Report by Finance and Capital Committee (B)

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	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. 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		

	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. The proposed Joint Development agreement meets the Board of Director's joint development approval criteria: 1. Maintains or enhances transit ridership, safety and/or access 2. Maintains or enhances WMATA's ability to operate transit services and/or maintain the transit system 3. Has a positive net fiscal impact for WMATA 4. Is consistent with or enhances local land use and economic development plans 5. Complies with FTA Guidelines
INTERESTED PARTIES	Atlantic Pacific Companies Torti Gallas + Partners Whiting Turner
RECOMMENDATION/NEXT STEPS	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.
FUNDING IMPACT	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.

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

WMATA File Structure No.:
21.9.4 Joint Development Agreements