

BLOOMINGDALE CIVIC ASSOCIATION

...serving the Bloomingdale community for more than 90 years

RESOLUTION

*Recommending specific provisions and benefits
for inclusion in the
Community Benefits Agreement (CBA) of the
Vision McMillan Partners (VMP) Planned Unit Development (PUD) application
for mixed use development of the
McMillan Sand Filtration Site*

PREAMBLE

The McMillan Sand Filtration Site (“the Site”), a 25 acre parcel with historic designation that is bounded by First Street NW, Michigan Avenue NW, North Capitol Street NW, and Channing Street NW, has always been an integral part of the culture and character of Bloomingdale due to its innovative water purification technology and its recreational and beautification functions as a park designed by renowned landscape architect Frederick Law Olmsted, Jr. In 1986 the Site was declared as surplus by the Federal Government. In 1987 the District purchased the Site for mix use development and historic preservation. In 2007, Vision McMillan Partners (VMP – “the Developer”) was identified as planners of the Site, and later as its developers.

VMP is in the process of submitting a Planned Unit Development (PUD) application for the development of more than two million square feet of commercial office, retail, and residential space. The application also includes green space and public park space, and limited preservation of historical elements. The PUD process involves a developer’s request for/confirmation of special benefits and zoning variances (e.g., minimal or no payment for land, greater density and occupancy than allowed by law, etc.) from the District in exchange for community benefits that provide compensation to the District and those communities most affected by the proposed development. Development of the required a Community Benefit Agreement (CBA) of a PUD application typically involves input and negotiations among the Developer, the affected communities, the DC Office of Planning and the DC Zoning Commission.

WHEREAS, the Site is a significant component of the residential Bloomingdale neighborhood whose boundaries are approximately Michigan Avenue to the north, Florida Avenue to the south, North Capitol to the east, and Second Street, NW to the west; consequently, the Site will impact significantly and potentially negatively the Bloomingdale neighborhood; thus, the Bloomingdale

neighborhood and other neighborhoods abutting the Site are deserving of receipt of targeted CBA benefits/amenities;

WHEREAS, due to the potential for such significant impacts, representatives of the Bloomingdale Civic Association and community have been continuously involved in the Site's planning efforts for more than 25 years, including contributing thousands of hours at meetings, discussions, and in the conduct of research -- the results of which have provided the District, the Developers, and others a long written record of position statements, recommendations, resolutions, etc.;

WHEREAS, the Developer has estimated that when complete, the Site will draw more than 5000 persons and cars daily resulting in significant increases in use of the neighborhood's infrastructure (including a more than 200% increase in traffic on First Street, NW south of the Site);

WHEREAS, "smart" growth is no longer smart when it results in overwhelming existing and proposed infrastructure, causing continuing and increasing inconvenience and misery to nearby residents;

WHEREAS, the Bloomingdale Civic Association has always desired that the Site again becomes a major neighborhood asset that promotes and enhances Bloomingdale's unique residential character -- including its historical stature, its beautification, its social and economic diversity, its recreational and open spaces, its ready access to most parts of the metropolitan area, and the development of its children, youth and senior citizens;

WHEREAS, the CBA is the District-sanctioned vehicle for formal agreement of benefits to be provided to the District and affected neighborhoods, although it is well known that CBA benefits often are not provided due to the failure to incorporate into many CBAs related specific financial, administrative, and accountability structures and procedures;

WHEREAS, in consideration of all of the above, the Bloomingdale Civic Association called a publically announced Special Meeting on March 8, 2014 for the sole purpose of soliciting from Bloomingdale residents broad-based and substantive discussion and prioritization of recommendations of financial, administrative, and accountability structures and procedures, as well as specific benefits/amenities for inclusion in the McMillan VMP Community Benefits Agreement;

THEREFORE, BE IT RESOLVED:

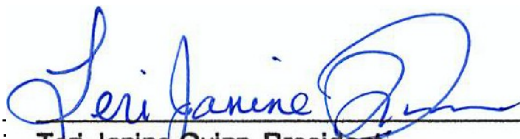
That the Bloomingdale Civic Association adopts the attached document, *Recommendations of provisions and benefits for the McMillan Site Community Benefits Agreement (dated March 15, 2014)* and incorporates that document in its entirety into this Resolution;

That civic associations of neighborhoods abutting the Site be included as signatories to the McMillan CBA;

That a copy of this Resolution (and its attachment) be sent immediately to ANC5E, the McMillan Advisory Group (MAG), Vision McMillan Partners, the DC Office of Planning, the DC Zoning

Commission, 5th District Councilman Kenyan McDuffie, other DC Council Members whose districts abut the McMillan site, and others upon request.

