

10-Year Strategic Plan for Joint Development

September 2022



Office of Real Estate & Parking (LAND)

Metro owns 1,000+ acres of property across the DMV supporting

- **91 stations**
- **1 million commuters (pre-COVID)**

What is Joint Development?

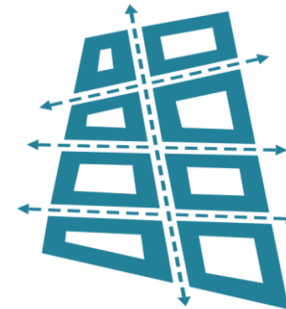
Real estate development on Metro-owned property that requires coordinated construction of public transit facilities with private development.



Asset Management



Parking



Station Area Planning



Joint Development

Strategic Plan for Joint Development



- Accelerate joint development
- Align Metro and jurisdictional interests
- Attract investment
- Prioritize future station opportunities

Strategic Plan for Joint Development

Metro has an ambitious goal to complete **20** new joint development agreements by 2032.



Importance of TOD to Jurisdictions

Catalyzes economic development, housing production & transit ridership

Since 2004:

- + 21 M SF
built / planned
- + \$168M taxes/yr
- + 20,800 daily trips
Pre-COVID

NoMa 2000

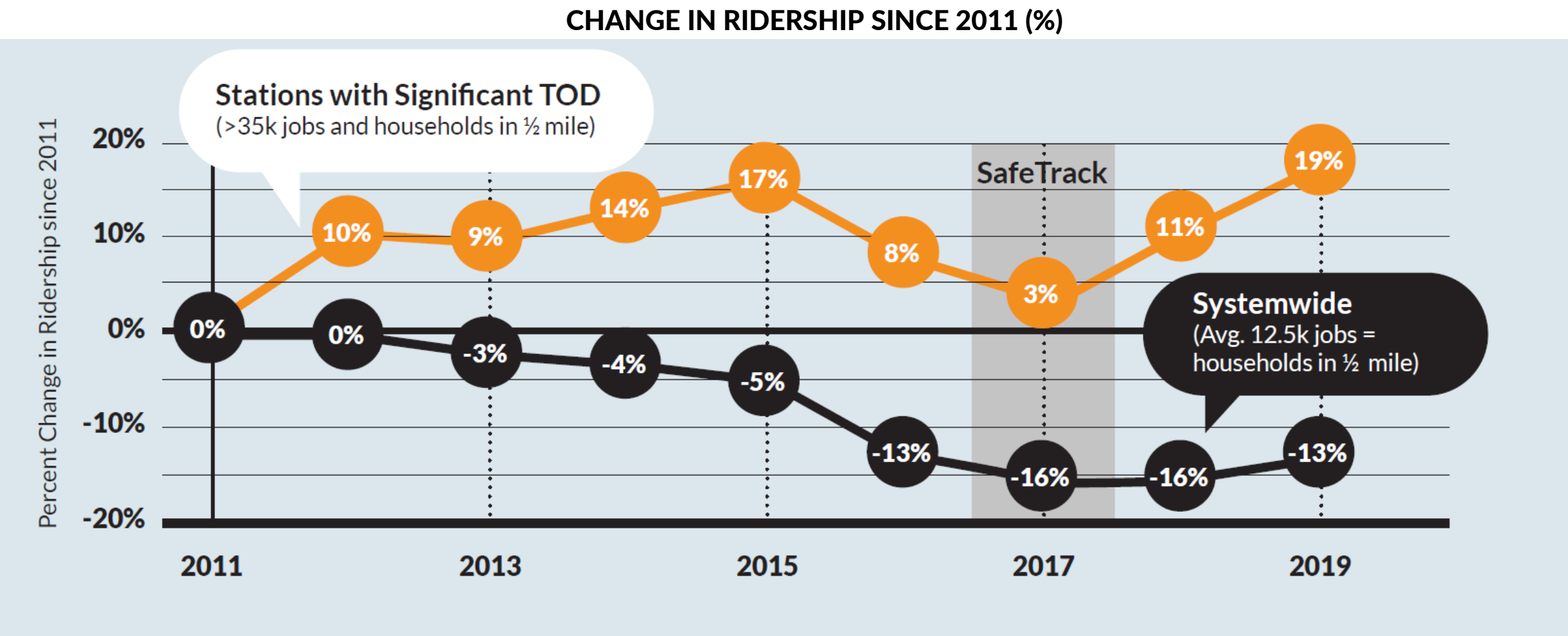


NoMa TODAY



Importance of TOD to Metro

Creates more stable Metro ridership



Importance of TOD to the Region

Congestion Mitigation



1 train = 2,000 riders

Climate



Reduces car usage
& emissions

Affordability



Produces housing
with low
transport costs

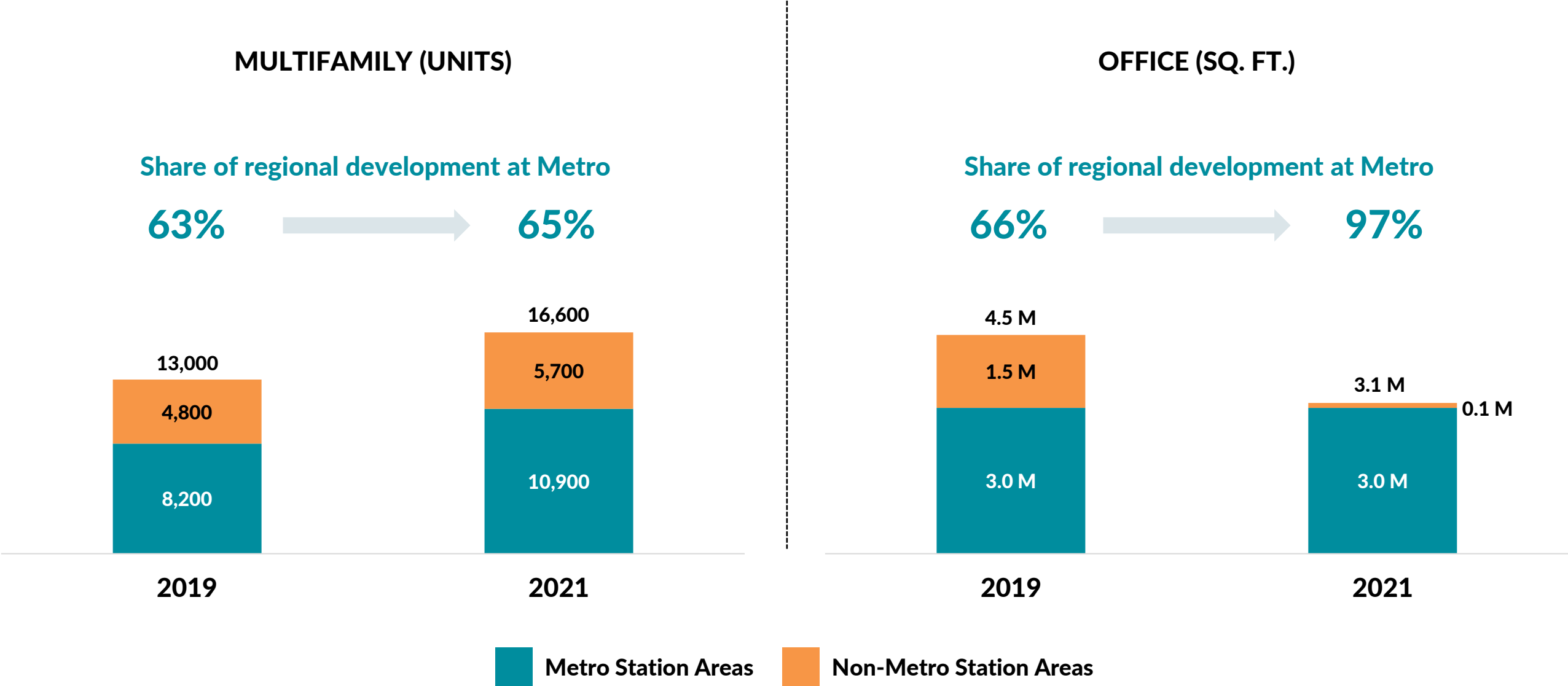
Economic Competitiveness



Increases access to
jobs, services
& amenities

Importance of TOD to the Region

Increasing share of post-Covid development starts at Metro stations



Impact of Joint Development

Most active joint development program in the nation

