

SOUTHERN GATEWAY REDEVELOPMENT

CITY COUNCIL PROJECT OVERVIEW (QUALITY INN SITE) 9-19-17





TEAM & EXPERIENCE

DESIGN COLLECTIVE



THE TEAM



DESIGN COLLECTIVE



PROJECT EXPERIENCE

The Bozzuto-Willard-DCI Team brings a proven and diverse platform for delivery of a spectacular mixed-use, community-focused redevelopment of the Quality Inn site.



MONROE STREET MARKET (CUA)



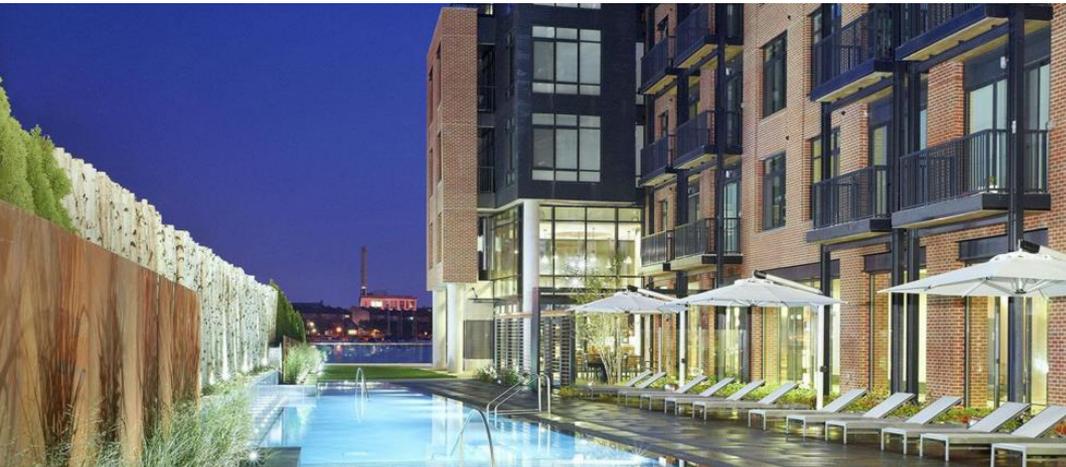
THE FITZGERALD AT UB MIDTOWN (USM)



RESIDENCES ON THE AVENUE (GWU)



