

DISTRICT OF COLUMBIA INDUSTRY UPDATE

THE NEW DEPARTMENT OF GENERAL SERVICES & MORE

Featured Speaker

Mr. Allen Lew, *District of Columbia City Administrator*

Opening Comments

Paul Mella, *WBC Chairman of the Board* – Dynalectric Company

Introduction

Joel Zingesser, *WBC Vice-Chairman* – Grunley Construction Company

Presentation 6:00 to 7:00 p.m.

Reception 7:00 to 8:00 p.m.

November 9, 2011



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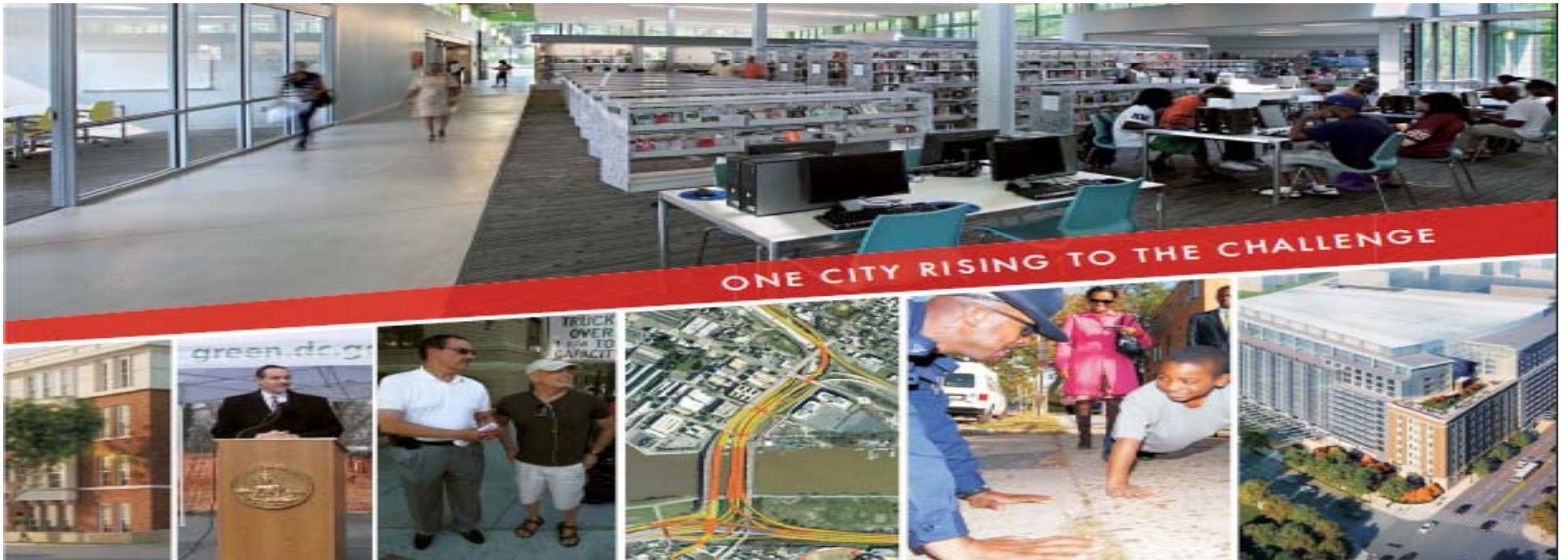
DC Development Outlook & The New DC Department of General Services (DGS)

Washington Building Congress Program & Education Committee

November 9, 20011

Allen Y. Lew

City Administrator of the District of Columbia





District of Columbia Development Outlook 2012 & Beyond



- DC is the right place to be if you seek ***Opportunity***, have ***Vision*** & can help ***Produce Jobs*** for DC residents.
- Gray Administration committed to supporting development community to revitalize business corridors and residential neighborhoods alike.
- Workforce incentives available to developers and contractors for hiring DC residents.



