

~~CASE#~~
08-15

Final Signed version
5/3/02

May 3, 2002

ZONING COMMISSION
District of Columbia

CASE NO. 08-15

EXHIBIT NO. 174

Andrew Altman, Director
Ellen McCarthy, Deputy Director
District of Columbia Office of Planning
801 North Capitol Street, N.W.
Washington, D.C.

Re: Letter of Agreement – Friendship Shopping Center
Wisconsin Avenue and Newark Street, N.W.

Dear Mr. Altman and Ms. McCarthy:

This letter of agreement ("Letter Agreement") sets forth the commitments of GFS Realty, Inc. on behalf of the owner, Friendship Macomb SC, Inc., a District of Columbia corporation (collectively "GFS"), for the redevelopment of its property known as the Friendship Shopping Center at Wisconsin Avenue and Newark Street, N.W. (Square 1920, Lot 60, and Square 1920N, Lot 2). These commitments are conditioned upon the support of the D.C. Office of Planning, the concurrence of various parties hereinafter described, and the withdrawal of the historic landmark application for the Friendship Shopping Center filed by the Cleveland Park Citizens Association with the Historic Preservation Office of the Office of Planning. The landmark application is now pending before the D.C. Historic Preservation Review Board and a hearing on the matter has been continued until May 3, 2002.

RECITALS

A. GFS is the owner of certain real property located on the west side of Wisconsin Avenue, north and south of Newark Street, N.W., designated as Lot 60 in Square 1920 and Lot 2 in Square 1920N in the records of the D.C. Office of the Surveyor. The property is improved with one- and two-story brick buildings that are collectively known as the Friendship Shopping Center. The one-story building located in the block south of Newark Street (the "South Building") was constructed in the 1950's. A portion of the South Building is currently occupied by Giant Food Store #29; the remainder of the building is vacant. The two-story building in the block north of Newark (the "North Building") was also constructed in the 1950's and is currently occupied by a variety of commercial retail and office uses. In order to serve the needs of the surrounding neighborhood, GFS desires to upgrade and enlarge its existing food

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store in the South Building by expanding into the vacant store areas. GFS currently has no plans to redevelop, or otherwise alter or renovate, the North Building. GFS wishes to proceed with its redevelopment plans without the restrictions of historic landmark designation.

B. The Cleveland Park Citizens Association ("CPCA") is the applicant of a pending request for historic landmark designation of the Friendship Shopping Center. CPCA supports Giant's proposal for enlargement and modernization of its food store in a manner consistent with and including retention of the principal architectural features of the South Building. CPCA also supports continued use of the North Building in a manner that is consistent with and retains its principal architectural features. In accordance with its long-standing interest in preserving the character of its neighborhood retail areas, CPCA further desires to promote consistency with the policies of the District elements of the Comprehensive Plan of the National Capital ("Comprehensive Plan") by retaining an active pedestrian character along Wisconsin Avenue streetscape with various shops and services.

C. The District of Columbia Office of Planning ("OP") is charged with planning the orderly development of the city consistent with the Comprehensive Plan and other applicable District of Columbia land use requirements and policies. The District of Columbia Historic Preservation Review Board is the government agency responsible for evaluating the merits of the landmark application upon the recommendation of its staff, the Historic Preservation Office ("HPO") of OP. In an effort to resolve the issues raised by the proposed enlargement and updating of the food facility and the issues raised by the Application for Historic Landmark Designation, OP, including HPO, has requested GFS and CPCA to reach an agreement whereby (1) GFS would make certain adjustments and improvements to its redevelopment plan for the South Building and to make certain commitments with regard to the North Building, in order to address the historic preservation and other concerns of CPCA; and (2) CPCA, in return for those certain adjustments, improvements and commitments, would withdraw the pending landmark application on the GFS property.

