

BEFORE THE DISTRICT OF COLUMBIA ZONING COMMISSION
PUD Application and C-3-C Rezoning
Former Randall Junior High School Project
ZC Case No. 07-13

December 6, 2007

TESTIMONY OF KONRAD SCHLATER
Office of the Deputy Mayor
for Planning & Economic Development

INTRODUCTION

Good evening, Chairman Hood and members of the Commission. I am Konrad Schlater with the Deputy Mayor's Office for Planning and Economic Development.

STATEMENT OF SUPPORT

On behalf of Deputy Mayor Albert and the Fenty Administration, I am delighted to be here today to voice our strong and enthusiastic support for the Corcoran/Randall School project before you this evening.

BACKGROUND AND HISTORY OF PROJECT

I first became involved with the Randall School site in 2004, when the District still owned the property and was leasing it to the Millennium Arts Center. The Mayor's Office had a vision for this site as a beacon for artistic and cultural pursuits for local artists, residents and children in search of cultural enrichment and education. While other parts of the city are relatively well-served by museums and arts programs, the Millennium Arts Center would help a segment of our city often overlooked by the arts community. The Williams Administration saw this as a

ZONING COMMISSION
District of Columbia

CASE NO. 07-13 ZONING COMMISSION
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CASE NO.07-13
EXHIBIT NO. 66 EXHIBIT NO.66

fantastic opportunity for our local youth, parents and resident of southwest and southeast to discover their hidden artistic talents.

DIFFICULTIES ENCOUNTERED WITH MAC

Unfortunately, the leaseholder of the property was unable to fulfill its financial commitments to the arts center and the building fell into further disrepair, with numerous zoning and code violations. What should have been a center for creativity became a focal point of controversy. Artists were left to fend for themselves as water pipes burst and heating systems failed. A homeless shelter occupied a portion of the building under very poor conditions. As owners of the building, we knew we had to find a way to solve these problems – and quickly – so that this vision for an arts center could be salvaged.

THE CORCORAN

With the help of former councilmember Sharon Ambrose, Mayor Williams approached the Corcoran Gallery of Art, which had expressed an interest in expanding its programs into other parts of the city. It became clear within a very short time that the Corcoran, one of oldest and most respected art institutions in the country, was in a position to rescue the city's vision for this site. As plans began to develop, however, we soon realized that this site could not only satisfy the cultural needs of the community but also help turn the tide of the population exodus that the city was experiencing at the time. Here was a severely under-utilized piece of property that, if property leveraged, could yield an incredible return for the city – a development of true exceptional public benefit.

DEVELOPMENT COVENANT

By 2005, the program for the site had taken shape and the Corcoran and the city began negotiations for the sale and development of the property. A covenant was recorded on the site to ensure that our mutual goals would be fully realized.

FIRST, the site had to be developed with a minimum of 80,000 square feet of space devoted to a museum and school of fine arts, and ancillary uses;

SECOND, the new development would also have to include a minimum of 340,000 square feet of residential space and a minimum of 200 units;

THIRD, at least 20% of the units would have to be sold or rented to families earning no more than 80% of the adjusted mean income for Washington, D.C.;

FOURTH, the Corcoran would seek proposals from developers to undertake the project on its behalf;

FIFTH, the developer would be required to enter into a memorandum of understanding with the Department of Small and Local Business Development to subcontract with local, small and disadvantaged enterprises. They would also be required to enter into a First Source Employment agreement, whereby District residents would be given first preference for jobs created by the new construction.

FINALLY, although not part of the covenant, we knew that the building may be architecturally and historically significant, so we encouraged the Corcoran to discuss the issue with the Historic Preservation Office. In doing so, the Corcoran agreed to prepare and file a landmark application on the property. And we applaud the Corcoran for taking on this responsibility and its recognition and protection of the historic building.

DEVELOPMENT INCENTIVES

The covenant also included development incentives, such that the Corcoran could sell the development rights to the property to attract an experienced and reputable developer to the project, subject to the restrictions in the covenant.

DIFFICULTIES

Despite the development incentives, the economics of the project have proved too difficult for at least two developers. After a competitive selection process, two promising developers decided to drop out during their feasibility studies. This set the project back by more than a year or so.

MONUMENT

We are delighted, however, to have Monument Realty as part of the development team. They have done a tremendous amount of good for the city in relation to the baseball park development and are truly committed to the revitalization of the South Capitol Street corridor.

NOVEMBER 2006 SALE OF THE PROPERTY

The District sold the property to the Corcoran exactly one year ago this month. I can't tell you how excited we are to see this project finally coming to fruition.

REZONING TO C-3-C

We have seen this project through the historic preservation approval process before HPRB and the Mayor's Agent, through countless community meetings which have finally resulted in

unanimous support from ANC 6D and the SWNA. We now seek your support for the rezoning and PUD to allow this project to go forward.

EXCEPTIONAL PROJECT BENEFITS AND AMENITIES

The project is fully consistent with the Comprehensive Plan and the Mayor's goals for the city. The public benefits – the arts and housing, in particular – are exceptional and are rarely seen on this scale. It will provide roughly 80-90 affordable units alone. It clearly exceeds what would otherwise be achieved on this site as a matter-of-right, which right now – as R-4 zoning – doesn't even allow apartments or the Corcoran arts programs, for that matter.

CONCLUSION

On behalf of the Deputy Mayor for Planning and Economic Development, we ask for your approval of this exceptional development project that is so important to SW and the city.

Thank you and I am happy to answer any questions you may have.