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Buzzard Point megaproject lands \$367M loan to kick-start first phase

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The team behind a massive Buzzard Point development has landed a \$367 million loan to launch its first phase.

Akridge, National Real Estate Advisors and Blue Coast Capital have formed a joint venture with Bridge Investment Group to advance the Stacks, securing a

construction loan from Bank OZK to begin the 2 million-square-foot project immediately south of Audi Field. The first phase, the full cost of which was not available, will include three towers totaling 1,100 rental units.

Fully built out, the Stacks is expected to offer 2,000 multifamily units, 80,000 square feet of retail, two hotels, office space, and open space — all served by below-grade parking. The land,



GENSLER, MORRIS ADJMI ARCHITECTS, ERIC COLBERT & ASSOCIATES, HANDEL ARCHITECTS, WEST 8, AND LEE AND ASSOCIATES

currently parking lots and grassland, is bounded by T, V, First and Second streets SW.

Market conditions "are very favorable for delivery of this marquee asset," David Sarnier, executive vice president for originations at Little Rock, Arkansas-based Bank OZK (NASDAQ: OZK), said in a statement. The development team has retained six architects to design the buildings and landscape: Gensler, Morris Adjmi Architects, Eric Colbert & Associates, Handel Architects, West 8, and Lee and Associates.

Akridge Senior Vice President Adam Gooch said the project's "walkable, community-centric design" takes into account the evolving Buzzard Point landscape, as there are multiple major projects planned, underway or recently completed. The Stacks' buildings will range from 12 to 14 stories, with retail and amenities oriented largely to create a neighborhood as opposed to a tourist destination, he said.

These first towers, the southern-most three elements on the 6-acre site, are expected to be completed in 2025. The design, a yearlong endeavor, features angled pedestrian corridors and a curving central retail corridor with patios, seating and green space. Some office space, as much as 250,000 square feet, may be incorporated into the Stacks, but largely in later phases.

Akridge bought the land from Pepco for \$75 million in 2005 anticipating its future potential — two years earlier, the Anacostia Waterfront Initiative framework was released that urged mixed-use development and improved waterfront access at Buzzard Point, where the Potomac and Anacostia rivers meet. The area was later chosen as the future home of D.C. United's stadium, and then designated a federal opportunity zone, two steps that would drive huge interest from developers and investors.

Buzzard Point has experienced surging development the past few years with the arrival of RiverPoint — the conversion of the former U.S. Coast Guard headquarters as residential, retail and office — the Peninsula 88 condominiums, Watermark from Douglas Development Corp. and others. And there is much more to come, as Hoffman & Associates applies for tax credits for a \$200 million

redevelopment of Audi Field's Parcel B, and Pepco weighs the future of its historic Buzzard Point power plant.

William Collins, Bindi Shah, Marshall Scallan and Shaun Weinberg of Cushman & Wakefield helped to secure financing for the Stacks. Bank OZK has been prolific in financing major developments in D.C. in recent years including for The Parks at Walter Reed, Upton Place in Tenleytown and the Herald building.

In negotiating the deal, Bank OZK "recognized the strength of the sponsorship team, neighborhood, and high-quality and authentic experience" that would be possible in a development at this site, Weinberg said in a statement.

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