This Resolution was approved on March 24, 2014 after proper notice and by a vote of 11 yays, 0 nays, and 2 abstentions.


Teri Janine Quinn, President

Angela Prentice-Ray
Angela Prentice, Corresponding Secretary

BLOOMINGDALE CIVIC ASSOCIATION

March 15, 2014

Recommendations of Provisions and Benefits for the McMillan Site Community Benefits Agreement

INTRODUCTION

The McMillan Sand Filtration Site is a 25-acre unzoned site owned by the District of Columbia, with ownership to be transferred at no or minimal cost to the Developer (Vision McMillan Partners) . The Developer has proposed to develop the site for mixed use including construction of more than 2 million square feet of commercial office, retail, residential space as well as green and public park space. In doing so, the Developer seeks variances from certain zoning land use regulations including density. In consideration of the District's financial involvement in the project (land plus more than \$50 million to date), the Developer plans to submit a Planned Unit Development (PUD) application, which imposes certain requirements upon the Developer in exchange for a variety of benefits to the Developer granted by the District.

Among these developer requirements is the negotiation of a Community Benefits Agreement (CBA) with the community with review and possible input from the DC Office of Planning and the DC Zoning Commission. A CBA is a vehicle for providing compensation to affected neighborhoods for both the immediate inconvenience associated with displacement and/or construction, and ongoing and permanent negative impacts. Such inconvenience and impacts are especially notable *when PUD projects are situated in the midst of fundamentally residential neighborhoods such as those surrounding the McMillan site, where large mixed use development can easily destroy neighborhood integrity and character.*

According to District law and regulation, "benefits" are special efforts targeted to the neighborhood or the city as a whole, while "amenities" are a type of public benefit with specific aesthetic or functional features that add to the attractiveness, convenience or comfort of the development's occupants and adjacent neighbors. A benefit (or amenity) must be tangible and quantifiable, as well as measurable and able to be completed or arranged prior to issuance of a Certificate of Occupancy.

The Bloomingdale neighborhood abuts the McMillan development to the south, and will be significantly affected . Consequently, the Bloomingdale Civic Association (BCA) executive board scheduled a special meeting on March 8, 2014 to enable broad-based and substantive discussion and prioritization of BCA's recommendations for the CBA. This meeting was organized and facilitated by the BCA 2nd Vice President who developed a preliminary listing of possible benefits including those under discussion by ANC5E and the McMillan Advisory Group (MAG). This listing and the announcement of the special meeting were placed on the community's listserve and blog, and additional suggestions of possible

benefits were encouraged. Prior to the special meeting the preliminary listing was revised. The revised document served as the primary basis for discussion and prioritization at the special meeting.

RECOMMENDED PROVISIONS OF THE McMILLAN CBA

A. Financial, Administrative, and Accountability Structures

Research consistently notes that the major shortcomings of CBAs involve problems of enforcement. Developers more often than not enter into CBAs in order to receive special benefit from the local government, but do not provide many of the promised benefits. Consequently, local governments increasingly have developed mechanisms for “encouraging” developers to abide by provisions of CBAs. For example, the District has tied award of a PUD’s Certificate of Occupancy (C of O) to the delivery of CBA benefits (although under such circumstances, there may be provision for award of a “temporary” C of O). But this occurs at the end of the development process when denial of occupancy is a lose-lose political and economic proposition for both the District and the developer.

The Bloomingdale Civic Association is adamant that the residential communities adjacent to the McMillan development deserve to receive in full any benefits promised including the means for sustaining such benefits indefinitely. It further believes that receipt of such initial and sustaining benefits is greatly enhanced by specification in the CBA of related financial, administrative and accountability structures. Specifically, the following are recommendations for inclusion in the McMillan CBA.

1. Financial Provisions and Structures.

- a. ***McMillan Community Center:*** The District will provide initial funding in the form of community center construction, ongoing center staffing and maintenance costs, and contribution to ongoing programming costs, consistent with funding provided to other DC community/recreation centers of similar size. Other funding streams for community benefits will not supplant such DC contributions.
- b. ***Earmarking of Neighborhood Investment Fund:*** Green Door Advisors (2011) estimated that the development will generate at least \$1.8 million over 30 years for the Neighborhood Investment Fund. Such funds generated by the McMillan Development shall be earmarked solely for use in neighborhoods abutting the development.
- c. ***McMillan Neighborhood Livability Impact Fund for McMillan Park & Center maintenance and program/activity development.*** Modeled after Anne Arundel County’s Neighborhood Impact Fee on building permits, the District (with the leadership of the 5th District Councilman) shall consider instituting a McMillan Neighborhood Livability Impact Fund on neighborhoods within a one mile radius of the boundaries of the McMillan development, with revenues designated for continuing McMillan Park facilities maintenance and development of public programs and activities of the McMillan Community Center and

Park. For example, fees might be 0.25% for new construction permits (i.e., \$1250 for a \$500,000 project) and 0.20% on renovation projects ((i.e., \$200 for a \$100,000 project).

