

+ live +



+ work +



+ play +



+ sustain +



Request for Expressions of Interest

# HILL EAST WATERFRONT REDEVELOPMENT



# Executive Summary



## EXECUTIVE SUMMARY

The HDG Waterfront Partners team is elated to be presenting the District of Columbia with an idyllic plan to rejuvenate the Capitol Hill East community – bringing about the re-emergence of the neighborhood through four simple philosophies - **live, work, play and sustain**.

Inspired by the original planning vision of Washington DC, we believe our plan is a natural extension of the city's evolution. In 1901 the McMillan commission recommendations magnified and extended the original L'Enfant plan which extended the city up to its natural limits, mainly the Potomac River. The city evolved along this vision with reinforced vistas to the water and new monuments and parks in a grand and ordered civic space.

We believe the city's evolution should continue along the same vision, reinforcing the vistas to the water and creating new monuments. Our approach embraces the plan for Hill East developed by the city and the community, and extends the neighborhood to the water.

The plan is organized around a network of green, open spaces, and several important streets: most notable are C Street, the main spine of the new community and the primary connection to other Capitol Hill neighborhoods. Each significant "place" in the community enhances the existing setting and provides new parks and plazas, walkable streets, vibrant local retail activity, and a scale of development compatible with established Capitol Hill neighborhoods.

With easy access to Washington's Metro system, the Metro Plaza is the gateway to Hill East. At the center of where the existing neighborhood joins with the new, it is a public space where residents and visitors alike can feel at home. Lined with shops and cafés with residential units above, the plaza is a locus for vibrant community retail activity and events. The first block of C Street will be the main retail strip in the new Hill East community. With residential units on upper floors overlooking the activity below, C Street will become a great place to live, work, and play

Activated by a neighborhood restaurant on the ground floor of the One Planet Living Center, the Village Square will be a lively hub of community activity, as well as the centerpiece of a low-rise residential quarter evocative of established Capitol Hill neighborhoods.

The vision is for a grand promenade and lawn area to capture the scale and ambition of Hill East and extend it to the river. Elements envisioned include a great lawn for outdoor performances and active play; a formal promenade for strolling, bicycling, and running; a series of community gardens for food cultivation; and preservation of the existing wooded edge of the riverbank. A series of walkway connections, both up and down river are envisioned as well. In keeping with the emphasis on sustainable practices, a series of wind turbines may frame the great lawn, providing renewable energy for the park lighting and electrical needs.

