

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON ECONOMIC DEVELOPMENT
COMMITTEE REPORT

1350 Pennsylvania Avenue, NW, Washington, DC 20004

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OFFICE OF THE
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MAY

TO: All Councilmembers

FROM: Muriel Bowser, Chairperson
Committee on Economic Development *MB*

DATE: November 25, 2014

SUBJECT: Report on Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014”

The Committee on Economic Development, to which Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” was referred, reports favorably thereon and recommends approval by the Council.

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I. BACKGROUND AND NEED

Brief Overview:

On Friday, October 3, 2014, Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” was introduced by Chairman Phil Mendelson at the request of the Mayor. The resolution, in conjunction with PR20-1082, the “McMillan -

Residential Townhomes Parcels Disposition Approval Resolution of 2014,” and PR20-1083, the “McMillan – Residential Multifamily Parcels Disposition Approval Resolution of 2014,” would approve the disposition of a portion of the District-owned, vacant but historic real property located in Ward 5 at 2501 1st Street, N.W., and known as the McMillan Sand Filtration Site. The disposition would be through a sale for fair market value to Vision McMillan Partners (VMP), a development team comprised of Trammel Crow Company, EYA, and Jair Lynch Development Partners.

VMP intends to develop the land into a mixed-use project that would create 146 townhomes, 531 apartments in two buildings with a grocery store anchor and other ground floor retail, over 1 million square feet of healthcare facilities, an 8-acre central park with other open space, and a 17,000 square foot community center. Trammel Crow would be responsible for the healthcare facilities, EYA would build the townhomes, and Jair Lynch would build the multifamily apartment buildings. The District would retain ownership of many portions of the land and be responsible for infrastructure, parks, and preservation.

As the disposition of the McMillan Sand Filtration Site has been submitted to this Council through three separate resolutions, each regarding different portions and parcels of the development project, this Committee will report on each separately. However, the overall McMillan development project is a product of all three disposition resolutions and their proposed development plans should be viewed as such. Each Committee report on the three proposed resolutions will reflect this similarity and overall view of the totality of the project.

The McMillan development project has been going on for years and, as such, has seen much support but also is the cause for many lingering concerns from community residents. Before commencing with a discussion of the proposed resolution, it is useful to provide the framework that guides this Committee’s reports on the McMillan project. Each Committee report will contain a history and overview of the project, specific details regarding disposition cost, finances, and benefits, and a discussion of any remaining topics. Finally, pursuant to D.C. Code § 10-801, the Committee will determine if the proposed disposition is in the best interests of the District of Columbia.¹

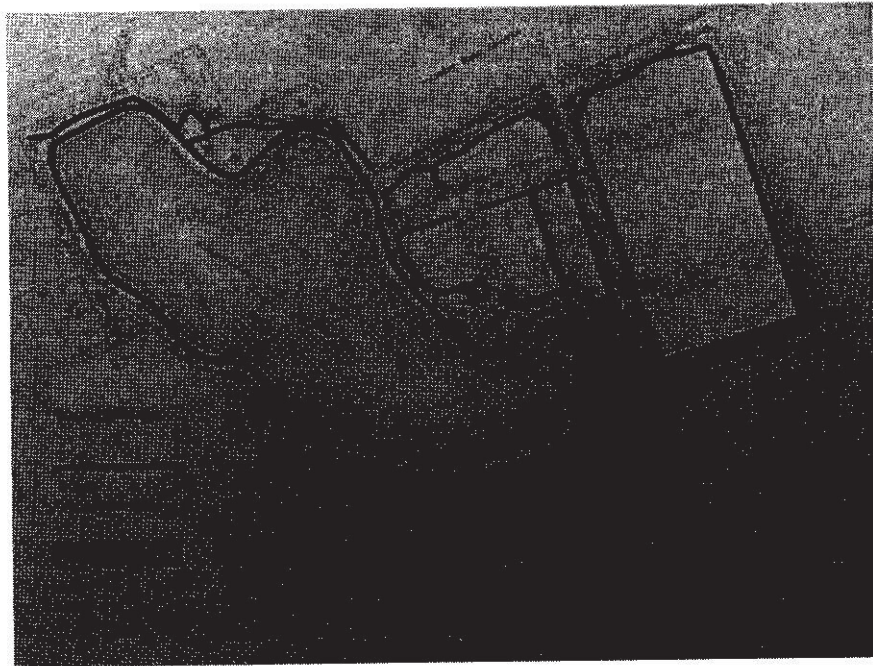
History of the Property

The McMillan site was built by the federal government as a slow-sand filtration system in 1905 and named after the late Senator James McMillan. From 1908-1920, Frederick Law Olmsted, Jr., designed the landscape of the area, including his famous “Olmstead Walk” that allowed the public to view the bed of filters from the safety of the perimeter.²

¹ See D.C. Official Code § 10-801 *et seq.*

² The Olmstead Walk was designed this way as records indicate so that at any given time, three to four acres of manholes would be open to provide light and air to workers cleaning the sand below. Thus, the fields on top of the sand filtration system were dangerous for the public to walk on.

