

Notes from the September 20, 2007 Meeting of the East Campus Redevelopment Community Review Steering Committee

Introduction

Doug Duncan opened the meeting and welcomed attendees. He then explained that there had been discussion since the last meeting about what the expected outcome of these meetings is, considering that project plans will not be finalized by the last scheduled meeting. Two strategies have been identified to address this:

- Principles resulting from each meeting will be developed, on which the Committee can reach consensus.
- There will be additional meetings of the Committee in the future, to review more detailed development plans.

The meeting was then opened to the Committee to make questions and comments on any outstanding issues.

- Question: Will the meeting minutes be the basis of the meeting principles?
 - Response: No: the minutes are simply a record of the meeting; the principles will be developed separately.
- Question: At the last meeting there was a question about the noise impact of the project. To clarify, the question was about the overall noise impact on the surrounding community – not just from the power plant (for example, also from outdoor activities).
 - Response: Noted.

Note: For the most part, the presentation portions of each meeting topic were based directly on the presentation slides. The slides were available at the meeting and will be posted on the website, so these notes will not reproduce them but will instead focus on any additional information that was provided by the presenter and the Q&A segments that followed each presentation.

Discussion

Introduction

Presentation (Richard Perlmutter)

- Quick overview of the agenda (uses and market feasibility).

Residential

Presentation (Leonard Bogorad and Elizabeth Davison, RCLCO)

- See presentation slides.

Q&A

- Comment: The rent per square foot for University View sounded low.
 - Response: This data market came from a phone call to this apartment. Also, the figure is based on total apartment square footage, not just bedrooms.
- Comment: It seems contradictory that projected rent per square foot for graduate apartments is higher even though graduate students are poorer than other potential tenants.
 - Response: This is due in part to the graduate apartments having more bedrooms per unit. Also, unfortunately graduate students do tend to spend a higher proportion of their income on housing.
- Question: Why is it that undergraduate students can spend more on rent?
 - Response: This is mostly because parents tend to pay rent for undergraduates but not for graduate students. Also, undergraduate rents tend to include utilities.
 - Follow-up question: So if undergraduates can spend more, why wouldn't they rent the graduate units?
 - Response: A certain number of apartments (approximately 500 units) will be set aside for graduate students.
- Question: Can undergraduates rent the general occupancy apartments?
 - Response: Yes; they just will not be University-affiliated undergraduate housing.
- Question: Isn't the plan for 2,000 graduate beds? The study suggests a lower number.
 - Response: The developer is planning to develop approximately 500 graduate units in Phase I, which amounts to approximately 1,400 beds. This is higher than the study recommends.
- Question: What commitment is there to do Phase II? The concern is there are a lot of potential competing residential projects in the area.
 - Response: The study takes these other projects into account in its demand projections. The developer is confident that the projected rents at East Campus can be achieved.
- Question: What is the projected rent per graduate student?
 - Response: \$650-950.
 - Follow-up comment: This seems unrealistic based on graduate students' income levels.
 - Response: On average, this rent may be high but there are enough graduate students with higher income to generate enough demand at these rent levels.
- Question: What is the population of Leonardtown?
 - Response: 500 beds. As part of Phase II, the beds lost at Leonardtown will be replaced with new housing in the North Campus area. [*Post-meeting correction: Leonardtown contains 640 beds.*]
 - Follow-up comment: Building more than replacement levels on North Campus would be great.
 - Response: Agreed.
- Comment: The study results include condos, which imply an impact on schools.
 - Response: Condos are not planned, and would be difficult if not impossible on State land. Also, more generally, families tend not to live in these kinds of developments.

- Question: Does Leonardtown remain until the replacement housing is built?
 - Response: Yes; Leonardtown will not be demolished until the replacement housing has been completed.
- Question: Will the County school impact fee apply to this development?
 - Response: It will apply except for the set-aside graduate housing.
- Question: A major potential source of residential demand is the Navy Yard office development; did the study take this into account?
 - Response: The study looked generally at area household growth and job growth. The goal for this project is to draw from the region, not just locally.

