



Martin Luther King, Jr. Memorial Library  
Washington, DC



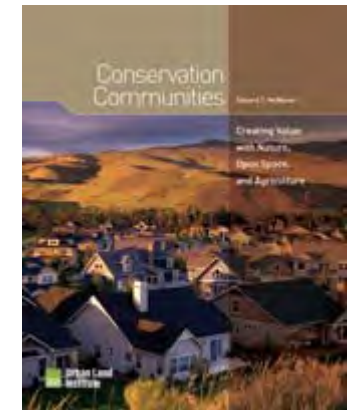
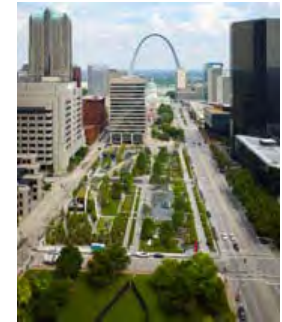
Urban Land  
Institute

Advisory Services Program

An Urban Land Institute  
Advisory Services Panel  
November 13 – 18, 2011

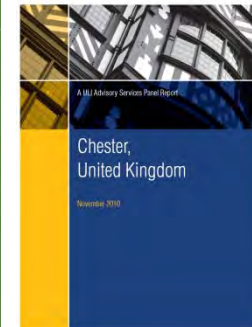
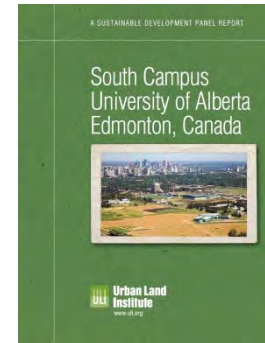
## About the Urban Land Institute

- The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.
- ULI is a membership organization with nearly 30,000 members, worldwide representing the spectrum of real estate development, land use planning and financial disciplines, working in private enterprise and public service.
- What the Urban Land Institute does:
  - Conducts Research
  - Provides a forum for sharing of best practices
  - Writes, edits and publishes books and magazines
  - Organizes and conducts meetings
  - Directs outreach programs
  - Conduct Advisory Services Panels



# The Advisory Services Program

- Since 1947
- 15 - 20 panels a year on a variety of land use subjects
- Provides independent, objective candid advice on important land use and real estate issues
- Process
  - Review background materials
  - Receive a sponsor presentation & tour
  - Conduct stakeholder interviews
  - Consider data, frame issues and write recommendations
  - Make presentation
  - Produce a final report



## The Panel

**Wayne Ratkovich, Chair  
President  
The Ratkovich Company**

**Dan Brents  
Daniel Brents Consulting**

**Ayahlushim Getachew  
Senior Vice President  
Thomas Properties Group,  
Inc.**

**Marni Burns  
President/Creative Director  
SEED Branding &  
Communication**

**Susan Kent  
S.R. Kent LLC**

**Sandra Kulli  
President  
Kulli Marketing**

**Michael Reynolds  
Principal  
The Concord Group, LLC**

**Mimi Sadler  
Historical Architect  
Sadler & Whitehead Architects,  
PLC**

## The Panel's Assignment

1. What is the best value for the District's redevelopment of the Martin Luther King, Jr. Memorial Library building? There are two scenarios:
  - A) A library sharing the building with another entity' or organization.
  - B) Another downtown location for the Martin Luther King, Jr. Memorial Library.
2. Who are likely developers, buyers, or partners for the two redevelopment scenarios?
3. Under the two development scenarios what presents the best value: office building, residential, retail, other?
4. What is the potential for net revenue if the existing Martin Luther King, Jr. Memorial Library building is leased or sold for each scenario? Ultimately: Is there value in the Martin Luther King, Jr. Memorial Library building that can improve the way library services are provided in the District.
5. Identify 225,000 gross square feet in downtown for a new Martin Luther King, Jr. Memorial Library.
6. Where is there 50,000 gross square feet for Library administration space OR 100,000 administration and a specialized children's library East of the River? (Must be Metro accessible)
7. What are the short term/immediate solutions for improving the library user's Martin Luther King, Jr. Memorial Library entrance experience, specifically, the area under the overhang?



# Susan Kent

# What is a Library

The image features a horizontal timeline with a yellow arrow pointing to the right. Three yellow dots mark the years 300 BC, 112 AD, and 1910 AD. Below each dot is a corresponding photograph of a library. The 300 BC image is a black and white illustration of an ancient library with a large column and a person writing. The 112 AD image is a color illustration of a grand, vaulted library interior with many rows of bookshelves. The 1910 AD image is a color photograph of a large, ornate library interior with high ceilings, arched windows, and people sitting at tables reading. To the right of the timeline, the text 'Libraries of Today' is written in blue, and 'PAST 20 YEARS' is written in yellow. Below this text is a color photograph of a modern library interior with a large glass skylight, colorful seating, and people using computers and reading.

**Libraries of Yesterday**

**Libraries of Today**

**300 BC**

**112 AD**

**1910 AD**

**PAST 20 YEARS**





# What is a Library?

## History

- **The world has changed radically since the Martin Luther King Library planning was begun in 1960s**
- **1960/61 Booz, Allen and Hamilton Study – “Each community has the task – indeed the obligation....by providing an adequate free public library system for its citizens. No less should be expected of our nation’s capital.”**
- **1965 Program – “the new...building should be designed to carry out the objectives of the service as effectively and economically as possible.”**
- **1972 – Martin Luther King Library opens to the public.**



# Library's Role in Community

LIBRARIES PLAY AN INTEGRAL ROLE IN THE COMMUNITY'S DAILY LIFE

- **Active community engagement**
- **Intellectual discourse**
- **Lifelong learning**
- **Creativity and innovation**
- **Economic development**



## Library of the Future

- **The traditional notion of the public library is purely a place to find books and research material is OUTDATED**



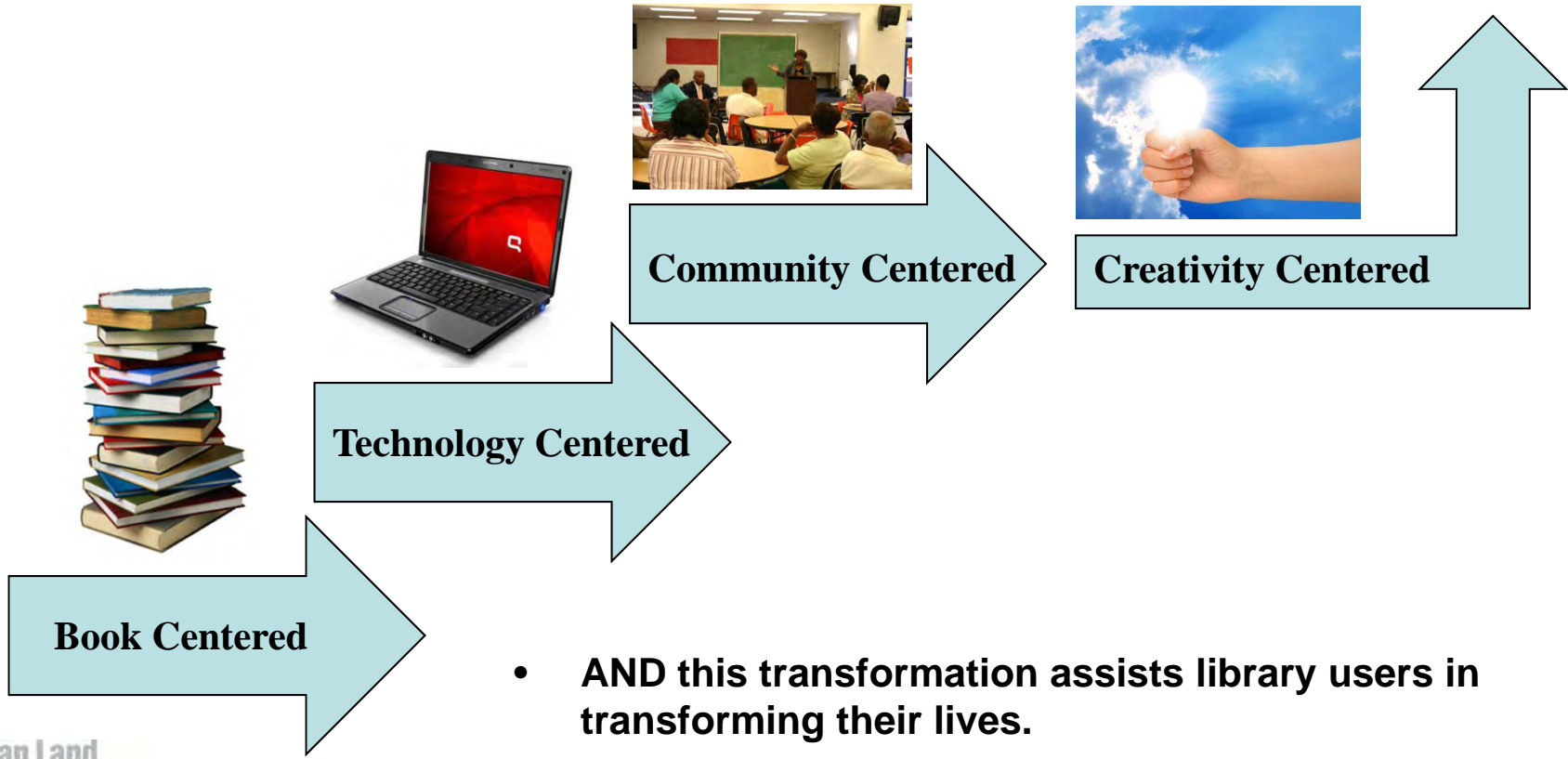
## THE LIBRARY OF THE FUTURE

People will use the library to:

- **Navigate the complex network of information – analog and digital**
- **Convert information to knowledge for individual needs – education, lifelong learning, jobs, business development, health, finances and personal enjoyment.**



# THE LIBRARY IS A TRANSFORMATIVE INSTITUTION



- **AND this transformation assists library users in transforming their lives.**

# CHALLENGE THE PRECONCEPTIONS ABOUT WHAT A LIBRARY SHOULD BE

In the future library, the borders between consuming and creating content will disappear. This will involve:

- A significant investment in the business of information literacy and delivery
- Keeping pace with rapidly evolving business of publishing
- A clear redefinition of the library's collections



## Evolution and Transformation

### DCPL'S TRANSFORMATION SHOULD INCLUDE:

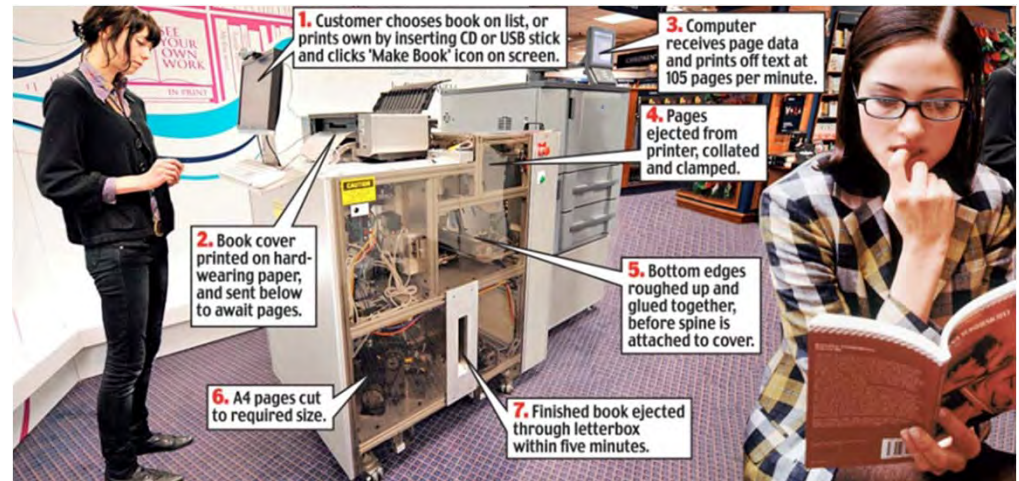
- **Focusing on people-driven/community-driven design and services**
- **Prototyping new services and technology**
- **Creating exciting spaces for children and teens to learn and create**
- **Partnering with cultural/educational institutions on programs, exhibitions and learning opportunities**
- **Working with literacy providers and schools to enhance the educational life of DC**



