

TRANSCRIPT

Community Meeting No. 1

October 22, 2005

3:00-5 P.M.

INTRODUCTION:

The meeting began at approximately 3:05 p.m. in the St. Paul's Center main hall at St. Paul's Rock Creek Parish on Rock Creek Church Road and was recorded to make a transcript of the proceedings.

PRESENTERS:

Steve McManus, CFO, Armed Forces Retirement Home

Nancy Czapek, Director, Real Property Division, GSA

Desa Sealy Ruffin, President, Gotham Enterprises

[NOTE: Some of the speakers are not speaking directly into the microphone and could not be heard, others can but some of their words could not be heard clearly and distinctly, hence the [indiscernible] notations.

REGISTERED ATTENDANCE: 39

TRANSCRIPT begins midway through introduction by Steve Mcmanus:

Mcmanus: Back to my left, the GSA is going to talk about our master plan, which I know you all are interested in. And then Desa Ruffin, to her left, is going to get up and talk a little bit about the structure, how it's going to be developed, and then the process and the timeline a little bit so everybody is a little bit aware of that. I mentioned this is the first of three meetings. We'll have two more meetings after this. One will be at Petworth, and then another will be at Parkview, to make sure that we cover all the communities that surround the home.

The home, as everybody knows, started over 150 years ago when General Scott took some booty from the American-Mexican War and brought it back and through that funding or that source was able to start the home here in Washington, DC. We actually have another home, the Naval Home – originally called the Naval Home – that was started in Philadelphia in 1812 and then moved down to Gulfport, and that was the beginning. But the two homes came together in 1992 through legislation and recently were actually all located on this home here as a result of Hurricane Katrina. The campus itself now has over 1,300 residents. The property to our south used to be - where Washington Hospital is and VA and Children's Hospital – also used to belong to the home, but through a series of time things have changed and, of course, that property has moved over to them.

The funding sources of the home, one of the things I really want to emphasize on this particular slide was in 1995 the home had \$156 million in the trust fund. In 2003, we had \$94 million. A lot of it is attributed to infrastructure, that decline. In '92, we built this building here, which is Legarde, a long-term care facility, which really houses roughly 200 long-term care patients or residents. That cost about \$32 million.

We renovated the Sheridan in about 1999, 2000, 2001 and just finished really some of the disputes we had in 2002, and that cost about \$21 million to renovate. And then, of course, we have the Scott, which was built in 1950, also housed some of our independent residents.

So when you really look at where our residents live, they're in the Scott building. Now they're in the Pipes because we had to reactivate that building with Gulf War residents coming out here. They're in the Scott independent living, Sheridan independent living, and then the Administration is really in what I call South Sherman, and then we have some arts and crafts in the Concord, the Annex and North Sherman. And the second floor of the Annex and North Sherman are open, which we're trying to lease. And then we have the bottom floor of the Annex and North Sherman is leased by the Corps of Engineers.

This big building here, nobody uses it, and it hasn't been used for many years. I think some of our residents actually lived in there that are still at the home, but it's been shut down for many years. I think we haven't actually needed the square footage for residents.

But when you look at all that property, there's a lot of infrastructure there. And when you compare how many buildings that we're actually in, Lagarde, Heights, Sheridan, Scott and Sherman, that's not a lot with the other 90 buildings that are actually there. Now, from a maintenance perspective, we used to have to occupy all of those buildings because we had grounds maintenance, we had garbage disposal. All the functions you normally find in government that have been outsourced, we had in-house, all of that through A-76 through the government process has went out to the private sector. So now, instead of occupying all them buildings, we really occupy one building, Building 73, and then we occupy our power plant. Our future plans are to renovate the top floor of our power plant, and we'll move our maintenance into that.

But what I'm really trying to focus on is we need to have a plan to take care of all those other buildings, take care of all that other property because we really don't need that right now. At some point – and we've looked at a lot of different plans. We actually went out and looked at some plans across the United States. And if you take one of the schools, MIT, we went to, their thought process was right now, today, we don't need the property.

But if we look to the future, someday MIT will grow, and we'll need the property. So what they've done is taken and bought property around MIT, and then they're doing what we're trying to do to see how we can leverage that for income into our trust fund. So then instead of having a downward slope decline in our funds, we have an upward slope.

One of the serious problems we have is in these type of buildings and structures, the older they get, the more funding it takes to maintain them. We're doing a 10-year plan right now, have no idea what the outcome will be, but I know in 2002 to renovate all the windows on that cost \$400,000. In July, we had a storm come through, and I'm sure many of you have seen the trees that are laying down.

The first quote that we got just to pick up all them trees and take them off the campus was 300-some thousand dollars. We got it down to 200-some thousand dollars, but that's a significant impact in order for us to maintain the type of services we want to do for our residents. And a lot of the trees where the trees fell, we really don't need.