UNION WHARF



DESIGN COLLECTIVE



ANTHEM HOUSE



DESIGN COLLECTIVE



DOWNTOWN CROWN



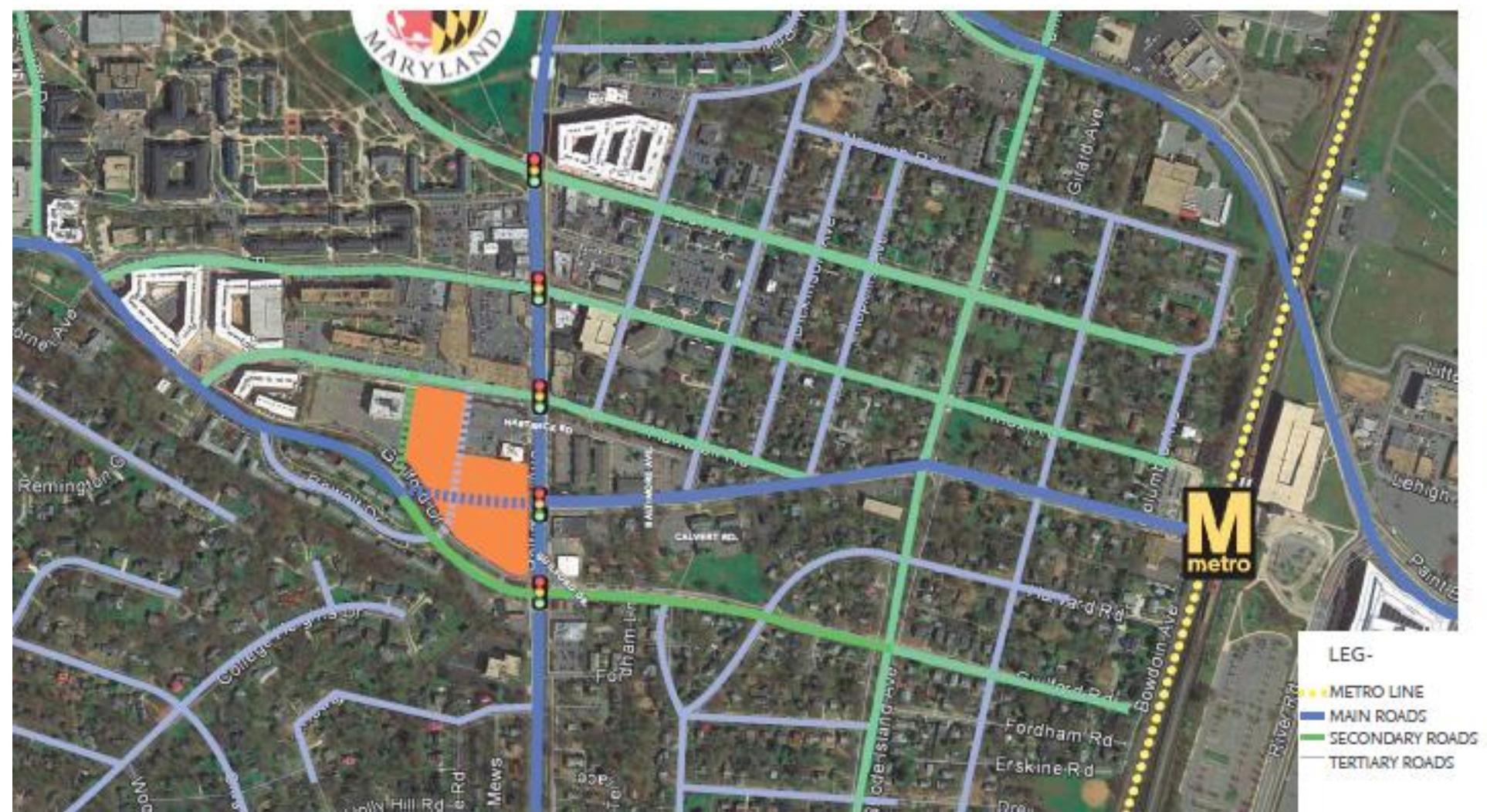


SITE APPROACH

SITE DIAGRAM: SITE BOUNDARIES



SITE DIAGRAM: STREET NETWORK





PLACEMAKING

DESIGN COLLECTIVE



PLACEMAKING



PLACEMAKING: RETAIL EXPERIENCE



