NCRC picks McMillan in land swap
Agency will swap Southwest waterfront for filtration site

Tim Mazzucca, Staff Reporter

The long-awaited land swap is settled. The National Capital Revitalization Corp. will take on development of the McMillan Reservoir sand filtration site in Northwest as payment for hot properties it gave to the newly formed Anacostia Waterfront Corp. The McMillan site is part of a consolation package from D.C. that included $25 million in cash and $24.5 million in assorted city-owned properties around Georgia Avenue, Mount Vernon Triangle and other areas. NCRC had a Nov. 15 deadline to choose among several sites, including the St. Elizabeths Hospital campus in Southeast, in exchange for NCRC's prized holdings along the Washington Channel in Southwest. NCRC sent a letter to the mayor stating its selection, and at a Ward 5 meeting Nov. 13, Deputy Mayor for Planning and Economic Development Eric Price publicly gave the deal a thumbs up. NCRC had been leaning toward McMillan from the beginning because the site held the greatest potential for redevelopment. Private developers share the agency's assessment. Greenvest (www.greenvest.com), a Vienna-based developer, submitted an unsolicited proposal to the city in July, hoping to gain rights to build 1.2 million square feet of residential, 100,000 square feet of retail and a 12-acre park on the site. "We're elated" that McMillan will transfer to NCRC, says company Vice President Linda Erbs. "We're just waiting to hear from NCRC what specifically we should be doing." Erbs says Greenvest's plan will be similar to its July 29 proposal, which was discussed at public meetings. Because the proposal has been made public and other developers know what's in it, Greenvest may be at a disadvantage in the bid competition. Or, it could get a boost over other developers because it's not seeking city subsidies.

Psyched suitors

The JBG Cos. (www.jbg.com), a Chevy Chase-based real estate company, was one of the developers that looked at the land when requests for proposals were solicited in the 1990s. The city has put out a McMillan RFP several times since buying the 25-acre site in 1987 for $9 million. Each time, plans stalled. "It's a great dynamic area," says JBG managing partner Benjamin Jacobs. "If it were to be offered for private development, we would certainly be interested." Developers forgot about the land after past RFP processes yielded no results, says Steven Gewirz, a principal with D.C.-based Potomac Investment Properties. However, they may be dusting off old plans now that the property is being put in the hands of NCRC, which is chartered with redeveloping urban neighborhoods.
Aside from McMillan, NCRC (www.ncrdc.com) has redevelopment rights over the old Wax Museum site at Fifth and K streets NW, more than 10 sites in Columbia Heights and a controversial redo of Skyland Shopping Center in far Southeast.

**Big Losses, big gains**

The McMillan swap that was an essential component of the city's creation of the Anacostia Waterfront Corp., a quasi-public entity created this summer by Mayor Tony Williams to redevelop the land along the river.

Williams and D.C. Office of Planning Director Andy Altman urged former NCRC chief Ted Carter -- who was muscled out in August after his vocal opposition to the Anacostia group -- to turn over the land to the new organization so riverfront development could be handled by one entity. Altman is the lone nominee for the Anacostia CEO post.

NCRC begrudgingly left the land along the Washington Channel, a sizable and valuable portion of its portfolio, to the Anacostia Waterfront Corp. The Anacostia group will oversee the construction of 3 million square feet of office space, 4,500 housing units and a river cleanup.

"There's a lot of potential, and people don't know what's going on there," says Whayne Quin, a zoning partner with law firm Holland & Knight, which is involved in 19 real estate matters in Southeast. "Now they're starting to crane their necks."

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