So again, that's why we're trying to focus most of our efforts and put our residents up on the top – what I call the top part – of the hill, so they don't have to get on the bus to go down to Lagarde to see their friends who are now in Lagarde. Or if they want to go to get any help, they don't have to get on a bus to come up to the Scott where it's at now. And that's a lot of the background, kind of why we're doing what we're doing. Of course, when my boss – 2002 legislation came on, the whole focus of that is to operate the home in more of a business approach since it's actually a trust fund. And we can invest the trust fund, and that's part of our sources of income, but through his background in retirement home he has been able to help us understand how we can do better with what we have.

What this really talks about is the – this is our sources of income. The active duty – depending on what source you look at, I looked at one today says it's about 2.5 cents when the home was first started for every soldier every month. Two-and-a-half cents or one-and-a-half cents, I guess it was. And then if you look at another source, I think it was 12.5 or \$12.50 per year. But what it is today is 50 cents, so a total of \$6.00 a year, all soldiers, sailors, Marines, airmen contribute as part of their pay every month to the home.

Fines and forfeitures, when a soldier or sailor goes out and they get in trouble and they receive a court martial of some type, a UC&J action, that funding comes to us. This year we received roughly \$45 million just in fines and forfeitures. What we're finding is that in times of stress, when the soldiers and sailors come back in, they play hard, and then they go back out to work.

Resident fees, that's roughly I want to say 14 percent or 11 percent, just about \$14 million, and that's broken out into three categories. The first category is independent living like you and me. That's 35 percent of the income. It doesn't matter what the income is. It's 35 percent of it. If the income is \$1,000, it's still 35 percent. If the income is \$800 a month, it's still 35 percent. The second category is assisted living, and that's 40 percent. And then the last category is long-term care, where you have the most need, and that's 65 percent.

Then we have interest in the trust fund, and, fortunately, we have, in the last couple of years, been able to have costs that were below revenue. So our trust fund has increased. This year – this past fiscal year – we made roughly \$5.2 million just in interest.

And then the last one, which is also the sale of land, that's where my boss came onboard, and it was also part of that legislation. And that would tell some that that was probably part of the intent, change the management of the home, and then change how you use property that's not needed right now. Not that it may not be needed in the future, but how can you utilize it right now? So hopefully, through this process – and that's kind of where we're at right now and where Nancy and Desa [phonetic] take over. I'm going to turn it over to them.

Nancy Czapek, GSA: Thanks, Steve. Again, I'd like to thank everyone for coming out on this gloomy day. I'm going to follow up a little bit on what Steve was talking about on how we solve the problem of the diminishing trust fund going from \$154 million to \$90-plus million and the instability of the funding sources. Congress stepped in back in 2002 and gave the home the ability to use

the real estate to help generate revenue for the trust fund, and this was Congress' solution to how they could stay a viable home. Now, one of the things that Steve said is that they did make \$5 million this year, but I want to say that they did not do all the capital improvements that they want to, and that certainly doesn't address some of the issues that relate to Gulfport either.

So the master plan is the primary vehicle that we can use to help insure that the redevelopment respects the local community and is in context and scale with the neighbors and with the home itself. We need this solution to insure that it fits in the community. We need this so that it protects the home's heritage and to provide the revenue. So we need this master plan so that it will guide any development that happens on the campus.

Now, part of what we're doing to ensure that we get the proper input and consider the right things to put in there is a tiered process. Part of this is why you're here today. We have three community meetings in the Parkview, Petworth and Pleasant Hills neighborhoods. These are public meetings that we are here to hear what you have to say and what your concerns are and what are guiding things that should be part of this master plan. Additionally, we have a website that everyone can send comments in. If you're uncomfortable in this setting, you can email us. If you haven't seen the website, it is [afrhdevelopment.com](http://afrhdevelopment.com), and I think it might be referenced in the data. And if it's not, I can say it again.

We also have a Planning Committee. We've invited community members, residents of the home, the neighborhood and the business community to this committee. The committee members - there are leaders from local neighborhood

institutions, and they are here to provide guidance to us in this master plan process. And then the last part of where the public outreach is, National Capital Planning Commission – NCPC – is the agency that has jurisdiction over the master plan. Because we do not anticipate that this property will go outside the federal government’s hands, it will remain federal.

We don’t plan to sell it. We plan to do long-term ground leases. NCPC has the authority to review the master plan. In their process, they have a public meeting, and there will be actually two of them. We anticipate that the draft master plan will be presented to the National Capital Planning Commission at their January meeting, and I think, Desa, you’ll follow up on this. But I think it’s important to note that there’s opportunity for comment then also. And then the follow-up, the final master plan, won’t be until, I think, the fall of 2006. And I think I’ll turn it over to you, Desa.

Desa Sealy Ruffin, Gotham Enterprises: As a part of – just picking up from where Nancy left off, the master plan provides the framework that talks about what can go where in what areas of the site respecting the things that Nancy talked about earlier, which is making sure that the historic resources on the site itself are protected, making sure that the plan fits into the overall context and scale of the surrounding community, and also making sure that the development is sufficient enough to provide the revenue needed to sustain the home over time.

