



Finance and Capital Committee  
Board Action Item III – C  
September 10, 2026

Capitol Heights Joint Development Agreement



## Board Document

| OVERVIEW               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |           |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| PRESENTATION NAME      | Capitol Heights Joint Development Agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | DOCUMENT NO.   | 300148    |
| ACTION OR INFORMATION  | Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |           |
| STP GOAL               | Financial and Organizational Efficiency and Service Excellence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |           |
| RESOLUTION             | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |           |
| EXECUTIVE OWNER        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |           |
| EXECUTIVE TEAM OWNER   | Webster, Thomas J.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |           |
| DEPARTMENT             | Finance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |           |
| DOCUMENT INITIATOR     | Angleton, Kathryn P                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |           |
| OTHER INFORMATION      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |           |
| COMMITTEE              | FCC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | COMMITTEE DATE | 9/10/2026 |
| PURPOSE/KEY HIGHLIGHTS | Request Board authorization to enter into a joint development agreement at the Capitol Heights Metro station.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |           |
| DISCUSSION             | <p>Joint Development maximizes the value of Metro assets by increasing transit ridership, generating new fare and real estate revenues, and supporting local economic development, housing priorities, and tax revenues.</p> <p>In November 2023, Metro held a Compact Public Hearing for Capitol Heights. The Metro Board approved the amendments to the Mass Transit Plan in April 2024. In September 2024, Metro issued a solicitation for a team to develop a 6-acre mixed-use project. Metro announced the selection of Atlantic Pacific Companies in January 2026 and has since negotiated a joint development agreement and proposes a 99-year ground lease with the developer responsible for reconstruction of Metro’s facilities including relocation of the bus</p> |                |           |



## Board Document

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  | <p>loop, addition of on-street pick-up/drop-off spaces, and a bus operator restroom and breakroom. Additionally, the proposal includes a mixed-use development with 320 residential units averaging 60% Area Median Income and up to 10,000 sf of ground floor retail.</p> <p>The proposed Joint Development agreement meets the Board of Director's joint development approval criteria:</p> <ol style="list-style-type: none"><li>1. Maintains or enhances transit ridership, safety and/or access</li><li>2. Maintains or enhances WMATA's ability to operate transit services and/or maintain the transit system</li><li>3. Has a positive net fiscal impact for WMATA</li><li>4. Is consistent with or enhances local land use and economic development plans</li><li>5. Complies with FTA Guidelines</li></ol> |
| <b>INTERESTED PARTIES</b>        | Atlantic Pacific Companies<br>Torti Gallas + Partners<br>Whiting Turner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>RECOMMENDATION/NEXT STEPS</b> | Board authorization to execute a joint development agreement for Capitol Heights Station. Next steps include design, permitting, closing, and construction of the proposed development with groundbreaking anticipated in 2028.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>FUNDING IMPACT</b>            | Metro anticipates an upfront ground lease payment of not less than \$4.8 million in FY29. The proposed ground lease also includes the potential to receive participating rent distributions in the future. Proposed mixed-use development is anticipated to have a positive impact on revenue via increased ridership and improved access.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

# Capitol Heights Joint Development Update



## **Finance and Capital Committee**

Washington Metropolitan Area Transit Authority  
September 10, 2026

# ***Delivering Your Metro, the Way Forward***



## **Service Excellence**

Deliver safe, reliable, convenient, accessible, and world-class service that customers can trust across all modes.

### *Objectives of Service Excellence Goal*

- **Safety and Security**
- **Reliability**
- **Convenience**



## **Talented Teams**

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

### *Objectives of Talented Teams Goal*

- **Recruitment and Retention**
- **Learning and Development**
- **Customer Service Mindset**

