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CONFERENCE CENTER ASSOCIATES I, LLC

APPLICATION TO THE
DISTRICT OF COLUMBIA ZONING COMMISSION FOR
CONSOLIDATED REVIEW AND APPROVAL OF A
PLANNED UNIT DEVELOPMENT, FIRST STAGE APPROVAL OF
A PLANNED UNIT DEVELOPMENT, AND A
ZONING MAP AMENDMENT

December 23, 2008

ZONING COMMISSION
District of Columbia

CASE NO. 08-33

EXHIBIT NO. 2

DEVELOPMENT TEAM

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PREFACE

This statement and the attached documents support the application of Conference Center Associates I, LLC to the Zoning Commission for the consolidated review and approval of a Planned Unit Development, first stage approval of a Planned Unit Development, and a related amendment to the Zoning Map of the District of Columbia.

This Planned Unit Development and Zoning Map Amendment application is consistent with the District of Columbia Comprehensive Plan, D.C. Law 16-300, 10 DCMR (Planning and Development) § 100 et seq. (2006) (the “**Comprehensive Plan**”), as well as many goals and policies of the District of Columbia. Submitted in support of this application are completed application forms, a notice of intent to file a PUD (with property owner list and certification of mailing), architectural drawings, plans, and elevations, and a map depicting the Zoning District for the properties impacted by these applications and the surrounding area. As set forth below, this statement and the attached documents meet the filing requirements for a Planned Unit Development (consolidated and first stage) and Zoning Map Amendment application under Chapter 24 of the District of Columbia Zoning Regulations.

I. INTRODUCTION

A. Summary of Requested Action

Conference Center Associates I, LLC¹ (the “**Applicant**”) hereby submits applications to the Zoning Commission of the District of Columbia (“**Commission**”) for the consolidated review and one-step approval of a consolidated Planned Unit Development (“**PUD**”), the first stage approval of a PUD, and a corresponding amendment to the Zoning Map of the District of Columbia. The project site consists of Parcel 121/31 (the “**Subject Property**”).

The Subject Property is located at the intersection of Michigan Avenue, NE and Irving Street, NE. The Subject Property is improved with a surface parking lot that includes approximately 400 parking spaces that help serve the parking needs of the staff of the Washington Hospital Center. The Subject Property is currently unzoned. Advisory Neighborhood Commission (“**ANC**”) 5C includes the Subject Property within its boundaries.

The Applicant proposes a two-stage PUD for the Subject Property. The consolidated PUD component of the application proposes the construction of a 314 room suite hotel (built in two stages, the first stage includes 233 rooms and will be constructed immediately, the remaining 81 rooms will be constructed based on market demand) and conference center on the southern half of the Subject Property, with frontage along Michigan Avenue and Irving Street. The proposed hotel and conference center will offer hotel lodging and conference facilities that are currently unavailable in the neighborhood and will be beneficial to the many large institutions nearby. Also included in the consolidated PUD application is a three-story above-grade structure along

¹ The owner of the Property is the Federal Government. Jurisdictional authority over the property was transferred to the District of Columbia. The District of Columbia Department of Housing and Community Development (DHCD) is the District agency responsible for this property. The Applicant and DHCD have entered into a long-term ground lease for the use of the Subject Property.

Michigan Avenue that provides retail uses at the grade level and in a basement level. Approximately 300 parking spaces will be provided in this structure. The northern portion of the Subject Property will remain as a surface parking lot (providing approximately 280 parking spaces) until development of the second phase of the PUD project begins construction.

The Applicant is also seeking first stage PUD approval for two additional buildings on the northern portion of the Subject Property and additional levels of parking in the structure approved in the consolidated PUD application. These buildings will be dedicated to either additional hotel use, or residential units. Structured parking will also be included in this phase of the PUD. At the completion of the PUD project, approximately 695 parking spaces will be provided on the Subject Property.

The Subject Property is located in the Government land use category on the District of Columbia Comprehensive Plan Future Land Use Map. The Applicant requests a Zoning Map amendment to the C-3-A Zone District for the Subject Property. The proposed rezoning is consistent with the overarching goals and policies of the Comprehensive Plan of the District of Columbia, as discussed in detail herein.

The Applicant has made formal presentations to ANC 5C on two occasions, most recently on November 18, 2008. At that meeting, ANC 5C adopted a resolution supporting the proposed PUD project. A copy of that resolution is attached as Exhibit B to this statement.

