

Date: August 21, 2017

To: District of Columbia Zoning Commission

Subject: McMillan Redevelopment
Additional Parcel 1 Height Analysis

From: Vision McMillan Partners (“**VMP**”)

On June 29, 2017, the District of Columbia Zoning Commission (the “**Commission**”) held a meeting to discuss the ongoing remand of the PUD for the redevelopment of the McMillan Sand Filtration site (“**McMillan**” or the “**Project**”) originally approved in 2014. During this meeting, the Commission requested certain analysis of the Parcel 1 healthcare facility building and an assessment of the impact of an additional reduction to the height of the building on top of the 15’ reduction¹ directed by the Commission in 2014. During its deliberation, the Commission clarified its understanding of the remand issues at hand and acknowledged the testimony provided by VMP that the density of the Parcel 1 healthcare facility building is neither inappropriate or inconsistent². The Commission also acknowledged VMP’s testimony that further reductions in the proposed healthcare density will not only terminate the healthcare component of the Project, such a loss would also have a dramatic and negative impact on the overall Project given the interconnected and interdependent nature of all the uses (public and private) programmed throughout the site,

Loss of the healthcare density would result in the loss of the grocery anchor, a blow that will severely impede the residential uses (market-rate, affordable and senior-affordable). Given the symbiotic nature of the Council-approved LDA between the District and VMP, the revenue generated by the District through the sale of land to VMP at fair market value generates a material portion of the resources used to pay for the parks, preservation, community center, and numerous other significant public assets incorporated throughout the site. Furthermore, the value created by the private development is the catalyst for the Project’s \$5 million Community Benefits Agreement between VMP and ANC5E, and the elimination of material portions of the development program would cause this CBA, one of the largest the District has ever seen, to be unraveled.

¹ The West Tower in the original filing was 130’ tall and was reduced at the Commission’s direction to 115’ prior to the original PUD approval in 2014.

² The transcript of the Commission’s deliberations at the June 29, 2017, meeting (beginning at pg. 6) contain the Commission’s discussion regarding the VMP testimony that the density within the entire Project and within Parcel 1 is consistent with the portion of the Mid-City Element of the Comp Plan which suggests that where development occurs on the site it should be limited to medium-to-moderate use.

Given this context, the Commission clarified its request for additional analysis regarding further height reductions to the Parcel 1 healthcare facility building by articulating that the analysis can and should contemplate that any density lost through such a height reduction would be replaced through a re-orienting of the building mass or a re-configuring of the building footprint, so that the viability of the Project is not jeopardized. The Commission requested that this analysis contemplate multiple scenarios, and that an exhaustive effort be made to evaluate alternative layouts for the Parcel 1 building.

This memo, and the supporting graphic materials, provide the requested analysis and are the result of a significant amount of additional design work, consideration and evaluation by the entire VMP team. The primary design materials, drawings and diagrams outlining the conclusions and findings of the analysis are included in Exhibits A and B. This memo is intended as a companion to those materials and to provide background and context for the overall design analysis, the constraints which must be considered and overlaid to ensure the scenarios are realistic, and a more fulsome explanation of the specific alternative design scenarios presented.

While a sincere effort has been made to evaluate a wide range of options under which the Parcel 1 healthcare facility building could be adjusted, none of the alternative configurations have resulted in a building concept that can be considered viable or acceptable from the perspective of VMP or the District. Furthermore, because each alternative considered dramatically reduces, eliminates, or negatively impact numerous other critical components of the site plan, it is our opinion that none of these alternatives would be considered viable or acceptable from the perspective of the key community stakeholders and other review agencies involved with the Project. Taken as a whole, the alternative design scenarios consider the expansion or adjustment of the Parcel 1 building footprint or massing on every side in both complex and simplified strategies. Thus, after 7 weeks of additional design work, it is our opinion that the Parcel 1 healthcare facility building footprint cannot be materially adjusted in a manner that recaptures the density lost through the elimination of another full story without destroying or adversely impacting other key aspects of the plan that are considered vital components to the District, the historic preservation program, the open space program, or that specifically address key community concerns. To pursue these alternative scenarios would have unacceptable impacts on the surrounding area, on the historic resources, and on the ultimate success of the master plan.

