Before the Zoning Commission of the District of Columbia

Washington Real Estate Investment Trust

BZA Application No. 16661
Public Hearing: December 18, 2000
ANC 2D, also in proximity to ANC 6B

STATEMENT OF THE APPLICANT

I.
Nature of Relief Sought

Washington Real Estate Investment Trust (the "Applicant") hereby requests the Zoning Commission of the District of Columbia (the "Commission") to approve a special exception under Section 802A.2 to allow the use of a vehicle storage/repair garage building in the C-M-2 zone for an electronic equipment facility ("EEF"). The existing building is located at 1501 South Capitol Street, S.W. (Square 657, Lot 817). It was constructed as a warehouse for the Lansburgh Department Store. It was purchased by the Applicant in 1974 and has been used for industrial purposes since that time. Currently, it is leased to the Metropolitan Police Department. The building is used primarily to repair and maintain police department vehicles and vehicle equipment, such as radios and computers. In addition, the building houses the Police Department's Mobile Crime Laboratory. Although the Applicant sought to renew the current lease, the Metropolitan Police Department has opted to move these operations to several other sites throughout the city.

Until recently, the site was suitable only for warehouse or industrial use. In recent years, however, long haul fiber-optic cable has been installed in the immediate vicinity of the site. As a result, the site is now ideal for use as an EEF. In recent months, the Applicant has the opportunity to sell or lease the building for EEF use. The various types of potential EEF uses are detailed in Exhibit J. In the absence of such an opportunity, it is likely that once the building is vacated by the police department it will be used for warehouse purposes or other permitted industrial uses.

BZA
Case No. 16661
Exhibit No. 22

Board of Zoning Adjustment
District of Columbia
CASE NO.16661
EXHIBIT NO.22

Under the Emergency Regulations adopted by the Zoning Commission on November 16, 2000, and amended on November 17, 2000, EEF use is permitted on the subject site only with special exception approval. Accordingly, the Applicant seeks such approval to allow for the conversion of the existing building to EEF use. In connection with the conversion, the appearance of the building will be improved significantly. The Applicant has proposed several changes to the property that will improve its appearance including the removal of window air conditioning units, the repainting of the entire façade, the replacement of all existing windows, the removal of the unsightly chain-link fence, the removal of the overflow parking onto public space, the removal of unsightly signage, and the creation of a single unified use on the property.

The application was filed on October 30, 2000. The application, as advertised, includes variance relief from the parking requirements. As finalized, the standards provide that parking and loading may be reduced by the Zoning Commission in connection with the special exception application thereby nullifying the need for variance relief. Since the existing building does not contain sufficient parking to comply with the office requirements set forth in the recently adopted standards for EEFs, a reduction in the amount of required parking is required.

II.
Background of the Applicant

Washington Real Estate Investment Trust (WRIT), founded in Washington in 1960, is a self-administered, self-managed, equity real estate investment trust investing in income-producing properties in the Washington metropolitan area. The Trust owns a diversified portfolio of 57 properties consisting of ten shopping centers, 23 office buildings, 15 industrial properties and nine apartment buildings. In addition to the subject property, WRIT also owns an apartment building at 3801 Connecticut Avenue, NW and office buildings at 1901 Pennsylvania Avenue, NW and 1220 19th Street, NW. WRIT shares are publicly traded on the New York Stock Exchange (Symbol: WRE).

III.

Description of Property and Surrounding Area

The property is located in the C-M-2 Zone district in Square 657. It is located immediately west of the ramp serving the Douglas Memorial Bridge. The ramp obscures the view of the entire South Capitol Street façade of the building. The surrounding area to the south, east and west, consists of numerous industrial uses including concrete plants, repair garages, materials storage facilities and other uses that result in heavy truck traffic, loud noise and other typical accompaniments to industrial uses. There is a residential townhouse complex known as Carrollsburg Place immediately to the north and a housing complex known as the Syphax to the west. An excerpt from the Zoning Map is attached as Exhibit B.

The site has frontage along South Capitol, Half and P Streets, S.W. It consists of a total land area of approximately 79,932 feet. It comprises more than half of Square 657. The other uses in the square include a taxicab repair garage and a long term, or "dead" storage facility. The existing structure consists of three stories and a basement. A majority of the building is used to repair and service police vehicles and police vehicle-related equipment, such as radios and computers. In addition, the Police Department Mobile Crime Laboratory is located on the second floor. The site is also used to store police vehicles. Many of the cars are located within a portion of the lot that is encompassed by a chain-link fence. In addition, numerous vehicles park on the public space surrounding the site.

The building, in its current condition, is highly industrial in nature. The repair garage use involves traffic to and from the site and noisy equipment. The chain-link fencing, the numerous vehicles parked around and on the site, the window unit air conditioners, and the building façade and windows, which have never been modernized, add little to the neighborhood from an aesthetic standpoint. The existing use involves a large number of police vehicles traveling to and from the site. The use entails the parking of a substantial number of vehicles on the property, as well as traffic to and from the site

24 hours a day. The streets and public space surrounding the building are often overcrowded with police vehicles awaiting service or pick-up. In addition, the surrounding industrial uses bring substantial truck traffic to the immediate area.

IV.
Proposed Use

The Applicant proposes to sell or lease the building for EEF use. The use will involve a complete renovation and upgrading of the building including removal of the chain-link fencing and window air conditioning units and the modernization of the entire façade including the replacement of all of the windows. The building is ideal for such use because of its proximity to long haul fiber and the ample floor to ceiling heights. If the building cannot be used for EEF use, it is highly likely that the next use will be for warehouse purposes, consistent with its industrial use history and the uses in the surrounding area. As described herein, the proposed use will have far less of an impact on the residential community to the north and west and will be more attractive as a result of the planned modifications to the building and the site. As an EEF, the site can serve to buffer the intensive industrial use to the south from the residential uses to the north and west.

V.
The Applicant is Entitled to Special
Exception Relief under the Zoning Regulations

Uses that are allowed by special exception are deemed compatible with other uses permitted in that particular zoning classification provided certain requirements are met. In reviewing applications for special exception relief under the Zoning Regulations, this Commission's discretion is limited to determining whether the proposed exception satisfies the relevant zoning requirements. If the prerequisites of the regulations are satisfied, the Commission ordinarily must grant the application. See, e.g., Bakers Local Union No. 118 v. District of Columbia Board of Zoning Adjustment, 437 A.2d 176, 178 (D.C. 1981)

As set forth in greater detail below, approval of special exception relief in this case is in harmony with the general purpose and intent the Zoning Regulations and Map and will not affect adversely the use of nearby properties.

VI.
The Applicant meets the Standards for use
of the Property as an Electronic Equipment Facility

Section 802A of the Zoning Regulations provides that an EEF shall be permitted in the C-M-2 zone district if the Zoning Commission finds that several requirements are met. In summary, the Commission must find that the proposed use will not preclude the future revitalization of the neighborhood, reduce the potential for vibrant streetscapes, deplete street life, or inhibit pedestrian or vehicular movement. In considering these standards, the Commission is required to evaluate the potential for retail use, the presence of security features that could impair street life and pedestrian flow, the potential disruption of existing or the elimination of officially proposed pedestrian or vehicular routes, and the ability of the EEF to be adapted to a permitted use in the future. The Commission must also consider the effect of the EEF on the economic development potential of the area and the proximity of the site to Metro. Finally, the Commission may consider the potential economic benefits of the EEF on adjacent properties. The Commission is permitted to impose requirements pertaining to design, appearance, landscaping, parking and other such requirements as it deems necessary to protect adjacent property and to achieve an active, safe and vibrant street life.

The Regulations require that an EEF in the C-M-2 zone provide parking and loading at an office ratio. For existing warehouse buildings such as the subject building, there is typically substantially less parking than is required for an office building since the parking requirement for a warehouse is only one space for every 3000 square feet while the requirement for office use is one space for every 1,800 square feet. The Commission is permitted to reduce the amount of required parking as part of the special exception process.

A. Section 802A.2

An applicant seeking a special exception for an EEF shall demonstrate, in addition to the other elements required for obtaining a special exception, that the proposed use will not, as a consequence of its design, operation, low employee presence, or proximity to other EEFs, preclude future revitalization of the neighborhood, reduce the potential for a vibrant streetscape, deplete street life, or inhibit pedestrian or vehicular movement.