55 buildings completed at 30 stations

17 million sq. ft. of mixed-used development

5 million annual Metro trips generated

\$194 million in annual local & state taxes



Future Opportunity at 40 Stations

31 million sq. ft. of new mixed-use development

- **26,000** new housing units
- **5 million** sq. ft. commercial

\$340 million in new annual local & state taxes

9 million annual Metro trips generated

\$40 million new annual Metro fares

\$50 million new annual lease revenue



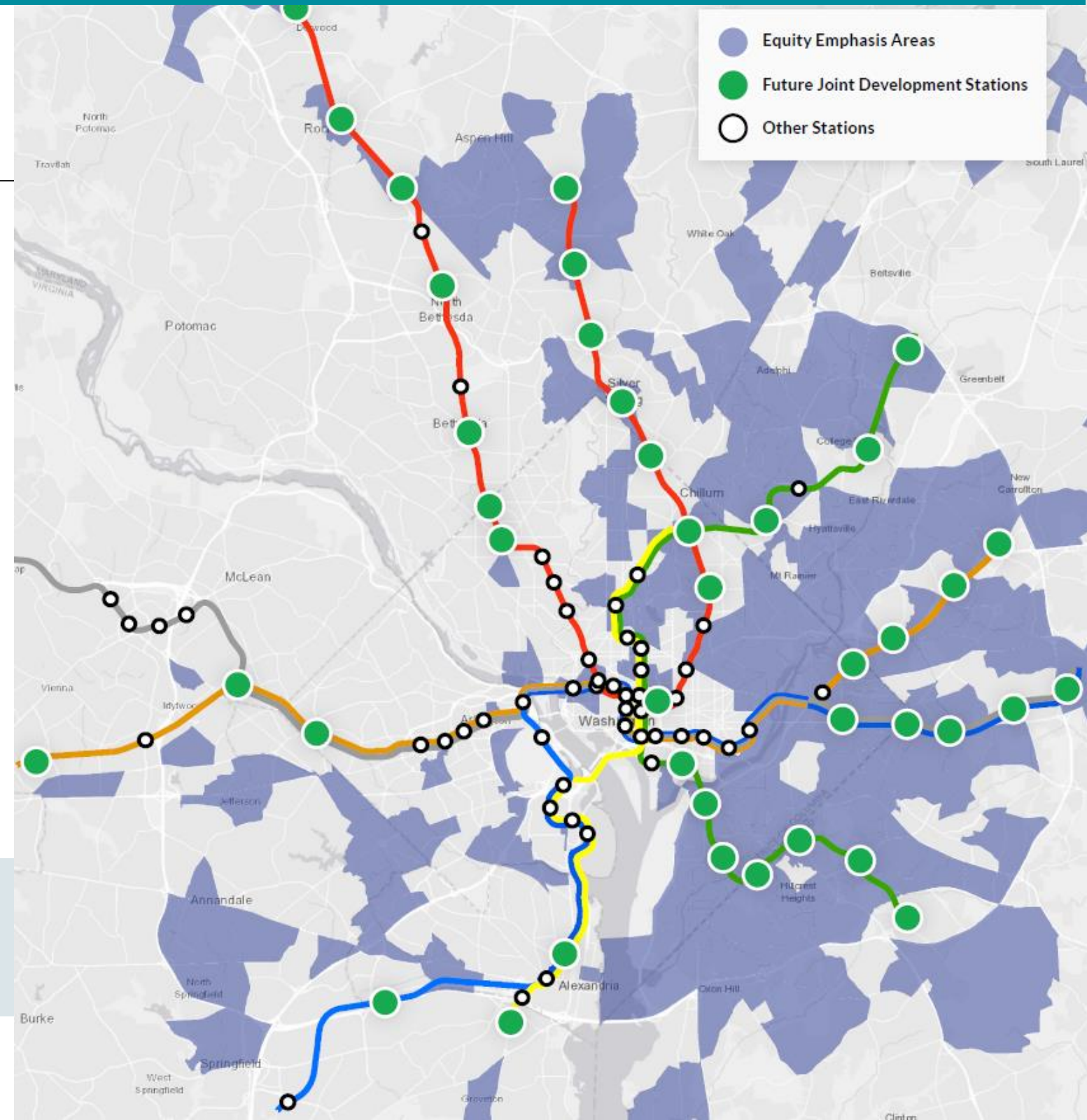
Equitable Development

Most future station opportunities have high concentrations of low-income individuals and/or racial and ethnic minorities

Joint development could:

- Attract investment to underserved communities
- Increase housing production & delivers new affordable housing in transit-accessible locations
