



Braddock Metro Neighborhood Plan Educational Workshop #2

- ***Retail Development Feasibility***
- ***Historic Preservation Context***
- ***Office and Residential Development Feasibility***

**Meeting Summary
October 20, 2007**

INTRODUCTION

Robert Kramer began the day thanking participants for coming out on a beautiful Saturday, and reminding them of today's point in the Braddock Metro Neighborhood planning process: there was a Town Meeting on September 24th, and the first Educational Workshop on October 16. Today's second Educational Workshop will focus on three topics: Retail Development Feasibility, Historic Preservation, and Residential and Office Development Feasibility. The presentations will be followed by a walking tour with the consultants and City staff, so that people can talk about what they like and what they don't like in the neighborhood. There are handouts for each presentation and a map of the walking tour. After today, there is a third Educational Workshop on Transportation on Monday, October 29, and then the Charrette on Saturday, November 3rd. Participants are encouraged to attend all meetings, and especially the charrette. That is a critical day because it is an opportunity to determine what the neighborhood wants to see in the community.

The purpose of the Educational Workshops is to put out information so that everyone is working from the same base of information. Some of you are experts in all of the topics to be covered today, but not everyone is. Some of you know one field well, but not the others. This is the time for everyone to come up to the same level of knowledge.

Mr. Kramer reminded the group of the seven community goals, displayed at the last session. They capture the points about which there was considerable commonality in the interviews. Bob summarized the goals as indicated below:

- The sense of place/neighborhood identity goal is based on a variety of comments all geared toward the same idea. People talked to us about wanting a neighborhood with an identity, using words such as "vitality" and "diversity."
- As to open space, many people talked about the desire for more green space. Some spoke of specific locations, some talked about places that did not work well, and some talked about money for parks. But the common theme on this point was to have open space that worked for the community.
- Many spoke of the need for safe, well lighted paths for walking from place to place in the neighborhood, especially to and from Metro.

- Public housing was also a common theme, and people are concerned about this neighborhood having more than its fair share, about wanting to enhance the existing public housing, and about improving the area for the public housing residents as well as for the broader community.
- Retail is something everyone wants and it will be covered in today's session.
- Transportation and parking were discussed by many and will be the subject of a presentation on Oct. 29.
- Appropriate height and scale are also common concerns and we devoted an educational workshop session to that topic last Tuesday night.

David Dixon spoke of the consultants' appreciation for participants' interest and dedication to this process. He repeated the importance of the charrette as a chance to begin to work on cultural change. He perceives a bit of an "us" and "them" attitude by the community as to the City government. The charrette will be a chance to begin good communication back and forth, not only among participants but also between the community and the City. The charrette gives the community an opportunity to tell the City what it wants, so the City can negotiate for it on its behalf.

Three sessions, on Retail Development Feasibility, Historic Preservation and Residential and Office Development Feasibility, were conducted. The sessions were video taped for future use and reference. Then a bus/walking tour of the neighborhood took place, with consultants and City staff present so that participants could ask questions about specific sites in the neighborhood.

EDUCATIONAL WORKSHOP: RETAIL DEVELOPMENT FEASIBILITY

Heather Arnold, of Compass Point LLC, introduced herself, stating she is aware of the challenges of attracting retail development in today's market. She has been involved with the study of retail development in the Braddock neighborhood since the beginning of this process. She suggested that the audience follow along with her handout as she spoke and gave her email address encouraging participants with questions to contact her at harnold@retailcompass.com.

She listed the topics she would cover in her talk, including an overview of the market, discussing Braddock's customers and its competition, describing existing retail, outlining the potential for new retail and identifying methods for attracting retail development. She also highlighted the fact that the retail market had changed in the Braddock neighborhood in the three years since she first studied it.

