



**PUBLIC/PRIVATE  
DEVELOPMENT CASE STUDY**

WEST END – SQUARE 37 AND SQUARE 50

## EARLY DEVELOPMENT

- District operated three critical public services in the West End out of facilities in desperate need of upgrade and/or replacement.
- EastBanc recognized these sites as the last underdeveloped parcels in the burgeoning West End neighborhood.
- Developer spent years working on the initial plan and was only respondent to multiple RFPs to not only provide a new Library AND a new Fire Station but also to incorporate more than the minimum required Affordable Housing

# ORIGINAL LOCATIONS AND INITIAL CONCEPTS

SQUARES 37 AND 50 IN THE WEST END



WEST END NEIGHBORHOOD

SITE CONTEXT MAP



FORMER WEST END LIBRARY SITE  
24<sup>TH</sup> AND L STREET, NW



FORMER MPD SPECIAL OPS SITE PLUS  
SURFACE PARKING LOT  
23<sup>RD</sup> AND L STREET, NW



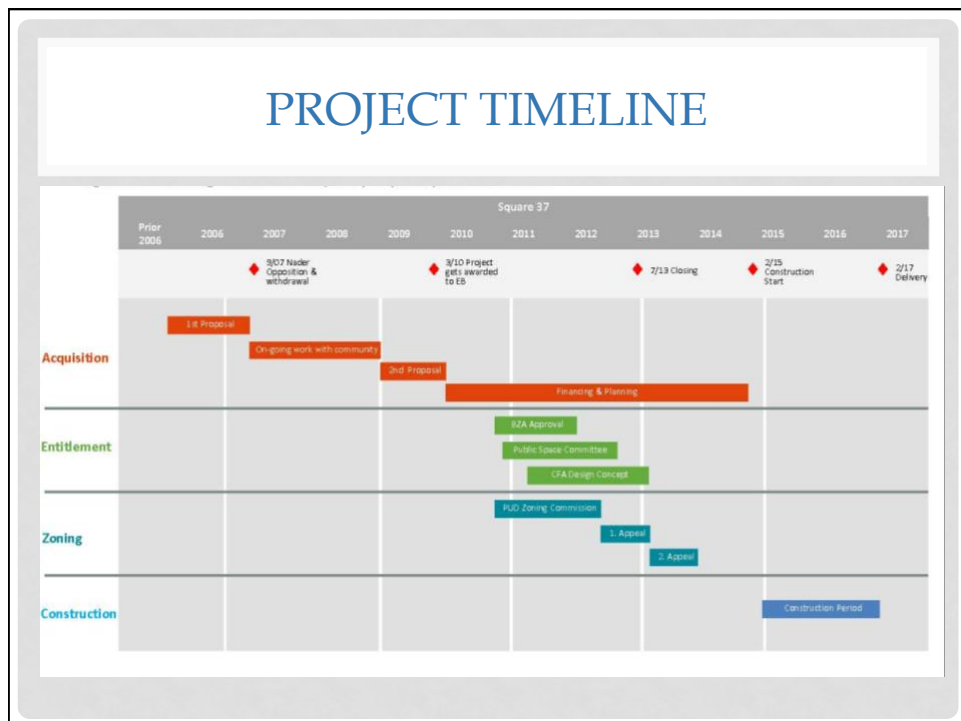


FORMER WEST END FIRE STATION  
24<sup>TH</sup> AND M STREET, NW



# TIMELINES

## ACQUISITION, ENTITLEMENT AND PLANNED UNIT DEVELOPMENT (PUD)



## ACQUISITION TIMELINE - 1

- **November 2000** – Initial unsolicited proposal to Mayor Anthony Williams
- **2001-2005** - Five additional unsolicited proposals annually
- **2006** – Negotiate Sole Source Disposition for Development
- **November 2006** – Begin negotiating LOI for neighboring surface parking lot
- **December 2006** – Attempt to resolve Sole Source Disposition with Williams Administration
- **April 2007** – Final Sole Source Disposition with Mayor Adrian Fenty