B. The Applicant

Conference Center Associates I, LLC consists of Hospitality Partners LLC, Mariani Family LLC, and H Street Investment Corporation. Founded in 1986, Hospitality Partners is a hotel management and development company based in Bethesda, Maryland. Hospitality Partners has a broad range of experience in managing all types of hotels. Hospitality Partners' portfolio of

hotels currently includes: two hotels in the District of Columbia; three in Northern Virginia; two in Maryland (with three additional hotels scheduled to open in 2009), and one in California. Many of Hospitality Partners' hotels are nationally-recognized brands such as Courtyard by Marriott and Marriott Residence Inn. In addition to managing hotels, Hospitality Partners provides consulting and technical services to developers and lenders concerning hotel properties.

Theodore F. Mariani FAIA, PE, is Mariani Family, LLC's representative on the Applicant's development team. Mr. Mariani has maintained an architectural and engineering practice in Washington, DC since 1957.

H Street Investment Corporation, a subsidiary of the H Street Community Development Corporation, is a Certified Business Enterprise (CBE) in the District of Columbia and an equity investor in the project. One of the roles that H Street Investment Corporation will play is helping implement and monitor the First Source Employment Agreement and the CBE Agreement that are proffered as part of this PUD application.

II. THE PROPOSED PUD PROJECT

A. Description of Subject Property and Surrounding Area and Uses

Containing approximately 238,909 square feet of land area, the Subject Property is approximately 5.48 acres in size. The Subject Property includes a large setback averaging approximately 60 feet from the street curb along Michigan Avenue and 20 feet from the street curb along Irving Street. A change of grade of approximately one-three feet exists from the Subject Property's lot line, to the street curb along Irving Street. Vehicular access to the Subject Property is currently available from both Irving Street and Michigan Avenue. The Subject Property is located approximately 0.64 miles from the Brookland/CUA Metro Station.

Large institutional, educational, and healthcare uses dominate the area surrounding the Subject Property. To the east across Irving Street stands Catholic University and the National Shrine of the Immaculate Conception. To the south across Michigan Avenue sits Trinity University, and St. Paul's College. The United States Soldiers Home is located across Irving Street and North Capitol Street to the northwest of the Subject Property. The Veterans Affairs Medical Center, the Washington Hospital Center, and the Washington Children's Hospital are located west of the Subject Property past North Capitol Street along Michigan Avenue. Immediately to the west of the Subject Property is the Trinity Square shopping center and further to the west of the Subject Property is the Cloisters, a multi-family residential development. Generally, the area surrounding the Subject Property is either unzoned (GOV) or included in the R-5-A Zone District. A small parcel to the south of the Subject Property is zoned C-1. A Zoning Map depicting the Subject Property and surrounding area is included in Exhibit A.

B. Zoning History of the Subject Property

On March 11, 1991, pursuant to Order No. 689, the Zoning Commission approved a PUD on the Subject Property for a conference/training center with guest rooms. The conference/training center was intended to serve the needs of the surrounding institutional community. The approved PUD project included a building with a height of 65 feet, a floor area ratio (**FAR**) of 1.42, and a lot occupancy of 45%. The Zoning Commission granted three time extensions for the PUD project (Z.C. Order Nos. 689A-689C), however, market conditions were not favorable, and that PUD project was never constructed. As a result, the Zoning Commission's approval of ZC Order Nos. 689A-689C has expired.

C. Project Description

The PUD project will transform a currently underutilized property into a vibrant contributor to the urban fabric of the neighborhood that will help connect the uses along Michigan

Avenue from the Hospital Center to the Brookland/CUA Metro Station. The PUD project will animate Michigan Avenue through the introduction of retail uses and a hotel and conference center that will provide the opportunity for significant numbers of people to visit the area. The introduction of these uses on the Subject Property will create an environment that enhances pedestrian activity along Michigan Avenue by providing a feeling of security and dynamism due to the large numbers of people that will patronize the shops and restaurants, stay at the hotel, or attend a meeting or conference at the conference center.

The proposed project will be an important economic engine for this part of the City and the District of Columbia. The project is expected to create 160 full time equivalent jobs and generate approximately \$4 million dollars per year in revenue to the District of Columbia.

As noted above, the Applicant requests both consolidated and first stage PUD approval from the Zoning Commission for this project. These components of the project are discussed in detail below.