## Evolution and Transformation

### DCPL'S TRANSFORMATION SHOULD INCLUDE:

- **Creating an “innovations” laboratory or a “Fab Lab” to provide community access to digital fabrication technology.**
- **Exploring print on demand technology such as an Espresso Book Machine**
- **Establishing early literacy education services such as an interactive Storyville**
- **Developing a “hack lab” where people with interests in computers, digital information and electronic arts can meet, create and collaborate.**
- **Creating in-demand amenities such as a library café, retail shop, theatre, meeting room and study rooms and quiet spaces.**





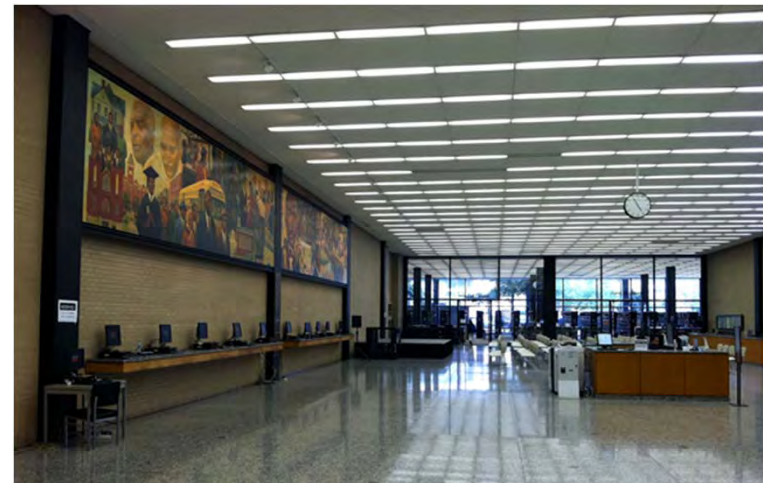
# INVOLVE THE COMMUNITY TO CREATE AN INSPIRATIONAL VISION OF THE LIBRARY OF THE FUTURE THAT IS A BOLD, CREATIVE SYMBOL OF COMMUNITY LEARNING AND LITERACY



# Mike Reynolds

## Why Consider Alternative Uses?

- Current Library space, as programmed and funded, is not meeting the needs of The District that it serves
- Additional funding is needed to transform the Library, either on- or off-site
- Library does not need all of the space it currently possesses
- Excess space could be used as a revenue source to fund Library improvements
- Objective is to maximize funding for Library improvements by optimizing the value of excess space



## What Are the Potential Alternatives?

- Uses common in adaptive re-use:
  - ✓ Residential
  - ✓ Office
  - ✓ Retail (ground level)
  - ✓ Show space (ground level)
- Understanding the market is the key to identifying and unlocking the revenue potential available to Library
- Market forces are both broad and narrow, focused both regionally in the Metro as well as locally in the Penn Quarter
- Identifying building uses that respond to market forces will maximize Library funding



## DC Metro - Top National Performer

- DC Metro – The District, northern Virginia, parts of Maryland
- 4<sup>th</sup> largest economy measured by jobs, 7<sup>th</sup> largest relative to population
- Since 2000, largest growth economy in the U.S.
- Increasingly diverse economy – professional and business services outgained government job growth during the last decade
- Growth and diversity makes the DC Metro an attractive destination for investment nationally
- MLK Library can benefit from such investment

Values in 000s	Jobs			% Change	
	2000	2007	3Q11	2000-3Q11	2007-3Q11
<b>Washington D.C.</b>	<b>2,678</b>	<b>2,990</b>	<b>2,979</b>	<b>11%</b>	<b>0%</b>
Dallas	2,761	2,938	2,913	5%	-1%
Boston	2,539	2,485	2,452	-3%	-1%
New York	8,398	8,575	8,323	-1%	-3%
Seattle	1,647	1,740	1,656	1%	-5%
Chicago	4,571	4,557	4,270	-7%	-6%
San Francisco	2,127	2,037	1,884	-11%	-8%
Los Angeles	5,461	5,638	5,142	-6%	-9%
<b>U.S.</b>	<b>131,785</b>	<b>137,598</b>	<b>130,755</b>	<b>-1%</b>	<b>-5%</b>

## District of Columbia – Rapid Change

- 1990s characterized by underperformance and neglect
  - ✓ Loss of 35K people
  - ✓ Exodus of 36K jobs
  
- Since 2000 – vital growth market
  - ✓ 30K growth in population
  - ✓ 36K job gain
  - ✓ 48% growth in median income

Values in 000s	Year		
	1990	2000	2010
Population	607	572	602
Growth (#)		-35	30
Growth (%)		-6%	5%
Jobs	686	650	711
Growth (#)		-36	61
Growth (%)		-5%	9%
Median Income	\$31	\$40	\$59 *
Growth (#)		\$9	\$19
Growth (%)		31%	48%

Source: U.S. Bureau of Labor Statistics; \* 2009 ACS

Note: \* Median income sourced from 2009 ACS

## D.C. Renaissance

- D.C. has been transformed into a true international city
- 24/7 activity gained from growth in housing and retail
  - ✓ 1990s – 2,000 residential permits
  - ✓ 2000s – 15,000 permits
- D.C. in 2011
  - ✓ 70 museums
  - ✓ 2<sup>nd</sup> largest rail system
  - ✓ 25 million visitors per year
  - ✓ Largest pipeline of LEED certified buildings



## Cultural and Economic Activity Provides Competitive Edge

- D.C. is “the place to be” in the DC Metro for in-town housing, corporate relocations and entertainment
- Value provided by improved “Place” is evidenced in the office market
  - ✓ 60%+ higher rents than suburban counterparts
  - ✓ Higher occupancy
- MLK Library located in the heart of this activity

3Q11	Office - Total		Class A	
	Lease Rate	Space Avail.	Lease Rate	Space Avail.
<b>Washington D.C.</b>	<b>\$47</b>	<b>11%</b>	<b>\$51</b>	<b>10%</b>
Northern Virginia	\$29	18%	\$31	19%
DC vs. Submarket	60%	-38%	63%	-44%
Suburban Maryland	\$27	16%	\$28	18%
DC vs. Submarket	76%	-30%	84%	-41%

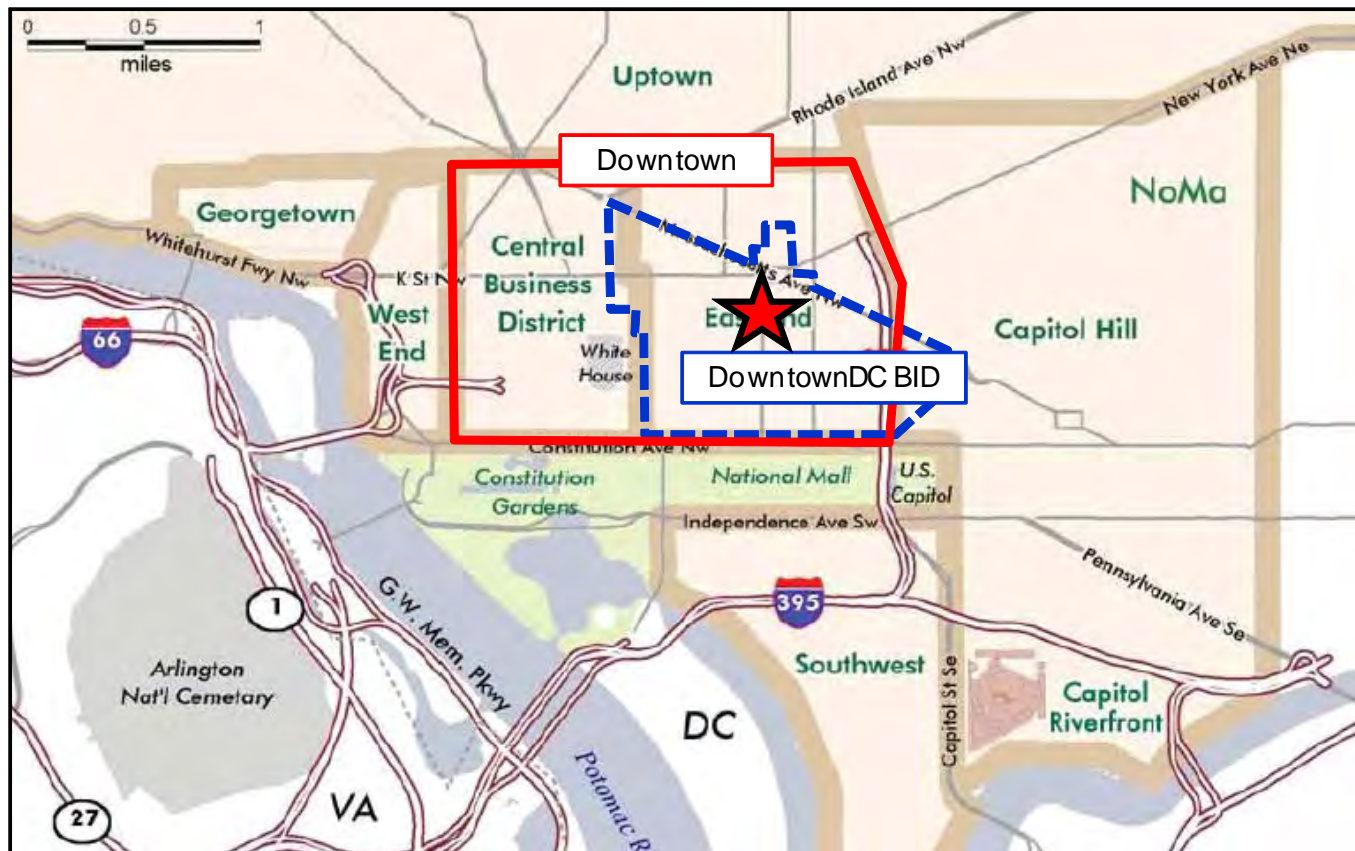
Source: Studley

Note: Lease rates measured in \$ per square foot per year



## Downtown – Epicenter of D.C.’s Transformation

- The City’s economic and cultural vitality is centered around Downtown
  - ✓ “Downtown” defined by CBD and East End (Penn Quarter)
- Two thirds of citywide economic activity is located in the Downtown area



Source: CBRE

## East End – Focus of Post 2000 Revitalization

- Formerly underutilized
- Spurred by Downtown BID and focused political will
- Amenities driving revitalization since 1997:
  - ✓ New Museums (5)
  - ✓ MCI Center (1997)
  - ✓ New Convention Center (2003)
  - ✓ Destination Dining – doubling of establishments
  - ✓ Visitor Volume – doubled from 4.5 to 9.0 million

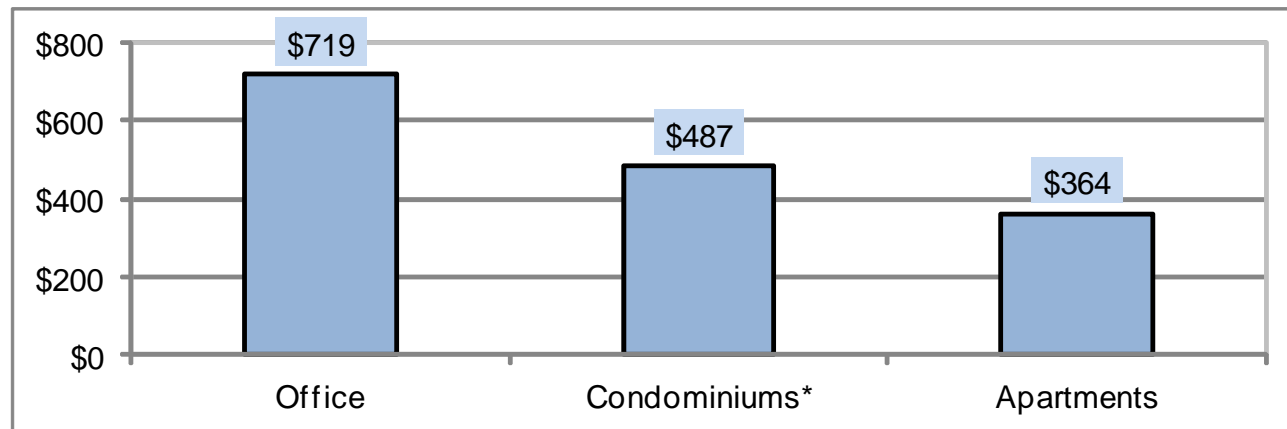


Source: Peter Fitzgerald

## East End – Scarce Resources, Tremendous Demand

- Lease rates now higher in Penn Quarter than CBD
- East End possesses some of the most expensive real estate in the City & Country
- Building values for office/retail superior to residential alternatives

