

District tries to sink plan

Developer calls D.C. agency's vote against waterfront deal 'naive and shortsighted'

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A District agency is rebuffing offers from developer Ronald Cohen to revive the defunct Gangplank restaurant and marina on the Southwest waterfront.

Cohen, a Bethesda developer, wants to assume the lease for the 2-acre parcel of city-owned shorefront opposite the Gangplank complex. He also seeks to acquire two smaller sites nearby, to redevelop the entire tract as a mixed-use residential and commercial project.

The Gangplank, which has been closed since being damaged by fire in 1996, is one of a half-dozen restaurants lining the waterfront along Water Street SW, just east of the Maine Avenue Fish Wharf.

But city officials hope to break the restaurants' monopoly on waterfront access in Southwest, where 99-year leases were granted in the 1970s. The Gangplank, the largest city-owned parcel, has 68 years remaining on the lease held by MFI, a Dallas-based unit of General Electric.

The D.C. Redevelopment Land Agency is seeking to void the Gangplank lease rather than allow MFI to sell it to Cohen.

Cohen called the RLA's actions "naive and shortsighted" because the District is losing millions of dollars in revenue while the defunct restaurant remains closed.

"When you have a deal, you have to stick with that deal," said Cohen, who is "extremely frustrated" with the agency, whose five board members are appointed by the District's mayor.

Lost revenue

Board members declined to comment on the Gangplank decision, in which the MFI/Cohen deal was rejected by a 4-1 vote, with RLA Chairman Robert Walker the lone dissenter. Walker said the city wants to raise the rents on the waterfront parcels.

The Gangplank site, for example, is bringing in only \$26,000 per year in rent, with another \$9,000 from docking fees. RLA officials say the site should rent for several hundred thousand dollars per year.

An economic analysis prepared for Cohen by Basile Baumann Prost & Associates finds the city is losing as much as \$1.8 million annually from lost revenue while the Gangplank complex stays vacant.

The site, which has 1,893 feet on the waterfront, now includes: the former Gangplank restaurant; a marina with 310 boat slips, 80 of which are occupied by live-aboard tenants; The Tower, a vacant restaurant attached to Pier No. 3, and an associated 10,000-square-foot office building, leased by the Odyssey cruise ship, which docks at Pier No. 3.

According to the study, a fully operating Gangplank complex would generate:

\$3,615 per week in tax revenue;

\$19,230 in payroll per week; and

\$13,461 per week in consumer spending.

Cohen will present his plans for the Gangplank and future mixed-use development at a Dec. 10 meeting of the Southwest Task Force, created by D.C. Councilman Jack Evans, D-Ward 2. Mayor Anthony Williams also is scheduled to speak at the meeting.

Other neighborhood groups that have been briefed on Cohen's plan are responding enthusiastically.

"There's an opportunity to move on this and get something done," said Barbara Ehrlich, secretary of the Washington Waterfront Association, which represents businesses and residents in the neighborhood. "It's a great tragedy for this to just keep sitting there, undeveloped."

Southwest resurgence

Andy Altman, the District's new planning director, is making revitalization of the Southwest waterfront his top priority. Land values are rising in Southwest, with strong demand for housing and urban renewal.

Overlooking the Southwest waterfront is the Portals office complex, with a Mandarin Hotel planned, and Arena Stage, which seeks to expand.

The District government received a \$3 million federal grant last year and another \$3 million this year for improvements to the historic Maine Avenue Fish Wharf, an open-air market that dates back nearly 200 years. That money, however, is contingent on renegotiating a lease with the fish vendors.

The Gangplank setback marks Cohen's second clash with District development officials. Two years ago, Cohen made an unsolicited offer to buy the city's Department of Employment Services (DOES) site at Sixth Street and Pennsylvania Avenue

NW and build a landmark corporate headquarters along the National Mall. In exchange, Cohen would build a new government services complex on land he owns northeast of Union Station.

That offer was never accepted, although Cohen is preparing a second offer for that valuable site. The Oliver Carr Co. recently offered at least \$50 million for the site, in exchange for building a new DOES headquarters near the Anacostia Metro station.

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