



SUMMARY OF ITEM FOR ACTION,
INFORMATION OR DISCUSSION

TOPIC: University of Maryland, College Park: Sale of Property to Prince George's County to Provide a Right-of-Way for a Bridge Crossing of the CSX Tracks

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: October 17, 2013

SUMMARY: The University intends to seek Board of Regents approval to sell an estimated 3.6 acres of right-of-way land to Prince George's County. The land is located along the west and south borders of the University's 13.7 acre property known as the Golub parcel.

Calvert Tract, LLC ("Developer") owns a 37.5 acre tract known as the Cafritz Property upon which a mixed-use project is planned and is to include, among other things, the first Whole Foods grocery store in Prince George's County. The Riverdale Park Town Council and the Prince George's County Planning Board have previously approved this project and it has the strong support of the County Executive. The Prince George's County Council has approved the creation of a special taxing district to fund certain project infrastructure.

Project approvals are conditioned on a bridge connection from the Cafritz Property, over the intervening CSX rail, connecting the development to River Road and Kenilworth Avenue. Approximately 3.6 acres of University land located on the east side of the CSX tracks is needed to build the CSX Crossing. When built, the crossing will provide vehicular, bike and pedestrian access between the Cafritz Property and the University's Golub property in a configuration known as the "J-Crossing." It is anticipated that this new access to the proposed mixed-use project, and in particular its retail amenities, will improve leasing and development prospects at the University's research park.

On June 21, 2013, the Board of Regents approved a sale of property by the University of Maryland, College Park to Calvert Tract, LLC to allow construction of the CSX Crossing.

After Board of Regents approval, the University and the County determined that—given the anticipated public use of this land and the County's participation in partially funding the CSX Crossing—the County should take title to the right-of-way land. The County, however, has no current budget allocation for this real property acquisition. For this reason, and recognizing that the County has previously indicated its willingness to consider financial support for a number of University projects, the parties support a sales agreement in which the purchase price of the land is established based on current fair market value appraisals. At closing, however, the County would deliver to the University a written agreement in the form of a memorandum of understanding ("MOU") under which the County would owe the University the principal amount (the purchase price) plus interest at 2% per year, compounded annually, with a balloon payment due 5 years from the date of Closing. The agreement would contemplate that upon notice by the County of a Closing date for the right-of-way land (not to occur until all required approvals and permits are in place) the County would tender the MOU along with an opinion of counsel that the MOU constitutes a legally binding and enforceable obligation of the County.

Prior to the date the MOU's balloon payment is due, the University may propose, and the County may approve, that the MOU's payment obligation be satisfied, in whole or in part, by a Payment In Kind (PIK) that the parties have determined to be of mutual benefit and that has a tangible value to the University, or its affiliates. By way of illustration only, the PIK could be real property, an infrastructure improvement or other capital improvement project (CIP) that is reflected on a master plan or other approved University plan. At such time as a PIK might be identified and agreed to by the parties, a new agreement describing the specifics for the PIK including the valuation method and the PIK completion date would be signed and submitted for approval by both the Board of Regents and the Board of Public Works. A PIK is not an approved alternate form of payment until these final approvals are obtained, all of which is to be prior to the date the payment obligation under the MOU is due.

Earlier this year, the University completed appraisals for the right-of-way land. As of July 2013, the average appraised value for 3.6 acres of right-of-way is approximately \$1.53M or \$425K per acre. Based on the above, the University seeks Board of Regents approval to sell an estimated 3.6 acres of right-of-way land to Prince George's County for a price of \$425,000 per acre, and to accept, at closing, the MOU described above.

The University continues to support the Cafritz development as a positive impact on the local economy which, in turn, will enhance the future viability of the research park, the "east campus" development, plans for a new university hotel and the revitalization of the College Park downtown.

