

SOUTH BY WEST



A new streetscape is taking shape along Fourth Street SW, which is a big change from a few years ago when the only direct pedestrian access from the north to the Waterfront Metro station was to walk through the old Waterside Mall. Photo: Andrew Lightman

BY WILLIAM RICH

Phase One of Waterfront Station Racing to Completion

Progress is being made towards the reopening of Fourth Street SW through the Waterfront Station development. Over the past few months, tangible evidence of an emerging streetscape has appeared, including asphalt, sidewalks, curbs, gutters and the citywide standard Washington globe streetlights.

Soon, drivers and pedestrians will have access between I and M streets SW along Fourth Street SW for the first time in decades. Before the Waterside Mall was demolished in November 2007, the only direct pedestrian access to the Waterfront Metro station was to

walk through the mall. The reopened stretch of Fourth Street SW will also be lined with a new urban lifestyle Safeway, CVS, Metro station plaza and restaurants with outdoor seating.

Audrina Lange, who lives north of Waterfront Station on Fourth Street SW, is excited about the new Safeway. She currently shops at the Harris Teeter on Capitol Hill but plans to go to Safeway once the new store opens.

“It will be nice to have a clean, new store so close. Also, I hear the new store will sell wine and beer. That’s a big plus, but I doubt I will stop shopping at Harris Teeter. I’m really picky about grocery stores,” said Lange.

She hopes the new development brings some excitement to Southwest, but “the only thing I’m slightly worried about is street parking becoming less available due to increased activity in the area.”

Meanwhile, District government agencies will start moving into their new office space at Waterfront Station in March.

Back in 2005, Fannie Mae was looking to lease space at the development, but that deal fell through, which helped delay the entire project until 2007, when the District stepped in and committed to all 500,000 square feet of space in phase one. The two former EPA towers that flank the new office buildings on Fourth Street SW will be re-skinned and transformed to

residential buildings in a future phase of development. In addition, two more office buildings will be located on M Street SW, and two more residential buildings will go farther up on Fourth Street SW. Originally, the EPA towers were supposed to be developed at the same time as the new office buildings in phase one, but the downturn in the economy and housing market put those plans on hold.

Once the new Safeway opens this spring, the old store will be demolished, and the trailers facing M Street SW will be removed when build-out for the new CVS (and potentially Bank of America) is complete. In their place, as a temporary measure, the lots will be fenced off and grassed over, as well as the empty lots north of the office buildings on Fourth Street SW. In addition, the EPA towers will be dressed up temporarily, so they do not look like eyesores standing next to brand-new office buildings. Vornado/Charles E. Smith, one of the developers of Waterfront Station, is still debating whether to keep the grassed-over lots fenced off or make them accessible to the public. Gordon Fraley from Vornado/Charles E. Smith says that the developer wants to see what pedestrian traffic is like for the area before making a decision about accessibility and landscaping of the empty lots. The reopening of Fourth Street SW has been a long time coming for the community, but a fully built corridor will have to wait until the economy improves and the development of those vacant sites is financially feasible.

Corcoran Negotiating With New Developer Partner at Randall School

David Julyan, general counsel



Undeveloped parcels on the northern part of the reopened Fourth Street SW will be grassed over and fenced off until market conditions improve and financing is available for development. Photo: William Rich

for the Corcoran, mentioned at the Advisory Neighborhood Commission 6D monthly business meeting that the Corcoran is in negotiations with a new developer partner for the Randall School site, the long-stalled project located on I Street SW. The Corcoran was requesting a two-year extension of their Planned Unit Development (PUD) agreement with the ANC, which was approved unanimously 7-0, before going to the Zoning Commission. While Julyan was not able to disclose the name of the developer due to the sensitivity of negotiations, he indicated that he anticipates an agreement will be made soon.

When Monument Realty backed out of their deal with the Corcoran to redevelop the site in the fall of 2008 after the collapse of Lehman Brothers, the Corcoran retained the firm West, Lane & Schlager to identify potential developer partners for their project. The commercial real estate firm contacted 50 potential developers with experience in mixed-use projects of this kind in the District, from which 35 parties expressed interest. Then, seven of those 35 developers sent proposals, and the Corcoran chose the one they thought was the best to negotiate a purchase & sale agreement (PSA).

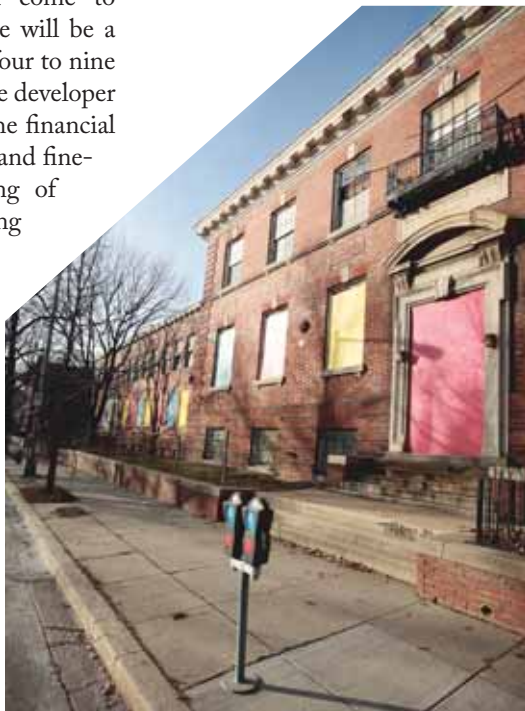
Once the new developer partner and the Corcoran come to terms on the PSA, there will be a due diligence period of four to nine months during which the developer has time to determine the financial feasibility of the project and fine-tune their understanding of the local market. During the due diligence period, the developer has the ability to back out of the agreement without financial penalty.

After the new developer is announced, the Corcoran and their new partner will come before the ANC to discuss their plans for the project, which could possibly include a change to the original PUD application. The existing plan with

Monument called for the Corcoran College of Art + Design to occupy space at the historic portion of Randall School, which would be fully renovated. Additional wings of the school that were built after the original school was constructed would be demolished and replaced with an apartment building.

Back when the Corcoran purchased the Randall School from the District for \$6.2 million in November of 2006, a part of the agreement included a clause where the Corcoran must meet certain milestones in a 10-year period from the date of purchase. If the Corcoran does not accomplish these milestones, the District has the right to repurchase the school site at the same sales price it sold the building for in 2006, including any improvements made to the property. Three-plus years after the agreement was signed, the Corcoran still has a long ways to go before opening a new college campus at the Randall School, but the pending announcement of a new developer partner will help them get closer to their goal.

William Rich is a blogger at "Southwest...The Little Quadrant that Could" (www.southwestquadrant.blogspot.com). ★



Under the current Planned Unit Development (PUD) application, the original historic structure of the Randall School will be transformed to a new campus for the Corcoran College of Art + Design with apartments built behind the building. Photo: Andrew Lightman

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