



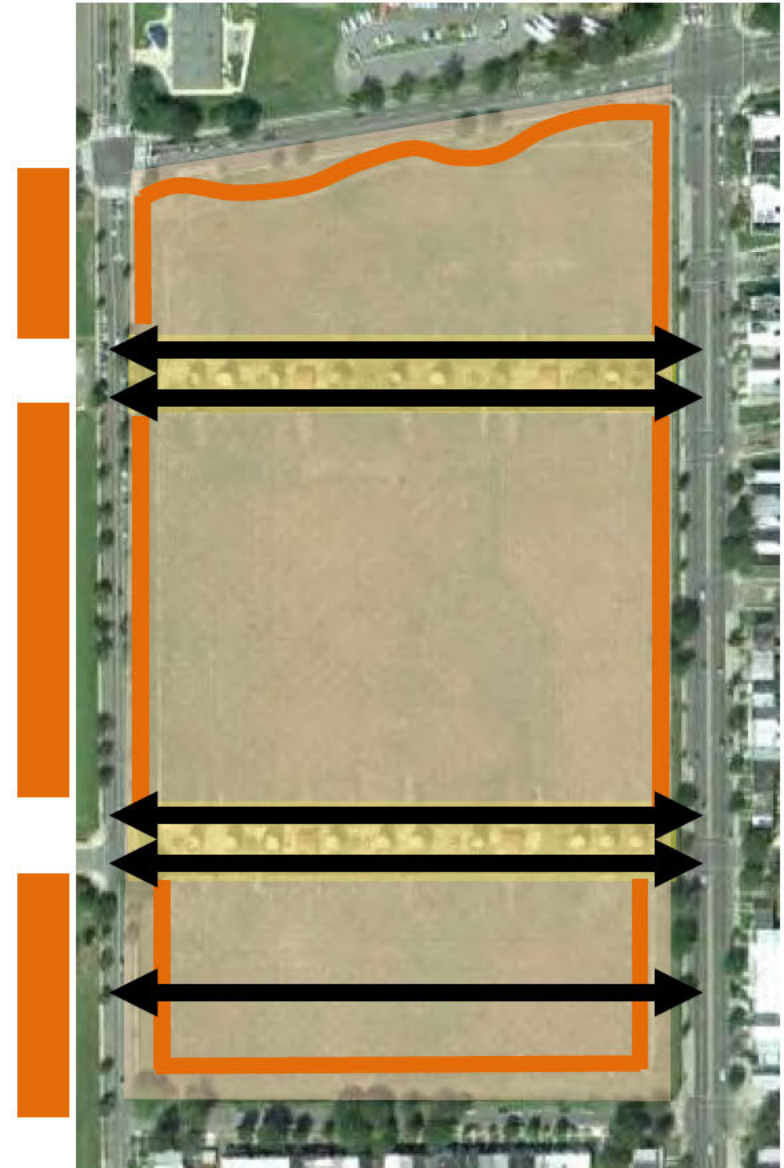
McMillan Sand Filtration Site Zoning Commission Limited Scope Public Hearing

ZONING COMMISSION
District of Columbia
April 19, 2017
CASE NO. 13-14
EXHIBIT NO. 927A1

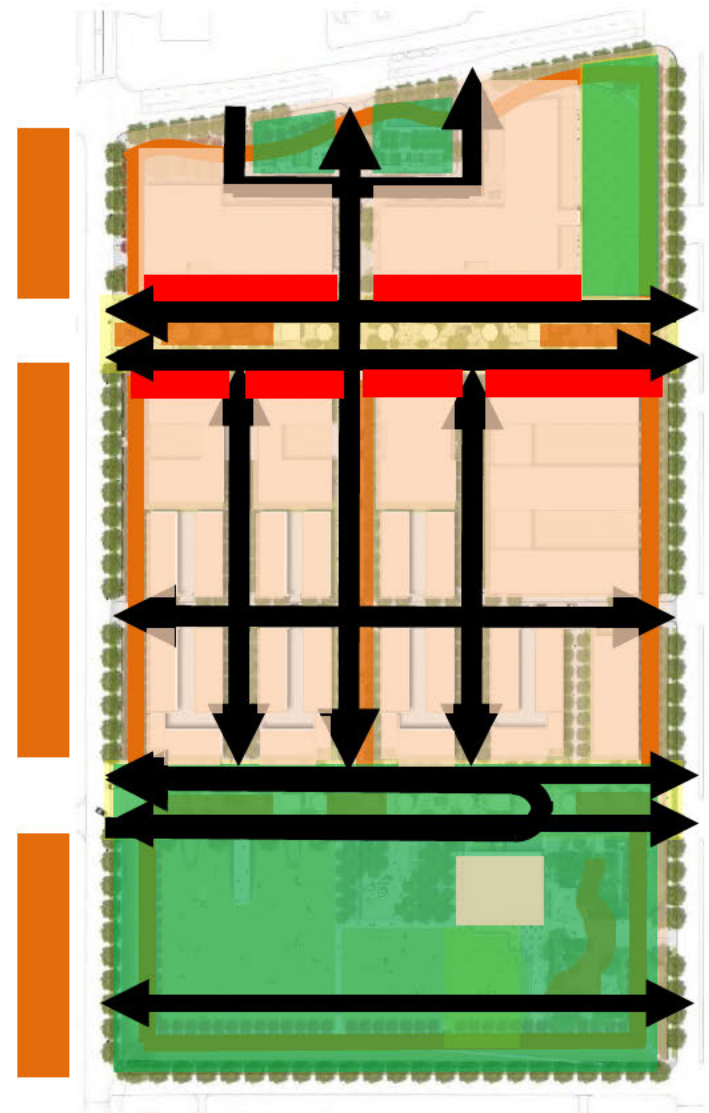
- 860,000 sf Healthcare Building
- 170,000 sf Healthcare Building (future)
- 514 Rental Units (85 Senior Units)
- 146 Rowhouses (for sale)
- 54,000 sf Grocery Store
- 45,000 sf Retail
- 12 acres of open space



- Tripartite organization
- Service courts
- Plinth
- Views across site from 1st Street to North Capitol Street
- **Olmsted Walk**



- Tripartite organization
- Service courts maintained and enhanced
- Plinth maintained
- Olmsted Walk recreated
- Views across site from 1st Street to North Capitol Street
- Underground cells preserved
- Storm water management features
- 3 Parks
- Street Network
- Healthcare facilities
- Multifamily buildings
- Row houses
- Community Center
- **Retail frontage**






• **Mixed Use:**

- **Park**
- **Residential**
- **Commercial**

- 
Moderate Density Residential
 Defines the District's low-rise neighborhoods as well as its low-rise garden apartment complexes. Also applies to areas characterized by a mix of single family homes, 2-4 unit buildings, low houses, and low-rise apartment buildings. In some older inner city neighborhoods with this designation there may also be existing multi-story apartments.
- 
Medium Density Residential
 Defines neighborhoods or areas where mid-rise (4-7 stories) apartment buildings are the predominant use. Pockets of low and moderate density housing may exist within these areas. This designation also may apply to taller residential buildings surrounded by large areas of permanent open space.
- 
Moderate Density Commercial
 Defines shopping and service areas that are somewhat more intense in scale and character than the low-density commercial areas. Retail, office, and service businesses are the predominant uses. Areas range from small business districts that draw primarily from the surrounding neighborhoods to larger business district uses that draw from a broader market area. Buildings are generally larger and/or taller than those in low density commercial areas but generally do not exceed five stories in height.
- 
Medium Density Commercial
 Defines shopping and service areas that are somewhat more intense in scale and character than the moderate-density commercial areas. Retail, office, and service businesses are the predominant uses. Areas generally draw from a citywide market area. Buildings are generally larger and/or taller than those in moderate density commercial areas but generally do not exceed eight stories in height.
- 
Parks, Recreation, and Open Space
 Includes the federal and District park systems, including the National Parks, the circles and squares of the L. Enfant city and District neighborhoods, the National Mall, settings for significant commemorative works, certain federal buildings such as the White House and the US Capitol grounds and museums, and District-operated parks and associated recreation centers. It also includes permanent open space uses such as cemeteries, open space associated with utilities such as the Dalecarlie and McMillan Reservoirs, and open space along highways such as Sullyland Parkway. This category includes a mix of passive open space (for resource conservation and habitat protection) and active open space (for recreation).