PLACEMAKING: OPEN SPACE



PLACEMAKING: STORMWATER AS AMENITY

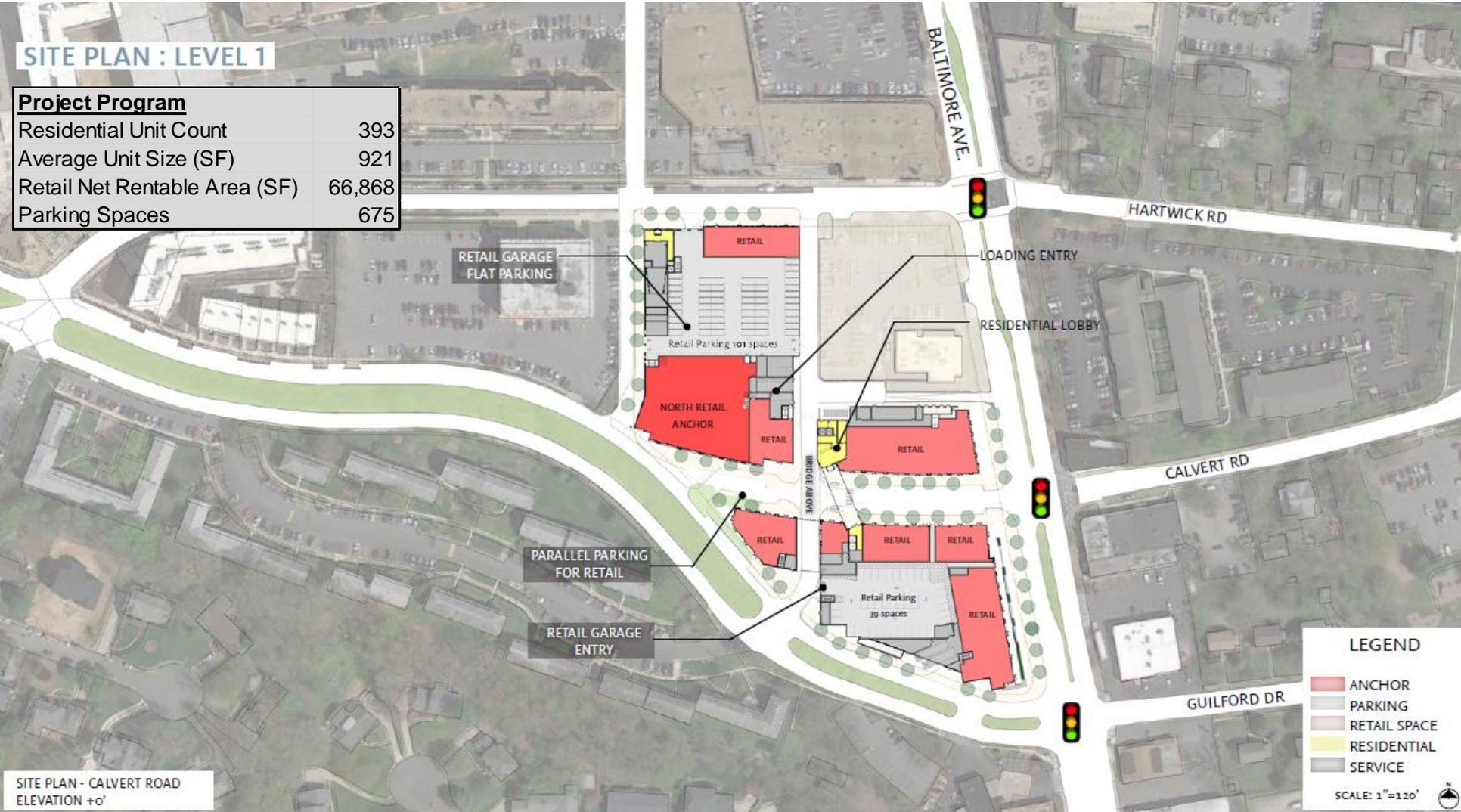


SITE PLAN: LEVEL 1

SITE PLAN : LEVEL 1

Project Program

Residential Unit Count	393
Average Unit Size (SF)	921
Retail Net Rentable Area (SF)	66,868
Parking Spaces	675



SITE PLAN - CALVERT ROAD
ELEVATION +0'

