

AN ADVISORY SERVICES PANEL REPORT

Rail Corridor Redevelopment Washington, D.C.



Urban Land
Institute

Rail Corridor Redevelopment Washington, D.C.

December 11–13, 2006
An Advisory Services Panel Report

ULI—the Urban Land Institute
1025 Thomas Jefferson Street, N.W.
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About ULI—the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to:

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and

- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has more than 35,000 members from 90 countries, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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Cover photo by Tom Eitler.

About ULI Advisory Services

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 400 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives; a day of hour-long interviews of typically 50 to 75 key community representatives; and two days of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, partici-

pants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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The panel would also like to thank the other participants, Patti Gallagher and Marcel Acosta of the NCPC and the representatives of the Anacostia Waterfront Corporation. Each of these individuals provided the panel with valuable information and insights that were critical to the completion of the panel's assignment.

Contents

ULI Panel and Project Staff	6
Introduction	7
Observations and Recommendations	8
Implementation	14
Conclusion	15
About the Panel	16

ULI Panel and Project Staff

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Introduction

A seven-mile stretch of Class I railroad, owned by CSX Corporation, runs through a portion of Washington, D.C., from the Potomac River to the Maryland state line. The rail line is a principal freight rail line for the eastern United States. Parts of this line provide passenger service to Union Station as well. One of the original railroads established in the United States, this rail line provided a link between the cities of Washington and Baltimore; some of the right-of-way dates back to the 1840s. The rail line passes through or near some of the most dense commercial and residential areas in Washington, D.C., including the Portals complex, L'Enfant Plaza, the Southeast Freeway corridor, the Anacostia waterfront, and the Kenilworth Avenue corridor.

As part of a larger security study by the DDOT and NCPC, realignment of the freight railroad around Washington has been considered. The abandonment of the rail corridor would lead to a substantially different land use scenario. In addition to making acreage available for development and reuse, the elimination of the rail line would open up access to vast tracts of public and private land along the Anacostia waterfront.

The Panel's Assignment

The panel's assignment was to provide a fresh perspective on the opportunities and challenges presented by the redevelopment of the rail corridor. The sponsors divided the study area into four geographic segments:

- Monumental Core;
- Capitol Hill neighborhood;
- Anacostia waterfront; and
- East of the Anacostia River.

The Panel's Process

Panelists first reviewed briefing materials provided by the sponsor. The materials included demographic information, market information, the organizational structure of the various government bodies, and a discussion of concerns about freight rail traffic, as well as a detailed outline of the sponsor's expectations of the panel.



The panel was held December 11–13, 2006. Upon arrival, panel members met with a team of representatives from the DDOT, the NCPC, and consultants looking at the larger issue of the rail realignment. The panel was given a field tour of the rail corridor and also met with a diverse group of government officials including planners, transportation engineers, and waterfront development specialists. The panel deliberated on the various materials, presentations, and interviews and on Wednesday, December 13, presented a summary of its observations and recommendations.

Panel members, left to right: Tom Martens, Chair Jim DeFrancia, Tom Murphy, and Bill Caldwell.

Observations and Recommendations

Some overarching issues regarding the market and planning considerations are provided here as precursors to the recommendations for the geographic segments.

Overall Market Observations

The market potential for most of the three segments west of the Anacostia River is favorable to redevelopment if the right-of-way is abandoned. Parcels adjacent to the right-of-way in these three segments will benefit from improved access, reduced noise, and the elimination of potential security issues and accidents. It is likely that market values will increase consistent with values in other portions of Washington, D.C. In addition, the redevelopment of the Anacostia waterfront will be accelerated with the removal of the barrier of the railroad.

The market potential for the segment east of the Anacostia River will also be improved, albeit at a slower pace because of the historical issues of economic investment in and perception of the Anacostia area—although these perceptions are changing. Again, removal of the railroad barrier will help improve pedestrian and vehicular movements and will be beneficial to redevelopment.

Overall Planning Observations

The freight railroad realignment will have a positive impact by making it possible to reconnect and strengthen neighborhoods, create access to key destinations, enhance view corridors into the monumental core, and contribute to the development of a world-class public waterfront.