## ACQUISITION TIMELINE - 2

- **2007** – Due Diligence/Initial Study Period
- **July 2007** – Emergency Legislation to Dispose of Land to Developer
- **August 2007** – Initial Equity Investment Package
- **September 2007** – Nader Opposition Group successfully petitions Council to withdraw Disposition
- **2007 – 2009** – On-going work with Community
- **July 2009** – DMPED issues RFP for Development – **Only two respondents, one of which did not include the Fire Station**
- **March 2010** – EB-WDC team awarded the deal
- **June 2010** – Term sheet with DMPED

## ACQUISITION TIMELINE - 3

- **Fall 2010** – Begin courting equity Investors
- **November 2010** – Sign Land Disposition Agreement
- **December 2010** – Omnibus Act (7/13/13 LDA expiration)
- **November 2011** – Close on Equity/Purchase Pkg Lot
- **December 2011** – ANC Memorandum of Understanding
- **July 11, 2013** – Close on land with District – enter into Construction and Use Covenants to govern with expiration of LDA
- **Nov 13- Nov 14** – Construction of Temporary Fire Station
- **March 2015** – Square 37 Land Finance Closing
- **June 2015** – Square 50 Land Finance Closing
- **2015/2016** – Right of Re-Entry expires with Sq 50 at-grade

## ENTITLEMENT TIMELINE

- **2011** – Ongoing Discussions with Office of Planning
- **October 2011** – Initial CFA Concept Presentations
- **April 2012** – Final CFA Concept Approvals 37+50
- **December 2012** – Square 50 BZA Approval
- **March 2013** – 37 Public Space Committee Approval
- **April 2013** – 50 Public Space Committee Approval
- **May 2013** – Final Sq 50 CFA Design Approval
- **June 2013** – Final Sq 37 CFA Design Approval
- **July 2013** – Final DCPL/DCFEMS Design Approvals



## PUD TIMELINE

- **June 2011** – File Application for PUD with Zoning Commission
- **July 2011** - Zoning Commission Set-Down Hearing
- **March 2012** - Zoning Commission approves PUD
- **May 2012** – Opposition Motion to Reconsider
- **June 2012**- Opposition Motion Denied/Opposition Files Formal Appeal with DC Court of Appeals
- **February 2013** – Appeal Hearing
- **August 2013** – DC Court of Appeals Affirms PUD/ Opposition Files Petition for Re-Hearing *en banc*
- **April 2014** – Court denies Petition for Re-Hearing

## REQUIREMENTS/ CONSTRAINTS

## RFP/LDA REQUIREMENTS - 1

- New 18,000+ sf Library
- New 14,000+ sf Fire Station
- 40-65,000sf of Affordable Housing
  - Originally all Workforce Housing (80%-120%AMI)
  - Revised to 15% of units @30% AMI + 15% @ 60% AMI
  - Finally revised to minimum 52 units @ 60% AMI and 5 @ 30%
- Ward 2 Retail
- Community Spaces in the buildings
- Livelier, safer streets
- LEED Gold
- Enough below-grade parking to accommodate all residents but not so much as to encourage car ownership

## RFP/LDA REQUIREMENTS - 2

- CBE (Certified Business Enterprise) Equity and Development Partners
- First Source (51% of new hires to be District residents)
- >35% of all \$ on project to go to CBE companies
- CBE Architect
- CBE General Contractor (since dropped due to widespread abuse of Joint Venture program)
- Prevailing Wage (Davis Bacon) for District facilities and Affordable Housing
- "LEAD Act" – Library Enhancement, Assessment and Development Act

## DCPL/COMMUNITY LIBRARY REQUIREMENTS

- Exact same location as current West End Library
- Single story (very efficient space to staff, manage, and maintain)
- 18' ceiling throughout
- Well-defined architecturally with a great "street presence"
- Natural light on 80% of perimeter
- Meeting room(s) separate from main entrance / accessible after library hours
- Well defined Children's Room
- Outdoor reading garden can serve both Children's Room and general library
- Café
- Flexibility in design and layout to serve broadest constituency

## DCFEMS REQUIREMENTS

- Four apparatus bays
- 24 parking spaces
- Working facilities not in significant disrepair
- Low-maintenance finishes and fixtures