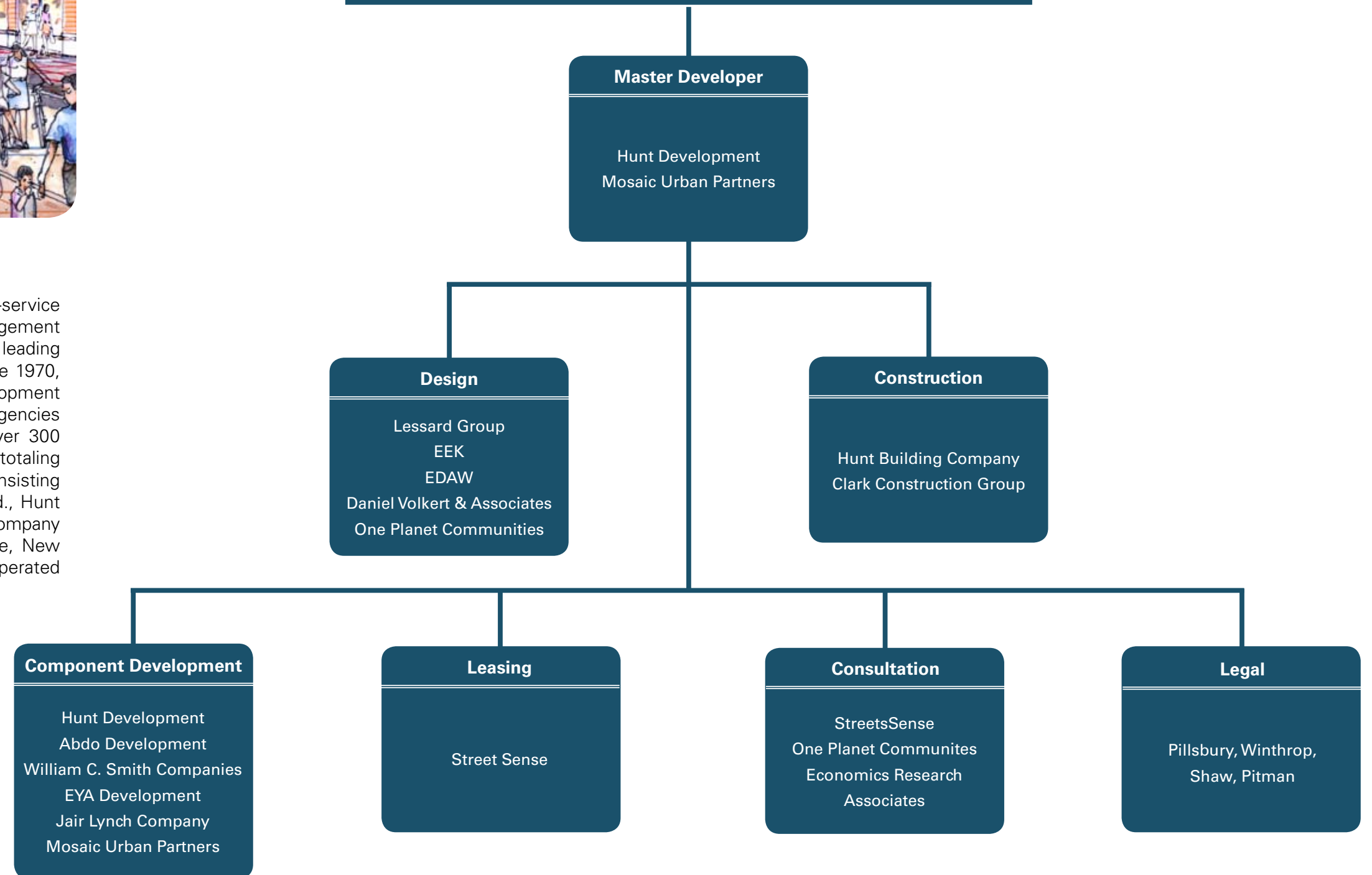
The intersection of Massachusetts Ave and Water Street offers the opportunity for a significant memorial or monument to enrich the neighborhood and the city. It will become one of the few avenues of the L'Enfant plan to terminate at a river and therefore is a unique and powerful moment in the city plan.

The highest density residential and office building are designed around Monument Circle. Vertical and horizontal recesses and projections, elegant roof forms with parapets, cornice treatments and colors create shadows and textured detail that add to the character of these building and reinforce the termination of Massachusetts Ave.

A street wall is incorporated as a visual and physical edge along the middle section of the Massachusetts Avenue. It defines the urban edge between the public realm and the deep set frontages of the historically significant Archbold Hall.

To create a continuity in architecture, the Massachusetts Ave block is designed with varying heights, the lowest facing the 19th street townhomes. Transparent storefronts, active uses and continuous building walls characterize this block which marks the entry to the Massachusetts Ave.



**MASTER DEVELOPER**

**Hunt Companies Inc.** and its affiliated companies are a full-service capital, investment, development, design-build, and asset management company. Founded in 1947, Hunt has become one of the nation's leading developers and builders of housing in the United States. Since 1970, Hunt has primarily focused on residential and mixed-use development and construction opportunities associated with government agencies and the private sector. In that time, Hunt has completed over 300 projects across the United States, Puerto Rico, Cuba, and Guam totaling approximately \$9 billion. Hunt is a privately owned company consisting of Hunt Development Group, LLC, Hunt Building Company, Ltd., Hunt Communities, LLC, and Hunt Natural Resources, Ltd. The company is headquartered in El Paso, Texas with offices in Albuquerque, New Mexico, Honolulu, Hawaii and Washington, D.C. and has been operated by the Hunt family for four generations.