D. The parties to this Letter Agreement are GFS, CPCA, and OP.

AGREEMENT

In order to implement the desires of the parties described above, and in consideration of the withdrawal of the pending application for landmark designation of the Friendship Shopping Center by CPCA, GFS agrees as follows:

1. General Goals of Proposed Redevelopment of the South Building.

The parties agree that the general goal of the proposed redevelopment of the South Building is to achieve the following purposes:

- (a) To modernize and expand the food store, with a complete renovation and reconstruction of the interior space, so as to provide both efficient operations and a state-of-the art facility for the neighborhood;
- (b) To incorporate and enhance the principal architectural features of the Wisconsin Avenue and Newark Street façades, as shown on Concept Drawing A, attached hereto as Exhibit A;
- (c) To create an interactive streetscape by providing entries and exits along Wisconsin Avenue, as shown on Concept Drawing B, attached hereto as Exhibit B;
- (d) To enlarge the footprint of the building to the rear (west) to accommodate loading docks and other operational needs of the food store, and in compensation for the inefficiencies of Wisconsin Avenue access, as shown on Exhibit B;
- (e) To provide a balanced and attractive combination of old and new construction with a unifying design scheme consistent with the original architectural design of the Friendship Shopping Center, as illustrated on Exhibit A.

2. Representations and Agreements by GFS for Redevelopment of the South Building:

- (a) Existing Giant Food Store. As shown on Exhibit A, GFS shall retain the principal architectural features of the existing Wisconsin Avenue and Newark Street façades at the location of the current food store. In consideration of goals (b) and (c) in Paragraph 1 above, GFS shall re-establish a corner entrance for the store at Newark Street and Wisconsin Avenue, as shown in concept on Exhibit A. The new design treatment shall be reminiscent of and consistent with the original 1953 design, but shall include a new modern logo sign. GFS shall retain the original neon signage above the existing window openings on Wisconsin Avenue and Newark Street. GFS shall consult with the HPO on the exact treatment of the entrance, including any additional signage, during the preparation of final construction plans, and the HPO shall consult with CPCA prior to agreeing on the final plans.
- (b) Former G.C. Murphy's Store. As shown on Exhibit A, GFS shall retain the principal architectural features of the existing Wisconsin Avenue façade of the former G.C. Murphy's store ("Murphy's"). In consideration of goals (b) and (c) in Paragraph 1 above, GFS shall maintain operable doors at the three existing access points for ingress and egress. Such access shall be provided to a common vestibule which shall have access to and from the food store. The separating wall between the vestibule area and the food store area shall permit views into the store. The projecting show windows of Murphy's shall be retained in their current location, and GFS shall reuse and refurbish as much of the existing granite base and grillwork as feasible. GFS will also match the existing lettering of the Murphy's signage in size, profile, appearance and general location to create new signage for the Wisconsin Avenue façade and retain the sidewalk level tilework, if feasible. GFS shall consult with the HPO on the exact treatment of the storefront during the preparation of final construction plans, and the HPO shall consult with CPCA prior to agreeing on the final plans. CPCA shall also have the right to request a meeting with GFS and such request shall not be unreasonably withheld.
- (c) Former Moon Palace Space. As shown in Exhibit A, GFS shall retain the principal architectural features of the portion of the Wisconsin Avenue façade south of Murphy's formerly occupied by

the Moon Palace/Hunan Restaurant and a retail shop (collectively referred to as "Moon Palace"). In consideration of goals (a) and (e) in Paragraph 1 above, GFS may eliminate the recess at the Moon Palace entrance, remove the storefront of the retail shop and shall continue to work with HPO to reach a design solution for this area. The window or similar opening south of the existing entrance way in the exterior wall shall be maintained or provided. GFS shall consult and reach agreement with the HPO on the exact treatment of these areas during the preparation of final construction plans, and the HPO shall consult with CPCA prior to agreeing on the final plans.