In 1913, McMillan Park was created west of 1st Street, NW, and southwest of the reservoir on land still controlled by the federal government to this day. This park was active until 1941 when the entire McMillan site was fenced off to prevent potential sabotage of the city's water supply. The filtration system was operational until the 1985 and then designated surplus by the federal government and sold to the District in 1987 for \$9.3 million with the intention of redevelopment.³ The site was declared a Historic Landmark and listed in the DC Inventory of Historic Sites in 1991.



Land Description

The land proposed to be developed is a 1,075,496 square foot property located in Ward 5 at 2501 1st Street, NW. It is trapezoidal and bounded by 1st St, NW, to the west, Michigan Avenue, NW, to the north, North Capitol Street to the east, and Channing Street, NW to the south. The property features two paved service courts that divide the site into three large, grassy open spaces. These open spaces are the roofs of twenty unreinforced concrete filter beds that were covered by a layer of fill.

³ The McMillan Park Committee, led by Tony Norman, and the National Trust for Historic Preservation, challenged an amendment made to the National Capital Planning Commission's Comprehensive Plan that would allow the use of McMillan land for mixed-use medium density residential, moderate density commercial, and parks, recreation, and open space. This challenge, while first successful, was reversed on appeal by the United States Court of Appeals for the District of Columbia. *McMillan Park Comm. v. National Capital Plan. Comm'n*, 968 F.2d 1283 (D.C. Cir. 1992).

The Committee observes that this land was and has never been a park. The actual recreation area of the McMillan Park included a fountain and children's playground and was located to the west of 1st Street and southwest of the reservoir. This park was active until 1941 when the entire McMillan site was fenced off to prevent potential sabotage of the city's water supply. The site of this former park located west of 1st Street is still controlled by the federal government today and not included in the McMillan development project currently before this Committee.

Detailed Overview of the McMillan Development Project

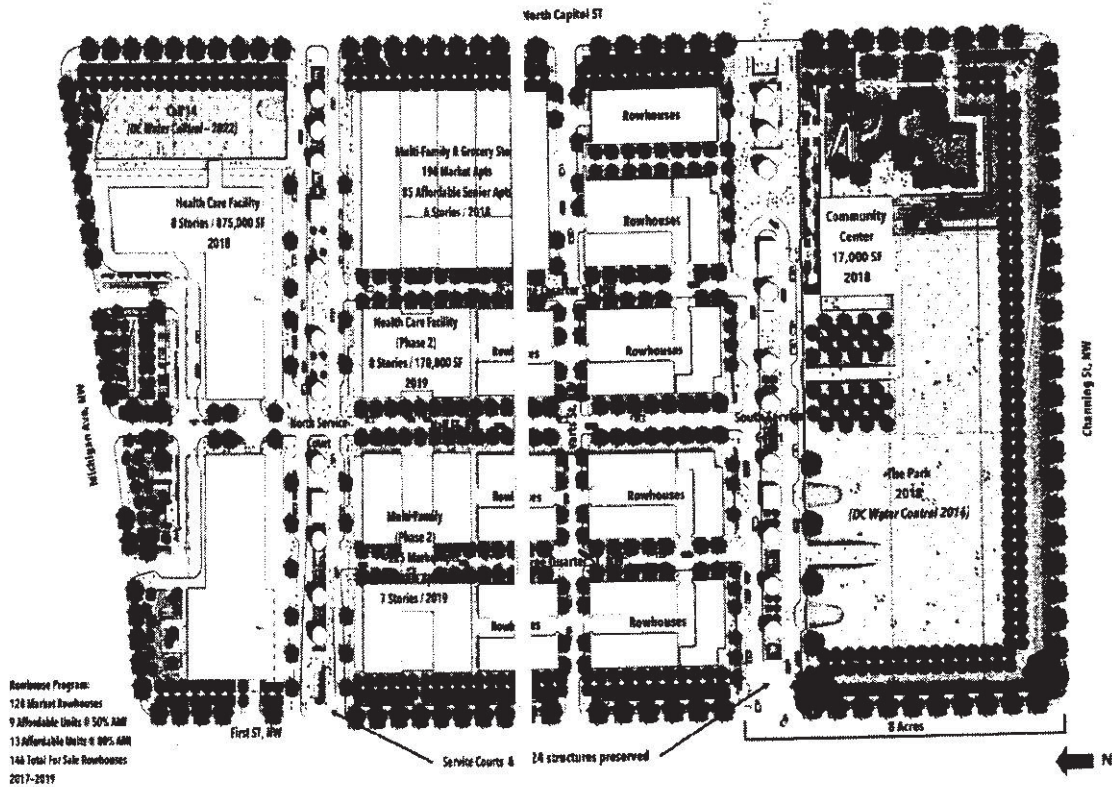
Vision McMillan Partners, a team comprised of Trammel Crow Company, EYA, and Jair Lynch Development Partners, plans a development program that would create 146 townhomes, 531 apartments in two buildings with a grocery store anchor and other ground floor retail, over 1 million square feet of healthcare facilities, an 8-acre central park with other open space, and a 17,000 square foot community center. Trammel Crow will be responsible for the healthcare facilities, EYA will build the townhomes, and Jair Lynch will build the multifamily apartment buildings. The District will be responsible for infrastructure, parks, and preservation.