## THE HDG WATERFRONT PARTNERS TEAM

The following is a list of the HDG Waterfront Partners (HDG) team.

Developer /Equity / CBE Partners:

Jair K. Lynch - 15%

Mosaic Urban Partners - 5%

Abdo Development - 10%

William C. Smith Companies - 14%

Additional Local Developer Team Members:

EYA Development - 10%

Design Team Members:

Lessard Urban

EEK

EDAW

Daniel Volkert & Assoc

Construction (Major Subcontractor to HBC)

Clark Construction Group

Consultants:

Street Sense

One Planet Communities

Pillsbury, Winthrop, Shaw, Pitman

ERA

The HDG team is a complex and efficient team brought together based upon each company's area of expertise and their experience in the DC area and market.

## CREATING WASHINGTON'S NEXT GREAT NEIGHBORHOOD

### Introduction

The HDG-Waterfront Partners, LLC (HDG) plan seeks to create the next great Washington neighborhood. Like Adams Morgan, Capital Hill/Eastern Market, Dupont Circle and Brookland, our vision for the new Hill East Waterfront is a world class mixed-use, mixed-income community. We seek a neighborhood characterized by diversity in housing, rich and contextual architecture, a mix of uses, and a home for local businesses, as well as, housing for all economic levels, active and passive public amenities and open spaces, with a special focus on environmental sustainability. We seek to connect to Capitol Hill, yet create new and great "places" that will enhance what exists, and bring day-long vitality to the city's next great neighborhood.

HDG endeavors to develop a sustainable place, to minimize our carbon footprint, and to serve as a national model for beautiful communities and environmental stewardship. In this new great "place" sustainability becomes a living experience; a life style for residents and visitors whom will experience sustainability models on a daily basis.





## MASTER PLAN

The plan is organized around a network of green, open spaces, and several important streets: most notable are C Street, the main spine of the new community and the primary connection to other Capitol Hill neighborhoods, and Massachusetts Avenue, the

grand "l'Enfant" boulevard that will bring the community to the riverfront. Each significant "place" in the community enhances the existing setting and provides new parks and plazas, walkable streets, vibrant local retail activity, and a scale of development compatible with established Capitol Hill neighborhoods.

Block	Building	Floors	Total Area	Rental	Residential			Retail	Commercial Institutional	Office	Light Industrial	Amenity	Parking	
					Condo	Townhomes	TH Area						Garage	Underground
B	B1	4	132,000	132,000									224	
	B2		15,960		140	15,960								
	B3		45,600		400	45,600								
C	C1	4	90,000	90,000									65	
	C2		27,930		245	27,930								
	C3		50,160		440	50,160								
	C4	9	180,000						180,000				360	
	C5		38,760		340	38,760								
D	D1		39,900			350	39,900							
	D2	10	260,000		260,000									208
	D3	3	30,000		30,000									
E	E1		37,620			330	37,620							
	E2		30,000		30,000									
F	F1	5	290,000	259,000				31,000						148
G	G1	5	269,000	152,000				65,000		52,000			351	
H	H1		39,900			350	39,900							
	H2		30,000					4,000		15,000		11,000		
I	I1		39,900			350	39,900							
	I2	10	270,000		270,000									216
	I3	3	30,000		30,000									
J	J1	10	320,000	320,000									408	
	J2	10	190,000	190,000										
K	K1	3	54,000							54,000				
Archbold Hall	Archbold Hall	4	75,000						75,000					
M	M1	9	252,000							252,000			500	
	M2	4	200,000								200,000			
<b>SUBTOTAL</b>				<b>1,143,000</b>	<b>620,000</b>	<b>2,945</b>	<b>335,730</b>	<b>100,000</b>	<b>75,000</b>	<b>553,000</b>	<b>200,000</b>	<b>11,000</b>	<b>1908</b>	<b>572</b>
<b>TOTAL</b>			<b>3,037,730</b>	<b>2,098,730</b>			<b>728,000</b>			<b>200,000</b>	<b>11,000</b>	<b>2,480</b>		
<b>Unit Count</b>				<b>Rental</b>	<b>Condo</b>	<b>Townhomes</b>	<b>Total</b>							
				<b>1,143</b>	<b>598</b>	<b>173</b>	<b>1,914</b>							