- (d) Active Wisconsin Avenue Streetscape. GFS is committed to creating an active Wisconsin Avenue streetscape and providing as many viable access points along the Wisconsin Avenue façade as possible in a manner not inconsistent with the operation of a modern, state-of-the-art food store. In consideration of goals (a) and (c) in Paragraph 1 above, GFS is committed to undertaking a special effort unique to this facility to merchandise the food store in a manner intended to support the viability of Wisconsin Avenue access to the extent possible within operational constraints. The merchandising approach will include the location of departments such as bakery, deli, florist, pharmacy or other merchandising as deemed appropriate by GFS along the Wisconsin Avenue side of the store, so as to be convenient to access from the sidewalk through the vestibule. A cashier station shall be provided near an access point at the Wisconsin Avenue vestibule to permit easy access to and from the store departments. Exterior signage in the general location of Murphy's or the Moon Palace shall identify the food store departments oriented to the corresponding Wisconsin Avenue entries to the store, as shown on Exhibit A. GFS shall also explore the possibility of an access point to a seating area on the sidewalk at the southern end of the building in the approximate location of the former Moon Palace restaurant. If such a seating area is provided, GFS shall assume responsibility for maintaining it in a clean and attractive manner.
- (e) Sidewalks and Landscaping. GFS shall undertake any and all sidewalk improvement and repairs as required by the Department of Consumer and Regulatory Affairs in conjunction with the issuance of its building permit. GFS shall also coordinate with OP and the District Division of Transportation on possible additional

improvements to be undertaken by the city. Upon completion of the South Building renovations, GFS agrees to remove the various soft drink vending machines now proximate to the exterior walls of the building on the Wisconsin Avenue and Newark Street sidewalks. Within three months of completing the renovations of the South Building, GFS shall install reasonable landscaping of the Wisconsin Avenue and Newark Street sidewalk areas next to the South Building. The timing for landscaping may be reasonably extended to ensure that horticultural work is performed in the appropriate season. GFS shall consult with the HPO on the development of a landscape plan during the preparation of final construction plans, and the HPO shall consult with CPCA prior to agreeing on the final plans. GFS agrees to maintain the planting and sidewalk areas.

- (f) Rear Addition. The addition at the rear of the South Building shall not exceed the square footage allowed as a matter of right, and shall not extend into the residentially zoned area of the parking lot, as shown on Exhibit B. GFS shall exercise reasonable effort to maximize the number of parking spaces. The design of the addition shall be consistent with goal (e) in Paragraph 1 above.
- (g) GFS will provide not less than the minimum required parking spaces under the D.C. Zoning Regulations. GFS will also upgrade the appearance and landscaping of the parking lot consistent with goal (e) above and in accordance with any requirements for the issuance of a construction permit for the project. GFS shall consult with the HPO on the site plan during the preparation of final construction plans, and the HPO shall consult with CPCA prior to agreeing on the final plans
- (h) After the improvements contemplated under this agreement are completed and a certificate of occupancy for the South Building is issued, if GFS or any tenant of its building intends to significantly alter or change the exterior of the South Building, GFS shall notify OP and CPCA at least 90 days prior to filing a building permit application for any such significant work. Within the 90 day period, or such other period agreed upon by GFS, CPCA and OP, OP shall attempt to resolve issues, if any, with the parties. After this period, if OP does not resolve such issues and GFS determines to proceed, then CPCA shall not be precluded from seeking historic landmark designation of the North and South Buildings or inclusion of the North and South Buildings in an historic district

and GFS shall not be precluded from opposing such designation or inclusion. GFS shall give prior notice to OP of exterior work for which building permits are required except for such work that replaces exterior elements in kind or work otherwise excluded herein. Significant work shall not include interior demolition, interior build-out of tenant space, changes in uses permitted as a matter of right under the D.C. Zoning Regulations, storefront and entrance modifications compatible with the character of the building, window replacement compatible with the character of the building, signage and awnings compatible with the character of the building, minor repairs, maintenance, or other similar work. Significant work shall include exterior alterations not compatible with the character of the building as jointly determined by GFS and OP, demolition of the building, or demolition of substantial portions of the exterior of the building.