1. Consolidated PUD Application

The consolidated component of the PUD application includes the portion of the Subject Property that has frontage along Michigan Avenue and Irving Street. A SpringHill Suites by Marriott hotel will be located at the intersection of Michigan Avenue and Irving Street. This hotel brand is ideally suited for satisfying the demand for the types of hotel rooms and facilities that are generated by the surrounding educational and medical uses. The SpringHill Suites brand was created in 1998 to cater to the vibrant business traveler. The suites are meant to be spacious (25% larger than a standard hotel room), yet functional for both the business and leisure traveler.

The hotel will initially include approximately 233 rooms, with the ability to add an additional 81 rooms in a wing flanking Irving Street if market conditions are favorable. A large pool, spa, and exercise room will be located at the ground level inside the hotel structure at the

corner of the structure facing the intersection of Michigan Avenue and Irving Street. These uses will open onto a large terrace that will be surrounded by appropriate landscaping to buffer the visual and noise impacts of the vehicular traffic on Irving Street and Michigan Avenue.

The façade of the hotel will consist of several types of precast concrete panels of varying hues and texture combined with metal feature panels and energy absorbing glazing. The hotel structure will include approximately 214,000 square feet (approximately 192,000 square feet counts towards the project's FAR). The measured building height of the hotel building will be approximately 94 feet, 4 inches as measured from the curb on Irving Street, NE at the middle of the building's frontage on Irving Street.

The hotel will include a full-service, white table cloth restaurant accessible from both within the hotel and directly from Michigan Avenue. This area currently does not have such a restaurant, and the surrounding community has continually asked that such a use be included in this project. The Applicant anticipates that a significant percentage of the patrons of the restaurant will be coming from the surrounding area and will come to the Subject Property because of this restaurant. The restaurant will include a large outdoor dining terrace along Michigan Avenue. Due to the large set-back from Michigan Avenue (approximately 80 feet at this point) and the significant amount of landscaping provided on both the Subject Property and the adjacent public space, patrons of the outdoor dining terrace will not be adversely impacted by the vehicular traffic along Michigan Avenue.

The project will also include a conference center of approximately 31,000 square feet (approximately 22,695 square feet counts towards the project's FAR), which will contain meeting rooms and banquet/ballroom space. The banquet/ballroom space will open onto a rooftop garden at the second floor level. Starting at the second floor, the conference center will have direct access to the parking garage. The conference center is anticipated to provide meeting space and banquet

facilities for events that include approximately 600 people. Because of the large institutions in the area, there is significant demand for this type of use in this neighborhood, but no hotel or conference center satisfies that demand. The façade of the conference center will face east towards the Shrine of the Immaculate Conception and the Catholic University of America Campus. It will have a broad expanse of glass enclosing the pre-function area of the ballroom that will provide unsurpassed views of the Shrine.

A carefully designed plaza has been created in the area between the hotel and the conference center building that effectively incorporates vehicular drop-off needs, while providing safe pedestrian access between the hotel and the conference center. Concrete paver sidewalks and crosswalks delineate the pedestrian areas. A porte cochere is provided for hotel or restaurant guests as they exit their vehicles. In-ground fountains, drive-over lights, planters and landscaped retaining walls all signify a high degree of architectural quality and care of design.

To the west of the hotel, along Michigan Avenue, a mixed-use structure will provide up to 18,000 square feet of retail space and approximately 300 parking spaces. It is anticipated that the retailers in this space will provide neighborhood serving retail uses, rather than destination retail uses. These retail uses will be located at grade along Michigan Avenue and in one below-grade level. The parking spaces will be provided in four above-grade levels. The third and fourth floors of the parking garage will provide direct above-grade access into the main ballroom of the conference center (described in detail below). The façade of this structure at the retail level will be marked by a large glazed wall and individual store entrances in order to enliven the street level experience. At the upper levels of this structure, views of cars in the parking spaces will be obscured by decorative precast panels.

Vehicular access to the Subject Property will still be available from both Michigan Avenue and Irving Street. The shared loading berths for the hotel and the conference center will be

accessed from the Michigan Avenue entrance drive. The loading berth for the retail uses will also be accessed from the Michigan Avenue entrance drive. As noted above, the conference center extends over the Michigan Avenue entrance drive to provide a direct connection to the parking garage. The Michigan Avenue entrance drive will maintain a clearance height of 14 feet in order to allow delivery trucks to access the loading berths. At the Irving Street entrance drive, the Applicant will pay for the cost of a new signalized intersection and will introduce additional improvements to address the transportation infrastructure deficiencies of the existing entrance.