Mixed Land Use

 Areas where the mixing of two or more land uses is encouraged are shown using striped patterns. The colors of the stripes correspond to the specific land uses. The general density and intensity of development within a Mixed Use area is determined by the specific mix of uses. If the desired outcome is to emphasize one use over the other (for example, ground floor retail with three stories of housing above), the map may indicate the dominant use by showing it at a slightly higher density (in this case, "Moderate Density Residential" / "Low Density Commercial"). The Comprehensive Plan Area Elements may also provide additional detail on the specific mix of uses envisioned.















Master Plan Alternatives



Design Evolution – Parks & Open Space



Dec 2008 – 6 AC of Open Space
centered on North & South
Service Courts



Jan 2011 – 9 AC of Open Space,
including addition of Cell 14



May 2014 – 12 AC of Open Space,
almost double the 2008 plan

Design Evolution – Historic Preservation

Dec 2008 – 18 historic structures preserved,
minimal preservation of underground cells



Jan 2011 – 22 historic structures preserved,
Cell 14 & portion of Cell 28,
partial restoration of Olmsted Walk,



May 2014 – All 24 historic structures
preserved, Cell 14 & portion of Cell 28,
existing topography &
full restoration of Olmsted Walk



Programmatic Evolution – Change in Land Use

Dec 2008 – 263K SF Office, 100K SF Hotel,
1,226 Apts, 205 Rowhouses



Jan 2011 – 1M SF Healthcare, 1,226 Apts,
175 Rowhouses, 5K SF Community Center



April 2013 – 1M SF Healthcare, 525 Apts,
160 Rowhouses, 17K SF Community Center



May 2014 – 1M SF Healthcare, 536 Apts,
146 Rowhouses, 17K SF Community Center



Change in Footprint



Dec 2008 – 19 Acres of footprint



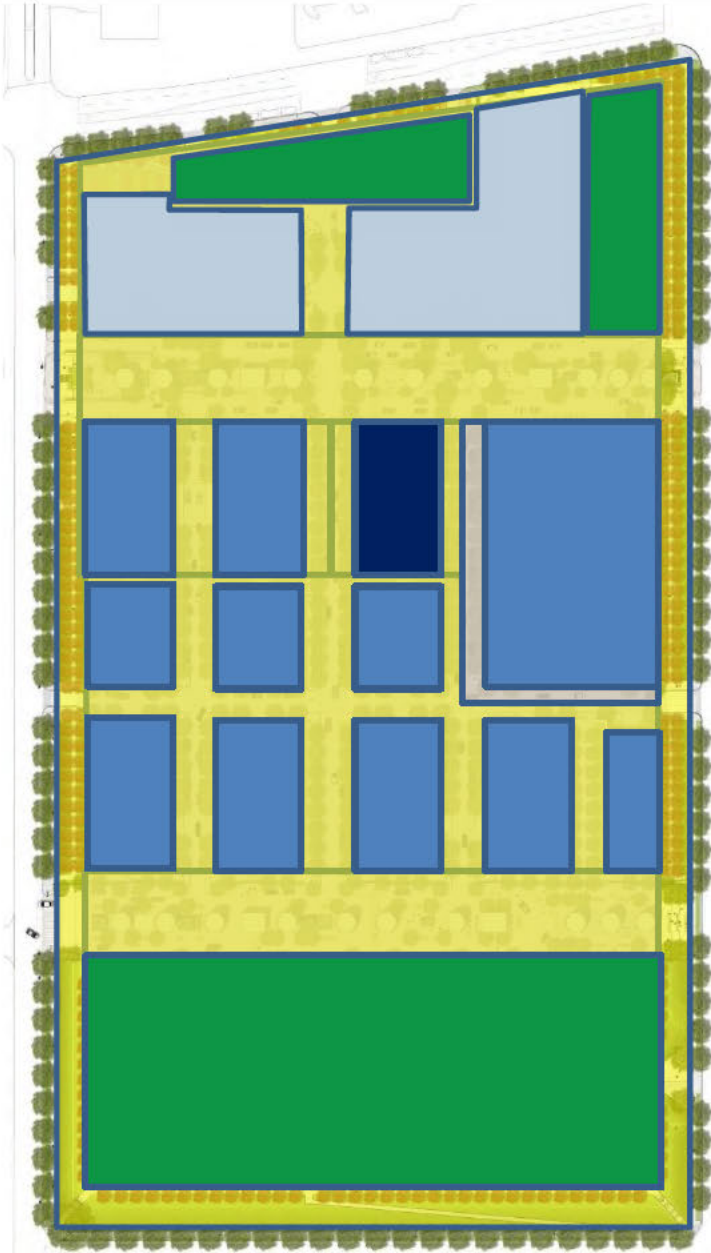
Jan 2011 – 16 Acres of footprint



April 2013 – 16 Acres of footprint



May 2014 – 13 Acres of footprint



Parcel Total : 1,075,356 sq ft

Parcel 3 Footprint – 20,440 sq ft
20,440 sq ft total – 2% site coverage

West Healthcare Footprint: 48,547 sq ft
East Healthcare Footprint: 59,559 sq ft
108,106 sq ft total – 10% site coverage

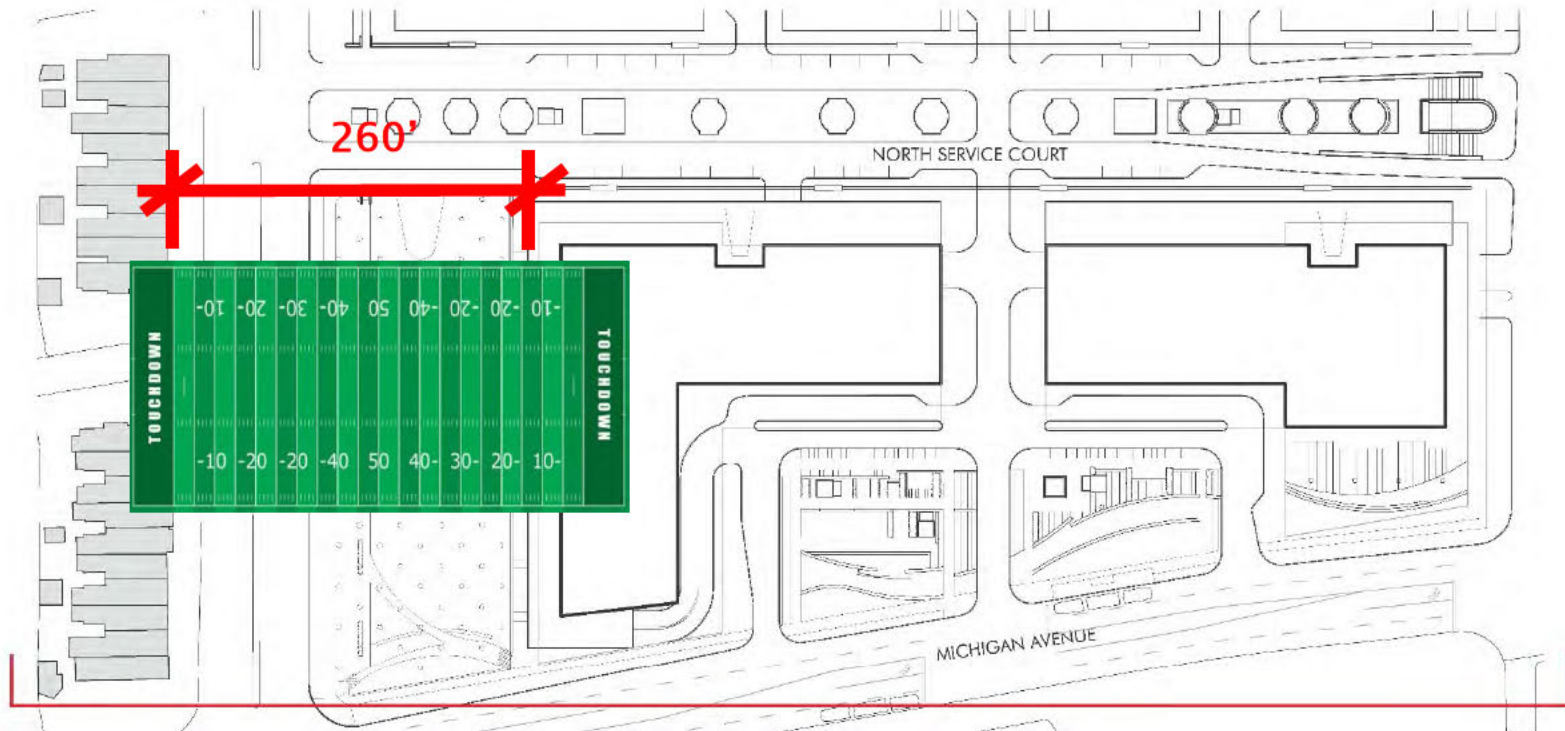
Housing Footprint: 173,102 sq ft
173,102 sq ft total – 16% site coverage