The Planning Committee, which is made up of many different members of the community – local institutions, community representatives, members and residents of the home – will be looking in detail at what we’re calling the design

guidelines, and design guidelines are really a framework that get into very specific detail about things like what types of development can occur on the site and where it will happen, the open spaces that need to be maintained, what the streetscapes look like, what the road networks look like, the sidewalks, what types of trees, what types of lighting needs to occur, the building heights, the building setbacks, entrance locations, where parking is going to happen, where service for the facilities are going to happen. There's a focus on historic features and views and also on security for the home, so it really sort of delves down into what is allowed to happen, what developers may do and what they may not do to, to insure that great respect is being made to this really fabulous site.

This is a map that shows where the development would occur and what will occur in these sections. It's a little bit small, so I'm going to read through it for you. In this map care has been taken to reflect the densities of the surrounding neighborhoods and has been taken to leave historic and open spaces intact and undeveloped to the greatest extent possible. Zones 1 and 2 to the north and the east of the site will be used for Armed Forces Retirement Home use, institutional use and residential use for its own campus.

As Steve talked about earlier, there are buildings that are currently located in the southern part of the site that are not particularly conducive for the residents that live there, and in this plan some of those uses would move north so that the uses of the home would be more centralized. This would entail the adaptive reuse of some of the vacant buildings that Steve talked about that are on the

northern part of the campus and would also allow for residential development for the home itself.

Zones 3 and 4 would entail residential, office, research and development, retail, hotel or medical use. So that's the range of uses that we envision occurring on these sites. This is bounded by North Capitol and Irving Streets to the south, directly across from the Washington Hospital Center. There is currently a request for qualifications for developers interested in the development of this portion of the site, and that really is – and it's on the website – but it is an announcement that is asking the development community if there is interest in developing this portion of the site and, if so, what type of interest and what type of development they would envision placing there.

This is a higher density location, given its location across the street from the Washington Hospital Center, and we would envision that density in this area would be from six to eight stories high with the opportunity or with the potential for some individual buildings at up to 10 stories high. It would be comparable in density to what happens across the street at the Hospital Center at the high end of the scale or to a university campus at the lower end of the scale.

Zones 5 and 6 are not currently slated for development. Again, the RFQ that has gone out is for Zones 3 and 4, but, as a part of the master plan, we need to look at what types of development would be proposed in these locations. In Zone 5 we would envision residential development at a scale of approximately six to eight stories tall, and in Zone 6 we would look at residential or institutional development. And that would be very much at the same scale that's going on in

the communities of Petworth and Parkview looking at three to four stories in height so that it would mirror what's going on across the street, with the possible exception at the end of the Illinois Avenue terminus there could be a larger, up to six-story building located within that.

As you can see, the ponds and the golf course would remain, and a significant amount of the site would remain as open space. In this plan, approximately 112 acres would remain untouched, and we would not anticipate any new development there. And I want to go back to some of the things that Nancy went over a little bit earlier, in terms of the process and input. We are holding this meeting today at St. Paul's Church in the Pleasant Hill community. We'll be having another meeting two days from now, on Monday on the 24<sup>th</sup> at St. Gabriel's, and then a follow-up meeting November 3 at 7:00 p.m. at Sweet Mango Café.

This session is being recorded, and we'll get to the question and answer section after we finish this. That will be recorded. We are on a simultaneous track holding Planning Committee meetings, and your comments and feedback will be fed into the Planning Committee. The Planning Committee is going to be going through the design guidelines, sort of delving down and going into the detail in the design guidelines, but will be informed. We will tell them, and then we will have the transcripts available to Planning Committee members of what the feedback from the community is so that they can take that into consideration as they're helping to provide input on the design guidelines.

There are – and we’ve passed out handouts – members of the community that are serving on the Planning Committee, members from all of the ANCs are serving, and, to the extent that you think of something after you’ve left this meeting, you can contact members of the ANCs, ANC-1A, ANC-5C and ANC-4C, and relay any comments or feedback into them, and they can bring that into the Planning Committee hearings. In December, after all of this has been put together, because things are very fluid and are very much in draft form and evolving, we’re going to have –

[sound recording cuts out and jumps to new speaker]

McManus: - has a reasonable footprint for our resident population. I talked a little bit about the models that we’ve seen that are out there and how the models show us that, if you keep your land through lease, you can still grow at some point later on in your future as the Desert Storms and the current war that we’re in – as that population have the needs of the home, and the land then becomes available for growth. But also, I think even more so than that, what we’re trying to do from the home perspective is create a trust fund so that we have the ability to have other sites, whether it’s in Arizona, whether it’s in Florida – off the water, off the water – but have other sites where our residents can go and have more of an opportunity and more of a choice, rather than just one location or two locations.