The project requires that 20% of all the housing units built will be affordable for families earning 50-80% of the Area Median Income, a much higher percentage than the 8% required by inclusionary zoning regulations. Twenty-two of the 146 townhomes proposed will be affordable and 110 of the 531 apartments will be affordable. After the insistence from this Committee, 85 of those affordable apartments will be set aside as affordable senior housing for households earning 50-60% AMI.

The project is estimated to provide over \$1.2 billion in tax revenues to the District over 30-years and create 3,000 construction jobs and 3,200 permanent jobs in retail and healthcare.

The project also includes a \$5 million community benefits agreement with funds going to the Community Foundation of the National Capital Region to support workforce development, job training, and placement, to the DC Education Fund to support science, technology, engineering, and math instruction in area schools, to neighborhood beautification and business façade improvements along the North Capitol Main Street, to grants for start-ups, to jobs as tour-guides for the McMillan site, and for park programming that will include a community market and art installations.

The development plan will preserve portions of the sand filtration site, including sand storage bins, all four regulator houses, a sand washer, eleven filter bed portals, and two acres of underground filter-bed. The development will also re-establish the "Olmsted Walk," a walking path along the perimeter of the property that was part of the original landscape designed by Frederick Law Olmsted Jr.



Years in the Making

Since 1941, the McMillan site has been fenced off from the rest of the city. It has sat vacant and un-zoned since being declared surplus by the federal government and sold to the District in 1987. Attempts to redevelop the land began in 2007 and PR20-1082, -1083, and -1084 represent the first real development package to be submitted to Council.

Solicitation

The District purchased the property from the federal government in 1987 for \$9.3 million with the intention of redevelopment. In 2006, Mayor Anthony Williams transferred the land to the National Capital Revitalization Corporation (NCRC) which issued a solicitation for a land development partner. Five responses were received, including from development teams led by Eastbanc and Republic Land Development. To aid in the evaluation of responses and ensure the affected community was involved, the McMillan Community Advisory Group (MAG) was

created from community residents.⁴ The government, working with the MAG, chose Vision McMillan Partners in July 2007. Soon after, the NCRC was dissolved and the Office of the Deputy Mayor for Planning and Economic Development assumed control of the McMillan site. The District did not have the capacity or desire to act as master developer and vertical developer as envisioned by the NCRC. Thus, the District looked to have Vision McMillan Partners act as both master and vertical developer. The District, through the MAG, engaged the community to see if VMP could serve as both. The MAG was supportive and a Community Letter of Commitment was executed between VMP, the District, and the MAG that outlined VMP's responsibilities to the community throughout the process as both master and vertical developer. A copy of this Letter of Commitment is attached.

The Committee recognizes that it has long been a community concern that a separate request for proposals was not issued to find a vertical developer. However, the MAG was consulted and did sign the Letter of Commitment, affirming its support for VMP's assumption of the responsibilities as vertical developer. Members of the MAG also testified to that effect and brought no objection to VMP's role as vertical developer during the Joint Hearing held by this Committee and the Committee on Government Operations on November 12, 2014.

Appraisal

An independent appraisal was conducted by Valbridge Property Advisors and delivered on October 21, 2013. As McMillan is a unique site, the appraised value was determined by estimating the value of the improvements that are proposed and comparing them to the estimated cost of preparing a buildable site that is subdivided and ready for development.