- Support access to critical services & amenities

70% of future JD sites are in Equity Emphasis Areas defined by MWCOG



Policy Requirements

Requires coordination with jurisdictional partners to:

- Maintain or enhance ridership
- Replace transit facilities (where needed)
- Comply with local land use plans & regulations
- Fulfill FTA “Fair Share of Revenue” guidelines
- Generate a positive net fiscal impact for WMATA

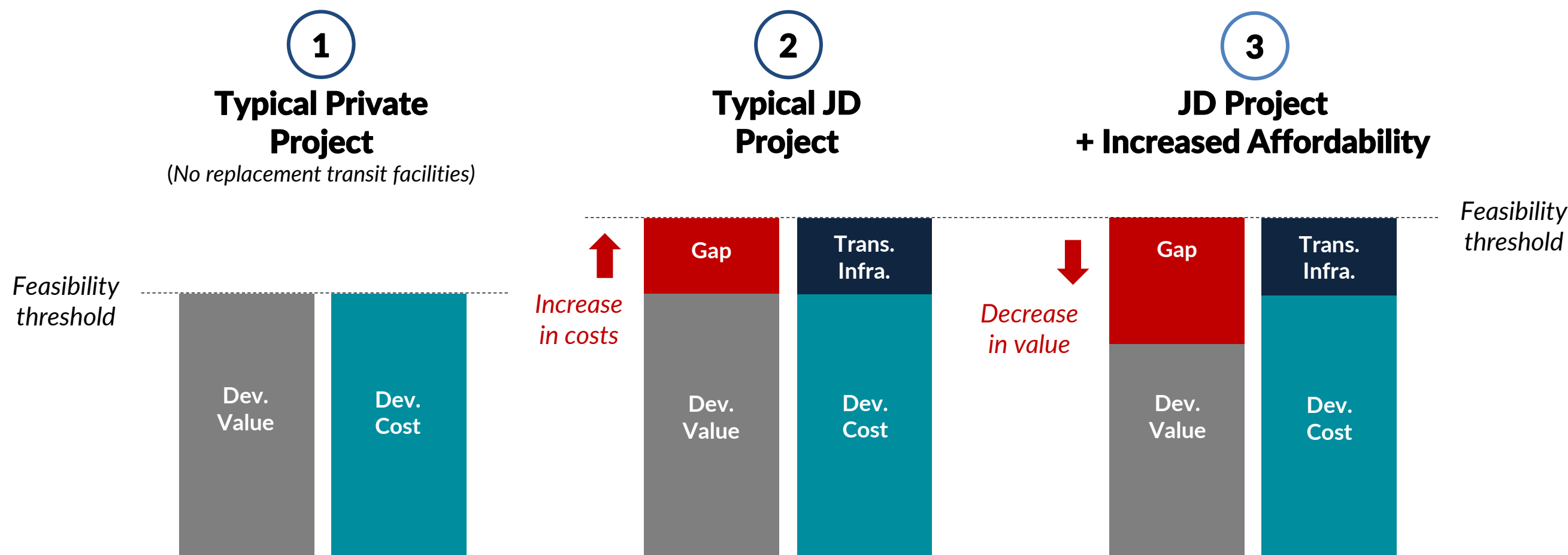
Station Example: Shady Grove

- High infrastructure costs – that must be financed up-front
- Financial gaps for high-rise development desired by Comp Plan



Joint Development Financial Challenge

Realizing future JDs will require coordination with jurisdictional partners & developers to overcome obstacles.