The conversion of the existing vehicle storage/repair building to an EEF will not preclude future revitalization of the neighborhood, reduce the potential for vibrant streetscapes, deplete street life or inhibit the pedestrian or vehicular movement. To the contrary, the proposed use will greatly enhance the exterior appearance of the building, eliminate some of the parking on the site that spills over into adjacent public space, enhance the streetscape and enhance pedestrian and vehicular movement. The current use involves substantial vehicular traffic to and from the site. The proposed use will involve a significantly diminished amount of vehicular traffic to and from the site.

The proposed use does not include any retail use; however, the design is capable of accommodating retail use if such a use could be supported in the future. (Section 802A.3(a)) Based on a survey of existing uses in the neighborhood, it is unlikely that a retail use could be supported in the immediate future. Also, limited access to the site, due to the street and highway system surrounding the site, makes future retail or street activity very unlikely.

As modified for the EEF use, the building will not contain security or other elements in the design that will impair street life or pedestrian flow. In fact, the removal of the existing fencing and security features associated with the current use will benefit the immediate neighborhood. (Section 802A.3(b)) The use will have only positive effects on existing pedestrian and vehicular routes because the amount of traffic associated with the building will be reduced significantly. (Section 802A.3(c)) In addition, the EEF could be adapted to a permitted use in the future if market conditions warrant such a conversion.

Under Section 802A.5, the Commission may give positive weight to any positive economic benefits that the proposed EEF will have on adjacent properties. Based on the analysis prepared by Economic Research Associates and attached as Exhibit C, the proposed EEF will have substantial positive economic benefits on the District of Columbia and the immediate neighborhood because the use will increase significantly the value of the property. In addition, the costly equipment in the building will result in substantial taxes. The substantial revenues associated with the tax on the equipment more than offsets the reduced income taxes that result from the redemption in the number of employees. Further, the employees will generate income tax revenues. In addition, the use will enhance the exterior appearance of the building, upgrade the existing industrial vehicle storage/repair building use, reduce traffic to and from the property, and involve a substantial capital investment in a neglected part of city. The site is not located in proximity to an existing proposed Metro station and will have no effect on established pedestrian corridors. The nearest Metrorail station, Navy Yard, is a considerable distance from the site (approximately seven blocks) and an elevated highway separates the site from the Metro station. Given this distance, the Metrorail station should have no effect on the Commission's review of this application.

Under Section 802A.6, the Zoning Commission may impose requirements pertaining to design, landscaping, parking and other such requirements as it deems necessary to protect adjacent property and to achieve an active, safe and vibrant street life. The Applicant has proposed several changes to the property that will improve its appearance including the removal of window air conditioning units, the repainting of the entire façade, the replacement of all existing windows, the removal of the unsightly chain-link fence, the removal of the overflow parking onto public space, the removal of unsightly signage, and the creation of a single unified use on the property. The Applicant has also planned extensive landscaping on the P Street and Half Street sides of the building.

B. EEF Parking and Loading Requirements

The Emergency Regulations affecting EEFs included an amendment to Section 2101.1 to require parking for EEFs at an office ratio of one space for each 1,800 square feet of gross floor area in excess of the first 2,000 square feet of gross floor area. In addition, the loading requirements are the same as those for office use. For the subject building, which contains a total of 145,000 square feet of gross floor area, two 30-foot loading berths are required as well as one 20-foot service delivery space.

Since the subject building was constructed and has operated as a warehouse, it contains only 29 parking spaces rather than the 80 spaces that would be required for office use. In addition, the building as designed, contains far more loading than required for an office building. The applicant proposes to retain all of the currently provided parking spaces; however, there is no plan to increase the number of parking spaces to meet the new requirement. All of the vacant area on the site is used for parking; therefore, it would difficult to locate new parking spaces on the site. Further, given the low intensity of the proposed use, the additional parking spaces will not be needed.

The Applicant will provide loading consistent with the requirements of the regulations. Specifically, the Applicant will provide two 30-foot loading berths as well as one service delivery space. The Applicant requires flexibility with respect to the exact location of the berths and service delivery space. There are numerous locations within the existing building that can accommodate the required loading.

VII.
Community

The Applicant will be meeting with representatives of ANC 6B and ANC 2D during the first week of December. The Applicant is aware of no opposition to the application.

VIII.
Witness

A. Tom Regnell, Washington Real Estate Investment Trust

B. Patrick Phillips of ERA, Economic Consultants will be available to answer questions from the Zoning Commission.

IX.
Exhibits in Support of the Application

The Applicant hereby submits the following exhibits in support of the application.

Exhibit A: Portion of the Sanborn Atlas showing the property.

Exhibit B: Zoning Map, property outlined in red.

Exhibit C: Economic Report by Economic Research Associates.

Exhibit D: Outlines of witness testimony.

Exhibit E: Resume of proposed expert witness.

Exhibit F: Floor Plans

Exhibit G: Photographs of the building in its existing condition

Exhibit H: Photographs of the surrounding area

Exhibit I: Rendering of proposed EEF Facility

Exhibit J: Description of Typical uses for an EEF

X.

Conclusion

For the above reasons, the Applicant meets the criteria set forth in Section 802A for special exception approval for an EEF and is therefore in harmony with the general purpose and intent of the Zoning Regulations and will not affect adversely neighboring properties. The Applicant respectfully requests the Commission's approval of this application.

Respectfully submitted,

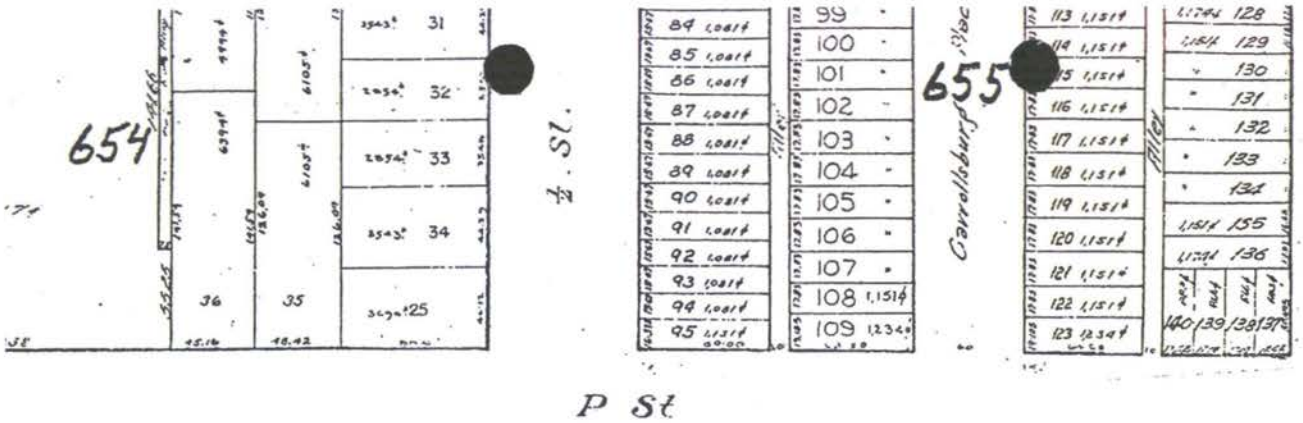
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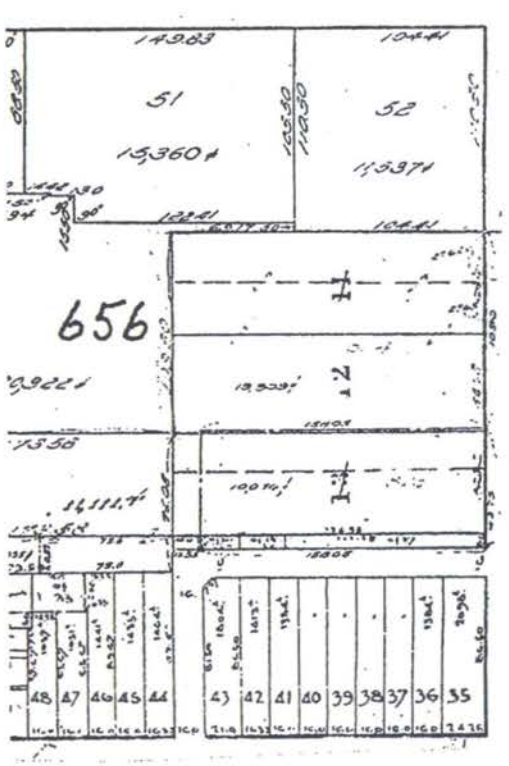
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Allison C. Prince 12/4/00