Czapek: And may I add, one of the other things we’re trying to do when we’re looking at Zones 1 and 2 are where are there opportunities to maybe add a building or two to meet some certain parts of that need. And so, we are

identifying actual development potential on that portion of the site for their future needs.

McManus: One thing I failed to mention, too, which I think is really important in terms of the master plan and development and in terms of our residents, one of the things that Nancy had mentioned is Washington Hospital is right across the street. For some of the development that could happen, if you take a Washington Hospital or a Medstar-type organization and you put a cancer unit on the south end of our property, how that could help our residents, how that could help the community. But it's those type of thoughts, how we can grow and help everybody through the growth.

Male Voice: May I attend Planning Committee meetings?

Czapek: Well, we chose to make them invited only so that we can control the input. I do suggest – that's why we did put out the names so that you make sure that, if there's someone on there that you can talk to, and make sure that you feel things are being handled correctly.

Male Voice: Those meetings are closed to the community?

Czapek: Yes, yes.

Male Voice: Okay. There's some organizations –

Czapek: But there are local community people in the meeting though, so you have a voice there. You need to get your concerns to your voice.

Male Voice: That's what I was going to ask. There were several organizations I didn't see on the list – United Neighborhood Coalition. It's a very

active organization in Parkview, and I was surprised there was no member of that organization on the committee, and there's several other organizations.

I think Petworth has a similar one. People can help me out, but it seems like there are several active community organizations and several people who came to your EIS hearing and spoke and were very involved and active and are very interested, and they're not on the list. I noted the African-American Civil War Memorial has a representative. Congratulations for including that organization on the list. I'll note that that organization is down on U Street, and there are other organizations that are much closer right in your backyard that are not included on that committee. And since you won't let us attend the meetings even to just watch, could you consider adding a couple members from the community to the group?

Czapek: We've got representation from each of the ANCs in the area on the Planning Committee, and we recommend that you voice feedback to them. We did actually extend an invitation to the United Neighborhood Coalition and didn't get a response back.

Male Voice: Is that invitation still open? Because I am a member of the organization, and I'd be happy to go back to them and see.

Czapek: We're 50 percent of the way through the process, and we really don't think that it would make sense to have someone come in at this point, but do encourage you to contact the local representatives.

Male Voice: Okay, well, like I said, I did see the ANC is on there. I was just asking why other organizations weren't included. But you've answered my

question. The meetings are closed to the community, and you are not considering adding any other members to the group. Thank you. [audience applause]

Czapek: Yes, sir?

Mr. Martin: I'm Joe Martin. I'm the Vice Chair of ANC-4C. We don't have a chair, so I'm the de facto chair, and I was a little surprised that I was never asked to be on this committee. Joseph Henson, my colleague on ANC-4C, represents most of what faces the Soldier's Home from the west. I don't think he was asked either. [audience applause]

Female Voice: [indiscernible; off microphone] [audience applause]

Mr. Martin: As the de facto chair of ANC-4C, I would like to be put on the Planning Committee, and I also ask that these meetings be open to public attendance. It's unacceptable to me that you're doing this without at least allowing the public to come into these meetings. That's not in very good neighborly spirit. [audience applause] And my primary reason for being here right now is – I know this is a DDOT question, and they're not the most sensitive city agency, as I'm learning. What do you know about their Transportation Management Plan?

Czapek: I don't know anything about DDOT's Transportation Management Plan.

Mr. Martin: Affecting the streets. And I know it's early, but it's a major concern for those of us who live west of the Soldier's Home.

Czapek: Right. We are meeting with DDOT to work some of the issues out, and, ultimately, whatever developer gets selected will need to do a Transportation Management Plan also. But I do not know DDOT's specific plans for the area at this time.

Mr. Martin: Thank you.

Czapek: Just one second. Did you want to respond?

Desa Sealy Ruffin: We have a representative from ANC-4C, Timothy Jones, that is serving on the Planning Committee.

Mr. Martin: How did he get chosen? And I like Timothy Jones, and I'm working closely with him. We never took a vote this year to ask him to represent ANC-4C.

Desa Sealy Ruffin: He's the representative of the single-member district.

Mr. Martin: Joey Henson's single-member district comprises most of what borders to the west.

Desa Sealy Ruffin: We encourage you to talk with Timothy. We presume

–

Mr. Martin: How did he get chosen?

Desa Sealy Ruffin: He was selected as a representative from ANC-4C as the single-member district.

Mr. Martin: But his single-member district barely touches the Soldier's Home.

Desa Sealy Ruffin: I can't –

Mr. Martin: Was Joey Henson asked?

Female Voice: I can't address that. I don't know that.

Female Voice: I can't address that.

Mr. Martin: It just seems like the process is closed.

Czapek: Well, one of the reasons why we're having these meetings is to make sure that it is an open process. That is why we're having these. It is very difficult to actually get work done when you have 50 people, so what we do is we try to bring all the comments, hear what they have to say, fiddle with the things, and then we're coming back to you guys in December. You do know that, with the plan. There will be another meeting that will have the draft master plan for comment then. So we feel that with the three meetings here and the fourth meeting in December, you have a lot of opportunity to comment and get your views out so that we can try to figure out a way to articulate them and move it forward.