## METRO PLAZA

19th Street is the boundary and gateway to the Hill East Neighborhood. With easy access to Washington's Metrorail system, the Metro Plaza is at the center of where the existing neighborhood joins with the new. It is a public space where residents and visitors alike can feel at home. Lined with shops and cafés with residential units above, the plaza is a locus for vibrant community retail activity and events. Towering corner elements along with the overhead catenary lighting provide an appealing entrance and gateway to C Street. Wide sidewalks provide room for café seating, strolling and window shopping. Walking will be a pleasure, so neighbors are likely to meet casually on sidewalks and in shared public spaces nurturing a sense of community.

## C STREET

C Street is the Hill East Neighborhoods' "Main Street" that organizes commercial, civic and residential uses in a planned sequence providing vitality and identity to the community. The facades are designed to be architecturally significant with the highest level of design excellence as recommended by the design guidelines.

Adjacent to Metro and anchored by a new neighborhood-serving grocery store, Architectural features at the corners of the residential building reinforce C Street as a gateway to the community and the waterfront. The first block of C Street will be the main retail strip in the new Hill East community. With residential units on upper floors overlooking the activity below, C Street will become a great place to live, work, and play.

## WATER STREET

Water Street is the best representation for the diversity in land uses, dwelling types and densities of the Hill East Neighborhood. Water Street is distinguished by this variety of building types and uses that are arranged to complement the active streets, plazas and landscaped courtyards along its edge. Buildings line Water Street to create a continuous edge with shallow setbacks creating intimate relationships between the building and street.

## MASSACHUSETTS AVENUE

To create a continuity in architecture between existing and new this part of the Avenue is designed with varying heights, the lowest facing the 19th street townhomes. Transparent storefronts, active uses and continuous building walls characterize this block which marks the entry to the Massachusetts Avenue. The overall composition of this block delivers a primary mass facing C Street and a secondary mass complementing the development along Massachusetts Avenue and 19th Street. Residential, commercial and retail uses are mixed vertically in this block. A very urban intimate relationship exists between the building uses and the adjacent street life providing for an interesting and engaging walking experience.

## INDEPENDENCE AVENUE

The façade features along Independence Avenue are designed to be consistent with the civic scale and character of the other important buildings along this street. Interesting architectural elements that complement the architecture of the neighboring St. Coletta School are incorporated in the façade. Buildings face directly onto the Independence Avenue with parking located at the rear. Increased setbacks and landscaping create a perimeter buffer and provide an appropriate setting for these buildings along the bustling Independence Avenue.



### Coordination with Surrounding Users

Development of the Hill East Waterfront Development Site requires extensive coordination with the Office of Property Management and Department of Corrections, which will operate the corrections facilities south of Massachusetts Avenue SE, as well as with District of Columbia Water and Sewer Authority, the Sports and Entertainment Commission and National Park Service on the eastern boundary of the Site, and with St. Coletta School on the north eastern boundary of the Site and in relation to Parcel B1. Developers should provide a description of how they will coordinate with these neighboring users.

Thoughtful development of the Hill East Waterfront could not occur without the continuous input and participation of the Site's daily users and adjoining neighbors. The HDG team will convene an advisory committee made up of the key daily users of the site as well as the neighboring land owners.

### The Rationale Behind Moving the Village Square Park

The Village Square Park was located centrally to create a symbolic identity and a vital focal point to the Hill East neighborhood. It is designed to evoke the sentiments of the Lincoln Park and Stanton Park neighborhoods of the Capitol Hill where L'Enfant's axes intersect to create large public squares. It relates better to the larger open space network of the neighborhood and the region and maximizes views and vistas with its unique location.

