



Testimony
Joe Sternlieb
EastBanc Inc.
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BZA Case No. 18285

Good afternoon. My name is Joe Sternlieb I am the Vice President for Acquisitions at EastBanc and I am pinch hitting for our development Director, Mary Mottershead today, who is out with the flu.

EastBanc has been an active developer of mixed use properties, concentrating in Georgetown and the West End for 25 years. EastBanc is best known for participating in the development of the West End Ritz - a mixed use residential, hotel and retail project; the Georgetown Incinerator which is also a mixed use residential, hotel, entertainment and retail development; and Cady's Alley which is an aggregation of 25 buildings at the western end of the Georgetown commercial district that was redeveloped into 92,000 sf of retail space, along with office and residential apartments. One of our other well known projects in Georgetown is 3307 Water Street which is similar to the project we are proposing to you today in that the site is adjacent to an immovable public utility (a Pepco substation), adjacent to the C&O Canal, and presented a number of design and engineering challenges that we overcame to deliver a very well received condominium building.

EastBanc is the largest developer/owner of retail space in Georgetown with a total portfolio of about 300,000 square feet with tenants ranging from the 560 sf Sweet Green to the 20,000 sf Brooks Brothers. Many consider us to be the premier developer of urban mixed-use retail/residential projects in the region (and this includes people who don't work at EastBanc).

The project before you today is similar to many of the projects our firm has completed in Georgetown in that it is a challenging site with obstacles that we are proposing to turn into opportunities.

The existing building on the site has a footprint of approximately 17,000 square feet and is set back nearly 100 feet from Wisconsin Avenue, and runs a full 180 feet further east along the canal – making it a very deep site. The building is used by a public utility (Verizon) as a phone switch – housing communications equipment that cannot be feasibly relocated or interrupted. Nor, unlike other Verizon locations, can anything be practically constructed on top of the existing building structure. The space between the building and Wisconsin Avenue is an unattractive, depressed, paved surface parking lot for 20 cars that has appeared as a broken tooth in the Georgetown's retail streetscape for over fifty years.

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EastBanc is proposing to build a mixed use addition to the existing Switch facility with approximately 37,000 square feet of new residential development – containing up to 9 units; and approximately 39,000 square feet of non-residential development – including 34,222 square feet (existing) devoted to the Switch, and a little less than 5,000 square feet of retail development in two spaces separated by the Wisconsin Avenue residential entrance.

Our retail development plan for the building is based on both the site location - where Wisconsin Avenue is a retail storefront street and not a location where residential units can be practically marketed or occupied; as well as on our experience as a retail developer in this neighborhood – requiring enough space to attract the kind of retailer that will draw people across the canal and greatly improve the retail connection between M and K Streets – a goal that we share with both the community and the Office of Planning. We also need to create retail space that provides strong co-tenancy to the retail spaces across the street. This will most likely be a very high quality apparel or design oriented tenant, and not a restaurant.

In our experience, Wisconsin Avenue and M Streets in Georgetown function best– from an urban street experience perspective - as continuous storefronts where the amount of ground floor space is maximized for retail uses. Due to the elevations in this building, its relatively small footprint, the needs of the residential core, and the need to provide high ceilinged parking spaces for Verizon trucks, we have only been able to get one full sized retail space onto the site at about 4,100 square feet and a second small space at 876 square feet, on south side of the residential lobby.

This project received unanimous support from ANC 2E, as well as design concept approval from the Commission on Fine Arts consistent with the recommendation of the Old Georgetown Board, and you will hear from the Office of Planning today. All three entities are supportive of retail along this stretch of Wisconsin Avenue to fill in the gap created by the current surface parking lot use. The CFA/OGB actually recommended that we maximize the extent of storefront windows along Wisconsin Avenue - providing more visible retail than we had originally proposed.

With that I will turn it over to Gary Hucka who is representing Verizon here today.