Two planning documents, *Extending the Legacy* and *The Anacostia Waterfront Initiative*, provide direction for the redevelopment of the corridor. *Extending the Legacy* discusses five themes:

- Building on the historic L'Enfant and McMillan plans, which are the foundation of modern Washington;
- Unifying the city and the monumental core, with the Capitol at the center;
- Using new memorials, museums, and other public buildings to stimulate economic development;
- Integrating the Potomac and Anacostia rivers into the city's public life and protecting the Mall and the adjacent historic landscape from future buildings; and
- Developing a comprehensive, flexible, and convenient transportation system that eliminates barriers and improves movement within the city.

The Anacostia Waterfront Initiative also offers five themes:

- A clean and active river;
- Breaking down barriers and gaining access;
- A great riverfront park system;
- Cultural destinations of distinct character; and
- Building strong waterfront neighborhoods.

Specific Observations and Recommendations

Recommendations and observations for each of the four geographic segments of the study are presented below. In terms of planning and implementation, the panel believes that each segment can be handled separately and nonsequentially. However, a project of this size should use an overarching policy document and an implementation strategy that builds on the success and character of the *Legacy* plan.



Monumental Core: Observations

- The area is a major employment zone and would be attractive for office users, either public or private. Although the submarket has been somewhat soft recently, as the area develops amenities and an identity around those amenities (as at the Southwest waterfront), it should become more attractive to private tenants as well as government tenants.
- Decking over Maryland Avenue will provide some redevelopment opportunities along the roadway, at some existing vacant sites and some underused sites fronting the new boulevard. However, it may be necessary to assemble some parcels to create larger development sites or engage public participation to make the decking financially feasible, particularly where the redevelopment sites are smaller.
- The chief value created in the Monumental Core will be alongside the newly created decked roadways, which could be placed several feet lower than would be required if rail freight were to continue through this section.
- Decking over Maryland Avenue will make it more difficult to lower the roadway to ground

level in future, should the passenger rail be realigned. The newest projects will be those that most recently constructed decking and therefore will be those most reluctant to remove it.

- Given the unlikelihood of realigning the passenger rail and removing the decking, the eventual redevelopment of the L'Enfant Plaza area and the end of the useful life of the 10th Street decking in the next few decades could provide an opportunity to lower the height of this roadway to more closely match the other decking in the area. Doing so would reduce the “road to nowhere” feel that currently exists on 10th Street.

Monumental Core: Recommendations

The panel recommends that the portion of Maryland Avenue between 12th Street and 9th Street be decked over in a way similar to what has been completed in front of the Mandarin Hotel. Although the decking will not be at street level, extending it will create a grand boulevard with views of the Capitol, consistent with the *Legacy* plan, while eliminating the openness of the rail line that security planners see as a risk. The decking will also enhance pedestrian connections and

Rail line near L'Enfant Plaza, looking southwest along the Maryland Avenue corridor.