- d. ***Establishment of the McMillan Community Benefits Escrow Fund.*** All funding streams in support of benefits specified in the McMillan CBA shall be directed to designated accounts within the McMillan Community Benefits Escrow Fund, unless otherwise noted in the CBA or a special relevant prohibition of law or regulation exists. The Escrow Fund will be held by the DC Department of Housing & Community Development or the DC Office of the Chief Financial Officer, with expenditures authorized solely by the McMillan Community Benefits Board. An independent annual audit shall be conducted of the Fund.
- e. ***Developer's initial Contribution to the McMillan CBA Escrow Fund.*** The Developer shall provide initial funding for community benefit/amenities through contribution of some fixed amount of its construction costs – e.g. assuming construction costs of \$700 million dollars, the Developer as a requirement for award of a building permit, would deposit 0.50% of associated construction costs (i.e., an eventual minimum estimated total of \$3.5 million) into a McMillan Community Benefits Escrow Fund.
- f. ***Developer's/ Property Manager's Sustaining Contributions to the McMillan CBA Escrow Fund.*** Sustainability of community benefits would in part be assured by the Developer's and/or the development's property manager contribution of an agreed upon designated amount of profits (after payment of mortgages, maintenance, insurance, taxes, management costs and fees, etc.) on the sell and rental of McMillan development properties. For example, if that fee were set at 3.0% of profits, and townhouse sales were to generate \$15 million in profits, \$450,000 would be contributed to the Benefits Escrow Fund; if annual profits of commercial/retail/ residential/ rentals were to total \$10 million in a given year, \$300,000 of this annual profit would be contributed to the Escrow Fund.
- g. ***Funding of affordable housing.*** Various tax credit programs and other City and Federal programs shall be the primary source of funding in support of affordable housing. Such funding will be secured prior to award of building permits for structures that are proposed in the PUD application to include affordable housing units.

2. **Administrative Structures**

- a. ***Establishment of the McMillan Community Benefits Board.*** This independent, non-governmental nonprofit Board will constitute a partnership among the communities surrounding the development, District government, and the Developer and/or Property Manager. Specifically, the Board shall consist of (for example):
 - two(2) representatives of those ANCs abutting the development;
 - one (1) or two (2) representatives of each Civic Association whose boundaries abut those of the development;
 - two (2) representatives of the Developer and/or Property Manager;
 - Council Members of wards abutting the McMillan development;
 - the Directors of appropriate involved DC Departments/Agencies e.g., Parks and Recreation, Housing and Community Development, Finance, DCPS, etc.;

- three attorneys (1 representing the District’s General Counsel Office, 1 representing the Developer/Property Manager, 1 representing community interests);
- two (2) independent Certified Public Accountants’ (1 representing developer/property manager interests, the other representing community interests).

In addition, the Board shall also include non-voting advisory members and/or periodic consultants with expertise in such areas as historic preservation, landscape architecture, mixed use property management, public art, museum development and design, financial investment, etc.

Administrative support of the Board shall be the joint responsibility of the City and Developer/Property Manager, with related non-personnel costs paid from the McMillan Community Benefit Escrow Fund, unless otherwise noted in the McMillan CBA. The Board shall conduct its inaugural meeting within six (6) months after PUD approval, and shall conduct formal meetings no less than four times per year.

b. **Administration of the McMillan Community Benefits Agreement.** The McMillan Community Benefits Board shall be the sole administrator of the McMillan Community Benefits Agreement. This shall include but not be limited to:

- Approval of an annual budget for expenditure of McMillan Community Benefit Escrow funds consistent with the terms of the McMillan CBA.
- Approval of a contract for an independent Compliance Monitor.
- Implementation of any needed actions that might be required as a result of reports received from the Compliance Monitor, annual independent audit, and others sources.
- Recommend modifications to the CBA necessitated by either (a) changes in community needs over time, and/or (b) actual patterns of over- or under-expenditure of budgeted funds. As necessary, such recommended modifications must be ratified by the organizational signatories of the CBA..
- Approve all contracts necessary for efficient and effective administration of the McMillan CBA.
- Provide general oversight of the McMillan Community Benefits Escrow Fund including contracting for its annual independent audit.
- Seek funding for ensuring the sustainability of McMillan CBA benefits, and any special projects that might relate to or enhance the CBA.
- Voting McMillan Community Board members shall be expected to secure the input of those entities they represent prior to Board decision-making.