Mr. Martin: I would like someone else from ANC-4C put on the Planning board – on the planning group.

Female Voice: He said he wanted somebody from 4C on the planning board, and there is someone.

Female Voice: [indiscernible; off microphone]

Mr. Martin: Thank you.

Female Voice: I have similar questions and concerns about transparency. One of the things that may help is posting minutes from your committee meetings on the website so we can see what's going on and track that. The other thing is we did spend a lot of time giving comments during the EIS, and you may not be

addressing those or responding to those towards the end, but it would be nice if we could see what other people have said and have concerns. I saw a letter from the EPA during that comment period, and it would be nice to see that posted on the website. I guess that was it.

Czapek: I'll need to check the Web, but I'm pretty sure the comments are on the Web, not responses.

Female Voice: I haven't seen any, and I – nothing is easy on that website. I go on every once in a while to find out. I just saw the RFQ recently, but even this meeting I didn't really understand what the meeting was about on the website. So I think that it needs to be a little bit more informative would be great.

Male Voice: [indiscernible; off microphone]

Female Voice: The purpose of them.

Female Voice: [indiscernible; off microphone]

Czapek: And the purpose of the meetings, if we could prepare, if there was anything that you were going to be sharing with us that we needed to react to. I didn't really know what the purpose of this was coming here today.

Mr. Peyton: My name is Doug Peyton. I'm Special Assistant for Councilmember Adrian Fenty. I'm also a Commissioner, although I will be resigning shortly, for ANC-4B – 4B-01 – which is the Takoma area. I'm a little concerned from what I'm hearing from everyone in this room about the transparency issue. I do not understand why two ANCs do not have their neighboring representatives on that committee.

I know that Commissioner Jones from 4C is a very capable commissioner, but as Commissioner Martin did say, that his single-member district does not border this area. So I'm a little concerned about how the process, who was behind choosing the committee members. And so, I think now hearing the problems that I'm hearing about the website, again, there are some transparency issues here, and I hope that they're addressed. I will be reporting this to the Council member. [audience applause]

Male Voice: Hi, I live right where Illinois hits Rock Creek Church where you are talking about building a signature building or something, and that's of concern to me that you would have something not in line with the rest of the neighborhood there specifically for some grand entranceway or I'm not sure what the exact point of that would be. But I'm concerned for several things. Certainly, I appreciate open space and hope there's plenty of that, both visible, as well as accessible to the public. And I'm also concerned about the demographic makeup of a new neighborhood that's put in there and make sure that there is housing that's affordable and accessible to mixed-income communities and that the economic makeup reflects, as well, the current neighborhoods that are surrounding it, as well. Thank you.

Czapek: Thank you.

Female Voice: Yes?

Female Voice: I have a question. [indiscernible; off microphone] I see the good things, and I can see the bad things. [indiscernible; off microphone] for neighbors in the District of Columbia, and you [indiscernible; off microphone].

What type of [indiscernible; off microphone? And how often [indiscernible; off microphone]?

Czapek: Well, I think we're still working through the uses, but on that slide what we're looking at on Zone 6 is residential and Zone 5. And the uses on Zones 3 and 4 are residential, office, research and development, retail, hotel and medical. So those are the type of uses that we're talking about. Within those, I think there are a number of ways that one can get – because there are more jobs there, it creates jobs. There's also jobs in the construction. There are apprenticeship programs that happen with some of these different development types. So I think that's where that comment probably came from.

Your next question was on the public safety, and I think that there is a theory in the safety factor, when you have more activity, more people on the streets, that helps with safety. When streets are dark and there's not a lot of activity, there's more of a problem with safety. I think that's what I've heard from our federal protective officers, that you like more people around, more activity. And I think that was the thought behind that statement.

Czapek: Yes, sir?

Male Voice: [indiscernible; off microphone]

Female Voice: I need to ask a question. There is another group that actually looks at monument siting. Is that what you're asking about or are you talking about the federal comprehensive plan that was asked about earlier?

Male Voice: [indiscernible; off microphone]

Czapek: Okay.

Male Voice: [indiscernible; off microphone]

Czapek: I do not think that there was a monument – and you're not talking about the national historic monuments. You're talking about the monuments like the one that was in the paper yesterday, the Martin Luther King monument. You mean that type of monument. And I do not think that Armed Forces Retirement Home had a site that was – or was there one on there?

Male Voice: [indiscernible]

Czapek: No, I don't think there is anything. The primary ones are in the core around the Mall, and then there's like a second tier and a third tier. And I don't think any of the tiers show up on the home itself.

Male Voice: [indiscernible; off microphone]

Female Voice: Right.