Sold Since January 2010	Class A Space		
	Office	Condominiums*	Apartments
Sales Revenue (000s)	\$2,281,000	\$128,000	\$347,000
Volume Sold (SF)	3,171,000	263,000	953,000
<b>Price per Square Foot</b>	<b>\$719</b>	<b>\$487</b>	<b>\$364</b>

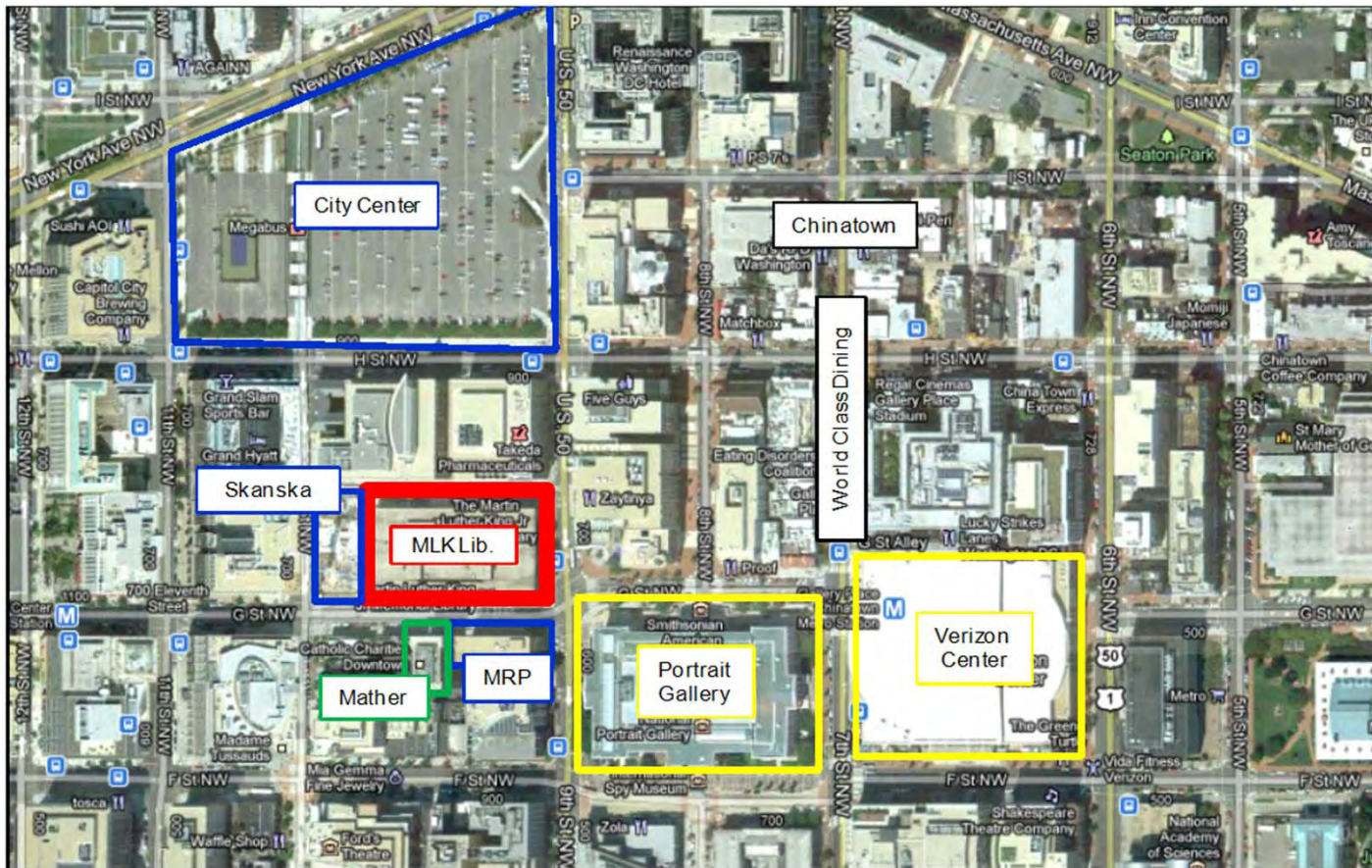


Source: CoStar; Redfin

Note: \* Consists of 14 resale communities built post 2002 proximate to the MLK Library

## MLK Central Library – Unrivaled Location

- Access to Transit – two of the District’s busiest Metro Stations within a short walk
- Proximity to Entertainment and Culture
- Quality, Revitalized Neighboring Land Uses



Source: GoogleMaps

## MLK Library – Valuable Space for Alternative Uses

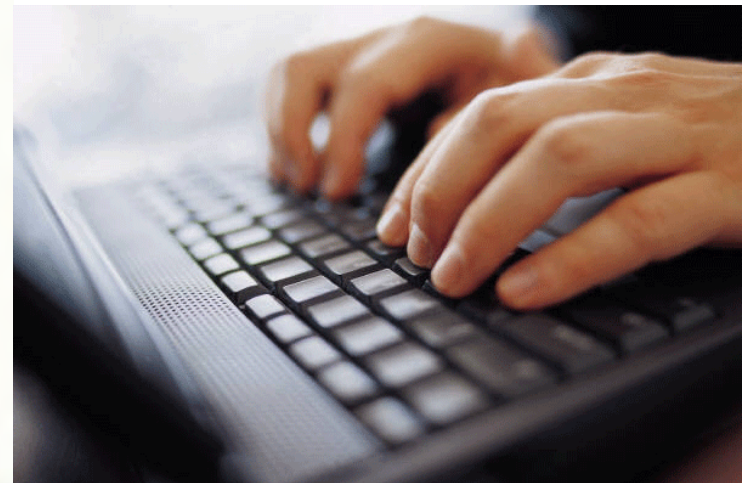
- Tremendous Value Generated by Alternative Tenanting/Programming
- Valued derived from:
  - ✓ Scarcity of Space (fewer than 15 sites remain for re-use or development)
  - ✓ Premium Location
  - ✓ Strong Regional Economy

### Conclusion

- The MLK Library is compatible and marketable for both residential and office/retail use
- Reprogramming of existing space to office represents the most beneficial financial outcome to the Library to support the optimal number of physical improvements

# Sandra Kulli

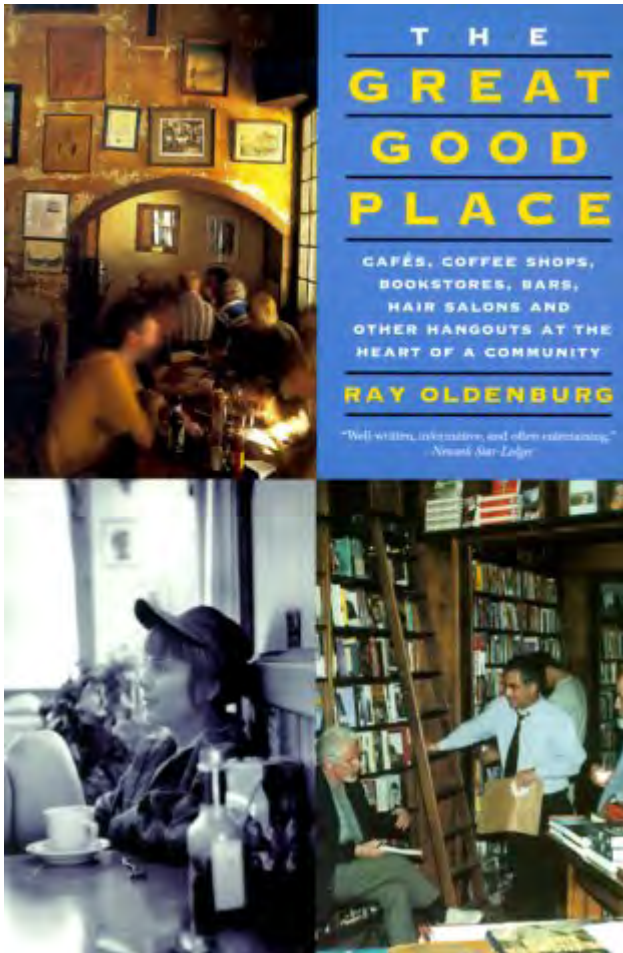
# What's Your Dream







# Home is the First Place, Work is the Second Place .....



# Heart of Community



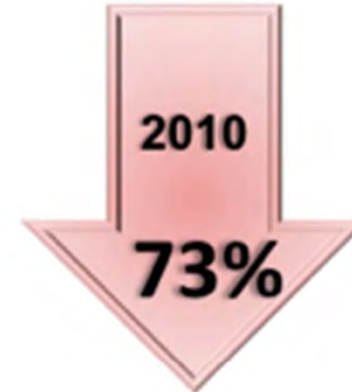
# Yankelovich MONITOR

**“Because the economy is so strong, people’s expectations about their lives and their future are higher than ever before.”**



July 2000, MONITOR Omnibus

**“The American Dream is more of a dream than a real possibility for most people.”**



2010/11 U.S. MONITOR



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the coming together of  
Herley Centre HeadlightVision  
and Yankelovich

the  
futures  
company

# Yankelovich MONITOR

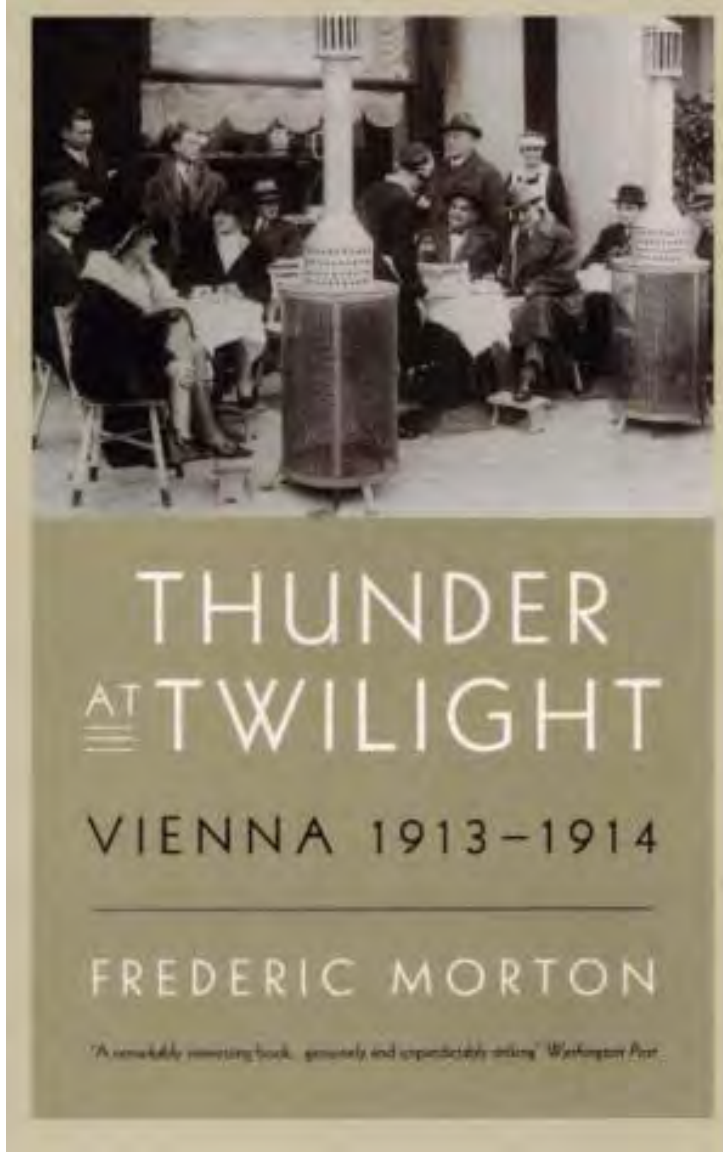
### Google searches in U.S. for “get rich quick” (2004 to 2010)