District of Columbia Development & Employment

- Prior to this Administration, economic development and job creation projects were essentially frozen. Now, just 11 months into the Gray Administration, several major projects are under construction representing \$1.9 billion in investment in the District that will produce 3,500 construction jobs and, when completed, 5,300 permanent jobs.
- By 2015, the District is on track to leverage \$11B in public/private investment that will create more than 56,000 construction jobs and more than 50,000 permanent jobs.*





Public/Private Development

MAJOR PROJECTS UNDER CONSTRUCTION			
Project	Ward	Status	Milestones (All dates per calendar year)
City Center	Ward 2	Under Construction	Groundbreaking: Spring 2011 Estimated completion date: 2015
Convention Center Hotel	Ward 6	Under Construction	Groundbreaking: Fall 2010 Estimated completion date: 2015
Howard Theatre	Ward 1	Under Construction	Groundbreaking: Fall 2010 Estimated completion date: Summer 2012
Giant (H Street NE)	Ward 6	Under Construction	Groundbreaking: Summer 2011 Estimated completion date: 2013
Rhode Island Station	Ward 5	Under Construction	Groundbreaking: May 2010 Estimated completion date: Spring 2012
Progression Place	Ward 1	Under Construction	Groundbreaking: December 2010 Estimated completion date: Fall 2012



Public/Private Development

MAJOR PROJECTS UNDER CONSTRUCTION

Project	Ward	Status	Milestones (all dates per calendar year)
NCI-Barry Farm - Sheridan Station	Ward 8	Under Construction	Groundbreaking: Spring 2010 Estimated completion date: Late 2011
NCI-Barry Farm - Matthews Memorial Terrace	Ward 8	Under Construction	Groundbreaking: Summer 2010 Estimated completion date: Early 2012
NCI-Lincoln Heights-'Eden Place – Phase 1' (Eastern/Dix)	Ward 7	Under Construction	Groundbreaking: January 2011 Estimated completion date: Early 2012
NCI-Northwest One -2 M Street	Ward 6	Under Construction	Groundbreaking: Summer 2011 Estimated completion date: 2013
NCI-Northwest One- The Severna	Ward 6	Under Construction	Groundbreaking: Fall 2010 Estimated completion date: Late 2011
NCI –Park Morton-'The Avenue'	Ward 1	Under Construction	Groundbreaking: January 2011 Estimated completion date: Early 2013



Public/Private Development

MAJOR PROJECTS WITH UPCOMING MILESTONES		
Project	Ward	Status (All dates per calendar year)
NCI-Barry Farm-Recreation Center	Ward 8	Funding Allocated / Currently under design
Center Leg Freeway (I-395)	Ward 6	Target Closing: 2012
West End Parcels	Ward 2	Target Groundbreaking: Summer 2012
O Street Market	Ward 6	District TIF Bond closing anticipated November 2011
Minnesota & Benning, NE	Ward 7	Target Groundbreaking: Summer 2012
801 New Jersey Ave, NW	Ward 6	Target Groundbreaking: Early 2012
The Nannie Helen (4800 blk of NHB, NE)	Ward 7	Target Groundbreaking: Late 2011
Shops at Dakota Crossing	Ward 5	Target Groundbreaking: Q4 2011



District of Columbia Capital Budget



Total FY2012 DC Public Project Capital Improvement Plan is \$844.8 million

- Department of Transportation (\$255.5M)
- WMATA (\$126.7M)
- University of the District of Columbia (\$43.2M)
- East of the River Developments (\$100M+)
- Expansion of Streetcar lines (\$25M)
- School Modernization (\$267M)

Planned FY2012 - FY2017 CIP ensures District remains under the 12% debt cap



DC Capital Budget Priorities— Education

School Modernization Projects scheduled for completion or start include:

- Reconstruction of fire-damaged Takoma Elementary School
- Woodrow Wilson and H. D. Woodson Senior High Schools
- Anacostia, Cardozo, and Dunbar High Schools
- Hart, Hearst, Maury, Mann, Seaton, and Turner Middle/Elementary Schools

School Modernization Planning:

- Ballou, Ellington, and Other High Schools
- Renovation and modernization of University of the District of Columbia & Community College of DC





A New Way of Getting it Done in DC!