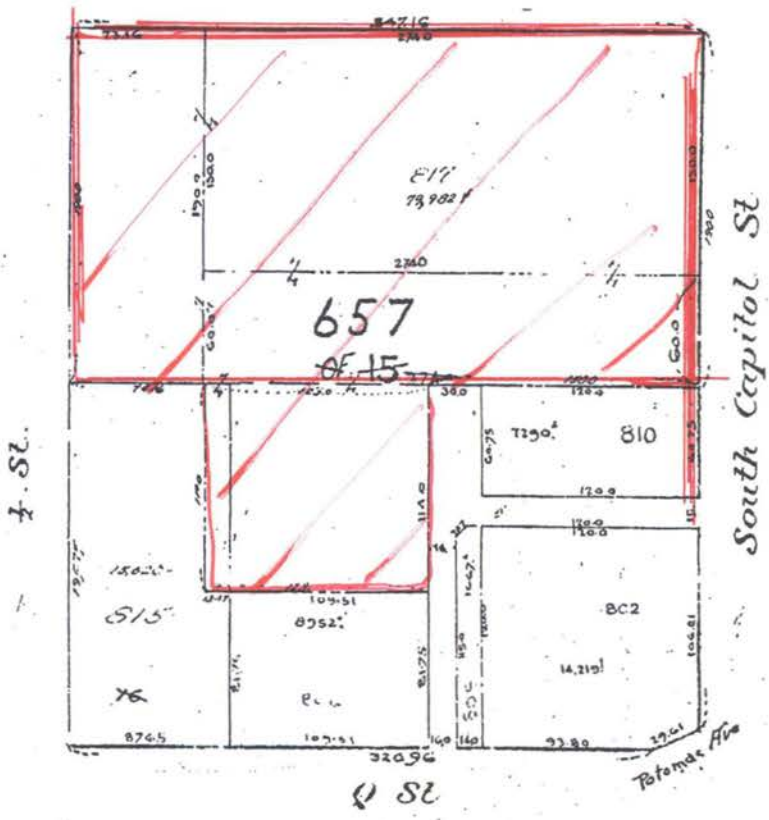
By: Martin P. Sullivan
Martin P. Sullivan 12/4/00