### Google searches in U.S. for “happiness” (2004 to 2010)



Using Google Insights for Search Beta, December 14, 2010



# Memory + Prophecy



**Shaw Neighborhood Library**

## Dan Brents and Mimi Sadler

## Design

### Sponsors Scenarios

- Shared Occupancy (Library Stays)
- Alternate Location (New Building Tenant)



## Design

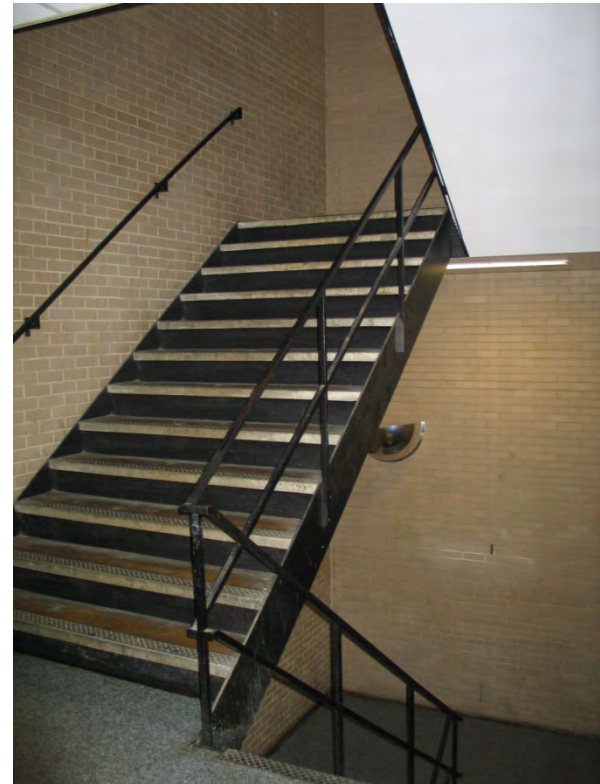
### Assumptions

- **Library size 225,000 square feet**
- Systems must be renovated regardless of scenario
- Strive for Sustainable Design
- Must provide space for public uses
- Building designed to accommodate extra floors

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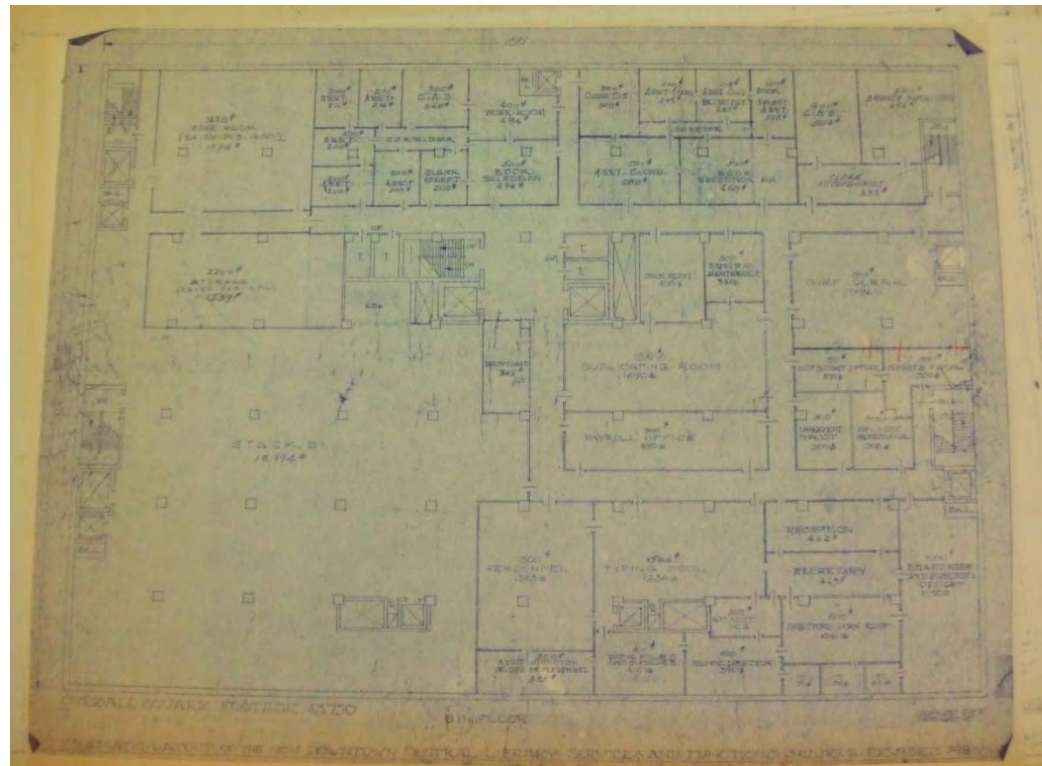
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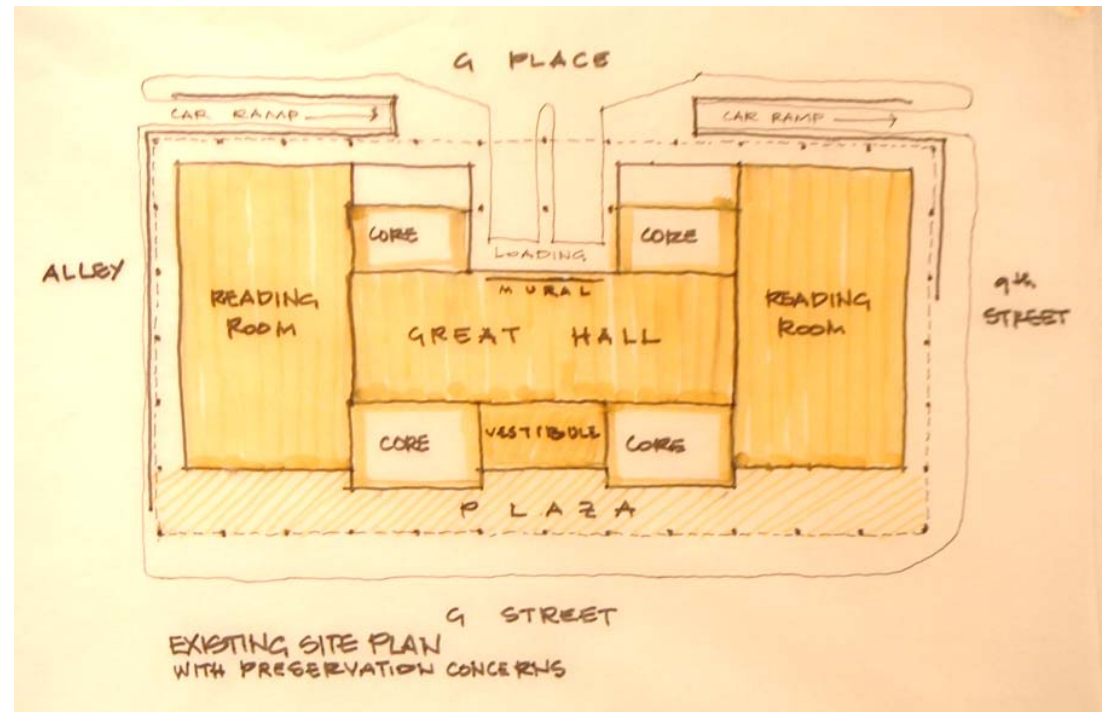
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### Constraints

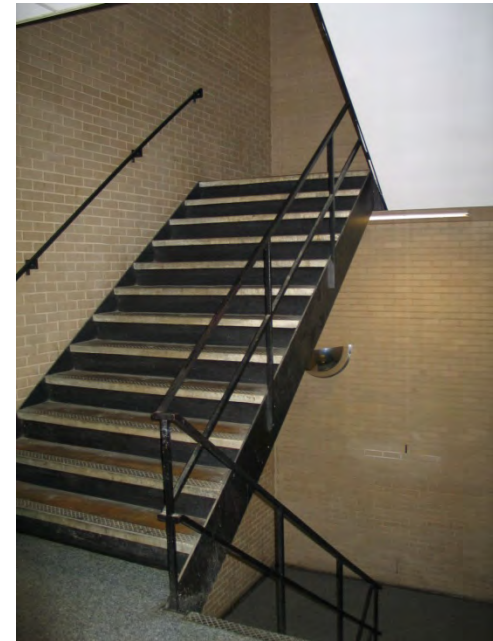
- **Landmark Designation/ Approval Process**
- Cost of renovation/Code compliance
- Building's public identity
- Size and configuration of floors
- Customized, expensive or obsolete building components (glass)
- Hazardous materials
- Need for Day lighting in spaces



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- **Need for daylighting in spaces**



## Design

### Opportunities

- **Iconic Building**
- **Location/Improving neighborhood**
- Access
- Multitude of cultural/organizations to share space
- High Ceilings
- Street visibility
- Existing parking



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## Design

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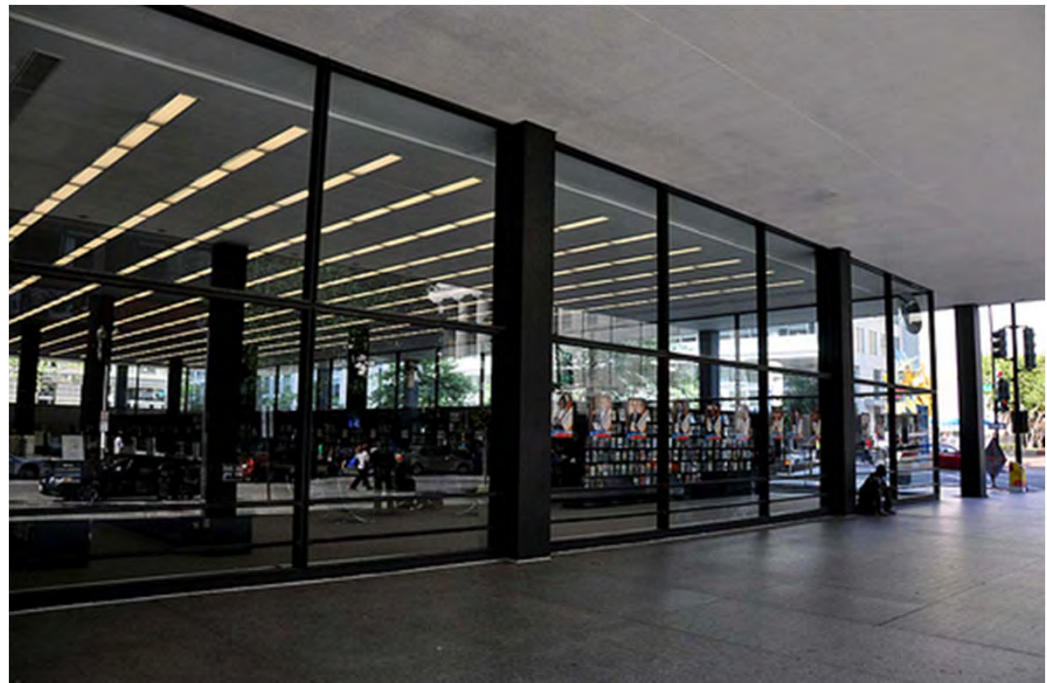
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## Design

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- High Ceilings
- **Street visibility**
- **Existing parking**