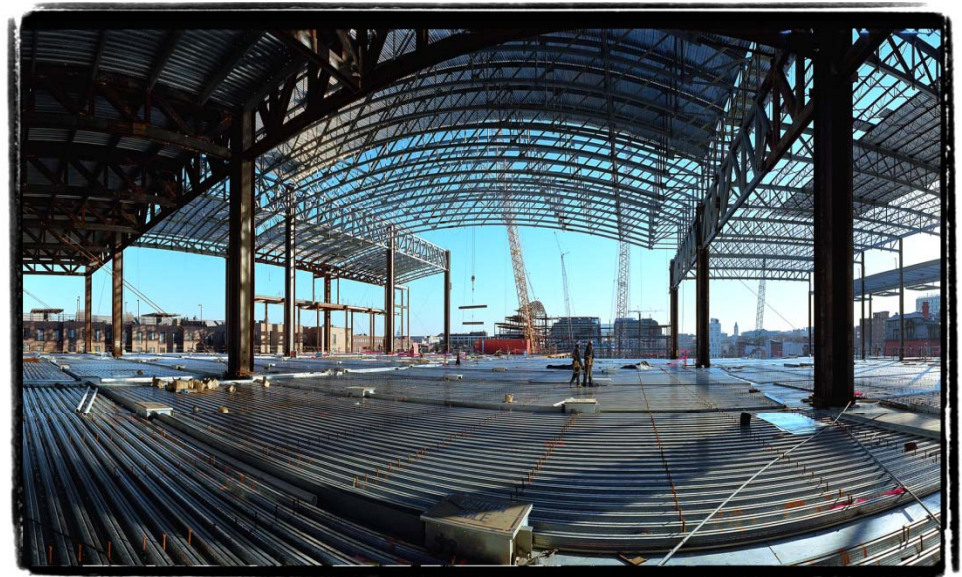
DC Department of General Services (DGS)

www.dgs.dc.gov

- The Department of General Services (DGS) is opened for business. DGS combines the capital construction and facility maintenance functions of several agencies, most notably the Office of Public Education Facilities Modernization (OPEFM) and Department of Real Estate Services (DRES).
- There are 77 agencies or independent operating units occupying space in approximately 238 facilities under DGS's management.
- The Construction Division implements and oversees the public building needs in the Capital Improvements Plan (CIP) for most agencies. The Construction Division ensures the timely and cost-effective delivery of superior quality engineering and design, environmentally sensitive and sustainable projects, as well as a variety of other technical services on all relevant capital development projects in the CIP.



Washington Convention Center





DGS At A Glance

Leadership:

Director/Capital Construction Division:	Brian Hanlon
Chief Operating Officer:	Scott Burrell
General Counsel	Camille Sabbakhan
Administrative Support/ Contracts and Procurement:	JW Lanum
Facilities Operations and Maintenance Division:	Ollie Harper
Portfolio Management Division:	Jonathan Kayne
Associate Director, Utilities and Energy Management	Jim South
Interim Chief Financial Officer for DGS	Mohamed Mohamed
Protective Services Division	Lou Cannon



DGS At A Glance

Short Term Initiatives:

Jobs: Pilot Workforce Incentive Program (WIP) Expanded to All DGS Projects

The goal of the 2011 summer pilot WIP was to meet or exceed having 35 percent or more of the hours worked on a project be performed by District residents. Achieved nearly 50 percent of hours worked by DC residents.

WIP is paid for by a small percentage of contingency funds within each project. WIP incentivizes contractors and subcontractors to increase hiring of District residents by:

- Providing the general contractor an incentive of up to 5 percent of its fee for achieving District-resident hiring targets established as part of its Guaranteed Maximum Price (GMP) for the project; and
- Providing subcontractors an incentive payment equal to 10 percent of payrolls that are paid to District residents on the project.



DGS At A Glance

Short Term Initiatives:

Contracting & Partnerships:

- DGS is planning major Contractor Forum & Opportunity Fair
- www.DGS.dc.gov is being revamped to make access to contract and bid opportunities more transparent and easier to access
- Developing Mentor-Protégé Programs to encourage meaningful Joint Venture partnerships with local CBEs





Capital Improvement Plan Elements

DGS Capital Construction Program will employ best practices in procurement and project execution.

All projects expected to meet LEED Silver or better.

- Enhanced natural lighting
- Acoustics
- Indoor Air Quality
- Climate Control
- Technology





Capital Improvement Plan Elements—Education



Beyond the Classroom

Implement design and construction strategies that go beyond the basics to purposely transform buildings into energy efficient and sustainable leaders.

- Historic Preservation
- Stormwater Management
- Renewable/Alternative Energy Resources
- School as a Teaching Tool
- Building Materials with Recycled Material Content



Department of General Services—Education Projects

HD Woodson STEM HS

- Designed to Support Science, Technology, Engineering and Math (STEM)
- 1st “ground-up” community-based STEM School for the DC Public Schools
- LEED Gold
- Supports Community Engagement
- Advanced Technology Infrastructure
- Collaborative Workspaces
- Broadcast Media Center
- CATV and Video Distribution
- Wireless Data Service
- Technology Specialty Labs (Robotics, Renewable Energy)