Park Footprint: 357,192 sq ft (8.2 acres)
357,192 sq ft total – 33% site coverage

Other Open Space: 419,388 sq ft (11.4 acres)
419,388 sq ft total – 39% site coverage

SITE SECTIONS

1 MICHIGAN AVENUE FACING SOUTH



Healthcare Square Footage Relocation



2 floors of healthcare use = 190,000 sf

Site 1 : Cell 14
8 stories @ 24,490 sf/floor
115' tall

Site 2 : Parcel 2 & 5
6 stories @ 34,584 sf/floor
85' tall

Multi-family and row houses move into the park

Site 3 : Park
6 stories @ 34,584 sf/floor
85' tall

HOUSING FOR ALL

- 20% of the residential units are affordable (50%-80% AMI)
- 134 total affordable units include
 - 85 senior affordable units
 - 27 affordable rental
 - 22 affordable townhouses (for-sale)



RETAIL PROGRAM

- 54,000 sq ft full-service Harris Teeter grocer anchor
- 45,000 sq ft of additional in-line retail
- Mix of local and national tenants



COMMERCIAL PROGRAM

- ~800,000 sq ft of healthcare facilities in Parcel 1
- Economic engine adds to employment base and daytime population
 - 3,000 construction jobs
 - 3,200 permanent jobs



100+ Comprehensive Plan Policies Supported or Advanced

HOUSING ELEMENT

- H-1.1.1: Private Sector Support
- H-1.1.2: Production Incentives
- H-1.1.3: Balanced Growth
- H-1.1.4: Mixed-Use Development
- H-1.1.5: Housing Quality

PRESERVATION ELEMENT

- Preservation Master Plans
- Preservation Review of Master Plans

CREATION, OPEN SPACE DEVELOPMENT

LAND USE ELEMENT

- LU-1.2.1: Reuse of Large Publicly-Owned
- LU-1.2.2: Mix of Uses on Large Sites
- LU-1.2.4: New Methods of Land Regulation
- LU-1.2.5: Public Benefit Uses on Large Sites
- LU-1.2.6: New Neighborhoods and the Urban
- LU-1.2.7: Protecting Existing Assets on Large
- LU-2.2.4: Neighborhood Beautification
- LU-2.3.2: Mitigation of Commercial Development Impacts
- LU-2.3.3: Buffering Requirements

TRANSPORTATION ELEMENT

- T-1.1.2: Land Use Impact Assessment
- T-1.1.4: Transit-Oriented Development
- T-1.1.B: Transportation Improvements
- T-2.3.3: Bicycle Safety
- T-2.3.A: Bicycle Facilities
- T-2.3.D: Bicycle Sharing
- T-2.3.1: Pedestrian Network
- T-2.6.2: Transit Needs
- T-2.6.B: Shuttle Services
- T-3.1.1: Transportation Demand Management
- T-3.1.3: Car-Sharing
- T-3.2.D: Unbundle Parking Costs

ically Disadvantaged

- CSF-2.1.1: Primary and Emergency Care

Project Benefits Summary

\$1.2 BILLION

in NEW TAX REVENUES over 30 years



12 acres of new, public, OPEN & GREEN SPACE

35%

local contracting opportunities required to go to certified local, small & disadvantaged businesses



17,000

square foot COMMUNITY CENTER with 25m pool



20%

of ALL HOMES affordable for families making 50-80% of the Area Medium Income



3,200 permanent JOBS



MORE THAN **50%** of all new hires must be DC RESIDENTS

24

all historic buildings & 2 underground cells PRESERVED



\$720 million project



3,000 new CONSTRUCTION JOBS

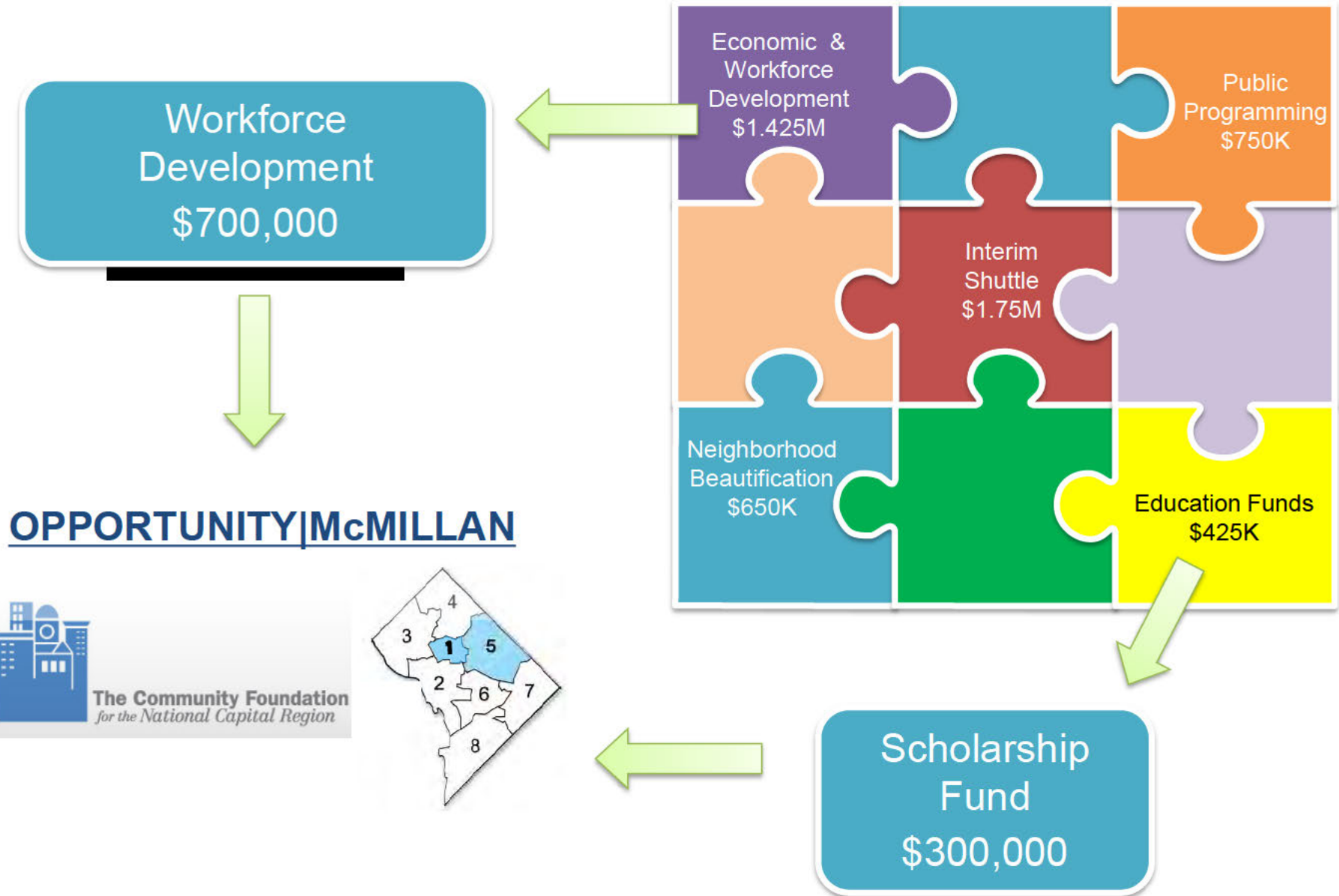
FULL SERVICE GROCERY plus 10 MORE retailers & restaurants



