AEDC

Anacostia Economic Development Corporation

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"Serving the Community Since 1969"

The Testimony

of

Albert R. Hopkins, Jr.

President and Chief Executive Officer

Anacostia Economic Development Corporation (AEDC)

before the

U.S. House of Representatives

Committee on Transportation and Infrastructure

Subcommittee on Economic Development, Public Buildings and Emergency Management

"The New DHS Headquarters at St. Elizabeth's: Local Business Opportunities"

December 12, 2007

GOOD MORNING CONGRESSWOMAN HOLMES NORTON AND COMMITTEE MEMBERS MY NAME IS ALBERT R. HOPKINS, JR. AND I AM THE PRESIDENT AND CEO OF THE ANACOSTIA ECONOMIC DEVELOPMENT CORPORATION (AEDC) LOCATED IN WASHINGTON D.C. I APPRECIATE THE OPPORTUNITY TO PROVIDE TESTIMONY BEFORE THIS SUBCOMMITTEE ON THE PROPOSED DEPARTMENT OF HOMELAND SECURITY (DHS) HEADQUARTERS TO BE LOCATED AT ST. ELIZABETH'S WEST CAMPUS AND ASSOCIATED OPPORTUNITIES FOR LOCAL BUSINESSES.

I MUST FIRST INFORM YOU, FOR THE PURPOSES OF FULL DISCLOSURE, THAT THE AEDC IS A MEMBER OF ONE OF THE TEAMS THAT HAS SUBMITTED A PROPOSAL TO PROVIDE CONSTRUCTION MANAGEMENT SERVICES TO THE GSA TO MANAGE THE CONSTRUCTION OF THE DEPARTMENT OF HOMELAND SECURITY HEADQUARTERS FACILITY.

BY WAY OF BACKGROUND, THE AEDC IS A NON-PROFIT ORGANIZATION THAT HAS OPERATED IN THE ANACOSTIA/ FAR SOUTHEAST AREA OF WASHINGTON D.C. FOR OVER THIRTY-SEVEN YEARS. IT IS AEDC'S MISSION TO PROVIDE AFFORDABLE HOUSING OPPORTUNITIES FOR DISTRICT OF COLUMBIA RESIDENTS; ENHANCE THE ECONOMIC VIABILITY OF THE EAST OF THE RIVER COMMUNITIES; AND PROVIDE SUPPORT TO LOCAL AND SMALL BUSINESSES LOCATED IN THIS AREA.

AEDC IS ALSO A PARTICIPANT IN THE WASHINGTON DC SMALL BUSINESS DEVELOPMENT CENTER NETWORK. UNDER CONTRACT WITH HOWARD UNIVERSITY AND THE U.S. SMALL BUSINESS ADMINISTRATION, WE OPERATE ONE OF FOUR CENTERS LOCATED IN THE DISTRICT OF COLUMBIA THAT PROVIDES A WIDE VARIETY OF TECHNICAL AND MANAGERIAL ASSISTANCE TO SMALL BUSINESSES LOCATED THROUGHOUT THE DISTRICT. DURING THE COURSE OF THE CURRENT YEAR, THE SMALL BUSINESS DEVELOPMENT CENTER AT AEDC PROVIDED TECHNICAL ASSISTANCE TO OVER 240 DISTRICT BASED CLIENTS, AND PROVIDES INSTRUCTION AND TRAINING TO OVER 375 WORKSHOP AND SEMINAR PARTICIPANTS.

THE DEVELOPMENT OF THE DHS HEADQUARTERS AT ST. ELIZABETH'S WEST CAMPUS REPRESENTS ONE OF THE MOST UNIQUE OPPORTUNITIES ASSOCIATED WITH THE RESURGENCE AND REDEVELOPMENT OF THE ANACOSTIA/ FAR SOUTHEAST COMMUNITIES. THIS MAJOR FEDERAL DEPARTMENT WILL BE LOCATED WITHIN THE IMMEDIATE PROXIMITY OF RESURGING COMMERCIAL CORRIDORS AND IN CLOSE PROXIMITY TO SEVERAL NEW AND EXISTING QUALITY RESIDENTIAL COMMUNITIES. THE DHS FACILITY WILL ALSO BE LOCATED WITHIN THE BOUNDARIES OF THE PLANNED ANACOSTIA BUSINESS IMPROVEMENT DISTRICT (ANACOSTIA BID), WHICH WILL BE ABLE TO PROVIDE SERVICES SUCH AS, STREET CLEANING, SHUTTLE SERVICE

TO AND FROM METRO STOPS, AND SAFETY AMBASSADORS FOR THE DHS HEADQUARTERS' PERSONNEL.