Male Voice: [indiscernible; off microphone]

Female Voice: Right, and I –

Male Voice: [indiscernible; off microphone]

Czapek: I do not think they identified a site on the Old Soldier's Home, but we can go back and confirm that. Your first question was just about a gated community, and I think we just have to figure out a way –

Male Voice: [indiscernible; off microphone]

Female Voice: Right.

Male Voice: [indiscernible; off microphone]

Female Voice: Right, and that –

Female Voice: [indiscernible; off microphone]

Czapek: We probably have to figure out how you articulate that and whether that's done in the actual master plan or whether that's done in the RFP process, but we don't view this as something that should be a gated thing. And that's one of the reasons why we're going to be talking about these open spaces and this sort of continuum of open spaces, at least in Zones 3 and 4. We hadn't quite figured out how you articulate it within the street grid for Zone 6.

McManus: I would also add all the models we've looked at were not gated either.

Czapek: But I think we have to find a way of articulating it very specifically, and I think that there was another thing about affordable and how you figure – we have not – we need to make sure that we generate revenue that works for the home, but I think there probably are ways to do affordable housing credits and all that. And so, we're trying to do more investigation on how we can leverage that type of thing into our process. And I do know that there was a woman here earlier who was looking at responding to the RFQ with affordable housing on Zones 3 and 4, so I think I saw her leave. So I think hopefully there are people out there thinking about this, and if we can come up with some creative – these credits – there might be ways to address both those issues. I think you were first.

Female Voice: Thank you. Just to follow up a bit more on specific elements of the federal elements of the comprehensive plan for the District, they speak extensively about growing need for parkland in the District as population increases, and there's specific provisions that military facilities are supposed to be used to extend parkland and open space in the city. And they specifically

mention the Soldier's Home as one of the sites where that needs to be considered, and so I'm wondering, since you're halfway through the planning process, how that's being considered in the planning process.

Czapek: And again, the open space that I mentioned earlier, we're looking at the meadow as being one of the four acres – and specifically in Zones 3 and 4, the meadow was one of the primary parts. There was about four acres, but we're trying to find a way of articulating a continuous sort of open space process. Yes?

Female Voice: [indiscernible; off microphone]

Czapek: It's not open to the public now, and that's one of the nice things about doing the redevelopment. When we do the redevelopment, Zones 3 and 4 will be open. It is not open now, but once we do the development it will be open. And that's what we're trying to do is in the master plan, in the guidelines we're going to give the developers, we want to articulate what we want in that open space. So what we're trying to say is we're trying to define what that is and what it's going to look like to make sure that it works.

So part of the cornerstone of the open space in that Zones 3 and 4 is going to be this four-acre meadow, but we want other pieces that will be – let me finish first – that will follow through Zones 3 and 4 so that there will be sort of a flow to the open space.

We want to site the buildings and such – like for instance, in the area that's just south of the historic district, we have to find ways to articulate this. And that's why we need to hear what you want [indiscernible; off microphone]. So what gets developed in that area we want to make sure it is as open as possible,

so how do we define how much building space goes on there? Do we say 20 percent of that is built and the rest remains open? But then how many stories do you get? You have to sort of play around with that a little bit. So but that helps with that contiguous open space.

We're also looking to find out – we had heard in the EIS process about bike paths being important to this community, so we're talking about doing an east-west bike path, and we're trying to figure out if there's a way to find a way to do a north-south one. We haven't quite visualized that yet, so that's still part of the process of trying to figure out is there a way to do that. And before you – I think there are some others who were first.

Male Voice: [indiscernible; off microphone]

Female Voice: Okay, Congress –

Male Voice: [indiscernible; off microphone]

Czapek: And I actually don't see the contradictory nature of this, especially because Congress actually passed a law that gives Armed Forces Retirement Home the ability to leverage its real estate. So what we're trying to do here is figure out a way to insure that there's a balance of open space. We hear that you guys want open space. So how do we get open space and still get some development and revenue stream? There is going to be change. A lot of this is already developed, and you don't have access to it at this time.

[indiscernible; off microphone] So we just have to find that balance of how we articulate it and how we get access to it, and that's what the master plan is doing. And I'm not going to say more on that.

Female Voice: I get the impression, and I want to congratulate you for hearing what people have said in the past about Parcels 5 and 6. It sounds like you had plans for higher buildings and had input from the community and said, okay, well, we need to look back at this. And I was just wondering if you could walk us through sort of the next steps in this process of community consultation because it sounds like you've done a lot more thinking on 3 and 4, and 5 and 6 you're sort of putting off.

And what I was wondering is where are the next steps for bringing this back to the community when there are more details about those areas? And can you give us some dates and when we can expect to see some of the different things you've said that the developer – you'll be getting RFPs out to developers, and they'll be coming back to you. Can you just walk us through that process so we know what's coming up?

