

Meeting Notes/Minutes

December 15, 2009 Lower 8th Street Vision Community Meeting

Held at The Peoples Church – 535 8th Street, SE

Morning and Evening Meeting Summaries Combined

A review of previous meetings was followed with presentations by Edmund Fleet, Executive Director of Building Bridges Across the River at THE ARC, Richard Lake of Roadside Development, and Wayne Dickson of Blake Dickson Real Estate, in an attempt to illustrate some best practices found in the city relating to desired uses expressed in previous meetings and renovation of historic buildings based on needs and wants expressed at previous meetings. Following each presentation attendees asked questions and engaged in discussion with the presenters relating their expertise to issues of lower 8th street.

Some additional info from Edmund Fleet's presentation – THE ARC

THE ARC stands for "Town Hall Education Arts & Recreation Campus" and is located in Ward 8 at 1901 Mississippi Avenue, SE - website - <http://www.thearc.org/>

When fundraising for the \$27 million 110,000 SF facility a needs assessment was conducted with community stakeholders.

Opened in 2005, yearly 45,000 – 55,000 thousand come through the doors of the theater

Washington Ballet teaches 260 students at THE ARC

300 events per year at THE ARC theater including the National Symphony Orchestra.

Questions for Edmund Fleet

How many seats in the theater and how do they manage the mix of space?

- 365 seats in the auditorium
- Each nonprofit signed a long term lease of 15 – 20 years and is responsible for their space. There are other common areas such as some classroom space, Gymnasium, etc.

How are the operation costs allocated?

- The \$600,000 annual operating costs are shared by all tenants on a pro rated basis based on size of space occupied

Is the facility subsidized by the city?

The fundraising for the 27 million for construction did include some city funds, in addition to private and other nonprofit donations. But currently THE ARC receives no money from the city to operate or run the facility. Revenue comes

from Theater programming and rental, as well as rental of other space such as a community meeting room used by various groups to hold community meetings or functions.

Is there food preparation space on site?

- No, there is no food preparation space, this was done as a cost saving measure

Transportation, how do people get there?

- There are 200 parking spaces on site and they are in a surface lot
- There is a metro bus stop at the location
- The facility is a 5 block walk from the Southern Avenue Metrorail station on the green line

Richard Lake – Roadside Development

Richard Lake spoke about 2 developments by his company Roadside Development. This first was a project completed in 2005, Cityline at Tenley and the second a project currently in development, Citymarket at O, which has all of its entitlements and is target to begin construction in the next 12 – 18 months. Both projects involve the adaptive reuse of historic buildings and both are mixed-use in nature incorporating residential, retail, and in the Citymarket project a grocery store and hotel as well.

Highlights of Richard Lake's Presentation

Cityline at Tenley

- Old Sears building on Wisconsin Avenue atop the Tenley Metrorail station initially built in 1941
- Then became Hechinger building
- Roadside bought the vacant building in 2001
- Retail opened in 2003 and residential condos delivered in 2005
- Example of good historic renovation (Lewis, Washington Post Article)
- Drilled down to bedrock of columns and reinforced them so they could handle weight of retail as well as residential and parking on top
- Underground parking already existed
- 92,000 SF footprint
- When building the residential on top, they had to use a completely different grid for column spacing as retail necessitates fewer columns while residential requires a completely different grid.
- In initial community meetings attendees wanted a hardware store to replace the Hechinger that used to be there, and virtually all wanted a Home Depot
- Roadside pursued Home Depot and had a deal executed with them
- When looking at how to build out the space, Home Depot could not make any floor plan work with their required merchandising strategy (i.e particular product types clustered together) so they backed out of the deal

- Roadside conducted research and found that 75% of the homes in the surrounding neighborhood were built before 1970. They felt that potentially a Container Store would work well as many homes could benefit from space maximizing devices and at the time there were no other container stores in the District of Columbia.
- The retail opened in 2003 with restored open facades resembling the initial look the building had when Sears opened it in 1941
- The retail included a Container Store and Best Buy. A couple years later a locally owned Logan Hardware store would open as well providing the hardware store as well
- Additionally, as an added bonus to the residential condos that would be built above, Roadside provided CAD files of each unit to the container store so if you live above you can go down to the store and view an electronic layout of your condo and they can work to design a custom closet or other needs.

Citymarket at O

- Located just north of the convention center on O Street between 7th and 9th Street, NW
- On the site is the historic O Street Market building initially built in 1881 and was once one of Washington's several public markets
- The historic market will be the home of a new 71,000 SF Giant grocery store replacing the old giant that is currently on the site
- In total there will be 87,000 SF of retail, 600+ residential units (a mix of affordable and market rate as well units devoted to senior citizens who have lived in the neighborhood for years) and a hotel
- There will be two levels of underground parking, this adds an **additional** \$25 million cost to the total project cost, which they have received some TIF assistance for from the city
- They have finished the entitlement process and hope to begin construction in the end of 2010 or the beginning of 2011.

Questions for Richard Lake

How many residential units are there in the Tenley project and what's the parking ratio for the retail?

- There are 204 residential units, which started as apartments but they switched to condos to satisfy the market demand, and there are 150 parking spaces for about 90,000 SF of retail and about 180 parking spaces for the 204 residential units

There have been articles recently about projects that overbuilt parking because retailers required it (DC USA) – Are the 150 spaces enough for the Tenley project?