This analysis also serves as a reminder of the overwhelming and significant level of public benefits and amenities that have been programmed directly into the Parcel 1 site plan, and the correspondingly significant number of Comp Plan policies that are materially and positively advanced by the healthcare component of the Project. As discussed in the VMP testimony provided during the remand hearings (the

“**Remand Hearings**”), the Project materially advances more than 100 separate Comp Plan policies. A reconfiguration of the Parcel 1 healthcare facility building that negatively impacts the public and historic assets throughout the site, or a reduction in healthcare density that eliminates the entire healthcare program would dramatically reduce the level of Comp Plan policy advancement:

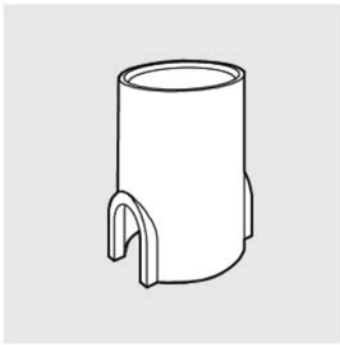
- Open space would be reduced, negatively affecting advancement of numerous policies, including the Mid-City element, and the policies specific to McMillan regarding the expansion of open space in underserved areas
- Residential uses would be reduced, negatively affecting advancement of housing policies related to expanding market-rate, affordable, senior, and family-sized housing
- Healthcare would be eliminated, negatively affecting advancement of economic development policies aimed at growing the District’s core industries
- Retail would be reduced, including the loss of the grocer anchor, negatively affecting advancement of other economic development policies related to expanding the retail sector, creating additional shopping opportunities, and developing grocery stores in underserved areas
- Negative impacts on historic features, views, and on the surrounding neighborhood would increase, negatively affecting advancement of land use, urban design, and historic preservation policies relating to the scale of development on large sites, protection of existing historic assets, and compatibility with adjacent development

In our opinion, removing or materially impacting so many public benefits, and thereby reducing or undoing the advancement of so many Comp Plan policies, all in the name of an additional 1 or 2-floor reduction in building height is not a prudent trade-off. Phrased in a more positive fashion, there is a favorable tradeoff between the substantial number of Comp Plan policies that will be advanced by the Project by providing the height incentive on Parcel 1 to accommodate the healthcare facility, an incentive which has been significantly mitigated through effective site planning and design. Furthermore, the additional height flexibility being requested is minor, when viewed in light of the significant level of benefits it generates for the Project, the surrounding neighborhoods, and the District as a whole.

DESIGN BACKGROUND & CONTEXT

An important component of performing this analysis is ensuring that any alternative design scenarios evaluated remain true to the foundational architectural principles utilized in creating the original design, and which were incorporated into the design guidelines utilized by each of the VMP building

architects. Furthermore, these alternative design scenarios must be constrained by basic economic-based principles that serve to ensure that no architectural decisions would result in a building that is not leasable or acceptable from a user/tenant perspective. These tenant/user-based constraints are critical and include factors like maximum floor plate size/depths, building efficiency³, flexibility for creating multi-tenant configurations.



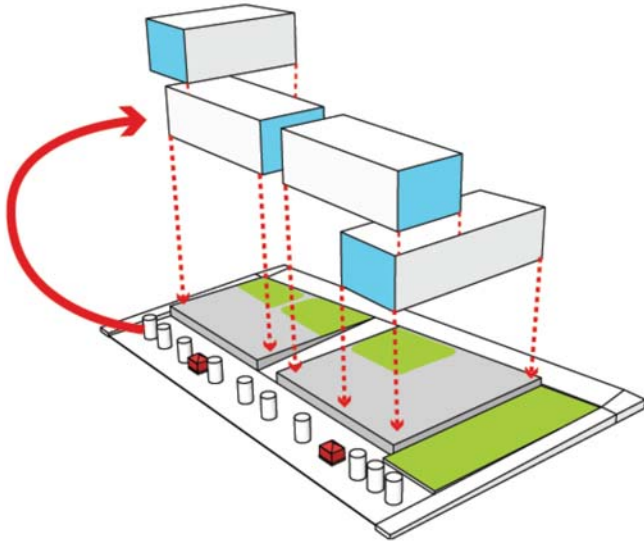
SIMPLE GEOMETRY

The architectural principles foundational to all the buildings designed at McMillan are inspired by two parallel movements from the time of the site’s original construction. The City Beautiful movement, exemplified by ornamental Beaux Arts architecture; and the stark contrast of the site’s concrete and industrial design features, many of which are completely devoid of any ornamentation. This dialectically nuanced relationship is embodied by the ‘Italianate’ regulator houses with their terracotta roofs, Flemish bond brick pattern and finials, all of which is juxtaposed against the stark and stoic concrete sand storage bins adjacent to each house. The regulator houses form the punctuation for the rhythmic repetition of the sand bins and concrete service court walls. This contrast augments and fortifies their beauty. In harmony, there can be difference.

