

Draft Community Benefits Agreement
McMillan Sand Filtration Site Historic Landmark
Prepared by the McMillan Advisory Group (MAG)
April 29, 2014

...Since 2006, the McMillan Advisory Group has been faithfully fulfilling its original mission of “representing residents’ concerns as they relate to the development of the site known as ‘McMillan Sand Filtration Site’”

- A. Whereas, the Government of the District of Columbia (“the District”) owns a 25-acre parcel of the McMillan Sand Filtration Site, which is bounded by North Capitol Street NW, Channing Street NW, First Street NW, and Michigan Avenue NW in the District of Columbia (“the Property”);
- B. Whereas, in 1986 the Property was declared as surplus by the Federal Government. In 1987 the District purchased the Site for mixed-use development and historic preservation. In 2007 Vision McMillan Partners, LLC (“VMP”) was identified as land development partners of the Property, and later as its vertical developers;
- C. Whereas the Property is of local and national historic significance. Specifically:
 - 1. Whereas, the Property plus the McMillan Reservoir bounded by First Street NW, Bryant Street NW, Fourth Street NW, and Michigan Avenue NW is listed as an individual landmark in the D.C. Inventory of Historic Sites, the National Register of Historic Places (the Property and the McMillan Reservoir are listed on the National Register as the McMillan Park Reservoir Historic District herein referred to as “the Landmark”), and was designated an American Water Landmark by the American Water Works Association (1983);
 - 2. Whereas, the Landmark is subject to the D.C. Historic Landmark and Historic District Protection Act (“the Act”);
 - 3. Whereas the Landmark’s attributes of historical significance are referenced in, <http://www.nps.gov/nr/feature/places/13000022.htm>, including that the Property and the Landmark were designated as a national park in 1906 by then Secretary of War William Howard Taft;
 - 4. Whereas, the Property and the Landmark have always been an integral part of the culture and character of adjoining neighborhoods 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.;
 - 5. Whereas, the District has entered into exclusive right agreements with VMP to redevelop the Property in a fashion that *will honor the historic legacy of the Landmark by creating a welcoming place that promotes health, sustainability, job opportunities, affordable housing including affordable senior housing, through an elegant mix of open spaces, residences, commercial space, restaurants, and repurposed all above ground historic structures and two complete underground sand filtration cells* (“the Project Plan”);

- D. Whereas, over the course of the project’s pre-construction planning, the financial investment of the planning phases and Property preparation have shifted from VMP onto the District. Specifically:
1. Whereas, the amended Summary Term Sheet¹ dated February 12, 2009, states that VMP shall be solely responsible for paying for all costs and fees associated with obtaining the Historic Preservation Review Board (“HPRB”) and Planned Unit Development (“PUD”) approvals;
 2. Whereas, the District has expended over \$4.5 million, committed \$900,000, and allotted another \$1.3 million to VMP for the purpose of obtaining HPRB and PUD approvals;
 3. Whereas, the amended Summary Term Sheet stated that VMP will be responsible for completing all land development work, including but not limited to, demolition, earthwork, grading, installation of trunk utilities and spine roads and implementation of traffic improvements;
 4. Whereas, the District has committed over \$47 million in additional funding for land development work, including but not limited to, demolition, historic preservation, installation of roads and utilities;
- E. Whereas, the economic rationale for initiating inclusion of multi-million square foot commercial health care offices is of limited relevance in the current real estate environment;
1. Whereas, Aakash Thakkar of EYA, a managing member of VMP through the subsidiary McMillan Associates, LLC (a limited liability company not registered as a corporation with DCRA), stated in an email on March 12, 2009 to David Jannarone, that “given the current economic climate and the significant infrastructure costs associated with the development of McMillan, both Private Capital and Public Capital in the form of subsidies and/or tax abatements or tax increment financing, are necessary to fund a portion of the infrastructure, affordable housing, preservation, open space and other objectives for the project”;
 2. Whereas, this email from Mr. Thakkar states, “we have had a significant discussion with the Trammell Crow Company and request that they be approved to join our VMP team. In order for the project to be economically viable in this challenging market, our team believes that the unique medical office expertise that Trammell Crow has demonstrated is extremely important to creating the mix of uses necessary for the project to succeed”;
 3. Whereas, the economic conditions tied to the housing market that elicited these requests from Mr. Thakkar have improved considerably;
- F. Whereas, 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 the totality of the historical elements including the underground sand filtration cells;

¹ Please see reference documents at: <http://mcmillanadvisorygroup.wordpress.com/mcmillan-development-plans/community-benefits-agreement-working-draft/cba-supporting-documentation/>

- G. Whereas, a Community Benefits Agreement (“CBA”) of a PUD application involves input and negotiations among the developer, the affected communities, the DC Office of Planning, and the DC Zoning Commission;
- H. Whereas, the Project Plan would significantly and negatively impact the abutting Bloomingdale and Stronghold neighborhoods as well as non-abutting neighborhoods in close proximity to the Property; thus, these neighborhoods are deserving of receipt of targeted CBA benefits/amenities. In addition, because the Project Plan would most directly impact the abutting communities, those communities are to be given special consideration with regard to proposed changes to the development plan for those items that are of greatest negative impact.
- I. Whereas, there is broad agreement among the neighboring communities on many of the core issues (e.g., traffic, site density, repurposing of historic structures, etc.) as outlined in the Summary of Recommendations for Site Revitalization¹, included in the Solicitation for Land Development Partner (“Solicitation”)¹ when the District decided to develop the Property, and confirmed by a subsequent door-to-door McMillan Survey conducted in 2012 (“the Survey”)¹;
- J. Whereas, the McMillan Advisory Group (“the MAG”) was founded in 2006 as an unincorporated non-profit through the support of the District of Columbia. The MAG “acts as voice for the community in its interaction with the development partners, throughout the pre-development and land development phases for the McMillan Sand Filtration Site,” “communicates the community’s perspective throughout the master planning of the Site,” and “serves as a mechanism for shaping the creation of the master plan by participating in the on-going dialogue with the development partners”;
- K. Whereas, the MAG signed a letter commitment with VMP and Office of the Deputy Mayor for Planning and Economic Development (“DMPED”) to endorse the selection of VMP as the Land Developer for the Project on the basis of certain terms. These terms, among other items, (1) include the development—in conjunction with the MAG, and other parties—of a detailed community amenities package, which may include open space, historic preservation, mixed-income housing, job creation, neighborhood serving retail options, infrastructure upgrading, broad-based LSDBE participation, support for local community organizations, and other similar objectives and (2) afford the MAG, and other parties, the opportunity to review and comment on the PUD before submission to regulatory agencies;
- L. Whereas, VMP did not provide the MAG an opportunity to review and comment on the PUD before submission to either the Historic Preservation or the Zoning Commissions;
- M. Whereas, because a central tenet of the MAG’s function is to represent and to advocate for community interests, *nothing justifies excluding the MAG or affected civic associations from participating directly in the CBA process including creation, negotiation, and signing the final CBA for the PUD*;

1. Whereas, although there are good arguments for including the Advisory Neighborhood Commission (“ANC”) in the CBA process, the two Single Member Districts (“SMDs”) abutting the Property are already represented on the MAG as voting members;
 2. Whereas, those communities abutting the site (*i.e.*, Stronghold and Bloomingdale) are given disproportionate MAG representation (*i.e.*, four representatives each compared with one representative for other communities further away) to account for the proximity to and inequality of negative impacts, both during and after site construction. The CBA should reflect this weighting based on proximity;
 3. Whereas, the MAG has been actively engaged since the Project Plan’s inception, spending many years fulfilling its mission through monthly meetings, PUD planning efforts, including contributing thousands of hours serving at meetings, holding discussions, conducting research, and generating recommendations;
 4. Whereas, the included amenities and Project Plan expectations were developed through: 1) monthly and additional special meetings of MAG members and public attendees, 2) input from represented civic associations and other represented groups, 3) community input through MAG committee recommendations on specific plan elements, 4) door-to-door surveys, 5) reactions to postings on the MAG website (<http://mcmillanadvisorygroup.wordpress.com/>); and 6) ongoing negotiations among MAG members to try to achieve alignment and consensus within the breadth of community opinion;
 5. Whereas and *therefore*, the MAG insists that the CBA be created, negotiated, and signed by *the MAG and the civic associations*, not just ANC 5E;
- N. Whereas, in addition, the Project Plan, as a public-private partnership, has placed residents in a no-win situation for negotiating CBA content. Because the District is not a signatory of the CBA, the community is being asked to “have faith” that most of the significant elements of the CBA (*e.g.*, Community Recreation Center) would be from the District’s budget (*e.g.*, tax revenues), not from VMP, and that they would come to pass as described and advertised. For other non-tangible benefits of equal and sometimes more importance (*e.g.*, implementation of meaningful rapid transit options, parking improvements, etc.) for which VMP does not have control, the community is not afforded a binding mechanism by which to be assured that those elements, key to the success of the proposed development, would be faithfully completed. Therefore, the MAG expects that the CBA be comprehensive and inclusive in its scope and that both VMP and the District be signatories to assure residents that all parties approach this process in good faith and with full accountability;
- O. Whereas, “smart growth” is no longer smart when it results in overwhelming existing and proposed infrastructure and when it is not based on smart growth principles—primary among them building dense, mixed-use developments around vibrant, existing, rapid transit

transportation hubs— and thus causing continuing and increasing inconvenience and misery to nearby residents, especially those whose families have deep roots in the community over many generations;