During construction of the hotel, conference center, and parking/retail structures, the northern portion of the Subject Property will provide 280 surface parking spaces for the Washington Hospital Center. In order to provide these spaces it will be necessary to clear and grade the northern portions of the Subject Property that are not currently used for surface parking. The 280 surface parking spaces will remain in use until the second stage of development on the Subject Property is commenced. The second stage of development is the subject of the first stage PUD approval request.

2. First Stage PUD Approval

The Applicant is requesting that the Zoning Commission approve the location, mass and height of a single building with two flanking wings on the northern portion of the Subject Property, pursuant to its first stage PUD approval authority. These building will have the same measured building height as the hotel structure and will be used for additional hotel rooms or for residential units, depending on market conditions. No office use is proposed for these structures. The two wings of the structure will be connected at the ground floor level and will have a roof garden on top of that connection. The total gross floor area of the building included in the second phase of development (the first stage PUD approval request) is approximately 360,000 square feet.

A below-grade parking garage providing approximately 220 parking spaces will be included in this portion of the Subject Property. In addition, the parking structure built in phase one of the project (part of the consolidated PUD application) will be extended two levels above-grade to provide an additional 174 parking spaces. Upon completion of the entire PUD project, approximately 695 parking spaces will be provided on the Subject Property. Access to the below-grade parking garage will be from the Irving Street entrance drive. A ring road will be provided along the perimeter of these buildings to satisfy loading and Fire/EMS requirements. A one-way drop-off loop road is provided to allow the efficient drop-off of residents, visitors or guests at the front entrance to the building.

The plaza area located in the front of the building will be appropriately designed and landscaped. This second phase of development of the project will be complimentary to the first phase through the use of similar landscaping, outdoor furniture, lighting and in-ground fountains.

D. Development Data

The pertinent zoning data for the project is depicted in the attached chart. The total PUD project will have a FAR of 2.83 (1.3 after completion of the first phase of development of the project). The measured building height of the hotel building will be approximately 94.5 feet as measured from the street curb on Irving Street, at the mid-point of the building's frontage along Irving Street.

	<u>C-3-A²</u> Matter-of-Right	<u>C-3-A</u> PUD	<u>Project</u> Consolidated PUD	<u>Project</u> Consolidated PUD and First Stage PUD
Gross Floor Area	955,636 (597,273 non- residential) sq. ft.	1,075,090 (716,727 non- residential) sq. ft	315,389 non- residential sq. ft. of gross floor area	232,128 Non- residential sq. ft. (1 st Stage) 130,000 residential sq. ft. (1 st Stage)

² Note the Subject Property is currently unzoned.

				677,517 sq. ft. – Total (gross floor area)
FAR	4.0 (2.5 commercial)	4.5 (3.0 commercial)	1.3	2.83 – Total 2.29 (non-residential)
Height	65 feet	90 feet	94 feet, 4 in.	94 feet, 4 in.
Lot Occupancy	75%	75%	32%	47%
Rear Yard	Minimum 18.75 feet	Minimum 18.75 feet	303 feet	28 feet
Side Yard	Not required, but must be at least 23.5 feet if provided	Not required, but must be 23.5 feet if provided	23.5 feet on Irving Street; no side yard adjacent to shopping center	30 feet on Irving Street; 70 feet adjacent to neighboring property
Court	Minimum 23.5 feet	Minimum 23.5 feet	100 feet x 150 feet	TBD

E. Flexibility under the PUD Guidelines

The PUD process was created to allow greater flexibility in planning and design than is possible under conventional zoning procedures. The PUD regulations specifically allow the Zoning Commission to approve any zoning relief that would otherwise require the approval of the Board of Zoning Adjustment (“BZA”). In order to better meet the project’s goals, the Applicant requests flexibility from the Zoning Regulations with regard to roof structures, loading requirements, and multiple buildings on a record lot. In addition, the Applicant requests that the Zoning Commission use its authority to approve a measured building height that is less than 5% more than the C-3-A PUD guidelines.

The Applicant requests flexibility from the roof structure requirements outlined in Section 411 of the Zoning Regulations. Specifically, the Applicant is requesting relief from the requirements that (i) there be a single roof structure for each building, (ii) that the roof structures all be the same height, and (iii) that the roof structures be set-back from all exterior walls of the building at a ratio of 1:1. The proposed roof structures have been designed to minimize their visual impact and to satisfy the mechanical system needs for a hotel and conference center. The

Zoning Commission has the authority to grant this requested flexibility pursuant to Section 2405.7 of the Zoning Regulations.