In assessing a retail market, one must perform an equation that appears simple on the surface but is actually quite complex: Total retail supply subtracted from total retail demand equates to the total unmet retail demand or development potential. Another seemingly simple concept in retail analysis involves the

standard economic balance between supply and demand. The difference between the amounts of spending available (demand) and the total square feet of retail space available (supply) results in the potential for additional retail market.

Generally, there are three categories or types of retail development used in a standard analysis:

- **Neighborhood Goods and Services** includes basic needs, such as dry cleaners, groceries, drug stores, bakeries, florists, nail and spa salons, and everything customers would include on weekly; for example, Saturday errands. Such stores need a concentrated neighborhood and limited competition.
- **Food and Beverages** includes coffee shops, ice cream stores and restaurants. This group requires very good visibility, parking, loading and locations close to other similar uses.
- **General Merchandise, Apparel, Furnishings and Other** includes both large and small stores selling all matter of shoppers' goods, such as books, hardware and anything sold in a department store, although in separate retail spaces. These stores require a high median income and high visibility and like to locate near restaurants and be anchored by larger stores with similar customers.

When retailers consider locations, they will immediately ask three screening questions: How many people are in the market area, how close they are to the potential retail site, and how much money do they have to spend. If these criteria are not met in the first instance, a retailer will typically not even proceed to look at the area or ask the next level of questions: what is the value of nearby homes, what level of education do the potential shoppers have, and what is the number of family households living there? The analysis used to make these inquiries is very scientific and depersonalized.

The Braddock Metro "trade area," is actually quite small, with only 4,193 households in it. It also has physical and psychological boundaries which limit it, including the railroad and Metro tracks on the west, Washington Street on the east, King Street on the south, and the Route 1 bridge on the north. Furthermore, once someone gets onto Henry or Patrick Street, it is all too easy to leave the neighborhood. There is a secondary market, which is typically defined as where shoppers will go on a monthly, rather than a weekly (primary market) basis. In the Braddock case, the secondary market doubles the number of households and raises the income levels slightly. This is good news.

The median household income in the area has increased in the last three years and actually outpaced the national average. In the primary trade area it is \$90,000. This has a tremendous impact on the neighborhood's ability to attract new retail stores. This is excellent news.

There are challenges for the Braddock Metro neighborhood retail market, including:

- poor quality of existing retail space;
- unfocused locations, distributed throughout the neighborhood;
- Henry Street, with its high traffic, is difficult for neighborhood retail; and
- Very strong nearby retail competition.

Despite Henry Street's high traffic and good visibility, parking there is difficult, it is on the edge of the existing market area, and once someone gets onto either Henry or Patrick Street, it is very easy to go other places. There are many other places to go for shopping that are not far away, and the competition has become even worse in the last three years, with the opening of Whole Foods, Arlington Gateway, and Potomac Plaza. Beyond those locations, there is still King Street, Mount Vernon Avenue, and South Washington Street. The community must recognize that the Braddock neighborhood is surrounded by good retail, and it needs to concentrate in the future on its realistic retail possibilities.

Overlapping market areas created by nearby grocery stores, including Whole Foods, two Giant stores, and Trader Joe's, essentially close out the Braddock market as a realistic site for a new grocery store. As to Harris Teeter's supposed interest in this location, Ms. Arnold indicated that she was always skeptical about that because it never made sense from a simple market standpoint. At the same time that retailer was talking about the Braddock neighborhood, an area already covered many times by local groceries, it was also looking at the Arlington Gateway site, which showed a much better market demand.

Ms. Arnold performed a retail study for the area, which showed that there is approximately 46,000 square feet of existing retail space. About 1/3 of the space is devoted to each of the retail categories, basic needs and shoppers' goods, and a little more than that is in restaurant space. In Ms. Arnold's opinion, one has to discount these numbers some because so much of the existing retail is fairly weak and because so many people go out of the neighborhood to shop.

In terms of retail potential, there is demand for more space, especially for retail in the "basic needs" category. There is a good combination of potential for basic needs (45,000 sq. ft) and more dining out space (10,600 sq.ft.). The numbers are just guidelines. One thing our analysis showed is that there really is not a strong market for boutique shops because they are very risky.