- P. Whereas, for transparency and accountability, the CBA once signed, be made publically available at the time of the signing. The CBA must include an itemized breakdown of the budgeted costs as well as the source of the funds (*e.g.*, the District or VMP or other source). Should any amenity be fulfilled for less funds than allocated, the unused funds are to be redistributed to other amenities under the direction of the CBA accountability structure as outlined below;
- Q. Whereas, although some of the amenities and Project Plan expectations are included as part of the Project Plan, they are restated herein, should the Project Plan change after this CBA is enacted;
- R. Whereas, the CBA total dollar amount requested is justified given:
1. the significant net negative impact the community anticipates this proposed development will cause in terms of much worsened traffic, residential and commercial density out of scale with existing neighborhoods, and five plus years of construction activities dramatically impacting the quality of daily family life;
 2. its less than 1% of the estimated net profits to VMP should the Plan be enacted ;
 3. the District is now projected to spend \$60 million for pre-construction planning activities that were originally to be the responsibility of VMP;
 4. the District is currently slated to contribute a greater dollar value towards CBA amenities than VMP; and
 5. VMP is purchasing the land plots at a greatly reduced value compared with both market and District estimates (i.e., the District Office of Tax and Revenue lists the Real Property Assessment for the Property [Square #3128] at over \$95million² while VMP is reported to be purchasing the land plots for under \$35 million).
- S. Whereas, VMP has thus far not complied with Certified Business Enterprise (“CBE”) requirements stipulated in its Development Management Services contract (“Contract”) with the District.
- T. Whereas, for ease of reference, summary tables of CBA items are included in Attachments 1 and 2 ;
- U. Whereas, the MAG remains committed to create a broader community coalition which would work with VMP and the District to draft, negotiate, and sign a CBA as part of the PUD process for the Property;
- V. Whereas, in the absence of a comprehensive CBA with all the elements outlined below included, the MAG is not supportive of the current PUD as submitted.

NOW THEREFORE, for the mutual promises, covenants, and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the District, VMP, and the MAG, (collectively “the Parties”) hereby agree as follows:

² <https://www.taxpayerservicecenter.com/>

- I. Definitions.** As used in this CBA, the following capitalized terms shall have the following meanings, unless otherwise noted. All definitions include both the singular and plural form.
- a. “Affiliate” means (a) any person or business entity that controls, is controlled by or under common control or under contractual agreement with VMP, and (b) any person or business entity that owns, controls, or manages any building of the Project Plan, of which VMP or one of its Affiliates as defined in clause (a) is a general partner or managing member.
 - b. “Affordable Housing” means housing for various tiers of low, moderate, and middle-income families.
 - c. “Affordability Period” means the period from the time the Affordable Unit is sold to the time upon which the affordable housing covenant terms and conditions may be released and extinguished.
 - d. “Affordability Requirement” means the requirement that the Affordable Unit is reserved for Households with incomes at or below either 50% AMI or 80% AMI for the Affordability Period.
 - e. “Affordable Unit” means the residential unit constructed on the Property that is subject to the Affordability Requirement.
 - f. “AMI” means area median income for the District of Columbia as determined by the United States Department of Housing and Urban Development for a household of a given size.
 - g. “Person” means any individual, sole proprietorship, partnership, association, joint venture, coalition, limited liability company (LLC), charitable organization, corporation, or any business form.
- II. Term.** This CBA commences on the date hereof and continues until (i) the District or VMP abandon efforts to build the Project Plan, (ii) the District or VMP do not seek Certificates of Occupancy for any part of the Property, or (iii) one hundred years (100) years after the last Certificate of Occupancy has been granted to VMP or its Affiliates or subsequent owner(s) upon sale for the Property.

III. Elements and Specific Items of the CBA

A. Governance and Oversight

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 enforcement strategies to ensure developers abide by provisions of CBAs. For example, the District has tied award of a PUD’s Certificate of Occupancy to the delivery of CBA benefits. 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 VMP.

The MAG is adamant that the residential communities adjacent to the McMillan development receive in full any benefits promised including the means for sustaining such benefits. To ensure that the CBA elements are fully implemented as described, the District will not grant VMP or its Affiliates or subsequent owners through sale of Project Plan components Certificates of Occupancy for any component of the Project Plan should not all of the expectations in this CBA be met.

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 structures are to be created and given the support necessary to function as described. These elements are also summarized in Attachment 1.

1. **Financial Provisions and Structures**

a. ***McMillan Community Recreation Center and Park Fund***

The District will provide initial funding for construction of the Community Recreation Center and Park as described and advertised by VMP along with the changes described in the CBA. In addition, the District shall provide annual appropriations to the Department of Parks and Recreation budget (*i.e.*, the annual appropriations are to be at funding levels commensurate with funding for other District community/recreation centers of similar size and function) to help fund ongoing center staffing, programming, and maintenance costs. The District shall not allow other funding streams for community benefits to supplant such District contributions.

To sustain the Community Recreation Center and Park Fund, the District shall supplement the Fund with future contributions from a neighborhood impact fee. Modeled after Anne Arundel County's Neighborhood Impact Fee on building permits, the District (with the leadership of the Ward 5 Councilmember) shall institute a McMillan Neighborhood Livability Impact Fee on properties within a one mile radius of the boundaries of the McMillan development. This Fee also applies to properties (*i.e.*, commercial and residential) within McMillan itself. 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). The District shall ensure that levied fees support continued maintenance

of the Community Recreation Center and Park as well as assist in the development of public programs and activities.

b. ***McMillan CBA Escrow Fund.***

The District and VMP shall direct all funding streams in support of benefits specified in the McMillan CBA to designated accounts within the McMillan Community Benefits Escrow Fund (the “CBA Fund”), unless otherwise noted in the CBA or a special relevant prohibition of law or regulation exists. The CBA Fund will be held by the District Department of Housing and Community Development or the District Office of the Chief Financial Officer, with expenditures authorized solely by the McMillan Community Benefits Board (the “CBA Board”). The CBA Board shall ensure that an independent annual audit of the Fund is conducted and publically released to ensure transparency and accountability of the fund’s expenditures and expected contributions.

VMP’s initial contribution to the McMillan CBA Escrow Fund. VMP 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), VMP, as a requirement for award of a building permit, would deposit 0.75% of associated construction costs (*i.e.*, an eventual minimum estimated total of \$5.25 million) into the McMillan CBA Escrow Fund.

VMP’s sustaining contributions to the McMillan CBA Escrow Fund. VMP and/or the development’s property manager shall assure that the community benefits promised in this CBA are sustained in part by contributing an agreed upon designated amount of profits (*i.e.*, net profits after payment of mortgages, maintenance, insurance, taxes, management costs, and fees, etc.) on the sale and rental of McMillan development properties. For example, if that fee were set at 3.0% of annual profits, and rowhouse sales were to generate \$15 million in annual profits, VMP and/or the development’s property manager would contribute \$450,000 to the McMillan CBA Escrow Fund; if annual profits of commercial/retail/residential/rentals were to total \$10 million in a given year, VMP and/or the development’s property manager would contribute \$300,000 of this annual profit to the McMillan CBA Escrow Fund.

c. ***Affordable and Senior Housing Fund.***

Existing tax credit programs and other City and Federal programs are to be the primary source of funding in support of affordable housing. The District and/or VMP shall secure such funding before the District can award building permits for

structures that are proposed in the PUD application to include affordable and senior housing units.