Czapek: We're not exactly – we're putting off the development of Zones 5 and 6, but we're not putting off the articulation of what it should look like. And so, I've tried to explain that we do have some thoughts on this - keeping the views from the streets, the height of the buildings, some of the look of the buildings. We still have to figure out how to articulate this, but these are some of the parameters that we're using for that section. And we want to articulate that at the same time as we do everything else because, as was pointed out earlier, it has to be a whole plan. It can't be individual parcels.

We probably articulated a little bit more on Zones 3 and 4 because I think they're going to be a little more hard to – because it's mixed use and because it's

larger – it's 77 acres – it's just taking a little more time to articulate what does a street look like. So I think that a little bit more time has been spent, but they're going to have the same level of detail.

So what's going to happen is we're getting the input from you all in these three community meetings. We're talking individually both with the historic group because we need the historic preservations issues, and we've got this Planning Committee that maybe we can have a little more give and take with a model in front of us. In December – and we do not have a place or a time, but we're expecting that it'll be probably the second or third week in December – your problem is you're starting to get into the holiday season, but we're going to have to find a place.

We plan to have a presentation of exactly what the design guidelines are in their draft form at that meeting. Then we hope to present to the National Capital Planning Commission in January. I think their meetings are generally around the first part of the month.

Female Voice: And this December meeting is the community meeting?

Czapek: It's the community meeting.

Female Voice: Got ya.

Czapek: Yes, to show where we are. From there, we will be going out with – and if they look like they're solid enough – we will use them to go out with the RFP for Zones 3 and 4. That would go out in the February timeframe. I don't know if we have an exact date on that. When we get responses from that, we can see if there is something that can work, and, if there is, then we're just going

to go into the negotiations and finalize the – do a touchback with the community at that time because we have to present the final proposal and all. And that would be – I think that's the May/June timeframe where there will be that touchstone again. And then finalize the agreement with the developer and do the EIS. Finalize the EIS, finalize the master plan in front of NCPC. Yes?

Female Voice: I just would like you to talk a little bit about how much the - sort of decisions and information you have about how much you need to develop in order to sustain the home and how much you can develop because it looks like possibly 3 and 4 might give you enough revenue, and you might not need to go to the next sort of steps. And also, I think earlier on somebody mentioned something about sort of subsidizing other homes, and I don't remember seeing anything about that in earlier background or history. I thought that the income and the revenue was supposed to support this home and not work to supporting other areas and ventures.

Czapek: Do you want to – I think that the trust fund supports both the Gulfport facility and the Washington facility, and I don't think that there is authority at this point in time for additional homes, but it is something that is thought about because retirement communities tend to be near where retirees are. And I think it might be something that the management at AFRH is thinking that best supports the military retirees. But there isn't that at this point in time.

The first part of your question was more about – sorry, I'm getting a little distracted here – was about how much do we need and where can we go. We feel that we probably need to develop the whole site, especially if we have to

keep the density down and huge amounts of open space. That's why there's a tradeoff. If you do less on one side, you do more on another.

Female Voice: But you're planning on revisiting that after 3 and 4 is proposed and developed and seeing how much is -?

Czapek: Well, one of the reasons why we have put off 5 and 6 is to see if that will do. If it doesn't, we have a plan in place and maybe in the future we could tap into it. But the intent is to see if we can get – it depends a lot on the responses that we get based on what we're allowing, how difficult the process is and what the developer sees that they can do. But 3 and 4 probably looks like it's the primary area.

McManus: It's the primary – that we believe is going to be, from a density perspective, our primary source of income. I think the other thing, too, you have to realize is I know everybody is wondering and saying, well, how much. How much is too much? It takes time. 3 and 4 is going to take time. I know we're talking two years, but when we first started this process –

Czapek: Well, two years to award, but there will be a build out, a multi-year build out. I don't know if any of you have heard or seen anything about the Southeast Federal Center plan, and that is a 20-year build out. So I would expect that 3 and 4 could be a similar type of build out.

Female Voice: But if you're saying that 3 and 4 is the primary source of income, is it worth – to me it doesn't even seem worth going – and it might not -

Czapek: Well, we're hoping that 3 and 4 become the primary because originally the thought was – if you've looked at real estate economics, it's easier

to do residential, and that site is probably an easier take for many developers. So if you were just looking at what was your fast take, you'd go there. 3 and 4 is going to be a much more complicated, much more difficult and much more long term, and our revenue stream might be a little bit lower in the beginning and go up. We have to balance a lot of different thoughts. That's why we're hoping, depending on what the responses are to the RFQ, that we will be able to focus on that. But it really depends on what the responses are.

Male Voice: Do you have any idea as to when you're going to dig a hole? When is it going to start? You got any idea when you're going to start doing anything that you're talking about? Do you have any idea? Will it be two years, three years, four years?

Czapek: No, we're hoping that the development agreement will be signed the end of calendar year '06, so we would think that in fiscal year '07 something would start.

Male Voice: Okay.

Czapek: Or in calendar year '07 something would start.

Male Voice: So you think it will actually start in '07.

Czapek: But where – yeah, something would start in calendar year '07.

Male Voice: Okay, thank you.