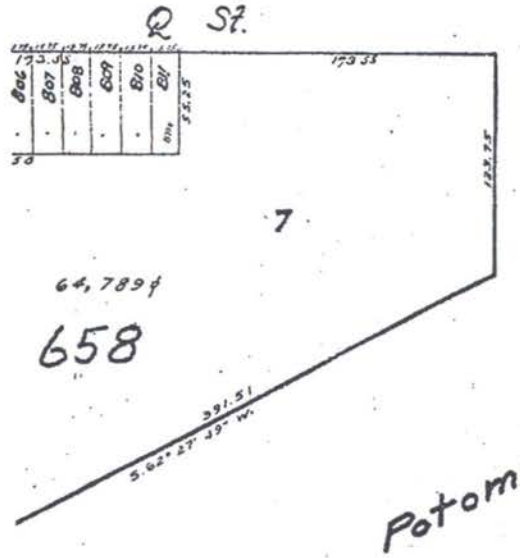
Attorneys for the Applicant

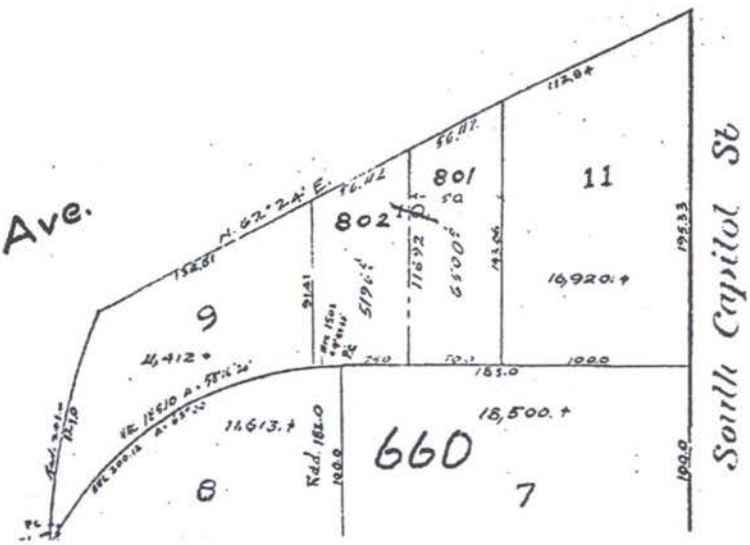


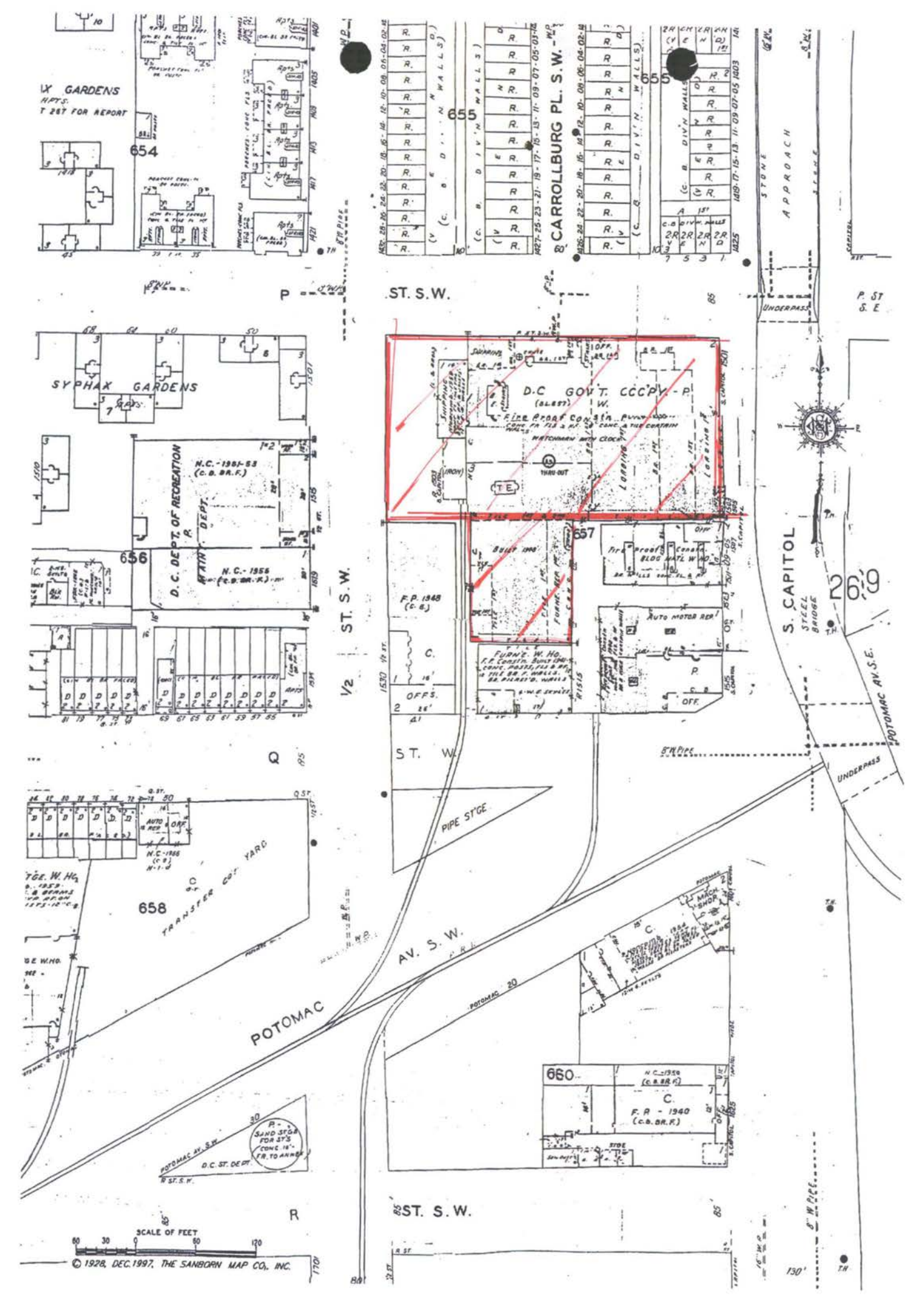

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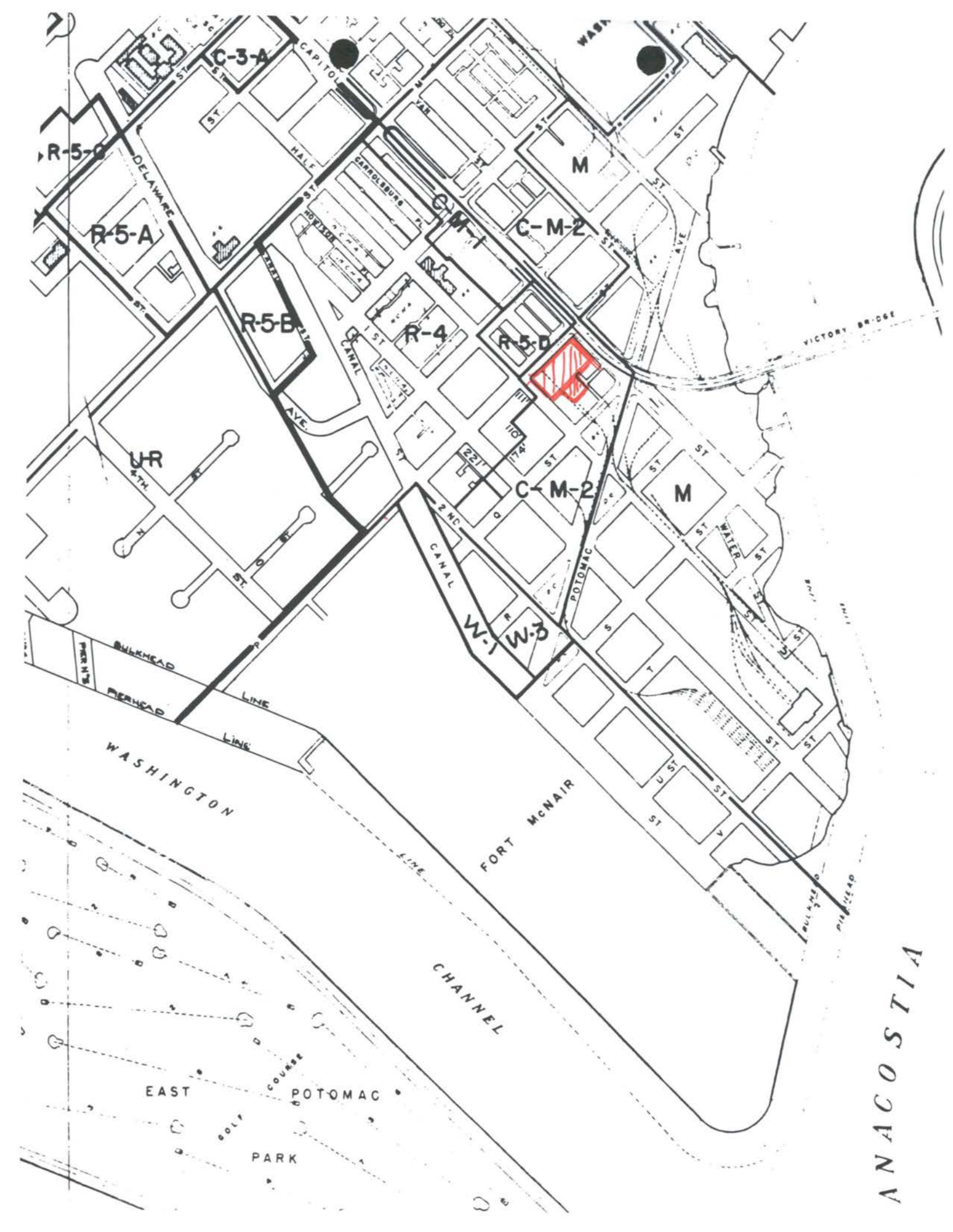

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PARK
GOLF COURSE
ANACOSTIA



Memorandum

Date: December 4, 2000

To: Marty Sullivan, Shaw Pittman

From: Patrick L. Phillips

RE: 1501 S. Capitol Street EEF Application

CC:

Shaw Pittman, on behalf of their client, Washington Real Estate Investment Trust, has asked Economics Research Associates (ERA) to assess the potential fiscal benefits of the redevelopment of 1501 S. Capitol Street SW as an Electronic Equipment Facility (EEF). This memorandum summarizes our findings.

Methodology

Electronic equipment facilities, also known as data centers or telco hotels, are an emerging land use in larger urban centers. These buildings, usually located proximate to major fiber-optic corridors or other significant telecommunications infrastructure, house dense concentrations of computer equipment and related devices. They can be occupied by single users or multiple tenants.

The 145,000 square foot building at 1501 S. Capitol Street is currently used to maintain and repair vehicles for the Metropolitan Police Department. Most of the 117 employees work for the department; a portion work for, SERCO, a private contracting firm. The tenant has indicated that they will leave the building at the expiration of the lease. These jobs are being relocated to another location within the District of Columbia, as such, the fiscal benefits associated with these jobs will not be lost.

The vacant building would then be used for the EEF. The most likely alternative use, if the EEF application was not approved, would be storage space. We therefore analyzed the fiscal benefits associated with three scenarios: the existing use, the EEF, and storage space.

Our analysis considered only the three major sources of fiscal revenue to the District: real property taxes, income taxes, and equipment taxes on the personal property installed within the buildings. Each of the scenarios would likely generate some other fiscal benefits, including potential business license taxes and other revenues that would depend on the specific tenant or user. These other revenues would be relatively minor and have been excluded from this analysis.

Assumptions

A. Income Taxes

As noted, the jobs currently on-site will be relocated, but will remain in the District. The additional jobs from any new use would therefore be net new to the District. We have estimated that the percentage of those employed at the facility who reside within the District, and therefore pay income taxes, at 34.5 percent, based on the most recent Census data. (With the net gains in both population and employment in recent years, this percentage may understate the actual proportion of employees who pay District income taxes.) This figure is held constant across each scenario. The number of jobs in an EEF facility can vary, but comparable facilities examined for this analysis show between one and three jobs per 10,000 square feet. We have assumed two jobs per 10,000 square feet.

The average salary associated with each use varies. We estimated employee salaries based on the National Compensation Survey conducted by the Bureau of Labor Statistics in 1999 for the Washington DC area. However, to estimate average salaries at an EEF facility, we also conducted a brief survey of facility managers. Generally, salaries for EEF employees range from $40,000 to over $95,000 depending on the education and skill level of the employee. Income tax rates and calculations follow the calculations for FY2001 as outlined by the government of the District of Columbia on their website (www.dc.gov)

B. Real Property Taxes

The assessed value and real property taxes for the existing facility is based on the most recent tax bill for the property. For the EEF and the storage facility, we have estimated an assessed value based on the expected capitalized value of the net income associated with each use. Based on a survey of market sources and on ERA's experience in the market, we have estimated net income at $18 per rentable square foot for the EEF and $5 per rentable square foot for the storage facility. (We have assumed 90 percent efficiency to calculate net rentable space from the gross square footage.) We have employed a capitalization rate of 10 percent to arrive at market value, and have assumed an equalization rate of 90 percent to achieve an estimated assessed value. Property tax calculations are based on current tax rates.

C. Personal Property Taxes

A major source of new revenue from the EEF is based on the high value of the equipment installed in the building, which is subject to taxation. Based on a review of the literature on EEF facilities and on a survey of managers of EEF facilities in Washington and in other markets, the value of this equipment can range from $150 to as much as $1,500 per square foot. For the purposes of this analysis, we have assumed an equipment value per square foot for the EEF of $300. We have further assumed that the current facility and the storage facility have nominal taxable equipment.