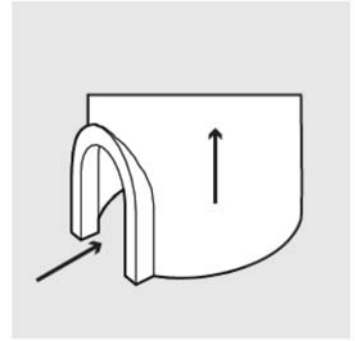
The sand bins could have easily been cloaked in a similar brick pattern and ornamentation, but instead, a conscious decision was made to accentuate and differentiate the two structures, thereby highlighting the simple and strong geometry found in a variety of the site’s features.

We drove the design of healthcare facility building to keep within this spirit of the original site architecture by employing a contemporary architectural language for the buildings that finds clear inspiration from the context. We borrowed the bold and simple forms of the sand storage bins to create a series of overlapping tubes that drive the primary massing of the healthcare facility building.

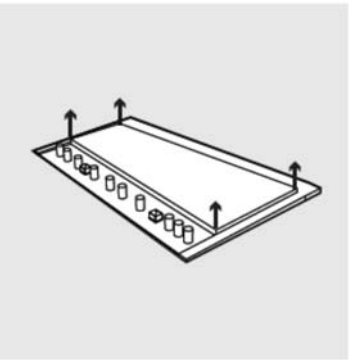
³ By way of example, building efficiency is often significantly affected by the number and location of items like building core, elevator banks, and stairwells. The length, depth and size of the building will determined the amount of these components required by building code. Thus, material changes to the building massing that have ramifications like requiring additional elevators or stairwells, can have an equally material (and negative) impact on the overall building efficiency.



The tubes are of a similar formal proportion as the sand bins and the overlap is derived by the embedded forms of the entry portals within these same storage bins. The building's tubes are legible and share the same material palette, an important consideration, and the forms are separated from the remainder of the building

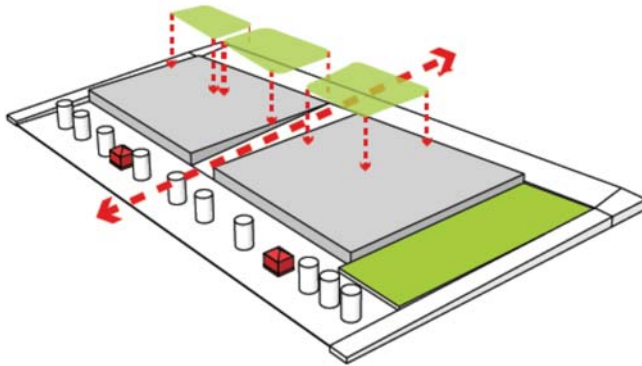


EMBEDDED FORMS



RAISED PLINTH

through the use of massing setbacks and glass. The tubes that form the primary building massing sit on top of a delineated base, or the plinth, that was directly inspired by the service court walls and was a significant component of the conversations with the HPRB about the proper architectural response of the buildings.



The definition of a clear base at the service court level for all the surrounding buildings was a critical component in the HPRB's determination of whether or not the building architecture had sufficiently incorporated and honored the plinth as a key historic feature such that it could be considered a successful part of the preservation program. The building base, as currently defined, has a canted wall

and made of board formed concrete, in memory of the cell walls. Set within the base are the retail bays, with consistent frames but unique retail storefronts.