Male Voice: There's been a lot of concern expressed about participation and community input in the design details and process. I've kind of stumbled over exactly what that process is called. The design planning. So I have a question and a comment. One is I understand that in December something that

describes that design planning will be available for us to see and react to. Is there a plan for that to be published for us to look at perhaps on the website in advance of that community meeting?

Czapek: That would be the ideal world, and I hope we can do that.

Male Voice: I mean, I guess –

Czapek: It's a short time period, but I would hope that we could get something out the week before.

Male Voice: If possible, that's the comment.

Czapek: It makes sense.

Male Voice: It's very difficult because it seems to me all of these details we're concerned about we're not going to really know concretely what they might be or what the guidelines or proposals might be until that document has arrived. So I guess my emphatic comment is we need more of a comment period than a meeting to be able to sort of take in, review, consider and then respond to what those details are as a community.

Czapek: Okay, that makes sense. Yes?

Female Voice: [indiscernible; off microphone]

Female Voice: The intent –

Female Voice: [indiscernible; off microphone]

Czapek: The question is that I said earlier that we did not plan or anticipate selling the land, and so she asked whether the residential development in 5 and 6 would then be leased or any of the residential. It's a very good question, and that is actually – what would be best for the home would be long-

term ground lease because that revenue, it accrues over time. And it tends to be better, and, when you look at the financial data, it's a stronger revenue stream. But you are absolutely right that the residential market could either be leased or owned, and we will have to look.

At the time we are ready to put that market out, we'd have to look at whether it's better – whether the market is better for owned or leased. And if the owned market is that much stronger, like condos or townhomes are that much stronger or whatever – whatever type of housing – we will consider selling Zones 6 and 5. But we won't make that decision until we're ready to tee up that portion of the property. But it's much better for the home to have the income stream from the ground lease than to have a lump sum paid to the trust where it only gets a percent of interest.

McManus: Plus the reality it comes back to us after so many years, and that's what I mentioned when I – it comes back to us after the lease. That's one of the important points and why we have strongly considered lease [indiscernible] selling.

Male Voice: [indiscernible; off microphone]

Female Voice: Yes.

Male Voice: [indiscernible; off microphone]

Czapek: Okay, lots of questions. I might not remember all of them. With the ground lease, you are right. Well, let's start by saying we plan to ground lease, including the buildings, all of Zones 3 and 4. But a number of those buildings are historic, so they are not going to be able to tear those buildings

down. But the non-historic buildings will be able to be demolished, but the historic buildings will have to be treated appropriately.

Male Voice: [indiscernible; off microphone]

Female Voice: Yes, yes. But within that on the historic site, we're going to have to worry about view corridors and all other things that relate to that. You asked about when you structure the detail – I'm not exactly sure the structure of the deal with the developer. It will be a negotiation, so I don't know exactly what the length of the term will be. But the length of the term will be somewhere between 45 years to 99 years. I would expect it to be more in the 50 to 65 year, but again you don't know at this time until you actually negotiate.

You also asked – yes, there will probably be a takedown period, that the least at the beginning while they're doing construction or renovation might be less, but that it grows over time. So there would be – you'd expect that that would be a typical deal that one might have to do.

Male Voice: [indiscernible; off microphone]

Czapek: That would be part of the negotiation, but we would make them, the developer, in charge of the repairs per any historic standards.

Male Voice: [indiscernible; off microphone]

Czapek: Of the buildings that we are leasing, yes.

Male Voice: [indiscernible; off microphone]

Female Voice: No.

Male Voice: [indiscernible; off microphone]

Female Voice: No.

Male Voice: No, the builder, the developer, would actually be responsible even for the infrastructure.

Male Voice: [indiscernible; off microphone]

Male Voice: We'll get to that point.

Male Voice: [indiscernible; off microphone]

Female Voice: What do you want in writing?

Male Voice: [indiscernible; off microphone]

Czapek: I'm not quite sure I understand the question. We will have a development agreement with the developer which will outline that he has to do all the repairs and what he's responsible for.

Male Voice: [indiscernible; off microphone]

Czapek: That's what we're doing is we're putting it in writing, but it's not – that's what we're trying to do is get the comments now so we can get it in writing. It'll be in writing in December for the guidelines. I'm still not sure I understand what you're asking.

Male Voice: You answered it.

Czapek: Okay.

Male Voice: [indiscernible; off microphone]

Female Voice: They should be the same. It's to hear questions and make sure that everyone has an opportunity or as many different people at different times have an opportunity –

Male Voice: [indiscernible; off microphone]

Male Voice: The only benefit that I would think is what's the questions you hear, what the community has, the concerns of the community, would be the benefit.

Czapek: Okay, thank you very much for coming. We appreciate you coming, and we hope to see you at other meetings and in December.

Desa Sealy Ruffin: Thanks very much.

McManus: Thank you.

Czapek: Let folks you know that couldn't attend about Monday's meeting.

[end of session]