## Design

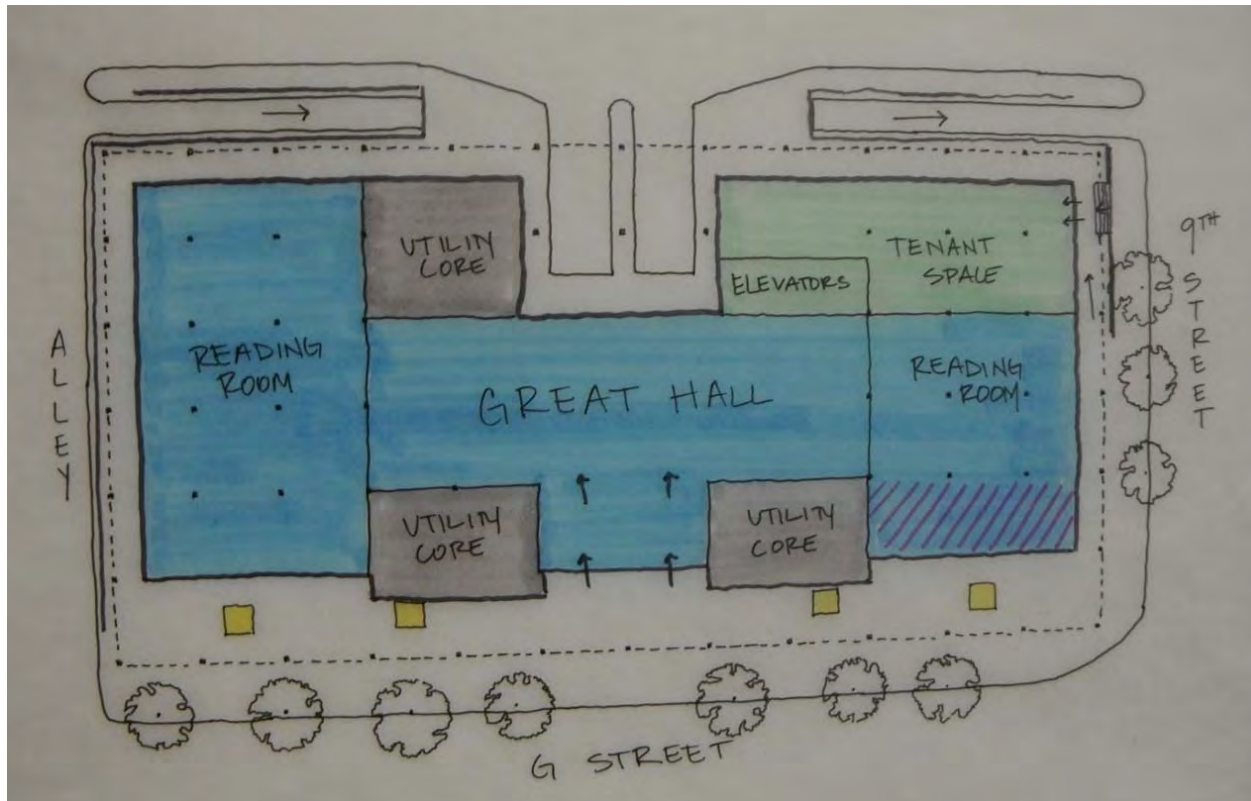
### Alternative Scenarios – Shared Occupancy

- Ground Floor Entrances

# Design

## Alternative Scenarios – Shared Occupancy

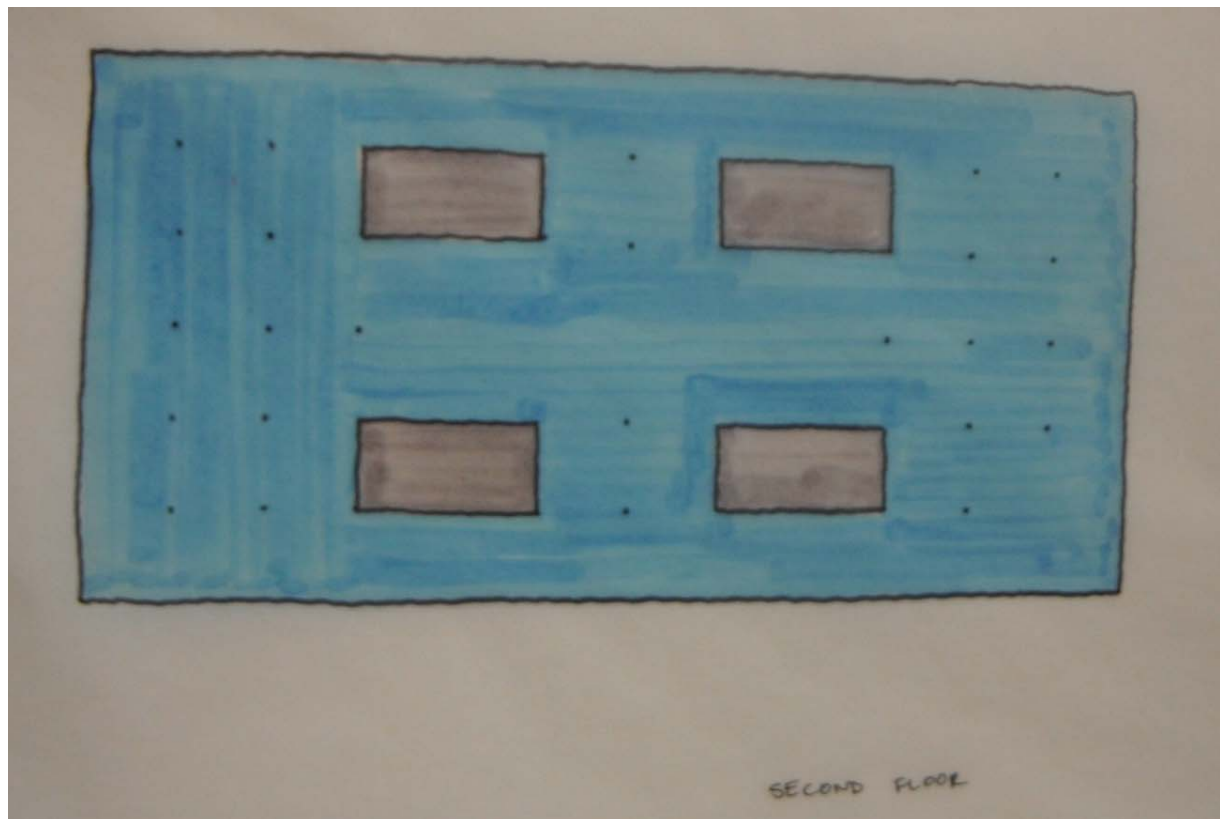
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# Design