Factors that enhance demand for retail include new households, additional office workers, and a physical concentration of retail space so that it is not scattered all through the neighborhood. In addition, retail requires good visibility from cars, even if those vehicles are not going to stop there. Potomac Plaza is a good

example of this phenomenon. The Slaters Lane visibility establishes the retail as a “place,” even though those drivers do not stop there. Finally, good retail space must be designed well to suit retailers, with high ceilings and doors on the street.

Ms. Arnold encouraged the audience, when it stops at Braddock Place on its tour, to look at the quality of that vacant space and compare it to her comments. Even though it is located close to the Metro, the location of its door away from the street, and its poor visibility to the passersby on the street, all lead to critical market problems. It requires higher traffic volumes as well as proximity to the Metro.

Ms. Arnold concluded by summarizing her findings: The neighborhood has some retail potential. It must be located and designed well. Efforts to attract retail should focus on neighborhood convenience shopping in the basic needs category.

Questions and Answers

Q: In addition to a primary and secondary market area, isn't there a tertiary market that looks not just at the people who live in the area but also the Henry Street traffic?

A: The primary reason for a retail market is the housing and income of people in the immediate area. Commuter traffic is counted but in a different way. Studies have shown that commuter traffic rarely gives more than just a little boost to a retail market.

Q: Planning and Zoning told us that our retail market is underserved. Isn't that a direct contradiction to what you have told us about Harris Teeter?

A: It may not be a contradiction, if you consider non-grocery store types of retail uses for which your neighborhood does have demand.

Q: If you think we are adequately served by the local Giant stores, then you have not been in there.

A: I understand that these stores are not large and modern, but in terms of retail analysis, when you need milk, you need milk and will go to these stores regardless of the fact that they are not your ideal grocery. As to the existing two Giants and the Safeway on South Royal, the City should leverage these sites and try to get better stores there. Giant has now begun a renovation program, so the timing is good.

Q: How do you determine the size of the circles you used for local grocery store market areas?

A: First, these are just diagrams; they are not exact. Second, the general rule is to go out ½ a mile for a traditional grocery and ¾ mile for a specialty grocer like Trader Joe's or Whole Foods.

Q: What about the auction house, Dan Donnelly's, and the antiques store on North Fayette Street behind the new Monarch building? Don't these stores show a strong retail market?

A: These are fantastic retail experiences, but they are not drawing from the immediate neighborhood. They are destination sites with a citywide and regional market. They would benefit greatly from more retail in the area.

Q: Do you agree that nodes or linkages for retail are desirable.

A. Yes, there should be one or two concentrations of retail locations in this neighborhood in order to strengthen the individual stores and the market. Make sure that retail locations are not scattered throughout the neighborhood.

Q: Your comments, even in earlier meetings, are very enjoyable. They are clear and honest. Planning and Zoning and developers need to learn from you so that our expectations are not built up unrealistically.

A: Harris Teeter was a bad experience for the City. They were taken in also.

Q: What do you think of Sergeant's Restaurant and its potential?

A: I would support its rebuilding and an improved Sergeant's Restaurant.

Q: In the past, ground floor retail has been required by the City, but the City's zoning definition of "retail" allows many forms of uses including insurance companies, financial and real estate offices. The City needs to define retail and personal service better.

A: I agree.

Q: We need to count households, and analyze economics for retail space looking out 15 – 20 years.

A. I agree.

EDUCATION WORKSHOP: HISTORIC PRESERVATION CONTEXT

Mary Means, Mary Means & Associates, introduced herself, explaining that she has lived in Alexandria, just two blocks out of the study area, for 20 years. She has a national planning practice focusing on preserving community heritage in a

growing national economy. She rarely works on individual buildings anymore, and typically takes a larger view for a community, including urban design. That is her approach for the Braddock neighborhood in her comments today.