DESIGN EVOLUTION & DENSITY REDUCTIONS OVER TIME

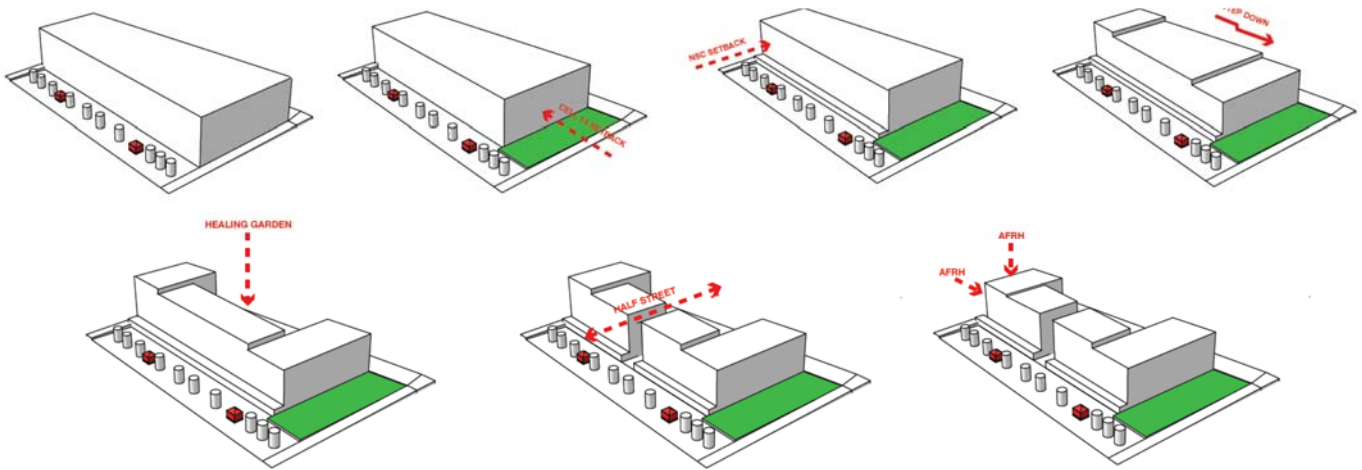
In addition to the driving principles which guide, inform, and restrict the evaluation of new building configurations and design alternatives, it is important to acknowledge that the current level of density and layout of the Parcel 1 healthcare facility building has evolved throughout the 10 year period of pre-development, throughout which the VMP team has repeatedly and significantly adjusted, changed, altered,

and reduced the density of the Parcel 1 healthcare facility building in response to the numerous site plan features that have been designed throughout on the Project.

Indeed, many of these constraints date back to the original community engagement efforts and meetings for McMillan which took place in the late 80's. As one of the longest running development projects in the history of the District of Columbia, McMillan has long maintained a variety of desires, demands, and expectations, and the current design of the Parcel 1 building is materially influenced by this long and rich history. The current design is also a direct result of the decade of work (circa 2007) the VMP team has spent completing its own extensive pre-development journey with numerous steps and processes required meet the Project's various entitlements requirements.

During each phase of the pre-development process, from community meetings, to regulatory reviews (i.e. DDOT, DC Water, DOEE, etc.), through the Historic Preservation Review Board process, and on to the Commission process itself, the VMP team spent years obtaining feedback and adjusting the density of the Parcel 1 healthcare facility building. As discussed in the Remand Hearings, the density of the Parcel 1 healthcare facility building has been reduced and adjusted many times throughout the years, with some of the key moves being highlighted below and including:

- The eastern tower was pushed back from North Capitol Street as a direct response to the Stronghold neighborhood, creating a 260-foot buffer. This buffer allowed an acre of new park space, the preservation of Filter Bed 14, the preservation of critical historic viewsheds in to the site from North Capitol (looking south) and Michigan Avenue (looking west), and the establishment of a pedestrian pathway along the western edge of Filter Bed 14 which provides a critical circulation route between the North Service Court and Michigan Avenue.
- Both towers were pushed north, away from the North Service Court, to ensure the buildings more appropriately relate to the historic assets being preserved and re-imagined within this key element of the plan. This move also solidified the preservation of the plinth as a historic feature throughout the entirety of the site plan.
- Both towers were significantly altered and reduced to allow for the creation of the healing gardens on the building's northern side. This adjustment came in direct response to a community request to shrink the building footprint and push it taller in order to make room for additional green space on Parcel 1. This move also allowed for the enhancement and more appropriate embellishment of the Olmstead Walk as a preservation feature along Michigan Avenue, its most prominent section.
- Lastly, the western tower was shortened by 15' (from 130' down to 115') and shifted to the east by 15 feet to provide addition buffer for the view corridor from the AFRH Scott Statue to the Capitol.