Key Findings

The results of the analysis are as follows:

Income Taxes

Existing Use	$190,156
Storage Facility	$6,032
EEF	$68,034

Real Property Taxes

Existing Use	$107,744
Storage Facility	$133,763
EEF	$481,545

Equipment Taxes

Existing Use	n/a
Storage Facility	$161,979
EEF	$1,331,100

Total Annual Tax Revenue

Existing Use	$297,900
Storage Facility	$161,979
EEF	$1,880,679

Estimate of Primary Fiscal Benefits
1501 South Capitol Street SW

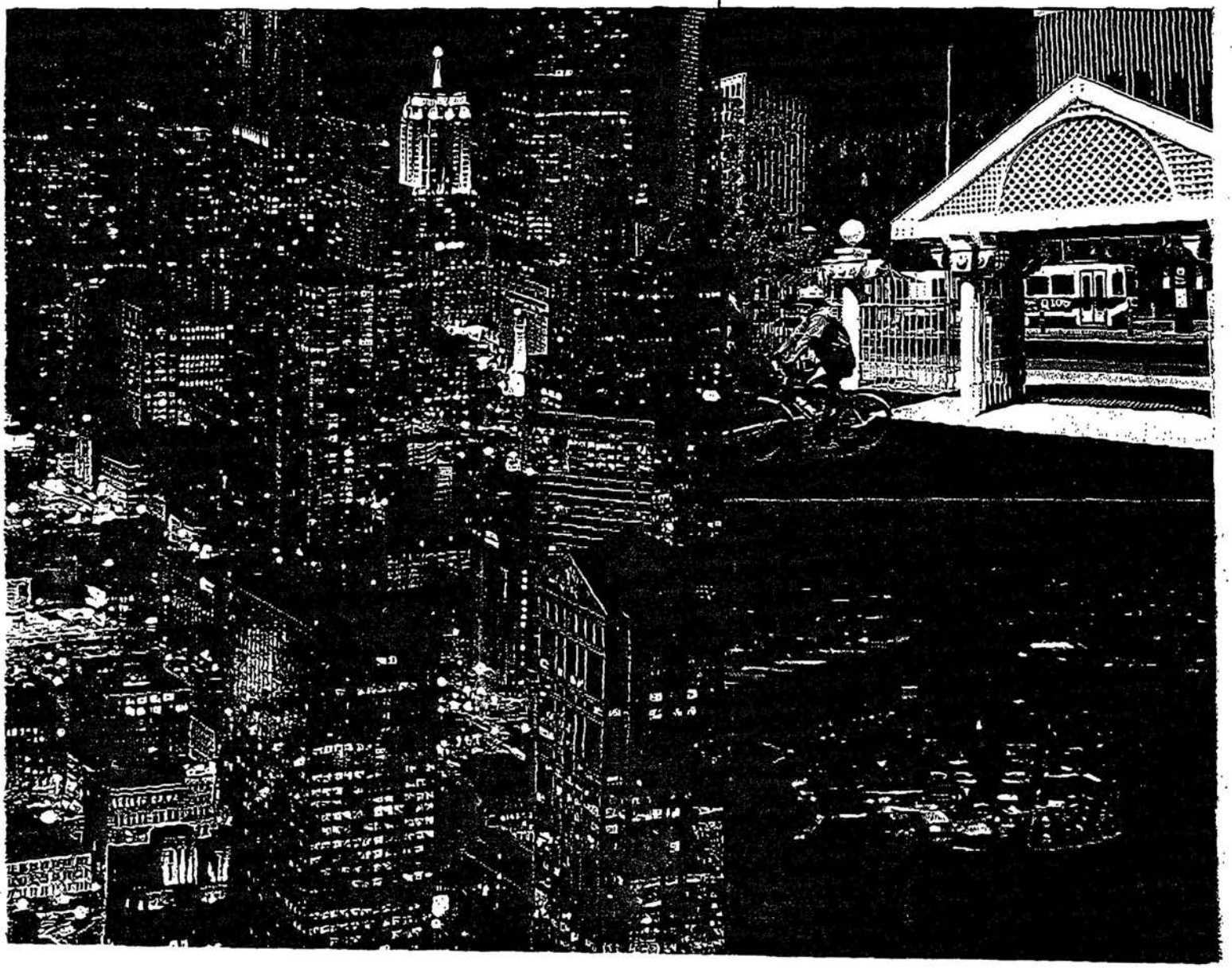
	Current Use	Storage	EEF
Income Taxes			
Salary per Worker	$ 38,010	$ 25,227	$ 60,000
Income Tax per Worker	$ 4,711	$ 3,497	$ 6,800
Number of workers	117	5	29
Percentage Residing in Washington DC	34.5%	34.5%	34.5%
Number of D.C. workers	40	2	10
Total Income Tax	**$ 190,156**	**$ 6,032**	**$ 68,034**
Property Taxes			
Net Income per Square Foot		$ 5.00	$ 18.00
Gross Square Footage		145,000	145,000
Net Rentable Square Footage		130,500	130,500
Cap. Rate		10%	10%
Estimated Assessed Value	$ 5,255,800	$ 6,525,000	$ 23,490,000
Property Tax	**$ 107,744**	**$ 133,763**	**$ 481,545**
Equipment Taxes			
Value of Equip./sq. ft.		$ 5	$ 300
Net Square Footage		130,500	130,500
Value of equipment		$ 652,500	$ 39,150,000
Total Equipment Tax	n/a	**$ 22,185**	**$ 1,331,100**
Total Estimated Annual Tax Revenue	**$ 297,900**	**$ 161,979**	**$ 1,880,679**