The Village Square Park by its centrality reiterates its position as a "place of crossroads" and reinforces the idea of a "centre"- a geographic center and a clear definition of the public and private space. The townhomes and manor homes overlook this "village green" and their facades frame it.



## Zoning and Planning Variances

HDG will meet and exceed DC land use, planning, zoning, environmental, and other regulatory requirements and goals. The HDG plan is consistent with the City's planning goals and initiatives for Hill East and surpasses even the most aggressive planning requirements, particularly those related to sustainability and green design. Given the extent and importance of the project, HDG intends to involve all relevant District agencies, ANC 6B, and the surrounding community as the plans progress.

Consistent with the Request for Expressions of Interest, the project will blend new housing, office, and retail uses with civic and recreational uses, along with health and science uses appropriate for the new Hill East community and the current institutional facilities in the area. It also will integrate the vast vacant parcels around RFK, and RFK itself, into the fabric of the Hill East community. To enhance the pedestrian experience, the proposed plan will connect the adjacent neighborhoods to the Anacostia River and the related park system through the use of landscaped streets and parks.

## MARKET ANALYSIS

### The Hill East Site

The Hill East site is a 67 acre parcel located in Ward 6, at its eastern edge along the Anacostia River. Known previously as Reservation 13, the site is located to the south of RFK Stadium and the DC Armory, bounded by Independence Avenue to the north, 19th Street to the west, and the Congressional Cemetery to the south. It lies adjacent to the southern entrance of the Stadium-Armory Metro station and faces the Anacostia River. Currently home to several District service facilities associated with the Department of Health (e.g., centers for Sexually Transmitted Diseases, Detoxification, Women's Services), the former site of the DC General Hospital, the city's correctional treatment facility, and adjacent to the newly constructed St. Coletta of Greater Washington (a special educational school designed by world-renowned architect Michael Graves), this site is overwhelmingly civic in nature. There is no retail currently located at the site, though a significant number of office buildings are located here associated with the Department of Health facilities mentioned earlier. The condition of buildings located upon the property varies, but is mainly poor, with several of the 50's-era brick buildings completely boarded up. Most buildings are relatively small in scale—none exceed 4 levels, with the exception of the main hospital building, which is 8. Globally speaking, Hill East is one of the last major undeveloped pieces of property along the District's eastern waterfront—redeveloping this insular, defunct swath of land presents a unique opportunity to reconnect Capitol Hill to the Anacostia River in a city that has historically neglected its rivers. It is important to note that the DC Jail, two acres of medical facilities, as well as Ann Archbold Hall, an historic building, must remain intact throughout and alter the redevelopment effort.

### Townhomes

As a part of the HDG team, EYA's best selling neighborhoods have been located in the District. In many cases, the homes have been located in areas undergoing significant revitalization, where new mixed-use development has served as a catalyst for new investment and more affluent residents. At Bryan Square, Capitol Square, Harrison Square, and most recently at Capitol Quarter, home prices have increased after initial release due to excellent demand characteristics of the DC housing market. The new neighborhood of Hill East Waterfront promises to be no exception.

### Condo Strategy

Abdo Development has extensive experience working in emerging neighborhoods within the District. For over 10 years, Abdo has developed high quality projects in these neighborhoods that have created a sense of place; transformed the physical stock of neighborhoods housing and retail development; and has achieved some of the highest sales prices in the city. We are strongly committed to creating a sense of space and value beyond our own individual projects through quality construction, utilization of public infrastructure and community outreach, which translates to greater demand and greater investment in the community. Historically, our projects have helped to catalyze further revitalization from other developers, both residential and commercial alike. Recent successful developments of projects in emerging markets.