2. Administrative Structures

a. *Establishing the McMillan Community Benefits Board.*

Upon execution, this CBA establishes the McMillan Community Benefits Board (“the Board”). This independent, non-governmental, nonprofit Board is to constitute a partnership among the communities surrounding the development, the District government, and VMP and/or the Property Manager. Specifically, the Board is to consist of the following members:

Voting Board Members

- ANC Commissioners from Single Member Districts ANC 5E09, ANC1B10, and ANC 5A05.
- Bloomingdale Civic Association (two representatives)
- Stronghold Civic Association (two representatives)
- Bates Civic Association (one representative)
- Eckington Civic Association (one representative)
- Edgewood Civic Association (one representative)
- Hanover Civic Association (one representative)
- LeDroit Park Civic Association (one representative)
- Park Place Civic Association (one representative)
- Park View Civic Association (one representative)
- Pleasant Plains Civic Association (one representative)
- VMP and/or Property Manager (two representatives);
- DC Councilmembers (or designees) for Ward 5 and Ward 1;

Non-voting Board Members

- Directors of appropriate involved DC Departments/Agencies (i.e., Parks and Recreation, Housing and Community Development);
- three attorneys (one representing the District’s General Counsel Office, one representing the VMP/Property Manager, and one representing community interests [*i.e.*, identified and chosen by the Voting Board Members];
- two independent Certified Public Accountants (one representing developer/property manager interests and the other representing

community interests [*i.e.*, identified and chosen by the community Voting Board Members]).

- Advisory members and/or ad hoc consultants with expertise in such areas as historic preservation, landscape architecture, mixed use property management, public art, museum development and design, financial investment, etc.

The District and VMP/Property Manager shall have the joint responsibility for administrative support of the Board with related non-personnel costs paid from the McMillan CBA Escrow Fund, unless otherwise noted in the 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. The Board shall remain active for the next 100 years.

Within one year from its inaugural meeting, the Board shall create a not-for-profit organization that shall be responsible for oversight of the McMillan Park and Community Recreation Center both during construction and subsequent maintenance. This organization shall be modeled after the New York City Central Park Conservancy as a hybrid public-private venture. Goals of the organization's administrative structure include being able to provide all of the District's Department of Parks and Recreation services, activities, and programming (including free use by District residents) while having additional funding from the McMillan Community Recreation Center and Park Fund (described above) for additional maintenance and program development.

The Board shall explore identifying qualified and preferably not-for-profit neutral third party entities for assistance with management of specific CBA items (e.g., third party to assist with management of scholarships and job training activities).

b. ***Administering the McMillan CBA Agreement.***

The Board alone will have the responsibility to administer the CBA. This Board's oversight includes, but is not limited to, these functions:

- Approving an annual budget for expenditure from the McMillan CBA Escrow Fund consistent with the terms of the McMillan CBA.
- Approving a contract for an independent Compliance Monitor.
- Implementing any needed actions that might be required as a result of reports received from the Compliance Monitor, annual independent audit, and other sources.

- Recommending 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.
- Approving all contracts necessary for efficient and effective administration of the McMillan CBA, including identifying non-profit third party entities to administer specific CBA components (e.g., scholarship fund).
- Providing general oversight of the McMillan CBA Escrow Fund including contracting for its annual independent audit.
- Seeking funding to ensure the sustainability of McMillan CBA benefits, and any special projects that might relate to or enhance the CBA.

Voting McMillan Community Board members shall secure the input of those entities they represent prior to Board decision-making.

3. Accountability Structures

Successful implementation of the McMillan CBA largely depends on accountability structures and procedures concerning the following three entities:

- McMillan Community Benefits Escrow Fund.*** Previously described.
- McMillan Community Benefits Board.*** Previously described.
- McMillan CBA Compliance Monitor.*** This independently contracted professional or firm is responsible for monitoring and evaluating the financial, procedural, and programmatic processes and outcomes of the McMillan CBA. These analyses are to emphasize quantifiable and measurable indicators. Specifically, the Compliance Monitor responsibilities include, but are not limited to, the following:
 - Provide the Board for review and modification an annual plan of the Compliance Monitor's proposed activities and related procedures;
 - Provide the 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, VMP and/or Property Manager, and other McMillan CBA contractors and funders.
 - Submit invoices for services rendered to the Board on no less than a quarterly basis.

B. Senior and Affordable Housing

1. The District shall ensure that 20% of all residential units are allocated for affordable housing. We support VMP's amendment to this PUD to make 100% of the senior housing units affordable and to use a definition of Average Median Income that reflects DC alone, not the DC metro region including Virginia and Maryland. We strongly recommend that the number of affordable senior housing units be increased to 150 and include ADA and universal-design mobility-accessible row houses. Consider possible housing arrangements for greatest mobility during emergency situations (*e.g.*, senior units grouped on the lower levels of multi-story buildings). Given proximity to hospitals and other places of employment, both affordable and affordable senior housing designations should *not* expire after 20 years of occupancy, but remain affordable for the next 100 years. Specifically, Article X ("Affordability Period") of the Affordable Housing Covenant for the District shall read:

"The Affordable Unit shall be sold or leased in accordance with the terms of this Covenant for the Affordability Period, The "Affordability Period" for the Affordable Unit shall begin on the date of the sale to the initial Affordable Unit Owner and continue for a period of one hundred (100) years. This Covenant may be released and extinguished upon the approval of the Agency but in so much as action is taken to release and extinguish this Covenant, public notice must be provided to all residents living within 1000 feet of the Property via certified mail."

2. The District and VMP shall ensure that a minimum of 15% of the dwelling units (and no fewer than one) are designed and constructed according to Universal Design standards, specifically ICC/ANSI A117.1, Type A, Fully Accessible guidelines. These units are to be sensitive to a range of resident needs related to temporary or permanent disabilities. The remainder of the ground-floor units and elevator-reachable units should be designed in accordance with ICC/ANSI A117.1, Type B (<http://www.ansi.org> and <http://publicecodes.cyberregs.com/icc/ansi/2003cc/a117p1/index.htm>).

C. Educational, Workforce, and Economic Development

Educational Development: VMP shall establish a \$5 million scholarship escrow account to be included as part of the McMillan CBA Escrow Fund for the use of both children and adults for educational (college, vocational, internship, etc.) purposes. VMP shall initially contribute 20% of the total at the time of the land transfer to enable residents to obtain required certification for the construction-related job opportunities. VMP will transfer another 20% prior any Certificates of Occupancy for the Property. VMP will transfer 40% of the funds prior to award of the Phase 2 building permits. VMP will transfer the remaining 20% of funds prior to the Phase 2 Certificates of Occupancy. The Board is tasked with ensuring that this escrow account will be incorporated in a

sustainable endowment to fund scholarships and tuition assistance for both formal education as well as workforce-readiness and internship programs. These funds may also be used to provide support services for homeless families and veterans to become workforce-ready. Residents who reside within one mile of the Property for more than two years are to receive preferences in the awarding of McMillan scholarships.

Ideally, the Board will identify a neutral third party scholarship administrator to assist with scholarship-related functions.

Workforce Development: VMP agrees to the following commitments to strengthen workforce development. VMP will:

- Arrange and offer apprenticeship and job fair opportunities before construction begins and periodically during the active period of ongoing construction. VMP shall include mechanisms in these programs that provide preferences, first, for residents living within one mile of the site, and, second, the remainder of Ward 5;
- Promote as a cornerstone of the McMillan project the creation of good-paying jobs for District residents that offer career pathways and upward mobility;
- Require all McMillan project construction and post-construction jobs to be of sufficient value to employees to provide competitive wages and benefits, and be free of fear from capricious or arbitrary threat;
- Support the training of DC residents for the jobs created by the McMillan project, including working with nonprofit organizations whose core mission is to train District residents.

The nonprofit organizations (preferably located in Ward 5) must operate bona fide training programs that (a) include classroom training and in the case of construction, field training; (b) offer skills-building classes, and in the case of construction, industry certifications; (c) are offered at no cost to workers; (d) provide mentoring; and (e) have a track record of job placement and retention;

- Employ contractors and firms that provide high quality goods and services utilizing properly trained and fairly compensated employees;
- Utilize the same wage scale and same benefits on all phases of construction, thereby creating consistent, equal treatment and parity among all the workers employed on construction of the project, regardless of phase or timing;
- Retain an outside auditor to ensure all employment goals are being met and maintained.

Economic Development: The District and VMP agree to the following regarding area economic development.