3. **Accountability Structures**

Successful implementation of the McMillan CBA will largely depend on accountability structures and procedures of the following three entities.

a. **McMillan Community Benefits Escrow Fund** – Previously described.

- b. **McMillan Community Benefits Board** – Previously described.
- c. **McMillan CBA Compliance Monitor** – This independently contracted professional or firm will be responsible for monitoring and evaluating the financial, procedural, and programmatic processes and outcomes of the McMillan CBA. These analyses will emphasize quantifiable and measurable indicators. Specifically, the Compliance Monitor responsibilities shall include but not be limited to the following:
 - Provide the McMillan Community Benefits Board for its review and modification, an annual plan of the Compliance Monitor’s proposed activities and related procedures;
 - Provide the McMillan Community Benefits Board a report of its efforts and findings at least two times per year.
 - Coordinate its efforts with abutting ANCs, the District holder of the McMillan Community Benefits Escrow Fund, the Developer and/or Property Manager, and other McMillan CBA contractors and funders.
 - Submit invoices for services rendered to the McMillan Community Benefits Board on no less than a quarterly basis.

B. Specific Prioritized Benefits

1. Background

At the BCA March 8, 2014 special meeting, all suggested benefits were organized under 15 major categories of concerns reflecting major issues related to (a) affordable housing; (b) economic development, (c) workforce and employment initiatives, (d) the McMillan Park and Community Center, (e) historic preservation, beautification and contributions to local community nonprofits, and (f) traffic and transportation management.

The 15 major categories of concern were:

- Designation of number or percentage of affordable units and units meeting certain AMI standards
- Equity between affordable and market rate housing
- Economic development
- Workforce development
- Education/job readiness
- South Service Court and Center design issues
- Community Center uses
- Re-adaptation of more underground cells for community and retail use
- Passive park uses
- Active park uses
- Historic preservation
- Beautification

- Community event space in medical or mixed use building(s)
- Reduction and slowing of anticipated auto and truck traffic on First St., NW (Michigan Avenue to New York Avenue)
- Storm water management/Impervious bricks in alleys

Specific suggested benefits of each of these categories were reviewed/modified and in some cases additional benefits were added. Then, each of the categories was prioritized by the meeting’s participants by “dot vote”, with each person receiving four dots to indicated his/her top four priorities.

2. Prioritized Categories and Benefits

Recommended priority categories/benefits will NOT be funded through use of the McMillan Community Benefit Escrow Fund, unless such is specifically stated. The ***identified priority categories and their associated suggested benefits*** are as follow (please note, three (3) of the priority categories received the same number of dot votes and therefore are all listed as Priority 2):

Priority 1: *Reduce and slow anticipated additional auto and truck traffic on First Street, NW (Michigan Avenue to New York Avenue)*

Specific Recommended Benefits

- a. The City shall install mini-roundabouts at all intersections currently controlled by stop signs, and ensure weight limits (no more than 1 1/4 ton) are placed on all trucks on this corridor. The Developer shall ensure that no McMillan construction, delivery or service trucks drive on First Street, NW south of the McMillan North Service Court.
- b. The Developer shall assume all costs related to the purchase and installation of plants (ornamental trees, shrubs, flowers, etc.) in the center of all mini-roundabouts. The Developer and/or Property Manager shall assume all costs and responsibility for maintenance (including plant replacement) of mini-roundabout plants indefinitely (i.e., until the development no longer exists or the mini-roundabouts are removed, whichever occurs first).
- c. Developer/Property Manager and/or its tenants shall provide incentives to the development’s tenants and their employees to use public transportation (e.g., partially supplement costs of employee Smart Trip cards and car-sharing; strongly advocate for re-routing of nearby bus routes and upgrading of their scheduling, and initiating rush hour express bus service between development and neighboring Metro stations. In addition, Developer/Property Manager shall donate space for a Transit Store for sell of Smart Trip cards, student passes, bike and car sharing programs, etc.; and seek Restricted Residential Parking Exclusion for all residents of the McMillan development (and their guests).
- d. The City shall seek acceleration of the planning and development of the Catholic University/Columbia Heights streetcar (with a stop at the McMillan site).

