



Finance and Capital Committee
Board Action Item III – B
October 8, 2026

North Bethesda Joint Development Agreement



Board Document

OVERVIEW			
PRESENTATION NAME	North Bethesda Joint Development Agreement	DOCUMENT NO.	300160
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	10/8/2026
PURPOSE/KEY HIGHLIGHTS	Request Board authorization to enter into a Joint Development Agreement for the North Bethesda 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. This project is being implemented in partnership with Montgomery County. In 2024, Metro and Montgomery County signed a Memorandum of Understanding (MOU) affirming goals to create a life-science-anchored, mixed-use development on the 13.9-acre Metro site at the North Bethesda Metro Station. Also in 2024, Metro issued a solicitation for a developer to achieve those goals.		



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In 2025, Metro selected Hines and initiated negotiations. Hines proposes to deliver two million square feet of development. The project is proposed to consist of up to 930,000 square feet of office for life science space, which will include the University of Maryland Institute for Health Computing (IHC). In addition to the office space, approximately 800 residential units of which 15% are to be affordable and 100,000 square feet of retail and other commercial uses.

The project contemplates the shared use of the existing Metro garage. A Compact Public Hearing will be held this Fall, to consider removing up to 550 spaces from Metro Mass Transit Plan, which are excess. If the hearing report is approved by the Board, Metro staff would then enter into a long-term lease and/or other agreements with the developer.

Montgomery County is also planning to fund and deliver a new north entrance to the North Bethesda Metro Station, under separate agreements. The addition of this entrance is also a subject of the upcoming Compact Public Hearing. The Joint Development will be designed in coordination with the new entrance project. The developer will also construct a pedestrian plaza tying into the entrance improvements, to maximize place-making and pedestrian access to the station.

Phase 1 of the Joint Development project includes construction of streets and placemaking around the north Metro entrance, an office building and a residential building. Additional phases will be delivered according to a milestone schedule. Each building will be on a separate ground lease, executed prior to construction. Ground rent will be established for each phase six months prior to take down based on residual land value analysis.

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

This project will leverage significant state and local investments. To implement this overall vision, the county has identified \$69 million in local, state and federal funds for the north entrance, streets, sidewalks and other on-site infrastructure. The county also identified an additional \$50 million to support construction of a permanent

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	location for the Institute for Health Computing, serving as an anchor of the first phase. Another MOU outlining commitments to implement the first phase is being finalized among WMATA, the county and the University of Maryland.
INTERESTED PARTIES	Hines Perkins Eastman NBBJ
RECOMMENDATION /NEXT STEPS	Board authorization to execute a joint development agreement for North Bethesda Metro Station. Anticipated next steps include: (1) execution of an MOU between Metro, Montgomery County, University of Maryland, and Hines in Fall 2026; (2) Montgomery County to finalize Better Utilizing Investments to Leverage Development (BUILD) grant agreement with Federal Transit Administration (FTA) and release RFP for progressive design-build contract for new station entrance in Fall 2026; (3) Metro to hold a Compact Public Hearing on the new station entrance and reduction in customer parking in Fall 2026; (4) Montgomery county execution of design-build contract for a new station entrance in Winter 2027; (5) Hines to propose sketch plan and file for subdivision to Montgomery County in Spring 2027; (6) construction of new station entrance; and (7) closing on Phase 1 ground lease and commencement of construction of joint development by 2031.
FUNDING IMPACT	Proposed mixed-use development is anticipated to have a positive impact on revenue via increased ridership and improved access. Ground leases are anticipated to generate revenues. All ground leases will include rental payments for capital events. The base Phase 1 land value is being applied to infrastructure costs, while future phases will include annual base ground rent payments. All costs for the associated north entrance project will be covered by the jurisdiction.