- Create tax incentives for small and low income-owned businesses. Funding for small business through grants for business development and storefront improvements for new and existing businesses within one mile of the Property.
- In accordance with the Summary of Recommendations for Site Revitalization¹, February, 2002, issued by the Office of Planning & Department of Housing and Community Development, the following uses should not exist on the Property:
 - Big Box Retail
 - High Rise Office
 - High Rise Hotel
 - High Rise Residential
 - Fast Food Restaurants
 - Hospital/Medical Facilities
 - Vehicle Service Facilities
 - Liquor Store
 - Department Store
 - Warehouse
 - Uses that require large amounts of surface parking

Retail should feature a mix of different retail types, including small franchise retailers, semi-chains, and stand-alone small retailers, focusing on broad price-point eateries and shops. Space should also be dedicated to “pop-up” retail, to promote small and local business. A weekly farmer’s market shall be established on the site.

In addition, the following uses are considered by the MAG as incompatible with the Property and shall not be permitted: gas stations, auto repair businesses, and drive-through window for ATMs and retail businesses.

Per VMP change directive #25, allocating \$25,000 to the Project Manager, a McMillan Retail Business and Merchandising Plan will be drafted and presented to the MAG for concurrence prior to PUD approval by the Zoning Commission. Among other things, this plan will identify the specific planned uses for each of the repurposed structures along with a retail plan for the new development on the Property.

D. Traffic, Safety, and Transit

1. The District shall reduce the commercial density, including building heights, of the Project Plan to meet the District Comprehensive Plan, thus decreasing the overall number of new vehicular trips to the site for the new development. In the absence of an adequate traffic mitigation strategy, the only solution is substantial reduction in the number of planned residential and, especially, commercial spaces.
2. Create a McMillan Traffic and Transportation Pact. Before any construction may commence, a “Traffic and Transportation Pact” (the Pact) is to be signed by the Mayor (current at time), the Ward 5 and Ward 1 Councilmembers, and the Directors of the District Department of Transportation and the Washington Metropolitan Area Transit Authority. Administration of the Pact will be overseen by the Compliance Monitor identified above and be completely independent of the Mayor, the DC Council, DDOT, and WMATA. The Pact will be two-fold. Part A will include all of the current and future development within a three mile radius of McMillan. Part B will outline the identified traffic and transportation amelioration recommendations from the Gorove/Slade VMP McMillan TIS and include a timeline for when the recommendations will be implemented by the District. These amelioration recommendations shall be tied to specific aspects of the development; if the city does not implement a specific recommendation tied to a specific part of the development, the next piece of development shall not occur.
3. VMP shall provide and fund two full-day express transit options (*e.g.*, shuttle service) between the north side of the McMillan development to both a Metro Red Line and Green Line Station, making the services, or an equivalent short-term alternative, available at the time construction begins on the site. At a minimum, VMP shall provide these services available at the same hours as the Metro operating hours and reaching each stop at least once every 20 minutes. VMP shall provide this service until the Michigan Avenue Street Car line is constructed and operational.
4. VMP shall incentivize construction workers to use mass transit.
5. The District shall commission a further study of the [Metro Brown Line](#)³. The District shall contract with an independent transportation engineering firm to conduct a full economic analysis of this line – including costs to build/maintain and overall return on investment.
6. Prioritize the already studied Metro 80-bus improvements for service along the North Capitol Street corridor. This includes providing funding for expediting the 80X and Neighborhood Connector buses (and the purchase of new vehicles to ensure these lines are operational). These lines should have adequate capacity during peak hours of service.

³ <https://www.flickr.com/photos/thecourtyard/5838110368/>

7. DDOT should reconsider its decision and make the Michigan Avenue Streetcar line a Phase 1 priority (it is currently a Phase 3 priority). Given not only McMillan, but also the major other developments on that corridor, this should be an easy decision. Further, it should have one route and travel East-West along that route (it is currently split between Michigan Avenue eastward and Irving Street westward).
8. Endorse Option 3 of the TIS: Extend the intersection of North Capitol Street and the North Service Court to include Franklin Street, adding a signal and cross-walks, and allowing for both left and right turns from Franklin Street onto North Capitol Street.
9. Improve signage along North-bound North Capitol Street to include directions for the Irving Street access to the hospital complexes.
10. At the intersection of North Capitol Street and Evarts Street NW, add a signal and crosswalks. Allow left turns out of Evarts Street NE onto North Capitol Street, facilitating this by delaying the northbound North Capitol Street red-to-green change. This will allow southbound traffic to move and exiting Evarts Street NE traffic to merge before northbound traffic blocks the path.
11. Remove pedestrian crossings of North Capitol Street at Girard and Douglas Streets.
12. Implement a solution to reduce and calm through-traffic in the alleys that parallel North Capitol Street, potentially including posted speed limits. This mitigation will be presented to the Stronghold Civic Association for its concurrence prior to approval of the PUD and the solution is to be implemented prior to construction beginning at the Property.
13. VMP shall draft and provide to the MAG a traffic plan for the flow of traffic during the period of construction. This plan shall include a haul route for construction vehicles to adhere to, define the haul hours for construction vehicles, identify any anticipated parking restrictions, and define any major detours for vehicular traffic around the site. For an example of the types of topics and level of description, please refer to DC Water's recent proposals for the North Capitol Street and First Street NW water projects.
14. Install mirrors around the triangular property at 21 Evarts Street NE, to improve traffic safety and visibility in that area.
15. The plan should include: cross-walks across North Capitol Street with pedestrian right of way; elevator in the Community Center and exterior ramps throughout the site to ensure pedestrian safety and access for persons of all ages and disabilities; divided paths for cyclists and pedestrians on the Olmsted Walk; and a network of bike lanes to the area to support the Transportation Impact Study's support and reliance on bicycle transportation as one of its mitigation strategies.

16. The District shall install mini-roundabouts at all intersections currently controlled by stop signs, and ensure that weight limits (no more than 1 1/4 ton) are placed on all trucks on First Street NW from Michigan Avenue to New York Avenue. VMP shall ensure that no McMillan construction, delivery or service trucks drive on First Street, NW south of the McMillan North Service Court.
17. Unlike the VMP TIS study recommendation, the stop signage at the corner of Channing Street NW and First Street NW will be a three way stop, not just a two way stop on First Street NW only.
18. VMP shall assume all costs related to the purchase and installation of plants (ornamental trees, shrubs, flowers, etc.) in the center of all mini-roundabouts. VMP and/or the Property Manager shall assume 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).
19. VMP/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, VMP/Property Manager shall donate space for a Transit Store for sale 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).
20. The District will ensure there are no bus routes or bike lanes on First Street., NW.
21. VMP to fund a complimentary shuttle service to connect Truxton Circle, Bates, and Eckington Residents with the retail shops and Community Recreation Center at McMillan while minimizing traffic impact to our community. Regular schedule shuttle service from McMillan retail shopping and Community Recreation Center from and including:
 - House of Lebanon Senior Housing Complex (Unit block of O Street NW)
 - Third Street and Q Street NW (current metro bus stop)
 - First Street and Florida Avenue Park
 - First Street and P Street NW
 - First Street and New York Avenue NW

E. Parking

1. In the Transportation Impact Study, VMP will address the possible benefits and impacts of allowing parking on both sides of North Capitol Street between 2311 North Capitol Street (adjacent to the cemetery) and Michigan Avenue at all times. Since North Capitol Street has functionally two-lanes of vehicular traffic (two lanes traveling northbound and two lanes of traffic southbound) South of Rhode Island Ave and north of Hawaii Avenue, there may be limited or no traffic benefit by adding the additional lane of traffic only between Rhode Island Avenue and Hawaii Avenue.
2. If Parking Item #1 is not enacted, VMP will work with DDOT to implement a dedicated residential parking zone for Stronghold residents, limiting parking within Stronghold (including any available parking on the northbound side of North Capitol Street) to permitted Stronghold residents 24/7. Issue each household one additional visitor parking permit for Stronghold parking. Note that this is intended as an overlay to Ward 5 parking; that is, Stronghold residents are to receive both Ward 5 and Stronghold permits. As with the rest of this document, Stronghold includes the residences on the northbound side of North Capitol Street from Adams Street to Michigan Avenue. In addition, Ward 5 parking permits will be provided to all Stronghold residents (currently, not all North Capitol Street residents are granted Ward 5 parking stickers).

