall require payment of a non-refundable deposit and a development schedule.

The Joint Development Agreement shall be executed within 180 days following the designation of the Selected Developer. If the Selected Developer and Metro do not reach a Joint Development Agreement within 180 days, Metro may: 1) enter negotiations with another developer, 2) initiate a new procurement (solely at the discretion of Metro), 3) re-advertise the Joint Development opportunity, 4) terminate the offering of the Joint Development, or 5) reestablish the Selected Developer designation and provide a specific time frame to the Selected Developer for the completion of negotiations. Metro may require an additional deposit to be held in escrow by Metro as a condition for reestablishing the Selected Developer designation.

Approvals

Metro staff will submit the terms of the negotiated Joint Development Agreement to Metro's Board of Directors and make a recommendation for approval of the transaction. There is no binding agreement between the Selected Developer and Metro until the Metro Board of Directors and the Federal Transit Administration (FTA) have approved the negotiated Joint Development Agreement.

Incurred Legal Fees

Beginning with Joint Development Agreement negotiations and continuing through to project closing, Metro will track all legal fees incurred from outside counsel with respect to the Joint Development project. Metro shall be responsible for all of its own legal fees up to \$100,000. Once Metro's incurred legal fees for any phase of development surpass \$100,000, the Selected Developer shall bear all of Metro's legal costs until project closing. The Selected Developer shall bear all of its/their own costs throughout the duration of the Project, and ground leases have been executed.

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Appendix

Appendices

Appendix A. Site Information and Background

- A.1 Market Information
- A.2 Zone of Influence Analysis
- A.3 ALTA Survey
- A.4 Compact Public Hearing Report

Appendix B. Definitions

Appendix C. General Conditions

Appendix D. Developer Certifications

Appendix E. Technical Proposal

The appendices are available for download at [Metro's Solicitations webpage](#).