3. Representations and Agreements by GFS for the North Building.

GFS represents that it has no present intent to significantly alter or change the exterior of the North Building, or redevelop its property at Lot 2 in Square 1920N. In the event that GFS or any tenant of the building intends to significantly alter or change the exterior of the North Building or its property at Lot 2 in Square 1920N, GFS shall notify OP and CPCA at least 90 days prior to filing a building permit application for any such significant work. Within the 90 day period, or such other period agreed upon by GFS, CPCA and OP, OP shall attempt to resolve issues, if any, with the parties. After this period, CPCA shall not be precluded from seeking historic landmark designation of the North and South Buildings or inclusion of the North and South Buildings in an historic district and GFS shall not be precluded from opposing such designation or inclusion. GFS shall give prior notice to OP of exterior work for which building permits are required except for such work that replaces exterior elements in kind or work otherwise excluded herein. Significant work shall not include interior demolition, interior build-out of tenant space, changes in uses permitted as a matter of right under the D.C. Zoning Regulations, storefront and entrance modifications compatible with the character of the building, window replacement compatible with the character of the building, signage and awnings compatible with the character of the building, minor repairs, maintenance, or other similar work. Significant work shall include exterior alterations not compatible with the character of the building, as jointly defined by GFS and HPO, or demolition of the building, or demolition of substantial portions of the structure of the building.

4. Agreements by CPCA.

- (a) Withdrawal of Landmark Application. Upon execution of this Letter Agreement by GFS, OP and CPCA, CPCA shall withdraw within five days the Friendship Shopping Center Landmark Application in Case No. 02-22 pending before the Historic Preservation Review Board. As long as this agreement is in effect and the terms of this agreement are being met, CPCA shall not, directly or indirectly, (i) file or pursue any new landmark application for the Friendship Shopping Center or portions thereof or (ii) aid, cooperate with, or otherwise support any step or action to designate the North or South buildings of the Friendship Shopping Center as an historic landmark or include any portion of either building in an historic district.
- (b) Third Party Application. As long as this agreement is in effect, in the event that any third party pursues or causes to be pursued any action to seek historic designation of any sort for the Friendship Shopping Center, CPCA shall not aid, cooperate, or otherwise support such application for historic designation, either directly or indirectly.
- (c) Opposition to Further Restriction on the Property. Except as otherwise provided herein, CPCA will not directly or indirectly pursue or aid in any effort that would create any further restrictions applicable specifically to the redevelopment of the North and South Buildings of the Friendship Shopping Center.

5. Agreements by the Office of Planning.

OP shall work with the D.C. Building and Land Regulation Administration to assist GFS in the expeditious processing of building permit applications for the proposed redevelopment of the South Building. Based on the calculations set forth in Exhibit C, OP finds that the redevelopment of the South Building as presently proposed constitutes a matter-of-right project under the D.C. Zoning Regulations and does not require any special exception or variance relief from the Board of Zoning Adjustment.

OP shall facilitate the terms and objectives of this Letter Agreement and shall resolve any difference that may arise between GFS and CPCA through meaningful discussions not inconsistent with the goals of this agreement. Any

waiver or changes to the terms set forth in this Letter Agreement herein must be agreed to by GFS, OP and CPCA.

6. Enforcement of the Letter Agreement.

- (a) This Letter Agreement may be enforced by GFS and CPCA or their respective successors, successors in interest and assigns. This Letter Agreement may be enforced in any court of competent jurisdiction. Under no circumstances shall any party be liable for damages for any breach of this Letter Agreement. The parties recognize that damages are incapable of being determined and that the sole remedy for the parties shall be an action for injunctive or other non-monetary equitable relief,
- (b) In the event that CPCA asserts that GFS is in default or is in breach of this agreement, CPCA shall notify GFS and OP with a specific description of the asserted default or breach. OP shall then make a determination within 30 days whether there is a default or breach. If OP determines that there is a default or breach, GFS shall have 90 days from such determination to cure the default or breach in consultation with CPCA and OP. By the end of the 90 day period, or such additional time as agreed upon by GFS, CPCA and OP, OP shall determine if GFS is still in default or breach of the agreement. If OP determines that GFS is still in default or breach, CPCA shall not be precluded from seeking the historic landmark designation of the North and South Buildings or inclusion of such buildings in an historic district and GFS shall not be precluded from opposing such designation or inclusion.