Metro Potential to Support DC Housing Goals

District Housing Goals

+36,000

Housing Units thru 2025*

12,000

Affordable Units thru 2025

Metro Housing Potential

+2,927

Units as Mid-Rise

↓

+292

Affordable Units*

+4,407

Units as High-Rise

↓

+440

Affordable Units*

(*) Assumes 10% IZ set-aside

HOUSING POTENTIAL			NEGATIVE FINANCIAL FEASIBILITY
STATIONS	PAD SITES	MID-RISE (7 STORIES)	HIGH-RISE (8+ STORIES)
Anacostia	1-2	400+	750+
Brookland	3	450	N/A per FLUM
Congress Heights North	1	240	360
Congress Heights South	1	N/A	212
Deanwood	1	325	N/A per FLUM
Fort Totten	2	450	960
Friendship Heights	3+	500+	1,000+
Takoma	1	350	N/A per FLUM

Denotes project is fully entitled





Central Place
Rosslyn Station
Arlington County, VA

STRATEGIES & ACTIONS

Strategies to Accelerate Joint Development

1.

**Partner with
Local
Jurisdictions**



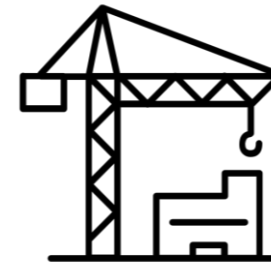
2.

**Right-Size
Transit
Facilities**



3.

**Increase
Development
Readiness**



4.

**Minimize
Implementation
Risks**



Actions

1. Partner with Local Jurisdictions

1. Coordinate Site Infrastructure Needs & Funding
2. Pursue Policies & Funding that Support Housing Goals
3. Leverage Local Economic Development Strategies

Rhode Island Ave-Brentwood

- Discounted land value to pay for replacement transit facilities
- Increased affordability with DC PILOT & New Market Tax Credits



Development

Transit Facilities

Supporting Regional Housing Goals

Local Tax Abatement – Montgomery County

15-year tax abatement supports high-rise construction to create more housing supply and increase affordable units.



Low-Rate Financing – Amazon Housing Equity Fund

\$125M in low-rate financing to create 1,000 units of affordable housing on Joint Development sites.