The Applicant requests flexibility from the loading requirements outlined in Section 2201.1 of the Zoning Regulations. For the hotel, conference center, and retail uses in the project, the Zoning Regulations require three - 30 foot loading berths, one - 55 foot loading berth, three 100 square foot loading platforms, one 200 square foot loading platform, and one delivery space. The project will provide one - 55 foot loading berth, one - 30 foot loading berth and a trash area for the hotel and conference center uses. For the retail uses, one - 30 foot loading berth and a designated trash area will be provided. While Section 2201.2 of the Zoning Regulations allows a mixed-use project to combine the loading requirements of the component parts of the project, that can only occur if one component of the project occupies 90% or more of the project's gross floor area and cellar floor area. In this case, the largest use (hotel use) does not occupy more than 90% of the project's gross floor area and cellar floor area. The Applicant believes that the loading berths provided in the project will adequately address the needs of the various uses in the project. The Zoning Commission has the authority to grant this requested flexibility pursuant to Section 2405.7 of the Zoning Regulations.

The Applicant will construct more than one building on a single record lot. Pursuant to Section 2517.2 of the Zoning Regulations, multiple buildings are permitted on a single record lot as a matter-of-right, provided that each building satisfies applicable zoning requirements (such as use, height, bulk, and open spaces around each building). In order to locate the multiple structures on the Subject Property, it is necessary to obtain relief from Section 2517 of the Zoning Regulations. The Zoning Commission has the authority to grant this requested flexibility pursuant to Section 2405.7 of the Zoning Regulations.

The Applicant requests that the Zoning Commission use its authority to approve a height increase of up to 5% over the PUD guidelines for the C-3-A Zone District pursuant to Section 2405.3. In order for the Zoning Commission to approve this request, the Applicant must prove that the increase in height “is essential to the successful functioning of the project and consistent with the purpose and evaluation standards of this chapter”. The Applicant is requesting that the measured building height of the hotel structure be 94 feet, 4 inches, an increase of less than 5% over the 90 foot height guideline for a PUD in the C-3-A Zone District. The additional 4 feet, 4 inches is necessary to provide proper floor to ceiling heights for the hotel rooms so that the hotel rooms are not of a diminished quality. Granting the requested flexibility is consistent with the purpose and evaluation standards of this chapter because the appearance of this building, with the additional 4 feet, 4 inches, is not out of context with buildings in the general area. In addition, the measured building height of 94 feet, 4 inches is attributable to the change in grade from the property line of the Subject Property to the Irving Street curb. If the building height could be measured from the finished grade at the building, it would have a building height of 90 feet.

F. Development Timetable

The Applicant anticipates that it will begin site development of the northern portion of the Subject Property for the 280 parking spaces in the fall of 2009. In order to develop this project the Applicant is required to relocate an existing 66 inch storm sewer line that cuts through the Subject Property. The Applicant anticipates this sewer relocation work will occur in the winter of 2009-2010. The Applicant anticipates beginning construction of the first phase of the project (the Consolidated PUD) in late spring of 2010 with the hotel open for business in September of 2011. Given this development timetable, the Applicant requests that the Commission make the first stage PUD approval effective for five years from the date of approval of the consolidated PUD, in order to allow the Applicant an appropriate amount of time to gauge the market conditions for additional

hotel rooms or residential uses after the hotel and conference center use has been operational for an appropriate period of time.

III. PLANNING ANALYSIS

Through the PUD process, the Applicant will construct a hotel and conference center and will introduce additional retail uses in an area that lacks hotel rooms and retail opportunities. The proposed project supports numerous policies of the Comprehensive Plan.

A. Land Use Impact

The proposed project will have negligible adverse impacts on the land use of the area adjacent to the Subject Property. The Subject Property is surrounded by large institutional uses and some moderate density residential uses. A hotel/conference center will easily integrate with the large institutional buildings nearby while providing a transition to the moderate density residential buildings to the northwest. Further, the project's addition of ground floor retail in the parking structure, a restaurant in the hotel, and improvements in the public space adjacent to the Subject Property will enhance the aesthetic of the area by making it more pedestrian friendly. These additions will have positive impacts on the surrounding neighborhood by providing retail choices and a restaurant option that otherwise do not exist in the immediate area.

B. Zoning Impact

The proposed Zoning Map Amendment application can be granted without adversely affecting nearby and adjacent Zone Districts. As noted above, the Subject Property is adjacent to C-1, R-5-A, and GOV (unzoned) Zone Districts. The inclusion of the Subject Property in the C-3-A Zone District will allow the project to easily integrate into the nearby commercial and residential zones by providing a transition from institutional uses to residential. The hotel,

conference center, retail, and restaurant uses are all matter-of-right uses in the C-3-A Zone District.