## Alternative Scenarios – Shared Occupancy

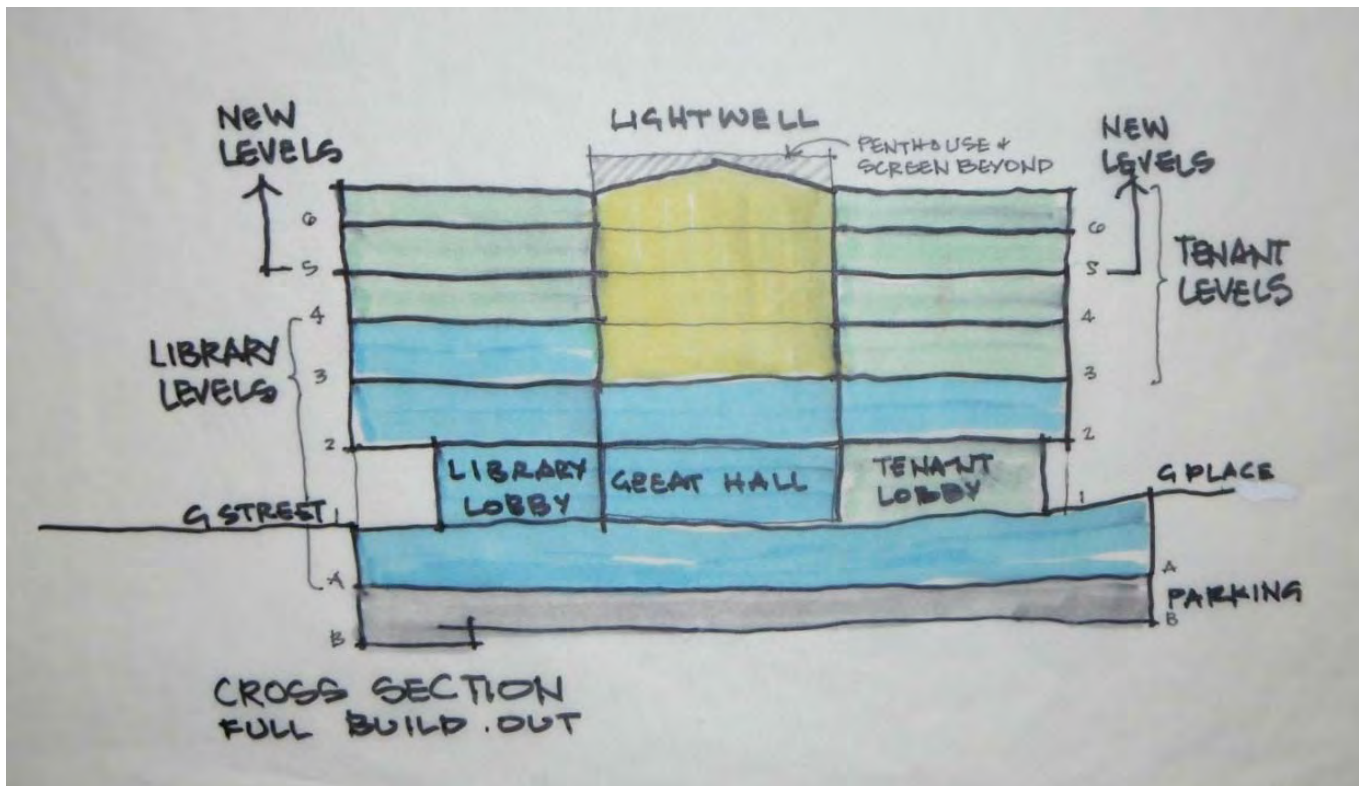
- Library Space



# Design

## Alternative Scenarios – Shared Occupancy

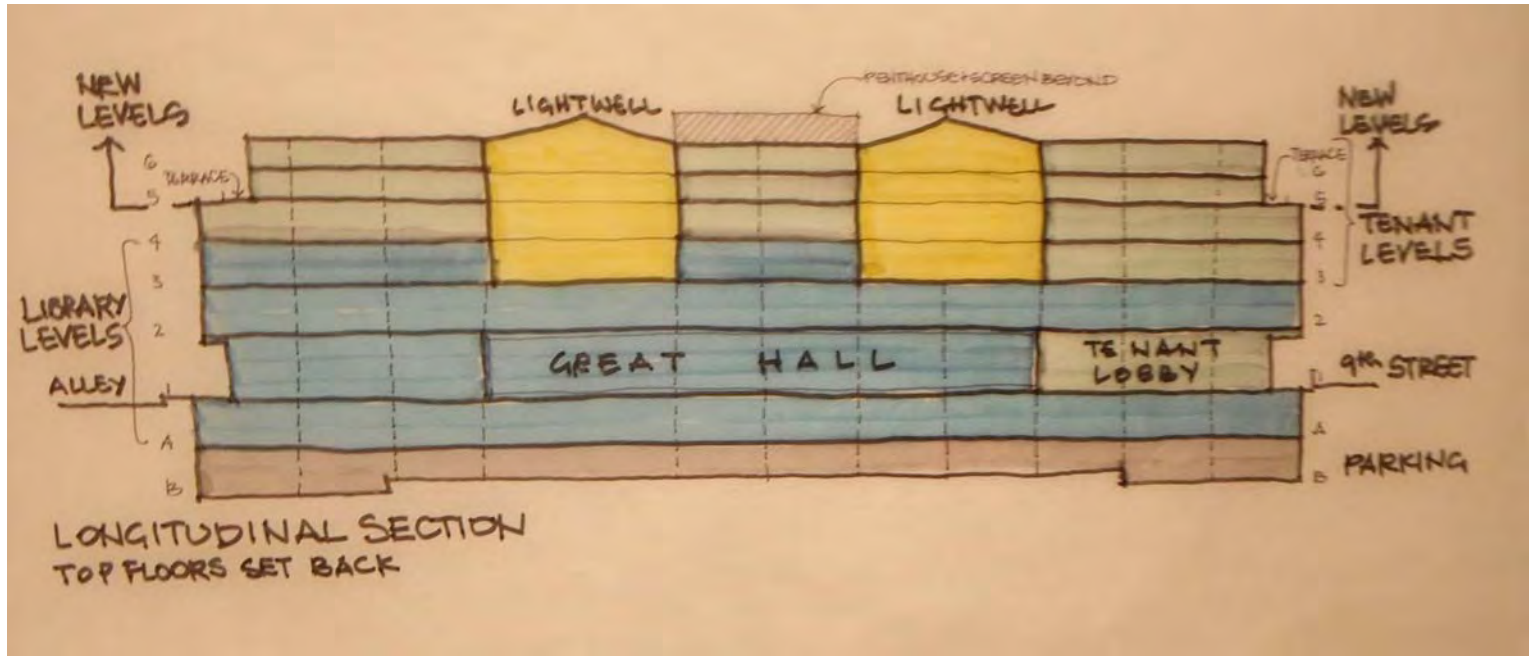
- Tenant Spaces

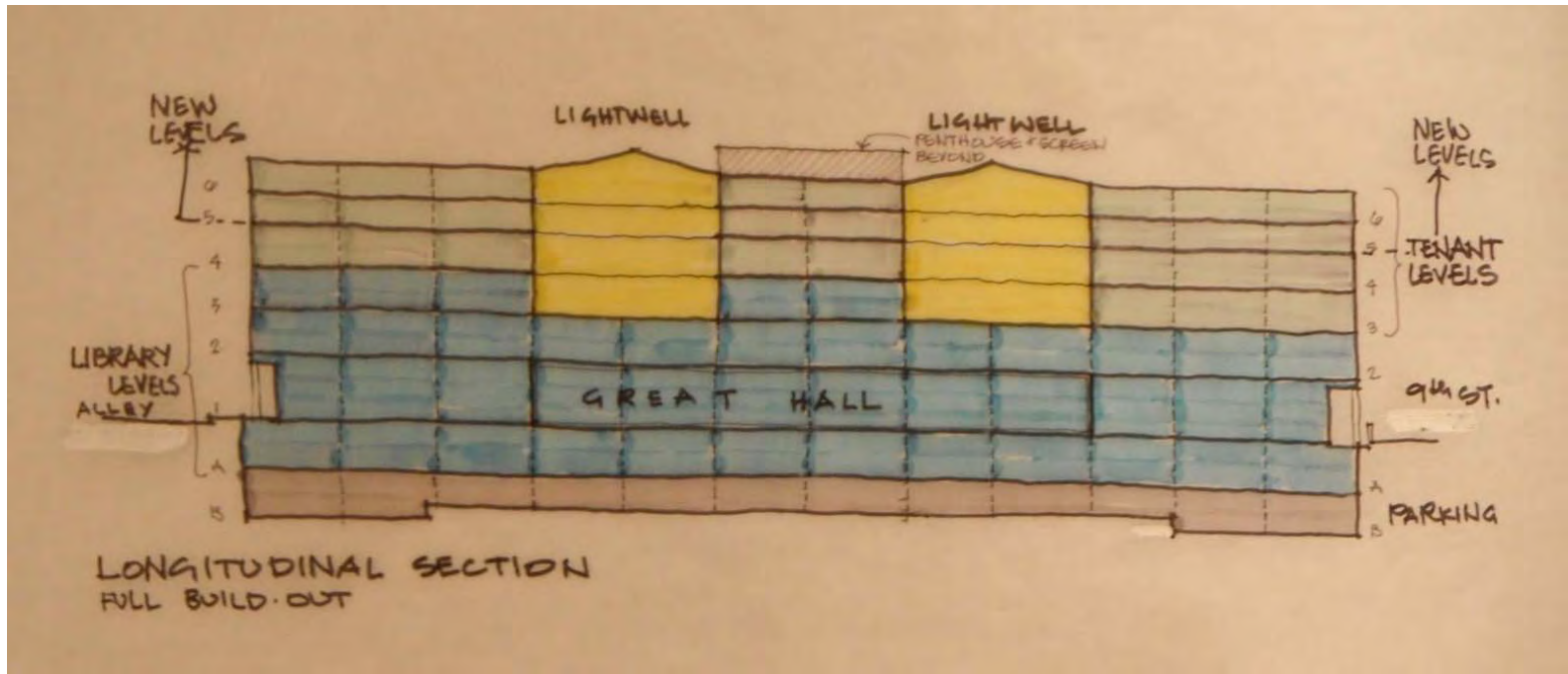


# Design

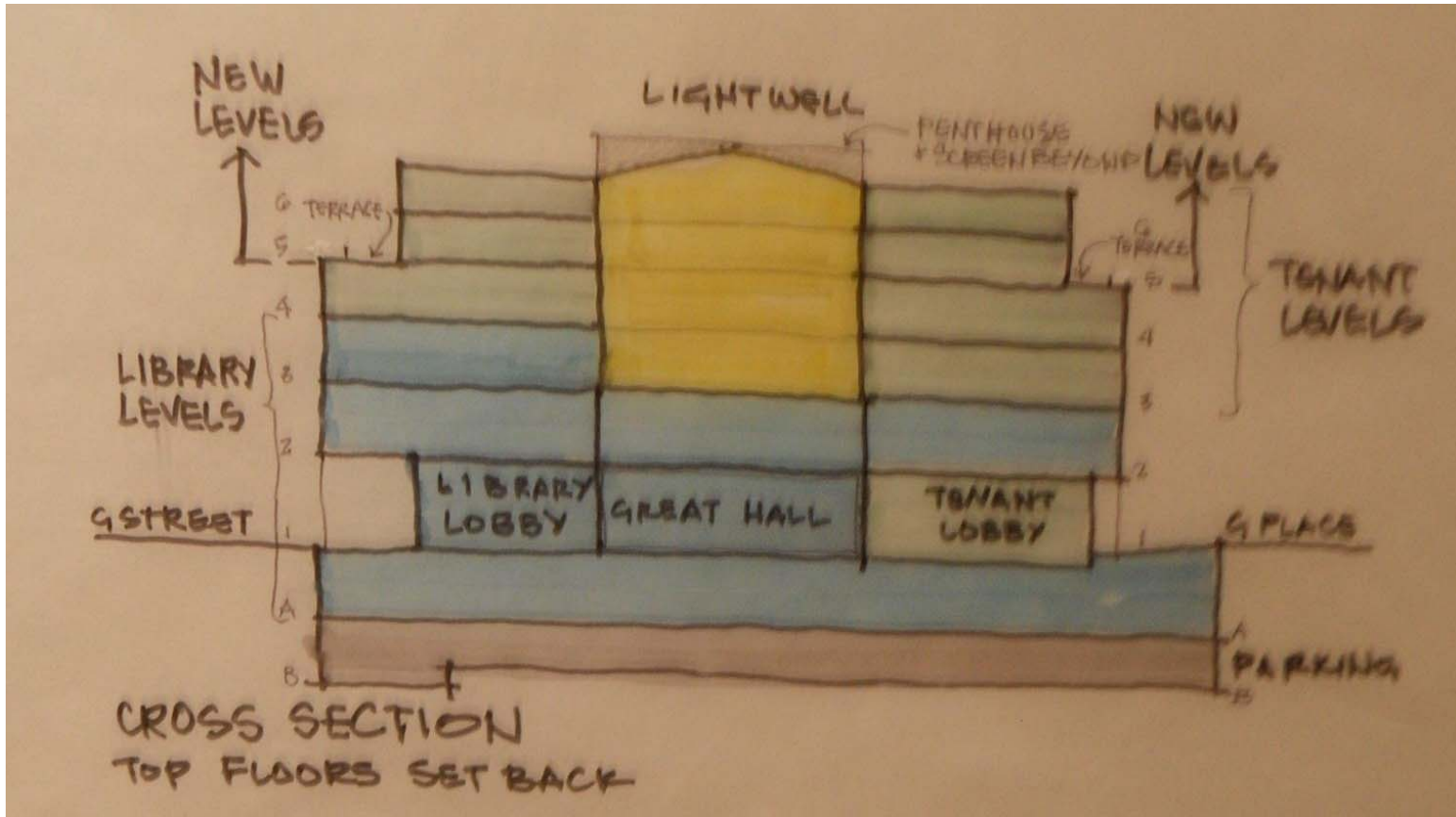
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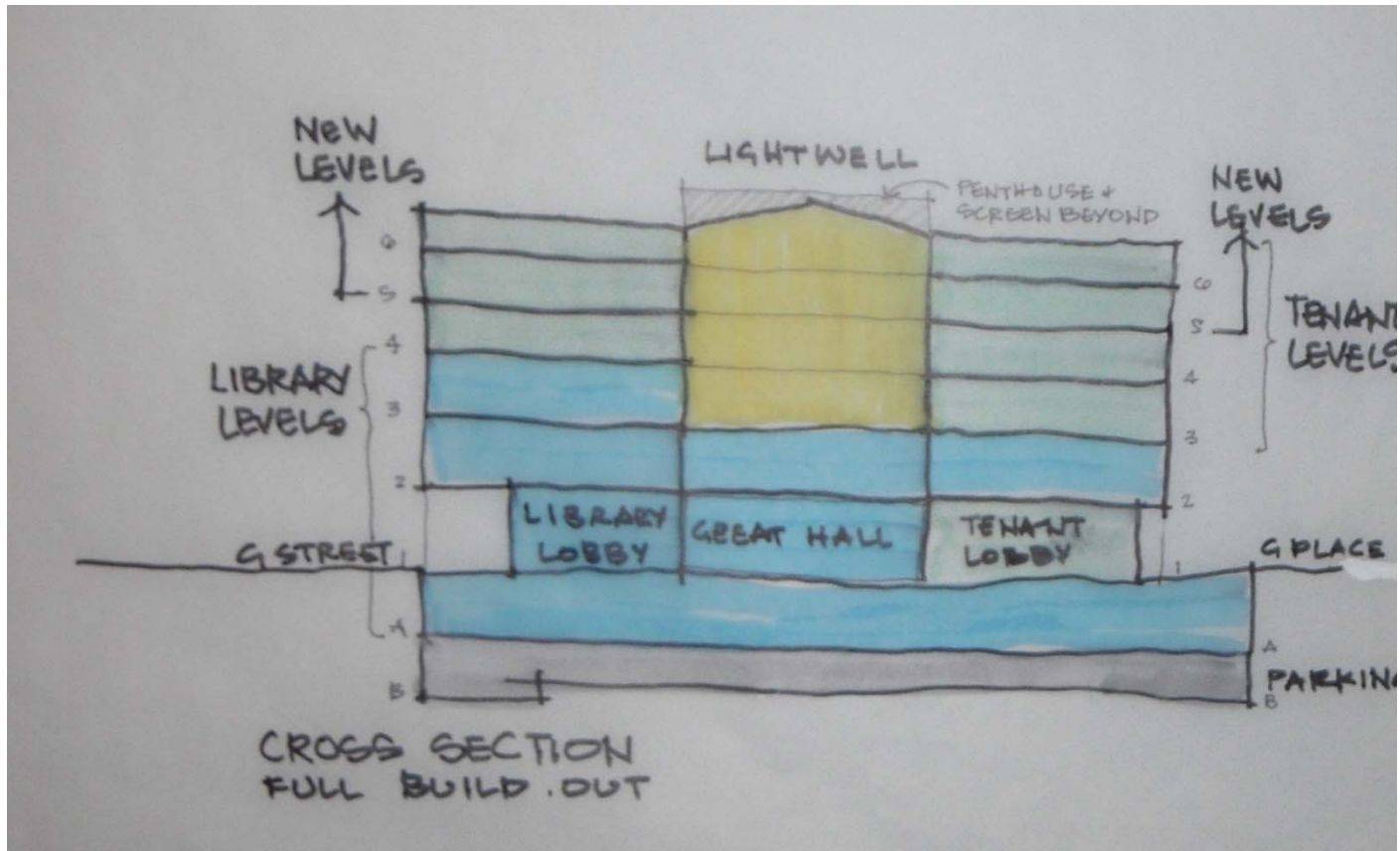
- Building Configuration