Previously established University conditions for the transaction will remain in effect, including that the University shall have ongoing review and approval rights during design and construction of the bridge and road; that the University will make no financial contributions toward any aspect of the design and construction of the "J-Crossing;" that the University will not have any direct or indirect responsibility to undertake any transportation improvements that might be required as a result of new or changed traffic patterns; and that the "J-Crossing" will be constructed for and dedicated to public use.

Further, closing on a sales agreement is conditioned on the developer having obtained all permits, financing and approvals required for the construction of the "J-Crossing" and final approval of any agreement is conditioned on the approval of the USM Board of Regents and Maryland Board of Public Works.

ALTERNATIVE(S): This item is presented for information and discussion purposes.

FISCAL IMPACT: This item is presented for information and discussion purposes.

CHANCELLOR'S RECOMMENDATION: This item is presented for information and discussion purposes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

GOLUB WAREHOUSE (ERCO)

RIVERTECH BUILDING (RAYTHEON)

LAND DESCRIPTION	LAND AREA
PORTION OF BUILDING TO BE REMOVED	2503 S.F.
REMAING LAND REMAINING SOUTH OF PROPOSED R/W	1.21 AC.
AREA OF TEMPORARY CONSTRUCTION EASEMENT	0.55 AC.
AREA OF PROPOSED RIGHT OF WAY	2.38 AC.
AREA OF TEMPORARY CONSTRUCTION STAGING AREA	0.77 AC.

North

CSX CROSSING OPTION J.4.A

CAFRITZ PROPERTY

RIVERDALE (19th) ELECTION DISTRICT
PRINCE GEORGE'S COUNTY, MARYLAND



Rockville
Lanham
Waldorf
Leonardtwn

LANHAM OFFICE
4300 Forbes Boulevard, Suite 230
Lanham, MD 20706
P. 301.794.7555 F. 301.794.7656

www.solteszco.com

NO.	REVISIONS	BY	DATE
DATE:	CAD STANDARDS VERSION: V8 - 2000		

COPYRIGHT ADC THE MAP PEOPLE
PERMITTED USE NUMBER 2071118

MAP 12 GRID E-1

42 D2

WSSC 200' Sheet

208 NE 04

SITE DATUM
MAR 03

HORIZONTAL: NAD 83
VERTICAL: NGVD 1929

MISS UTILITY NOTE

MISS UTILITY NOTE

INFORMATION CONCERNING EXISTING UNDERGROUND UTILITIES WAS OBTAINED FROM AVAILABLE RECORDS. THE CONTRACTOR MUST DETERMINE THE LOCATION OF ALL EXISTING UTILITIES AND UTILITIES CROSSINGS BY DIGGING TEST PITS BY HAND, WELL IN ADVANCE OF THE START OF EXCAVATION. CONTACT "MISS UTILITY" AT 1-800-257-7777, 48 HOURS PRIOR TO THE START OF EXCAVATION. IF CLEARANCES ARE LESS THAN SHOWN ON THIS PLAN OR TWELVE (12) INCHES, WHICHEVER IS LESS, CONTACT THE ENGINEER AND THE UTILITY COMPANY BEFORE PROCEEDING WITH CONSTRUCTION. CLEARANCES LESS THAN NOTED MAY REQUIRE REVISIONS TO THIS PLAN.

A horizontal scale bar with tick marks at each end and the text "ONE INCH" in the center.

50'

