

Community Benefits and Tradeoffs for Junction Development

Council Work Session
November 24, 2014



Community Benefits and Tradeoffs

- Overview
- Selected Features Impacting Feasibility
- Fair Value
- Long Term Financial Impact
- Next Steps



Overview

- What makes a project feasible?
 - *Status quo is feasible*
 - *Any change at the Junction including any redevelopment must be feasible*
- Variety of factors impact redevelopment
 - *Community amenities*
 - *Mitigants to negative externalities (traffic, noise, etc.)*
 - *Fair value*
 - *Catalyst for other commercial establishments*
 - *Support for Co-op*
- Tradeoffs
 - *Different groups will value different factors*



Selected Features Impacting Feasibility

Project Features	Cost	Income	Community Value
Underground Parking	\$40,000 -- \$50,000 per parking space	\$1 -- \$2/hr.	<ul style="list-style-type: none"> • Support for local businesses • Community events
Commercial Space	\$100 – \$120/sq.ft. Excluding leasehold improvements	Lease rates: \$28 -\$50/sq.ft.	<ul style="list-style-type: none"> • Additional customers • Local businesses
Market Rate Residential	\$160 -- \$200/sq.ft.	Lease rates: \$24 – \$38/sq.ft.	<ul style="list-style-type: none"> • Additional customers • Activate streets for safety
Affordable Residential	\$160 -- \$200/sq.ft.	Lease rates: \$16 -- \$25/sq.ft.	<ul style="list-style-type: none"> • Diversity of housing/seniors • Additional customers • Activate streets for safety
Office Space	\$160 -- \$200/sq.ft.	Lease rates: \$18 -- \$24/sq.ft.	<ul style="list-style-type: none"> • Local businesses • Limited demand
Community Amenities	Example (Veterans Plaza) Plaza: \$800,000 Pavilion: \$4 million Ice Rink: \$1.2 million	TBD	<ul style="list-style-type: none"> • Public gathering space • B.Y. Morrison Park • Public good
Sustainability Features	Solar Roof \$160,000 -- \$300,000 Community garden	TBD	<ul style="list-style-type: none"> • Reduced carbon footprint • Public good • Locally grown food



Fair Value

- Fair Value is important and proceeds can have various uses:
 - *General fund – parks, additional services, reductions in tax rate, etc.*
 - *Reinvested into Junction redevelopment – additional community amenities, sustainability features*
 - *Support for proposed tenants – assistance with build out, etc.*
 - *Address negative externalities – traffic, noise, etc.*



Long Term Financial Impact

- Potential redevelopment of Junction lot:
 - Places previously public land on tax rolls and contributes to tax base
 - Opportunity cost



Takoma Junction Timeline

January 6, 2014	Council Discussion of Options for Junction
January 22, 2014	Request for Proposals Released
February 12, 2014	RFP - Informational Meeting
May 28, 2014	Deadline for RFP Submissions
September 23, 2014	Community Meeting – Presentation of Concept Plans by Finalists
September 29, 2014	Council Discussion of Redevelopment Proposals
October 6, 2014	Council Discussion of Redevelopment Proposals
November 3, 2014	Council Discussion of Redevelopment Proposals
November 18, 2014	Community Open House with Finalists
November 24, 2014	Council Discussion of Community Benefits and Tradeoffs
January 12, 2015	Discussion of Financial Information from Proposals – Work Session
January/February 2015	Series of Public Meetings to Discuss Junction Proposals & Options
Mid - February 2015	Council Discussion of Junction Proposals & Options & Next Steps