It is important to note two strong historic antecedents for this neighborhood. First, this part of the downtown Alexandria area was begun as an industrial area. It was created with large parcels for warehousing and factories, some of which are still around today. Industry was attracted here also because of the railroad and transportation links, the remnants of which are also still here, such as on Fayette Street. There were food processing plants for the Union Army during the Civil War here and, later, a beer bottling plant, a steam bakery and a dairy. There were also homes built nearby to house the workers for all these businesses, as well as for the railroad. These industrial sites were also related to Alexandria's waterfront which was historically an industrial port, with the Torpedo Factory being only one example.

There is also the historical precedent here of segregation, and the African American community of Uptown. The African American population in Alexandria dates to the colonial era, and there are ten locations in the City where African Americans historically lived. During the Historic Preservation Conference last spring, Lillian Patterson spoke about Uptown and her thoughts were strong and insightful. One of the things she explained was that every public housing location we have now was previously an African American neighborhood. She asked the group at that session whose history we should be preserving, how we should remember it and what we want to do with it? She is out of town today, or she would have been with us. The buildings in the Parker-Gray neighborhood reflect its diverse background, as well as the era of segregation. For example, because African Americans were not permitted to shop at all the stores on King Street, their main shopping street was on Queen Street, as well as at corner stores throughout the neighborhood

In addition to in Alexandria, there are many cities where historically African American neighborhoods are at risk, including in Richmond and Jackson, Mississippi. The threat has to do with rising land values, as is true in Alexandria.

While it is very easy to reduce historic preservation to a battle (land values v. history) it is tougher to face the real challenge which is to identify and celebrate the cultural value of the area. It is hard to reach an agreement in a community on cultural values but it has to do with why we choose to live where we live. We need to really try to listen to each other, making sure no one faction dominates, in order to factor non-economic values into the redevelopment equation.

Parker-Gray for years has been a locally regulated historic district with design review of new buildings and additions by a local review board, the Board of Architectural Review. There is now a nomination pending to the National Register of Historic Places. Ms. Means has some experience with such

nominations, and a multifaceted view of the historic preservation issue. Her first job was writing nominations to the National Register, and her second job was reviewing nominations, including some that she had written. She has also worked on historic preservation issues at the local, state and national levels, as well as for a national not-for-profit, and is currently serving on a national committee considering appropriate modern historic preservation efforts.

There are real and theoretical benefits to being on the National Register. One that has limited application here is that a listing protects communities from federal actions, such as a new dam or highway built with federal government money. A listing can also be a benefit in some places because some properties on the National Register will qualify for tax credits. Because of the high property values in Parker Gray, however, tax credits will only be available if people spend an exceptionally large amount of money to improve their properties. Ms. Means cited as an example her own experience with a house in the Old and Historic District which, despite extensive improvement dollars, did not qualify for tax credits because of the high value of the property. She concluded that the real benefit to a National Register listing for Parker- Gray and other places is the validation of the importance of the place for the people who live there.

Focusing on Braddock and Parker Gray, she notes its small scale of buildings but skyrocketing land values. The issue thus becomes how to make preservation work in the real world. Once Metro was established a slow but definite change in the dynamics of the neighborhood occurred. Ms. Means asked the audience for a show of hands as to how long they had lived in the neighborhood. Most people indicated that they had arrived in Braddock in the last decade, although there were some who came longer ago, a few who have lived here since the 1970s, and at least one person who had been born and raised here. The point was that people are choosing to live in Braddock because it is right next to Old Town, because of the Metro, and because it is a diverse neighborhood with a mix of newcomers and longer term residents. They are probably not coming to Braddock because they decided they wanted to live in a historic neighborhood.

There was earlier talk about Dan Donnelly's and the antique shop on North Fayette Street. For the record, they moved from King Street because of the much cheaper rents. They also are a good example of what Ms. Means considers "third places," or natural community gathering sites. Although these stores cater to regional and even national markets, they also attract local neighborhood residents who gather there because of the activity. It may not be Starbucks, but it is a neighborhood gathering place of importance all the same.

