

HINES | ARCHSTONE-SMITH

Old Convention Center Site Redevelopment Project Public Meeting April 19, 2007 National Music Center

Question & Answer Session
Howard Riker, V.P. Hines

Question 1:

Q: What is the total cost of the development, and what is the District's return?

A: The projected total cost is estimated to be approximately \$700 million for the redevelopment of the Northwest Park, 10th and I Streets, and the uses on the A Parcels. The District and the development team will enter into ground leases for the residential rental, office, and retail uses. The District will sell the land relating to the for-sale housing. The District also will receive a 25% participation in cash flow, sale proceeds, and excess refinancing proceeds. The terms of the land disposition and the underlying economic assumptions are presently under negotiation.

Question 2:

Q: At the last public meeting, you pointed out several traffic mitigation strategies for 10th and I Streets, some of which are now gone. What happened?

A: In response to feedback from the District and NCPC, among others, some of the traffic mitigation devices (raised crosswalks and bulb-outs) have been removed. Many of the strategies remain, however, including bulb-outs, designated crosswalks with signalization, two-lane traffic (one lane in each direction), narrowed carriage ways, parallel parking, and extra-wide, zoned sidewalks. It is the development team's strong recommendation that 10th and I Streets within the bounds of the project be pedestrian-friendly, and that both streets do not become commuter routes.

Question 3:

Q: What specifically is the development team's commitment/goal regarding (environmental) sustainability and/or conservation for the project?

A: It has been the development team's objective to establish sustainability goals that will be relevant in 2011 – 2012, when the project opens. Toward that end, we hope to measure the project in terms of its carbon footprint relative to construction, energy efficiency in on-going operations, and urban design impact, among other

standards. Even though we know that we won't be carbon neutral, we feel that conducting such measurements may have value.

With regard to LEED, we have applied for the pilot program for "Neighborhood Development ("ND"), at a pre-certification silver level, with the hope that we will reach gold. We hope that the office buildings will receive a gold pre-certification, and that the residential buildings will achieve LEED certification with the hope of reaching silver designations. Over the next several months, we will be working with the District to evaluate the incremental costs of achieving these objectives, in the context of reaching an agreement on the underlying economics of the transaction. We feel confident that the design will retain significant commitments to water retention and green roofs.

Question 4:

Q: What specifically is the District's return? What is the District receiving in return for the land?

A: The District will receive rent from the ground leases on the retail, office, and apartment uses. It also will receive proceeds from the sale of the land associated with the for-sale housing component. In addition, the District will participate in cash flow, sales and excess refinancing proceeds. The amount the District will receive is based on the projected revenues and costs of these uses, which is presently being estimated based upon a review of the schematic design plans and specifications. We hope to have agreement on the value of these uses in the next one to three months at which point we will be able to discuss specifics.

Question 5:

Q: Could the developers lose money on this project? Where do you draw the line on the amount of money to be spent?

A: As with any venture, there is the possibility of losing money. We hope to design the best project possible, given estimates of costs and projections of revenues.

Question 6:

Q: Why use one-way streets? Did DDOT make that decision?

A: 10th and I Streets have been designed as two-way streets, with one lane in each direction and street parking. This is to provide circulation throughout the project and supplement downtown circulation. 10th and I Streets are planned to be pedestrian-oriented and not commuter streets.