7. The terms of this agreement shall be deemed to have been fulfilled at the time of the issuance of the Certificate of Occupancy for the food store if all terms hereof have been met, provided that GFS shall not take any action inconsistent with the terms hereof during the useful life of the store except for partial or total destruction by fire, collapse, explosion, acts of terror or civil unrest or acts of God, or similar occurrences beyond the control of GFS, and except for obsolescence or need for refurbishment as determined by GFS. If either exception becomes applicable, GFS shall notify CPCA and OP with the intent and purpose of reaching a mutually acceptable development plan. In any event, this agreement and the provisions and terms hereof shall expire and terminate on the fifteenth (15th) anniversary of the execution of the agreement

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measured from the latest date signed by the parties hereto as defined in Paragraph D of the Recitals.

8. Agreements by Parties and Concurring Entities

By their signatures below, GFS, OP, and CPCA agree to the terms and conditions of this Letter Agreement. Other entities that concur with the terms and conditions of this Letter Agreement may indicate their concurrence by signing in the additional spaces provided.

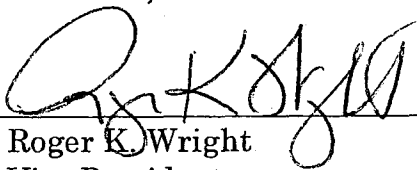
GFS, OP and CPCA and the concurring organizations and individuals listed below indicate their support for and shall be bound by the agreements contained herein. In the event that any third party pursues or causes to be pursued any action to seek historic designation of any sort for the Friendship Shopping Center, concurring parties shall not aid, cooperate with, or otherwise support such application for historic designation, either directly or indirectly.

Very truly yours,

FRIENDSHIP MACOMB SC, INC.

By: 
Roger K. Wright
Its: Vice President

GFS REALTY, INC.

By: 
Roger K. Wright
Its: Vice President

ORIGINAL

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Ellen McCarthy, Deputy Director
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DISTRICT OF COLUMBIA OFFICE OF
PLANNING

By: Ellen M. McCarthy
Its: Deputy Director for Dept. Review & Historic Preservation
Date: 5/4/02

CLEVELAND PARK CITIZENS
ASSOCIATION OF THE DISTRICT OF
COLUMBIA

By: Michael M. Turken
Its: President
Date: 05-03-02

Concurring Entities

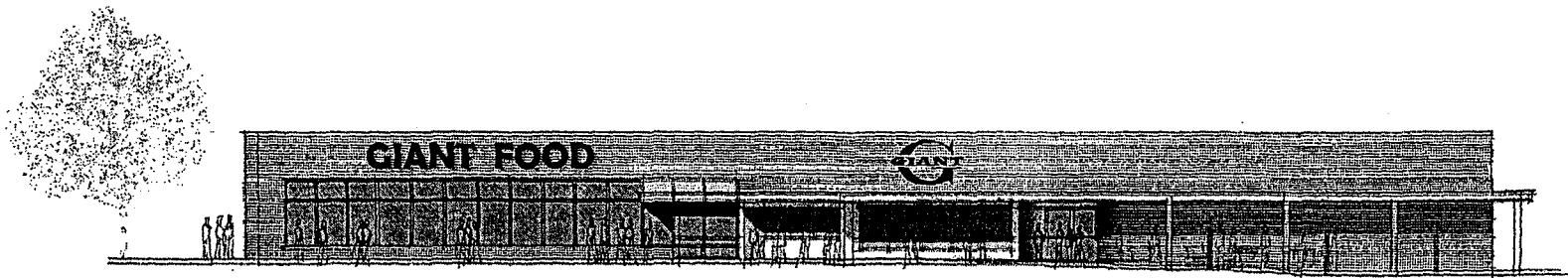
The following entities and individuals also concur with the terms of this agreement:

Name	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CONCEPT ONLY FOR ILLUSTRATIVE PURPOSES