Preservation is more than just about buildings. On the 200 block of North Fayette Street, the American Legion building appears to be a nondescript, shabby building. However, it is also an important historical place because during segregation, it was the only place in Alexandria where people such as Ray Charles and Ella Fitzgerald could perform. What is now the church at the corner

of Queen and North Fayette was, during segregation, the movie theater for African Americans. These two buildings are examples of buildings that have stories to tell. And there are probably lots of people who do not know what those stories are. Nevertheless these are examples of community institutions and the community's cultural history.

It is time to put some history back into historic places, and not just by specifying the type of window lintels that are permitted. We also need to help mute places speak, by telling their story. This process is called "interpretation" of places, identifying the "what happened here," the "who were they," and the "what meaning should it have for us" of a place. This was done in the Sweet Auburn African American neighborhood in Atlanta, by placing markers at key buildings, such as a home Dr. Martin L King lived in, and by repaving a pedestrian way not only with trees, but with pavers incised with sayings, news accounts, famous people and stories about the neighborhood. Some buildings were preserved and some were not, but the story is out there for the community.

Another example of interpretation is on the Eastern Shore in Dorchester County, Maryland where Harriet Tubman, the famous slave who escaped and helped others escape slavery via the Underground Railroad. All of the buildings are gone from the time of slavery, but the story is still there by way of an interpretive sign. When you stand next to that cornfield, the story has been preserved and makes it different from any other cornfield.

As you walk around today, think about how specific locations can and should be changed. Which are the sites that *must* be preserved? Which *should* be preserved? Think also about how to use the value from developers as leverage to save history in your community.

In response to someone who asked her where the best place to live is, Ms. Means identified the following attributes: good schools, a mix of income levels, with rich and poor people living together, good transit/Metro system, and walkable streets, all of which are characteristics of Alexandria, and especially of the Braddock neighborhood.

Questions and Answers

Q: Engin Artemel, prior Alexandria Planning Director, discussed the establishment of the Parker-Gray Historic District in the 1980s and explained that its purpose was to preserve the neighborhood for the Black people who lived there and preserve their history. The purpose was not to create an annex to Old Town. We are in danger of losing the Parker Gray history as a result of rising property values: newcomers are moving in and upgrading their properties; old timers are moving out.

A: I agree. The creation of the historic district did not cause the change. It was created in response to the fact that change was happening.

Q: It is very good, very important that you came here today to talk about economics and history.

A: Thank you.

Q: I would like to know what an earlier speaker meant when he talked about “us” and “them.”

A: Sometimes, the “us” and “them” is in the eye of the beholder. It is important that all people in the room today come to charrette on November 3rd to ensure that all voices are heard.

Q: The Parker Gray Historic District was never meant to be part of Old Town.

A: I agree.

Q: There was a movement by Eudora Lyles to create a trust to capture economics.

A: Pam Cressey, the City Architect, has discussed different approaches with me, including easement programs, depending on what it is that the community wants.

David Dixon spoke about his use of the terms “us” and “them” in earlier comments. He was referring to the apparent split between the community and their perception of City government. There are different values here. There are developers, citizens, City staff people, rich people and poor people. What needs to happen is for everyone to talk to each other. While there may be multiple values in the group, we need to be more unified in describing what we want for the neighborhood.

EDUCATION WORKSHOP: OFFICE AND RESIDENTIAL DEVELOPMENT FEASIBILITY

Sarah Woodworth, of W-ZHA Associates, introduced herself and explained that what her firm does is work with both public sector and private development clients to ensure that development generates benefits to the community. She outlined her talk as including what a reasonable developer needs to do and how to derive a community benefit from it, which is all a function of the market and development economics. Her purpose is not to shift all responsibility onto developers but to provide a greater degree of understanding about the decisions developers make.