Focus  
Today



## **Financial & Organizational Efficiency**

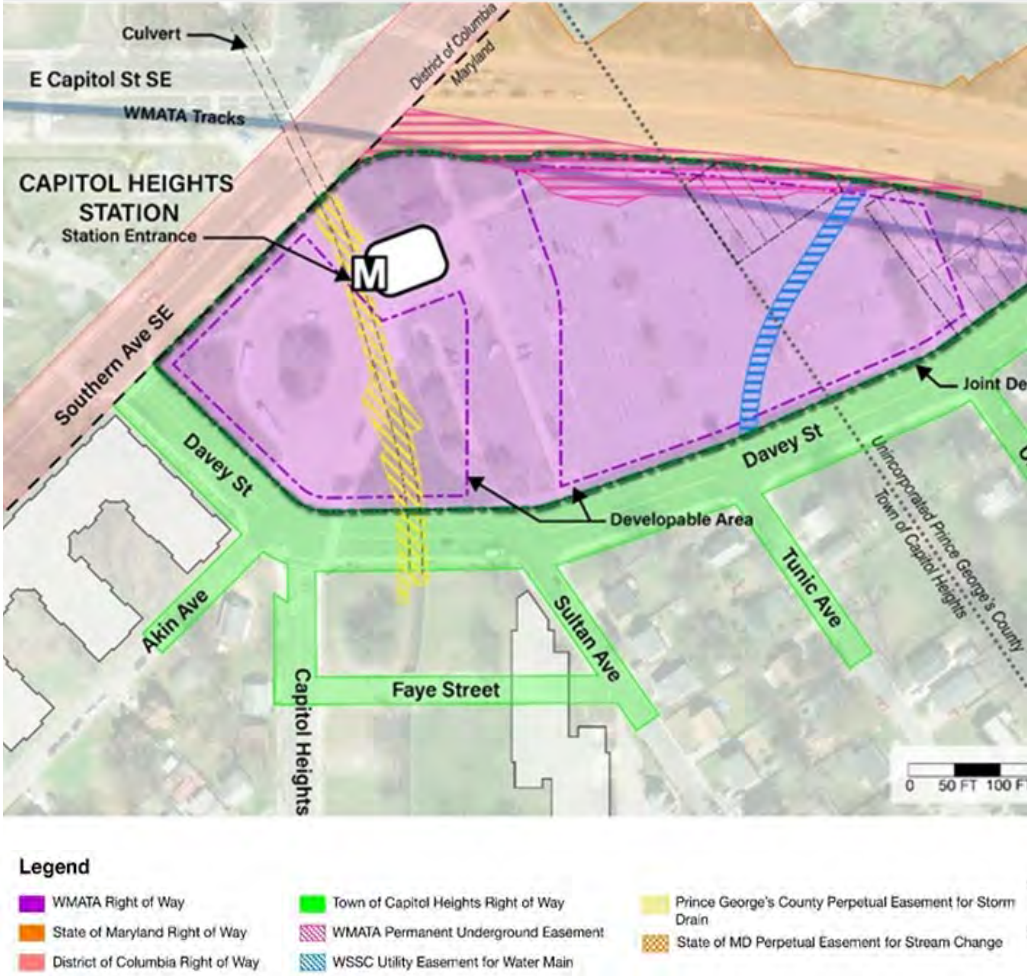
Steward public resources and efficiently allocate resources where they drive the most value, to ensure service delivery.

### *Objectives of Financial & Organizational Efficiency Goal*

- **Financial Responsibility**
- **Organizational Efficiency**
- **Energy Management**

# Capitol Heights Joint Development Background

|          |                                                                                                                                                                                         |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nov 2023 | Metro held a Compact Public Hearing on potential changes to the Capitol Heights Station transit facilities                                                                              |
|          | Metro, Prince George's County and the Town of Capitol Heights execute a tri-party MOU for a Joint Development project, establishing roles and responsibilities and shared project goals |
| Apr 2024 | Maryland General Assembly appropriated \$16.95 million in capital funding for infrastructure and transit facility improvements at Capitol Heights                                       |
|          | Metro Board approved amendments to Mass Transit Plan to reconfigure Capitol Heights bus loop and eliminate 23-space Kiss & Ride and 372-space Park & Ride lots                          |
| Sep 2024 | Metro issued a solicitation for a team to develop a 6-acre mixed-use project on station property                                                                                        |
| Jan 2026 | Metro announced Atlantic   Pacific Companies (A P) as the selected developer and initiated negotiations                                                                                 |



