



U.S. House of Representatives
Committee on Transportation and Infrastructure

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "The New Department of Homeland Security Headquarters at St. Elizabeths: Local Business Opportunities".

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Wednesday, December 12, 2007, at 10:00 a.m., in room 2167 Rayburn House Office Building, to receive testimony on the business opportunities presented by the Federal redevelopment of the West Campus of St. Elizabeths. The General Services Administration ("GSA") is responsible for the redevelopment of the campus in order to provide a consolidated headquarters for the Department of Homeland Security ("DHS"). The purpose of the hearing is to: examine GSA's practices and policies regarding economic development around Federal buildings; evaluate how other Federal development efforts incorporated the participation of local residents and businesses; assess GSA's plan to incorporate DHS into the southeast Washington neighborhoods of Congress Heights and Anacostia; and review the District of Columbia's plan to take advantage of the influx of Federal employees and small business opportunities in the community.

BACKGROUND

St. Elizabeths Hospital was established in 1855 in Southeast Washington, D.C., as a government hospital for people with mental disabilities. Its early mission was to provide mental health facilities for the Army, the Navy, and the District of Columbia. However, during the Civil War it was also used to house wounded soldiers. In 1916, Congress renamed the government hospital St. Elizabeths.

St. Elizabeths is bisected into two campuses by Martin Luther King Jr. Avenue SE. The East Campus was transferred to the District of Columbia in 1987. The East Campus comprises 154 acres and houses the D.C. Unified Communications Center. A mental health facility is under construction on the East Campus. The West Campus consists of 183 acres of land and 61 buildings with approximately 1.1 million square feet and is owned by the Federal government. Located in the Anacostia and Congress Heights communities, the West Campus is bounded by Martin Luther King Jr. Avenue to the East, Interstate 295 to the West, Barry Farm Dwellings to the North, and Shepherd Park/Congress Heights to the South. It occupies a bluff overlooking the Anacostia River and is approximately three miles from the U.S. Capitol. The entire West Campus, including buildings and landscaping, was designated a National Historic Landmark in 1990.

The Department of Homeland Security was created in 2002 to protect the Nation from terrorist attack. To improve management of the 22 disparate agencies within DHS, the Administration has pursued a program to house the critical elements of DHS in one location. The components identified for consolidation are DHS Headquarters, the Transportation Security Administration, Customs and Border Protection, Immigration and Customs Enforcement, the Federal Emergency Management Agency, and the United States Coast Guard.

GSA is responsible for the redevelopment of the West Campus to provide a consolidated headquarters for DHS. St. Elizabeths West Campus is the only significant piece of Federal property in the District of Columbia controlled by GSA remaining available for development. U.S. Reservation 13, a 66-acre parcel of land located in the District of Columbia, was recently transferred to the District of Columbia pursuant to Public Law 109-396, the "Federal and District of Columbia Government Real Property Act of 2006". Southeast Federal Center is being privately developed to provide two large office buildings for Federal tenancy, and the remainder of the former Navy Yard is planned for residential and retail development. The Armed Forces Retirement Home is also being redeveloped and is unavailable to GSA for Federal use.

Master Plan - West Campus of St. Elizabeths

The major driving factor for the redevelopment of St. Elizabeths West Campus is the need for the consolidation of DHS, the lack of large Federal land sites remaining to be developed in the District of Columbia, and the high level security requirements of DHS. GSA also has the mission of maintaining and preserving St. Elizabeths as a National Historic Landmark.

Currently, GSA is working with consultants to finalize a Master Plan for the West Campus of St. Elizabeths. The primary objective of the Master Plan is to achieve maximum build-out of the property to accommodate the mission of the DHS, which includes consolidating as many agencies of DHS as possible in one location. A secondary goal is to relocate Federal tenants currently in leased space to Federally-owned space.