RESEARCH COMPILED BY AEDC STAFF, THE WASHINGTON DC ECONOMIC PARTNERSHIP AND OTHERS INDICATE THAT ANACOSTIA/FAR SOUTH EAST NEIGHBORHOODS ARE UNDERGOING AN ECONOMIC RESURGENCE NEVER BEFORE EXPERIENCED.

THE PLANNING, CONSTRUCTION AND DEVELOPMENT OF THE DHS HEADQUARTERS FACILITY, WITH ITS SCHEDULED MULTI-YEAR BUILD-OUT, SHOULD BE ONE OF SEVERAL ECONOMIC ENGINES THAT WILL GUIDE AND DRIVE SMALL BUSINESS OPPORTUNITIES IN THIS AREA. HOWEVER, AS HAS BEEN SEEN IN THE PAST, THIS WILL NOT HAPPEN WITHOUT THE AGGRESSIVE AND AFFIRMATIVE PLANNING AND IMPLEMENTATION OF STRATEGIES' THAT IMPROVE THE SMALL BUSINESS UTILIZATION PERFORMANCE OF BOTH THE DISTRICT AND FEDERAL GOVERNMENTS.

I WOULD REMIND THE SUBCOMMITTEE CHAIRPERSON OF THE SEPTEMBER 18, 2007 FORUM PRESENTED BY THE U.S. GENERAL SERVICES ADMINISTRATION'S NATIONAL CAPITAL REGION, IN COLLABORATION WITH THE AEDC, ENTITLED "ST ELIZABETH'S WEST CAMPUS BUSINESS OPPORTUNITY FORUM", HELD IN WARD 8 AT MATHEWS MEMORIAL BAPTIST CHURCH.

THIS WELL ATTENDED EVENT REPRESENTED THE FIRST FORMAL INTRODUCTION OF THE PLANS FOR THE WEST CAMPUS TO THE SMALL BUSINESS COMMUNITY OF THE DISTRICT OF COLUMBIA AND WARD 8. THE EVENT ALSO FEATURED GSA CONTRACTING OFFICERS AS WELL AS PRIME CONTRACTORS AND TENANT AGENCIES. WE WERE HONORED TO HAVE THE CONGRESSWOMAN ADDRESS THE PARTICIPANTS.

HOWEVER, EFFORTS MUST GO BEYOND OUR CURRENT EMPHASIS TO HELP SMALL AND LOCAL BUSINESSES APPLY FOR AND RECEIVE LSDBE, SBA 8(A) AND CCR (CENTRAL CONTRACTOR REGISTRATION) CERTIFICATIONS. METHODOLOGIES SHOULD BE PUT IN PLACE, BEFORE, DURING AND AFTER THE CONSTRUCTION OF THE DHS FACILITY TO ENHANCE PARTICIPATION BY SMALL AND LOCAL BUSINESSES IN EVERY FACET OF THE PLANNING, DEVELOPMENT AND OPERATION OF THE FACILITY.

THE FORMULATION OF JOINT VENTURES AND COLLABORATIONS SHOULD BE FURTHER EXPLORED AS A MEANS BY WHICH SMALL AND LOCAL BUSINESSES MIGHT BE SIGNIFICANTLY INVOLVED IN THIS DEVELOPMENT PROCESS. EACH AND EVERY SOLICITATION ASSOCIATED WITH THE PROJECT SHOULD REQUIRE THE RESPONDENT TO ADDRESS PROVISIONS FOR SIGNIFICANT SMALL AND LOCAL BUSINESS UTILIZATION.

REGARDING MY VIEWS ON THE QUESTION OF WHAT TYPES OF RETAIL OPPORTUNITIES ARE NEEDED IN ANACOSTIA; MY RESPONSE TURNS ON A VERY SIMPLE ANALYSIS. THE RETAIL NEEDS OF THE ANACOSTIA/FAR SOUTHEAST NEIGHBORHOOD MIRROR THOSE OF ALL AREAS OF THE DISTRICT THAT HAVE EXPERIENCED RISING VALUE IN THEIR COMMERCIAL AND RESIDENTIAL REAL ESTATE MARKETS AND SIGNIFICANT POSITIVE CHANGES IN THEIR DEMOGRAPHICS AND WORK POPULATIONS.