Ms. Woodworth presented facts about the Washington, D.C. regional economy and described it as extraordinarily strong. It lead the nation in job growth from 2000 to 2005, and is growing faster than anywhere else, principally because of the growth in Northern Virginia. It is the wealthiest region in the country with a median income over \$70,000. In Alexandria, there is very low unemployment, there is high job growth, and there are four Metro stops. Alexandria is projected to continue to grow. These factors make it uniquely accessible to the real estate market.

In terms of the office market, Alexandria is strongly situated. It is part of the largest office market in the country. 1/3 of that market is downtown Washington, D.C.; the remaining 2/3 is located in the Virginia and Maryland suburbs. It has approximately 13 million square feet of office space, accounting for 7% of the D.C. suburban office supply. Its office supply is 95% occupied, which compares favorably with the average 11% vacancy rate among other northern Virginia locations. As a rule, space inside the Beltway is both more desirable and more expensive than outside the Beltway. The average office rents in Northern Virginia are \$34 per sq.ft; Alexandria has an average rent of \$36, and that includes all types of office space from Class A (large new buildings with elevators) to funky spaces. So, the office market is very tight and very expensive and Alexandria is doing very well. Within the Braddock Metro neighborhood, there is approximately 510,000 sq. ft. of office space, with an overall 6% vacancy rate and an average \$31 per sq.ft. rent. The Braddock Place development, right by the Metro, includes 343, 800 sq.ft, a 4% vacancy rate currently and \$31 per sq.ft. rent.

As to the housing market, although there have been dips in the market recently, all housing value trends are going up for both Alexandria as a whole and for the Braddock Metro area in particular. Ms. Woodworth presented graphs showing that while on the rise, generally, Braddock housing prices have been erratic, and Alexandria housing prices, representing a much larger area, have been more stable. Median housing sale prices citywide is \$440,000 and \$360 per square foot. In Braddock the median sales price is \$450,000 and over \$370 per square foot. The highest prices in the City are in Old Town and Eisenhower East, but the Braddock area is above the City average. Recent condo sales in Braddock are over \$400 per sq.ft, which represents a very, very strong residential market.

The conclusion to draw from these market facts is that the area and the City are in a very strong market for both office and residential real estate. With Metro, it makes the Braddock area very competitive. Space within walking distance of Metro has become very scarce in the region. Therefore, the community should be asking how it can leverage the value of land in the neighborhood. No one wants development for its own sake. It can bring with it benefits, and that is what the community should want to capture.

Often, a community believes that, especially in a strong market, developers are making a killing and the community gets no return. In order for the community listening today to understand more about the economics of development, Ms. Woodworth presented examples of what it would cost to build a theoretical new condominium unit in the Braddock neighborhood. When developers work out their costs, they do it on a per square foot basis. In the example of a condominium unit selling for \$425 per gross square foot (gsf), the cost to build the unit is \$390 per gsf. The cost figure includes several items, including:

- The cost of the land, which is calculated here as \$56 gsf, but the land cost is always a function of how powerful the market is and how restrictive the zoning regulation is. The less restrictive the zoning, the more value there is in the land.
- The cost to build a building, which has skyrocketed in the last several years. In this example, we are using \$160 gsf for the construction of the building.
- The cost of parking. Structured parking for the hypothetical unit will cost about \$26 gsf, but underground parking increases that cost to \$40 gsf.
- Financing costs which are a function of interest rates.
- Developer profits, which vary in different parts of the country. For example, in Rochester, developers expect to achieve a 15% profit. Five years ago in this market, developers were achieving a 25% profit. Now most in this area are satisfied with a 20% profit.
- There are other costs added in, such as site development, demolition and infrastructure costs

The question then becomes: how much is available after the developer takes a reasonable profit to invest in public improvements? In our example, and assuming a 100,000 sq.ft. lot and a 1.5 FAR, resulting in a 150,000 sq.ft. condo building, there would be \$5,300,000 available. That example assumes structured parking. If, as is typically the case here in Alexandria, the same building were built with underground parking, the amount available for public improvements is reduced to \$1,900,000. If you increased the density of the same building to 2.5 FAR, so the building is 2,500,000 square feet in size, then the example with underground parking changes and, instead of \$1.9 million, there is \$4,000,000 available for public improvements. Some communities choose to increase density for this purpose; others choose not to. These are tradeoffs to be considered depending on the long term neighborhood goals.

