

G. H. Ian Elder, M.U.R.P.
Research Analyst
UNITE HERE Local 25
901 K Street, NW
Washington, DC 20001

July 21, 2014

Mr. Lloyd Jordan, Chairman
District of Columbia Board of Zoning Adjustment
441 4th Street NW, Suite 201-S
Washington, DC 20001

Re: BZA Case 18772 – 627 H Street Hotel Application for Zoning Relief

Dear Mr. Jordan,

As advocates for responsible hotel development in Washington, DC—and as alarmed neighbors of the site—UNITE HERE Local 25 strongly opposes the proposed micro-hotel at 627 H Street.

In our opinion, the applicants have provided a highly questionable analysis in their attempt to argue that building a hotel in Chinatown without providing parking would have no adverse impact on the community or damage to the zone plan.

First of all, the applicants have listed Pod 51 in New York City and Hostelling International in Washington D.C. as bases of comparison to predict parking demand at the proposed hotel. Comparing a micro-hotel to a hostel is not a responsible argument. Hostels are highly affordable for many travelers on a low budget; whereas the proposed hotel would cater mostly to Millennials with a large amount of disposable income. Faced with projected room rates of at least \$170 per night, most Millennials may opt to stay with friends or at a hostel, or spend a little more to splurge at a standard hotel.

It is important to be careful when drawing comparisons between New York City and Washington, DC. New York has a very different tourist base than Washington, DC. New York City's tourist pool is much larger—almost three times as large as DC's (New York City & Co Research and Analytics, 2012; Destination DC, 2012). And New York depends much more on international tourists, having more than twice as large a proportion of international visitors as DC. That is significant because international tourists spend a lot more than domestic tourists and are less likely to have friends to stay with. In the District, for example, international tourists represent nine percent of arrivals but

twenty-seven percent of spending (Destination DC, 2012). And of course, New York City is much more navigable by transit than Washington, DC. All of which is to say that a pod hotel in New York is more likely to attract a large enough set of non-drivers to fill their rooms than a pod hotel in Washington, DC. The applicants may still fill their hotel, but many of their guests will arrive by car.

Because of the moderately high anticipated room rate at the proposed hotel (compared to budget options), and because of its comparable location, the Quincy Hotel is probably the best model out of those provided by the applicant. The applicants, however, base their calculation of driving rates at the Quincy on the number of valet tickets collected. It is likely that most guests take advantage of the valet service; however, the service is not free, and competitive parking rates can be found extremely close to the hotel. Therefore the numbers provided may underestimate the actual proportion of guests who drive. The Quincy has a comparable level of transit access as the proposed hotel. Altogether, it is probably reasonable to assume 15-20 guests who require parking will arrive each day, resulting in a demand for 23-30 parking spaces per day by guests based on an average 1.5 day stay.

Second, the applicants' analysis fails to account for hotel workers driving to work. Many workers in downtown hotels do take transit, but many do not. Non-union hotel workers in particular are unlikely to be able to afford to live in the District. The applicants have not agreed to guarantee a fair process for workers to organize, so it is unlikely that their workers would be paid well during the first several years of the hotel's operation. Therefore, most workers in this hotel would face long commutes and would be likely to require a car.

A limited-service hotel of 245 rooms would typically employ 62-82 workers (compared to 125-150 for a full-service hotel). Pod hotels might operate with even fewer workers than a typical limited-service hotel, but assuming the minimum in the given range for limited-service hotels, we can expect around 62 employees in the proposed hotel. If between one-third and one-half of those workers drive and stay for half a day, than we can expect an increased demand of 10-15 spaces per day (42% of District workers drive to work in their own car; US Census 2014). Altogether, between the guests and the workers, it is reasonable to expect an increased demand of at least 33-45 spaces per day.

Third, it is unclear what assurance a letter from a parking facility, or from any number of parking facilities, provides. The letter from Colonial does not guarantee that spaces will be provided in all circumstances. Even if it did, the guaranteed parking would not alleviate the central problem: that more demand for parking would be created without any additional supply being built. If a garage were to promise spaces to a hotel, that would mean fewer spaces for other drivers in high-demand situations.

Finally, it seems questionable that the applicants should cite the Board's former approval of a previous project as a reason to approve the current project. When it comes to parking, in particular, the BZA only approved a special exception for a 25% reduction (BZA Case 17673). In fact, the variance is a higher bar than a special exception, so the fact that the Board refused to grant a special exception for more than a 25% reduction suggests that, at the time, the Board would have been particularly unlikely to approve a variance allowing the Applicant to build without providing any parking at all.

In short, the applicants are seeking to increase the demand for parking in the neighborhood without increasing the supply of parking at all, in contradiction to the purposes of the zone plan. Under Section 2104, they have already received a 25% reduction in the number of required parking spaces because of their proximity to Metro. Yet it is known that hotels close to the Metro still require some parking, which is why the zone plan only provides for a 25% reduction. The applicants have tried to argue that the way they are marketing the hotel will result in very few guests driving to the hotel. In order to make their argument, they have made dubious comparisons to hostels and hotels in New York City, and they have ignored the fact that workers will need to drive to the hotel. Thus, we do not believe they have met the burden of proof for a variance.

Thank you for your consideration of our concerns.

Sincerely,



G. H. Ian Elder