SITE PLAN: TYPICAL LEVEL

SITE PLAN : TYPICAL LEVEL

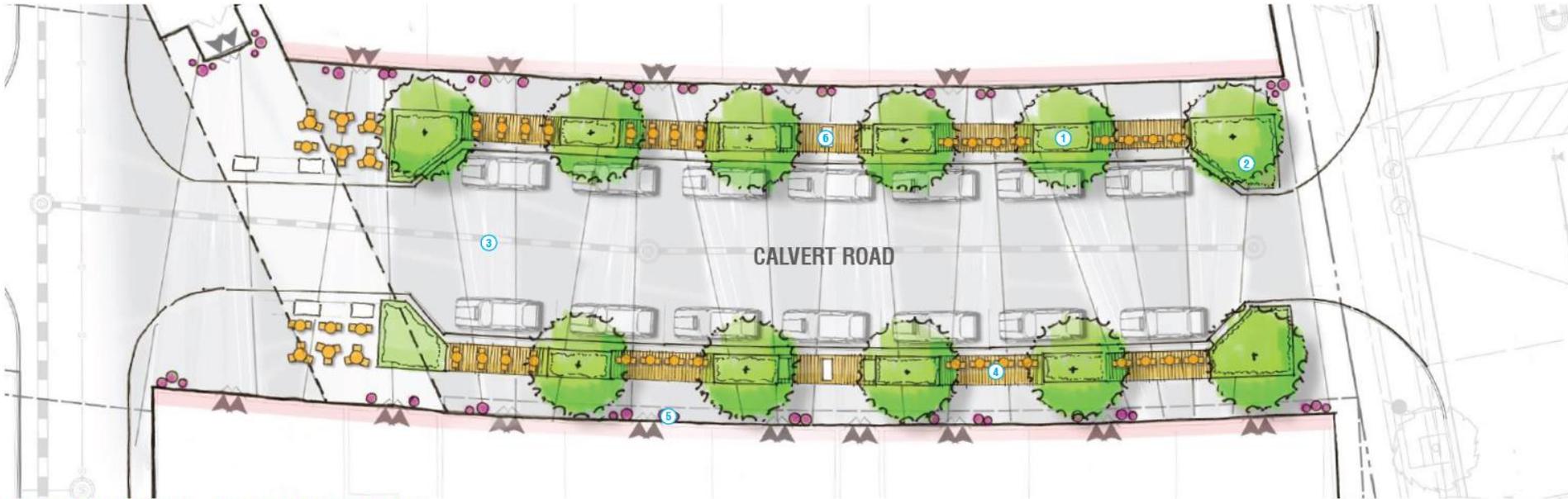
Project Program

Residential Unit Count	393
Average Unit Size (SF)	921
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SITE PLAN - TYPICAL RESIDENTIAL LEVEL

CALVERT STREETSCAPE: RETAIL



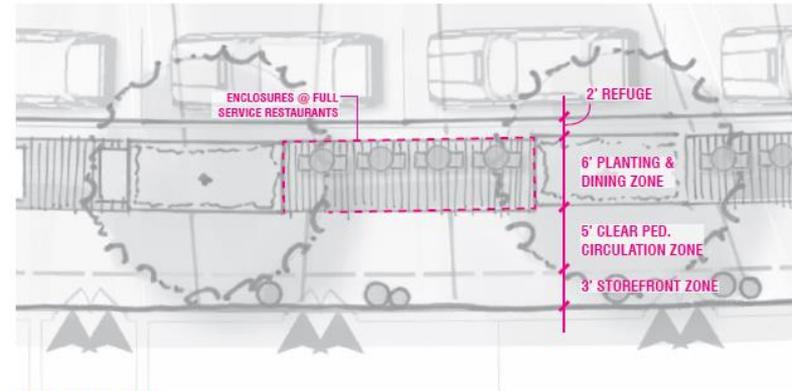
STREETSCAPE PLAN - DINING AT CURB SIDE

LEGEND

- ① 6' X 12' tree pit (at grade)
- ② Large planters at corner, potential locations for recessed bioretention planters
- ③ Paving expression that carries across Calvert
- ④ Accent paving (wood decking, pavers, etc.) between tree pits. This area will be used for outdoor dining and streetscape furnishings
- ⑤ Planter pots at key locations to add color and animation
- ⑥ Benches and streetscape furnishings located where outdoor dining space is not needed. This space allows pedestrians to access the sidewalk from parallel spaces



STREETSCAPE CHARACTER



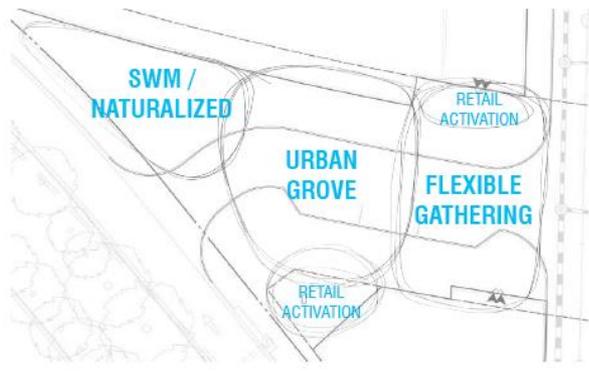
DIMENSIONS

CALVERT STREETSCAPE: GATHERING SPACE



LEGEND

- ① Retail-branded outdoor dining space activates and animates corner
- ② Flexible and open hardscape gathering area with lots of movable tables and chairs
- ③ Curbless vehicular drive with paving expression that carries across entire plaza
- ④ Seating area under canopy grove of trees. Can serve as activity zone for fun, temporary furniture or programming events (ex. hammock grove in summer or game area)
- ⑤ Wall treatment provides visually striking backdrop behind tree grove and acts as a destination (photo opportunity, mural, lights, etc)
- ⑥ Seating cascades down from hardscape to SWM pond creating opportunity to approach water and sit in a more naturalized setting
- ⑦ Bridge across SWM pond provides direct access to grocer and focuses SWM as an amenity and experience
- ⑧ Bridge opens to seating area
- ⑨ SWM pond as amenity and is located functionally in the floodplain
- ⑩ Uplighting of SWM trees is focal element seen through frame of residential bridge
- ⑪ Realign Calvert Road to allow for larger space on north side of drive