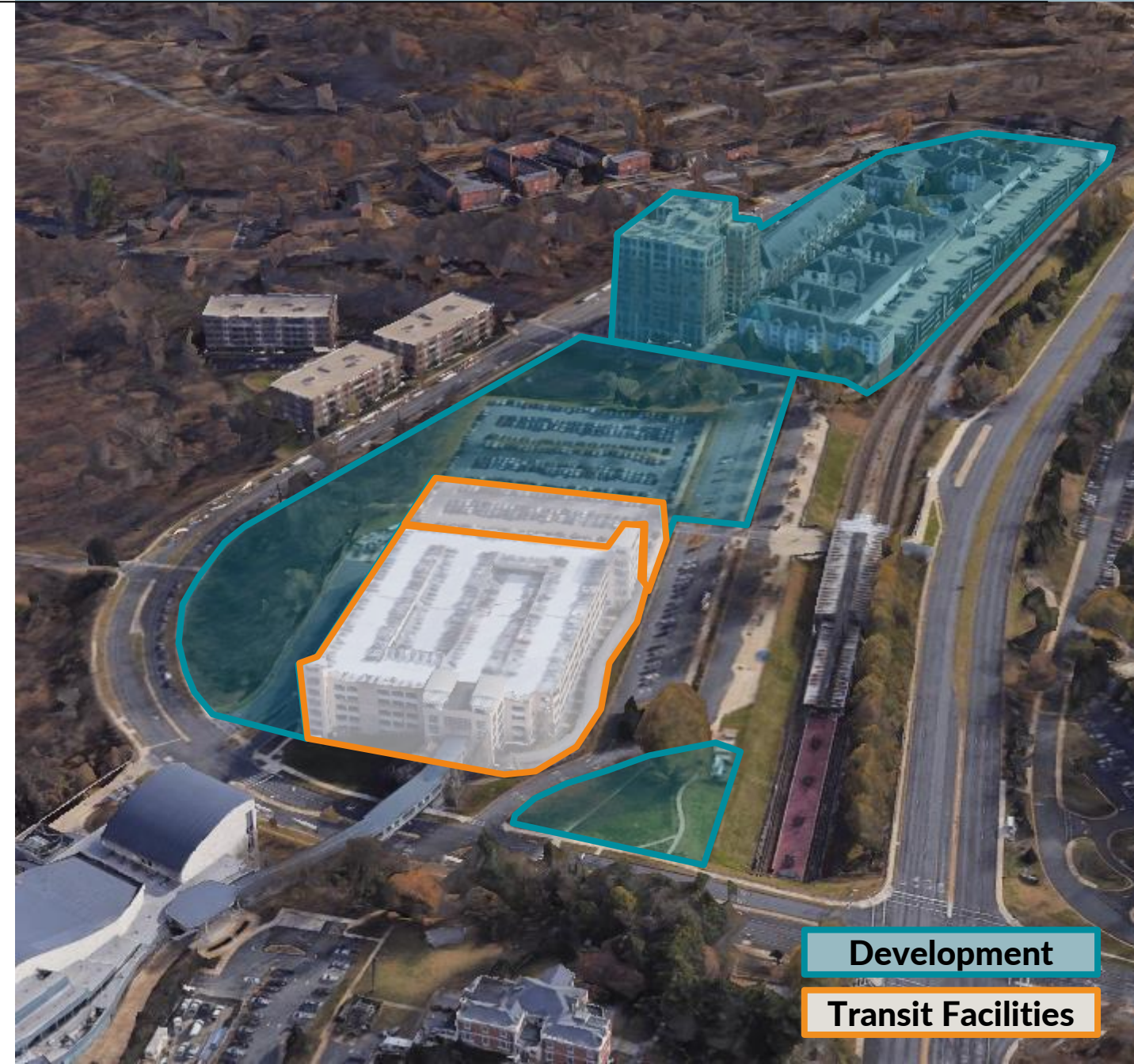
Actions

2. Right-Size Transit Facilities

1. Reduce Parking
2. Modernize Pick Up / Drop Off Locations
3. Optimize Bus Infrastructure

Grosvenor-Strathmore

- Consolidated & later reduced total parking capacity
- Benefited from efficient bus + K&R configuration



Development

Transit Facilities

Actions

3. Increase Development Readiness

1. Evaluate Site Conditions & Development Feasibility
2. Resolve Entitlements & Other Site Issues
3. Secure Gap Funding Commitments

West Falls Church

- Completed financial feasibility analysis pre-RFP (first station)
- Initiated Comp Plan amendment prior to solicitation



