

The New York Times <https://nyti.ms/1FErEEu>

COMMERCIAL REAL ESTATE

Union Station in Washington Has a Grand Development Plan

Square Feet

By EUGENE L. MEYER APRIL 14, 2015

WASHINGTON — This city's venerable Union Station, which opened with much fanfare in 1908, was never about the federal union but about the union of two railroads whose separate terminals had formerly occupied valuable space blocks apart, even encroaching on the National Mall.

But, over time, the monumental Beaux-Arts building and its rail yards that united railroads divided the city it served, its 20 north-south tracks bisecting neighborhoods rather than linking them. Now, under an ambitious plan, the air rights over the tracks are to be developed with three million square feet encompassing 1.5 million square feet of office space, 1,300 residential units, 100,000 square feet of retail space, more than 500 hotel rooms, and parks and plazas.

The 14-acre project is to be called Burnham Place, after the Chicago architect Daniel Burnham, who designed the station. The new platform atop the tracks will extend a renovated and reconfigured station that will adjoin the mixed-use project.

To advance this vision, the public-private partnership that oversees Union Station last week named Beyer Blinder Belle Architects & Planners and Grimshaw Architects as master planners for the station part of the project.

Beyer Blinder Belle, based in New York and Washington, planned the renovation of Grand Central Terminal in Manhattan and is helping with the \$200 million conversion of the government-owned Old Post Office building here into a high-end hotel under the Trump Organization.

One of the specialties of Grimshaw is railway design. It has offices in Australia (Melbourne and Sydney), London, New York and Doha, Qatar, and its projects have included the Fulton Center in New York, Waterloo International Terminal in London and Bijlmer Station in Amsterdam.

The planners will work closely with Akridge, the local developer that acquired the air rights in 2002 for \$10 million and has committed to find \$1.5 billion in additional financing to build Burnham Place. Akridge's investment partner is Leucadia National Corporation, a New York company that has since merged with the Jefferies Group. "Right now, we are fully capitalized" for the next steps, said David Tuchmann, Akridge vice president for development.

The station and air rights plans must be carefully coordinated, because the steel caissons that will support the platform cannot be placed until the station and track work are done. These changes involve near-term concourse improvements but also include creating a lower level for more trains, said Bob LaCroix, Amtrak's chief of Northeast Corridor infrastructure development. Plans also call for the current 2,200-space garage to be demolished and a much larger parking structure to be built underground. Buses will also be "accommodated by harvesting some of the space beneath the tracks," he said.

This is a "generational" project, Mr. Tuchmann said, with completion of the first air rights building not expected until 2023. The long time frame trumps any concerns over current vacancy rates or the market's ability to absorb new construction. "We've had probably two or three organizations we've talked to over the last five years who've come to us," he said.

"We are extremely optimistic that Washington will continue to be a place with slightly lower highs and much higher lows than the rest of the country," he added. "We don't look at next year's vacancy rate."

The project “has the potential as transit-oriented development to be one of the major developments on the East Coast in the next 20 years,” said Anthony A. Williams, a former two-term Washington mayor and now executive director of the Federal City Council, a nonprofit civic group.

Preliminary plans unveiled in July 2012 are the basis for the next steps. A separate historic preservation plan is to be completed this summer. Since federal funds will be involved, the project also requires a formal environmental assessment. Further, private and public financing are not yet fully secured. Officials say the hurdles are challenging, but not insurmountable.

“If London can figure out how to do it, we’re hoping we can,” said Beverley Swaim-Staley, president of the nonprofit Union Station Redevelopment Corporation, partners with Akridge and Amtrak in this venture. The corporation oversees the station’s leasing operations, and its restoration and renaissance.

When discussing the project, Ms. Swaim-Staley is given to quoting Burnham, who is said to have remarked: “Make no little plans; they have no magic to stir men’s blood and probably themselves will not be realized. Make big plans, aim high in hope and work, remembering that a noble, logical diagram once recorded will not die, but long after we are gone be a living thing, asserting itself with ever-growing insistence.”

The \$8.5 billion project would certainly seem to fit Burnham’s definition. It is being widely hailed as “transformative,” both for the transportation hub that serves local and long-distance trains, subways and buses, and for the District of Columbia, which has undergone a remarkable renaissance that has spread throughout the city but has been stopped in its tracks.

To the east, H Street NE, a retail corridor devastated in the 1968 riots in response to the assassination of the Rev. Dr. Martin Luther King Jr., is rapidly gentrifying. To the west, the Penn Quarter district has breathed new life into a formerly dormant downtown. Farther north and west of the tracks, the NoMa neighborhood fills with new apartments and offices. South and east sits Capitol Hill, a historic rowhouse neighborhood and the site of Congress.

The tracks north of the station “are really a scar of the city,” splitting its neighborhoods, Ms. Swaim-Staley said. Burnham Place, on the other hand, “is going to knit the city together,” she said. “It fills in a big hole that exists in the city right now.”

The rail yards as a divider received little attention until recently, as District neighborhoods suffered through periods of disinvestment or stagnant growth. More concern was expressed over the ups and downs of the station itself.

Since its heyday during the first half of the last century, Union Station has seen its passenger count fall and rise again, even as its physical structure has gone through cycles of deterioration and rehabilitation. Today, the station serves 113,000 riders daily on weekdays, a number projected to double by 2033. “We’re out of capacity,” Mr. LaCroix said.

He said Amtrak had “spent or set aside” \$40 million for the initial station improvements but is counting on a \$400 million appropriation from Congress over the next five years.

Part of the challenge is to ensure the safe and convenient passage of travelers during construction. “We’re working on how to phase such a complex project, while minimizing any effect on rail operations,” Mr. LaCroix added. Or, putting it another way, he said, “How would you phase construction of the whole schmear and keep the railroad running?”

“We do have this dramatic and beautiful train hall,” he said. “We want to honor and preserve that.”

The potential impact of the air rights project is often likened to that of Grand Central Terminal in Manhattan. Cornelius Vanderbilt’s construction of the railroad terminal in the 1870s led to the development of Park Avenue, with the trains tunneled below it.

“It’s a big deal,” said Richard H. Bradley, executive director of the private, nonprofit DowntownDC Business Improvement District. “This is analogous to what

Vanderbilt did in Grand Central. It changed the trajectory of New York City. In a similar fashion, this will do the same here.”

As for the historic station itself, planners promise the project, despite the allure of Burnham Place and a grand new north entrance to Union Station, will not overshadow the landmark terminal itself. “We’re going to make sure the historic building continues to be well used, kept up,” Ms. Swaim-Staley said. “It will always be the iconic front door.”

Correction: April 15, 2015

An earlier version of this article misstated the name of a nonprofit group involved in the Washington train station project. It is the Union Station Redevelopment Corporation, not the Union Station Reconstruction Corporation.

A version of this article appears in print on April 15, 2015, on Page B7 of the New York edition with the headline: A Bold Development to Loom Over Washington’s Union Station.

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