Retail

Presentation (Jon Eisen, StreetSense)

- See presentation slides.
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- Merchandising strategy
 - The developer wants a mix of local, regional and national retailers, and has the capability (and experience) to make this happen.

Q&A

- Question: Can the Committee see the retail analysis?
 - Response: This presentation included much of this information, such as on trade areas and competition. If interested, Jon can also share his demand model.
 - Response: The developer is a long-term owner of its projects, so it demands quality.
 - Response: This area is definitely underserved in many retail categories.
- Question: With the events programming, are there opportunities for local and arts events?
 - Response: Definitely; these kinds of events are important for the community and for drawing people to the site.
- Comment: There is a lot of concern about the impact this project will have on already-struggling retail centers up and down Route 1, such as in Riverdale Park.
 - Response: This project will not be direct competition, as these other places focus on local retail.
 - Response: The retail world is always in flux and it is difficult to force a particular location to retain a particular retail character over time.
 - Response: These other locations should take advantage of community- and government-driven efforts and programs to revitalize these types of retail centers.
 - Follow-up comment: Hopefully the developer can direct interested retailers that it can't locate in East Campus to these other locations.
 - Follow-up comment: Extending ShuttleUM to these other locations would also help.
- Question: How can the link between East Campus and downtown College Park be strengthened?
 - Response: One approach would be to make land use changes, for instance in the Fraternity Row area.

- Response: Garth Rockcastle is working with Jon on this and other, related issues.
- Question: Could the events programming promote events held elsewhere?
 - Response: Yes. The developer does this in Silver Spring.
 - Response: Perhaps a Business Improvement District would be appropriate for this area.
- Question: What is the expected ratio of local to other retail?
 - Response: It is too early in the design and planning stage to know. Also, it is too early to talk to most retailers.
- Question: Can local businesses really compete economically with regional and national businesses in this kind of development?
 - Response: Yes. For instance, this happens quite successfully in Silver Spring. The developer works intensively with local businesses (soliciting them, helping them with business assistance, etc.).
- Comment: The issue of distinct/local retail is very important here. Perhaps there could be enforceable or at least explicit minimums or set-asides.
- Comment: Please explain the retail incubator concept.
 - Response: The developer helps local retailers with business education and assistance.
- Question: What does the developer mean by local businesses?
 - Response: Local businesses include franchise businesses owned locally.
 - Follow-up comment: This is an important point, because to many people the local character of a store is also important in defining it as local.
- Question: Who runs the events program?
 - Response: The developer will have a marketing director, and will partner with the University on this.
- Comment: Some of the slides in the presentation include retailers with large footprints, suggesting that this development will look like a regional mall.
 - Response: The largest retail business will be a grocery store, approximately 55,000 square feet – there will be no department stores or big boxes. Stores will range in size from 1,500 to 55,000 square feet.
- The planned retail seems high-end compared to College Park demographics.
 - Response: There will be multiple price points; the developer wants a mix. The idea is to draw as much business as possible.
- Question: Are there any plans to utilize space in East Campus for student-run and/or University-affiliated businesses?
 - Response: [from Doug] This is a good idea; we will talk to the developer about this.
- Comment: It would be helpful to have more information on the ways in which the developer plans to help existing businesses.
- Comment: In addition to character, another reason local businesses are important is that they keep money in the community.

Office

Presentation (Neil Beggy, Cushman & Wakefield)

- See presentation slides.