8 acre PARK



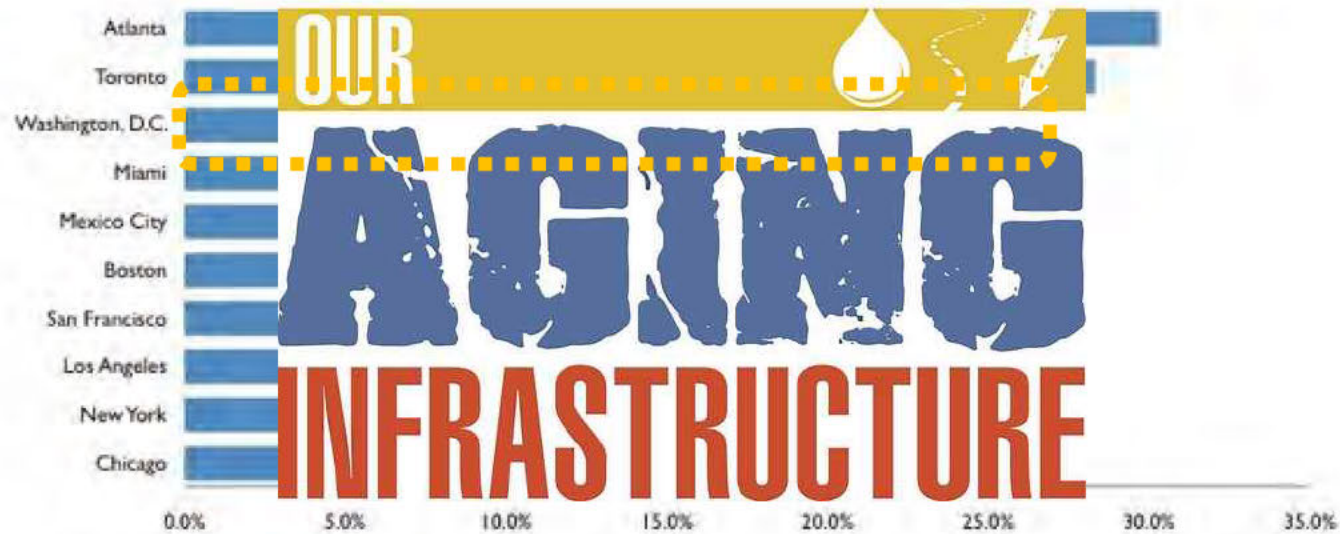
McMillan Community Benefits Agreement



Healthcare Needs in a Growing City

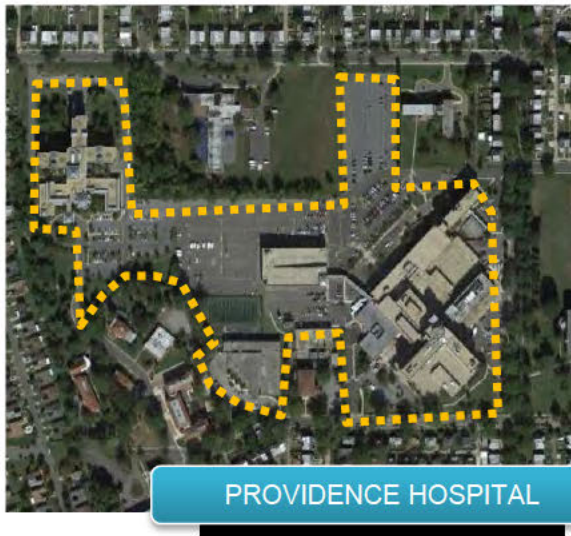
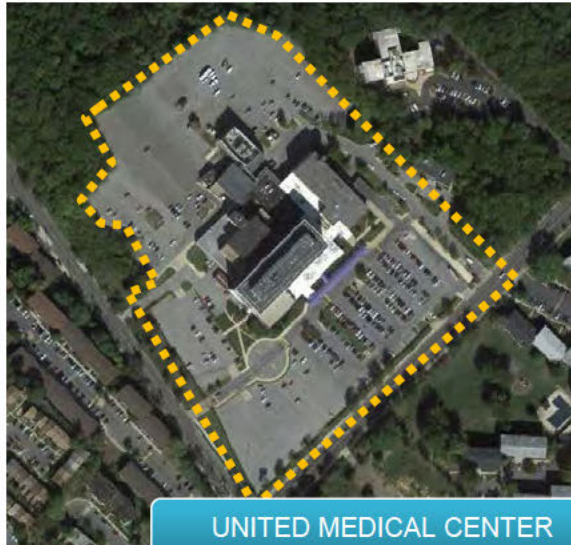
Metro	MOB SF/Pop
1. Houston	5.3
2. Boston	5.0

