

# URBANLAND

February 29, 2012

## NoMa: The Neighborhood That Transit Built

By Rachel MacCleery, Jonathan Tarr

*An infill transit station, built with significant private sector funding, helped transform a desolate swath of Washington, D.C., into a vibrant, vital, mixed-use neighborhood.*

**An infill transit station, built with significant private sector funding, helped transform a desolate swath of Washington, D.C., into a vibrant, vital, mixed-use neighborhood.**

The neighborhood that has become **NoMa** (short for north of Massachusetts Avenue), now home to luxury apartments, high-end offices, and dozens of construction cranes raising new buildings, just ten years ago was marked by abandoned warehouses, windswept parking lots, vacant properties, and a methadone clinic. Located just a few blocks north of the **U.S. Capitol** and the busy **Union Station railway hub**, the area was adjacent to elevated transit tracks but was not served by a station. Now, eight years after a remarkable financial collaboration by the federal government, the District of Columbia, and local landowners helped build a new infill transit station, the area is undergoing a transformation.

The station, opened in 2004 and now called NoMa-Gallaudet U, has been key to the neighborhood's revitalization, which in turn has contributed to the city's financial recovery. It was built on the Red Line of the Metro regional heavy-rail system, which has been operated by the **Washington Metropolitan Area Transit Authority** (WMATA) since 1976. **The Red Line** is the Metro system's oldest segment. Despite the fact that the Red Line ran through the area on elevated tracks, the transit system's original planners, using traditional measures of potential ridership that focus on existing development, had not blessed it with a stop.

By the 1990s, it became clear that the area's significant land use potential was limited by its lack of a transit station along the Red Line. To address this deficit and make the area an option for new federal office buildings, which must be located near transit, and to spur development, stakeholders launched an effort to fund and build a new infill station—one that had never been on a transit plan or map.

ULI trustee **James Curtis** helped lead the early partnership. His company, **Bristol Group**, acquired in the heart of NoMa the old distribution center for the Woodward & Lothrop department stores—which the firm transformed into a 400,000-square-foot (37,000-sq-m) office building now called **One NoMa Station**—along with eight acres (3.2 ha) of adjacent land as part of a portfolio of assets in the 1990s.



*A Metro train runs along elevated tracks on the eastern border of NoMa, as spring daffodils brighten the area.*

To unlock the potential of NoMa, a public/private partnership was needed. Curtis says everyone involved in the project had to take a leap of faith. "No one, I think, could have foreseen at the time what NoMa would become," he says. But Curtis was persuaded by the area's proximity to the Capitol and its development potential. For the District, which was in federal financial receivership at the time, the area represented a vastly underutilized land use asset that was spinning off tax revenues of only about \$5 million per year. For the federal government, it was a prime potential site for close-in federal office buildings, if only the transit problem could be solved.

"We had to break down silos and really think outside the box to make this happen," says Curtis. A particular challenge was bringing along WMATA, which initially was not enthusiastic about the project.

In the end, the funding package for the NoMa station totaled \$120 million (in 2004 dollars). The D.C. government contributed \$9 million for planning and environmental assessment, issued \$25 million in municipal bonds to pay for its share of construction, and covered cost overruns, for a total contribution of about \$54 million. Congress matched the city's bond amount and allotted an additional \$6 million for partial construction of an adjacent multiuse recreation trail, for a total investment of \$31 million. Private developers, recognizing the significant land value upside from the transit expansion, contributed \$25 million of their own funding and the equivalent of \$10 million in land. The private sector also helped fund technical studies for the station.

A nonprofit corporation was created for the project and named Action 29–New York Avenue Metro Station Corporation-for [Action Item 29 of the National Capital Revitalization Act](#), signed by President Bill Clinton in 1997 and calling for a new infill Metro station. Composed of area property owners, major developers, business leaders, and others, Action 29 was incorporated to organize and leverage private investment for the station; it was dissolved after the station opened.

Federal and local governments often partner on transit projects, but the significant contribution of adjacent landowners makes this effort stand out.

"The results of NoMa have exceeded projections by a wide margin," says Curtis. He gives particular credit to the city, which recognized the economic development potential of the area and the station. "The city knew that high rents and land costs were pushing the federal government out of downtown and into Virginia. It needed to do something to keep these buildings in the District," he says. "All of us also wanted to create a new 'place' in the city, and a transit station was a critical component of that."

The investment has paid off: the assessed valuation of the 35-block area increased from \$535 million in 2001 to \$2.3 billion in 2007, and the area now generates about \$60 million in city taxes annually. The assessed value of One NoMa Station has jumped from \$45 million in 2004 to about \$250 million currently.

NoMa is now home to 16 million square feet (1.5 million sq m) of building space, with 2,700 residential units, two hotels, and 200,000 square feet (19,000 sq m) of retail space, and more construction is planned. Today, the largest tenant is the federal government. The new headquarters building for the Bureau of Alcohol, Tobacco, Firearms, and Explosives, a nearly \$100 million investment, opened in 2008 and is wrapped in first-floor retail and restaurant space—a first for new federal buildings in Washington. The District of Columbia government also has a major presence, and National Public Radio is building its new headquarters in the area. Private uses have proliferated as well. In addition to the two hotels, a Harris Teeter supermarket and a variety of restaurants complement the new high-end apartment and condominium buildings springing up in the place of former surface parking lots.



*Viewers watch the film Slumdog Millionaire in a car-free version of a drive-in movie.*

**The NoMa Business Improvement District (BID)**, formed in May 2007, has helped market and promote development of the area. The BID estimates that the NoMa station has catalyzed \$3 billion in private investment and over 7 million square feet (650,000 sq m) of development, and that more than 40,000 people have jobs in NoMa. The area still has room to grow: according to the BID, the area is the fastest growing in the city but it is only about 50 percent built out.

NoMa is still a work in progress, but its identity is coming into focus, says BID president **Robin-Eve Jasper**. Its large modern buildings and mix of offices and residential units provide the backdrop for a new set of investments in the public realm and place making, which Jasper describes as an ongoing effort to create connectivity to the established residential neighborhoods around NoMa and to build vibrant community spaces like dog parks, water features, and tot lots.

"For a long time, no one was sure if anyone would live in NoMa's new buildings," Jasper says. "But now we know who is here, and it's at just the right time to think about things like parks and the public realm." With the city, the BID is sponsoring tax increment financing legislation that can help pay for needed infrastructure improvements, including upgrades to sidewalks, new parks, and landscaping.

In recognition of how far the area has come, this fall the WMATA board agreed to shed the station's clunky original name, New York Ave–Florida Ave–Gallaudet U, and rebrand it as NoMa–Gallaudet U. The renaming of the station is an important symbolic indication that the NoMa neighborhood—once just a no-man's land north of the Capitol and Union Station in need of transformation—is slowly coming into its own as a place.

*This is the second in a new Urban Land series, "Business on Board," investigating the business community's role in advancing transit. To be added to the infrastructure mailing list, e-mail [infrastructure@uli.org](mailto:infrastructure@uli.org).*