### Affordable Housing Strategy

The plan will not only leverage federal programs such as Low Income Tax Credits for the production of affordable rental housing at 30 percent and 60 percent AMI but also target homeownership with the District's Housing Purchase Assistance Program at 80 percent AMI. This staggered approach will target subsidies effectively for a diversity of incomes. In addition, the team will seek tax abatements for the affordability components of the each project which will allow the team to seek additional tax exempt bond financing for the project to improve the quality of the housing. The tax abatement alone could result in an additional \$15,000 – 25,000 of new sources which could be targeted for more sustainable features in the project. Finally, the team will closing track the





implementation for City First Homes' Land Trust which will provide families with the opportunity to share in the appreciation of their homes with the Trust while receiving a soft second loan at the time of purchase which will allow the family to buy more house now in a rapidly gentrifying neighborhood.

## Retail Strategy

This merchandising plan outlines our vision for the retail component of the Hill East site. On the left is an overall ground level plan with the retail zone highlighted in red. The graphic to the right is a close-up of the retail zone within the plan. The following pages include a breakdown of the retail zone into three sections, a classification of retail that should be located within each, as well as a illustrative list of targeted tenants/tenant types for the Hill East site. The recommendations included in this strategy are derived from our analysis of the market as well as our inherent understanding of the way mixed-use environments function.

## Parking Strategy

Parking in the Hill East Neighborhood will be provided in structured parking garages, underground parking garages and on-street parking. Structured parking garages are designed as multi use, multi functional urban buildings that respond to the street. They are located at the rear side of the blocks or to the sides of the buildings on the interior of the blocks accessed by common driveways from secondary streets. On-street parking is available on all streets within the new Hill East neighborhood and are designed to be safe and accessible.

## ENVIRONMENT SUSTAINMENT PLAN

The goal is simple – create the first One Planet Community in a major US city. Hunt Development Group envisions a neighborhood at the Hill East site that strengthens community, provides a healthier quality of life, and restores nature with an 80% ecological footprint reduction – bringing residents' lifestyles within a truly sustainable, one planet level.

Achieving true sustainability means stretching beyond the highest green building standards for materials, water, energy and indoor air quality to create a Zero Carbon, Zero Waste community. It includes biodiverse greenspace for habitat protection, outdoor recreation, and community agriculture, and eliminating runoff into the Anacostia River. It also means having more local, organic, and fair trade products in restaurants and shops; providing cleaner transportation options; creating quality affordable housing and jobs; and making it easier for residents to adopt healthy, green lifestyles.

HDG has commissioned a completed Sustainability Action Plan for this Hill East bid submission which has been endorsed after a rigorous review process by independent environmental organization BioRegional.

## Renewable Energy Center

35 MWe - Combined Heat and Power (CHP)

Metro Re-Energy, LLC will design, build, own, and operate a renewable power plant that will produce approximately 35 MWe and waste steam. The facility is planned to be located near the far southeast extension of Massachusetts Avenue NE and north of Congressional Cemetery – adjacent to the DC Jail.

## PUBLIC BENEFITS

There are three key public benefits to the redevelopment of the Hill East Waterfront property. HDG's approach to these benefits is consistent with the RFEI.

- Medical Facility
- Environmental Sustainability
- Charter School

## ONE PLANET CENTER

Central to the Hill East community and One Planet Community endorsement will be the One Planet Center prominently located between the metro station and the park on C St.

The One Planet Center will be the resource hub for sustainable lifestyles programs for the Hill East community, the District of Columbia, and visitors. Ecological footprint analysis done by BioRegional in the UK has found that the lifestyle choices of households account for 54% of their total greenhouse gas emissions, emphasizing the importance of the One Planet Center to meet the Hill East Zero Carbon goal.

## PHASING PLAN

HDG has created a Phasing Plan that responds to the following objectives:

- Infrastructure constraints
- Need for immediate success
- Long-term project viability.

## PROJECT FINANCIAL FEASIBILITY

### Transaction Structure

HDG Waterfront Partners, LLC (HDG) envisions a transaction structure which focuses on advancing the District's goals for the redevelopment of the Hill East Waterfront, while at the same time minimizing the inherent pitfalls or risks to development which could hamper, delay, or even undermine the vision of the District. The current economic environment has placed a tremendous strain on providers of real estate capital throughout the entire investment spectrum. Financing structures and executions which were once commonplace have either been radically altered, or in some instances altogether eliminated. With input from the various members within the HDG team the structure proposed herein reflects a cross-section of development activity for which real estate capital is both currently and anticipated to remain available.