North Bethesda Joint Development Agreement



Finance and Capital Committee

Washington Metropolitan Area Transit Authority
October 8, 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**

North Bethesda Joint Development Background

2010	Montgomery County adopts Sector Plan that proposed adding a north Metrorail to support growth in the area and maximize transit access & utilization
2017	Existing Joint Developer (LCOR) rights for the remaining undeveloped land expired
2023	Metro Board approves issuing a Joint Development Solicitation
2024	Metro & Montgomery County officials sign an MOU affirming infrastructure funding & commitment to establishing life-science mixed-use development anchored by the University of Maryland Institute for Health Computing
	Metro issues solicitation for development of the 13.9-acre site
2025	Metro selected Hines and initiated negotiations
	Metro Board approves conducting Compact Public Hearing



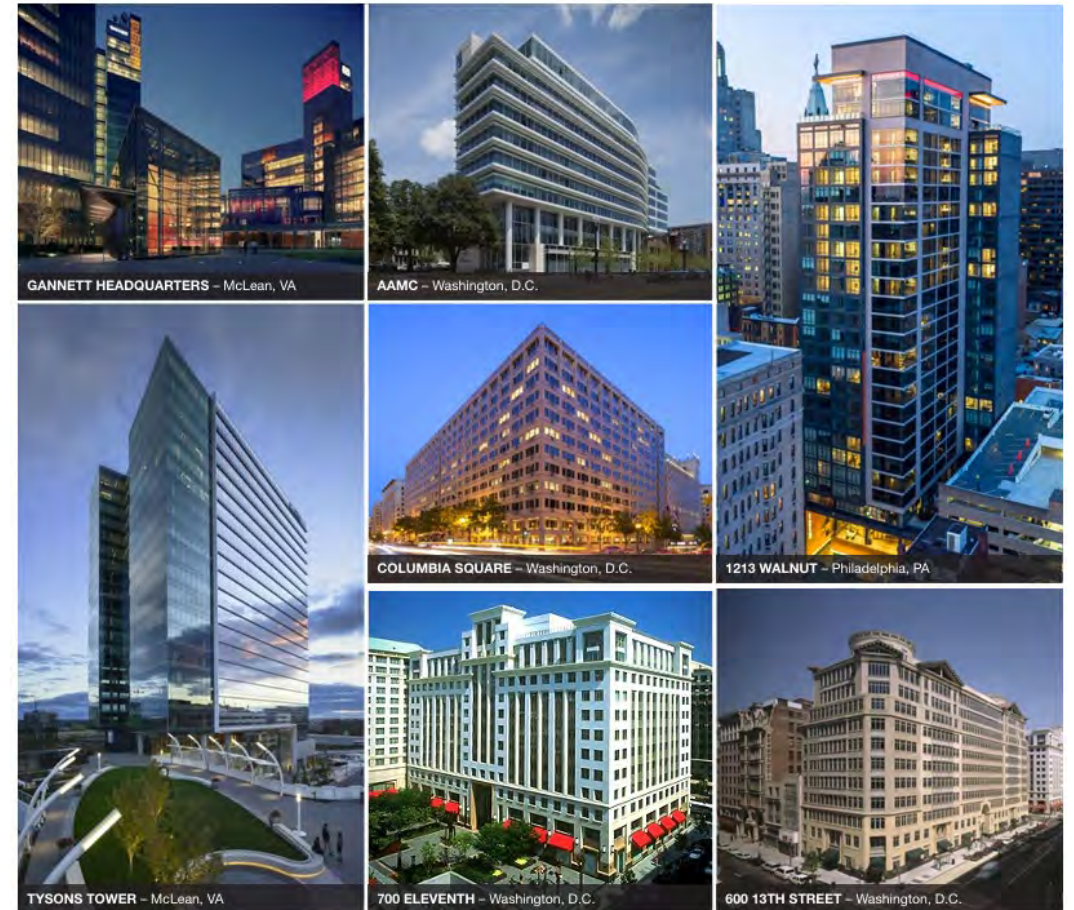
Developer: Hines

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

- Well-capitalized, 165 projects currently underway worldwide, managing \$93 billion in assets
- Mixed-use and life science experience
- Project leadership from Mid-Atlantic/DC office