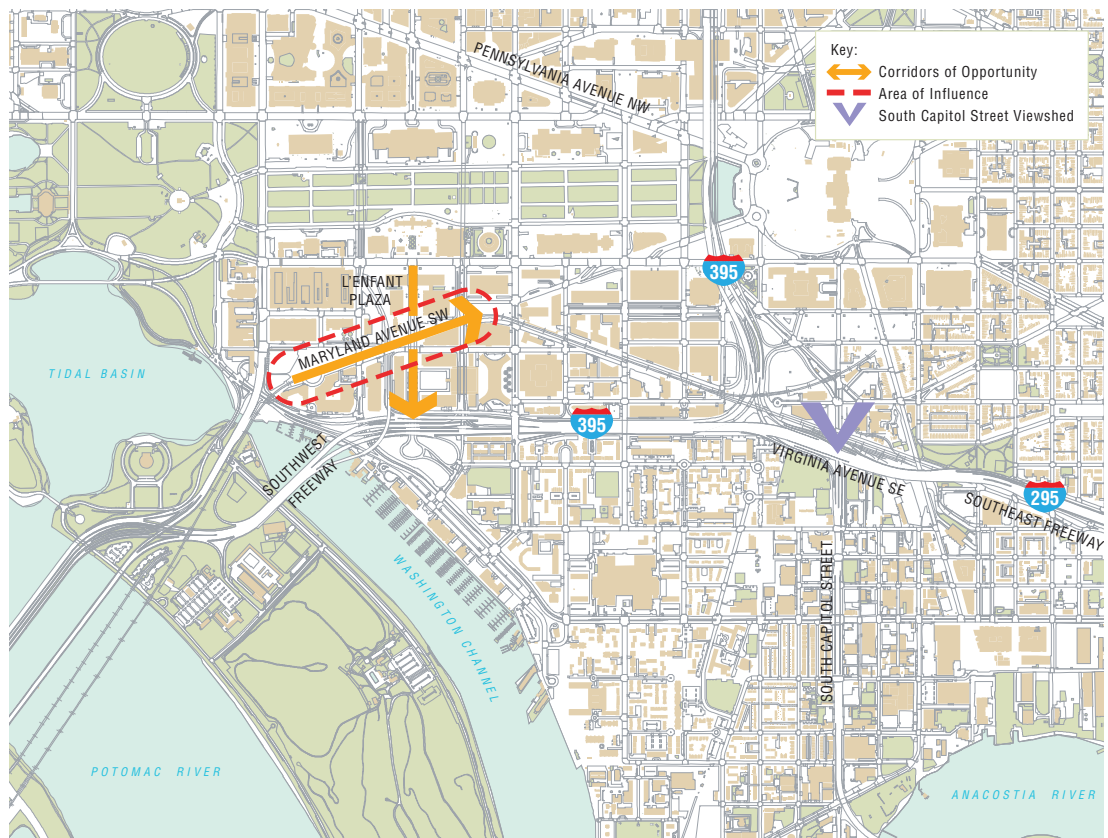
access to adjacent properties and begin to create opportunities for redevelopment of adjacent parcels, albeit at an elevated street level. Care must be taken to address connections to the Virginia Railway Express platform and other interfaces with other ground-level activities. Also, the decking elevation needs to decrease gradually approaching the junction with Virginia Avenue east of 9th Street.

Panel members believe that redevelopment of this section of the rail line, with its proximity to large tracts of federal land, will be best accomplished through the coordination of a large master plan project. Redevelopment of this section provides an excellent opportunity to integrate existing buildings, urban design, and street activity in a coordinated manner. Also, as these federal buildings reach the end of their useful life, redevelopment can be coordinated with the new decking level.

Capitol Hill: Observations

- The viability of redevelopment opportunities around the Virginia Avenue tunnel will depend on the eventual removal of the Southeast Freeway. According to DDOT, removal of the freeway will require replacing it with a vehicle tunnel from I-295/I-395 along the South Capitol Street corridor. This will enable the creation of a grand boulevard through the lower Capitol Hill area.

Monumental Core area.



- The value here will be created in the area along the new Virginia Avenue boulevard. However, given the small size and residential nature of the properties that line the future boulevard, the development of a truly grand boulevard lined with mixed-use buildings may take several decades to achieve.

