ZONING COMMISSION PRESENTATION
By
Alvin R. McNeal
Zoning Commission Case Number 03-16/62-19

Good evening Madame Chairperson and members of the Commission. My name is Alvin R. McNeal. I am president of The McNeal Group, a Washington, DC based land use planning and development company. Additionally, I am Senior Vice President of Land Use and Development Consulting for the Fraser Forbes Company, the largest multi-family real estate brokerage firm in the Washington metropolitan area. The McNeal Group, FLGreene Associates and George Oberlander were retained by Watergate West, Inc. to analyze the urban planning impacts of the proposed PUD modification to convert the Watergate Hotel to an apartment house. We have been involved in planning and development matters in the District of Columbia for several decades. Each of us brings a different but complementary perspective on the proposed modification.

Our findings and conclusions have been provided to you in previously submitted reports, which we hope all of you have had an opportunity to review. We would like to take a few minutes to highlight our findings.

The main theme of our reports is that the Watergate Hotel contributes an important qualitative benefit to the Watergate Complex, one of the most successful high density, mixed use, planned developments in the country. The Watergate Hotel is an important branding element to the Watergate complex. It has enhanced the image and created a special address and

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name recognition for the Watergate complex. The Watergate Hotel has brought 24-hour vitality to the complex, attracting patrons and groups throughout the day and evening. It has provided dining, entertainment, recreation and other amenities that serve not only hotel guests but also office, residents, the Department of State and other nearby federal offices, foreign missions and organizations and the Kennedy Center performers and patrons.

Mention the term "Watergate" and a mental image of a special place comes to mind. The Watergate Complex is a cultural institution, part of the folklore of the District of Columbia. As such, the Watergate Hotel plays an important role in helping to define the specialty of the place and the enduring image of the Watergate Complex. Can one imagine "The Plaza Hotel" in New York City as an apartment building? I don't think so.

Our message is that in mixed-use projects such as the Watergate complex, each use is interdependent. Each reinforces one another and resonates so that they enhance each other's power. Each contributes to the functionality of the other. Therefore, the elimination of the hotel from the mix of uses may have a long-term negative affect on the overall vitality and attractiveness of the Watergate Complex as a whole. We must maintain the integrity of the mix of uses that make up the Watergate complex.

Our reports make several additional points:

- **The Watergate Complex reflects a very creative approach to planning and development. It is a mixed use center where continuous activity is important to its success. Establishing a good mix of uses and users extends the hours of activity in the area. The variety of uses and their interrelationship produce the energy and**

vitality needed to sustain a mixed use center, like the Watergate, as an attractive place to invest, live and entertain. Overall, it is the mix of uses and the locality that really attract.

- **The Watergate was planned as a high density, mixed use development and approved as a Planned Unit Development (PUD) by your predecessors in recognition of the unique opportunity to create a special place that could not have been developed under traditional, matter of right zoning. This particular PUD has evolved into one of the most desirable addresses in Washington DC and, indeed, the nation as a whole. It is a model of how a high density, mixed use development should look and feel.**

- **We suggest that the Zoning Commission and, indeed, the District of Columbia, embrace and celebrate this highly successful planned development. Further, it should be protected against any attempt to diminish its vitality, attractiveness, and value to the city. The disassembling of the Watergate PUD through the elimination of one of its key organizing elements raises concern with respect to maintaining the combination and balance of uses that make the project successful.**

- **The Commission is aware of the importance of a hotel use to the success of mixed-use projects. In fact, the Commission recently approved a modification to an existing PUD in the West End of DC to include a luxury hotel, as the Commission accepted arguments that the inclusion of the hotel helps ensure the success of the PUD as a whole by providing superior services to its patrons and significant economic growth potential to the District. Furthermore, the Commission accepted arguments that**

the hotel contributed to the "synergy" of the mixed-use project and that synergy includes the amenities, unique to a hotel.

- **The Watergate Hotel is also that special use within a mix of other independent, but compatible uses that contributes to the synergy that makes it attractive and successful. Therefore, it too should be preserved and kept intact.**

We have identified several challenges to the Commission to protect the integrity of the Watergate PUD and others like it. Madame Chairperson and other members of the Commission towards the end of our reports, we offer the Commission a list of questions pertinent to the requested modification, which we feel should be addressed before final action is taken. Fred Greene will discuss these in more detail.

Finally, we would submit that there has not been presented any compelling justification to alter the mix of uses at the Watergate complex. The risk out weighs the results, as it could prove to be an overwhelming challenge to correct the situation if the PUD modification is granted and results in the deterioration of the quality and viability of the Watergate complex over time.

Thanks you for the time and I am available to answer any questions that you may have.

3/4/04