CALVERT STREET: PROGRAMMING



FOOD TRUCK FESTIVAL



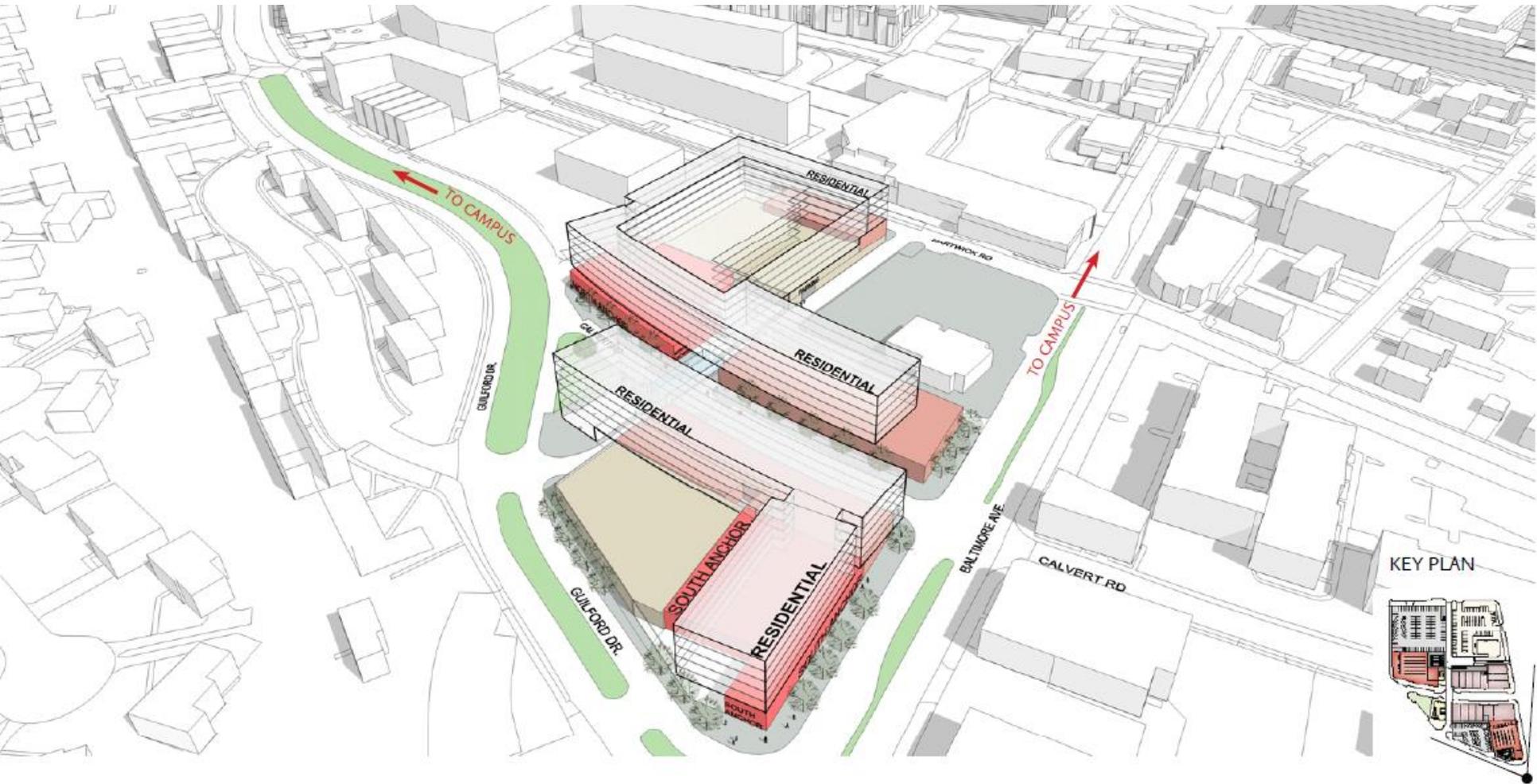
STAGE EVENT



FARMERS MARKET



MASSING: BALTIMORE VIEW



DETAILED MASSING: GUILFORD



DETAILED MASSING: BALTIMORE



DESIGN PRECEDENT



DESIGN PRECEDENT



CALVERT BRIDGE PRECEDENT



BALTIMORE & GUILFORD PERSPECTIVE



GUILFORD & CALVERT PERSPECTIVE



DESIGN COLLECTIVE



GUILFORD & CALVERT PERSPECTIVE



BALTIMORE & CALVERT PERSPECTIVE



DESIGN COLLECTIVE



BALTIMORE & CALVERT PERSPECTIVE



PROJECT DETAILS

Sense of Place

- Expansion of Calvert creates an intimate, pedestrian scale, two-sided retail street while adding to the cost of infrastructure, building facades, and construction complexity
- Installation of dynamic open spaces addresses challenging stormwater issues