Source: Economics Research Associates

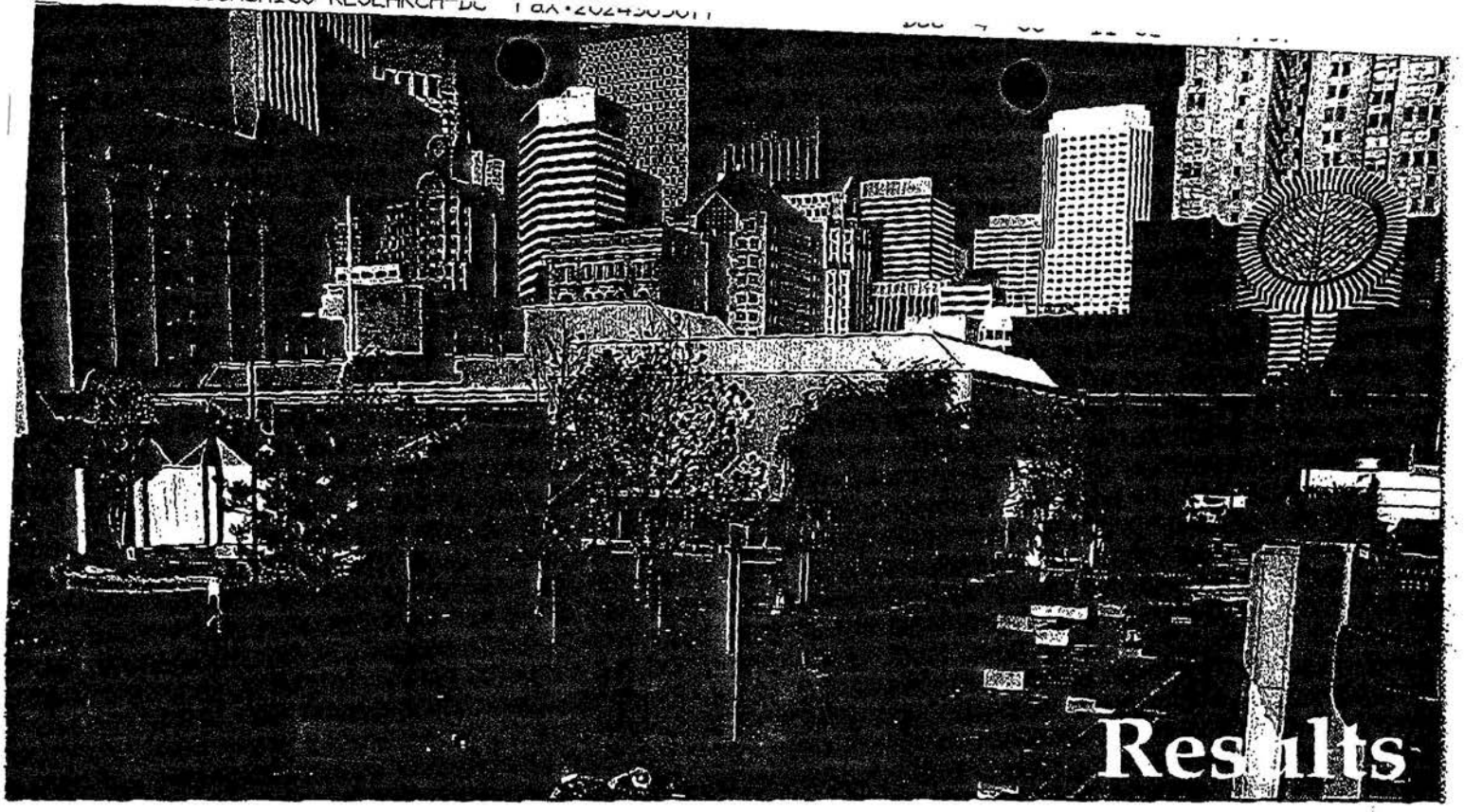
ERA

Economics Research Associates

Economic Planning Services



RESEARCH DC Fax:2024903011



Offering Economic Planning Services for over 40 years

ERA advises governments throughout the United States and abroad about urban planning economics and development policy, project feasibility, public-private partnerships, and community economic development strategies. Since its founding, the firm has undertaken more than 13,000 engagements. ERA's clients include public agencies, private firms and not-for-profit institutions. ERA understands the public sector's policy objectives, the private sector's economic imperatives, and the inherently political public-decision-making process. ERA works closely with government staff, community constituents, private developers, elected officials, and other professional services firms to develop strategies for enhancing quality of life. We serve all levels of government, ranging from municipalities and regions, to state and provincial governments, to national governments and international organizations.

ERA helps clients evaluate the economic implications of alternative development approaches, create achievable plans and strategies, and make informed decisions and sound investments.
ERA's services to the public sector include:

- Market and Financial Feasibility Analysis
- Economic and Fiscal Impact Assessments
- Development Programming
- Financing and Implementation Strategies
- Park, Recreation, and Open Space Analyses
- Redevelopment and Community Revitalization Strategies
- Specific and General Plans
- Project Packaging and Developer Recruitment
- Public Facility Development Programs
- Asset Valuation and Disposition Strategies
- Transportation and Joint Development Economics
- Regional Tourism and Economic Development Plans

d District, Portland OR Cover Top Right (photo by Tri-Met)
's Island, NYC, Cover Bottom Right

Clients & Projects in the United States

Adaptive Use

Science City at Union Station
Hines, Kansas City, MO

Reuse Potential of Historic Structure
National Park Service, San Francisco, CA

Economic Charrettes for Historic Towns
Northern Virginia Planning District, VA

Community Revitalization

Hollywood Entertainment District BID
City of Los Angeles, CA

F Street Retail Strategy
Washington, DC

Downtown Revitalization
Kellogg Foundation & City of Battle Creek, MI

Cultural Facility Feasibility Studies

Arvada Center for the Performing Arts
City of Arvada, CO

First US Riverfront Arts Center
City of Wilmington, DE

Alaska Native Heritage Center
ANHC, Inc., Anchorage

Economic & Fiscal Impact

Economic Impacts of '94 World Cup on Host Cities, World Cup '94 Organizing Committee

Economic Impact of Port of San Diego
San Diego Unified Port District

Sears World Headquarters Impact Study
IDOT, Sears, & Village of Hoffman Estates, IL

EIR/EIS Economic Studies

San Francisco Bay Area Navy Base Closure & Reuse Impacts, US Navy

Third Harbor Tunnel Economic Impact
Massachusetts Department of Public Works, Boston

Buffalo Inner Harbor Impacts
Empire State Dev. Corp., Buffalo, NY

General Plans & Planning Policy

San Diego County General Plan
County of San Diego, CA

Oak Ridge Reservation Reuse Plan
US DOE, Oak Ridge, TN

West Hollywood General Plan
City of West Hollywood, CA

Housing Feasibility Studies

Downtown Housing Market Study
Las Vegas Centre City Dev. Corp., NV

Riverside Drive Housing Study
City of Coral Springs, FL

Economic Criteria for Senior Housing
California Housing Finance Agency

Military Facility Reuse

Reuse Planning for George Air Force Base, Victor Valley Econ. Dev. Corp., CA

Glenview Naval Air Station Reuse
Village of Glenview, IL

South Weymouth NAS Reuse, South Weymouth Base Closure Comm., MA

Park, Recreation & Open Space Planning

Analysis of Concession Lease Potential
National Park Service

Lake Lanier Island Privatization Study
Lake Lanier Development Authority, GA

Mission Bay Park Master Plan
City of San Diego, CA

Public Assembly Facilities

Minor League Baseball Park Financial Analysis, City of Round Rock, TX

Moscone Convention Center Expansion
City of San Francisco, CA

Air Canada Centre
Toronto, Ontario

Public Real Estate Advisory Services

Port of Los Angeles Commercial Futures
Port of Los Angeles, CA

Seaport District Master Plan, Port of Massachusetts, Boston, MA

Transit-Oriented Development Packaging, King County, WA

Regional Economic Development

Economic Base Study
City of Boulder, CO

Southern Tier Economic Adjustment Strategy, State of New York

Performance Audit of Economic Development Programs,
City of New York

Specific Plans

Third Street Promenade
City of Santa Monica, CA

Chinatown Development Strategy
St. Vincent Quadrangle, Inc., Cleveland, OH

Governors Island Redevelopment Strategy, Regional Plan Association, NYC

Tourism Development

Economic Analysis of Tourism Industry
San Francisco, CA

Arkansas Tourism Strategy
State of Arkansas

Riverboat Gaming Prospects
States of Iowa, Illinois, & Indiana

Town Planning

Town of Nantucket Comprehensive Plan, Town of Nantucket, MA

Santa Barbara District Planning
City of Santa Barbara, CA

Telluride Growth Management Plan
Economics, Town of Telluride & San Miguel County, CO

Transportation Planning

Miami Intermodal Center
Florida Department of Transportation

Statewide High Speed Rail Economic Impact Study, California Dept. of Transportation

Impacts and Joint Development Opportunities, Federal Highway Administration

Urban Redevelopment

Massachusetts Turnpike Air Rights Analysis, Boston Redevelopment Authority, MA

Yerba Buena Center, San Francisco Redevelopment Agency, CA

42nd Street Revitalization Plan; 42nd St. Redevelopment Corp., New York

Waterfront Planning

Inner-Harbor East Urban Renewal Area
Charles Center-Inner Harbor Mgmt., Baltimore, MD

Feasibility of Waterfront Attractions
Portland Development Commission, OR

Navy Pier Feasibility and Development Plan, Metropolitan Pier Authority, Chicago, IL



OUTLINE OF TESTIMONY OF THE REPRESENTATIVE OF THE APPLICANT

I. Identification of Applicant

II. Proposed Construction of EEF

III. Compliance with the Requirements for EEF Special Exception

IV. Daily Operation of the EEF

V. Community Contacts



ERA

Patrick L. Phillips, President and CEO

Patrick Phillips coordinates all aspects of ERA's organization, strategy, business development, and service delivery. After serving as managing director of ERA's Washington D.C. regional office since 1993, he was named President of the firm in January 2000.

Mr. Phillips has over 16 years of experience in economic analysis of real estate and land use issues. His consulting practice focuses on economic and feasibility analysis, strategic planning, and transaction-related services for real estate investors and developers, public agencies, financial institutions, universities, and non-profit organizations. His work has involved all major categories of urban land use, for such clients as the American Red Cross, the National Academy of Sciences, Samsung, Teachers Insurance and Annuity Association, Alcoa, American Electric Power, Ogden Entertainment, NBC News, Massport, Hines, Belz Enterprises, and numerous public agencies.

A recent focus is the market, economic, and financial aspects of a new generation of downtown, visitor-oriented projects that combine retail, entertainment, lodging, and other uses. Notable projects include the commercial components of the MCI Center in downtown Washington, the new Cleveland NFL Stadium, the redevelopment of Kansas City's Union Station, Palermo Park in Buenos Aires, and the Peabody Place mixed-use project in Memphis. He recently assisted the J.C. Nichols Co. in the successful effort to structure a public-private financing approach for the expansion and repositioning of Country Club Plaza, one of the nation's most successful and influential pedestrian-oriented retail districts.