The cumulative effect of these reductions is a significant loss to the density of the Parcel 1 healthcare facility building which has had a correspondingly negative economic impact on the Project as a whole. As discussed during the Remand Hearings, the interconnected and interdependent nature of the uses within the Project means that erosion of the healthcare density affects not just this one component, but all components of the Project. In addition, owing to the specifics of the LDA between VMP and the District, each reduction to the level of commercial development within plan directly reduces the fair market value of the land being sold by the District to VMP. This means that the resources being used by the District’s to provide the significant level of publicly accessible parks, preservation, and community facilities programmed is materially and negatively impacted.

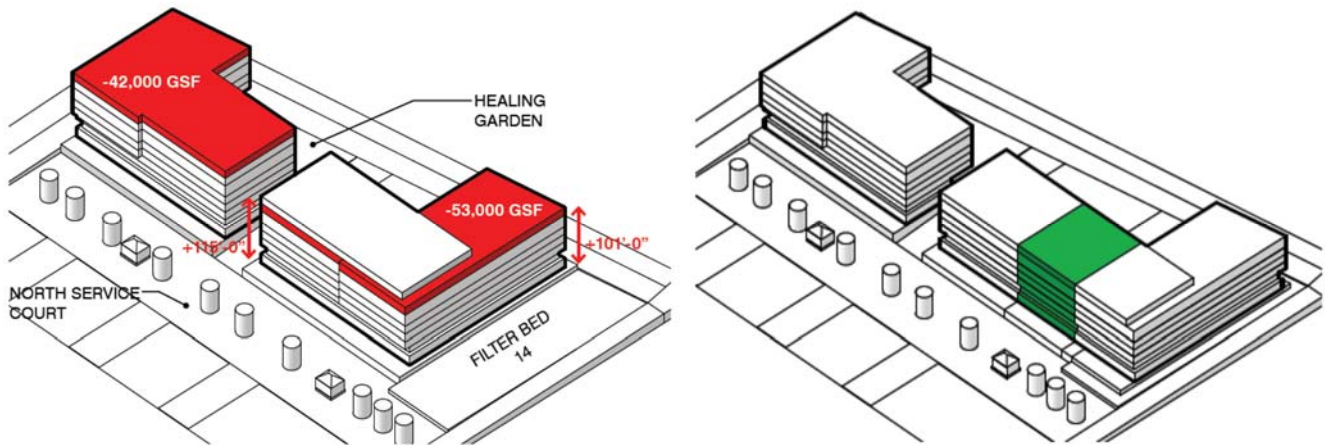
The combined result of all these factors is that the Parcel 1 density cannot be reduced from its current level. Accordingly, the Commission has clearly articulated its interest in seeing additional analysis regarding height reductions to the healthcare facility building that contemplates the fact that the current level of density is maintained. To address this request and provide this analysis, the VMP team has spent the intervening weeks analyzing numerous alternative footprints and configurations for the Parcel 1 building that might be theoretically possible while also considering the numerous constraints placed on the building by the other components of the site plan which have been fixed or determined by the historic, community or planning needs of the Project.

The options evaluated are presented below along with an explanation of the constraints affected by each revision and the ramifications of the potential change. In each of these scenarios, the core assumption of the analysis is that a typical floor was removed from each of the western and eastern towers, thereby reducing the overall building height by approximately 14 feet and reducing the overall density of the buildings by approximately 95,000 sf. This density was incorporated back into the building by rearranging / extending the building footprint in one or more directions.

Larger versions of each of the diagrams presented below are included with Exhibit B, along with a comprehensive summary of the critical components of the Project that would be affected, damaged or negatively impacted by the change grouped into specific categories (historic, community and building design).

OPTION A

In Option A, the building density is expanded to the east, eliminating the ability to preserve Filter Bed 14 and transform it into public park space.



This eastern tower expansion destroys the ability to fully extend the Olmstead Walk around the entirety of the site which removes one of the most prominent corners and iconic components of the entire preservation program. Extending the eastern tower in this way also erodes the historic viewshed into the site from North Capitol Street (looking south) and from Michigan Avenue (looking west), both of which were specifically identified as highly impactful and important historic components by SHPO and HPRB. Lastly, an extension of the healthcare facility building to the east in this manner dramatically impacts what was formerly a 260' buffer between the eastern tower of the healthcare facility and the adjacent Stronghold neighborhood, a point of contention and concern from community stakeholders for years.