WISCONSIN AVENUE ELEVATION



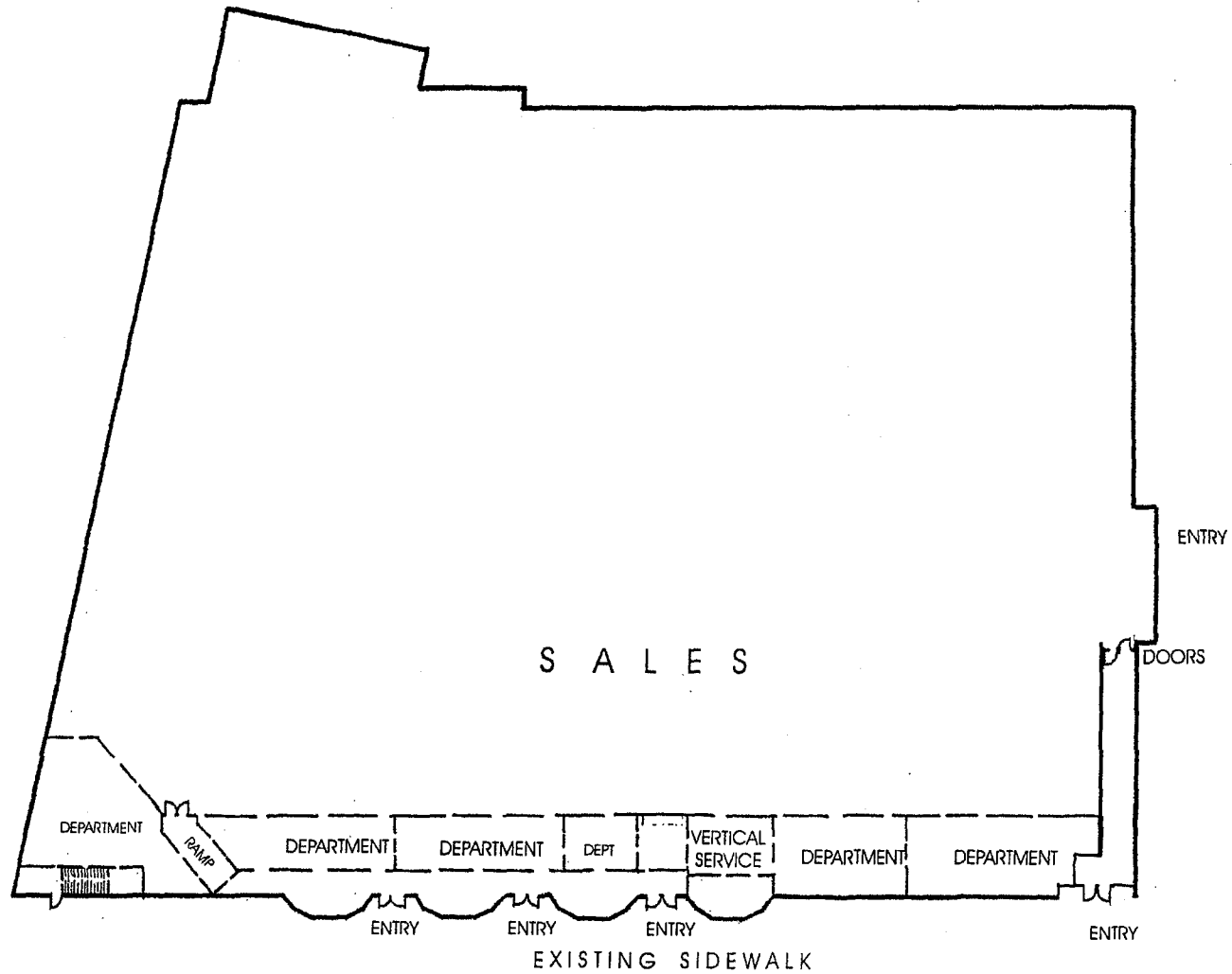
NEWARK STREET ELEVATION

GIANT FOOD STORE
WISCONSIN AVENUE, WASHINGTON, D.C.