Population Growth by Metro Area, 2000-2014



*Source: Moody's Analytics

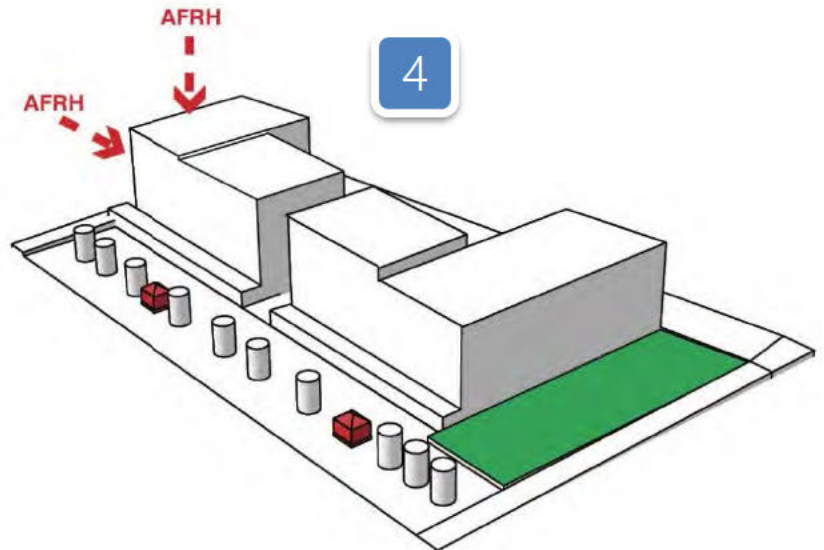
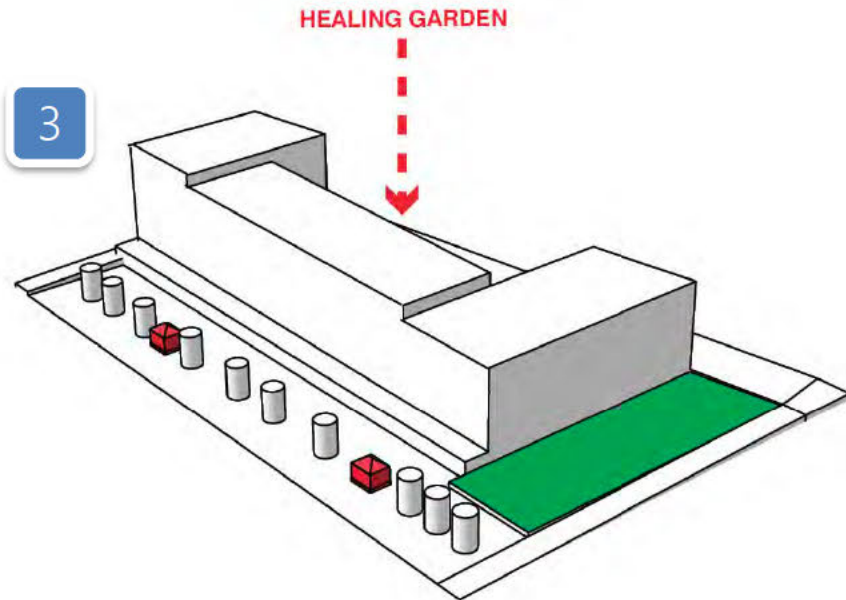
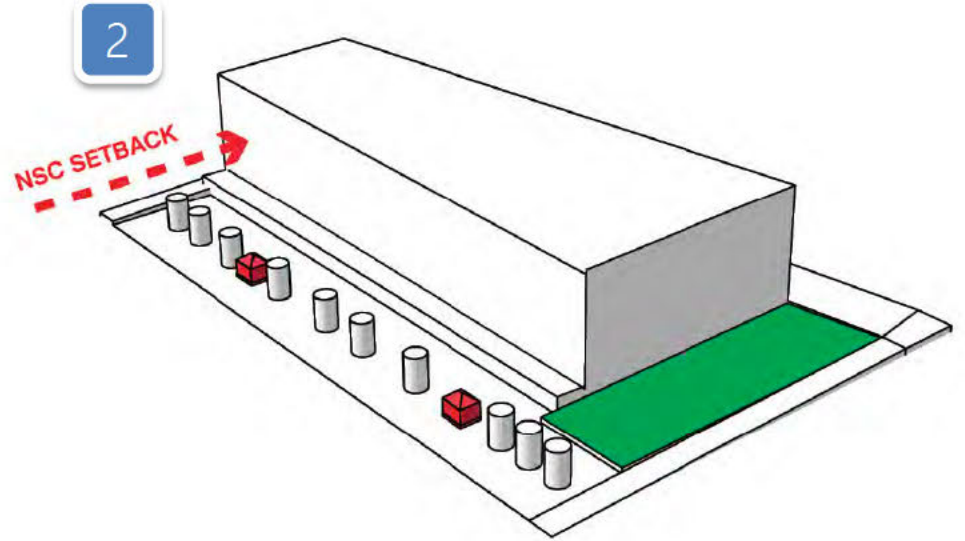
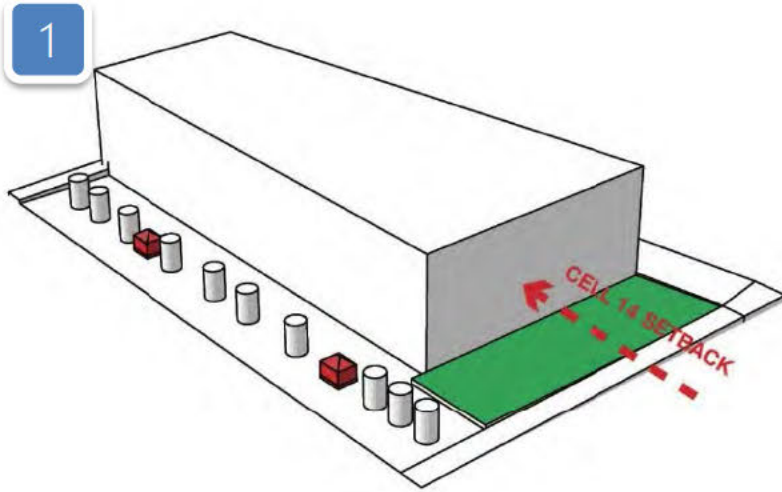
17. Los Angeles	3.6
18. Miami	3.3
19. Phoenix	3.3
20. Washington, DC	3.0



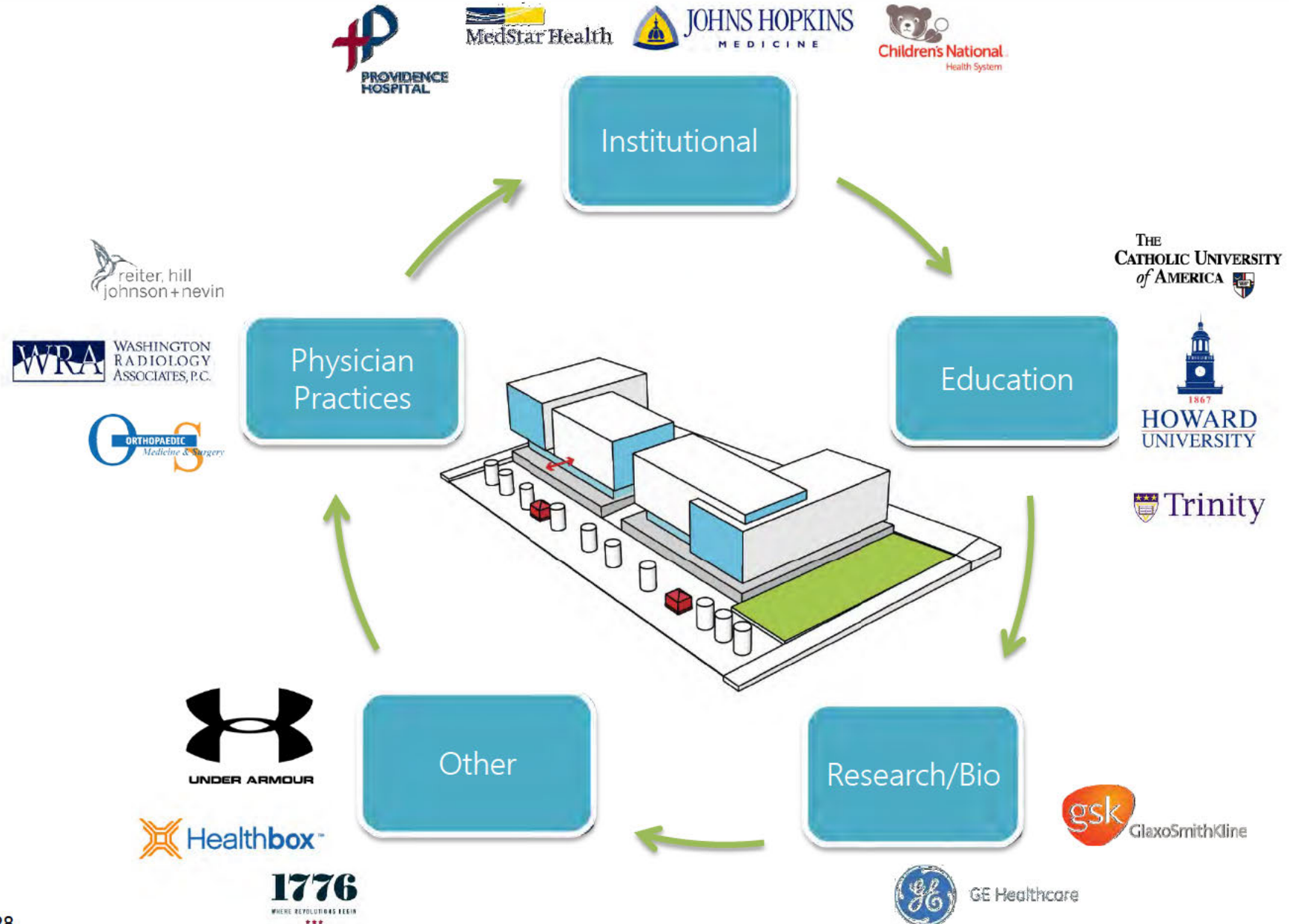
TRENDS IN HEALTHCARE DEVELOPMENT

- Old format: large-scale, healthcare development
 - Large land parcels
 - Sprawling complexes
 - Above-grade parking (typical)
- Successful healthcare development today
 - Vertical building elements
 - Smaller footprints
 - Underground parking (when feasible)
 - Mixed-use campuses (amenity rich when possible)
- Competition for the attraction and retention of talent within this industry is fierce
 - Vibrant work environment = competitive advantage