Structured Parking

- Well designed, internalized parking increases the quality of the pedestrian environment while increasing project costs

Quality of Retail & Residential Tenancy

- Desire from Community and University for “game-changing” retail, of a quality and product that the City and County have not seen – achieved by creating a unique retail environment and compelling economics for tenants.
- Commitment to attract high quality multifamily residents – achieved by delivering a best-in-class residential product with unparalleled amenity spaces that appeal to the most discerning renter.

Market-Rate Residential Community

- Commitment to deliver a market-rate product provides for a diversity of housing needed in College Park

ECONOMICS: NEED FOR TIF FUNDS

- Overall project cost is \$142.8 million.
- For the project to proceed, it must attract capital to cover its total project costs.
 - To attract this capital, investors must earn a market-based rate of return
 - If project return is below-market, capital will be invested elsewhere

Project Returns WITHOUT City/County Contribution		Project Returns WITH City/County Contribution	
Total project costs	\$142,818,334	Total project costs	\$142,818,334
Less: City/County TIF and PILOT	\$0	Less: City/County TIF and PILOT	(\$10,478,092)
Net project costs	\$142,818,334	Net project costs	\$132,340,242
Net operating income	\$8,033,408	Net operating income	\$8,033,408
Return on costs (no contribution)	5.62%	Return on costs (with contribution)	6.07%

- Developer threshold to attract necessary capital is 6.75%.
 - Driven by investment market
 - DC metropolitan market is requiring investment returns of 6.75%-7.50%
- Net operating income is based on top of the market rents: lower rents further increases the project's gap and reduces the ability to attract the necessary capital to justify the \$142.8 million in expenditures.

ECONOMICS: TAX INCREMENT REVENUES

City will receive increased revenues from the redevelopment of the Quality Inn Site

City continues to receive existing revenues from value today.

- Existing assessed value: \$13,914,124
- Existing tax revenues that will continue to flow to the City: \$46,612

New incremental value created by redevelopment over and above existing value.

- Incremental assessed value: \$94,342,000 (shown at full build-out, excluding inflation)
- Estimated incremental tax revenues: \$316,049

Total City Revenues:

- Existing real property tax revenues: \$46,612
- 25% of estimated incremental tax revenues: \$79,012
- Total combined revenues during the TIF of \$125,624
- Other additional revenues created by the mixed-use project over and above new real estate tax revenues
- Upon expiration of the TIF, City will receive the estimated incremental tax revenues of \$316,049 (estimated to be approximately \$428,000 in FY 2036, including inflation)

ECONOMICS: COUNTY PILOT

County is supportive of a PILOT request, and our ask is outlined below.

- **75% pledge of County real estate tax increment revenues**
 - County collects otherwise applicable real property tax revenues
 - County rebates tax increment revenues to developer pursuant to note or reimbursement agreement
- **15-Year term from issuance of a certificate of occupancy for the project**
 - Currently projected through fiscal year ending 2036, or approximately 18 years from the start of construction
- **Net proceeds**
 - Estimated to support approximately \$7.7 million in project costs
 - Developer is at risk to obtain financing and produce tax increment revenues necessary for repayment

ECONOMICS: CITY TIF

75% pledge of City real estate tax increment revenues

- City collects otherwise applicable real property tax revenues
- City rebates tax increment revenues to developer pursuant to TIF note
- Approximately \$316,049 in annual tax increment revenues (shown at full build-out, excluding inflation)
- City would receive remaining 25% surplus revenues equal to approximately \$79,012 (shown at full build-out, excluding inflation)
- City request is not seeking the issuance of TIF bonds to the market. TIF revenues would be pledged to the developer for repayment of a TIF note.

Term would run through repayment of developer held note

- Currently projected through fiscal year ending 2036, or approximately 18 years

Net proceeds

- Estimated to support approximately \$2.8 million in project costs
- Developer is at risk to obtain financing and produce tax increment revenues necessary for repayment

City and County assistance would be structured similarly to raise approximately \$10.5 million in additional capital necessary for the project to go forward.

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