The cost for horizontal and predevelopment, which the District will pay for, was estimated to be \$76,500,000 as shown below:

Public Infrastructure	\$14,600,000
Finished Pads	\$17,700,000
Historic Preservation	\$21,700,000
Parks and Open Space	\$12,800,000
Soft Costs/Other	\$9,700,000
TOTAL	\$76,500,000

Source: Appraisal

The estimated value for the improvements including the townhouses, multi-family apartment buildings, and healthcare facilities was estimated to be \$72,850,000 as shown below:

⁴ Members of the McMillan Community Advisory Group at the time included Tony Norman, Dianne Barnes, and current Ward 5 Councilmember Kenyan McDuffie. Tony Norman and Dianne Barnes continue to sit on the MAG.

VALUE INDICATIONS & CONCLUDED VALUES

	As Is	Multi-Family	Healthcare	Townhouses	Total
Cost Approach	N/A	N/A	N/A	N/A	N/A
Sales Comparison Approach	N/A	\$19,100,000	\$48,330,000	\$6,050,000	N/A
Income Approach	N/A	N/A	N/A	N/A	N/A
Residual Land Value Analysis	N/A	\$18,680,000	\$47,180,000	N/A	N/A
Market Value	(\$3,650,000)	\$19,000,000	\$47,800,000	\$6,050,000	\$72,850,000

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Thus, the appraised market value for the McMillan site now, as is, was determined to be a negative \$3,650,000. In other words:

- (Value of improvements – predevelopment/horizontal costs) = initial value
- (\$72,850,000 – \$76,500,000) = (-\$3,650,000)

Land Sale Prices

Current estimates of the total pad sale price to all three developers are \$27.1 million dollars. However, this number could change as the District and VMP agreed on a Fair Market Value method for determining the purchase price for the McMillan development parcels. For the income-producing properties, the apartment buildings and healthcare facilities, the purchase price would be set prior to closing using a formula that determines land value based on the costs and rents VMP will face to develop its buildings.⁵ The executive maintains that this way, the tenant, rent, affordable housing subsidy, and related uncertainties that exist with the rental properties can be accounted for in purchase price.

The townhomes do not face this same uncertainty as the development program is fixed and both cost and sales prices could be determined by surveying the market. Thus, the District and EYA agreed on a fixed value per lot based on a review of the townhome pro forma. This price would be \$78,844 per market rate lot for a total purchase price of \$9,776,636. This agreed upon lot price is substantially higher than the maximum \$65,000 per lot determined in the appraisal.

Entitlements

⁵ The Fair Market Value is calculated by looking at the developer's Return on Cost (ROC). ROC is determined by looking at what it will cost VMP to build the project and how much income the project will generate. Dividing the income by the cost gives the ROC. The formula sets an allowable ROC for VMP and the land price is the largest amount that VMP can pay for the ground and still earn that allowable return. The Purchase Price Schedule is given as Schedule 3.2 in the Land Disposition and Development Agreement.

VMP's McMillan project has received approvals from all entitlement boards and agencies, including the Zoning Commission, Office of Planning, National Capital Planning Commission, State Historic Preservation Office, Historic Preservation Review Board, District Department of Transportation, and the affected Advisory Neighborhood Commissions 5E, 5A, and 1B. The project is awaiting the approval of the Mayor's agent needed for the demolition of an historic landmark. Were the Council to approve the project, the developers would then begin the permitting process.

The Committee notes that the District government took financial responsibility for obtaining the Planned Unit Development approval and other entitlements. The Interim Deputy Mayor for Planning and Economic Development testified under oath that this was to ensure the District was able to maximize the value it would receive when selling the development parcels and also ensure that important public priorities like affordable housing and park/open space were maintained in the planned development.

Delivery Timeline

If the Council were to approve of the legislation before the end of Council Period 20, the developers contend that with the final design process and permitting, they could break ground in early 2016. The first Phase I deliverables would then be expected by the end of 2017 or early 2018. Phase 1 deliverables from Vision McMillan Partners include all townhomes planned, a majority of the healthcare facilities, and the apartment building with the grocery store anchor as part of the first-floor retail. Phase 2 deliverables will be the remaining apartment building and healthcare facilities.

