

**TESTIMONY OF  
BRIAN T. KENNER  
DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT  
ZONING COMMISSION CASE NO. 13-14  
MCMILLAN SAND FILTRATION SITE  
APRIL 19, 2017**

**INTRODUCTION**

Good evening, Commissioners. My name is Brian T. Kenner, and I am the Deputy Mayor for Planning and Economic Development.

**STATEMENT OF SUPPORT**

On behalf of the Bowser Administration, I am privileged to be here today to voice our continued and unwavering support for the McMillan development. Thank you for conducting these hearings to address the decision from the D.C. Court of Appeals.

**SCOPE OF DMPED TESTIMONY**

My testimony tonight will focus on Issues 1 and 4.

**ISSUE 1 AND RECENT MCMILLAN LEGISLATIVE HISTORY**

Issue 1(a) asks whether the other policies cited in the Order could be advanced if the site were limited to medium and moderate density use. My testimony will focus on recent legislative approvals that will be advanced by implementing the previous approved master plan.

Following the Zoning Commission's Fall 2014 hearings related to this PUD, hearings were conducted before the D.C. Council to approve the surplus and disposition of McMillan.<sup>1</sup>

The basis for the D.C. Council's approval of the McMillan project included many factors that were summarized in the report from the Committee on Economic Development, which:

... recommend[ed] the approval [of the disposition resolutions] because they represent 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 revenue. 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

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<sup>1</sup> D.C. Council supported the proposed development, its benefits, and sale to VMP through:

- McMillan Residential Townhomes Parcel Disposition Approval Resolution of 2014 (PR20-1082)
- McMillan Commercial Parcels Disposition Approval Resolution of 2014 (PR20-1084)
- McMillan Residential Multifamily Parcels Disposition Approval Resolution of 2014 (PR20-1083)
- McMillan Townhomes Parcel, Commercial Parcel and Multifamily Parcels Disposition Extension Approval Resolution of 2015 (PR21-0307)

reactivate an area that has lain dormant for many years, creating a new community and destination for the city.<sup>2</sup>

The D.C. Council has also passed legislation funding the project, extending the executive's disposition authority and closing streets within the project.

So as to Issue 1(a), and the Commission's weighing of competing policies that will be advanced by the existing master plan, these recent approvals by the D.C. Council now provide the Commission with the legislative intent to develop McMillan as provided for in the previously approved master plan inclusive of the health care facilities on Parcel 1. This demonstrates that the Council believes that the McMillan development is in the best interest of the District and that the competing policies should be weighed in favor of approving the plan with the existing height on Parcel 1.

### **ISSUE 1 AND THE WEIGHT OF COMPETING POLICIES**

Within Issue 1(b), the Commission also asked which policies should be given greater weight and why. We submit that in addition to the analysis in our pre-hearing response, the guiding principles in the Framework Element should also be given substantial weight because "[i]ts intent is to provide the foundation for the rest of the Comprehensive Plan."<sup>3</sup>

McMillan will be one of the most transformative developments in the District. As such, the Guiding Principles related to Managing Growth and

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<sup>2</sup> Council of the District of Columbia, Committee on Economic Development, Committee Report, Report of Proposed Resolutions 20-1082, 20-1083, 20-1084, dated November 25, 2014

<sup>3</sup> 10-A DCMR 200.6

Change are appropriate for consideration. McMillan meets all of these Guiding Principles and I'd like to focus on a few of them now:

The first guiding principle provides that: *"Change in the District of Columbia is both inevitable and desirable. The key is to manage change in ways that protect the positive aspects of life in the city and reduce negatives such as poverty, crime, and homelessness."*<sup>4</sup>

McMillan will accomplish this guiding principle by transforming a historically significant vacant industrial sand filtration site into a vibrant and inclusive destination that will provide, among other benefits:

- Jobs from construction activity and permanent uses related to the health care facilities, retail, grocer and other uses;
- Positive fiscal and economic impacts;
- Affordable and senior housing;
- Open space, parks and green space;
- Historic preservation and cultural amenities; and
- Neighborhood-serving retail.

The fourth guiding principle provides that: *"The District needs both residential and non-residential growth to survive. Nonresidential growth benefits residents by creating jobs and opportunities for less affluent households to increase their income."*<sup>5</sup>

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<sup>4</sup> 10-A DCMR 217.1

<sup>5</sup> 10-A DCMA 217.4

McMillan includes a thoughtful mixture of residential uses in the form of for-sale and rental housing, market and affordable housing, varying sizes of units for singles and families, as well as senior housing. It will also include many non-residential uses, including a community center, park, grocer, retail, health care facilities, and historic preservation. There will be substantial opportunities for construction and permanent jobs and opportunities for less affluent households to increase their income through these newly created jobs, particularly in the health care sector.