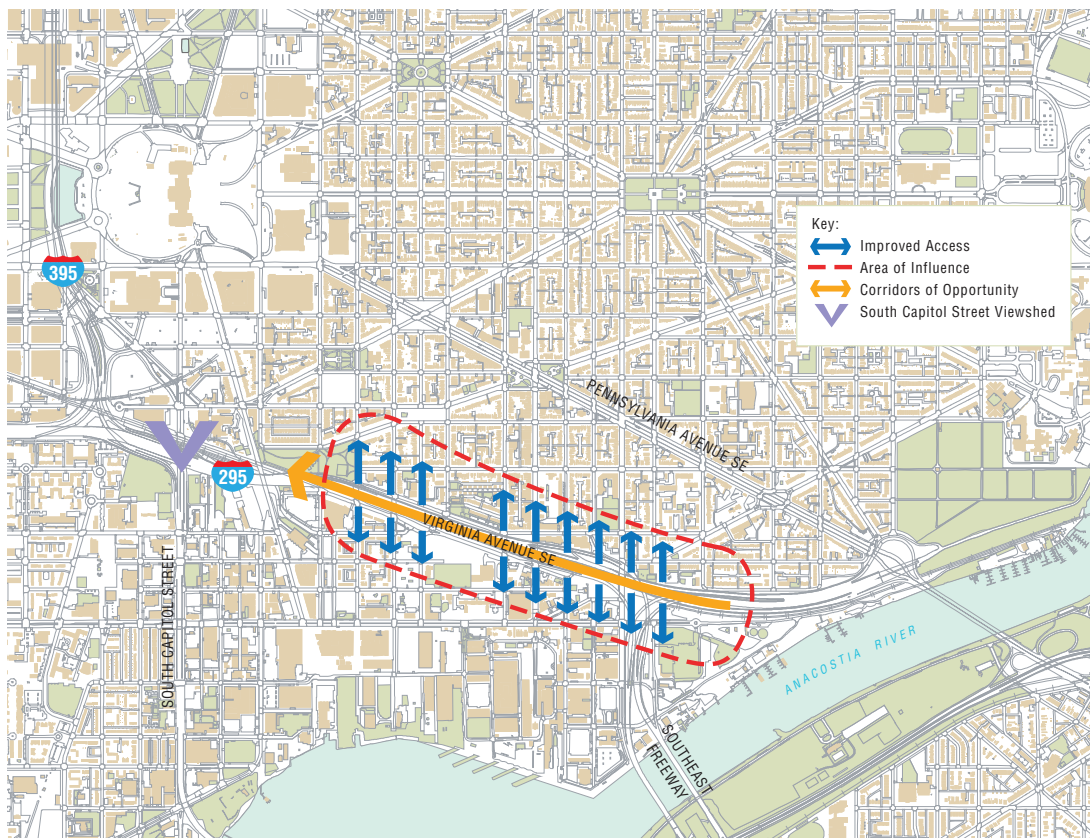
Capitol Hill: Recommendations

The major action in this district is the elimination of the Southeast Freeway. A detailed corridor plan needs to be undertaken, one that closely coordinates the removal of the freeway and the design of the grand boulevard (the continuation of Virginia Avenue) that will replace it. The additional property that becomes available from the abandoned right-of-way should be transformed primarily to uses consistent with the adjacent uses, with a series of concentrated mixed-use centers along the corridor. The centers should include new residential and commercial space in mixed-use buildings.



Freight train passing through southwest Washington, D.C.

The design of the corridor should take special care to ensure that public spaces, street design, monuments, parks, and pedestrian facilities are constructed to reconnect the neighborhoods of Capitol Hill and the southeast waterfront both physically and psychologically. Panel members believe that the removal of the rail line and the freeway will dramatically improve the view corridor from South Capitol Street to the Capitol. The city's design



Capitol Hill area.

Benning Yard in Anacostia—a large, undeveloped tract with some development potential.



approach for a number of its corridors (H Street and Georgia Avenue, for example) should also be taken for the new Virginia Avenue.

Anacostia Waterfront: Observations

- Given the existing nature of the Anacostia waterfront—predominantly park land—the most viable use of the railroad right-of-way is for additional park land, to increase access to the river. Moderate-density housing and per-

haps some mixed-use space could be a viable reuse but could limit the increased access to the river.