THE ANACOSTIA/FAR SOUTHEAST AREA IS INCREASING IN POPULATION AS A RESULT OF THE MANY NEW RESIDENTIAL DEVELOPMENTS COMPLETED, UNDER DEVELOPMENT AND IN THE PRODUCTION PIPELINE. IN ADDITION, IT IS PROJECTED THAT THE NEW DHS HEADQUARTERS AT ST. ELIZABETH'S WILL ADD APPROXIMATELY 4,000 TO 14,000 NEW FULL TIME EMPLOYEES (FTE'S) TO THE COMMUNITY. THIS ESTIMATED POPULATION INCREASE WILL RESULT IN INCREASED DEMAND FOR FIRST CLASS RETAIL GOODS AND SERVICES. HOWEVER, IF THE GSA ALLOWS SUBSTANTIAL RETAIL ESTABLISHMENTS, SUCH AS, RESTAURANTS, CLEANERS, DRUG STORES, FAST FOOD ESTABLISHMENTS, BOOK STORES, COFFEE HOUSES, ETC. TO LOCATE WITHIN THE ST. ELIZABETH WEST CAMPUS, THERE WILL BE NO NET BENEFIT TO THE WARD 8 COMMUNITY SINCE THE WEST CAMPUS OF ST ELIZABETH'S WILL IN ALL PROBABILITY BE

OFF LIMITS TO NON DHS OR OTHER UNAUTHORIZED PERSONS.

IT, THEREFORE, BECOMES IMPERATIVE FOR THE GSA AND THE DISTRICT OF COLUMBIA GOVERNMENT TO MUTUALLY DECIDE HOW TO BRING THESE RETAIL GOODS AND SERVICES TO THE AREA SO THAT BOTH THE WARD 8 COMMUNITY AND THE DHS COMMUNITY BENEFIT THERE FROM. ONE OBVIOUS SOLUTION WOULD BE FOR THE DISTRICT OF COLUMBIA GOVERNMENT TO PUT IN PLACE A DEVELOPMENT PLAN WHICH WOULD ALLOW FOR THE ESTABLISHMENT OF RETAIL ZONES ALONG THE EAST SIDE OF MARTIN LUTHER KING, JR. AVENUE ON THE EAST CAMPUS OF ST. ELIZABETH. THE GSA COULD ASSIST THE DISTRICT IN THIS REGARD BY CONDUCTING A SURVEY OF EXISTING DHS PERSONNEL TO ASCERTAIN THEIR RETAIL NEEDS AND DESIRES, PROVIDE SAME TO THE DISTRICT AND REFRAIN FROM PLACING THOSE TYPES OF RETAILERS ON THE WEST CAMPUS.

THE DISTRICT GOVERNMENT IN TURN CAN PROVIDE PARKING SPACE FOR DHS PERSONNEL ON THE EAST CAMPUS. THIS WOULD ENSURE THAT DHS PERSONNEL WILL FREQUENT THE EAST CAMPUS ON A DAILY BASIS AND BE EXPOSED TO THE MANY NEW RETAIL ESTABLISHMENTS ON THAT CAMPUS.

IF NECESSARY, THE DISTRICT OF COLUMBIA AND THE GSA CAN MUTUALLY DECIDE WHERE NEW TRAFFIC SIGNALS AND CROSS WALKS SHOULD BE LOCATED ALONG THE MARTIN LUTHER KING, JR. AVENUE CORRIDOR TO SAFELY FACILITATE THE MOVEMENT OF DHS PERSONNEL TO AND FROM THE WEST CAMPUS TO THE EAST CAMPUS. FROM THE WARD 8 COMMUNITY'S PERSPECTIVE, THERE IS GREAT CONCERN THAT THE DHS HEADQUARTERS ON THE WEST CAMPUS WILL BE AN ISOLATED FACILITY WHICH WILL PROVIDE NO ECONOMIC OR AESTHETICALLY PLEASING BENEFIT TO IT.