IMPACTED MASTER PLAN ELEMENTS

- Filter Bed 14
- Pedestrian Connection
- Olmsted Walk
- Viewshed in to the site from North Capitol Street (looking south) and Michigan Avenue (looking west)

HISTORIC CONSIDERATIONS

- Filter Bed 14 was selected for preservation as it maintains the viewshed of the filter bed and sand bins beyond while driving south on North Capitol Street and west along Michigan Avenue. Preservation of this viewshed is a critical element of the preservation package approved by SHPO and HPRB.
- The interior of Filter Bed 14 is the only contiguous cell to be preserved and it is not possible to build on top of the cell without driving new structure through the cell and destroying the integrity of the filter bed.
- The Olmsted Walk begins to meander on the northern portion of Filter Bed 14. By extending the building into Filter Bed 14, this key portion of the Olmsted Walk will be eliminated and this feature will no longer maintain its integrity around the entire site, an aspect which was of significance to SHPO and HPRB.

COMMUNITY CONSIDERATIONS

- Filter Bed 14 creates the 260-foot setback along North Capitol Street requested by the Stronghold community across the street. This adjustment to the building footprint would cut that buffer in half.
- The 1-acre publicly accessible park programmed for the top of Filter Bed 14 would be eliminated.
- The community has discussed the possibility of future adaptive reuse of Filter Bed 14, the possibility of which would be destroyed by placing a building above the filter bed.

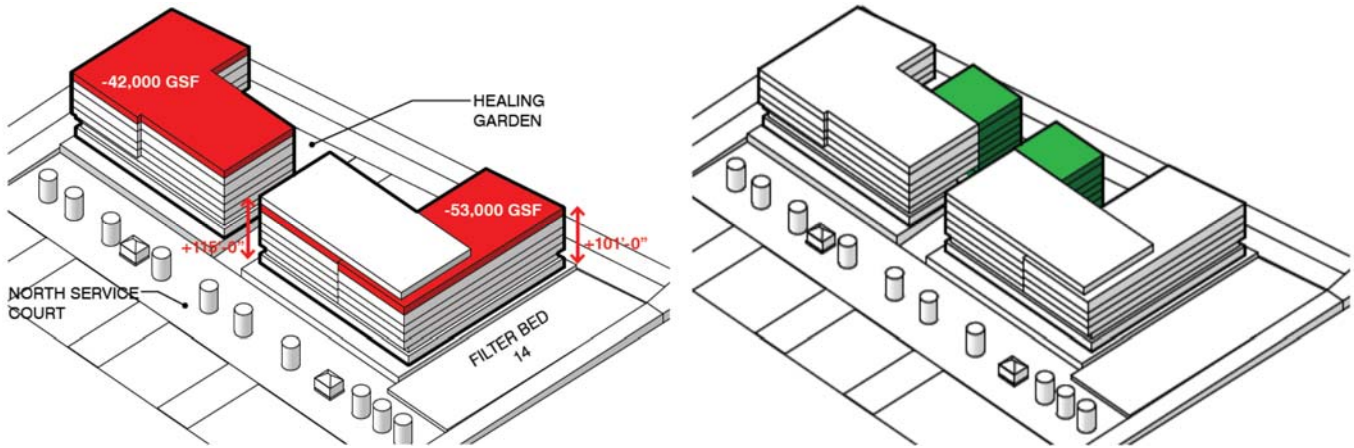
BUILDING CONSIDERATIONS

- Similarity in size and layout between the two towers is an important aspect of this design from a tenant/user perspective. This concept has abandoned that principle and would likely result in a redesigned of the west tower as well.
- The distances from the core to the ends of the bar start to push the maximum corridor lengths allowed, or increase the number of interior egress stairs.
- This adjustment significantly and negatively affects the proportions of the building as the added length of the building will create a very long façade.

Given all these considerations, the VMP team does not consider this scenario to be a viable design alternative for the Parcel 1 healthcare facility building.

OPTION B

In Option B, the eastern edge of the healthcare facility is held constant and the building density is instead expanded to the north, eliminating significant portions of the healing gardens and severely disrupting the circulation pattern from Michigan Avenue.