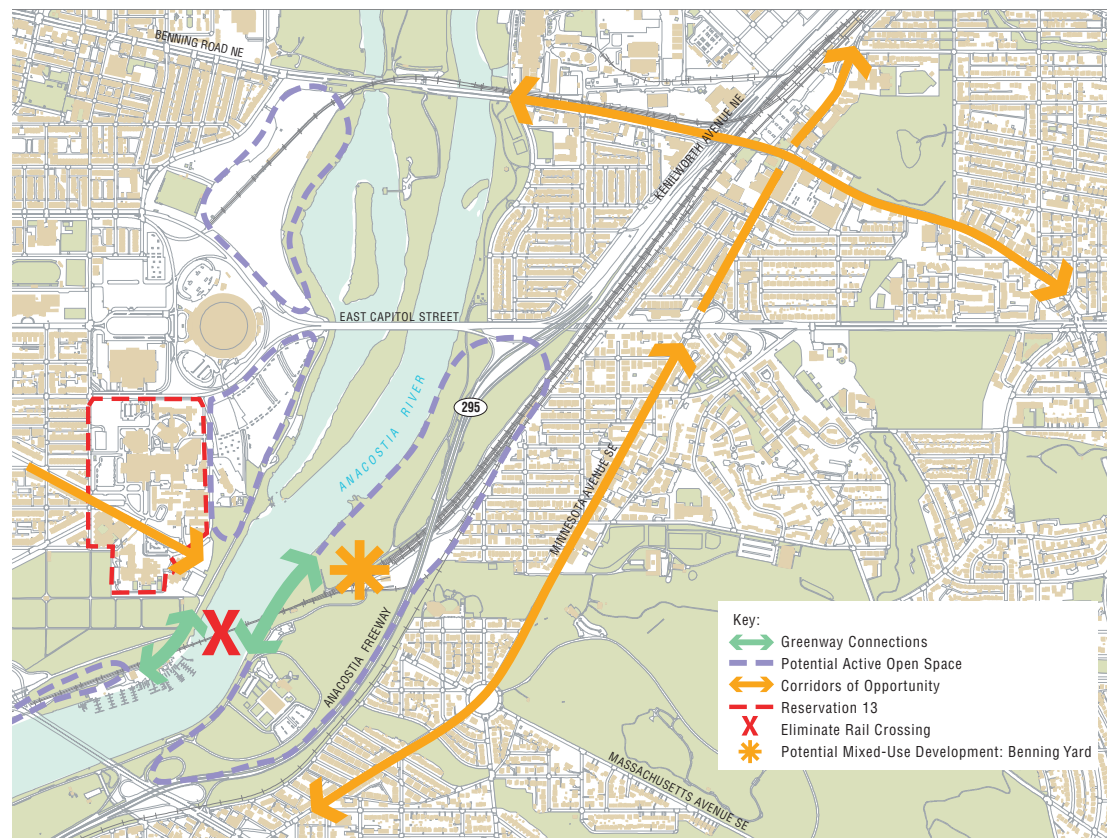
- The value created in this segment is increased access to the Anacostia waterfront, as well as elimination of the need for trail overpasses over right-of-way in the trail network.

Anacostia Waterfront: Recommendations

The panel recommends that the most viable reuse of the railroad right-of-way for this segment is additional park land. More park land will increase access to the river and remove barriers to investment, as well as provide a physical link now hampered by the rail line. Making it possible for people to get to the Anacostia River will be a dramatic and positive step toward the rebirth of the waterfront. The elimination of the safety and noise issues will also benefit the residential communities.

One exception is the Benning Yard area. Benning Yard provides a relatively large redevelopment

Anacostia waterfront area.



opportunity with easy access to roadways and to the East Capitol Street corridor. New development on the Benning Yard site could result in new interest in development east of the river. The site's waterfront views and proximity to the more economically vibrant areas of the city may offer an attractive development opportunity. The panel recommends a variety of housing-unit types, mixed-use buildings, and a central public space with an iconic use or monument that will define it to the outside world. If development is successful, it could also be a catalyst to improve investment in the neighborhood between Minnesota Avenue and the river. In the long term, the panel envisions that the corridors radiating east from the redevelopment (East Capitol Street, B Street, Ely Place) will benefit.

East of the River: Observations

The issue in this segment is neighborhood access to the Deanwood and Benning Road Metro stations. Reducing the required height and length of overpasses, through the removal of rail freight

traffic, will reduce the cost and increase the convenience of connecting Metro stations to areas across the rail lines and Kenilworth Avenue. This in turn will increase the attractiveness of these areas for higher-density, mixed-use development that will take advantage of their proximity to the Metro stations, which they are currently not well connected to.

East of the River: Recommendations

The panel recommends using the abandonment of the right-of-way as a means to improve access to the Deanwood and Benning Road Metro stations for the adjacent neighborhoods. Eliminating the railroad will help bring to fruition the redevelopment of the Parkside and Eastland Gardens neighborhoods, proposed in the Anacostia Waterfront's Ward 7 Plan.



East of the Anacostia River area.

Implementation

The accomplishment of these recommendations will in large measure rely on leadership and successful coordination of multiple projects. In the panel's opinion, the following actions should be pursued to move these recommendations forward.

Take Advantage of the Legacy and Anacostia Waterfront Brand

The *Extending the Legacy* plan and the *Anacostia Waterfront Initiative* are excellent brands. The recognition of these brands and their ability to attract interest and investment should not be overlooked. The abandonment and subsequent redevelopment on and near the old right-of-way should be linked closely with these two brands. The District government and the federal government should adopt appropriate statements and resolutions to this effect.