Since Stronghold residents do not have other parking options (i.e., the neighborhood is bounded by cemeteries to the east and south, gated communities to the north, and McMillan to the west) and employees/visitors regularly park in the neighborhood for when visiting the tri-hospital complex, this is the only viable mechanism for protecting resident parking, especially with the added resident and visitors expected should the Project Plan be implemented.

3. Increase enforcement of parking rules both on streets and in the alleys.
4. Ensure that parking on ALL streets within the McMillan development is public (including the planned street parking albeit potentially metered) and not reserved solely for McMillan residents on the currently planned private roads. If additional parking is required for residents and/or visitors of the site, provide parking structures to accommodate them.
5. For the planned row houses, the number of garage spaces per unit will be reduced to one car to mirror the TIA analysis for parking reduction to encourage use of alternative forms of transportation.

F. Construction-related Activities including Parking and Staging

1. Off-Street Parking for Construction Workers: VMP agrees to develop and submit to the Stronghold Civic Association for concurrence a plan for off-street parking for construction workers prior to the issuance of the Demolition and Land Disturbance Permits. In lieu of providing parking, VMP may provide a subsidy for the construction workers in order that

they may use Metro, provide a van for van pooling, or use another established method of transportation to provide for construction workers to arrive at the site.

VMP agrees that the plan shall include the following:

- The location of the parking to be provided at various stages of construction.
 - The number of parking spaces that will be provided at various stages of construction.
 - The number of construction workers that will be assigned to the work site at various stages of construction.
 - Mechanisms which will be used to encourage the use of Metro, carpooling, vanpooling, and other similar efforts.
 - The location on the construction site at which information will be posted regarding Metro schedules and routes, bus schedules and routes, and carpooling and vanpooling information.
 - The contact person responsible for accountability of agreements shall be made known along with 24 hour contact availability information.
2. VMP will guarantee and enforce that during construction:
 - no construction vehicles or personal vehicles of workers on the site will be parked on any of the Stronghold streets, including North Capitol Street.
 - construction vehicles, dump trucks, or any other vehicles serving the site will not be staged on North Capitol Street NE, the unit block of Channing Street NW, First Street NW between Adams Street and Michigan Avenue, Michigan Avenue between Franklin Street and Park Road, or any of the residential streets within Stronghold.
 3. VMP will guarantee and enforce that no contractor or city agency will purchase or lease any of the properties in Stronghold for use as an office or staging area related to the development, and will enter into no agreements to park, store or stage equipment or personnel related the development within the bounds of Stronghold.
 4. Construction will strictly adhere to the District's legal construction hours: Monday through Saturday, 7 am to 7 pm. Construction crew will shut off all lights, except for emergency lighting, at the close of every workday, and ensure that no bright lights are aimed in the direction of neighboring homes.
 5. VMP shall create a *Plan for Temporary Circulation* during Construction that meets, at a minimum, the following standards. The plan shall identify temporary sidewalks, interim lighting, fencing around the site, construction vehicle routes, means for maintaining access to existing fire hydrants and fire department connections, and any other feature or mechanism such as cones, signage, or flaggers, necessary to ensure safe pedestrian and vehicular travel around the site during construction. In addition, the plan shall address the operational conditions outlined below. Exceptions may be made only during an emergency as defined below, during actual demolition when an inspection has determined that pedestrian access adjacent to the site should be limited for safety reasons, and for such limited periods as are unavoidable for utility upgrades.

- a. *Temporary Closures of Any Traffic Lanes:* VMP agrees to notify the appropriate civic associations and all abutting property owners in writing (or, by mutual agreement, by e-mail) at least seven calendar days in advance of any street closure, except in the case of an emergency, of more than one hour duration on any street. “Emergency” street closures may include, but not be limited to, those relating to rupture or potential rupture of a water or gas main, insecure building façade, or similar unforeseeable public danger. “Emergency” street closures shall not include closures for setting up or dismantling of a crane, exterior building construction, materials deliveries, utilities work, or similar situations.
 - b. *Temporary Lighting Plan:* During construction, VMP agrees to provide adequate temporary lighting for roadway users, including pedestrian and vehicular traffic, along all frontages of the site, including the interiors of covered pedestrian walkways. Lighting shall be turned on between dusk and dawn 7 days a week. Any high-intensity overhead lighting, such as lighting placed on construction cranes, shall be used only during construction hours (except lower levels after hours for safety and security reasons), and shall be placed so as not to directly illuminate residential dwellings or be a nuisance to neighboring property owners. The approved temporary lighting plan shall be implemented prior to the shut-down or removal of any existing lighting and shall remain in place until permanent lighting is in place.
 - c. *Maintenance of Street Surfaces During Construction.* VMP agrees to maintain street surfaces adjacent to the site in a clean, smooth condition devoid of potholes at all times during the construction period. Whenever a significant portion of an adjacent road surface is disturbed for reasons relating to the construction, including utility work, VMP agrees to repair promptly the disturbed portion(s) of pavement with hot patching to return the road surface to a clean, smooth condition. VMP agrees to ensure that the road surface is promptly repaired regardless of whether the excavation work or other damage to the road surface was done by VMP, VMP’s contractors, or private utility companies for work associated with this Site Plan. VMP agrees to make reasonable efforts to schedule construction work so that digging in the street surfaces will not occur during the winter months. The term “significant portion of a road” is understood to include, but not be limited to, a cut in the road surface that exceeds 10 feet in length or 100 square feet in size.
6. *Community Outreach During Construction:* VMP agrees to comply with the requirements of this condition prior to the issuance of the Demolition and/or Land Disturbance Permits, and to remain in compliance with this condition until the Certificate of Occupancy is issued.
 - *Community Liaison:* The Developer agrees to identify a person(s) who will serve as liaison to the community throughout the duration of construction. This individual shall be on the construction site throughout the hours of construction, including weekends. The name and telephone number of the individual(s) shall be

provided in writing to residents, property managers and business owners whose property abuts the site (including the Stronghold Civic Association), and shall be posted at the entrance of the project.

- *Community Meeting.* Before commencing any clearing or grading of the site, the Developer agrees to hold a community meeting with those whose property abuts the project to review the construction hauling route, location of construction worker parking, plan for temporary pedestrian and vehicular circulation, and hours and overall schedule for construction.
- Throughout construction of the project, VMP agrees to advise abutting property owners in writing of the general timing of utility work in abutting streets or on-site that may affect their services or access to their property.

7. *Construction Site Maintenance Agreement* : VMP agrees to provide a Construction Site Maintenance Agreement to the Stronghold Civic Association prior to the issuance of Demolition and Land Disturbance Permits, which will provide information regarding how the Developer will meet the following requirements:

- That the site and any buildings located within it are secured and kept in a well-maintained condition throughout construction. This shall include, but not be limited to, removing litter and debris from the site, and properly disposing of recyclable materials.
- Address sites that have been cleared, but construction has either ceased for a period of time or not yet begun. The Plan shall include an interim site maintenance plan that provides details on interim landscaping, site screening and site maintenance.
- At the end of each work day during construction of the project, any streets used for hauling construction materials and the entrance to the construction site shall be free of mud, dirt, trash, allaying dust, and debris, and all streets and sidewalks adjacent to the construction site shall be free of trash and debris.
- On-site construction activity, including, by way of illustration and not limitation, delivery of materials and equipment, except for construction worker arrival to the construction site and indoor construction activity, shall commence no earlier than 7:00 a.m. and end by 6:30 p.m. on weekdays, and shall commence no earlier than 10:00 a.m. and end by 6:30 p.m. on Saturdays, Sundays, and holidays. Indoor construction activity defined as activity occurring entirely within a structure fully enclosed on all sides by installed exterior walls, windows, and/or doors shall end at midnight each day. "Holidays" are defined as New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving, and Christmas. The Developer agrees to place a minimum of one sign per street front around the construction site, indicating the permissible hours of construction, to place one additional sign within the construction trailer containing the same information, to provide a written copy of the permissible hours of construction to all subcontractors, and to require its subcontractors to observe such hours.