EXHIBIT A

Bienell Watkins Hasser
ARCHITECTS P.A.
0204300001 0205030001

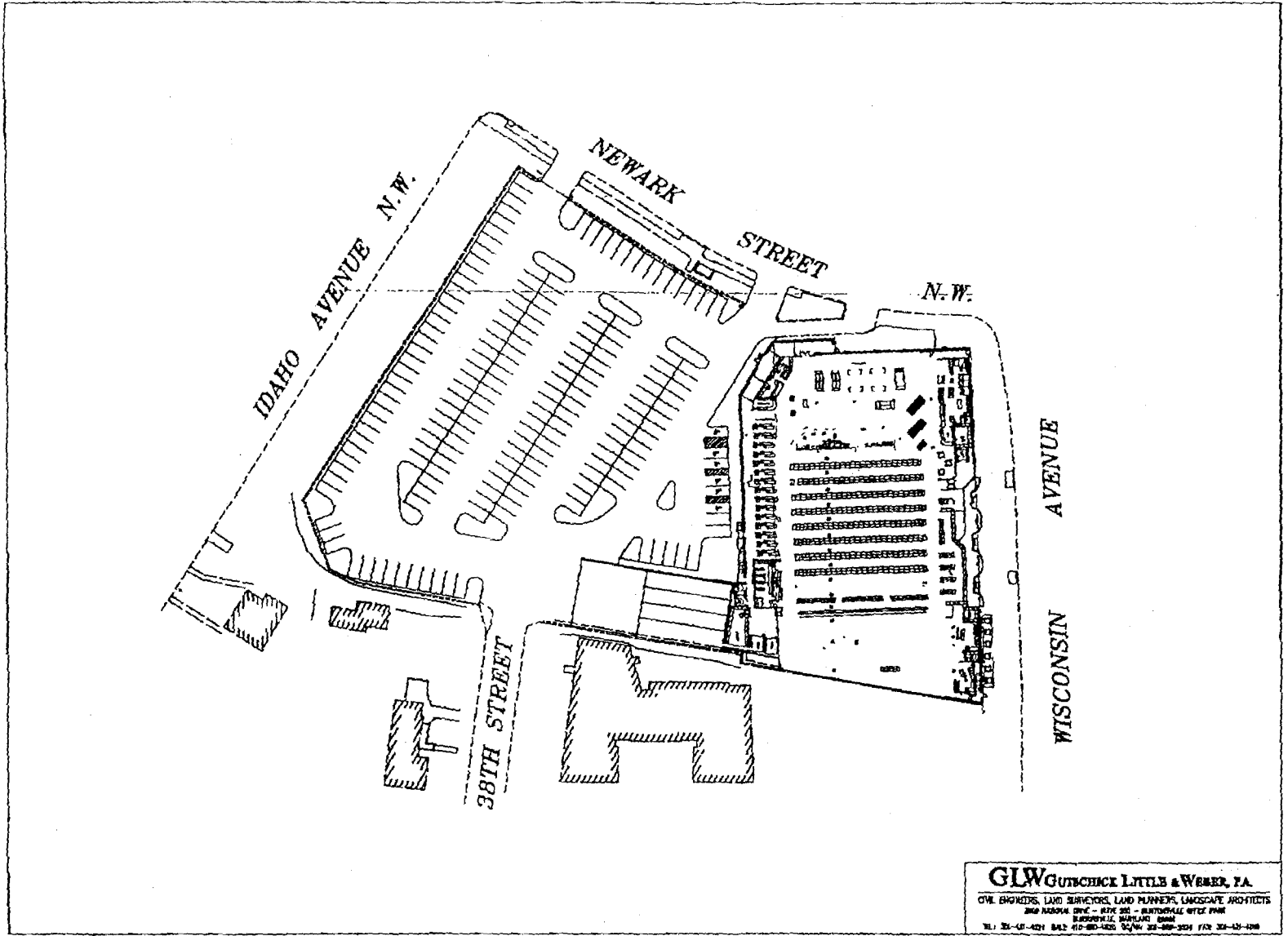
CONCEPT ONLY FOR ILLUSTRATIVE PURPOSES



GIANT FOOD STORE
WISCONSIN AVENUE, WASHINGTON, D.C.