Partnerships

Public-private partnerships and organizations such as the Anacostia Waterfront Corporation should be used as the primary vehicles for developing the private real estate that is made available as part of the abandonment. The District government and the federal government should establish this as the standard rather than the exception as the abandonment proceeds.

Financing

Special financing districts, tax increment financing districts (TIFs), and similar financial vehicles should be considered as part of the overall strategy for redeveloping the right-of-way. Although one approach may work for development around the Maryland Avenue corridor, the Anacostia waterfront may require a different approach. The tools with which the public-private partnerships can implement the plans are varied. Also, the legislation needed to implement these actions must

be enacted before the actions are taken, after the rail line is relocated.

Leadership

Carrying out the partnerships, the financing, and the integration of the *Legacy* and *Anacostia* brands will require strong and focused leadership. The panel suggests the following actions to bring about that leadership:

- Identify a lead entity that will see these projects through.
- Form an action group that can help the lead entity steer the projects. This group can take on the role of an advisory council.
- Prepare an action plan that serves as the script for the lead entity and the action group. This plan should include two elements:
 - A list of action items in response to these questions:
 - Where does the freight go?
 - What short-term projects can be completed?
 - What longer-term projects should be targeted?
 - What is the priority list for the lead entity and the action group?
 - A consolidated infrastructure plan that includes an analysis of the financing and the timing needed.
- Prepare an outline of a financing plan. Consider the following:
 - What partnerships are needed?
 - What special districts should be considered?
 - Is any special funding available from Congress?

Conclusion

The panelists believe that the abandonment of the freight rail line that runs through the monumental core and waterfront of Washington, D.C., provides an incredible opportunity for a variety of initiatives being pursued by the District government, the NCPC, the federal government, and other entities. Foremost is accomplishing one of the incremental steps necessary to realize the *Extending the Legacy* plan. The removal of the rail line also breaks down barriers and allows access to the Anacostia River, which is an underlying theme of the *Anacostia Waterfront Initiative*.

The panelists believe that the creation of grand boulevards along Maryland and Virginia avenues will be greatly accelerated with the abandonment of the freight rail right-of-way. The panel recommends that the city and the federal government, energized by the momentum of the abandonment, be organized and prepared to act by having a plan ready to go, to deck over the portion of Maryland Avenue between 12th and 9th Streets. The abandonment will provide redevelopment opportunities adjacent to existing structures in the

L'Enfant Plaza area and reinvigorate the entire federal office area. From a more long-term perspective, the establishment of a grand boulevard, at grade, could take place in the Virginia Avenue corridor. This, of course, will require coordination with the elimination of the Southeast Freeway. The ultimate goal in this area is to eliminate the longstanding hindrance to access between Capitol Hill and the rest of the Southeast waterfront area.

Another short-term opportunity that the abandonment makes possible is the redevelopment of the Benning Yard area. The panel believes that redevelopment of this area can be a catalyst to help fuel interest in development and redevelopment east of the Anacostia River. Finally, the panel perceives that the rail abandonment will significantly improve access in the Kenilworth Avenue corridor and pedestrian access to the Deanwood and Benning Road Metro stations.

About the Panel

James M. DeFrancia

*Panel Chair
Aspen, Colorado*

DeFrancia is a principal of Lowe Enterprises, Inc., a national real estate development company engaged in residential, commercial, and resort development, and president of its community development division. He has been involved in real estate development for more than 25 years; prior to that, he served as an officer in the U.S. Navy. DeFrancia is a trustee of the Urban Land Institute, a member of the Northern Virginia Building Industries Association, past national director of the National Association of Home Builders, a former Virginia representative to the Southern Growth Policies Boards, and a former member of the board of the Metropolitan Washington Airports Authority. He has been a guest lecturer or panelist for the Bank Lending Institute; the Lincoln Institute of Land Policy; the Graduate School of Design, Harvard University; George Mason University; and the George Washington University.

DeFrancia is a 1963 graduate of the U.S. Naval Academy, with postgraduate studies in business and finance at the University of Michigan.

William C. Caldwell

Washington, D.C.