- Yes the 150 spaces are plenty and the garage is almost never completely full, even during the holidays it's typically about 80% full and the Best Buy has been doing about \$60 million in sales per year - like in Columbia Heights this project sits atop a metro station. This was followed in the evening meeting by a discussion about grocery store parking requirements as well. Roadside Development consulted on the Giant Grocery store in the Tivoli project in Columbia Heights. There are 125 spaces for the Tivoli Giant and that garage is usually not full either, but Giant wanted and initially required 250 spaces. Richard Lake continued to stay that grocers are starting to realize that in urban environments you do not need the parking necessary in a suburban environment because people shop differently. While often in the suburbs people will go to the grocery store once a month and get a month's worth of groceries, that's not what people do in the city. In an urban environment people live more of a "5 minute lifestyle" where they like everything they need to be a short walk, maybe as much as but no more than a 10-15 minute walk way. Lake added that generally people in an urban environment treat a grocery store more like an "urban pantry" going to the grocery store 4 or 5 times per week (Wayne Dickson discussed this in his presentation as well) and getting stuff for just that night or the next as opposed to buying things to last a month.

How often do you reevaluate a project like the O Street project or during the development of the Tenleytown project?

- On an hourly basis, no but in all seriousness we constantly are evaluating a project because things are always in motion and things are always changing. When we bought the O Street site in 2001, we never thought we would be doing 700,000 SF of development on the site, but over time everything from the roof of the historic O Street Market caving in, to community meetings, has shaped what will be built at O Street.

For the Tenley project did you need any height/zoning relief?

- Yes we needed a little bit, about 5 feet which we were able to get. This spawned a comment/question by one of the meeting attendees at the evening meeting about defining a place that "has a there there" and being able to convince retailers there is a sense of place or will be a sense of place once development occurs. The question was asked if we should at least look at or think about allowing for some kind of minimal upzoning in order to create the kind of place and in order to be able to attract the amenities that we want? Richard Lake made a couple of comments that in terms of convincing retailers to come into the city it takes much less convincing than it did 10 – 12 years ago, but still need to show them that a market does exist, and in some cases may want or need a little more density, citing that someone earlier in the meeting mentioned REI as a tenant that they would love to see, and that "well, REI likes to see lots and lots of bodies". Lake also commented that

“retail wants to be organic” and happen naturally. But when looking at retailers size you may determine that based on the type of tenants you want to attract it may be worth looking at density. When discussing density comments ranged from supporting some density increase, to completely opposing any additional density to supporting some density if would benefit attraction of retailers and spark movement in lower 8th so long as the historic elements of a renovated building were preserved. Another attendee mentioned that maybe the area could be considered for a PUD area where people could still build by right, but if they wanted to try to get more density there would be a mechanism for the community to exact some benefits and an intensive design review.

Additionally it was noted by Michael Stevens that the Office of Planning wants to hear the communities will. And the document that the lower 8th vision process advisory committee will present to them will include a summary of what the community wants based on what has been expressed at the meetings, any impediments to achieving what the community wants and potential ways to ameliorate any impediments.

Wayne Dickson – Blake Dickson Real Estate

- While Wayne did not have a powerpoint presentation he lectured on his experience helping attract Whole Foods to P Street in his Logan Circle neighborhood where he still resides today. He spoke about tactics a community can use to convince a retailer that there is a market for them in their neighborhood
- He said that it is MUCH easier to get a retailer to come to your neighborhood once they are already convinced they want to be in DC and that by no means is this a one size fits all strategy and every situation is unique and different. This was the case with the Whole Foods P Street. They had already made a decision to be in DC at 13th and V Streets, NW but Wayne with other community members and a developer were able to mount a successful campaign to get them to P Street between 14th and 15th Street, NW
- Some of the tactics Wayne and other members used were to get people in the neighborhood and coming out of metro stations, asking them if they would like a Whole Foods in the neighborhood and asking them to fill out a bright red card printed on “day glow” paper checking a box that says I want a Whole Foods, printing their name and sign it – then they mailed the cards to the regional director of Whole Foods. After a couple weeks the regional director called Wayne and asked that he stop sending the cards and that they had their attention and the neighborhood was on the radar screen. They also conducted some of their own research even filming the streets around the P Street site and the streets around the 13th and V Street site. And 10 years ago while there was still much development to occur around Logan Circle and the U Street neighborhood, there was more foot traffic surrounding the P

Street site – they also hired people to conduct some demographic information about their neighborhood.

Other General Comments and Reactions to Presentations

- One attendee in the morning noted that he enjoyed the presentations and learned a great deal, he felt that the presentations were extremely valuable but were not specifically adaptable to the Barracks Row/Lower 8th environment and was curious if there were other examples in the country of a situation that is exactly like the conditions found in lower 8th. The same attendee also noted that he found the parking issue education very valuable
- Another attendee noted that he realized the importance of not just analyzing lower 8th in the context of it's relation to upper barracks row (north of freeway) but also in context of the higher density development being built to the west and along the M Street corridor as well as future developments further north in Capitol Hill such as the redevelopment of the Hine School. It was noted that all of the development in these pockets should be mutually reinforcing and compete with each other as little as possible
- At one point an attendee brought up REI and that she thought as time progresses in the near future they might do very well – Richard Lake then noted that REI, their flagship store in Seattle is in a very similar location to Lower 8th and the Capitol Riverfront but also that REI tends to open stores where they have strong catalogue sales as they meticulously track their sales data.