The healing gardens represent one of the most significant and direct impacts that community input had on the site plan and building design process as their creation stemmed from comments and feedback received during VMP’s extensive community input process in 2010. Members of the community interested in maximizing the total amount of greenspace and ensuring that it was interspersed throughout the entirety of the McMillan site plan, requested that the building footprint of the Parcel 1 healthcare facility building be reduced in order to maximize the amount of publicly accessible park space that could be located within Parcel 1 in exchange for additional height in order to balance out any loss of density from the requested change. Given this, a material reduction in the size of the healing gardens is not a viable option.

In addition, the placement of the healing gardens along Michigan Avenue plays a significant role in the project’s ability to re-create a significant northern section of the Olmstead walk and fully embellish it as a feature by allowing an appropriate amount of space for it to meander along Michigan Avenue between the DDOT sidewalk and the healing gardens. To remove this buffer and allow the buildings to encroach on the Olmstead walk in such a material fashion would undoubtedly have a dramatic negative impact on this feature.

Furthermore, the potential occupants of the healthcare facility building themselves are strong proponents of the healing gardens as the extension of the network of open and green spaces throughout Parcel 1 is one of the most prized aspects of the McMillan healthcare facilities and one of the most stark

contrasts between the new healthcare facilities and the existing, aged facilities directly north of Michigan Avenue. Research has shown that the incorporation of gardens and park space into a treatment program has measurably positive impact on the healing process. This concept has been proven academically by researchers at Texas A&M University and in practice at the Children’s Hospital of Pennsylvania.

Finally, this move to the north by both buildings would eliminate the loop road designed into the north side of the Parcel which was a key component to the Parcel’s overall circulation plan. Through a series of intense meetings between the VMP team and DDOT, the loop road was agreed to as the best solution to alleviate overall circulation pressures including the garage entrance/exit, the significant level of shuttle and vehicular traffic coming to the healthcare facility building for drop-off/pick-up that need to be cycled through Parcel 1, and the interaction of these activities with Michigan Avenue and Half Street. The loop road also plays a critical role in ensuring that the high level of vehicular traffic generated by the healthcare facility building is successfully contained within Parcel 1 in a way that buffers the remainder of the site plan.

IMPACTED MASTER PLAN ELEMENTS

- Healing Garden
- Olmsted Walk
- Loop Road

HISTORIC CONSIDERATIONS

- By extending the two legs into the healing garden, the Olmsted Walk will be pushed to the edge of the sidewalk, losing its meandering path. In its original incarnation, Olmstead kept the walk orthogonal along the east, west and southern edges, but had it meander on the north in response to the rural farms north of the site. The Olmsted walk was a primary concern for SHPO and HPRB.
- The building massing concept which relates back to the historic site will no longer work and the building would need to be completely redesigned.

COMMUNITY CONSIDERATIONS

- The Healing Garden was conceived in response to community concern along Michigan Ave. By adding the two legs, the green space will be severely impacted or eliminated.
- The loop road and drop-off zone would be eliminated by the two-leg extension, which would have significant impacts on the overall traffic and circulation solution for the Project.