Q&A

- Question: How much office space is planned?
 - Response: 100,000 square feet of Class A.
- Question: Is there demand for this much?
 - Response: Yes, if it is built toward the tail end of the project, as office tends to follow other uses.
- Question: The vacancy rate is high in this area; what will be the impact of this building on existing office buildings?
 - Response: Office space tends to attract other office space. Also, these will be different tenants, as existing space is lower quality and has been around for awhile, so this new building will demand higher rents. The competition is more DC than College Park.
- Comment: Perhaps having tenants from the same organization at M Square and East Campus could help draw traffic to East Campus.
 - Response: This is a good point and worth exploring.
- Question: Will this space be pre-leased or spec?
 - Response: Pre-leased (at least 50%).
- Question: What kinds of tenants are expected?
 - Response: Mostly small, professional firms (for example, law offices).
 - Follow-up question: What about University of Maryland University College; they need more space?
 - Response: The developer has considered them.
- General response: The office space will be in a separate building, so it can develop at its own pace as the market dictates.

Hotel

Presentation (Jon Eisen, StreetSense)

- See presentation slides.
- The developer is planning for this to be a limited-service (but upscale) hotel.

Q&A

- Question: Why not a full-service hotel?
 - Response: The area around the hotel will have many of the amenities associated with a full-service hotel (retail, restaurants, etc.). But meeting space will be considered, based on the University's needs.
 - Follow-up question: Keep in mind that University meeting space is not necessarily available to outside organizations.
 - Response [*from Doug*]: These issues are still under discussion.
- Question: Regarding University meeting space, is the opposite situation true – that the University does not want the hotel to include meeting space so that it can rent its own facilities?
 - Response: No. The University does want this hotel to have meeting space.

Childcare

Presentation (Jon Eisen, StreetSense)

- There are a lot of childcare facilities in the trade area, of various types and sizes.
- They range in cost from \$300 to \$1,000 per month.
- As required by the University, there will be a 2,500-3,000 square foot facility on-site to fill a gap in supply (infant care).
- The developer team has started doing research and looking for an operator.

Prince George's County schools

Presentation (Doug Duncan, University of Maryland)

- Most schools in the area are over capacity.
- The University is in discussion with the County regarding Paint Branch Elementary expanding from Pre K-6 to Pre K-8.
- Other schools in the County's Capital Improvement Plan will not be completed for many years.
- The University will urge the County to provide adequate school capacity in this area by reflecting this need in its CIP.

Q&A

- Comment: Potential school sites are rare in this area, so overcrowding is a major issue and concern regarding new development.
- Comment: Quality is also a major concern.

Linkages to North College Park

Presentation (Jon Eisen, StreetSense)

- The developer's plan focus more on the area between Paint Branch and downtown College Park.
- The hope and intent is for East Campus to serve as an example and catalyst for improvement all along Route 1.

Q&A

- Comment: The original comment was about pedestrian linkage.
 - Response: East Campus will incorporate paths and trails and linkages to the existing, surrounding system.
 - Response: This issue will also be addressed in part by the other current efforts to enhance Route 1.

Relationship to other area development

Presentation (Jon Eisen, StreetSense)

- There are a lot of projects in the pipeline; however, most if not all have significant differences with East Campus.
- The developer team will be monitoring these other projects, as they want to stay out in front of them to the extent that they are competition.
- This is one example of how they must continually respond to changing market conditions.

Project boundaries

Presentation (Jon Eisen, StreetSense)

- The developer was given an explicit envelope within which to work by the University.
- The University has considered adding areas, and this could still happen later but is not currently expected.

Q&A

- Comment: This issue was not about adding areas but about understanding and taking into account the edge conditions.

How project supports the University's goal of attracting top students and employees

Presentation (Doug Duncan, University of Maryland)

- Many of the elements of this project (including a sense of place, safety, the amenities, and graduate student housing) will encourage top students and employees to decide to apply to and choose this University.

Other Issues

- Comment: It would be helpful to have SHA and any other applicable government agencies participate in the next meeting (transportation and parking), to address the impacts of this and other area development projects, and to identify planned improvements.
 - Response: We will look into this. Also, the traffic study takes into account other development projects.