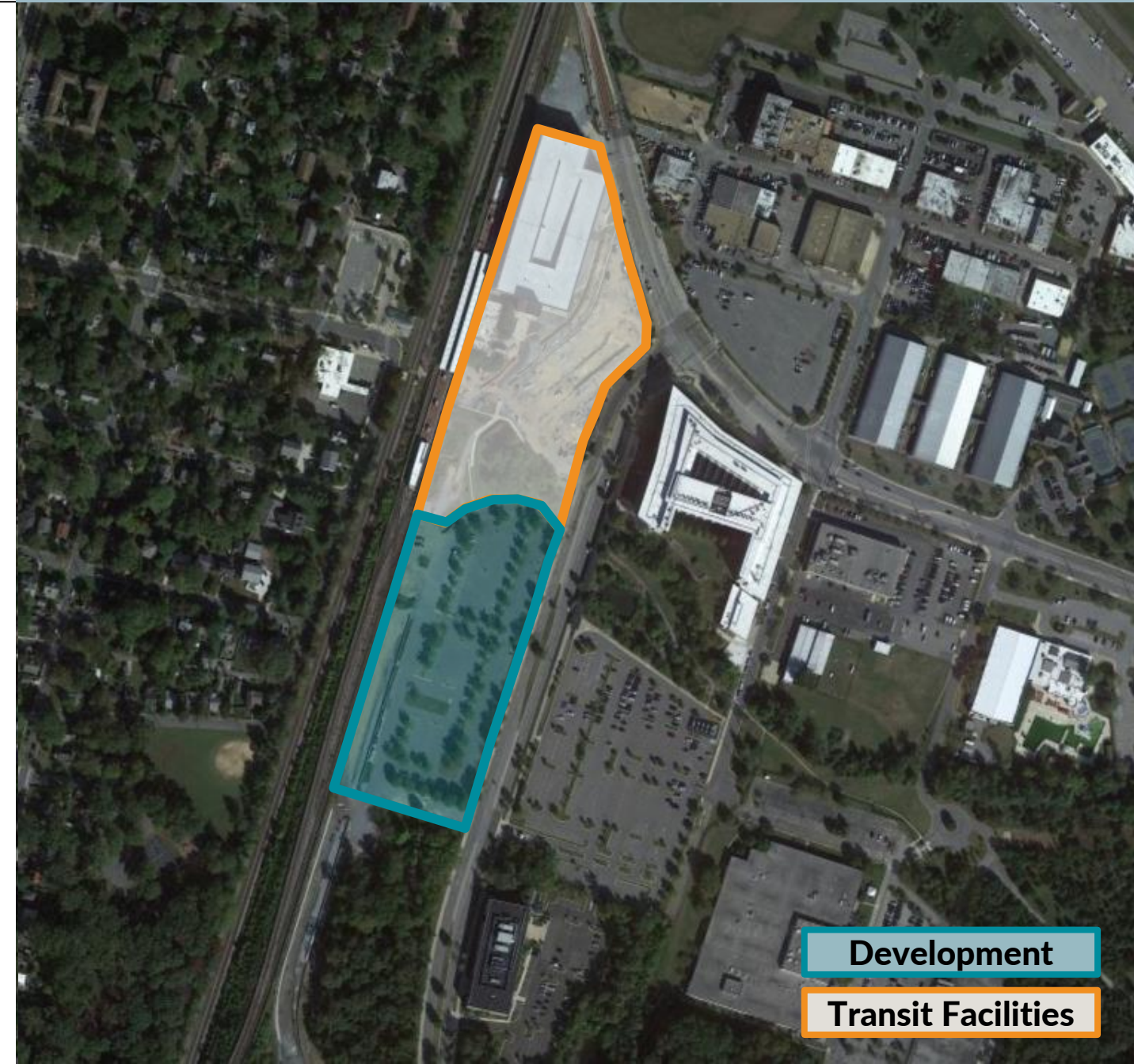
Actions

4. Minimize Implementation Risks

1. Complete Compact Public Hearings for Transit Facility Changes pre-RFP
2. Offer Smaller Parcels
3. Simplify Solicitations & Proposal Requirements

College Park

- Held compact hearing & built parking garage before 2nd RFP attempt
- Offered smaller parcel with no transit replacement requirements



Development

Transit Facilities



Mosaic at Metro Apartments
Prince George's Plaza Station
Prince George's County, MD

STATION EVALUATION

Station Evaluation

Metro applied three evaluation criteria for prioritizing the 40 remaining undeveloped stations.



Development Potential

What are the land use/zoning & physical site characteristics that inform what can be built?



Infrastructure Needs

Is there existing infrastructure that requires replacement to accommodate future transportation needs on site?



Market Readiness

What private development can be supported based on market factors such as rent, absorption, vacancy, etc.?