Financing

The entire McMillan development project is slated to cost over \$720 million. The development team is responsible for over \$640 million of the total cost. When asked by this Committee, each development partner expressed complete confidence in finding the institutional equity and debt it would need to finance its portion of the development. A break down of intended sources of funds is shown below:

MCMILLAN SOURCES OF FUNDS

SOURCES OF FUNDS	
District Funds	\$51,200,000
Debt	\$399,600,000
Pad Sales	\$27,100,000
Reinvested Sales Revenue (Rowhouses)	\$6,900,000
LIHTC Proceeds	\$4,800,000
Institutional Equity	\$225,500,000
Sponsor Equity	\$3,800,000
Development Fee – Deferred Portion	\$1,100,000
TOTAL SOURCES OF FUNDS	\$ 720,000,000

Costs to the District

The project is estimated to cost the District \$78.3 million for the preparation of the land, infrastructure, historic preservation, and parks and open space. The District intends to cover part of that cost from the sale of the land pads to VMP for development. The remaining balance, currently estimated at \$51.2 million, has been budget in the District’s capital budget. A detailed account of the costs to the District is shown below:

USES OF CAPITAL

Parks & Open Space	\$11,300,000
Historic Preservation	\$16,500,000
Public Infrastructure	\$12,200,000
Finished Pad & Land Development	\$15,800,000
GC, Soft Costs, Fees, & Other	\$22,500,000
TOTAL USES	\$78,300,000

SOURCES OF CAPITAL

Pad Sale Revenues	\$27,100,000
District Capital Budget	\$51,200,000
TOTAL SOURCES	\$78,300,000

Benefits

The project is estimated to provide over \$1.2 billion in new tax revenues to the District over 30 years and create 3,000 construction jobs and 3,200 permanent jobs in retail and healthcare. Net fiscal impact is estimated to be over \$870 million. A detailed account of the net fiscal impact is shown below:

NET FISCAL IMPACT

General Fund	Dollars	%
Revenues		
Real Property Tax	\$457,282,100	38.65%
Personal Property Tax	\$8,931,800	0.75%
Sales Tax	\$72,031,500	6.09%
Meals Taz	\$13,745,600	1.16%
Deed Recordation/Transfer Tax	\$14,272,000	1.21%
Income Tax	\$413,986,900	34.99%
Parking Tax	\$735,400	0.06%
Miscellaneous Revenues	\$202,069,700	17.08%
TOTAL	\$1,183,055,000	100%
Expenditures		
Misc./Non-Educational Operating Expenditures	\$141,279,300	45.68%
Capital Expenditures	\$97,898,000	31.65%
Education Expenditures	\$70,106,500	22.67%
TOTAL	\$309,283,800	100%
TOTAL NET FISCAL IMPACT	\$873,771,200	

Affordable housing

The project is slated to produce 677 housing units of which 20% will be affordable. Eighty-five of the affordable apartments would be set aside as affordable senior housing for households earning 50-60% AMI. The Committee commends this accommodation of senior housing that can serve as an example to future development projects around the city. A detailed account of the affordable units that would be produced is shown below:

Type	Affordable Units	Market Rate Units	Total	% Affordable
Senior Apts	85	0	85	100% at 50-60% AMI
Rental Apts	25	421	446	6% - 25 units at 80% AMI
For Sale Townhomes	22	124	146	15% - 9 units at 50% AMI, 13 units at 80% AMI
Total	132	545	677	20%

Community Engagement

Development of this McMillan project has been the product of years of planning. The National Capital Revitalization Corporation held 20 meetings prior and during the solicitation process. Since VMP was selected, they have had over 200 community meetings,

presentations, workshops, design charrettes, and information sessions in conjunction with DMPED, the MAG, and affected ANCs throughout all parts of the process. VMP has had 80 meetings since 2012 covering the Master-plan, building designs, and a forum on traffic management, storm-water management, preservation, and public amenities.

Community Benefits Agreement

A \$5 million Community Benefits Agreement was included in the approved Planned Unit Development (PUD). Funds would go to the Community Foundation of the National Capital Region to support workforce development, job training, and placement, to the DC Education Fund to support science, technology, engineering, and math instruction in area schools, to neighborhood beautification and business façade improvements along the North Capitol Main Street, to grants for start-ups, to jobs as tour-guides for the McMillan site, and for park programming that will include a community market and art installations.

The Committee asked the government whether all stakeholders were engaged in the process to determine the Community Benefits Agreement. The Government stated that Vision McMillan Partners met with three ANCs and eight surrounding civic associations to present the PUD and solicit input for the Community Benefits Agreement in the first three months of 2014. ANC 5E and VMP reviewed requests from various civic associations including Bloomingdale, Stronghold, Bates/Hanover, Eckington and Edgewood and took those into consideration in negotiating the final set of benefits.

In addition, the MAG submitted a lengthy request to the ANC including a wish list of items valued at tens of millions of dollars. The ANC sat with the MAG and reviewed the entire list and presented to VMP the items they felt were the most appropriate. VMP was an active listener in that meeting and fully reviewed all of the MAG's requests.