## RELOCATE EXISTING FACILITIES

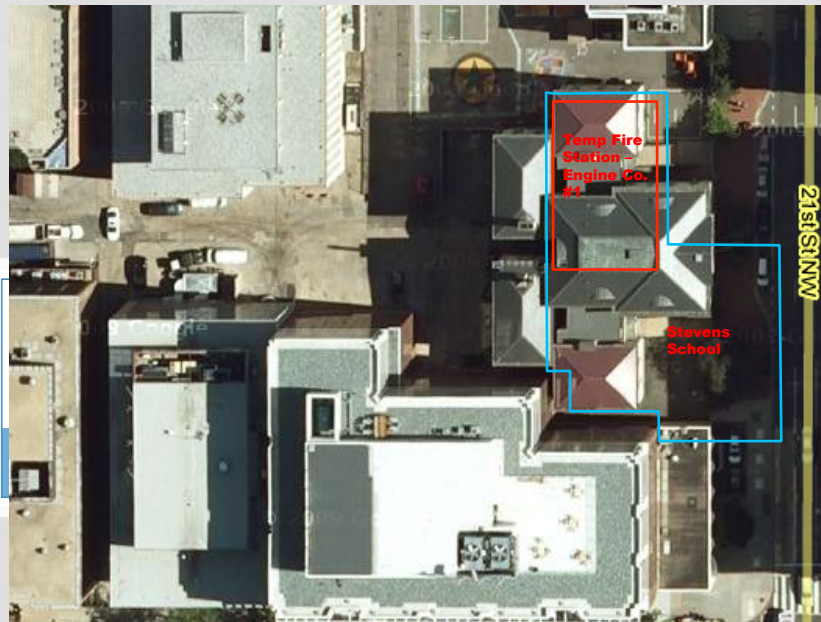
- District Responsibility but time sensitivity forced our involvement
- Involved DMPED, OPM (soon to become DGS), ANC, National Park Service, etc
- Library
  - 2 years of searching and multiple failed leases
  - Finally EB worked with Watergate management to convince them to rent a long vacant retail space
  - 8 months to negotiate lease

## ADDITIONAL ROADBLOCKS

RELOCATION OF EXISTING FACILITIES

## RELOCATE EXISTING FACILITIES

- Fire Station
  - Three viable sites within response area
    - Vacant grass park areas at 26<sup>th</sup> and Penn
      - Owned by National Park Service and subject to federal approval
    - Francis Field at 25<sup>th</sup> and N
      - Significant community opposition
    - Vacant Stevens School playground/parking lot
      - Under control by District but disposed to another developer under a separate public/private partnership with DMPED
  - Ultimately went with Stevens School despite potential encumbrance to the other Developer
- Had to become a General Contractor and go through procurement/construction in less than 12 months to save drawn out process through DGS





## RISKS

ASSOCIATED WITH A PUBLIC/PRIVATE DEAL

## RISKS

- Time – Extensive pre-development period and affordable housing requires minimum 15-year commitment on the back end
- Cost – Initial 2011 bid was 15% higher than 2009 cost estimate and final 2014 GMP was 25% higher than initial 2011 bid
- Soft Costs – Increased time results in increased overhead, taxes, etc – development fees never increase proportionately
- Architect fees – constant change orders due to both delay and revisions necessitated by extensive entitlement process
- Capital – Always a risk of hitting the market at a bad time

## INVOLVED PARTIES

### DISTRICT - 1

- **Four Mayors** – Williams, Fenty, Gray, Bowser
- **Multiple Deputy Mayors and Lieutenants** – Eric Price, Neil Albert, David Jannarone, Valerie Joy-Santos, Victor Hoskins, et al
- **Multiple Iterations of City Council and Council Chairs** – Jack Evans, Linda Cropp, Stan Jackson, Kwame Brown, Vincent Gray, Muriel Bowser et al
- DC Public Library – Three Directors
- DC Fire and Emergency Management Services
- Office of Property Management
- Department of General Services

## DISTRICT - 2

- Office of the Deputy Mayor for Planning and Economic Development
- Department of Small, Local Business Development
- Department of Employment Services
- District Housing Finance Agency
- District Department of Community and Housing Development
- Office of the Attorney General

## COMMUNITY

- Over 210 total community meetings and presentations from 2007-current
  - Advisory Neighborhood Commission
  - West End Community Association
  - West End Library Friends
  - Foggy Bottom Association
  - DC Library Trustees
  - Neighboring Buildings - Residents at the Ritz-Carlton, Columbia Residences, Gibson, West End Flats, et al