## Design

### Alternative Scenarios – Shared Occupancy

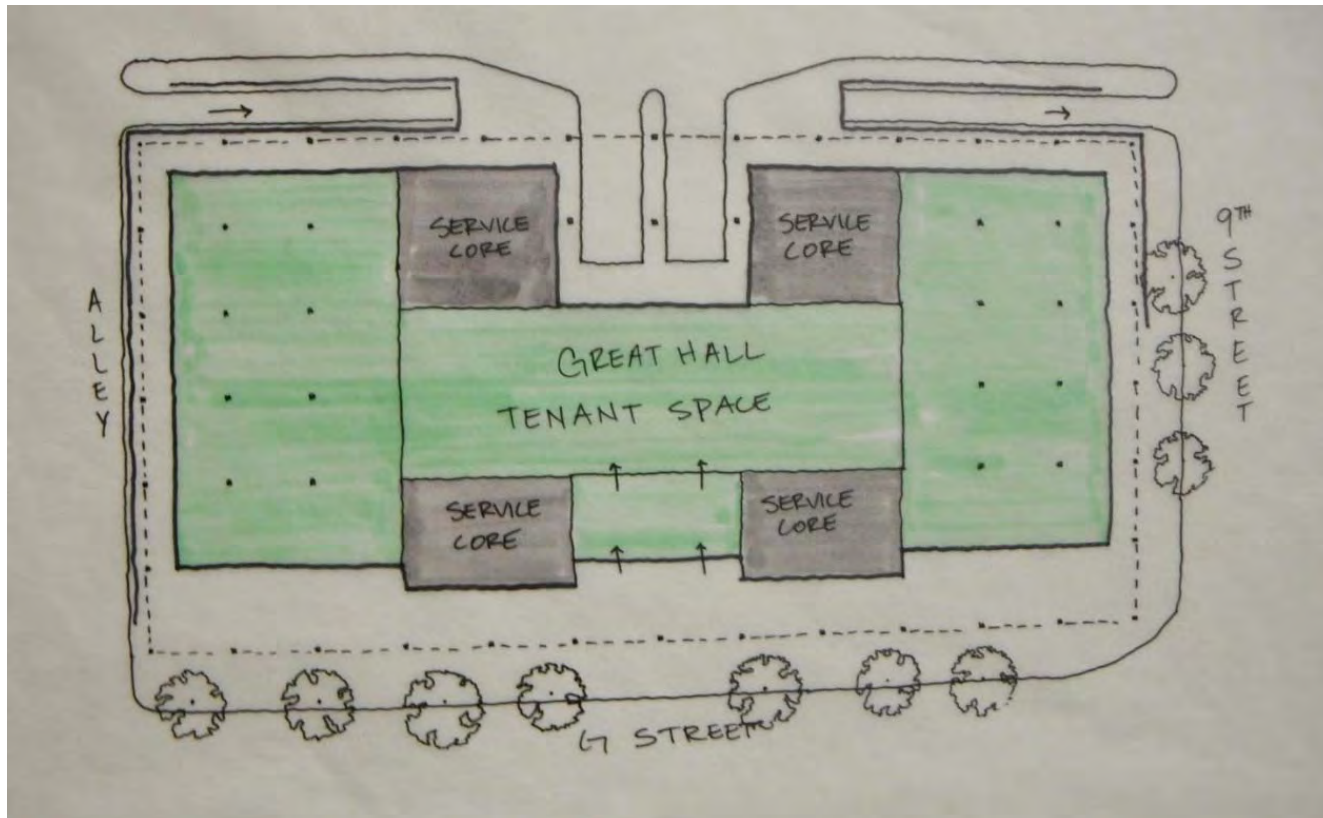
- Features
  - “Showcase” Space



# Design

## New Location (New Building Tenant)

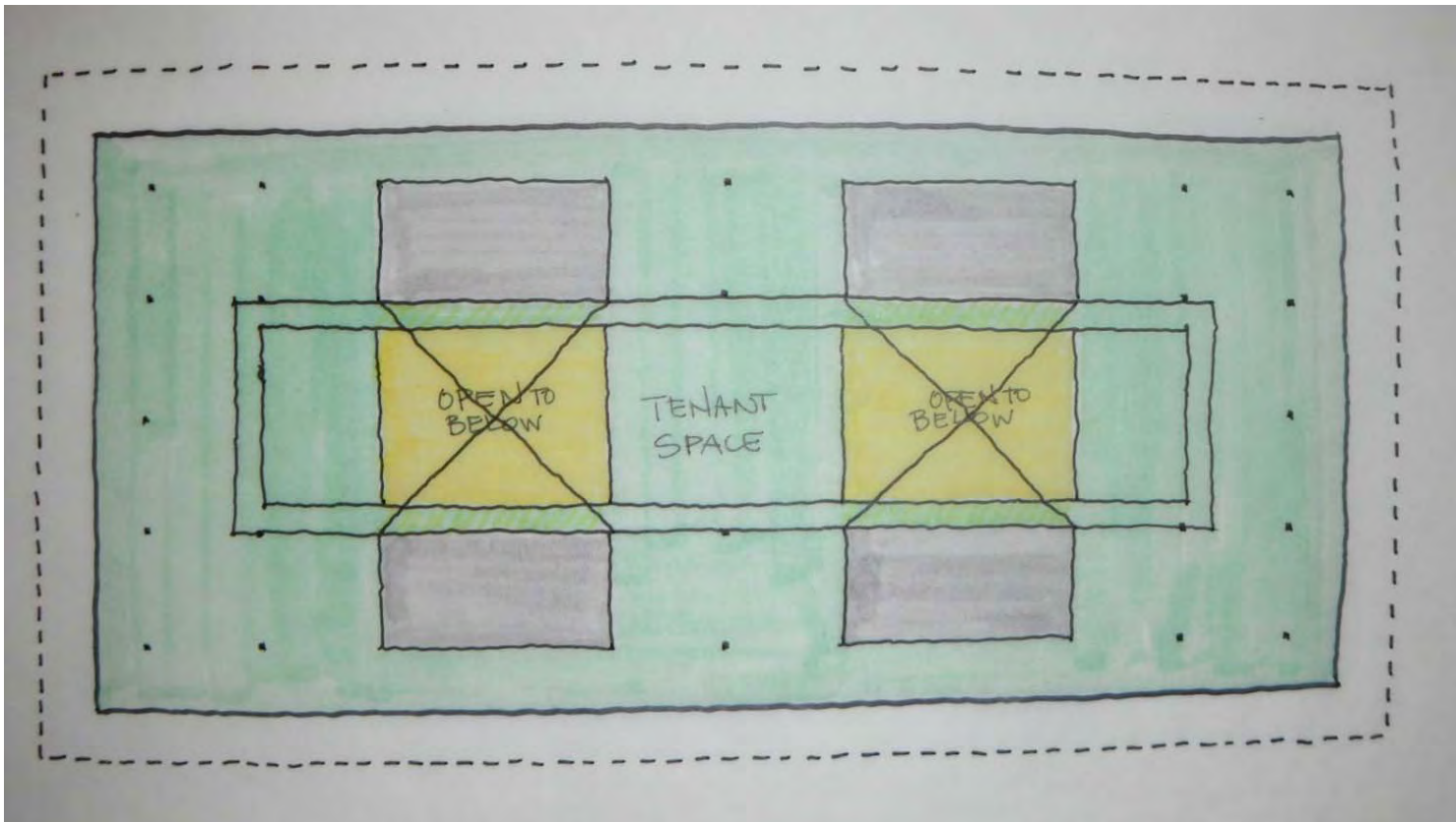
- Entrance and Ground Floor



## Design

### New Location (New Building Tenant)

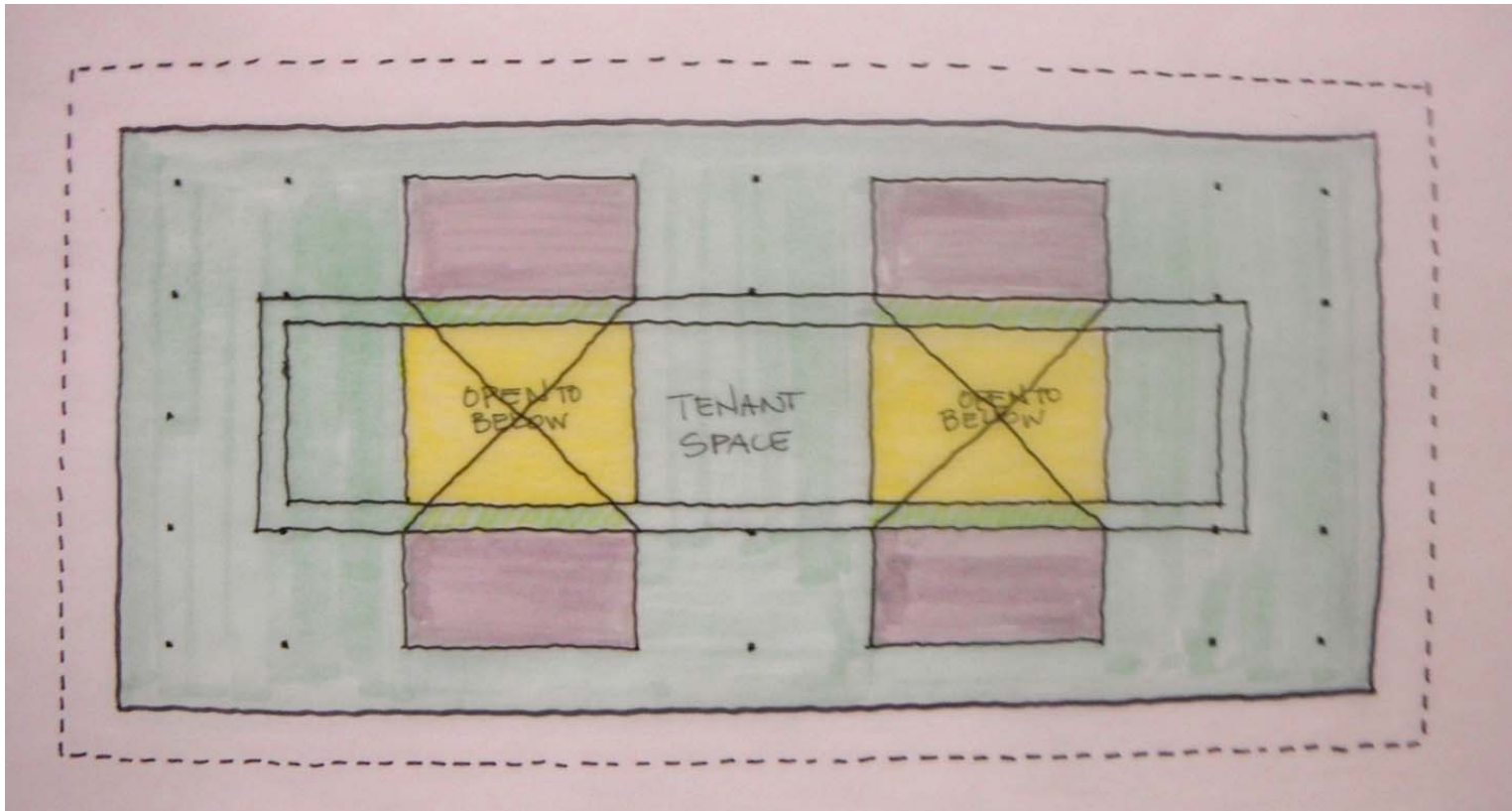
- Typical Floors



# Design

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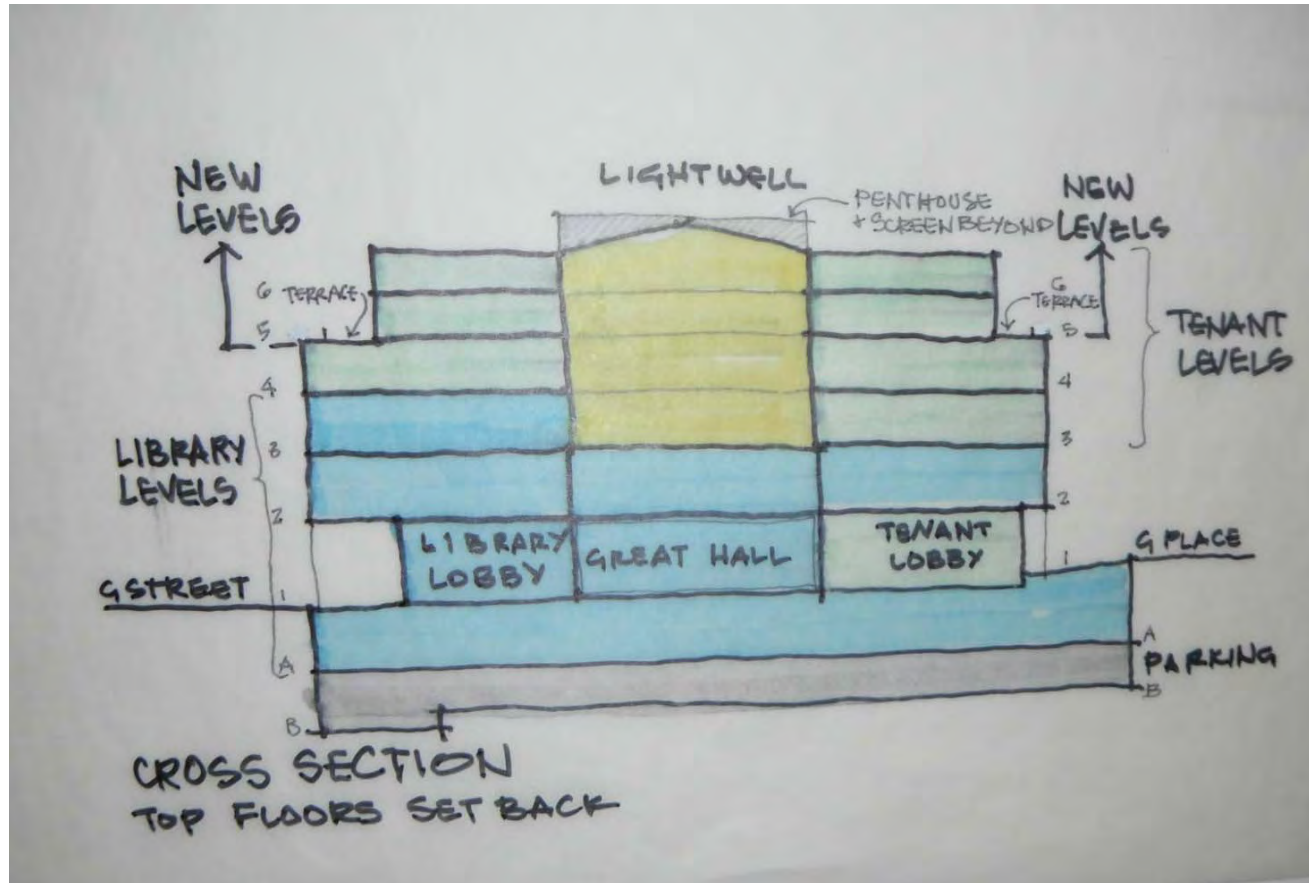
- Added Floors



# Design

## New Location (New Building Tenant)

- Building configuration



## Design

### New Location (New Building Tenant)

- Features
  - Institutional Showcases
  - Light wells
  - Rooftop terraces
  - Café
  - Parking

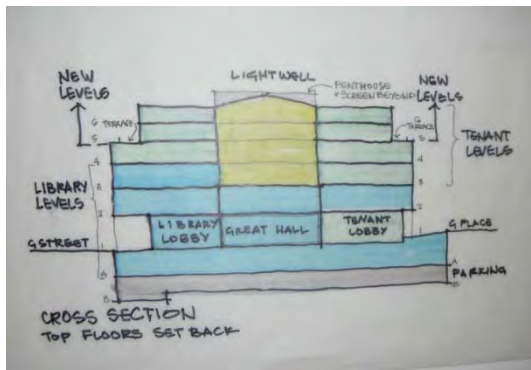




# Design

## Building Appearance Options

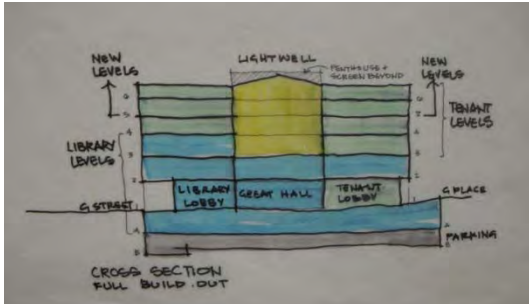
- Setback Scheme



# Design

## Building Appearance Options

- Maximizing Floor Space



## Design

### Short Term/Immediate entrance Improvements

- **Moveable Planters**
- Exterior and interior Sculpture
- Children's Creative Play Area
- Cleanup of Street Accessories
- Paving Lights Display



## Design

### Short Term/Immediate entrance Improvements

- Moveable Planters
- **Exterior and interior Sculpture**
- Children's Creative Play Area
- Cleanup of Street Accessories
- Paving Lights Display



## Design

### Short Term/Immediate entrance Improvements

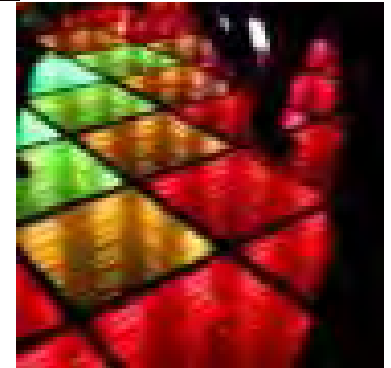
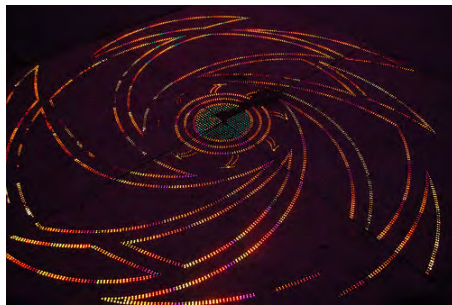
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## Design

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## Design

### Short Term/Immediate entrance Improvements

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## Design

### Implications and Conclusions

- Mies van der Rohe's "universal building philosophy"
- Flexibility of use throughout a building's lifetime
- In this philosophy, form does not follow function – instead, Mies designed for flexibility of use throughout a building's lifetime





## Design

### Implications and Conclusions

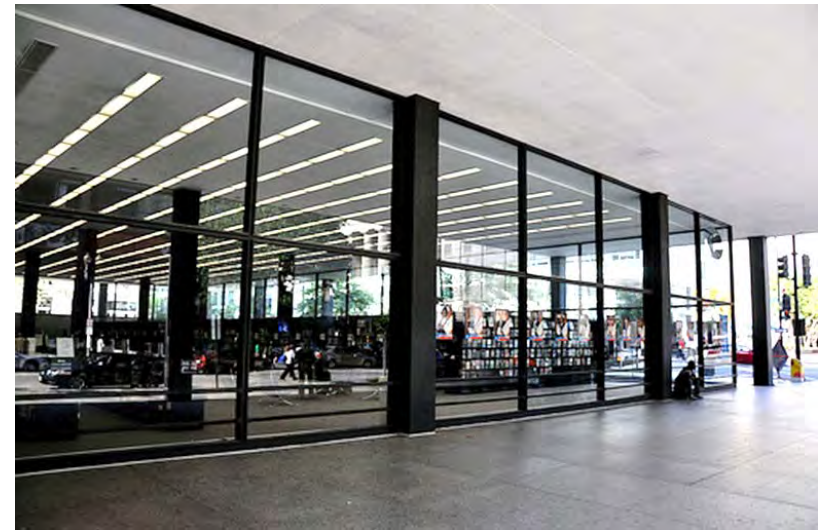
- What does this building want to be?
- Space for knowledge workers, not storage
- Space for productive labor



# Ayahlushim Getachew

## The Redevelopment/Development Scenarios

- Rehabilitate the existing building
- Co-tenancy in the existing building
- Move to a new facility (ground up or complete rehabilitation)
- **FUNDAMENTAL ASSUMPTIONS:**
  - There will always be a Martin Luther King, Jr. Memorial Central Library in Downtown DC
