

The Palisades Citizens Association

Post Office Box 40603 • Palisades Station • Washington, DC 20016

Phone/Fax: 202-363-7441 • www.palisadesdc.org

February 27, 2009

Mr. Philip Feola
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW
Washington DC 20007

BY FAX: 202-663-8007

Re: Zoning Commission Case No. 08-21 (Athena Group LLC -
Consolidated Review of a Planned Unit Development and
Related Map Amendment @ Square 1356

Dear Phil:

As discussed this afternoon, the greater Palisades community, represented by the Palisades Citizens Association (PCA), Foxhall Community Citizens Association (FCCA), and the Canal View Homeowners Association (Canal View HOA) look forward to sitting down with you on Saturday at the Palisades Library at 9:30 am.

While these three community organizations feel strongly that Athena's application is unsupported by D.C.'s master plan and its regulations; and that the proposed PUD is not of an appropriate scale for the neighborhood, at the direction of the Zoning Commission, these groups are willing to propose the following good faith, global compromise of their positions.

These groups will withdraw their opposition to Athena Application No. 08-31 and support it, if Athena will conclude a binding commitment that it would make the following amendments in its proposal:

- 1. Height:** No building shall be higher than 40 feet to the top of its roof, nor be more than three stories.
- 2. Density:** Reduce the number of units per acre to a 15 percent net increase over the number of units allowed as a matter of right under 11 DCMR Chapter 4. Increase the number of interior street parking spaces. Make interior roads at least 25 feet wide, with a conforming 60 foot turnaround for delivery and emergency vehicles.

ZONING COMMISSION

CASE No. 08-21

EXHIBIT No. 67

The Palisades Citizens Association

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3. Wetlands: In compliance with best practices regarding construction near wetlands in D.C., at least a 25-foot setback would be maintained from all structures (including new retaining walls) from the wetlands boundary at all points. Maintenance and preservation of the wetlands, stream and existing Canal View retaining wall would remain the responsibility of the developer. Therefore, the developer would post a bond to pay for any damage it causes, during and after construction, to the wetlands and/or Canal View wall caused by its construction.

4. Green Spaces and Public Access: All green spaces proposed in Athena's application shall be protected in perpetuity as open space and open to the public, not just to Canal Parc residents, through the development's homeowners' agreement.

These compromises are offered, subject to the groups reviewing and agreeing to whatever revisions to the development's plans that these agreements will precipitate.

These opposing groups feel strongly that Athena's application does not compensate the community, through amenities, for these proposed compromise variances, and that certainly it has not offered adequate amenities for the community for what it is proposing in its current PUD application. These groups are hopeful that if agreement can be reached on the above four items, then Athena will consider offering the City amenities such as the following:

A. Beautification of Lower MacArthur Boulevard: Developer should develop and execute a beautification plan for the area of MacArthur Boulevard between Foxhall and Q Street, in consultation with the DC government, especially the DC Department of Transportation. A DC-government approved beautification plan should be submitted to the PCA, Canal View HOA and FCCA for approval by all organizations within 12 months of execution of an agreement on amenities, and all improvements should be completed within 24 months thereafter. The plan should include standardization of street furniture, new streetlights, improved bus shelters, sidewalks, underground power lines and street paving as recommended by DDOT and PEPCO and the PCA, Canal View HOA and FCCA. Appropriate ongoing maintenance would be included in the Canal Parc Homeowners Agreement.

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B. Supporting the Surrounding Community: The Developer should provide critical funding to ensure that the Palisades neighborhood can make other improvements to further offset the negative aspects of the development including: an \$85,000 contribution to the Friends of Hardy for the benefit of the Hardy Recreation Complex; a \$125,000 contribution to the Palisades Community fund to provide improvements to the Palisades Recreation Center, the broader MacArthur streetscape, and other neighborhood amenities such as bike racks and street furniture; a one time \$25,000 contribution to the Canal View Home Owners Association, and a three-year contribution of \$25,000 per year to Palisades Village to better care for Palisades Seniors.

Please let me know if you have any questions about this offer of compromise. We look forward to discussing it further with you tomorrow.

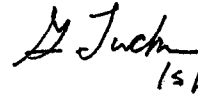
Very truly yours,



William Spencer
President
PCA



Robert Avery
President
FCCA Board



Gene Tucker
President
Canal View HOA



Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW | Washington, DC 20037-1122 | tel 202.663.8000 | fax 202.663.8007

Phil Feola
tel 202.663.8789
phil.feola@pillsburylaw.com

March 11, 2009

By Electronic Mail and First Class Mail

William Spencer
Palisades Citizens Association, President
P.O. Box 40603
Palisades Station
Washington, DC 20016

Robert Avery
Foxhall Community Citizens Association, President
4442 Greenwich Pkwy, NW
Washington, DC 20007

Gene Tucker
Canal View Homeowners Association, President
4602 Laverock Place, NW
Washington, DC 20007

Re: Letter Dated February 27, 2009, Zoning Commission Case No. 08-21

Dear Spence, Bob and Gene:

Our client has considered and reviewed the requests and comments outlined in your letter to me dated February 27, 2009. While we appreciate your efforts to continue a dialogue with us, the ideas expressed in the letter are similar to those that your organizations and the ANC have espoused throughout the PUD process. I believe we have discussed thoroughly how we have satisfied many of these requests, or made our best efforts to do so, and how further reductions in density and building height simply are not feasible. We have already made significant reductions in density and building height since our initial proposal in 2007. Given the superior design elements we are providing with the development, the project is not economically viable with less than 37 units or shorter buildings. Moreover, we do not believe further reductions would be justified because the proposed design is consistent with existing development in the immediate area.

William Spence
Robert Avery
Gene Tucker
March 11, 2009
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The Applicant is committed to being a good neighbor to the residents in the MacArthur Boulevard corridor and it believes it has acted in good faith in making changes to its plan throughout this process in response to comments from the community. The Applicant, however, cannot accommodate the requests you outlined in your letter and still be able to deliver a project that is economically feasible.

Very truly yours,

A handwritten signature in black ink, appearing to be "P. Feola", with a large, stylized "P" and a circular flourish at the end.

Phil Feola

cc: Lee Saltzman
Gary Cohen