GSA has received several appropriations to consolidate DHS, including:

- \$24,900,000 for the United States Coast Guard Headquarters at St. Elizabeths West Campus (P.L. 109-115);
- \$13,095,000 for infrastructure work on St. Elizabeths West Campus (P.L. 109-115); and
- \$6,440,000 for infrastructure work on St. Elizabeths West Campus (P.L. 110-5).

In addition, in FY 2008 the President requested funds for new construction for GSA, including funds for sites and expenses and construction service for the following:

- \$318,887,000 for DHS Consolidation and development of St. Elizabeths West Campus;
- \$20,752,000 for St. Elizabeths West Campus infrastructure; and
- \$7,000,000 for St. Elizabeths West Campus (ancillary) site acquisition.

These FY 2008 requests remain pending in the appropriation process. The House-passed Department of Homeland Security Authorization Act for FY 2008 (H.R. 1684) includes language in support of the consolidation of Homeland Security on the West Campus of St. Elizabeths, consistent with the Homeland Security Housing plan for the National Capitol Region submitted to Congress in October 2006. H.R. 1684 was passed by the House of Representatives May 9, 2007, and is awaiting Senate action.

GSA recently presented a draft Master Plan to the National Capital Planning Commission (“NCPC”). The draft plan includes 4.5 million gross square feet of office space and 1.8 million gross square feet of parking to house approximately 14,000 of the 26,000 DHS employees in the National Capital Region. GSA plans to provide the West Campus with Level IV security, which includes 100-foot setbacks. The terrain of St. Elizabeths also offers natural buffer zones allowing for security barriers.

GSA has engaged local community leaders in the master planning process. GSA has periodically made presentations on the master plan to each of the Ward 8 Advisory Neighborhood Commissions (locally elected residents) and the Anacostia Coordinating Council, and has participated in local town hall meetings. At presentations to these locally-based groups, GSA has presented project specific information and updates and has distributed project fact sheet brochures and maps. GSA has also held a Business Opportunity Forum to educate local residents and businesses on how to participate in the redevelopment of the West Campus.

Similar Federal Projects

There have been two large Federal projects in Southeast Washington, D.C., that have integrated Federal developments into exiting local neighborhoods.

Southeast Federal Center

The “Southeast Federal Center Public-Private Development Act of 2000” (P.L. 106-407), provided GSA with special authority to plan a public-private development in Southeast Washington. Using this authority, GSA awarded a contract to Forest City Enterprises, Inc. to redevelop an underutilized 55-acre parcel of land to the benefit of the Federal Government. This land was used

for two projects. The first 11 acres were redeveloped into the new Department of Transportation headquarters building. The second parcel remains controlled by Forest City, which GSA plans to transfer by sale and ground lease for mixed-use development which includes office space, housing, retail and cultural spaces, as well as a waterfront park and open space.

Navy Yard Naval Sea Systems Command

As a result of the Base Realignment and Closure (“BRAC”) in 1995, the Naval Sea Systems Command was relocated to the Washington Navy Yard from its former location in Crystal City, which brought about the relocation of 5,000 employees. Accommodating these new employees required expansion at the Navy Yard, for which the Navy hired several small local businesses. The Navy also provided construction jobs and training for local residents through the Friendship House and the South West Community House. The Navy also worked closely with its contractors to spur development along the M Street SE corridor to support the Navy Yard.

District of Columbia Comprehensive Plan for Anacostia and Congress Heights

The District of Columbia Comprehensive Plan, revised in 2006, calls for development in the immediate area surrounding the West Campus of St. Elizabeths. The city of Washington, D.C. currently owns the 154-acre East Campus of St. Elizabeths. The Comprehensive Plan calls for a phased development of the East Campus. This planned development would include housing, office and retail space, new academic and cultural space, and new city parks. The development would be structured to take maximum advantage of the Congress Heights Metro Station, adjacent to the East Campus, and to integrate the Congress Heights neighborhood into the development. The plan also states that D.C. officials plan to work collaboratively with GSA on redevelopment on the West Campus of St. Elizabeths.

WITNESSES

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