G. Buildings including Zoning

1. The buildings on the site must abide by the intent of DC's Comprehensive Plan for McMillan including medium density residential and moderate density commercial spaces (less than five stories).
2. The site should be zoned with distinct residential and commercial areas as was proposed in the Stage One PUD (2/24/12). Land covenants should be put in place that state that no further increase in building heights or changes to the exteriors will be allowed without community and Historic Preservation Review Board approval.
3. Increase the set-backs for the grocery/apartment building off of North Capitol Street to 100 feet as put forward in the original development plan. Increase set-backs off of the Olmsted Walk to allow for green space in front of town homes to reflect the design and beauty of the surrounding neighborhoods.
4. The PUD should be modified to relocate the grocery store/apartment building to north of the North Service Court for access from Michigan Avenue.
5. VMP to provide 800 square feet of office space including tables, chairs for 80 people, and two desks. This space will be available to: 1) ANC 5E, ANC 5A, and ANC 1B for meetings, 2) neighboring civic association for meetings and events, and 3) special neighborhood events (e.g., Ward 5 Councilmember discussions). This space will be made available at no charge and use of the space would be coordinated with the assistance of the Property Manager. The use of this space would be for the next 100 years. The space will be located on the upper floor of one of the commercial buildings, with south facing views.

H. Project Implementation for Historic Structures

1. The current plan identifies two cells – Cell 14 and Cell 28 – for preservation, adaptation and reuse. Prior to award of any building permit, at least or 2 or 3 additional underground cells must be identified for preservation, adaptation and re-use along with the proposed specific use of each included in an amended PUD.
2. Since the cells are historically significant and distinguishingly unique, we expect that more creative commercial and community uses for these spaces be developed, presented, and included in an amended PUD filing (e.g., unroofing parts of a cell to create an open-air courtyard with surrounding restaurants/performance spaces).
3. 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 to 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 its 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.

4. VMP shall repurpose sand filtration cells for active public uses (e.g. a “Union Market” type of local vendor market). Part of the repurposed spaces to serve as business incubators for new and small entrepreneur commercial opportunities (e.g., restaurants, cafes, bars, IT centers, bakeries, art galleries, ice cream parlor).
5. Per VMP change directive #25, allocating \$25,000 to the Project Manager, a McMillan Retail Business and Merchandising Plan will be drafted and presented to the MAG for concurrence prior to PUD approval by the Zoning Commission. Among other things, this plan will identify the specific planned uses for each of the repurposed structures along with a retail plan for the new development on the site.
6. The funding for the preservation and repurposing of the above and below ground historic structures, including the two additional sand filtration cells listed above, must be identified and put into escrow *before* the issuance of any building permits for the site. The funding should cover not only necessary structural/integrity improvements necessary but also include the necessary utilities (water, gas, electricity, telecommunications, etc.) for their repurposing or reuse.
7. VMP shall provide historic signage/commemoration (i.e., similar to the DC historic neighborhood designation signage) throughout site and in abutting neighborhoods prior to receiving a Certificate of Occupancy.
8. VMP shall re-visit and re-examine all means for preserving more of the site’s portal doors prior to PUD approval.
9. VMP 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.

I. Park and Olmsted Walk

1. The park space plan still lacks much needed recreation and gathering spaces. Remove the loop road on the South Service Court as currently proposed and replace with a loop extension off of the southern end of “Quarter Street” (North/South road to the east of Half Street), allowing access, drop-off/pick-up for the Community Recreation Center. With the current proposed loop road removed and the space of the South Service Court incorporated as part of the open Park space, the size of the park both meets the currently

advertised 8 acres of space as well as allows for the additional inclusion active uses (e.g., children's playground) along with the planned passive uses. The final uses, activities, and related park design elements will be collaboratively developed by VMP, VMP consultants including landscape architects, and the MAG and/or McMillan Benefits Board. The park will be accessible for public use prior to the issuance of any Certificates of Occupancy for the Property.

2. The Park and preferably other "green spaces" on the Property will include the installation of water irrigation systems, perhaps using the captured rain water, to ensure that the investment in grass, plants, and trees is adequately supported to provide for hospitable growth conditions.
3. Between the silos and park create a pedestrian walkway in gravel or pebbles (which can alternate as an emergency access road for the Community Recreation 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 regulator house. Consider re-adapting the silos as storage for café tables and chairs or hanging gardens and water fountains.
4. Diversify the types of trees in the park to reflect the variety of foliage in surrounding neighborhoods. For the tree grove in the center of the park, consider planting native flowering trees, such as crape myrtle or eastern redbud, to provide color in the spring/summer.
5. On the Olmsted walk, provide exercise stations and signage for their use.
6. Also along the Olmsted walk, provide two picnic areas with tables. These areas should be chosen for views that enable enjoyment of downtown monuments and local monuments such as the Howard University towers.
7. VMP to provide funds to restore the original McMillan Fountain and install it within the proposed park space.

J. Community Recreation Center

1. We support the inclusion of a Community Recreation Center on the site within the proposed area of the Park. The Community Recreation Center will be open and available for public use prior to the issuance of any Certificates of Occupancy for the Property.
2. We would replace the currently planned weight room with a multi-functional space that can support the following activities: basketball games, volleyball games, martial arts classes, climbing wall, exercise classes included cycling and aerobics, dance classes, as well as other activities. Includes the necessary equipment for all of these activities.

3. Before the issue of any building permits for the site, we would like specific details of what elements and how much of Cell 28 is going to be preserved and incorporated as part of the Community Recreation Center. The expectation is that a minimum of 75% of the total cell's square footage area will be repurposed in a thoughtful and creative manner for the associated uses. For the museum space, VMP will consult with the Smithsonian Institution for assistance with its design, activities, and functional exhibits.
4. We support the planned "museum space" describing the historic significance of the site and the process of water purification through sand filtration.
5. Add an underground, indoor performance space, incorporating the vaulted features of the sand filtration cell as part of the design. The space would seat up to 100 people and include a stage, lighting, etc. necessary for community/school theater productions.
6. Enhance Community Recreation Center entrance with dynamic water features and public art.
7. Install moveable glass partitions at front of Community Recreation Center to allow for air circulation and greater indoor/outdoor continuity. An adequate ventilation and dehumidification system should be carefully designed and incorporated in the pool area to avoid condensation on the glass partitions and exterior glass panels.

K. Environment

1. Ensure that measures are put in place to minimize dust, exhaust fumes, noise, and other negative impacts of construction of this scale and over this prolonged period of time.
2. Conduct a water safety study of the water supplying Stronghold homes before, during, and after the completion of construction to ensure that the water meets or exceeds current EPA safety standards. If environmental toxicants are found, a fund is to be established to mitigate exposure and to compensate affected parties.
3. VMP is to provide appropriate and safe rodent mitigation for 1500 yards radius from when construction begins until the project is completed.
4. VMP is to amend its Transportation Impact Study to include the negative impacts of damage to homes on North Capitol as a result of increased vibration to foundations/basements from the increased projected traffic. If mitigation measures are required, those measures are to take place before the PUD is approved.
5. VMP is to establish a \$3 million escrow account for the purposes of mitigating any damage incurred to neighboring homes or structures as a result of the construction activities. VMP will bear all costs related to pre/post inspections for the purposes of assessing damage. VMP agrees to notify each neighboring home or land owner of the

opportunity for pre/post inspections prior to groundbreaking. Home or landowners can apply for a pre/post inspection for the entire duration of construction, and up to 3 years after completion of construction. Inspections will be conducted by a 3rd party inspector chosen by the home or landowner. All pre/post inspection reports shall be made available to both the developer and the homeowner. If claims are made against the account and the value falls below \$500,000.00, VMP will add the additional funds needed to restore the account to the original \$1 million value. VMP will replenish the funds as needed throughout the construction phase and until three years after completion of the project. An alternative to an escrow fund would be for VMP to obtain and maintain liability insurance coverage.

6. In the interest of the flooding history in the Bloomingdale neighborhood and beyond, go above and beyond in studying the impact of stormwater running off the site after development. Stormwater impact should be reduced after development, not merely maintained at the same level. Use rain gardens and other multi-functional options to improve percolation and detention on site, to reduce the impact on downstream communities. A 25% increase beyond the current proposed treatment, to retain 109,000 cfs on site. The park site could be used to attain some of this credit, as well as increased pervious pavement throughout the project, where appropriate. Alternatively, increasing the amount of large canopy trees to 900 will provide non-regulatory stormwater control through interception and evapo-transpiration on site, while simultaneously beautifying the site and providing shade for shoppers, residents, and park users.
7. VMP is to comply with DCRA's requirements for meeting criteria related to the Green Area Ratio as well as LEED® for Neighborhood Development, LEED for Building Design & Construction or Enterprise Green Communities certification.
8. All the following fixtures initially installed in the residential units in the project shall have earned the U.S. EPA's WaterSense label (or equivalent flow and flush rates): toilets, showerheads, and bathroom sink faucets.
9. All of the following types of appliances, fixtures, and/or building components initially installed in the residential units in the project shall have earned the U.S. EPA's ENERGY STAR label (or equivalent): clothes washers, dishwashers, refrigerators, and ceiling fans.

