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*Democracy Dies in Darkness*

## Metro headquarters to transform into a modern commercial office building

By **Justin George**

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Metro has reached a deal to lease its soon-to-be vacated downtown headquarters to a development group that will remake the 46-year-old building into a modern commercial office space that could house more than 1,500 employees and bring new life to solemn Judiciary Square, according to a proposal to be presented to the board this week.

The transit agency has selected the development team of Stonebridge, a regional development group building a \$300 million tower in downtown Bethesda, and Rockefeller Group, a national company behind some of New York's foremost landmarks as well as the Boro tower in Tysons.

The group has agreed to a 99-year lease of the Jackson Graham Building, just across from Capital One Arena, that could pay Metro upward of \$130 million over the duration of the contract, agency officials said.

“We have exceeded our expectation,” said Nina Albert, vice president of real estate for Metro.

The proposal, contained in board documents, will be presented to members at their Thursday meeting. A final vote could take place two weeks later.

The two companies beat out 13 other bidders to acquire the prime District real estate, roughly an acre in size, directly east of the arena and one block from the Gallery Place-Chinatown Metro station. The building sits between one of the city’s busiest shopping and entertainment districts and the Judiciary Square area, home to government buildings and parks.

Hilary Allard Goldfarb, senior vice president and D.C.-based regional development officer for Rockefeller Group, called the building a “generational opportunity.”

Developers are planning an intensive remodel that will gut the structure, add three floors and give the facade a facelift to bring in more natural light. They said they also plan to transform the building's entrances, which sink below street level, into seamless and attractive walkways into retail stores, which will line the building's ground floor.

"We envision a ground floor that really engages the street," Goldfarb said.

When complete, the building will house "significantly more" workers than the 1,100 who work there now.

Metro, meanwhile, projects it will save \$130 million over 20 years, consolidating its office workforce from 10 buildings to three, including shifting its headquarters from Jackson Graham to an office building under construction at L'Enfant Plaza.

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It plans to completely vacate the Jackson Graham Building by December 2022. Redevelopment should begin in 2023 and last roughly two years, Goldfarb said.

Metro has long planned to move out of the aging brutalist-style 48,401-square-foot building, named after Metro's first general manager who oversaw the system's development. The property occupies an entire District block along 5th Street NW between F and G streets. Officials say the building's roof leaks, its plumbing often fails, it lacks adequate fire protection and it needs a new air conditioning system. It also does not meet standards of the Americans With Disabilities Act, they said.

In October 2018, the transit authority bought a vacant building at 300 Seventh Street SW at L'Enfant Plaza for \$53.1 million. The eight-floor building is being expanded to 11 floors and remodeled into a modern, rectangular high-rise enclosed by giant glass panes. Metro plans to occupy the first eight floors and lease out the top three, creating another stream of non-fare revenue. The offices will provide Metro's employees a much brighter and modern home and the agency is hoping for LEED Gold certification, a U.S. Green Building Council award for buildings that conserve and promote energy savings with limited impact on the environment, Albert said.

As part of a broader relocation strategy nicknamed MetroMoves, Metro will discontinue its leases on six workspaces around the region, build new regional offices in New Carrollton and in Alexandria — both under construction — and vacate a rail-yard warehouse and another space that was never intended to host office workers.

Metro's new headquarters will house offices and personnel involved in strategic planning, policy and communication or roles that involve being based in the District, according to a detailed relocation plan.

Metrobus, Metro Transit Police, MetroAccess and Metro's customer call center will work out of the New Carrollton office. Metrorail personnel will be split between an existing building in the Greenbelt rail yard, where most rail operations are housed, and a new office building on Eisenhower Avenue in Alexandria.

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The Alexandria building will also house Metro's IT workers, engineers, tech and innovation employees and backup operations control centers.

The new headquarters should be ready by December 2021, according to a project schedule.

The transit authority put the Jackson Graham Building up for lease in April. Valued between \$75 million and \$125 million, Metro said, the property is expected to reap much more during the duration of the nearly century-long lease. Details on specific payouts were not disclosed.

“What I can say is that I really do believe we’ve met the market for this generational opportunity,” Goldfarb said.

The developers plan to keep the building’s structure rather than tear it down because the deal includes a few complexities.

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The building sits above the Red Line, and construction of an entirely new building would create a major Metro service disruption. The building’s roof also serves as the site for radio towers and giant chillers that cool the nearby Gallery Place-Chinatown, Judiciary Square and Archives Metro stations.

As part of the deal, developers will build Metro a chiller plant on the building grounds, the agency said.

“Our execution plan allows for [Metro’s] infrastructure, and it allows us to best minimize risk and maximize value for [Metro],” Goldfarb said.

Red Line customers will not notice the construction going on above ground, she said.

Douglas M. Firstenberg, a founding principal of Stonebridge, said he envisions transforming the building into one that will fit perfectly in the neighborhood, transitioning in tone from west to east. Busy storefronts could face the arena to match the bustle of Chinatown. At the other end, the building and walkways could transition to a more “bucolic” space that matches the nearby National Building Museum and the rest of Judiciary Square.

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“We are going to spend a lot of time creating good retail,” he said. “Good retail that is successful, retail that is engaging the community.”

Developers envision Jackson Graham changing from a 9-to-5 office building into a place where people can spend much of their day, from shopping to entertainment.

“This is a case study in creating one of the best 18-hour environments, honestly anywhere,” Firstenberg said. “You have an arena that has 200-plus events a year, you have cultural events with the museums. But when you add to all of that all of the Metro accessibility with all of the different lines into the [Gallery Place-Chinatown] station . . . it’s one of the best locations in the region.”

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Goldfarb said it was too early to predict what businesses could move into the center. But she said spaces within will be as modern and technologically advanced as possible to reflect an industry standard of “trophy space,” which goes beyond the normal Class A or B ratings.

“We do know that it will be commercial, and I think at least the existing floors will be trophy offices,” she said.

*Correction: An earlier version of this story misstated the age of the Jackson Graham building. It has been corrected.*

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