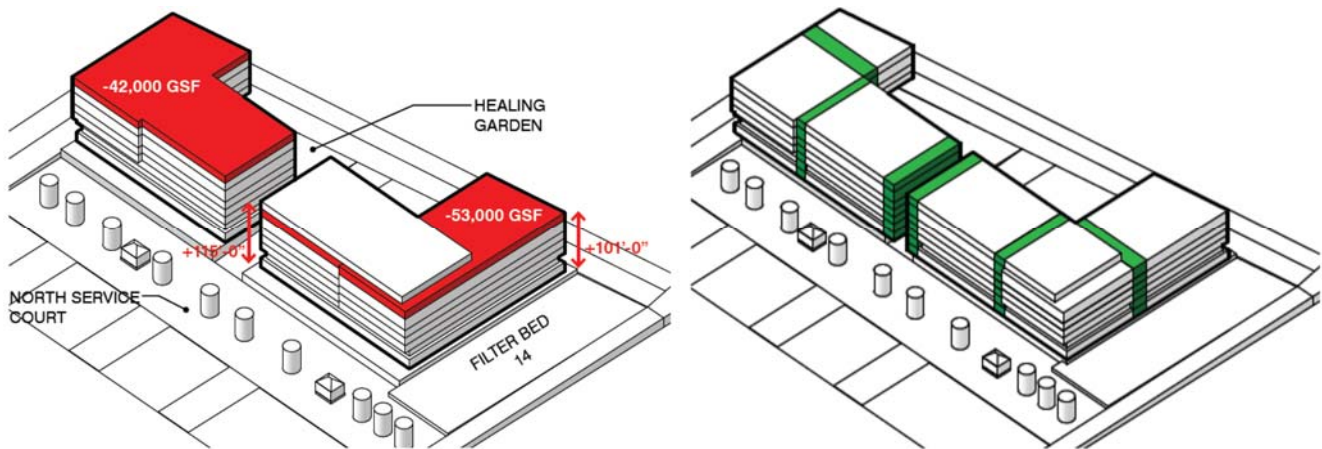
BUILDING CONSIDERATIONS

- This version of the building creates a significant number of odd spaces and inside corners which will impact its lease-ability and attractiveness from a tenant/user perspective. Combined with its northern orientation which removes the possibility of view premiums and means it is disconnected from the other site amenities, the economic impact on the rent the space could command would be material.
- The distances from the core to the ends of the bar start to push the maximum corridor lengths allowed.
- The loss of a floor will negatively affect the proportions of the building.

Given all these considerations, the VMP team does not consider this scenario to be a viable design alternative for the Parcel 1 healthcare facility building.

OPTION C

In Option C, the eastern and northern orientations of the healthcare facility building are held firm and the towers are instead expanded primarily to the western and southern sides, thereby impacting the historic viewshed along First Street and the setback along the North Service Court



By expanding to the west, the adjustment would countermand a significant request by the Commission from 2014 through which the building was moved to the east and the height of the western tower reduced by 15' to more substantially respect the historic viewshed between Scott Statue at the Armed Forces Retirement Home and the Capitol dome.

Furthermore, one of the most significant adjustments made to all of the buildings along the North Service Court ("NSC") during the HPRB hearing process was the significant setback established on both sides of the NSC in order to more properly buffer and relate to the key historic resource of the NSC. In establishing this setback on every floor except the NSC level, the buildings along both sides of the NSC

created a prominent base that reads as a clear interpretation and re-establishment of the plinth, another key historic feature of the site. Elimination of the setback along one side of the NSC unravels this key feature and results in the loss of the plinth feature within the plan.

IMPACTED MASTER PLAN ELEMENTS

- North Service Court Setback
- Armed Forces Retirement Home Setback/Viewshed
- Half Street Private Right-of-Way
- Pedestrian Connection

HISTORIC CONSIDERATIONS

- There is a 20' setback above the NSC plinth, which would be eliminated by moving the buildings south, the result of which is that the reading of the contiguous base along both sides of the NSC would be lost. This base, and the buffer created by the setback are the key components to the preservation of the plinth feature within the plan.
- The AFRH Scott Statue viewshed setback along 1st Street would be eliminated, thereby directly countering the request made by the Commission in 2014 to move the facility eastward and reduce the height by 15' in order to provide additional buffer to the AFRH Scott Statue viewshed.
- The 18' setback along Filter Bed 14 would be eliminated, thereby removing the key pedestrian connection between the NSC and Michigan avenue and removing the ability to provide a view into Filter Bed 14 along this path.
- The Olmsted walk along 1st street would also be negatively impacted by the movement of the healthcare facility building westward, thereby threatening the re-establishment of this key feature around the entire site.

COMMUNITY CONSIDERATIONS

- The community shared HPRB's concern with the Parcel 1 healthcare facility building's relation to the adjacent historic assets including Filter Bed 14 and the NSC. Eliminating both setbacks would directly counter this concern.
- The base created by the setback of the buildings at all levels above the ground floor at the NSC created additional public plaza space overlooking the NSC. Elimination of this building setback means these publicly accessible gathering places would be lost.
- The key pedestrian connection between the NSC and Michigan Avenue would be lost. Similarly, the concept of maintaining an area from which the inside of Filter Bed 14 could be viewed was a key community consideration as a part of the preservation program and walking museum concept.

ARCHITECTURE CONSIDERATIONS

- The loss of a floor will negatively affect the proportions of the building massing.
- The setback along the NSC would no longer give breathing room between the building and the NSC.

Given all these considerations, the VMP team does not consider this scenario to be a viable design alternative for the Parcel 1 healthcare facility building.