

Crescent Resources Selected for Redevelopment

Project to bring housing, park land, retail and grocery to Northwest neighborhood

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Washington --The Armed Forces Retirement Home (AFRH) today selected Crescent Resources LLC as its first choice to construct a mixed-use redevelopment project of approximately 4.5 million square feet on the southeast corner of its Washington campus.

The proposal includes more than 300 units of affordable housing, market-rate rental and condominium units, medical office space, a small hotel, a grocery store and other ancillary retail, as well as transitional housing for military veterans.

The project calls for the adaptive reuse of nine historic buildings and includes approximately 20 acres of open green space which will include a public garden and picnic grove, a civic green and memorial, and pedestrian and bicycle paths. This project will open portions of the AFRH campus to public enjoyment and recreation for the first time in more than 50 years.

“The selection of Crescent Resources marks a significant step towards raising funds needed for vital capital improvements at the Armed Forces Retirement Home,” said Timothy Cox, the Chief Operating Officer of AFRH. “The income generated from this project will help us build and renovate the facilities needed to care for America’s heroes today and in the future.”

This selection is provisional and subject to successful negotiation of final agreements with the developer and completion of the environmental and Master Plan processes. Crescent Resources LLC is a real estate development and land management firm based in Charlotte, North Carolina. The company is a joint venture of Duke Energy and Morgan Stanley Real Estate Fund and the company’s management. The company developed One and Two Potomac Yard in Alexandria, Virginia, a 300 acre mixed use development next to Reagan National Airport.

In selecting Crescent, Cox followed the recommendation of a five-member, multi-agency panel of experts convened by the U.S. General Services Administration (GSA). The panel considered design, socio-economic benefits, environmental mitigation, the financial offer and the ability of the firm to implement the proposal among other factors. AFRH intends to enter into a long-term master lease with Crescent and retain ownership of the land.

The mixed use development will be located on 77 acres bordered by North Capitol and Irving Streets. The parcels are adjacent to Catholic University of America and the Washington Hospital Center.

Federal law authorized the AFRH, an independent federal agency, to use its underutilized land to generate new sources of revenue for the Home. The Crescent proposal will help inform the final draft of the Armed Forces Retirement Home's Master Plan, which is intended to guide development on the campus for the next 25 years. During the next phase of the Master Plan process, AFRH will continue to consult with its residents, the National Capital Planning Commission, the District of Columbia State Historic Preservation Office and Office of Planning, the Advisory Council for Historic Preservation, the Commission of Fine Arts, the Home's institutional and residential neighbors, and local elected officials.

Although the Home is a Federal agency, it receives no annual appropriation and relies upon a Trust Fund which is insufficient to meet the short and long term capital needs of the institution. Current residents, who are living longer, require increasingly specialized and costly long term care. In addition, the Home anticipates future veterans who are returning from Afghanistan and Iraq with severe injuries will warrant special care and services as they age.

The capital needs of the Home amount to more than \$366 million over the next ten years and include roof replacements, fire alarm updates, security systems, wiring replacement and other necessary projects to both ensure the safety and comfort of the existing elderly residents and plan the new facilities required in the future to meet the changing needs of aging veterans.

The Armed Forces Retirement Home is the nation's oldest continuously operating retirement community for enlisted military personnel. The AFRH currently houses more than 1,100 elderly veterans, including several hundred who were safely evacuated from the Gulfport, Mississippi campus after it was destroyed by Hurricane Katrina in 2005.