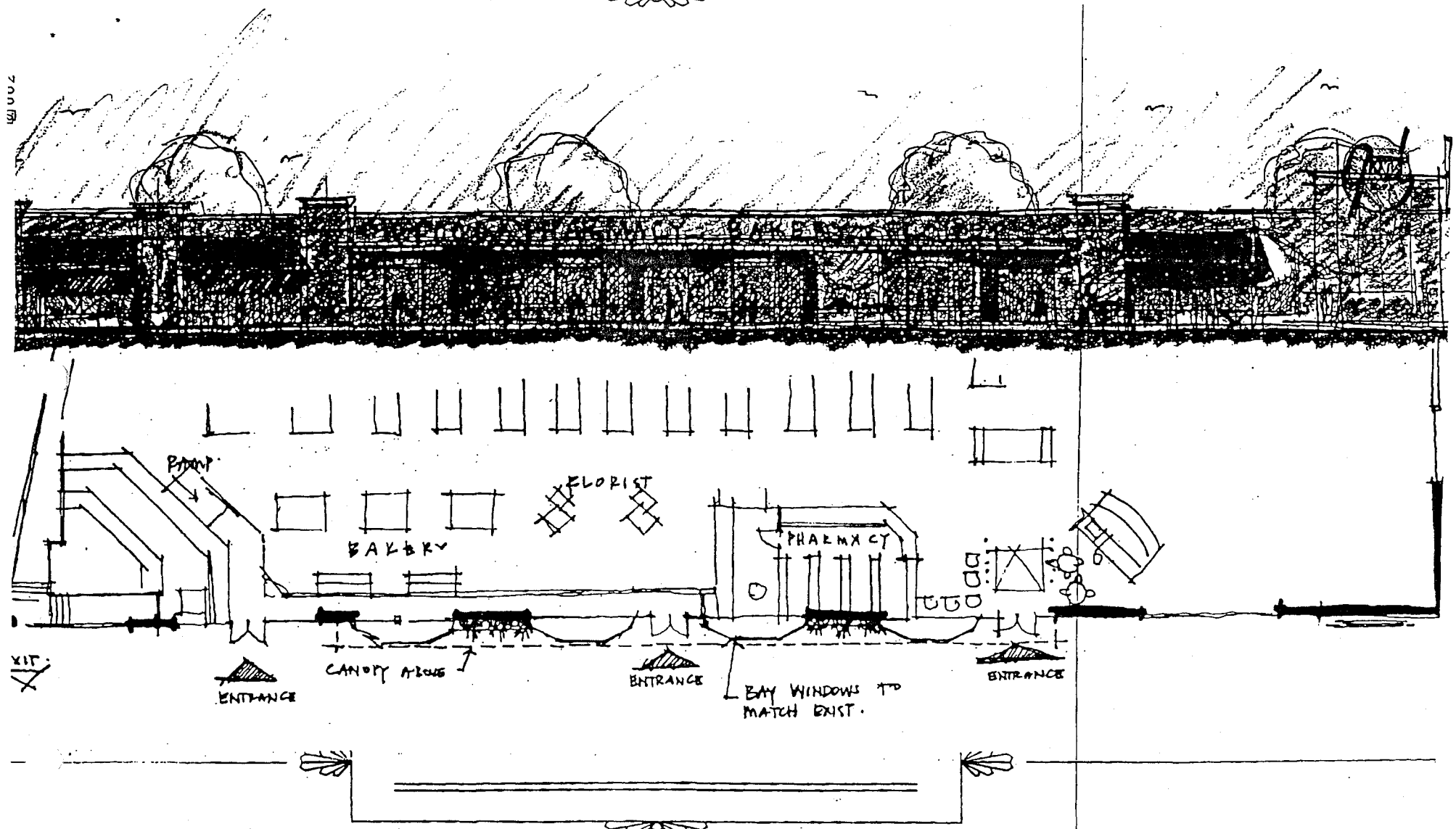
Bignell Watkins Hasser
ARCHITECTS P.A.
22043303702

EXHIBIT B



GLW GUTSCHICK LITTLE & WEAVER, P.A.
 CIVIL ENGINEERS, LAND SURVEYORS, LAND PLANNERS, LANDSCAPE ARCHITECTS
 2000 ANDERSON DRIVE - SUITE 200 - BETHESDA, MARYLAND 20814
 TEL: 301-424-4221 FAX: 301-424-4222

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SCHEMATIC DESIGN
ELEVATIONS

03/20/02 11:46 FAX

