



TOPIC: University of Maryland, College Park: Sale of Land to Prince George's County to Provide a Right-of-Way for a Crossing over CSX Tracks between Cafritz Development Site and River Road

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: January 29, 2015

SUMMARY: The University of Maryland, College Park (UMCP) seeks Board approval to sell an estimated 3.6-acre parcel of land to Prince George's County (County). The land is located along the west and south borders of the University's 13.7-acre property known as the Golub parcel (Exhibit A).

Calvert Tract, LLC (Developer) owns a 37.5-acre tract known as the Cafritz Property where a mixed-use project (Project) is now under development. The County approved the Project along with a special taxing district to fund certain project infrastructure. Project approvals were conditioned on a bridge connection to and from the Cafritz Property by crossing over the intervening CSX rail from its west side to its east side connecting the Project to River Road and Kenilworth Avenue. An approximate 3.6-acre parcel of the University's Golub property (Parcel) located on the east side of the CSX tracks was identified as ideal to provide a right-of-way for the CSX Crossing. When built, the CSX Crossing will provide vehicular, bike and pedestrian access between the Cafritz Property and M Square, the University of Maryland Research Park. This right-of-way will provide access to the Project's retail amenities including the first Whole Foods grocery store in the County and will as well improve leasing and development prospects for the University's Research Park. The sale of the right-of-way will not significantly impact future development of the remaining 10 plus acres of the Golub parcel.

On June 21, 2013, the Board of Regents approved the sale of the 3.6-acre Parcel to Calvert Tract, LLC to allow for the construction of the CSX Crossing. Subsequently, on October 17, 2013, the Finance Committee heard an Information Item outlining a County proposal that it, rather than Calvert Tract, LLC, would take title to the right-of-way in anticipation of its public use and the County's participation in partially funding the CSX Crossing. At the time the County had not budgeted an allocation for the acquisition. The University advised that it would return to the Board with the specific terms of the disposition to the County.

The County and the University have now arrived at an agreement under which the University would sell the Parcel to the County. The salient terms of the agreement are:

1. A purchase price of \$1.53 million for an estimated 3.6 acres of land (or \$425,000 per acre), based on appraised value.
2. The University will accept a deferred payment from the County to be paid within 5 years of the property transfer to the County.
3. Any deferred payment would be in an amount equal to the purchase price plus interest at a rate of 2% per year, compounded annually until the payment is made.
4. The County may satisfy its obligation by a cash payment or an in-kind payment in lieu of cash in the form of completing one or more public works and engineering projects that are mutually agreed to by the USM and the Maryland Board of Public Works and the County. The cost at completion of these projects will not be less than the property sales price plus accrued interest.

5. If the County fails to identify, fully fund and commence construction of mutually agreeable projects by the fifth anniversary of the closing date, the County's option to pay for the property by in-kind construction of projects (in lieu of cash) shall end and the County shall pay the University the purchase price plus interest within ninety (90) days.

Previously agreed upon University conditions for the transaction will remain in effect, including:

1. The University shall have ongoing review and approval rights during design and construction of the CSX Crossing.
2. The University will make no financial contributions toward any aspect of the design and construction of the CSX Crossing.
3. 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.
4. The CSX Crossing will be constructed for and dedicated to public use.
5. Closing on a sales agreement is conditioned on the developer having obtained all permits, financing and approvals required for the construction of the CSX Crossing.
6. Construction of the CSX crossing may also require ancillary access and/or easement agreements which agreements will not materially affect the value of the University's retained property.

ALTERNATIVE(S): The Board could deny the approval of the proposed sale or direct the University to pursue a negotiated sale to the Developer (Calvin and Jane Cafritz: Calvert Tract, LLC, 1666 Connecticut Avenue N.W. Suite 250, Washington, D.C. 20009) as originally approved by the Board on June 21, 2013. The University continues to support the Project as a positive impact on the local economy that will in turn enhance the future viability of the University Research Park and proposed Innovation District and the success of the new university hotel and the revitalization of downtown College Park.

FISCAL IMPACT: The estimated 3.6 acres proposed for the right-of-way land sale is part of the larger 13.7-acre (Golub) parcel acquired by the University in 2002 for \$6.2 million. Appraisals completed in 2013 value the 3.6 acres at between \$1.255 million and \$1.808 million. The agreed upon sales price of \$1.53 million is the average of the appraised values. The disposition will have no direct cost to the University beyond that associated with conducting due diligence. The University would receive market value for the property under the sales agreement.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park the disposition by sale of approximately 3.6 acres of University land located within that tract known as the Golub parcel to Prince George's County in the amount of \$425,000 per acre for the purpose of providing access to the proposed mixed-use Cafritz development via the CSX Crossing under the terms and conditions described above and others that might be appropriate; and, delegate to the Chancellor the authority to execute, after appropriate legal review, all documentation required for the disposition, consistent with applicable University System of Maryland Policy "Acquisition and Disposition of Real Property." The University shall continue to work with the USM Office of the Chief Operating Officer/Vice Chancellor for Administration and Finance throughout the disposition process.