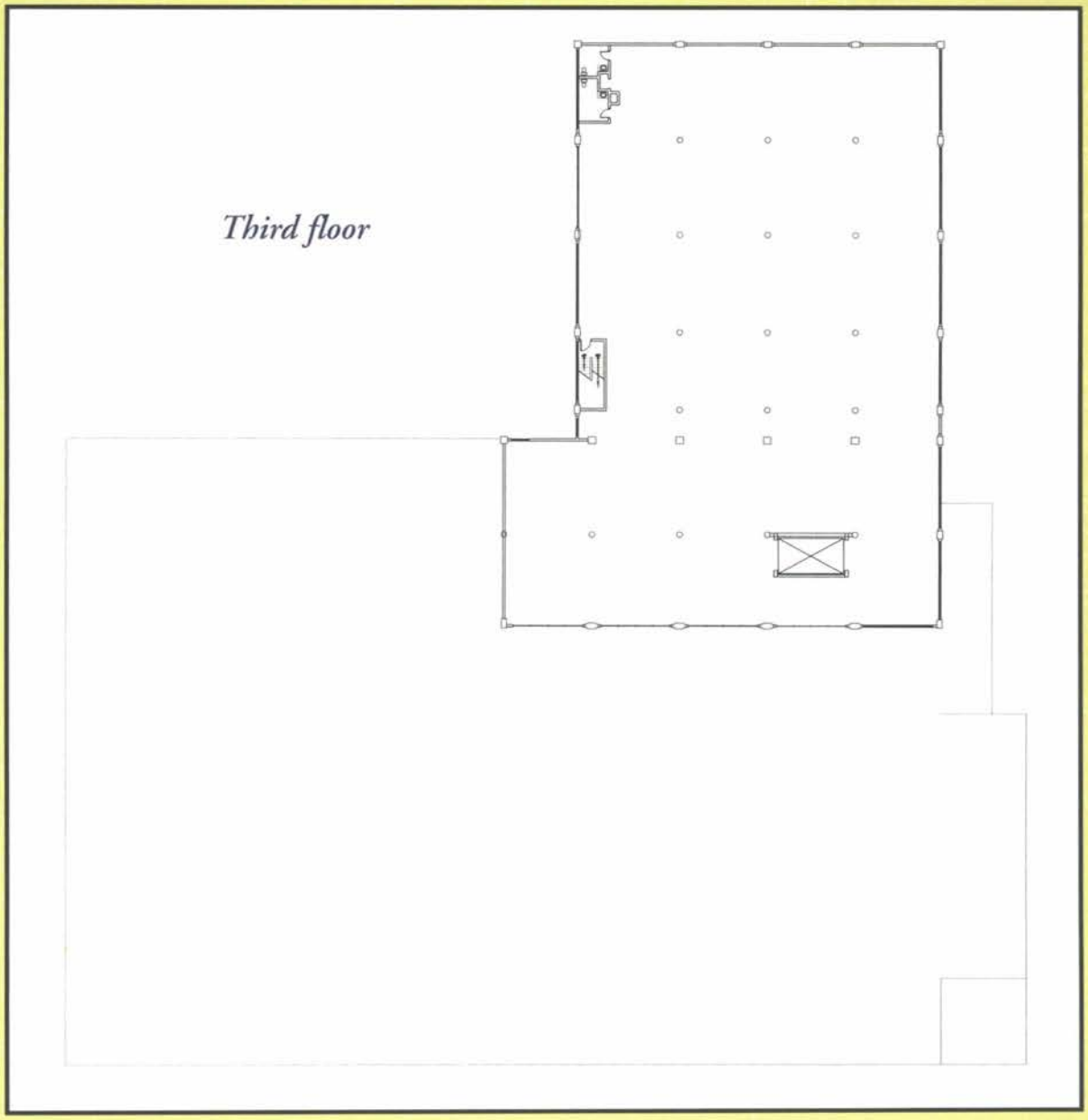
In addition, Mr. Phillips has advised numerous public-sector clients on issues related to public-private partnerships for economic development. This practice has concentrated on business development and retention and the revitalization of historic buildings, downtown areas, waterfronts, and neighborhood commercial districts. Recent projects include a redevelopment strategy for Cincinnati's central riverfront, a master plan for Governors Island in New York harbor and tax-increment financing strategies in Houston, Washington DC, and Atlanta. His experience also includes advisory services to downtown improvement districts in Dallas and Washington DC, addressing issues of market support, retail merchandise mix, and leasing strategies.

He has also worked on a number of mixed-use, new-urbanist, and transit-oriented suburban communities, including Terrabrook's highly successful projects in Dallas and Tampa, and Las Colinas, near Dallas, on behalf of TIAA. He has worked with the team developing Haymount, an innovative planned community in Northern Virginia, for several years through the successful rezoning, predevelopment planning, and project financing stages. He served as development economist for Daniel Island, a 3,000-acre mixed-use community now underway in Charleston, South Carolina.

Mr. Phillips is a frequent speaker on urban development issues, and is the author or co-author of five books and numerous articles. He is a member of the Urban Land Institute, active on ULI's Public-Private Partnerships Council. He also is adjunct professor at the Berman Real Estate Institute at Johns Hopkins University. His academic training includes a graduate degree in public management and finance from Syracuse University's Maxwell School of Citizenship and Public Affairs. Before joining ERA, he was a senior manager with the real estate consulting group of Ernst & Young, a major international professional services firm.