One of the key challenges in this arena is finding mechanisms by which you can ensure that any public benefits achieved through development, especially if it is achieved through increasing density, is returned to your community, and not spent elsewhere across the City. There are a variety of ways other communities do this. One mechanism not used here or in other Northern Virginia jurisdictions is tax increment financing whereby the City creates a district and all increases in property taxes after it is created get collected and are used to pay for

investments made within the district. If not by a TIF, there are other ways to capture the added value to a developer so it can be returned to the neighborhood. The challenge is always to work with the developer and the community for a win/win outcome.

Questions and Answers

Q: You talk a lot about the private sector providing community benefits through development. Is not neighborhood improvement also a government responsibility?

A: Yes and while I was explaining the private side I did not mean to overlook the need for public investments as well.

Q: In your development financing example, when you considered density, did you consider the # of parking spaces.

A: Yes, I considered that.

Q: The City imposes extensive conditions on developers in the SUP approval process. There are sometimes up to 150 conditions, in addition to underground parking, and they all cost money. Also, as you build bigger buildings, the cost per sq.ft. increases.

A: These are points well taken. But the key point is that it is easy to say we'll get a lot out of a developer, but the developer is not pocketing all of it. Development and construction costs are very high. With the SUP conditions or proffers, it is true that there is a limit to the money available. But the strategy is to keep the money within the district.

Q: Are you aware of a study done with regard to the Landmark Mall area about development economics? It showed a series of development scenarios, and one of them was building townhouses where the developer earned up to 40% in profit.

A: It is true that without SUP approval and proffer requirements, there could be a much higher profit. When we negotiate, we typically say 20%. Whatever the profit figure is, the community needs to be proactive about what they want.

Q: I live outside the study area, but on Braddock Road, and believe that we should get some of the benefits too, especially if we have to live with the increased density and traffic around the Metro.

A: Good point. This is a question that requires a community policy decision.

Q: In the development process, we do not know the developer's finances. How can we know that we are getting value and that he is not getting more than 20% profit or that we are not just bailing him out of a bad land deal?

A: It is true that it is difficult to know the developer's real numbers. But be diligent. It takes a lot of work. Also, there are experts in the field that can be hired to help tell you.

Q: Some things the community wants are also desirable to the developer too, such as nice streets and lighting, landscaping, and even underground parking. He will put those things in anyway for the benefit of selling his units, so we should not add that on the community requirement side of the equation.

A: I agree conceptually with that. By improving the place the developer is protecting his investment.

Q: The developer will put in the amenities. That is true. But the SUP conditions are established in this city and accepted as costs of development, so the developer really does not have a choice. I am further disturbed by the emphasis here on the development costs. Should not we be doing the plan first, agreeing on what we want, then figuring out what that costs and dividing it up to see how much development we need to pay for it?

A: The intent is to educate the community as you come up with a plan. The private developer cannot do everything. The community and the city have to deal with the reality of development economics. The whole point is to realize how what you add to the SUP approval or other requirements limits what can come from the private side.

Q: This is an excellent, clear explanation of development economics. The sessions on all three topics today are the best I have heard in this city. Isn't it also true that with reduced parking requirements, and other Transportation Demand Management techniques that we want in order to reduce traffic, costs will be reduced to the developer?

A: Yes, to the extent you lower parking requirements, even the cost of underground parking is reduced.