C. Environmental Impact

The Applicant is committed to utilizing low impact development strategies in the project. These strategies include green roofs, filtration of storm water run-off prior to leaving the Subject Property, and delayed storm water release. The project architects have conducted a preliminary estimate of LEED points for this project. The Applicant is committed to achieving enough LEED points to obtain at least LEED certification for this project. A copy of the preliminary estimate of LEED points generated by this project is included in Exhibit G.

D. Facilities Impact

The proposed project will not have an adverse impact on the public facilities that it will rely on for service.

IV. EVALUATION STANDARDS

Section 2403 of the Zoning Regulations provides the standards for evaluating a PUD application. In deciding a PUD application, the Commission is required to “judge, balance, and reconcile the relative value of the project amenities and public benefits offered, the degree of development incentives requested, and any potential adverse effects according to the specific circumstances of the case” (See Section 2403.8). In order to approve a PUD application, the Commission must find that the impact of the project on the surrounding area is either favorable, capable of being mitigated, or acceptable given the quality of the public benefits in the project. (See Section 2403.3.)

Section 2403.9 provides categories of public benefits and project amenities for review by the Zoning Commission. The objective of the PUD process is to encourage high quality

development that provides public benefits and project amenities by allowing applicants greater flexibility in planning and design than may be possible under matter-of-right zoning.

A. Site Planning

Section 2403.9(b) lists site planning, and efficient and economical land utilization as one category of public benefits and project amenities for a PUD. As shown in the detailed plans, elevations, and renderings included in Exhibit A, the proposed project exhibits efficient land use and exceptional site planning. The PUD combines a hotel, a conference center, a restaurant, and retail space into one project. For instance, the conference center ballroom extends over a driveway to connect with the driveway, thereby allowing a full size ballroom without sacrificing access to the site. Similarly, the parking structure incorporates ground floor retail along Michigan Avenue in order to offer a project that is both pedestrian friendly and adequate to accommodate cars for hotel guests and conference attendees.

B. Urban Design, Architecture, Landscaping, Creation of Open Spaces

Section 2403.9(a) lists urban design and architecture as categories of public benefits and project amenities for a PUD. The treatment of the plaza between the hotel and the conference center, outdoor dining terrace, and the sunbathing terrace all project amenities resulting from the urban design, landscaping and creation of open spaces found in this project. The project architects and landscape architects have located benches, lighting, and landscaping on the Subject Property and in the adjacent public space in a manner that both provides respite and seclusion from the vehicular traffic along Michigan Avenue, yet also animates the Michigan Avenue pedestrian experience. The Applicant will pay for the cost of these improvements in public space. The Applicant and its design team have already started a dialogue with the District Department of Transportation (**DDOT**) regarding the proposed improvements in public space. The Applicant and

its design team will continue this dialogue in order to create additional means to further animate the public space along Michigan Avenue adjacent to the Subject Property.

C. Effective and Safe Vehicular and Pedestrian Access

The Zoning Regulations, pursuant to Section 2403.9(c), state that “effective and safe vehicular and pedestrian access” can be considered public benefits and project amenities. The project will result in the relocation of the Irving Street entrance into the Subject Property. The current location of this entrance creates sight distance and operational constraints for left-turn movements from the Subject Property. As a result of this project, the Applicant will undertake the following: relocate the Irving Street entrance drive into the Subject Property; install a traffic signal and advanced flashing beacon on Irving Street; provide a separate left turn-lane along the westbound approach of Irving Street; and provide improved roadway striping and signage to allow efficient and safe merging of mainline and ramp vehicles approaching from the west. These transportation infrastructure improvements are expected to cost \$750,000 - \$900,000. The Applicant is also participating in the North Capitol Street transportation study, a comprehensive analysis of future transit needs in Northeast, Washington, DC.

Gorove/Slade Associates, Inc., the traffic and parking consultant for this project, has prepared a Transportation Impact Study (attached as Exhibit C) for the project. This study concludes that the vehicular trips generated by this project “would not degrade intersection levels of service or significantly increase average delay beyond what would occur in the future without development. Therefore, the development in and of itself would have minimal impacts on the study area roadway network.”