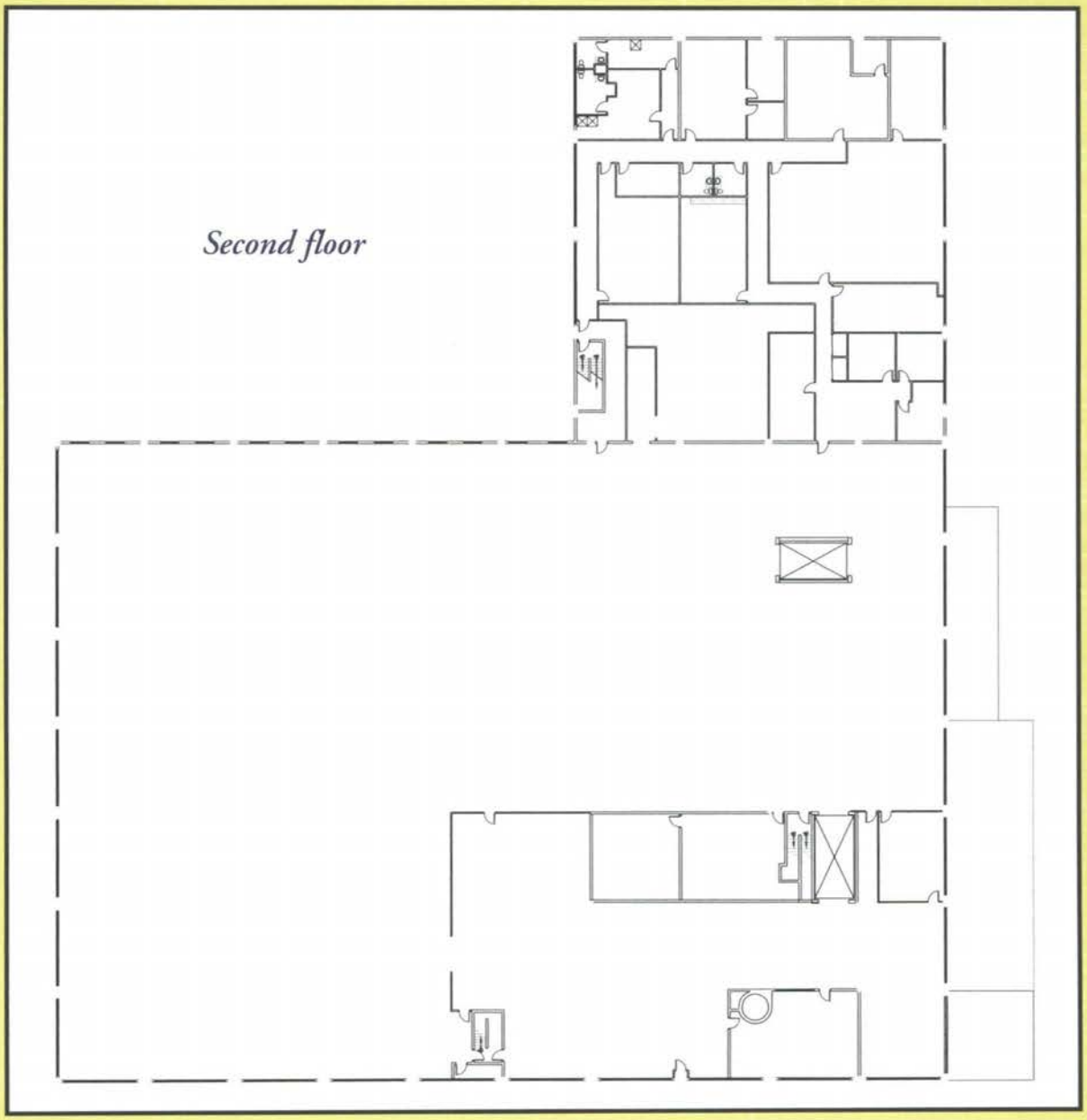
1501 South Capitol Street, SW



For Leasing Information

301-984-7900

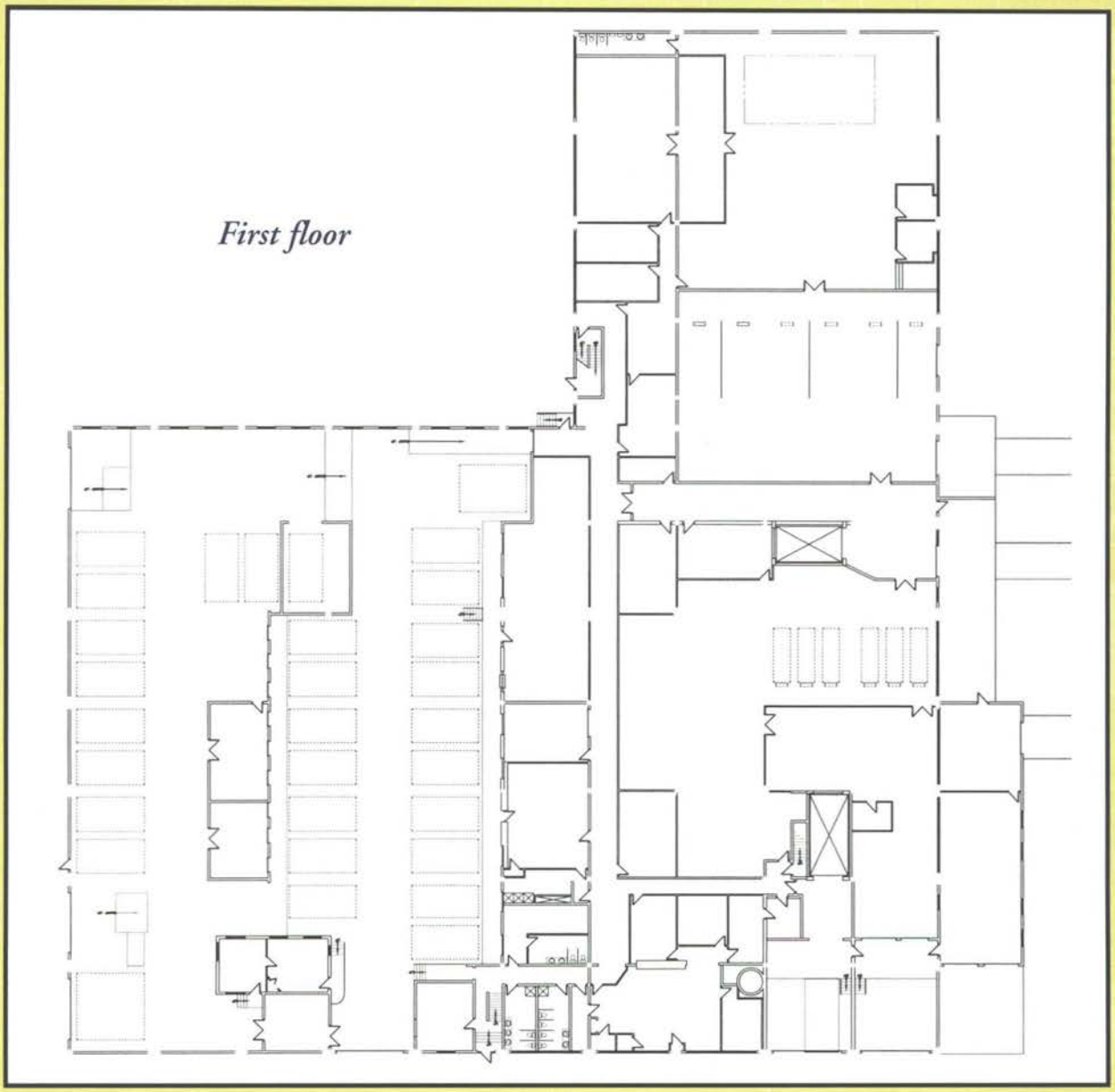
1501 South Capitol Street, SW



For Leasing Information

301-984-7900

1501 South Capitol Street, SW



For Leasing Information

301-984-7900





Interior of first floor of building



North side of building – P Street



North side of building – P Street



East side of building



Building Parking Lot


POLICE


1501
LEASE
303-984-2900
POLICE



SURROUNDING AREA PHOTOS



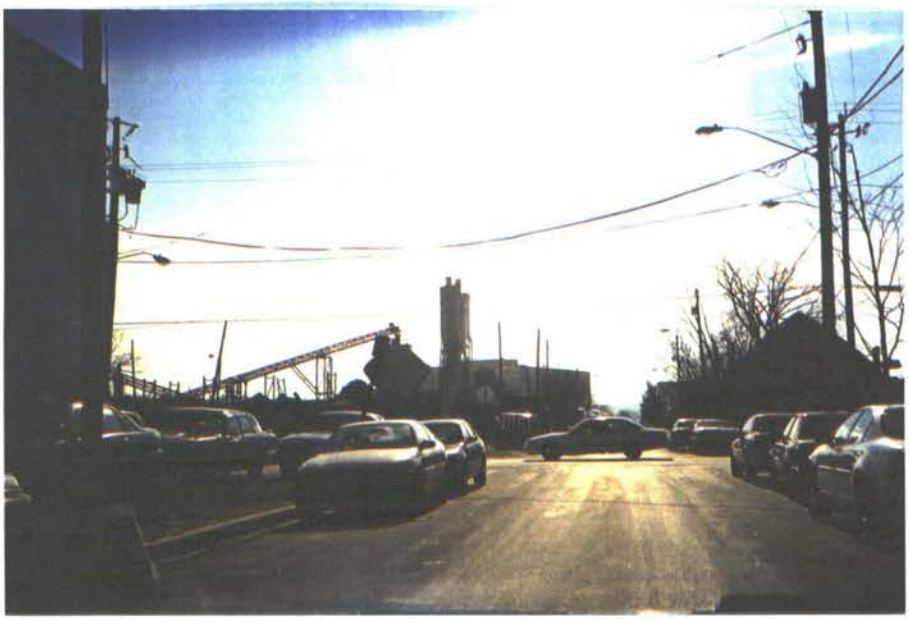
Look east from the site



South of the site



South of the site



South of the site









Electronic Equipment Facilities
Potential Uses

- Telco Hotel or Carrier Hotel – In the context of communications, co-location implies the placement of equipment (switches, cabling, etc.) owned by customers or in some cases competitors, in a common facility, operated by a communications provider or neutral party, to provide more expedient interconnection between devices, which increases reliability and reduces the cost of operations and service. On a more technical level, these are buildings in which interchange carriers (IXC's) who buy sell and resell each others' services, collocate their points of presence (POPs). By collocating, they can use premises-based cabling to interconnect to one another and thereby avoid the cost of a high bandwidth connection provided by a local exchange carrier. As more IXC's congregate in the same building, the carrier hotel becomes an attractive place for incumbent and competitive local exchange carriers (ILECs and CLECs) to take up residence. It is convenient for them to be together because they can easily connect with, and hand off traffic to, the IXCs and each other.
- Other possible residents include:
- Content Providers – Organization or businesses that offer information, education or entertainment information or conducts business on the Internet. A Content Provider gains access to the Internet via one or more Internet Service Providers (ISP) and therefore does not sell Internet Access. A Content Provider may require simultaneous access to multiple ISPs for redundancy.
- Internet Exchanges – a junction or "meet point" for major Internet Service Providers to exchange traffic across their networks. Also known as network Access Point (NAPs).
- Internet Service Providers – Companies that provide access to the Internet. An ISP provides leased-line or dial-up access to the Internet to end-users, generally at a monthly fee.