Material Reduction Already Taken From Parcel 1

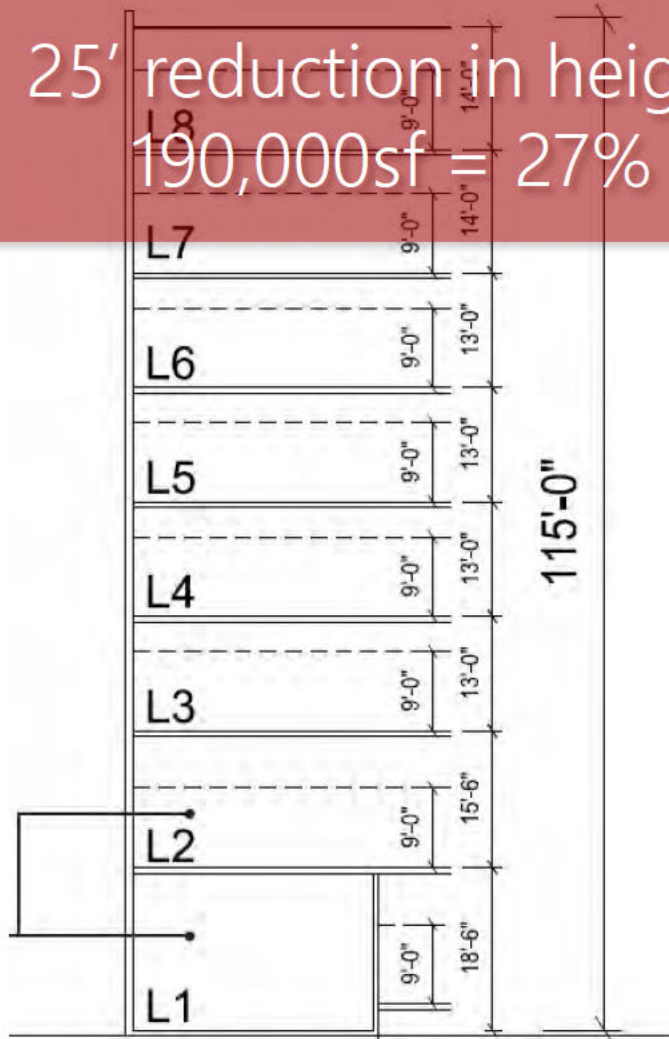


Mix of Tenant Types and Sizes

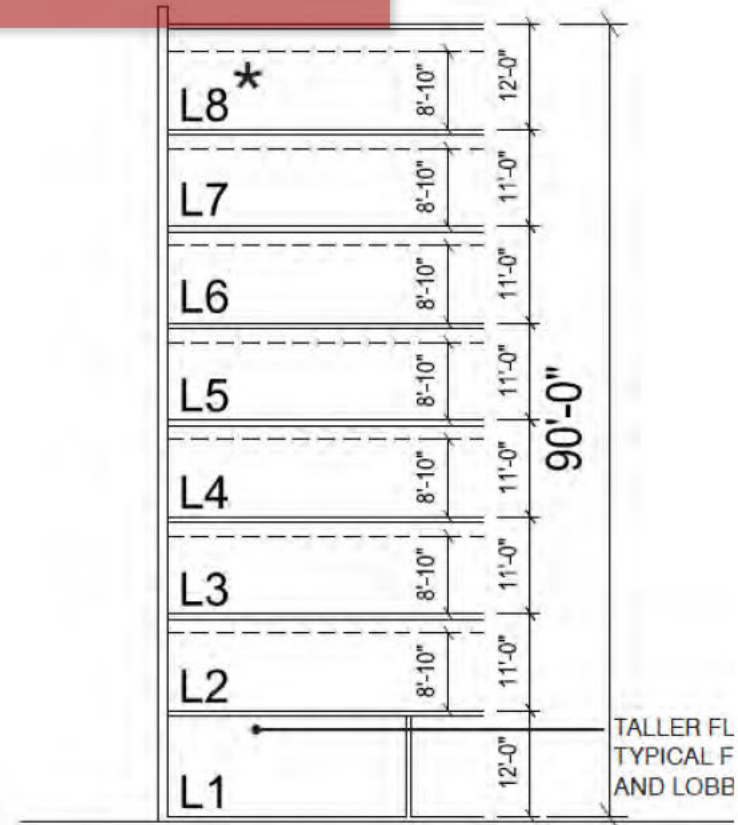


Parcel 1 Floor-to-Floor Heights

25' reduction in height = 2 floors
190,000sf = 27% reduction



8 STORY HEALTH CARE FACILITY
(AS PROPOSED)



8 STORY DC OFFICE BUILDING
(FOR COMPARISON PURPOSES ONLY)



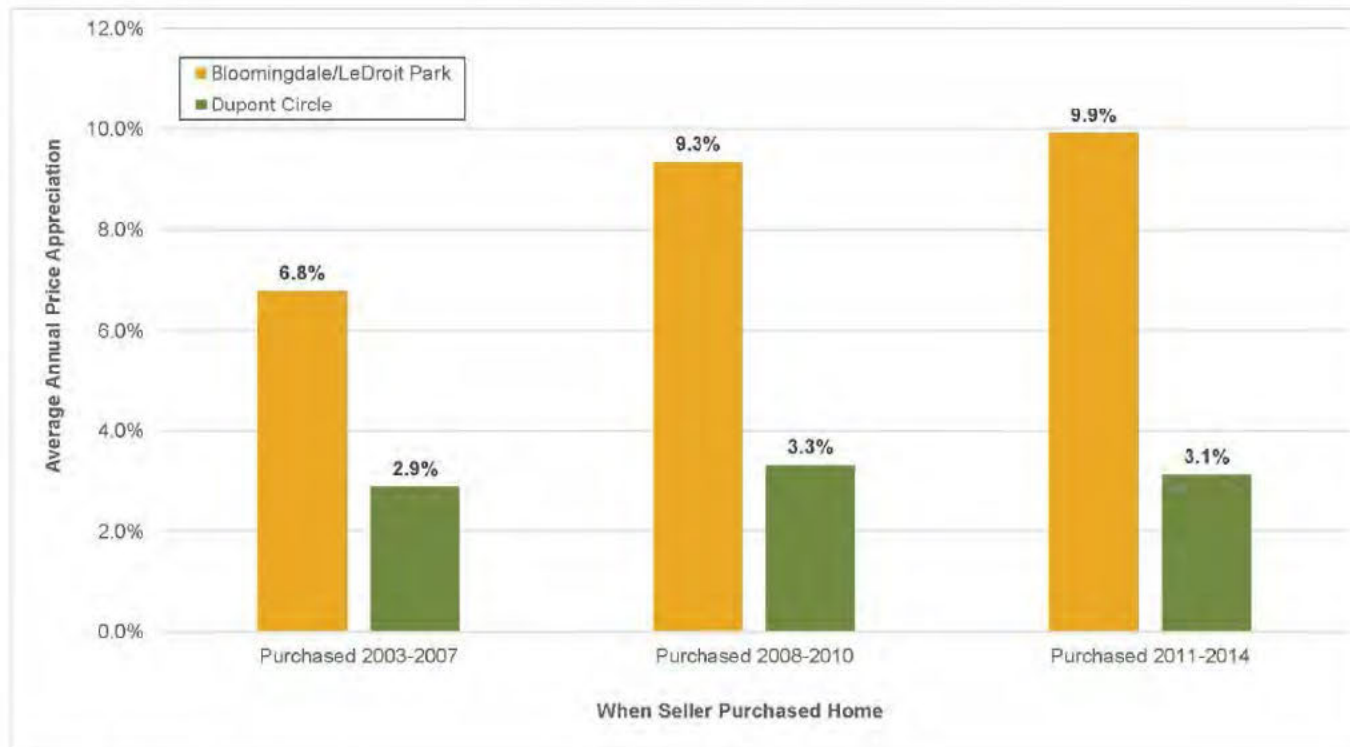
Destabilization of Land Values and Displacement

- RCLCO analyzed whether the Project will cause destabilization of land values (higher prices and rents), and/or displacement of residents of surrounding neighborhoods.
- Data on home price and rent changes
- Scholarly literature on gentrification
- DC gentrification studies
- Review of Green Door Advisors fiscal and economic impact analysis

Destabilization of Land Values and Displacement

- Home prices and rents are already increasing rapidly unrelated to the Project.
- Home prices and rents in surrounding neighborhoods are already increasing and the Project will not add to what is already occurring in any significant way.