Parks and Open Space

The District would retain some portions of the site to create infrastructure like new road connections, but also new parks and open space. The development plans call for twelve acres of public open space that includes a new eight-acre central park. The District would also maintain the historic buildings, preserving portions of the sand filtration site, including sand storage bins, all four regulator houses, a sand washer, eleven filter bed portals, and two acres of underground filter-bed. In addition, 17,000 square foot community center would be built that contains amenities like an indoor pool and gym. The District and VMP propose to implement a BID⁶-like non-profit to raise resources and manage the open spaces, preserved areas, and community center. This BID would be similar in operation and organization to the Capitol

⁶ Business Improvement Districts (BIDs) are commercial areas of the District that collect a "self-tax" from property owners to provide services and programs to the entire BID above and beyond what the city provides. The BID certification process is managed by the District Department of Small and Local Business Development.

Riverfront BID that manages the successful Yards Park in Southwest DC.

The Committee commends the executive's commitment to creating new open space by adapting the currently fenced off grassy spaces to function in the mixed-use development.

Community Topics

The Committee is acutely aware that the development of the McMillan site has inspired much community debate, involvement, and attention for since its purchase from the federal government in 1987. While many topics regarding the current proposed development have been enumerated and discussed above, the Committee recognizes that there are many topics that have been continually present when discussing the McMillan site's redevelopment. These topics include, but are not limited to traffic, the environment, sight-lines, public relations, and other uses for the property.

No project of this scale would be allowed to proceed without the thorough review from every District agency that is necessary to grant approval. As such, the Committee supports the findings of the many entitlement agencies that have been tasked with involvement in this process. The District's Zoning Commission and the National Capital Planning Commission have approved this plan, giving credence to the statement that the development complies with the District's Comprehensive Plan.

The District Department of Transportation has approved the project's initial transportation plan. DDOT and Vision McMillan Partners have also committed to working together to ensure all traffic needs and concerns are addressed. VMP has testified and committed in its PUD submission to cover increased transit capacity through private shuttles to the Brookland Metro Station if needed.

The Committee inquired as to any anticipated environmental remediation resulting from the land involved being the site of a former water filtration site. The government responded that environmental assessments that have been conducted there don't indicate a significant amount of contamination across the site. There are some limited areas of petroleum-impacted soil but overall the site is mostly free of contaminants such as asbestos.

Further, a provision the Land Disposition and Development Agreement protects the District from an open-ended spending commitment and ensures the project can move forward if the cost changes. If the District's cost of preparing the site for sale goes 15% or more over budget, then the District can stop work. VMP can elect to also stop work or complete the remaining site preparation itself at its own expense. If VMP chooses to complete the work itself, the purchase price will be paid into escrow and used to complete the site preparation. Once VMP elects to continue the site preparation, it must do so until completion, even if it costs more

than the purchase price that has been escrowed.⁷

The Committee has also inquired as to any payments by the District government to VMP as master developer and any payments to the public relations firm, Fontaine & Company, hired by VMP. The government responded that approximately \$5.8 million has been paid to VMP for pre-development costs associated with entitlements and due diligence. Those funds have gone directly to professional contractors hired for specific pre-development tasks and no development or consulting fees have been paid to VMP or its partners. A portion of these pre-development costs are reimbursable to the District. Further, regarding the public relations firm, VMP did submit an invoice for reimbursement, but the District determined that this payment would be contrary to the public interest. Thus, no District money was used to pay Fontaine and Company.

Finally, members of the community may feel that other uses would be best for the disposition of this process. The Committee recognizes that this project, as presented, is the product of years of engagement between the community, the government, and potential developers. Meetings, hearings, and information sessions educating the community and soliciting feedback have been held over the many years at District government agencies, community meetings, and Council offices.

Conclusion and Committee Recommendation

The Committee recommends the approval of Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” because it represents a thorough and balanced development that is the culmination of years of planning, community engagement, and execution by the District government, Vision McMillan Partners, and many affected ANCs, community groups and stakeholders. While no development will make every person involved happy, the proposed McMillan development provides economic development, cultural, commercial, and recreational opportunity to an area that has seen this site vacant and fenced off for decades. The development would produce thousands of jobs and millions of dollars in revenues. Hundreds of housing units, 20% of which would be affordable, would be created along with the acres of new park and open spaces. This development would work to reactive an area that has lain dormant for many years, creating a new community and destination for the city.

Statutory Requirements

Pursuant to D.C. Official Code 10-801(b) and (b-1), if the Council determines that real Property is no longer required for public purposes, the Mayor shall transmit a proposed resolution that shall be accompanied by a number of documents, including: (1) an analysis of the economic factors that were considered in proposing the disposition of the real Property, (2)

⁷ See Section 6.4(a) of the Land Disposition Agreement.

the value of the Property as prepared by an independent appraiser, (3) the major business terms of the transaction, (4) a finding that the developer will enter into an agreement that shall require the developer to, at a minimum, contract with Certified Business Enterprises for at least 35% of the contract dollar volume of the project, and (5) a finding that the Developer will enter into a First Source Agreement with the District. Lessee has agreed to (4) and (5). Below is a summary (1), (2), and (3).