Gorove/Slade also examined pedestrian movement along Michigan Avenue, at the request of DDOT, and made recommendations for long term improvements that are likely to be

incorporated in future upgrades of the streetscape treatment along Michigan Avenue. The Applicant has agreed to pay the costs for new sidewalks in the public space adjacent to the Subject Property and to replace and enhance the bus shelter located on Michigan Avenue adjacent to the Subject Property. The new sidewalks and enhanced bus shelters will enhance pedestrian safety in the area and will also help encourage the use of public transportation.

D. Employment

According to Section 2403.9(b) of the Zoning Regulations, the use of local firms in the development and construction of the project is a representative public benefit and project amenity. Therefore, the Applicant will enter into a Certified Business Enterprise Agreement (“**CBE Agreement**”) with the Department of Local and Small Business Development.

According to Section 2403.9(b) of the Zoning Regulations, “employment and training opportunities” are public benefits and project amenities that a PUD may offer. The Applicant will enter into an agreement to participate in the Department of Employment Services (**DOES**) First Source Employment Program to promote and encourage the hiring of District of Columbia residents. The Applicant estimates that the hotel and restaurant operations will generate 160 full time equivalent jobs.

E. Use of Special Value to the Neighborhood and Revenue for the District

Pursuant to Section 2403.9(i), “uses of special value to the neighborhood or the District of Columbia as a whole” are public benefits and project amenities to be evaluated by the Zoning Commission. The proposed 314 room hotel will generate income to the District of Columbia through various taxes and payments. The estimated amount of annual revenue generated by this project is 4 million dollars.

As noted above, the Applicant has met with representatives of ANC 5C to discuss the PUD project. Representatives of ANC 5C and members of the community asked that the Applicant examine policies for placing area residents in the jobs created by this project and that the Applicant examine the possibility of the conference center being made available for use by local community groups. The Applicant will continue to work with neighborhood organizations and ANC 5C to identify opportunities to support the surrounding community.

F. Comprehensive Plan

According to Section 2403.9(j), public benefits and project amenities include “other ways in which the proposed planned unit development substantially advances the major themes and other policies and objectives of any of the elements of the Comprehensive Plan.” As described in greater detail in Section V, the PUD is consistent with and furthers many elements and goals of the Comprehensive Plan.

G. Public Benefits of the Project

Sections 2403.12 and 2403.13 require the Applicant to show how the public benefits offered are superior in quality and quantity to typical development of the type proposed. This PUD project will include many, if not all, of the attributes of PUD projects that have been recently approved by the Zoning Commission, including:

- significant economic development potential for the area and the District as a whole;
- ground floor retail uses;
- significant job creation;
- high quality public open spaces;
- vehicular and pedestrian infrastructure improvements; and
- environmentally sensitive components.

V. COMPLIANCE WITH THE COMPREHENSIVE PLAN

The proposed PUD is consistent with and fosters numerous policies and action items enumerated in the Comprehensive Plan. The Comprehensive Plan includes the Subject Property in the area known as Upper Northeast. The Comprehensive Plan's Upper Northeast Element includes the following pertinent provisions:

Policy UNE-1.2.1: Streetscape Improvements

Improve the visual quality of streets in Upper Northeast, especially along North Capitol Street, Rhode Island Avenue, Bladensburg Road, Eastern Avenue, Michigan Avenue, Maryland Avenue, Florida Avenue, and Benning Road. Landscaping, street tree planting, street lighting, and other improvements should make these streets more attractive community gateways.

Policy UNE-1.2.4: Linking Residents to Jobs

Improve linkages between residents and jobs within Upper Northeast so that more of the area's 40,000 working age adults fill the approximately 40,000 jobs located within the Planning Area. Achieve this linkage by developing additional vocational and trade schools within Upper Northeast, encouraging apprenticeships and internships, and creating new partnerships between the area's major employers, the District, the public and charter schools, local churches, and major institutions.

Policy UNE-1.2.5: Increasing Economic Opportunity

Create new opportunities for small, local, and minority businesses within the Planning Area, and additional community equity investment opportunities as development takes place along New York Avenue, Bladensburg Road, Benning Road, and around the Metro stations.

The proposed project furthers these goals and policies of the Upper Northeast Area Element of the Comprehensive Plan. The project's focus on enhancing the vibrancy and appearance of Michigan Avenue is entirely consistent with Policy 1.2.1. The significant landscaping proposed on the Subject Property and the public space along Michigan Avenue will create a more attractive and vibrant stretch of this gateway avenue. As noted above, the project will result in the creation of 160 new jobs, jobs that can be filled by residents of the surrounding communities. This project will also provide for increased economic opportunity for District residents. The Applicant will enter into a First Source Employment Agreement and a CBE Agreement as a result of this project.