ANNUAL PRICE APPRECIATION SINCE SELLER PURCHASED HOME
BLOOMINGDALE/LEDROIT PARK VERSUS DUPONT CIRCLE
2016 ROWHOME SALES

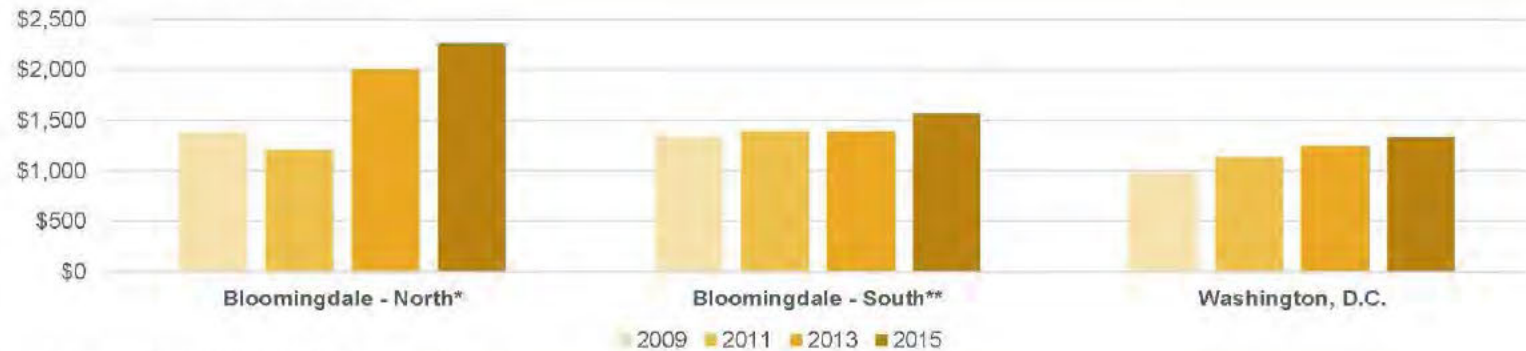


SOURCE: Redfin; Zillow; RCLCO

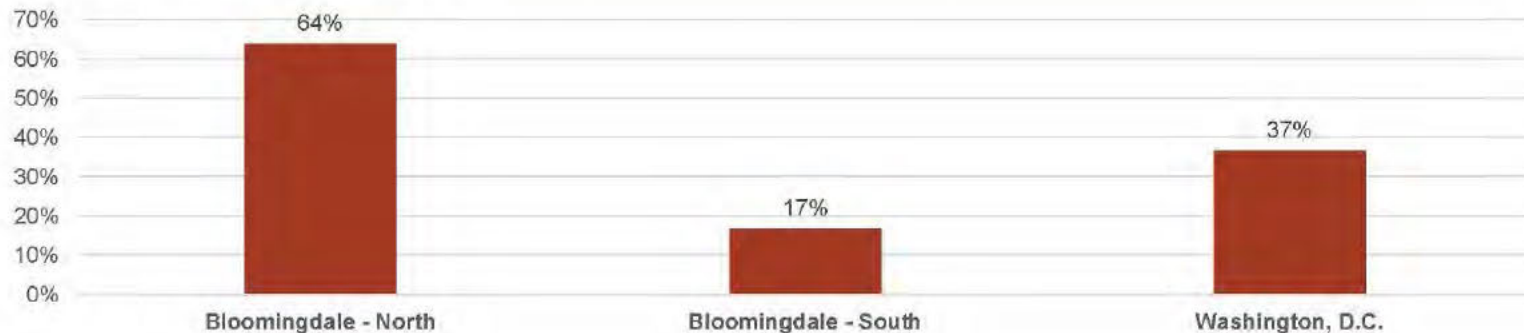
Destabilization of Land Values and Displacement

**MONTHLY GROSS RENT OVER TIME
BLOOMINGDALE CENSUS TRACTS VERSUS WASHINGTON, D.C., OVERALL
2009-2015 5-YEAR AMERICAN COMMUNITY SURVEY ESTIMATES**

MEDIAN GROSS RENT, 2009-2015



GROWTH IN MEDIAN GROSS RENT, 2009-2015



* Census tract 33.01.

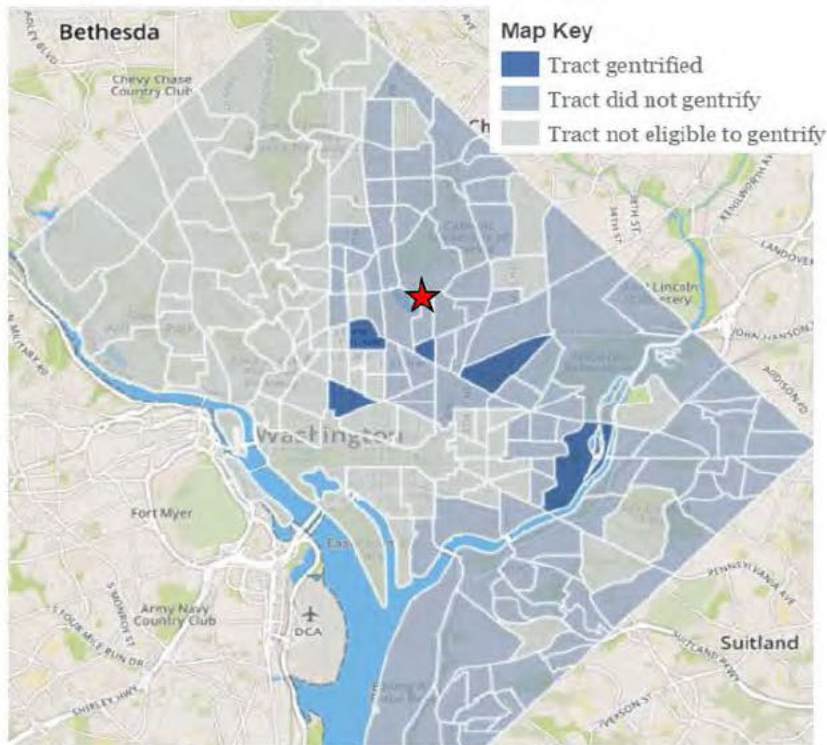
** Census tract 33.02.

SOURCE: American Community Survey 5-Year Estimates for 2009, 2011, 2013, and 2015; RCLCO

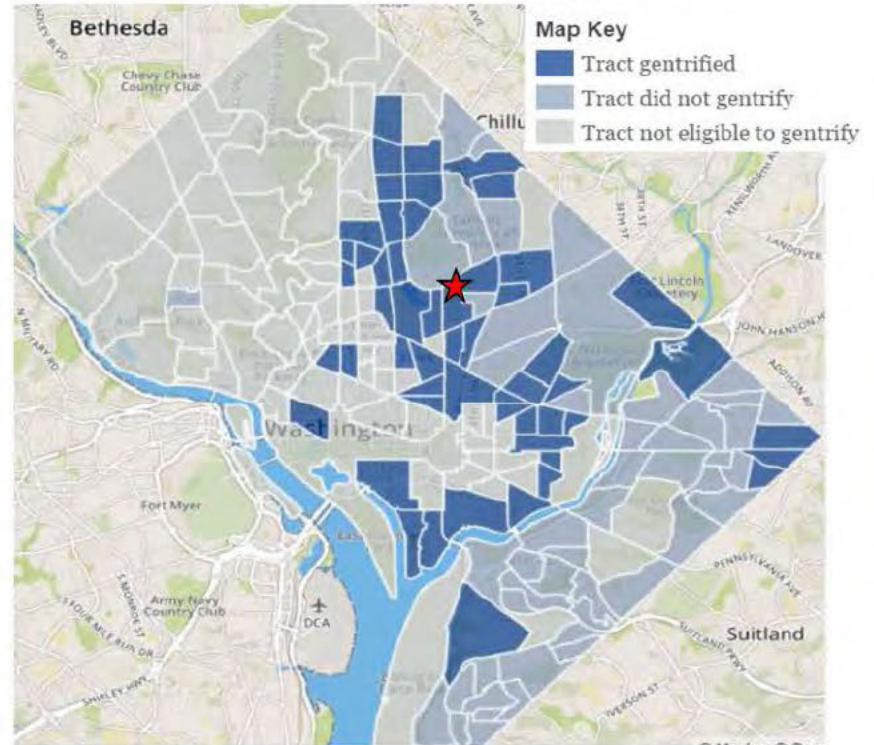
Destabilization of Land Values and Displacement

CENSUS TRACTS THAT GENTRIFIED 1990-2000 AND 2000-2013 GOVERNING GENTRIFICATION STUDY WASHINGTON, D.C.

