WMATA’s Metro System

- 118 MILES HEAVY RAIL
- 91 STATIONS, 6 LINES
- +7 NEW STATIONS IN 2021
- >1 MILLION RIDERS/DAY
- PURPLE LINE UNDERWAY
- MORE THAN 30 JOINT DEVELOPMENT PROJECTS SINCE 1975
Transit is an Economic Engine

METRO CREATES ECONOMIC VALUE

- $235 billion of real estate value within ½-mile of Metrorail
- Generates $3.1 billion/year in property tax revenues for the region
- 28% of the region’s land value comes from the 4% of its land within ½-mile of Metrorail

PROXIMITY TO METRORAIL ...

- Increases property values by 7% to 9%
- 54% of jobs are accessible within a ½ mile of Metro stations
New Competitive Landscape for Transit

<table>
<thead>
<tr>
<th>Market Size Total Regional Trip Demand</th>
<th>Metro’s Share of Trips</th>
<th>Variability Day-to-Day Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in People and Jobs in the Region</td>
<td>Share of Housing and Jobs Near Transit</td>
<td>Major Gatherings and Events</td>
</tr>
<tr>
<td>Visitors and Tourists</td>
<td>Frequency and Reliability, Stable Fares</td>
<td></td>
</tr>
<tr>
<td>Telework</td>
<td>Ride-Hailing</td>
<td>Trackwork</td>
</tr>
<tr>
<td>Decreased Non-Work Trips</td>
<td>Declining Bus Speeds/ Congestion</td>
<td>Bad Weather</td>
</tr>
</tbody>
</table>
Ridership is Stronger at TOD Stations

- RIDERSHIP MORE RESILIENT AND GROWING AT STATIONS WITH SIGNIFICANT TOD
- DISTANCE FROM TRANSIT IS SINGLE MOST IMPORTANT FACTOR IN CUSTOMER RETENTION
“The region's development pipeline still shows more than 220 million square feet planned within ½-mile of Metro stations, demonstrating the value the real estate industry ascribes to proximity to Metro. Accelerating this development pipeline would result in considerable ridership growth.”

PAUL J. WIEDEFELD
WMATA GENERAL MANAGER & CEO
Accelerating Private Investment

- Economic Development Tools
- Entitlement Approvals
- Opportunity Zones
- Flexibility in Deal Restructuring
- Tax Abatements
- Transit Capital Funds
- Infill Stations
#1: Infill Station  
Case Study: NOMA-Gallaudet U

**ECONOMIC DEVELOPMENT TOOLKIT FULLY DEPLOYED**

- Private taxing district
- Tax increment financing
- Federal transit funds

- **Total Investment: $103.7 million**
  - DC: $53.7 M
  - Federal: $25 M
  - Special taxing district: $25 M

- **Total of 21 million SF built**
  - 14 million SF office
  - 0.5 million SF retail
  - 6,398 housing units
  - 622 hotel rooms

- **At full build-out: 38 million SF**
  - More than 9,000 daily Metrorail riders

- **Federal transit funds**
#2: Direct Value of Entitlement Approvals

- Update Comprehensive Plans, upzone sites, and create Small Area Plans, so community has had input and a political body has approved
- Signals to the private market that the project is supported
- Addresses a major risk for development
  - Eliminates 2 years of uncertainty, $1 – 2 million in cost
  - Could add 20 – 40% in land value to transit agency
  - Increases developer competition
Case Study: Grosvenor-Strathmore Metro Station

- 2.25 MILLION SQUARE FEET (2100 HOUSING UNITS; MORE THAN 350 AFFORDABLE HOUSING UNITS)
- 4,233 NEW RIDERS DAILY (OR $4.7 MILLION PER YEAR)
- 400 TRANSIT PARKING SPACES TO BE REPLACED ($25 million cost)
#3: Closing the cost gap in softer rent conditions

- $25 million garage paid for by transit agency
- Regional focus on affordable housing, not density; should and can have both
- High rise construction costs are $60 per sf greater, creating a deficit in markets with moderate rents
- No fiscal impact to jurisdiction; grows the tax base

### Comparison of Projects:

<table>
<thead>
<tr>
<th>Project</th>
<th>Units</th>
<th>Affordable</th>
<th>Development Cost</th>
<th>Capitalized Value of NOI</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-story (med density) project</td>
<td>187</td>
<td>28</td>
<td>$57M</td>
<td>$57M</td>
</tr>
<tr>
<td>17-story (high-density) project</td>
<td>500</td>
<td>75</td>
<td>$183M</td>
<td>$163M</td>
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</tbody>
</table>

- $21M tax abatement
Case Study: New Carrollton Metro Station

- 2\textsuperscript{ND} LARGEST TRANSIT HUB IN DC REGION
- Metrorail and Metrobus
- Amtrak
- MARC
- Purple Line
- The Bus
- Greyhound
- 640-ACRE TOD AREA
- 3.8 MILLION SQUARE FEET IN PIPELINE
#4: Focused Coordination at Multiple Levels

**ESTABLISH A THRIVING URBAN CORE**

**PROVIDE A WORLD CLASS MULTI-MODAL HUB**

**DEVELOP A COHESIVE WALKABLE COMMUNITY**

Developer – Metro – County  
Metro – Amtrak – MARC  
Developer – County
Getting Started: Phases 1A and 1B
#5: Transit Authority Flexibility in Restructuring

**Capital Stack for 200K SF Office Building**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>$72,000,000</td>
</tr>
<tr>
<td>Private Equity</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>New Markets Tax Credits</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Public Equity</td>
<td>$8,200,000</td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COSTS</strong></td>
<td><strong>$100,200,000</strong></td>
</tr>
</tbody>
</table>

- **PHASE 1A** – 200,000 SF OFFICE ($100 million)
- **PHASE 1B** – 282-UNIT HOUSING ($65 million)

- Original deal structure was a capitalized ground lease
- Opportunity zone taxing rules favored annual ground lease payments
- Within 45 days, restructured the deal to accommodate equity investor’s requirements and tax compliance
Building Momentum – Phases 2A, 2B and 2C
Thank You!

NINA M. ALBERT

NMALBERT@WMATA.COM

(202) 962-2616