Key Development Team Members

- Architect: Perkins Eastman
- Life science architect: NBBJ

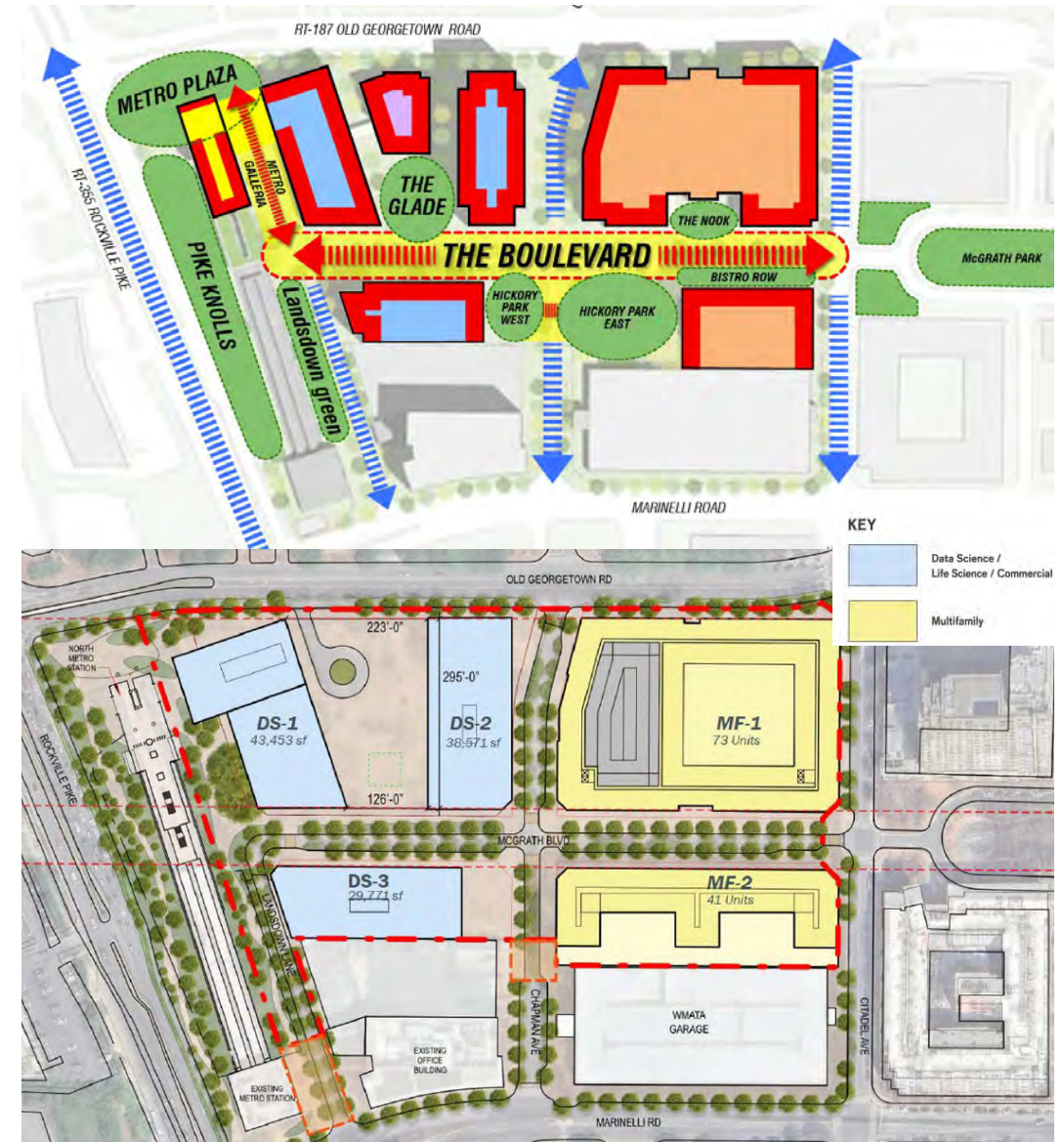


Completed Hines projects across the region

Development Concept and Phasing

Life-science centered mixed-use development supports Montgomery County's vision

- Hines proposes to deliver up to minimum of 2 million square feet of development, in three phases ("The Nexus")
 - Office: 930,000 SF of life science space, to include University of Maryland Institute for Health Computing (IHC)
 - Residential: 809 units (15% affordable)
 - Retail: 100,000 square feet of retail/other uses
- Phase 1 program includes construction of:
 - North Metro entrance (to be delivered by County)
 - Streets and placemaking around the North Metro entrance
 - Office (DS-1) and residential (MF-1) buildings



Draft Master Plan

Jurisdictional Partnerships

Local economic development initiative – new MOU proposed to outline roadmap to deliver first phase

North Entrance

- Montgomery County delivering new north entrance with federal (BUILD), state and local funding
- Enhances transit access to development site and surrounding North Bethesda community

On-Site Public Infrastructure

- County Road Participation Agreement to provide funding for public street grid and pedestrian improvements, including Metro's Phase 1 land value

Anchor tenant

- University of Maryland Institute for Health Computing planning to occupy space in first life science building



First Metro-Montgomery County MOU Signing (2024)



Developer Selection Event (2025)

New North Entrance Project

- Located at the North Bethesda Station near the intersection of Rockville Pike (MD 355) and Old Georgetown Road (MD 187)
- At-grade entrance with faregates, a stair to the platform below, two elevators, service and support areas, an over-platform mezzanine, and an enclosure structure that provides weather protection and the ability to secure the station
- Transit Plaza at-grade and directly adjacent to the new North Station Entrance to provide widened sidewalks to support increased and safe pedestrian traffic, bicycle parking, landscape, and hardscape elements
- Hines to coordinate with selected Design-Build firm on integrated design and placemaking for plaza
- Maintenance responsibilities to be negotiated following design, with developer maintaining added placemaking elements