The fifth guiding principle provides that: *“Much of the growth that is forecast during the next 20 years is expected to occur on large sites that are currently isolated from the rest of the city. Rather than letting these sites develop as gated or self-contained communities, they should become part of the city’s urban fabric through the continuation of street patterns, open space corridors and compatible development patterns where they meet existing neighborhoods. Since the District is landlocked, its large sites must be viewed as extraordinarily valuable assets. Not all should be used right away-some should be “banked” for the future.”*<sup>6</sup>

The McMillan master plan was designed to relate to the community it will become part of and this planning continues to the present. The fence will come down and new north/south and east/west streets will be established to ensure McMillan becomes part of the city’s urban fabric. Our focus on McMillan’s inclusivity has been a central focus as we continue to work with the community. For example, after the last iteration of Commission

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<sup>6</sup> 10-A DCMA 217.5

hearings in 2014, the public expressed a concern that the community center within McMillan would be self-contained and primarily serve the new McMillan residents. As the Commission heard during the March 23<sup>rd</sup> hearing, the Department of Parks and Recreation will now operate the community center in response to this public feedback, which furthers this guiding principle of inclusivity. Matthew Bell from Perkins Eastman DC will also speak to McMillan's inclusivity during his testimony. Finally, this guiding principle provides that certain large sites not be used right away and 'banked' for the future. McMillan has been dormant during the 30 year history of the District's ownership. Now is the time to develop this site.

So as it relates to Issue 1(b), the development approved by the D.C. Council and the attainment of these specific Guiding Principles will not be fully achieved if the height of the health care building on Parcel 1 is reduced. We are focused on the benefits and opportunities that McMillan will achieve. Reducing the height of the health care building will directly reduce the number of construction and permanent jobs created, the tax revenue received by the District, and opportunities for new and expanding D.C. health care focused business to locate within McMillan. Reducing the height of the health care facility will also reduce the economic driver of the development that supports the demand for programs and services, including the in-line retail and grocer.

## **ISSUE 4 AND THE ONGOING PERMITTING PROCESSES**

Issue 4(b) asks whether the PUD will have potential adverse impacts, and if so, how should the Commission judge, balance and reconcile the amenities and benefits, development incentives requested and the potential adverse impacts.

DMPED is a planning and economic development agency that is charged with executing the Mayor's economic development strategy, which includes making significant progress on converting underutilized land and improvements to productive uses and public benefits, including McMillan.

Our pre-hearing response, as well as the testimony the Commission will hear this evening, support the Commission's ability to determine that the impacts of the PUD will be favorable, capable of being mitigated, or acceptable given the quality and scope of public benefits.

As the Commission considers Issue 4, it is important to consider that this PUD process is normally the first of many processes in the development life cycle. The level and degree of multi-agency regulatory review that will take place as the permit applications for the PUD are submitted will ensure that this development addresses adverse impacts through compliance with District and Federal laws. It is therefore appropriate for the Zoning Commission to both: (1) consider certain potential adverse impacts, and (2) also allow certain potential adverse impacts to be reviewed by agencies through permit applications as the development progresses.

We are in a unique posture today related to McMillan. After the Zoning Commission approved the McMillan PUD in 2014, the Environmental Impact Screening Form (EISF) was submitted and thereafter approved. The only reason why we are able to provide the Zoning Commission with this exhaustive multi-agency EISF review now is because this case has been remanded from the D.C. Court of Appeals. The EISF would ordinarily not be approved prior to Zoning Commission review because the EISF would be based on the Zoning Commission's master plan. So it is a benefit to have this level of analysis available for the Zoning Commission's consideration.

A few examples of agency reviews that will naturally occur with the ongoing permitting application processes to ensure compliance with District and Federal laws include:

- DC Water will review discharge permit applications before any discharge to the sanitary or combined sewer system is allowed;
- The Fire and EMS Department will review compliance with the fire code related to emergency vehicle access within the PUD (as was stated by FEMS when they testified before the Commission on March 23<sup>rd</sup>);
- The Department of Consumer and Regulatory Affairs will review building permit applications related to the D.C. building code, including the green building code;
- The Department of Energy and the Environment will review erosion and sediment control permit applications; and



- The District Department of Transportation will review public space permit applications for work in the public right of way.

So as the Commission deliberates related to this issue, we would request that the only practical approach to address certain potentially adverse impacts is through the established regulatory and administrative processes. It is important that the Commission consider that permit applications exist so agencies can review prospective work to avoid actual adverse effects. These are some of the same potential adverse impacts that the Zoning Commission is being asked to currently consider.

If there are questions related to the ongoing permitting processes, Ryan Brannan from Bowman Consulting DC is here tonight and available to answer questions.

This does not relieve the Applicant's responsibility to respond to certain potential adverse impacts that have been raised. Responses to adverse impact arguments are within our pre-hearing response. In particular, the report from RCLCO directly replies to the potential adverse impacts including those related to destabilization of land values and displacement of neighboring residents. Mr. Bogorad, the author of this report, is here tonight to answer questions related to this report. His report concludes that McMillan would generate exceptional fiscal, economic and employment benefits. It also provides that:

- McMillan will not set gentrification in motion nor significantly add to gentrification, but instead will mitigate many of the negative impacts of gentrification;
- The new housing within McMillan is one of the best ways to mitigate increasing prices and rents;
- The new jobs and training within McMillan will be a potential source of income for neighborhood residents that will help afford to stay in their existing homes; and
- McMillan will not cause displacement of existing businesses, but will in fact be helpful to existing businesses.

## **CONCLUSION**

In conclusion, thank you for the opportunity to testify before the Commission as part of this limited scope hearing. Our team would be pleased to answer any questions the Commission may have.