Caldwell is a principal in the Washington, D.C., office of RTKL Associates Inc., a 60-year-old full-service design firm with offices in Baltimore, Chicago, Dallas, Los Angeles, Miami, London, Madrid, Tokyo, and Shanghai. He has been responsible for several high-profile mixed-use and transit-oriented planning projects in major cities around the nation, including Gateway Village in Charlotte, North Carolina; Rolling Mill Hill in Nashville, Tennessee; Dulles Station in Fairfax, Virginia; Merrifield Town Center in Fairfax,

Virginia; the 2012 Olympic Village in College Park, Maryland; and the Metro West Station Area Plan for Vienna, Virginia.

Caldwell received his architectural and planning education at Arizona State University and the University of Miami and is a licensed architect in Arizona and in Germany, where he practiced for several years. With more than 17 years of experience in master planning, urban design, and architecture, his portfolio includes a diverse body of international and domestic work, including mixed-use communities, corporate campuses, and urban and suburban physical master plans. His current work includes several new, large mixed-use and urban redevelopment projects for local and national developers. Caldwell is a member of the American Institute of Architects, the American Institute of Certified Planners, and the Congress for the New Urbanism and is LEED accredited. Before joining RTKL in 1997, he was employed by AI, Architects and Engineers in Washington, D.C.; Caldwell-Seehrich Architektur in Stuttgart, Germany; Architektur Buero Hesse in Munich, Germany; Cannada Design in Washington, D.C.; and CHK Architects and Planners in Silver Spring, Maryland.

Thomas W. Martens

Washington, D.C.

Martens joined the Washington, D.C., office of Economics Research Associates in 2002. He has more than 14 years of real estate and economic development experience and manages assignments involving market and financial feasibility, real estate valuations, and fiscal and economic impact analyses. He has a comprehensive background in real estate strategy and advisory services, including retail site selection and corporate real estate strategy. He has conducted projects on behalf of developers, economic development and other

public agencies, financial services firms, retailers, and manufacturers.

Before joining ERA, Martens worked for five years with Ernst & Young's real estate advisory group in New York, developing national and international real estate strategies for corporate clients and conducting economic development projects for public clients.

Martens holds a master's degree in city and regional planning (real estate development focus) from Rutgers University. Before graduate school, he worked for several years with Thompson Associates, a retail consulting firm that specializes in location strategies and sales forecasting. He has also had experience in land acquisition for K. Hovnanian, a residential developer in New Jersey, and in development policy analysis for the Bay Area Council, a business-sponsored regional policy organization in Northern California.

Thomas Murphy

Washington, D.C.

Murphy holds the Klingbeil Family Chair for Urban Development at the Urban Land Institute. In the wake of Hurricane Katrina, he has spearheaded ULI's Gulf Coast program. Murphy has served on a number of ULI Advisory Services panels and is an expert in downtown revitalization, economic development, government operations, and urban visioning.

Prior to his current position, Murphy was the mayor of Pittsburgh, Pennsylvania. When he first took office in January 1994, Pittsburgh had yet to right itself after wrenching changes in the steel industry that began in the early 1980s. Government finances were in a sorry state, with a \$32 million

deficit, and there was no serious plan for an economic turnaround. Younger, college-educated workers were leaving in droves, and older residents were pessimistic about the region's future. The land on both sides of the city's three rivers, the defining aspect of downtown and the international symbol of the city, was an eyesore. The riverbanks were blighted by the rusting carcasses of abandoned steel mills and by businesses that discouraged pedestrian access to the rivers.

As a government manager, Murphy trimmed the city's workforce by more than 1,000, a reduction of nearly 21 percent. He turned yearly runaway budget deficits into budget surpluses, completing three consecutive budget agreements with the City Council that carried healthy cash balances. As an economic revitalization visionary, Murphy directed more than \$4 billion in new investment in the city—from office towers for two of the city's nationally ranked banks to new, world-class facilities for the city's professional football and baseball teams, to an expanded downtown convention center. City neighborhoods, tarnished from decades of neglect, have been refurbished through Murphy's Neighborhood Needs Program. This program has included improvements to basic infrastructure such as streets and sidewalks. Nearly all of the city's 169 neighborhood playgrounds have been renovated to meet or exceed safety standards. That effort won Pittsburgh an award from the Consumer Products Safety Commission, the first ever given to a public body. Before his tenure as mayor, Murphy served as a state legislator for 18 years and ran a neighborhood advocacy group.