New station entrance will connect to north end of station platform



Rendering of new north station entrance adjacent to future joint development

Joint Development Agreement Summary

Terms

- 99-Year Ground Lease for each phase, rent established by phase six months prior to take down based on residual land value analysis
- Minimum of 500,000 square feet of development in Phase 1 to include life science, residential and retail (DS-1 and MF-1)
- Long-term lease for parking spaces in North Bethesda parking garage (number of parking spaces subject to Board approval of CPH report)
- Final terms and developer's investment committee approval are anticipated in October or November



DS-1 Rendering

Anticipated Project Milestones

- **Fall 2026:** Execution of MOU between Metro, Montgomery County, University of Maryland, and Hines
- **Fall 2026:** Montgomery County to finalize BUILD grant agreement with FTA and release RFP for progressive design-build contract for new station entrance
- **Fall 2026:** Metro to hold Compact Public Hearing on new station entrance and reduction in customer parking
- **Winter 2027:** County execution of design-build contract for new station entrance
- **Spring 2027:** Hines to propose sketch plan and file for subdivision to the County
- **Beginning 2028:** Construction of new station entrance begins
- **Fall 2029:** Closing on Phase 1 ground lease anticipated, commence construction of joint development



Aerial view rendering

Recommendation

Committee Approval to Authorize Staff to:

- Execute a Joint Development Agreement with Hines

SUBJECT: AUTHORIZATION TO EXECUTE A JOINT DEVELOPMENT AGREEMENT FOR
LAND LOCATED AT THE NORTH BETHESDA 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' approval to execute a joint development agreement; and

WHEREAS, Metro issued a solicitation to develop 13.9 acres of land located at the North Bethesda Metro Station and selected Hines proposal to construct a mixed-use development, including office space for life sciences, residential, and commercial uses; and

WHEREAS, Staff negotiated a joint development agreement with Hines 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; and

NOW THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer or his designee to execute a joint development agreement with Hines, or its affiliate, for Metro's property at the North Bethesda 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