Bob Kramer concluded the meeting part of the day by acknowledging Vice Mayor Del Pepper and Councilman Krupicka's presence. He reminded the audience of the Education Workshop on October 29 on Transportation and the Charrette on November 3rd and encouraged everyone to attend.

He also invited everyone present to continue the session by boarding the buses outside in order to learn more about the neighborhood on the bus/walking tour

and to have an opportunity to ask questions of the consultants about individual sites as we travel to them. Lunch is being provided.

EDUCATION WORKSHOP: WALKING TOUR

A group of as many as 70 attended the walking tour, which included stops at the Black History Museum, the Madison development site, the Jaguar development site, the courtyard within the Braddock Place complex, the space at 1261 Madison Street, the Braddock Road Metro Station, Colecroft, the Monarch development site, the Queen Street retail between Fayette and Henry Streets, and the Prescott development on Cameron Street which is near completion.

There was extensive questioning and discussion at each of the stops. Topics of discussion included the following:

Madison development site

- This is a 7 acre site in single ownership.
- Harris Teeter is not going to be part of the development.
- The developer would like to see the Madison development application considered this winter.
- Demolition costs would not be great here, unless there is environmental cleanup, which does increase costs a great deal.
- The history of this site includes its research role during World War II.
- The variety of different contexts on each side.
- The potential for a road or pedestrian connection across the site. The developer explained that First Street is a better place for a connection than Montgomery Street, because there would be leftover land if the connection were at Montgomery Street. Someone suggested a land swap or that the extra land be used as green space.
- The current proposal for this site is 25,000 sq.ft. of retail, with residential above; major break through the site for pedestrians; stepped up height from 50 to 70 feet (90 feet permitted). The developer explained that he has been in discussion with the community about this site for the last three years.
- Samuel Madden Uptown, across Henry Street, is part of the Braddock East planning area. It is not part of the HOPE VI plan and there is no timeline for it.

Braddock Gateway (Jaguar)

- Density makes sense in this location
- Density does not have to be a big block at a single scale. A variety of building types can be built.
- Site needs to be rezoned, which means it is early in the development review process, even though the developer has shown the community a very specific plan.

- There have been community meetings about this site and they will continue.
- Should not write off height in this location; can have height and active pedestrian scale.
- Instead of thinking about density as a concept, we need to study the area block by block.
- Adjacent land across the tracks is part of Potomac Yard.

Braddock Place

- This is a testament to how not to plan for retail. The space has no visibility. No cars pass it by.
- Additional height and density granted for retail, which was not a good deal.
- Need to make sure that we get back additional public benefits for height and density.
- This was the Parker-Gray School site and there was no additional density granted.
- What could be done with the vacant retail space? Live/work units are a possibility.
- How do we get developers to contribute to the public benefits? Need implementation mechanisms as part of the plan to ensure they are actually provided.
- City is committed to making sure benefits are provided in a timely way.
- The open space at 1261 Madison St. is privately owned and part of the Braddock Place development.

Braddock Road Metro site

- There are strong redevelopment opportunities here and there is control over design because it is public sector property.
- Across from this site, the area was known as Rosemont East/Colored Rosemont, and the help from Rosemont homes lived here.
- The height, scale and retail at Colecroft is a good example, even though the FAR is high.
- Consider providing room for similar retail across the street on the Metro site and/or along West Street. This will create the node and clustering of retail locations that Heather Arnold talked about.
- While the existing intersection is not great, there should be sufficient room to rearrange things and make it good for both cars and pedestrians.
- Need to think about both sides of the street.
- There is no plan now; we are creating one.

Monarch

- All of the open space is not public.
- The retail will be a benefit for the community when it is occupied.
- One goal of the Braddock plan is to create guidelines for development to ensure it relates to its contexts.

Queen Street

- This is a celebration of diversity through small business assistance.
- Changing nature of retail. Retailers are not always mindful of market changes.
- For businesses to survive, they may need assistance with rents, etc.