- e. The City and its Department of Transportation will ensure there are no bike lanes or bus routes on First St., NW

Priority 2A: Re-adaptation of more of the site's underground cells for community and retail uses

Specific Recommended Benefits

- a. Prior to award of any building permit, Developer shall identify at least or 2 or 3 additional underground cells for preservation, adaptation and re-use along with the proposed use of each – for example:
- b. Open up cell 26 in part or whole to expose the archeological backbone of the McMillan site. The northern half of Cell 26 should be developed into a “Museum Park” with a similar intimate look/feel as Paddington Reservoir Park in Sydney, leaving the underground vaults partially intact and providing an intimate space for the community to contemplate and appreciate the historical significance of the underground portion complete with it’s impressive vaulted architecture. Communications elements (either fixed or virtual) can be added to explain the history of the site and celebrate local culture. Have nearby café area.
- c. Developer shall consider more active public uses for other re-adapted cells (e.g. a “Union Market” type of local vendor market) .

Priority 2B: Historic Preservation

Specific Recommended Benefits:

- a. Prior to PUD approval, the Developer shall identify specific uses for above ground historical structures (e.g. regulator houses, silos)
- b. Consistent with a restoration approach , the Developer shall create a sense of space by increasing park size to more than 8 acres, and make a commitment to doing so prior to PUD approval.
- c. The Developer shall provide historic signage/commemoration throughout site and in abutting neighborhoods prior to award of a Certificate of Occupancy.
- d. The Developer shall re-visit and re-examine all means for preserving more of the site’s portal doors prior to PUD approval.
- e. The Developer shall pave all of the site’s interior roads in cobblestones – especially those roads surrounding the North and South Service Courts -- and commit to doing so prior to PUD approval.

Priority 2C: Beautification

Specific Recommended Benefits

- a. Financial assistance shall be provided to several non-profit organizations that directly benefit the community through beautification efforts. Specifically, Twenty Thousand Dollars (\$20,000.00) of the Developer's initial contribution to the McMillan Community Benefits Escrow Fund shall be designated to be shared equally by:
 - The Crispus Attacks Development Corporation (which maintains open green space and manages multiple community events in the Crispus Attacks Park, a one-acre green space in the heart of Bloomingdale)
 - Casey Trees for the planting of trees in the neighborhoods abutting the McMillan development.
- b. A percentage (to be determined by the McMillan Community Benefits Board) of the Developer's annual contribution to the McMillan Community Benefits Escrow Fund shall be designated for distribution to abutting ANC's for neighborhood/community beautification efforts.
- c. A percentage (to be determined by the McMillan Community Benefits Board) of the Developer's annual contribution to the McMillan Community Benefits Escrow Fund shall be designated for exterior maintenance assistance of residences of low-income senior citizen homeowners in neighborhoods abutting the McMillan development. This program will be operated by a local non-profit organization.
- d. The Developer and City shall jointly develop an overpass community park over the North Capitol underpass that will span the overpass north of Rhode Island Avenue (as far as architecturally possible) and south to Seaton Place. The overpass community park will serve not only to provide a unique community beautification and recreational space, but also serve to reduce environmental noise and pollutants resulting from increased traffic on North Capitol associated with the McMillan development. Maintenance of this park shall be the City's responsibility. Construction of the overpass community park shall commence prior to the award of building permits for the McMillan site's Phase 2 construction.
- e. Until such time as Phase 2 building permits are issued, the Developer will sod, landscape, maintain, and make available for public park use all land reserved for Phase 2 construction. (I.e., Parcels 2 and 3 per PUD application). Such beautification of Phase 2 construction land will be initiated prior to award of Phase 1 building permits.

Priority 3: South Service Park and Center Design Issues

Specific Recommended Benefits

Prior to PUD approval, the Developer shall modify its Plan as follows:

- a. Incorporate the South Service Court into the public park by moving the road on the south side of court to north of Court. This will serve to slightly enlarge the park and enable

development of a “cultural/museum space/community market/art space”. Placing two-way traffic on the South Court’s north side also will result in the silos and pump houses no longer being within the traffic median but contiguous with the park.

- b. Make Douglas Street a cul-de-sac rather than a through street to discourage through traffic along the park’s north perimeter.
- c. Between the silos and park create a pedestrian walkway in gravel or pebbles (which can alternate as a emergency access road for the community center) that can act as a space for activities and events such as community markets (farmers, holiday) outdoor art installations and an outdoor café anchored in the existing pump house. Consider re-adapting the silos as storage for café tables and chairs or hanging gardens and water fountains.
- d. Enhance community center entrance with dynamic water features and public art.
- e. Install moveable glass partitions at front of community center to allow for air circulation and greater indoor/outdoor continuity.
- f. Install grass tennis courts on the community center roof.

Prepared by B. G. Holliday