The Comprehensive Plan's Land Use Element includes the following policies that are supported by this project:

Policy LU-1.4.1: Infill Development

Encourage infill development on vacant land within the city, particularly in areas where there are vacant lots that create "gaps" in the urban fabric and detract from the character of a commercial or residential street. Such development should complement the established character of the area and should not create sharp changes in the physical development pattern.

Policy LU-1.4.3: Zoning of Infill Sites

Ensure that the zoning of vacant infill sites is compatible with the prevailing development pattern in surrounding neighborhoods. This is particularly important in single family and row house neighborhoods that are currently zoned for multi-family development.

Policy LU-2.4.6: Scale and Design of New Commercial Uses

Ensure that new uses within commercial districts are developed at a height, mass, scale and design that is appropriate and compatible with surrounding areas.

The proposed commercial uses and proposed C-3-A Zone District are consistent with these policies of the Land Use Element of the Comprehensive Plan. The proposed project will replace a surface parking lot, a "gap" in the urban fabric of Michigan Avenue, with a project that will further pedestrian activity by creating uses that will attract people to come to the Subject Property and by creating an attractive and inviting physical environment that will encourage people to stroll along Michigan Avenue. The proposed hotel, conference center, and retail uses are entirely complementary to the surrounding institutional and educational uses and the proposed height, mass, scale and design of the structures are compatible with the surrounding buildings and structures and the proposed development.

The Comprehensive Plan's Economic Development Element includes the following policies that this project supports:

Policy ED-2.2.3: Neighborhood Shopping

Create additional shopping opportunities in Washington's neighborhood commercial districts to better meet the demand for basic goods and services. Reuse of vacant buildings in these districts should be encouraged, along with appropriately-scaled retail infill development on vacant and underutilized sites.

Promote the creation of locally-owned, non-chain establishments because of their role in creating unique shopping experiences.

Policy ED-2.3.4: Lodging and Accommodation

Support the development of a diverse range of hotel types, serving travelers with varying needs, tastes, and budgets. New hotels should be encouraged both within Central Washington and in outlying commercial areas of the city, particularly in areas which presently lack quality accommodation.

Policy ED-2.3.9: Hospitality Workforce Development

Recognize the potential for the hospitality sector to generate entry level jobs and opportunities for upward mobility for District residents by promoting vocational, job training, and job placement initiatives in this sector, and by working with local hotels, the District of Columbia Hotel Association, the Washington Convention and Tourism Corporation, and others.

Policy ED-3.2.8: LSDBE Programs

Expand opportunities for local, small, and disadvantaged business enterprises through city programs, incentives, contracting requirements, and other activities.

Policy ED-4.2.12: Local Hiring Incentives

Maintain requirements for resident job training and placement for projects built and/or operated with any form of public subsidy/loan, grant or other incentives. Promote incentives for similar training and hiring programs by the private sector.

The Applicant expects that the demand for the retail space provided in this project will come from predominantly neighborhood serving retailers that will provide basic goods and services. The creation of an all suites hotel at this location is entirely consistent with the policy of creating a range of hotel types in various parts of the District of Columbia. The project will also provide significant job opportunities in the hospitality sector. As noted above, the Applicant has agreed to enter into First Source Employment and CBE Agreements related to this project.

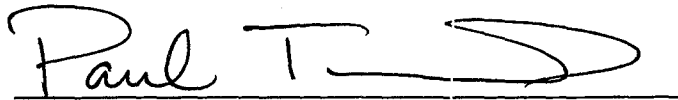
VI. CONCLUSION

For the foregoing reasons, the Applicant submits that the consolidated PUD, the first stage PUD, and Zoning Map Amendment applications meet the standards of Chapter 24 of the Zoning Regulations; are consistent with the purposes and intent of the Zoning Regulations and Map; will enhance the health, welfare, safety and convenience of the citizens of the District of Columbia;

will satisfy the requirements for approval of a consolidated PUD and Zoning Map amendment; will provide significant public benefits; and will advance important goals and policies of the District of Columbia. Therefore, the consolidated PUD application, the first stage PUD application, and the Zoning Map amendment should be approved and adopted by the Zoning Commission. Accordingly, the Applicant respectfully requests that the Zoning Commission set down this project for a public hearing at the earliest possible date.

Respectfully submitted,

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