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October 9, 2009

District of Columbia Zoning Commission
441 Fourth Street, N.W.
Suite 210
Washington, D.C. 20001

RE: Proposed Time Extension of PUD
Zoning Commission Case No. 03-30B (Square 643 Associates)

Dear Members of the Commission:

This letter addresses the Commission's request that we detail the Applicant's efforts to develop the subject PUD project.

The Applicant's efforts have been largely devoted to identifying an appropriate nonprofit user for the existing church portion of the property. The Applicant has pursued this approach based upon advice from consultants, as well as his own development experience, which told him that a nonprofit user needs to be identified to help create the market for the residential units. The project residential space simply will not be marketable with the empty church building in the middle of it. It is also important to get the right nonprofit user as that space will set the tone for the entire project. With these factors in mind, and the very unique, church building type, the Applicant has actively pursued a wide variety of potential tenants as well as purchasers of the church building.

First, the Applicant has taken the traditional approach of working with a broker, in this case, Alex Green of J Street Companies, to market the nonprofit space and the project as a whole. As indicated in the attached package (**Exhibit "A"**) from Mr. Green, he has over 23 years of experience in leasing office space on behalf of owners and tenants. Mr. Green has reached out to hundreds of potential tenants, developers and brokers.

The Applicant has also engaged Arnold & Porter LLP to pursue a number of ideas for locating District of Columbia facilities in the nonprofit space. Several of these facilities, including the SW fire station and the SW library, are located in the near vicinity in Southwest on sites which the City is seeking to redevelop. One extensive proposal for the SW library, attached hereto as **Exhibit "B"**, was presented to the Office of the Deputy Mayor and the D.C. Public Library (see correspondence with Francis Buckley, Interim Library Director attached hereto as **Exhibit "C"**). In the fall of 2006, Arnold & Porter LLP also initiated meetings with the Director of the D.C. Housing Finance Agency (Thomas Redmond) and the Director of the Housing Authority (Michael Kelly).

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District of Columbia

CASE NO.

EXHIBIT NO.

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to discuss a possible role that the PUD could play as a linkage partner in other public-private partnership deals that they might be aware of.

In August, 2006, Arnold & Porter LLP set up a meeting with Pauline Schneider and her client, an major investor with ties to the baseball industry, about the possibility of locating a baseball-related non-profit entity in the project, given its adjacency to the Randall fields. The investor expressed interest and requested another meeting to include the Corcoran project developer so he could better understand the context. As the Corcoran project began to unravel, so too did this investor's interest.

The Applicant has also made extensive efforts to reach out to charter schools, and other educational organizations (e.g., Boys and Girls Club). Many charter schools are actively looking for space. There again, the Applicant believes that the site's proximity to the Randall fields makes it an attractive location for a school user alone, or in combination with workforce housing for teachers and school staff. In 2007, the Applicant retained Brailsford and Dunlavey to perform a test fit to determine whether the PUD could be adapted to the needs of KIPP for a charter high school. (A copy of that study is attached hereto Exhibit "D"). KIPP issued a letter of intent but eventually passed on the site to develop their own property. More recent outreach to additional charter schools include the Washington Yu-Ying charter school, and the Washington Latin public charter (see Exhibit "E" emails regarding these discussions).

Finally, we note that the September 25, 2009 letter from Councilman Wells to the Zoning Commission notes that the Applicant has contacted his office "on numerous occasions, to explore various options to launch the project with a nonprofit anchor..." The Applicant has been proactively providing Councilmember Wells and the Deputy Mayor for Planning and Economic Development with ideas on how to link community benefits between City projects. This way the community benefits proposals could simultaneously effect multiple projects and multiple areas of the District. The Applicant will continue to work with the Councilmember Wells and District's economic development team to find a proper partner to share in a common goal of improving the neighborhood and providing necessary amenities to the residents of the District.

In summary, the Applicant has made substantial efforts to implement the PUD utilizing both traditional resources and "thinking out of the box" with proposals to link the project with other ongoing redevelopment proposals in the area. Not all of the proposals pursued are detailed here as some are proprietary and involve other entities which prefer not to be identified. We hope, however, that the representative sampling provided herein demonstrates a good faith, substantial effort on the part of the Applicant.

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Finally, the Applicant initially requested a three-year extension but will continue to remain optimistic that perhaps a two-year extension will be sufficient to get this exemplary project moving forward.

Sincerely,

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Attachment

cc: ANC-6D
Office of Planning