Station Prioritization



GROUP 1

Existing Agreements

- Entitlements, financing, or construction



GROUPS 2 & 3

Next/Future Solicitations

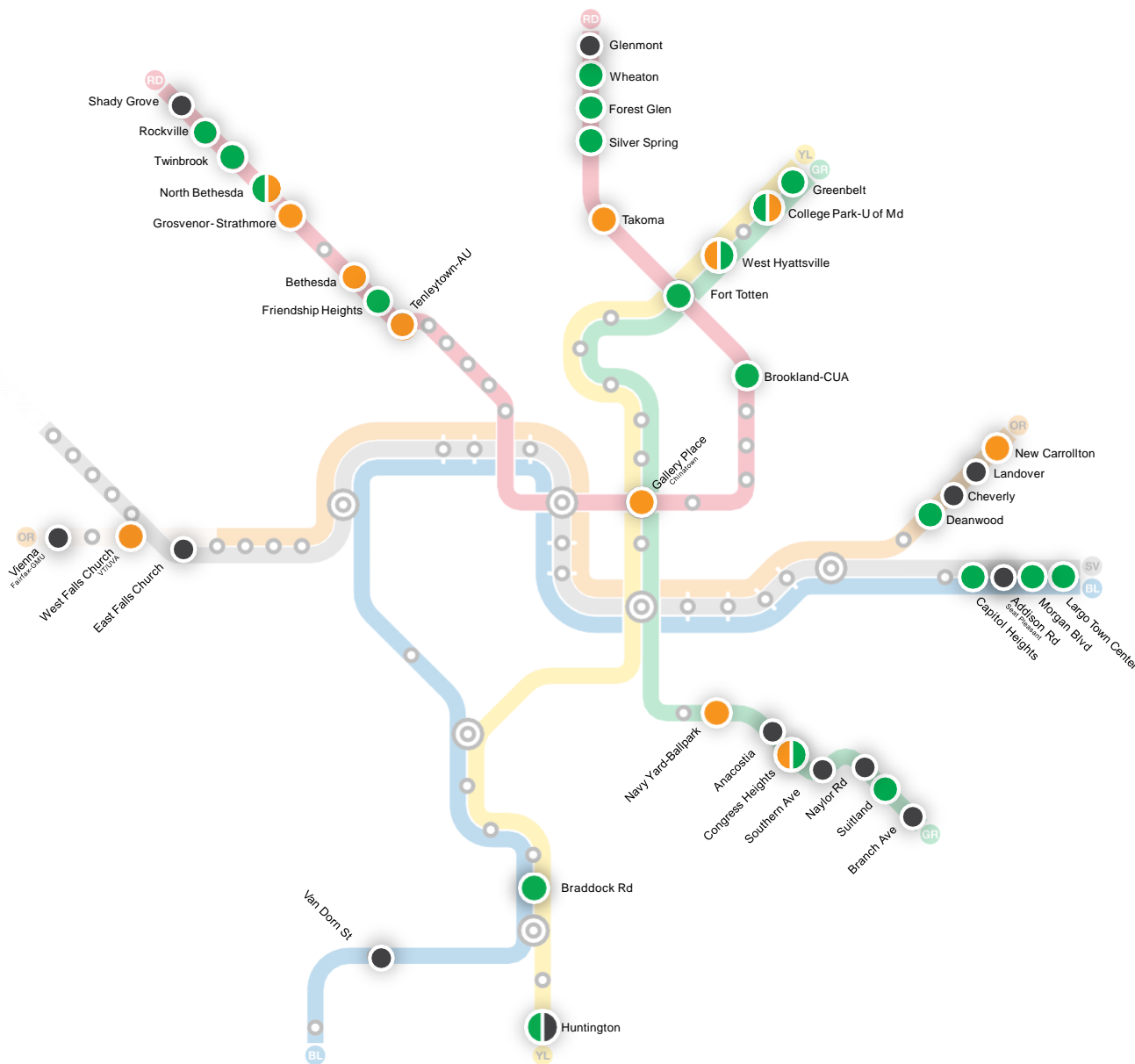
- Resolving feasibility gaps or other site obstacles



GROUP 4

Planning

- Further study needed or challenges identified



Next Steps

Strategic Plan Outreach

- ▶ Publish Strategic Plan report
- ▶ Conduct roundtables with jurisdictions
- ▶ Hold forums with developers & TOD advocates

Ongoing Engagement

- ▶ Produce annual progress report card
- ▶ Hold quarterly updates with jurisdictions
- ▶ Include projects on WMATA, Jurisdictional & MWCOC CIPs
- ▶ Board requests for compact hearings & JD solicitations

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