L. Neighborhoods Beautification and Amenities

1. VMP shall jointly develop an overpass community park over the North Capitol Street underpass that will span the overpass north of Rhode Island Avenue (as far as is 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 to reduce environmental noise and pollutants resulting from increased traffic on North Capitol Street associated with the McMillan development. Maintenance of this park shall be the District'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.

2. 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 VMP's initial contribution to the McMillan Community Benefits Escrow Fund shall be designated to be shared equally by:
 - The Crispus Attucks Development Corporation (which maintains open green space and manages multiple community events in the Crispus Attucks 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.
3. A percentage (to be determined by the McMillan Community Benefits Board) of VMP's annual contribution to the McMillan Community Benefits Escrow Fund shall be designated for distribution to the neighborhoods represented on the Board for neighborhood beautification efforts. These funds could be used to:
 - Plant trees or install metal tree box fencing
 - Fund third party groups like DC Clean Team
 - Pole banners or flower baskets
 - Historic signage
4. Until such time as Phase 2 building permits are issued, VMP 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.
5. We support the recommendations of the 2010 North Capitol Street Study and request that they be implemented prior to the beginning of Phase 2 of the planned PUD and in conjunction with the North Capitol Street over-pass park mentioned above. Specifically, between Bryant Street and Michigan Avenue, the sidewalks should be widened along North Capitol Street on the NE side, with the "green curb" space widened like those on the planned NW side. Within this space, planting trees and other vegetation with the input of the SCA in the design process. In the traffic median, for that area not included in planned left turn lanes, develop the space into "green" including grass and tree planting similar to that seen on the refurbishment of Sherman and New Hampshire Avenues, NW. Replace the lighting fixtures on North Capitol Street, the side streets of Stronghold, and the Stronghold alleys as described in the aforementioned study.
6. VMP shall provide the funds to restore the McMillan Fountain and place it within the boundaries of the Park.

7. Expand the North Capitol Street NE sidewalk, next to Prospect Hill Cemetery, between T Street and the end of the access road, four to six (4-6') feet to provide safer walking space and help beautify the block.
8. VMP to provide free community wireless internet within 1000 feet of the Property for the next 100 years or until such technologies change. WiFi Community Benefit requirement to include:
 - A new Digital Inclusion Fund (to be administered by the Board). The Fund will be used to promote affordable internet access, low-cost hardware, local content and training.
 - VMP to commit to an annual contribution of 0.5% of ongoing pre-tax net income to the Fund.
 - Free limited-time service will be available in locations within 1 mile of the McMillan site (designated "free hotspot zones").
 - A free "civic garden" level of wireless service will be available to all residents within 1 mile of the McMillan site, featuring important neighborhood, government, and community services information – such as neighborhood portal pages, city web sites, and public safety information.
 - 100% of portal page advertising revenue will be directed to the Fund.
 - A content management system, and community server, for use by neighborhoods and community groups.
 - A guarantee of network neutrality (fair access to the system for all ISP's).

Attachment 1: Summary of CBA Governance and Accountability Structures

PROVISIONS	ESTIMATED COST OR VALUE	RESP. ENTITY(S)
1. Financial, Administrative & Accountability Structures		
A. Financial Resources	\$5,000,000 (1-time capital cost)	DC Government
· Community center construction & equipment		
· Ongoing staffing, maintenance and programming costs (equal in amount provided to other DC centers of similar size)	Est. \$500,000/yr.	DC Government
\$ McMillan CBA Benefit Escrow Fund (Provides general funding in support of CBA	Yrs 1 -5: Total est. \$4,000,000 (VMP fee on building permits)	City Council & DC Government
	Yrs 6 until development no longer exists.	
	· 1-time Fee on profit on sale of condos & row houses: Est. \$500,000	Developer
	· Annual fee on profit on commercial, retail, and residential rentals: Est. \$350.00 per year.	Developer/Property Manager
	McMillan Livability Impact Fee (special fee on building permits issued for construction/renovation within 1 mile of site – to be used to supplement Center & Park programming & maintenance expense,) – Est. \$25,000/yr.	City Council & DC Government
<u>Total Escrow fund:</u> 1-time contributions: \$ 500,000 (DC Government)		
	\$4,500,000 (Developer/Property Manager)	
Sub-Total:	\$5,000,000	
Annual Contributions:	\$ 25,000 (DC Government/DCRA)	
	\$ 350,000 (Developer/Property Manager)	
Sub-Total:	\$ 375,000	
B. McMillan CBA Board: A non-profit independent partnership (City, Developer/Property Manager, abutting community) governance body responsible for administering the McMillan CBA, authorizing expenditures of the McMillan CBA Escrow Fund consistent with the terms of the CBA, and monitoring and ensuring CBA compliance	Annual contract of compliance monitor – Years 1 -10 at estimated cost of \$80,000/yr.	CBA Board through use of CBA Escrow
<u>Total Annual Board Costs:</u>	Staff Support estimated at \$50,000/yr.	DC Government and Developer/Property Manager
From Escrow Fund: \$95,000		
From DC Government & Developer/Property Manager \$65,000		
	Non-personnel support costs estimated at \$10,000/yr.	CBA Board/Escrow Fund

Attachment 2: Summary of CBA Elements and Items

Note that this information is draft and may require updating for consistency with the information in the text as changes are made.

DRAFT McMillan Public Benefits and Amenities DRAFT				
Category	Type of Benefit/Amenity	Benefit/Amenity Description	Value	Funding Stream
Senior and Affordable Housing	1. 20% affordable housing for all types of housing	Set aside 20% of each type of housing stock for affordable housing.	TBD	District through DCHD tax incentive programs or Housing Production Trust Fund commitments
	2. Change senior housing layout	Limit senior housing to the first two floors of the multi-family building to facilitate mobility to and from the building.	No cost	VMP, LLC
	3. Extension of affordable housing to 100 years	Restrict the sale of affordable housing properties to retain the housing stock for a period of 100 years.	No cost	VMP, LLC in conjunction with the District through DHCD and the PUD rider.
	4. 15% of affordable units comply with Universal Design standards	Ensure that a minimum of 15% of the dwelling units (and no fewer than one) are designed and constructed according to Universal Design standards, specifically ICC/ANSI A117.1, Type A, Fully Accessible guidelines.	TBD	VMP, LLC
Educational, Workforce, and Economic Development	1. Scholarship Fund (initial)	Establish a scholarship escrow account for various types of adult of childhood education uses. This account will be replenished as part of the ongoing escrow contributions identified above. Funds will only be disseminated to residents living within one mile of the site who can show proof of residence for at least one year.	\$5 million	VMP, LLC
	2. Education Commission	Establish an education commission to oversee awarding of funds issued out of the scholarship fund.	No cost	Neighborhood residents and DCPS
	3. Workforce development (use of unionized labor and Ward 5 residents)	Ensure that all of the unskilled labor for this project is unionized labor, of which a percentage of the workers should be Ward 5 residents	No cost	VMP, LLC commitment as stipulated in a revised First Source Agreement.
	4. Tax incentives for small and low income-owned businesses	Addressed through established escrow fund	No cost	District through the Office of Tax and Revenue
	5. Retail opportunities	Create a comprehensive plan to guide the retail allocations in the development (e.g. so many with liquor licenses, so many local, etc. etc.). This should be drafted by the MAG with financial assistance from Vision McMillan Partners, LLC. It should exclude uses and building types stipulated in the <i>Summary of Recommendations for Site Revitalization, February, 2002</i>	\$10,000	VMP, LLC
	6. Storefront improvement grants	Fund storefront improvement grants for major corridors in ANC 5E boundaries impacted by the McMillan development to be awarded through the Great Streets program.	\$500,000	VMP, LLC through DMPED (Great Streets)