GENTRIFICATION MAP: 1990-2000



GENTRIFICATION MAP: 2000 - 2013

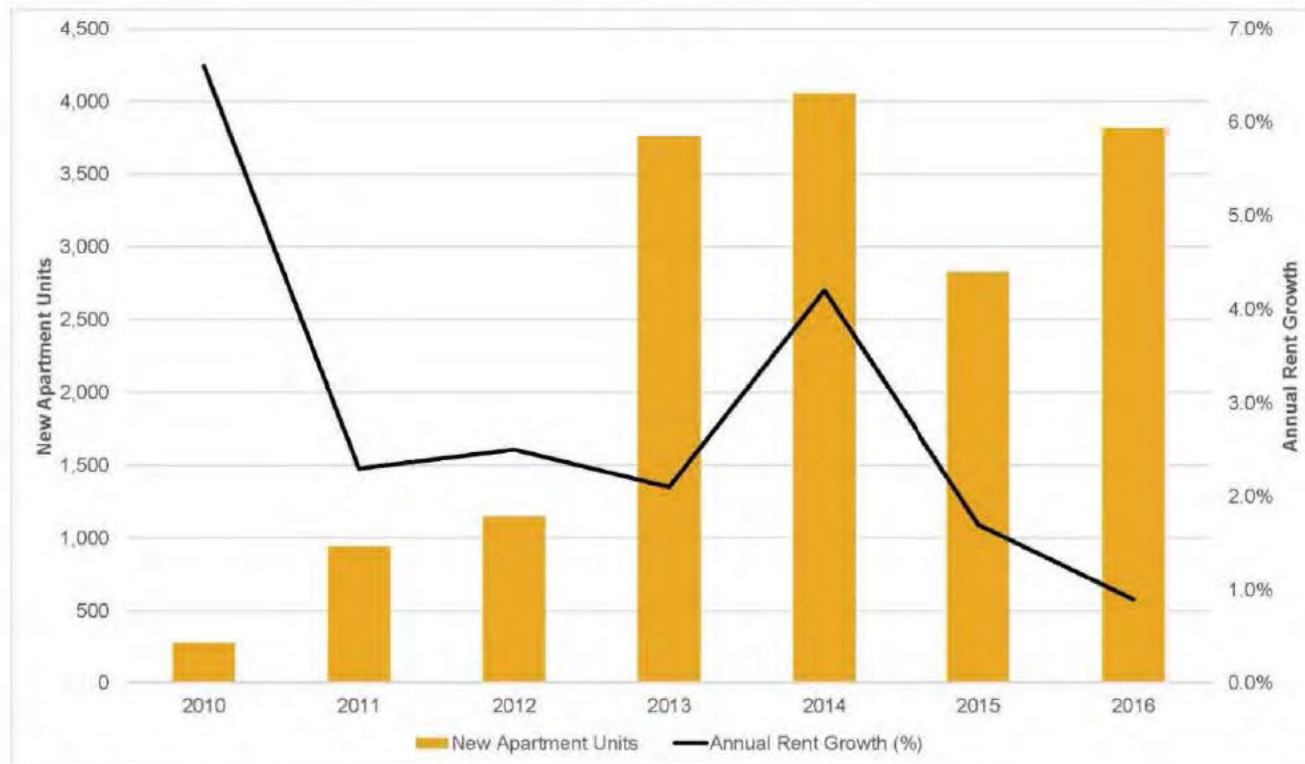


SOURCE: Governing; Data sourced from 2009-2013 American Community Survey and 1990 and 2000 U.S. Census

Destabilization of Land Values and Displacement

- New housing in all price ranges, and particularly affordable housing, helps to mitigate increasing prices and rents by reducing imbalance between demand and supply.

POST-RECESSION CLASS A APARTMENT DELIVERIES AND RENT GROWTH
WASHINGTON, DC
2010-2016



Note: Rent growth is calculated net of any rent concessions.
SOURCE: CoStar, RCLCO

Destabilization of Land Values and Displacement

- Will provide over 3,000 permanent jobs on-site and 3,000 construction jobs.
 - Combined with job training and other Applicant commitments, will be a potential source of income for neighborhood residents.
- Neighboring homeowners benefit from the home value increases that are occurring with or without the Project.
 - Involuntary relocations will be greatly mitigated by a range of District programs.
- Will provide many other benefits to neighborhood residents of all income levels.
- Will not displace businesses and will be helpful to them.

▪ “Other Policies Cited in the Order”

▪ Land Use Element

- LU-1.2.1: Reuse of Large Publicly-Owned Sites
- LU-1.2.7: Protecting Existing Assets on Large Sites

▪ Housing Element

- H-1.2.4: Housing Affordability on Publicly Owned Sites

▪ Parks, Recreation, and Open Space Element

- PROS-1.3.6: Compatibility with Adjacent Development
- PROS-3.3.1: North-Central Open Space Network

▪ Urban Design Element

- UD-2.2.8: Large Site Development
- UD-2.3.5: Incorporating Existing Assets in Large Site Design

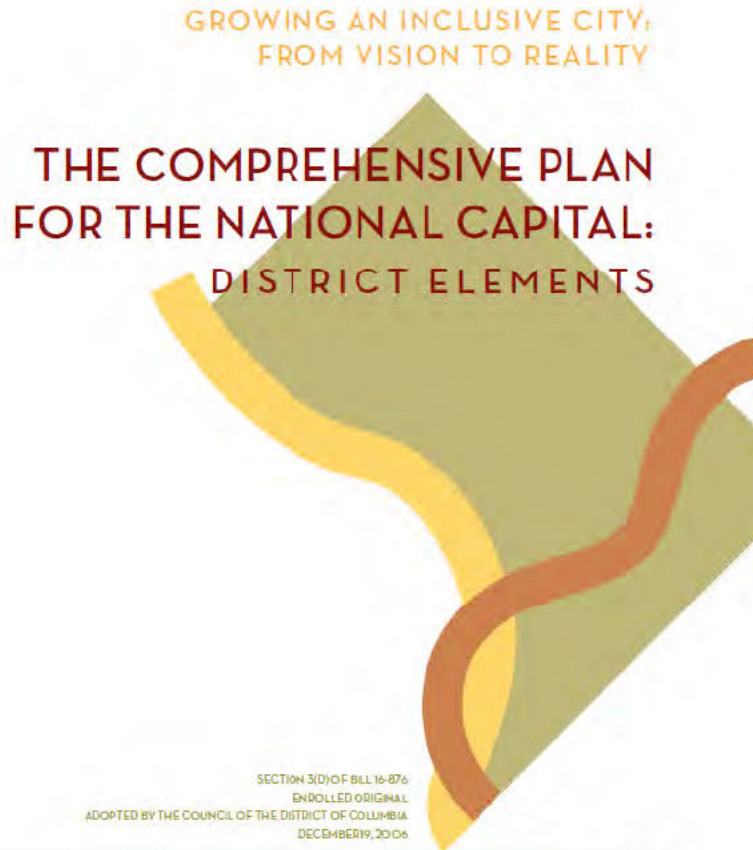
▪ Historic Preservation Element

- HP-2.4.3: Compatible Development

▪ Mid-City Area Element

- MC-2.6.1: Open Space on McMillan Reservoir Sand Filtration Site
- MC-2.6.2: Historic Preservation at McMillan Reservoir
- MC-2.6.5: Scale and Mix of New Uses

- “Not inconsistent” standard applies across all District elements



- Citywide Elements
 - Land Use
 - Future Land Use Map
 - Generalized Policy Map
 - Transportation
 - Housing
 - Environmental Protection
 - Economic Development
 - Parks, Recreation, and Open Space
 - Urban Design
 - Historic Preservation
 - Community Services and Facilities
 - Educational Facilities
 - Infrastructure
 - Arts and Culture
- Area Elements
 - Mid-city