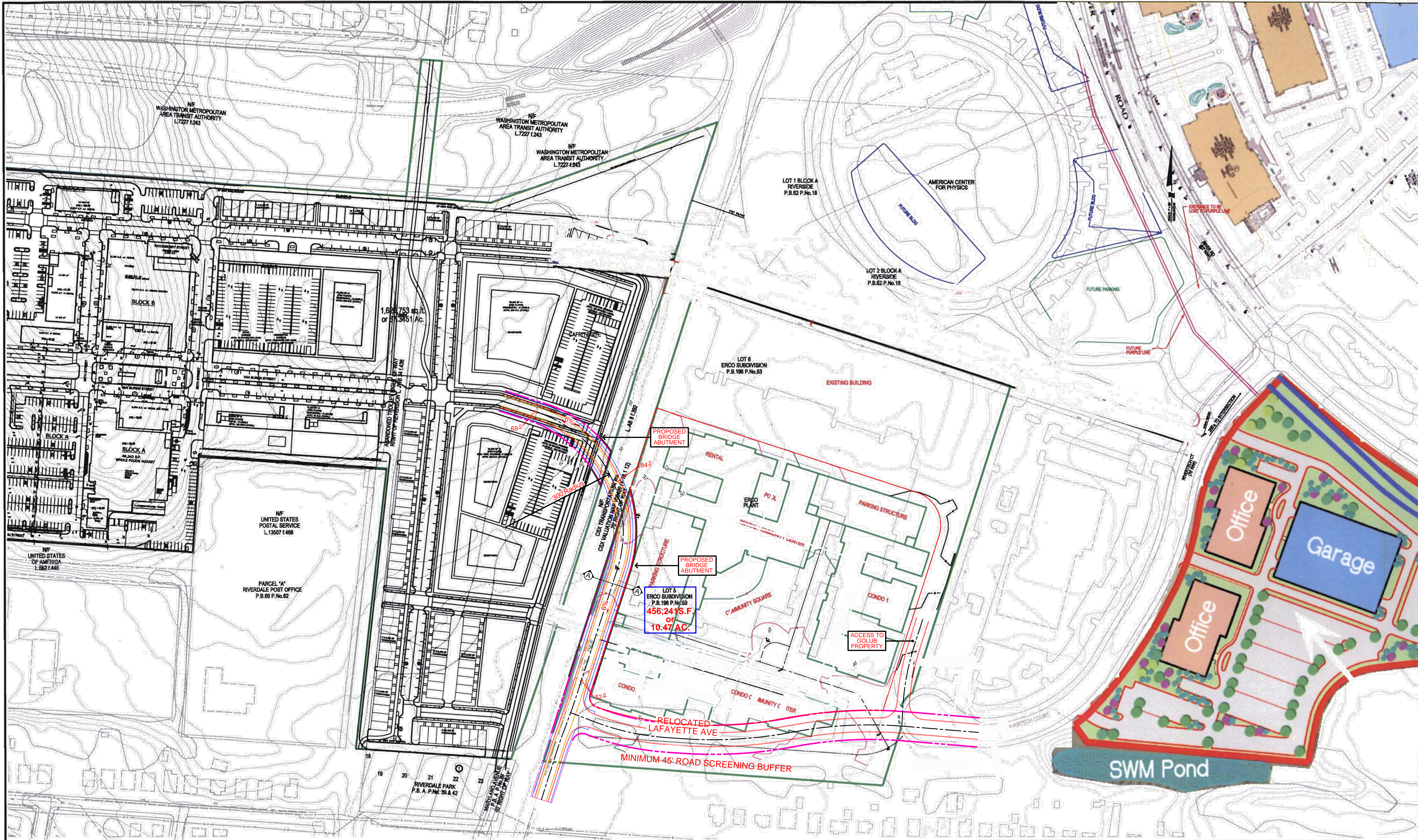
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OF 1

PROJECT NO.

411-01-00



Option "J.3.300"

CSX CROSSING OPTION

CAFRITZ PROPERTY
RIVERDALE (19th) ELECTION DISTRICT
PRINCE GEORGE'S COUNTY, MARYLAND

Section A-A

				COPYRIGHT ADC THE MAP PEOPLE PERMITTED USE NUMBER 20711186	
				MAP 12	GRID E-1
				TAX MAP 42 D2	ZONING CATEGORY: R-55
				WSBC 200' Sheet 208 NE D4	
				SITE DATUM HORIZONTAL: NAD 83 VERTICAL: NGVD 1929	
NO.		REVISIONS		BY	DATE
DATE:		CAD STANDARDS VERSION: V8 - 2000			
DESIGNED:		TECHNICIAN:		CHECKED:	