  - The library need is 225,000 square feet
  - Additional Public Resources will be required



## The Redevelopment/Development Scenarios

Rehabilitate the existing building:

- Pros:
  - Keeps library in the existing space at existing location
  - Necessary upgrades to be made to existing building – “The Building is Broken”
  - DC Central Library in a historic landmark
  - 440,000 square feet including all below-grade space
- Cons:
  - 2006 study indicates rehabilitation needs are \$200-\$250 million for rehabilitation
  - Unable to completely replicate new systems, necessary efficiencies, modern information technology needs or adapt for future needs
  - Annual maintenance costs still prohibitive
  - Building is too big for Central Library needs

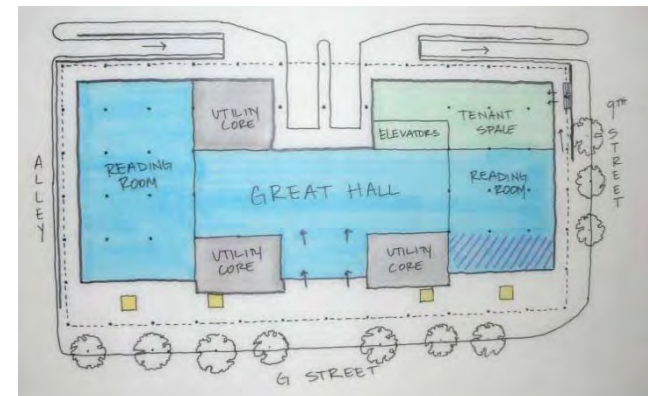


**NOT AN ECONOMICALLY FEASIBLE OPTION!**

## The Redevelopment/Development Scenarios

### Co-tenancy in the existing building

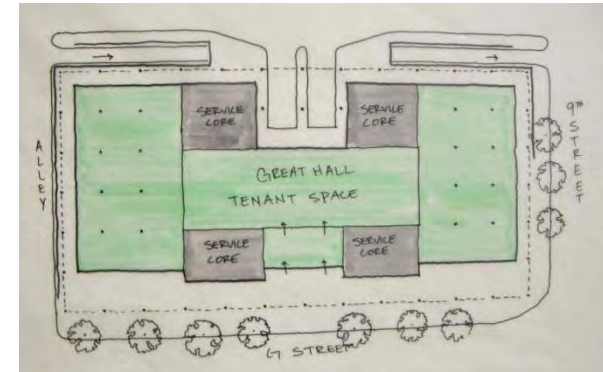
- Pros:
  - 225,000 square feet for the library enables correct sizing at existing location
  - Rental revenues of \$4.1 to \$5.5 million annually
  - Funds a portion of rehabilitation of the building / operating costs
  - Increased activation of the library site with new, permanent employee base
  
- Cons:
  - Dilution of focus from the library? Anti mixed use sentiment.
  - Redundancies in infrastructure and systems
  - Need two lobbies and two entrances
  - Increased rehabilitation costs due to “private/institution” finishes and systems



## The Redevelopment/Development Scenarios

Move to a new facility (ground up or complete rehabilitation)

- Pros:
  - \$58.8 to \$70.5 million generated from sale (possibly more)
  - Historic tax credits for private buyer allows additional equity to project (increased value for site)
  - New, correctly sized library of the future; increased efficiencies and reduced operating costs
  - Remedy ADA, green issues. Flexible space.
  - Modern information technology capacity
- Cons:
  - Ground lease/sale of existing City asset
  - Leaving a historic building with a high degree of public identification
  - Challenges of finding a new site
  - Need to swap for land or move to an existing City asset to avoid new land costs
  - Relocation and moving costs need to be well quantified



















## Development





# Conclusion





## Conclusion

**“There’s not such a cradle of democracy upon the earth as the Free Public Library” – Andrew Carnegie**

**“Life is what happens to you while you’re busy making other plans” - John Lennon**