TO BE AN ASSET TO THE WARD 8 COMMUNITY AND TO SIMULTANEOUSLY ADDRESS THE SECURITY NEEDS OF THE DHS, THE DISTRICT OF COLUMBIA GOVERNMENT AND DHS/GSA OFFICIALS SHOULD REALISTICALLY CONSIDER WHERE OPERATIONS OF THE DHS, WHICH REQUIRE LESS SECURITY, CAN BE PLACED ON THE WEST CAMPUS. FOR EXAMPLE, AT THE SOUTHERN END OF THE WEST CAMPUS NEAR MILWAUKEE PLACE SE, PERHAPS LESS SECURE OPERATIONS COULD BE SITUATED, THEREBY ALLOWING SOME RETAIL OUTLETS TO BE PLACED AT THAT LOCATION WHICH THEN COULD BE ACCESSED BY THE GENERAL WARD 8 COMMUNITY. THE OBJECTIVE IS TO MAKE MAXIMUM USE OF THIS MAJOR ECONOMIC DEVELOPMENT SO THAT IT NOT ONLY SERVES AND MEETS THE NEEDS OF GSA AND DHS, BUT

ALSO PROVIDES ECONOMIC SPIN-OFF BENEFITS TO THE WARD 8 COMMUNITY IN WHICH IT IS LOCATED.

IN ORDER TO FURTHER FACILITATE THE ACCEPTANCE OF THE DHS HEADQUARTERS WITHIN THE WARD 8 COMMUNITY AND TO INCREASE THE OPPORTUNITY FOR WARD 8 AND DISTRICT OF COLUMBIA BASED LOCAL, SMALL AND DISADVANTAGED BUSINESS ENTERPRISES (LSDBE'S), OR WHAT ARE NOW REFERRED TO AS CERTIFIED BUSINESS ENTERPRISES (CBE'S), TO SECURE CONTRACTS TO PARTICIPATE IN THE PLANNING AND CONSTRUCTION OF THE FACILITY, AEDC FEELS STRONGLY THAT THE FOLLOWING SERVICES BE AVAILED TO THE DHS DEVELOPMENT PROCESS:

1. PROVIDE A COMMUNITY LIAISON BETWEEN THE GSA/DHS, DISTRICT OF COLUMBIA GOVERNMENT AND THE WARD 8 BUSINESS AND RESIDENTIAL COMMUNITY DURING THE PLANNING AND DEVELOPMENT OF THE FACILITY,

2. CREATE A MEANS TO WORK WITH WARD 8 AND DISTRICT BASED LSDBE/CBE FIRMS TO PREPARE THEM FOR THE CONTRACTING OPPORTUNITIES THAT WILL BE MADE AVAILABLE AT THE DHS ST. ELIZABETH SITE, AND

3. ESTABLISH A WORKING RELATIONSHIP WITH EMPLOYMENT TRAINING PROVIDERS, SUCH AS OPPORTUNITIES INDUSTRIALIZATION CENTER (OIC), TO PREPARE WARD 8 RESIDENTS FOR THE EMPLOYMENT OPPORTUNITIES THAT WILL BE MADE AVAILABLE AS A RESULT OF THE NEW DHS DEVELOPMENT.

IT IS IMPORTANT TO NOTE THAT WE WILL ONLY HAVE ONE SHOT AT THIS WONDERFUL OPPORTUNITY THAT WILL BRING APPROXIMATELY 4.5 MILLION SQUARE FEET OF COMMERCIAL DEVELOPMENT TO THE WARD 8 COMMUNITY. WE NEED TO GO ABOUT THIS TASK AS IF IT IS WHAT IT IS, A LAND USE DEVELOPMENT OPPORTUNITY THAT SEEKS TO ADDRESS THE NEEDS OF THREE ENTITIES, THE DISTRICT OF COLUMBIA GOVERNMENT, THE FEDERAL GOVERNMENT AND THE WARD 8 COMMUNITY. THE THREE ENTITIES OBVIOUSLY NEED TO WORK IN CONCERT AND DETERMINE HOW BEST TO MEET EACH OTHERS NEEDS THROUGH THE CREATION OF A HOLISTIC ECONOMIC DEVELOPMENT PROJECT.

AEDC IS APPRECIATIVE TO HAVE THE OPPORTUNITY TO OFFER ITS ASSISTANCE IN REACHING THESE OBJECTIVES.

THANK YOU MADAM CHAIRPERSON FOR PROVIDING THIS OCCASION FOR AEDC TO SHARE ITS VIEWS ON THESE SUBJECTS WITH YOU AND THE COMMITTEE. I WOULD BE PLEASED TO ATTEMPT TO RESPOND TO ANY QUESTIONS THAT YOU MAY HAVE.

ALBERT R. HOPKINS, JR.
PRESIDENT & CEO
ANACOSTIA ECONOMIC DEVELOPMENT CORPORATION

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