(1) *Economic Factors:*

a. Method of Disposition: A private sale providing the most benefit to the District.

b. Monetary Costs and Benefits to the District: Currently estimated to be \$27.1 million dollars, the total sales price will be the fair market value determined by formula closer to the time of closing.

c. Other disposition methods considered: According to the Deputy Mayor, a ground lease approach was evaluated as an alternative method of disposition for all parcels to be disposed. The parcels that include for-sale housing cannot be sold on ground-leased land and ground leases result in significant financing challenges for the apartment and healthcare facility parcels that would offer rental housing or office uses. Because the value to be generated by the parcel sales would subsidize critical, community oriented uses and offset the District's investment in infrastructure, parks, and preservation, the fee simple disposition is more advantageous. Further, fee simple disposition allows greater flexibility for projects to be privately financed and move forward expeditiously.

(2) *Appraisal:* An independent appraisal was conducted by Valbridge Property Advisors and delivered on October 21, 2013. The appraised market value for the McMillan site now, as is, was determined to be a negative \$3,650,000.

(3) *Major Business Terms:*

a. Sale price to be calculated closer to closing to determine Fair Market Value.

b. The project would create 146 townhomes, 531 apartments in two buildings with a grocery store anchor and other ground floor retail, over 1 million square feet of healthcare facilities, an 8-acre central park with other open space, and a 17,000 square foot community center.

II. LEGISLATIVE CHRONOLOGY

Friday, October 3, 2014	Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” is introduced by Phil Mendelson at the request of the mayor.
Tuesday, October 7, 2014	Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” is referred to the Committee on Economic Development.
Friday, October 17, 2014	Notice of Intent to act on Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” is published in the <i>District of Columbia Register</i> .
Friday, October 24, 2014	Notice of November 12, 2014 roundtable on PR20-1084 is Published in the District of Columbia Register.
Wednesday, November 12, 2014	The Committee on Economic Development holds a public roundtable on PR20-1084.
Tuesday, November 25, 2014	The Committee on Economic Development marks-up PR20-1084 and adopts the Committee’s Report.

III. POSITION OF THE EXECUTIVE

The Executive initiated this legislation and so is supportive of its approval. Jeff Miller, Interim Deputy Mayor for Planning and Economic Development, testified on behalf of the Executive. Interim Deputy Mayor Miller outlined history, developer selection and development planning of the proposed surplus and subsequent dispositions. Further, Interim Deputy Mayor Miller highlighted the benefits of this project including the jobs, housing, and new tax revenue it would create for the District. A copy of Interim Deputy Mayor Miller’s testimony is attached.

IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

Commissioners Dianne Barnes and Sylvia Pinkney of ANC 5E, the commission of primary jurisdiction, testified in support of the surplus resolution. The Property is located in 5E09, Ms. Barnes’ Single Member District. The Commissioners noted that a properly noticed public meeting took place on November 19, 2013. ANC 5E voted 6 in favor, 2 against and 2 absent during the vote to support the Vision McMillan Partner’s Stage One of the Planned Unit Development Application of the Historic Preservation Review Board’s “Submission to Certain Specific Conditions and Modifications for the McMillan Sand Filtration Site Development.”

The ANC also requested that their support letter be forwarded to the Zoning Commission and the Mayor's Agent.

The Committee also received testimony from Chairman James Turner of ANC 1B in support of the resolution. ANC 1B is situated directly to the west of the Property. At a properly public noticed May 1st public meeting, the ANC voted 8 in favor, 0 against and 1 absent, to the following: to defer to and participate in the process established by ANC 5E; to gather input from the community and adjacent ANCs; and issue recommendations. Based on ANC 5E's support, ANC 1B asked that the Committee move forward with the surplus resolution.

