

07 May, 2014

Anthony Hood, Chairman

DC Zoning Commission

Subject: Testimony in Opposition to Proposed McMillan Park PUD (Case # 13-14)

Dear Chairman Hood:

I am writing to express my opposition to the Vision McMillan Partners (VMP) first-stage consolidated PUD (herein "PUD"), specifically its failure address requirements set forth by DC's PUD Evaluation Standards, specifically pursuant to Rule 11-2403:

*"The impact of the project on the surrounding area and the operation of city services and facilities shall not be found to be **unacceptable**, but shall instead be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project."* [emphasis added]

Whereby the authority having jurisdiction is the DC Zoning Commissioning. The scope of my testimony is limited to:

- a) Assertions of Construction Job Creation and Benefits Tax Revenue Benefit to the District
- b) Assumptions and Methods Used in the PUD's Benefit to the Government with Respect to Program Schedule
- c) Intent of the Applicant to Achieve LEED "Certified"

In an effort to contextualize my written testimony, it warrants stating:

- a) I am a Bloomingdale resident residing approximately 650 feet from the Project's proposed limit of disturbance.
- b) I possess the certification of LEED AP (BD+C), PMP, and EIT. Further, I consult in the areas of program management, construction project management, and dispute resolution. I am unable to testify before the Commission as I am out of town on business.

Assertions of Construction Job Creation and Benefits Tax Revenue Benefit to the District

Generally, the methodologies used by used by the Applicant's Green Door Advisors (GDA) in generating conceptual cost estimates and construction job creation appear industry standard and reasonable. However, given GDA postulating the generation of 3,270 of new construction jobs- **I find this figure to be grossly overstated and drawing question as to whether adequate due diligence has been given to development's benefit to the District.** It is my experience a Project of this size will utilize (not create) an amount roughly half that of 3,270 at construction's peak earning of resources, i.e. typically during façade erection and on-going execution of mechanical, electrical, and plumbing rough-in activities.

This further begs the question of cost estimates pertaining to the healthcare portion of the Project where GDA places the hard cost of its construction at \$392Mm using a per square foot assumption of \$348 FAR/SF for 1.13MmSF. A cursory referencing of RS Means¹ places the per square foot cost of this type of construction approaching \$400/FAR, i.e. an approximate increase in construction cost less accounting for construction commencing in a future period where cost of construction increases at an approximate rate of 4% per annum. This per square foot multiplier appears simply plucked from RS Means in lieu of being independently vetted and created based upon the ultimate tenant's needs, project location, and albeit to moderate extent, accounted for elsewhere, the Project's existing conditions and site preparation. That said, it can be assumed that, again, the Applicant's assumptions require further vetting.

It is not known what percent of per annum contribution is assumed of the healthcare real property tax portion of this application; however, 39% contribution to general fund is via real property taxes. This begs further probing given the likelihood of the healthcare portion of the Project being exempt from real property taxes via potential impending legislation. If the an annual sum of \$358Mm is to be contributed to the District's general fund from the completed healthcare portion of the Project that potentially may ultimately find itself exempt from paying of real property taxes, this is a reduction of the entire Project's annual contribution to the District of approximately 88% (granted, an extreme; however, posited to invoke consideration).

Moreover, it has been learned healthcare developments on adjacent properties will be coming on-line prior to this Project's completion. Without securing an anchor tenant for this portion of the Project (and other non-residential components), again, the Project's benefit to the District must be called into question.

¹ RS Means is an industry standard reference material for deriving conceptual estimates.

It is my belief the consideration of the following warrant further vetting prior to approval of the Applicant's PUD:

- Out-of-date per square foot construction cost assumptions
- Possibly under-stated per square foot construction cost assumptions
- Unlikelihood of achieving the pledged amount of District residents in the construction of the Project
- The healthcare portion's per annum contribution to the District's general fund

Assumptions and Methods Used in the PUD's Benefit to the Government with Respect to Program Schedule

The 23 April, 2014 executed version of the Contract Development Management Services contains the sole schedule included in publicly available documents pertaining to the Project. The Project's schedule is paramount when considering economic benefits beholden to the District with respect to annual expenditures.

The schedule provided in said document cannot account for the fluidity of the development's permitting and hearing process and is thereby not a reasonable and copasetic plan for making the Project shovel ready. For instance, the schedule is not a network and does not utilize the industry standard critical path method, and was constructed using the most elementary of program management techniques. It is my belief that if VMP were to have carried out an adequate degree of due diligence with respect to accurately identifying the entirety of scope related to the permitting, pertinent components of the conceptual design, and public hearing processes inherent to development of a large Project in the District of Columbia, a more professional and complete schedule would be available for all to view. Further, this would allow the District to make appropriate decisions related to **mandatory** ancillary infrastructure improvements, District financial decisions, *et cetera*.

Intent of the Applicant to Achieve LEED "Certified"

At present, there are 252+ LEED Gold and Platinum projects in the District of Columbia. The Applicant's assertion that the Project's pursuit of LEED Certified being considered of benefit to the community is a fallacy and further brings into question the adequacy of due diligence in preparation of the PUD. Further, it is not known if the entire development is to achieve LEED Certification, or solely the Community Center and healthcare components of the Project. Solely given the façade material choices apparent from renderings and VMP's election to pursue LEED Certified it may be surmised VMP has placed cost as a primary constraint thereby inhibiting the Project's architects of designing a Project that can be incorporated into the community with minimal detriment. In no way do question the architect and

engineer's capabilities in designing a development that can achieve harmony with the surrounding communities and provide benefit but for VMP's fiduciary relationship with the Project's design. That said, I vehemently support the use of a design competition where teams of architects and engineers may more freely be able to leverage their creativity, and expertise in creating a community that benefits and empowers adjacent neighbors and properly integrates the needs of the surrounding communities.

In conclusion, on these fundamental points alone, it behooves the Commission to decline the Applicant's PUD on the grounds of inadequate community benefit and lack of adequate due diligence. This apparent lack of due diligence may leave the District shouldering a bad bag of goods. The Project's design intent has look, and feel, of something being constructed in Arlington and to place into the parlance of the Commission's Rule 11-2403 remains "unacceptable". Our communities, inclusive of existing and long-time residents and more importantly, our District, deserve much better.

Please feel free to contact me at any time at +1 423 802 0498 should you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Hardison', written in a cursive style.

Robert Hardison