## Financing Summary

Financing	
<b>Sources:</b>	
Debt	\$381,933,646
Vertical Dev Equity	\$113,767,379
Developer Equity	\$5,000,000
New Market Tax Credits	\$22,226,250
Low Income Housing Tax Credits	\$27,261,000
Historic Tax Credit	\$3,137,615
Housing Subsidy	\$43,052,318
Residential Sale Proceeds	\$283,799,040
Pad Sale Proceeds	\$41,500,000
Sustainable Infrastructure Funding	\$10,000,000
<b>Total Sources</b>	<b>\$931,677,249</b>
<b>Uses</b>	
Land Purchase Price	\$41,500,000
FAR Land Value / SF	\$38
Remediation, Demolition and Site Preparation	\$68,447,035
On-Site Utilities	\$-
Architecture and Engineering	\$24,036,751
Construction Costs	\$606,139,570
Developer Fees	\$34,414,779
Marketing Fees	\$9,156,148
Legal and Other Professional Fees	\$70,027,337
Off-Site Utilities and Infrastructure	\$-
Other	\$97,965,403
<b>Total Uses</b>	<b>\$951,687,023</b>
(Gap)/Surplus	\$(20,009,775)

## COMMUNITY BENEFITS, OUTREACH AND ENGAGEMENT STRATEGY

### Outreach Strategy

Development of the Hill East property requires extensive coordination and outreach with the surrounding communities, agencies, and neighbors who will be affected by this development. Thoughtful development of the Hill East Waterfront cannot occur without the continuous input and participation of the daily users and adjoining neighbors. The HDG team will convene an advisory committee made up of the stakeholders.

## CBE AND LSDBE COMMITMENT AND DISTRICT HIRING

### LSDBE Equity and Development

HDG is committed to the District of Columbia, Office of the Deputy Mayor for Planning and Economic Developments' (ODMPED) vision for a new world-class mixed-use and mixed-income neighborhood as part of the Hill East Waterfront Redevelopment. This includes a commitment to the to D.C. Official Code § 2-218.49a, which states that in order to be eligible for the role of Master Developer, HDG must demonstrate that it shall receive no less than 20 percent in equity participation and no less than 20 percent in development participation from Certified Business Enterprises, as certified by the District of Columbia Department of Small and Local Business Development (each a "CBE").

### CBE Contracting

The HDG team is committed to the goal of creating business opportunities for CBEs, as well as creating employment opportunities for District of Columbia residents. Participation of local business is an essential element in any construction process, and HDG will establish and implement a respectful, progressive, innovative, and goal-oriented program that serves all sectors of the District of Columbia. Most importantly, HDG recognizes successful participation programs are important to the continued growth and vitality of the District of Columbia and our industry. From our viewpoint, ensuring maximum CBE participation and local hiring is part of a broader commitment to building the capacity of businesses and individuals in the Washington area. Through training and technical assistance, apprenticeship and mentoring programs, and other activities, HDG pledges to work closely with Adams Development to ensure the Hill East Waterfront Redevelopment project lays a solid foundation for community and business success long after the construction work is over. Other streets and places in the plan offer a subtle, yet important sense of place and beauty. An elegant linear park is located along Independence Avenue, softening the landscape and adding value to the new residential and medical uses in that location, as well and providing a welcoming "green" landscape at a significant entry to the city center and Capitol Hill proper.



## SUMMARY

The HDG response to the RFEI achieves the following:

- Provides a Master Developer with the financial capacity, experience and leadership
- Articulates a world-class vision that incorporates and builds upon the prior Plan
- Provides a financially feasible concept with a present day approach to Phasing
- Demonstrates a clear commitment to exceed all goals established by the District related to CBE and LSDBE.