COMMITTEE RECOMMENDATION:

DATE:

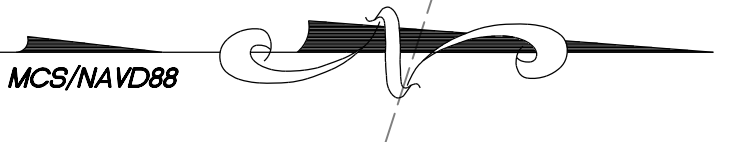
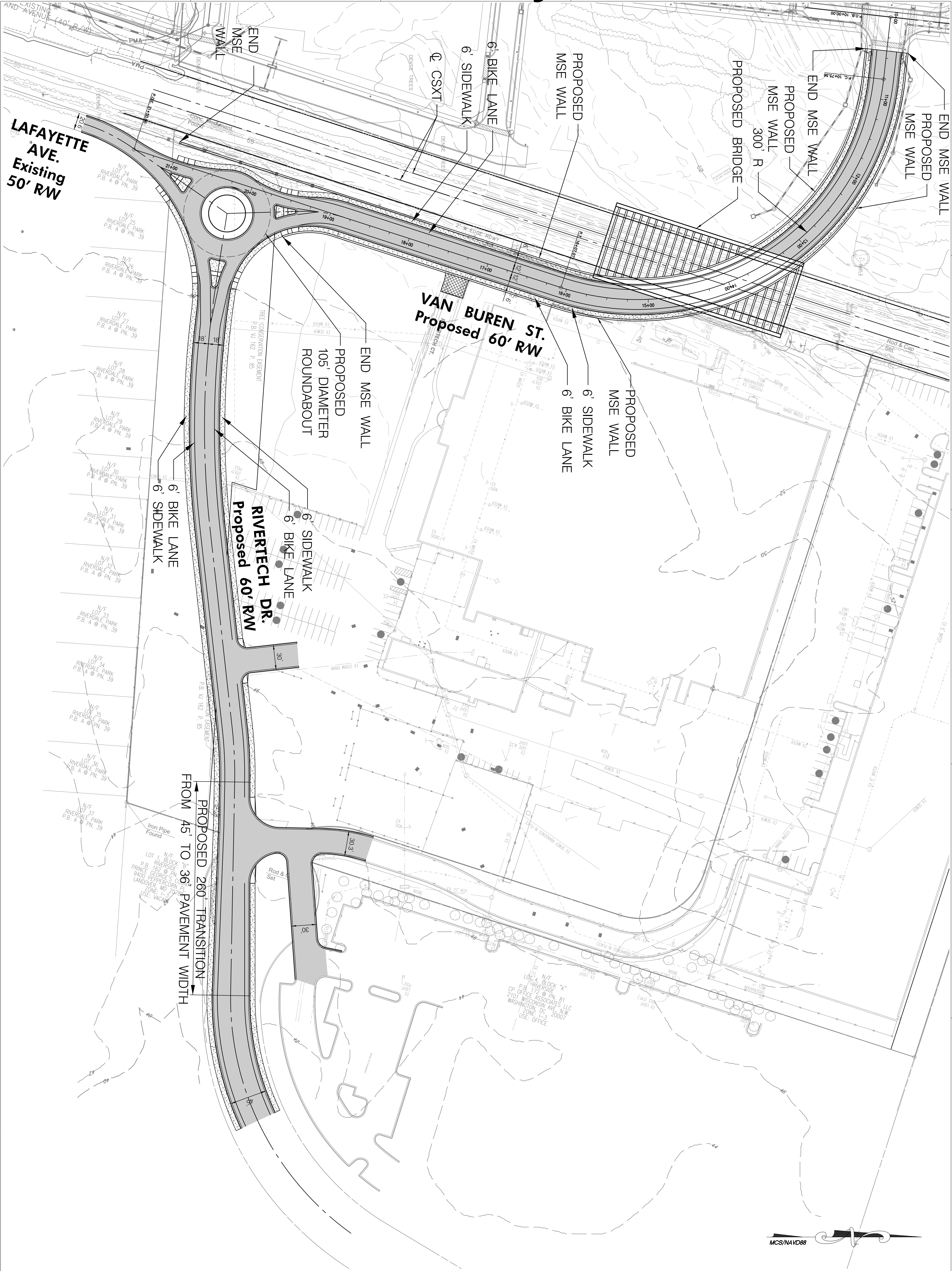
BOARD ACTION:

DATE:

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

Exhibit A - Roadway Plan

PLOTTED Monday, April 14, 2014 AT 03:35 PM
 FILE C:\10000000\DWG\CAD\Display\100-CAD_212.dwg
 BY: dcsmith



Dewberry Consultants, LLC
 (formerly known as Dewberry & Davis, LLC)

OWNER/APPLICANT
 PRINCE GEORGES COUNTY, MD

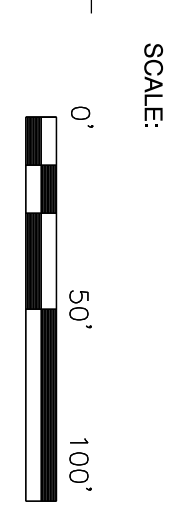
CONTACT:

VAN BUREN STREET
 EXTENDED
 RIVERDALE PARK, MD
 PRINCE GEORGES COUNTY

ELECTION DISTRICT 19
 TAX MAP 42

SEAL

PROFESSIONAL CERTIFICATION:
 I HEREBY CERTIFY THAT THESE DOCUMENTS WERE
 PREPARED BY ME OR UNDER MY CLOSE PERSONAL
 SUPERVISION AND THAT I AM A LICENSED PROFESSIONAL ENGINEER UNDER THE
 LAWS OF THE STATE OF MARYLAND. LICENSE NO. _____
 EXPIRATION DATE: _____



No.	DATE	BY	Description

DRAWN BY: D. SMITH
 APPROVED BY: F. KAUL
 CHECKED BY:
 DATE: APRIL 14, 2014

TITLE
**CONCEPT
 LAYOUT**

PROJECT NO.: 50063888

SHEET NO. **2** OF 5