Department of General Services—Municipal Projects

Consolidated Forensic Lab

- Project Size: 287,000 SF
- Location: 4th and School Streets, SW
- Completion: Fall 2012
- Tracking LEED GOLD
- **Highlighted Technology: Chilled Beam Technology**
 - (Active Induction Heating and Air Condition Units)
 - Lower Energy Consumption and Operating Costs
 - Improved Comfort/ Indoor Air Quality
 - Superior Humidity Control
 - Consistent Air Distribution
 - Reduced Duct sizing/ HVAC noise level
 - Estimated 22.5% Energy Cost Savings





Department of General Services—Municipal Projects

Evidence Warehouse

- Project Size: 30,000 SF
(10,000 SF of Office)
- Location: DC Village, SE
- Completion: Summer 2011
- LEED GOLD Certified
- **Highlighted Technology: Fully Automated Storage Delivery System**
 - 33,500 ft³ of Evidence Storage
 - Remstar Vertical Lift Storage
 - Adaptable Tray Sizing
 - Controlled Tray Access
 - Tray Capacity Optimization Scanning Software
 - Space Saver Eclipse Mobile Aisle Shelving
 - 144 bays (40' Tall)





Department of General Services—Municipal Projects

200 Eye Street SE

- Project Size: 420,000 SF
- Location: 200 Eye St. SE
- Completion: Fall 2012,
Tracking LEED GOLD
- **Highlighted Technology:
Reclaimed Water Use**
- Grey water system uses reclaimed condensate from the Air Handling Unit's and cooling tower.
- Reclaimed Water is used to flush toilets/urinals.
- 12,000 gallon Tank
- Over 40% in water use savings combined with fixtures





Department of General Services—Municipal Projects

Department of Employment Services (DOES) Headquarters

- Project Size: 225,000 SF
- Location: Minnesota Ave and Benning Rd, SE
- Completion: Winter 2011
- Tracking LEED GOLD
- **Highlighted Technology: Daylight Harvesting**
- Control system reduces the use of artificial lighting with photo-sensors that detect prevailing light levels
- Estimated 35% Lighting Energy Savings





Priority Public/Private Projects



- St. Elizabeth's East Campus
- Walter Reed Army Medical Center (WRAMC)
- Skyland
- McMillan
- Shops at Dakota Crossing (Ft. Lincoln)
- 5th and Eye Street



Priority Public/Private Projects

St. Elizabeth's East Campus



Status/Milestones:

- Master plan to be completed in early November
- Construction of Phase I infrastructure commences spring of 2013

Benefits:

- Integrates retail, housing, office on St. E's East Campus into neighborhood fabric
- Creates over 10,000 temporary jobs
- Creates over 10,000 permanent jobs
- Provides \$600 million in tax revenues over 10 years at completion



Priority Public/Private Projects

Walter Reed Army Medical Center



Status/Milestones:

- Master plan complete by 2012
- LRA and community meetings over next year

Benefits:

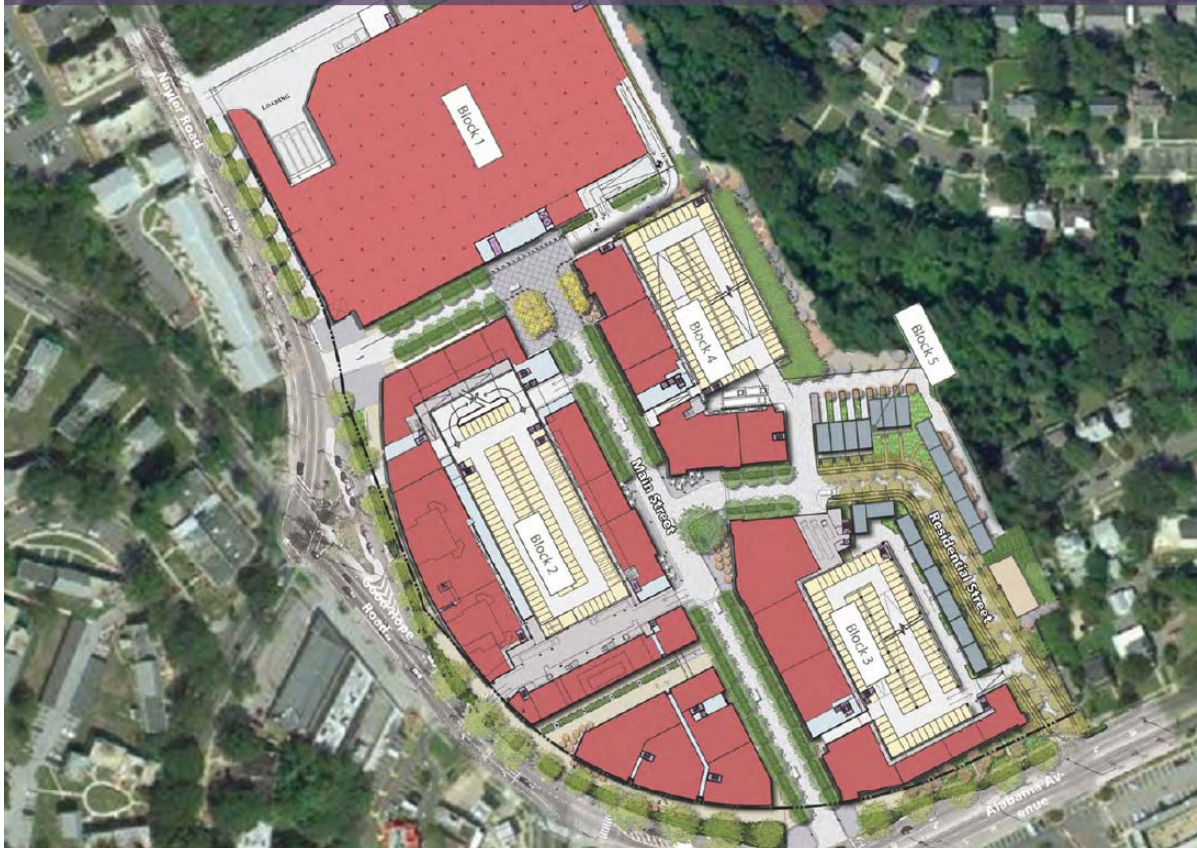
- Integrates former military installation into neighborhood and becomes regional destination
- Creates 1,300 temporary jobs
- Creates 3,700 permanent jobs
- Provides \$180 million in tax revenues over 10 years.



Priority Public/Private Projects

Skyland Shopping Center

Proposed Development Plan for Skyland



Status/Milestones:

- Resolution of remaining litigation issues anticipated in 2012
- Phase I of selective demolition anticipated for Q1 2012
- Anticipated delivery of site to development team Q1 2013
- Working with community to plan and implement interim-use activities

Benefits:

- Redevelopment of a long neglected community asset
- Creates 1,500 temporary jobs
- Creates 900 permanent jobs
- Provides over \$100 million in tax revenues over 10 years



Priority Public/Private Projects

McMillan



Status/Milestones:

- Submitting for entitlements November 2011.
- Development could commence as early as 2013

Benefits:

- Adaptive reuse of historic resources.
- Creation of neighborhood amenities that include a park, historic preservation, and community-serving retail.
- Creates 1,800 temporary jobs
- Creates 1,500 permanent jobs
- Provides \$120 million in tax revenues over 10 years.



Priority Public/Private Projects

Shops at Dakota Crossing (Ft. Lincoln)



Status/Milestones:

- Closing November 2011
- Costco to close and begin construction
November/December 2011
- Project to be completed in Q4 2013

Benefits:

- Provides a significant retail amenity to the neighborhood.
- Creates 500 temporary jobs
- Creates 1,000 permanent jobs
- Provides \$92 million in tax revenues over 10 years



Priority Public/Private Projects

5th and Eye Street



Status/Milestones:

- Final configuration includes two hotels totaling 350 rooms with ground floor retail amenities
- Execution of LDA by year end

Benefits:

- Improve the retail streetscape along 5th Street.
- Enliven this important corner with a 24-hour use
- Creates 380 temporary jobs
- Creates 350 permanent jobs
- Provides \$84 million in tax revenues over 10 years



Linking Construction & Business Development with Workforce Development



- Mayor Gray's One City One Hire initiative has received commitments from over 100 businesses who have hired over 160 unemployed District residents. www.onecityonehire.org
- Mayor Gray has reinvigorated the Workforce Investment Council (WIC). Prime resource for employers looking to hire DC residents. www.dcwic.dc.gov
- DGS Workforce Incentive Program (WIP) provides financial reward to prime and subcontractors for hiring DC residents. Firms must still comply with First Source law. www.DGS.dc.gov

WASHINGTON BUILDING CONGRESS

The Washington Building Congress is a professional trade association made up of over 1,000 companies and individuals from a variety of disciplines, all with an active interest or involvement in the Washington metropolitan area real estate, design and construction community.

The WBC was established in 1937 as an “*umbrella organization*” to represent the collective interests of the industry, provide education and networking opportunities, and promote the professional advancement of our members.