Parking	1. Parking on North Capitol	Revisit and present both the benefits and limitations of allowing parking on both sides of North Capitol street	No cost	VMP, LLC through Gorove/Slade
	2. Dedicated residential parking zone	Work with DDOT to designate a dedicated residential parking zone for Stronghold residents. This would include a visitor parking pass for each resident.	\$20,000 for signage	DC Office of Planning and VMP, LLC
	3. Increase enforcement of parking rules on alleys and streets	Increase the commitment to ticketing vehicles parked illegal in alley and public streets in the Stronghold neighborhood adjacent to the property. Provide written responses with action taken to address each residential inquiry of this nature from Stronghold residents.	No cost	DDOT (or new parking management group created if DDOT is broken down per Mary Cheh's proposal)
	4. Public parking on McMillan	Ensure all roads within McMillan are for public parking. Work with DDOT to place a restriction on residential parking permit signs in this development.	No cost	VMP, LLC in conjunction with DDOT
Construction-related Activities including Parking and Staging	1. Off street parking for construction workers or subsidy	VMP agrees to develop and submit to the Stronghold Civic Association for concurrence a plan for off-street parking for construction workers prior to the issuance of the Demolition and Land Disturbance Permits. In lieu of providing parking, VMP may provide a subsidy for the construction workers in order that they may use Metro, provide a van for van pooling, or use another established method of transportation to provide for construction workers to arrive at the site.	\$320,000 (based on an estimate of \$1,000 per 10% of 3,200 workers)	VMP, LLC and general contractor
	2. Enforce contractor parking restrictions	Increase the commitment to ticketing contractor or out of state vehicles parked off the development site in the Stronghold neighborhood adjacent to the property. Provide written responses with action taken to address each residential inquiry of this nature from Stronghold residents.	No cost	DDOT (or new parking management group created if DDOT is broken down per Mary Cheh's proposal)
	3. Ensure no purchase of neighborhood homes for construction purposes	Avoid any situation similar to the work associated with DCWASA whereby the contractor purchases a neighborhood home to serve as a staging area for contractors.	No cost	VMP, LLC and general contractor
	4. Create a construction vehicle route	Work with the general contractor and MAG to develop a truck route for all construction vehicles to abide by. This plan should make use of major thoroughfares and emulate the traffic pattern already committed to by DCWASA (e.g. take N Capitol to NY York Avenue)	No cost	VMP, LLC
	5. Community outreach during construction	Setup a community liaison and conduct regular community meetings to discuss impacts, concerns and progress of the ongoing construction work. This group will meet on a bi-weekly basis.	No cost	VMP, LLC in conjunction with the MAG
	6. Construction site maintenance agreement	Document the terms of agreement on the expectations for construction.	No cost	VMP, LLC in conjunction with the MAG and the Stronghold Civic Association.
Buildings	1. Building density	Reduce the building scale currently proposed by the master plan so as to abide	Need economic	VMP, LLC

including Zoning		by community wishes and the DC Comprehensive Plan.	impact projections from Green Door Advisors	
	2. Zoning Map amendment	Designate distinct zones for residential and commercial activities. Do not zone the multi-family, townhome, and park/community center portions each as CR [need specific zoning suggestions for the other sections].	No cost	VMP, LLC in conjunction with the Office of Zoning
	3. Building setback	Increase the set back of the multi-family grocery building to 100 feet per the original development plan. Increase the set back of townhomes from the Olmstead walk by an additional 15 feet [need something definitive here].	No cost	VMP, LLC
	4. Grocery store location	Relocate the grocery store to the north side of the North Service Court (contingent on the reduction in building density per the first request of this subsection)	Cost for revision in schematic drawings	VMP, LLC
Project Implementation for Historic Structures	1. Preservation of underground cells	Restore and maintain 2 to 3 additional underground cells identified as having 'minor' structural damage.	\$4 to \$5 million	VMP, LLC
	2. Adaptive reuse of underground cells	Pursue possible adaptive reuse options for the underground cells. Per the structural engineering report recommendation, determine the stability of the underlying foundation for the site to ensure the safety of the cells for public use.	\$50,000	VMP, LLC
	3. Opening of cell 26	TBD	TBD	DMPED
	4. McMillan Retail Business and Merchandising Plan	Draft the McMillan Retail Business and Merchandising Plan to incorporate specific planned uses for each of the repurposed structures along with a retail plan for the new development on the site.	No cost (captured above)	VMP, LLC
	5. Historic signage	Provide historic district signs both around and within the site. Provide a historic district plaque to be placed near the entrance of the community center.	\$20,000	VMP, LLC in conjunction with DMPED
	6. Study preservation of additional portal doors	Look into the additional preservation of portal doors along the North Service court to emulate the level of preservation along the South Service court.	\$10,000	VMP, LLC via the existing contract with DMPED
	7. Type of permeable pavement	Extend permeable paving from just the sides of roads to the actual road itself. Use cobblestones along the South and North service courts to discourage rapid traffic through the site. This is contingent on classification of roads and private or public.	TBD	DMPED as part of the road preparation captured in the land development costs.
Park and Olmsted Walk	1. South Service court traffic pattern	Eliminate vehicular traffic along the South Service court and create a round-about drop off location just north of the community center.	No cost	VMP, LLC
	2. Children's playground	Construct a children's playground on the northwest portion of the site, above cell 26.	\$1,000,000	VMP, LLC
	3. Picnic tables			
	4. Restore the McMillan fountain	Restore the original McMillan fountain and install it within the proposed park space	\$150,000	VMP, LLC in conjunction with the District (access to fountain)
Community Recreation Center	1. Community center layout	Provide a multi-functional room in lieu of a weight room	No cost	VMP, LLC
	2. Add access to roof for apiary purposes	Same as title	\$10,000	VMP, LLC

	3. Cell 28 clarification	Brief the community at large and MAG on the specific plans for the use of cell 28	No cost	VMP, LLC and DMPED (who will fund this effort)
	4. Underground performance theater	Repurpose an additional cell for use as an indoor performance theater with seating for 100 people	\$150,000 (mostly rolled into other costs)	VMP, LLC
	5. Community center entrance	Provide a water feature and public art near the community center entrance	No cost (already planned)	DMPED
	6. Moveable glass partitions	Install moveable glass partitions along the front of the community center	\$60,000 (no idea – need dimensions)	VMP, LLC
	7. Construction timeframe	Commit to and complete construction of the community center and park space before issuing permits for construction of vertical development.	No cost (other than possible interest on loans due to delayed start date)	VMP, LLC and DMPED
Environment	1. Pollution effect	Prepare an environmental impact statement that addresses the effects of the development as it pertains to dust creation, increase in exhaust fumes, noise level commitments and other negative impacts on the neighborhood environment	No cost (one already performed by ECS I believe)	VMP, LLC through existing contract with DMPED
	2. Water cleanliness	Release a study before, during and after construction attesting to the drinking quality of the water in the surrounding neighborhoods.	Need estimate from DCWASA	VMP, LLC funding provided to DCWASA
	3. Pest control	Prepare a mitigation plan to address rodent infestation in the surrounding neighborhoods as a result of the construction process	Need estimate from the District	VMP, LLC through existing contract with DMPED
	4. Home repair	Set aside \$1 million in escrow until two years after the completion of development for the purposes of repairing homes with damage tied to the construction process	No cost but \$1 million in escrow to be returned	VMP, LLC
	5. Solar lighting	TBD	TBD	TBD
	6. WaterSense and ENERGY STAR appliances	Specific fixtures and appliances are to have earned EPA's WaterSense or ENERGY STAR label	No cost	VMP, LLC
Neighborhoods Beautification and Amenities	1. Overpass	Create an overpass between Rhode Island Avenue and Seaton Place to connect the Eckington and Bloomingdale neighborhoods. To be done in conjunction with the OP mid city east plan	Need estimate from DC Office of Planning	DC Office of Planning and VMP, LLC
	2. Beautification Groups	Donate to Crispus Attucks Park and Casey Trees	\$20,000	VMP, LLC
	3. Recurring Escrow	Segmented escrow account to be distributed to civic associations on an annual basis.	Need to determine a percentage	VMP, LLC through profits generated from the stie
	4. Exterior maintenance	Façade improvements for low-income housing residents in the surrounding community	Need to determine a percentage	VMP, LLC through profits generated from the site
	5. Reuse of Phase 2 land	Landscape , sod and prepare land to be used during Phase 2 construction and make available to the community until such time as construction begins.	TBD	DDOE oversight with funding from VMP, LLC
	6. North Capitol Street Study	TBD	TBD	District?
	7. Beautification	Sidewalk repair, tree planning, fencing, tree boxes	\$750,000	VMP, LLC
	8. Sidewalk Expansion	North Capitol Street NE from four to six feet	Need estimate from DDOT	DDOT
	9. Free WIFI	Within 1000 feet of the property	\$75,000	VMP, LLC
Total VMP Commitment (without items to be estimated)			\$12,985,000	