V. LIST OF WITNESSES

On Wednesday, November 12, 2014, the Committee on Government Operations and the Committee on Economic Development held a joint public roundtable on PR20-1081, PR20-1082, PR20-1083 and PR20-1084. A video recording of the roundtable can be viewed online at http://oct.dc.gov/services/on_demand_video/on_demand_november_2014_week_2.shtm. The following witnesses testified at the hearing:

Public Witnesses

- | | |
|-------------------------|--|
| 1. Jair Lynch | Vision McMillan Partners |
| 2. Aakash Thakkar | Vision McMillan Partners |
| 3. Adam Weers | Vision McMillan Partners |
| 4. Brian Alan Jackson | Vision McMillan Partners |
| 5. James Turner | ANC Commissioner, 1B09 |
| 6. Ronnie Edwards | ANC Commissioner, 5A05 |
| 7. Debbie Smith-Steiner | ANC Commissioner, 5E01 |
| 8. Dianne Barnes | ANC Commissioner, 5E09 |
| 9. Cheryl Cort | Coalition for Smarter Growth |
| 10. Tony Norman | McMillan Park Committee |
| 11. Daniel Wolkoff | McMillan Coalition for Sustainable Agriculture |
| 12. Nancy MacWood | The Committee of 100 on the Federal City |
| 13. Chris Otten | DC for Reasonable Development |
| 14. Hugh Youngblood | Friends of McMillan Park |
| 15. Dreck Wilson | National Trust for Historic Preservation |
| 16. Robin Diener | DuPont Circle Citizens Association |
| 17. David Taube | Public Witness |
| 18. David Hall | Public Witness |
| 19. Rashida Brown | Public Witness |
| 20. Kirby Vining | Public Witness |
| 21. Greg Jeffries | Public Witness |
| 22. Betsy McDaniel | Public Witness |
| 23. Jeff Oser | Public Witness |
| 24. Chris Chambers | Public Witness |
| 25. Thomas Hutcheson | Public Witness |

26. George Crawford	Public Witness
27. Mary Pat Rowan	Public Witness
28. Philip Blair	Public Witness
29. Clint Jackson	Public Witness
30. Nicole Campbell	Public Witness
31. Payton Chung	Public Witness
32. Brian Levy	Public Witness
33. Katie Rooney	Public Witness
34. Eugene Puryear	Public Witness
35. Gwen Southerland	Public Witness
36. David Schwartzman	Public Witness
37. Alex Posorske	Public Witness
38. Andrea Rosen	Public Witness
39. Anne Sellin	Public Witness
40. Katelijn van den Berg	Public Witness
41. G. Lee Aikin	Public Witness
42. Katherine Young	Public Witness
43. Debee Yamamoto	Public Witness
44. Drew Dupuy	Public Witness
45. Elizabeth Floyd	McMillan Advisory Group
46. Robert Robinson	Public Witness
47. Chris Leptak	McMillan Advisory Group
48. Eric Schultz	Public Witness

Government Witnesses

1. M. Jeffrey Miller, Deputy Mayor, DMPED
2. Matthew Troy, Development Director, DMPED
3. Gilles Stucker, Project Manager, DMPED

VI. IMPACT ON EXISTING LAW

Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” does not amend existing law. Rather, it authorizes, pursuant to D.C. Official Code 10-801(b) and (b-1), the mayor to sell District land no longer required for public purposes.

VII. FISCAL IMPACT

For the fiscal impact the District’s Chief Financial Officer see attachment 3.

VIII. SECTION-BY-SECTION ANALYSIS

- Section 1: Long title.
- Section 2: Defines terms used in the resolution.
- Section 3: States the terms of the disposition, including a description of the property, and that all documents submitted with the resolution shall be consistent with the executed term sheet.
- Section 4: Authorizes, pursuant to D.C. Code § 10-801(b) and (b-1), the Mayor to sell the Property to the Purchaser.
- Section 5: Fiscal impact statement.
- Section 6: States that the Secretary to the Council shall transmit a copy of the resolution, upon its adoption, to the Mayor.
- Section 7: States the effective date.

IX. COMMITTEE ACTION

The Committee on Economic Development met on November 25, 2014 to consider Proposed Resolution 20-1084, the “McMillan – Commercial Parcels Disposition Approval Resolution of 2014” Committee Chairperson Muriel Bowser called the meeting to order with Councilmembers Bonds, McDuffie, and Orange present and offered remarks on the Act.

Chairperson Bowser then moved PR20-1084 with leave for staff to make technical and conforming amendments.

Committee members voting in favor: Bowser, Bonds, McDuffie, and Orange.

Committee members voting against: None

Committee members voting present: None

Committee members absent: Evans

Chairperson Bowser then moved the Committee Report of PR20-1084 with leave for staff to make technical and conforming amendments.

Committee members voting in favor: Bowser, Bonds, McDuffie, and Orange.

Committee members voting against: None

Committee members voting present: None

Committee members absent: Evans

X. ATTACHMENTS

1. Proposed Resolution 20-1084 as introduced.
2. Letter of Commitment signed by the MAG.
3. Appraisal.
4. Fiscal Impact Statement.
5. Legal Sufficiency Determination.
6. Committee Print for Proposed Resolution 20-1084.