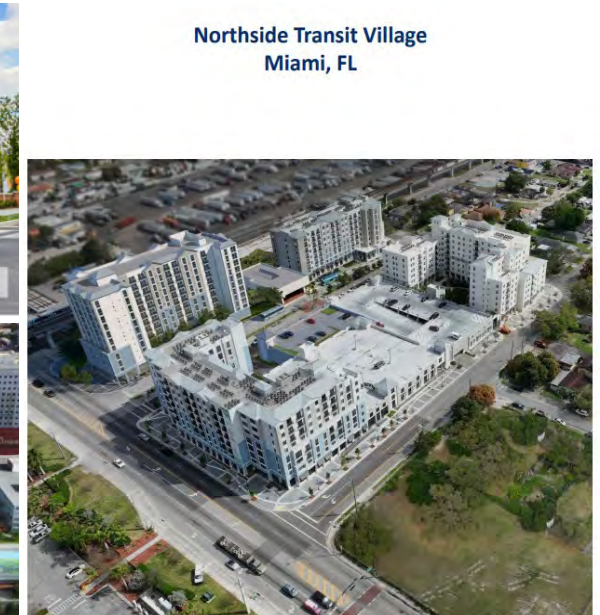
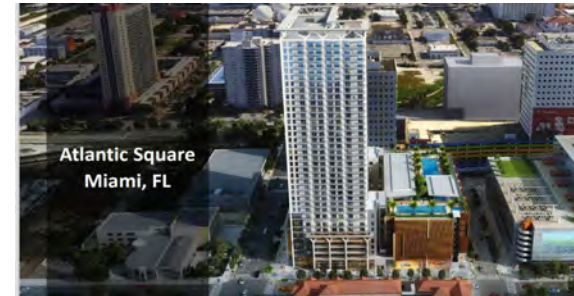
# Developer: Atlantic Pacific Companies (APC)

**Florida-based, private global real estate investment, development and management firm**

- Well-capitalized, with \$4.1B in managed assets
- Previous experience in Prince George's County
- More than 60 affordable housing projects completed since 2013, totaling \$2.3B in development costs

## Key Development Team Members

- Architect: Torti Gallas + Partners
- General Contractor: Whiting Turner



# Development Concept

## Gateway mixed-use development supports Prince George's County Blue Line Corridor Vision

- Concept design creates urban village centered around the Metro station entrance
  - Supports Prince George's County Blue Line corridor vision
  - Emphasizes walkability, connectivity and urban vitality
  - Retail and public art frontage
  - Accommodates dedicated busway connection
- Development program includes:
  - 320 apartments aimed at providing affordable housing averaging 60% AMI, planned in 4 buildings
  - 10,000 square feet of ground floor retail
- Development costs estimated at \$145M
  - Anticipate financing using 4% and 9% LIHTC via DHCD



# Joint Development Agreement Summary

## Key Terms

- 99-Year Ground Lease including upfront ground lease payment; participating rent distributions
- Requires reconstruction of Metro facilities
  - Relocation of bus loop, addition of on-street pick-up/drop-off spaces
  - Bus operator restroom and breakroom to be included in one of the residential buildings
- Requires construction delivery in a single phase
- Responsible for executing funding agreement with County for State capital grant to offset costs for transit replacement infrastructure and site improvements



# Key Next Steps and Coordination with State and County

- Submit application for 4% and 9% Low Income Housing Tax Credit from Maryland DHCD
- Submit development plan to Metro for approval
- Submit Detailed Site Plan to Prince George's County for approval
- Receive approval and commitment from DHCD on Tax Credit Application
- Commence construction in 2028, depending on financing



# Recommendation

## Committee Approval to Authorize Staff to:

- Execute a Joint Development Agreement with Atlantic | Pacific Companies (A|P)

SUBJECT: AUTHORIZATION TO EXECUTE A JOINT DEVELOPMENT AGREEMENT FOR  
LAND LOCATED AT THE CAPITOL HEIGHTS METRO STATION

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

WHEREAS, Section 2.3 (C) of the Authority's Joint Development Policies, as amended by Resolution 2022-34, requires Board of Directors' authorization to execute a joint development agreement; and

WHEREAS, Staff issued a solicitation to develop six acres of land located at the Capitol Heights Metro Station and selected Atlantic Pacific Companies' proposal to construct a mixed-use development including residential and commercial uses; and

WHEREAS, Staff has negotiated a joint development agreement with Atlantic Pacific Companies that meets the approval criteria for joint development set forth in Section 2.2 of the Joint Development Policies and is consistent with Metro's 10-year Strategic Plan for Joint Development.

NOW THEREFORE, be it

*RESOLVED*, That the Board of Directors authorizes the General Manager and Chief Executive Officer or their designee to execute a joint development agreement with Atlantic Pacific Companies to lease WMATA property located at the Capitol Heights Metro Station; and be it finally

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

Reviewed as to form and legal sufficiency,

/s/

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