

**BEFORE THE DISTRICT OF COLUMBIA
BOARD OF ZONING ADJUSTMENT**

**BZA Order No. 21001
917-921 6th Street, NW (Square 484, Lot 30)**

AFFIDAVIT IN SUPPORT OF BZA EXTENSION REQUEST

I, Eyob Mamo, being duly sworn, depose and state as follows:

1. I am Eyob Mamo, the Manager of 921 6TH STREET LLC (the “Applicant”), the owner of 917-921 6th Street, NW (Square 484, Lot 30) (the “Property”).
2. Pursuant to Board of Zoning Adjustment (“BZA”) Order No. 21001, dated December 6, 2023, and having a final date of December 18, 2023, the BZA granted special exception relief (i) from the loading requirements of Subtitle C § 901.1, pursuant to Subtitle C § 909.2 and Subtitle X § 901.2; and (ii) under Subtitle C § 1501.1(d), to allow an eating and drinking establishment located within penthouse habitable space, pursuant to Subtitle X § 901.2.
3. The zoning relief approved in BZA Order No. 21001 was to allow for the construction of a new 13-story building (lodging uses) with a restaurant in habitable penthouse space in the D-4-R zone at the Property.
4. Pursuant to BZA Order No. 21001 and Subtitle Y § 702.1, we are required to file a building permit application for the approved project no later than December 18, 2025.
5. The subject application requests a two-year extension of BZA Order No. 21001, such that we would be required to file a building permit application for the approved project no later than December 18, 2027.
6. As set forth herein, good cause exists for the requested extension due to a variety of factors beyond our reasonable control. Since approval of the BZA Order, we have undertaken extensive work to move forward with development of the Property as approved under the BZA Order, including tracking sales comparables, refining underwriting assumptions, and updating project cost estimates. We negotiated and executed a franchise license agreement with a hotel brand. However, despite our best efforts to move forward with filing a building permit application, the real estate market cannot support development of the Property at this time.
7. As set forth in the September 23, 2025, letter from Richard E. Pastorino, Founder and CEO of REVPAR International, Inc., a hospitality advisory and asset management company (the “REVPAR Letter”) (Exhibit D), significant shifts in market conditions have created an environment in which proceeding to final design and financing for the Project is not feasible at this time. Construction costs are elevated due to material inflation, labor

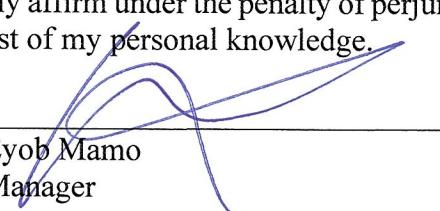
shortages, and persistent supply chain disruptions, and they continue to increase above the rate of inflation. Meanwhile, inflationary pressures have driven up borrowing costs, while tightened credit availability has weakened the lending environment overall, but particularly for hotels. Moreover, elevated interest rates have resulted in higher capitalization rates, reducing asset valuations. The result is that the total cost of developing the approved hotel project would exceed the stabilized value of the completed project, thus impacting rates of return and ultimately resulting in no viable path to financing. Even with the recent reductions in short-term interest rates, the market has not reacted to it as the ten-year treasuries remain elevated. *See* REVPAR Letter, p. 1.

8. The hotel industry itself faces additional challenges. As set forth in the REVPAR Letter, traditional demand growth is constrained by competition from short-term rental platforms and ongoing economic uncertainty, resulting in reduced discretionary spending, particularly for travel. Recent industry research confirms these trends. *See, e.g.*, CBRE's *U.S. Real Estate Market Outlook 2024*, which projected flat to declining demand growth in the hospitality sector, with occupancies and room rates expected to decline nationally and in the District specifically; *see also* Cushman & Wakefield's *MarketBeat U.S. National Hospitality Q1 2025*, which highlighted the likelihood of continued softening in leisure travel spending, both nationally and in the D.C. metro area. *See* REVPAR Letter, p. 1.
9. The forecasts noted above are influenced by federal immigration and trade policies that have negatively impacted international travel to the U.S. overall and Washington, D.C. specifically given that it is a gateway city. As stated in the REVPAR Letter, *Tourism Economics* reported a 25% decrease in Canadian visitation to the U.S. during the first seven months of 2025 compared to the same period in 2024. Specific to D.C., as of May, 2025, *Destination DC* projected a 5.1% drop in overall international visitors for the year, with *Tourism Economics* forecasting a 19% drop in Canadian visitors to the D.C. area. The REVPAR Letter states that these declines are not expected to rebound in 2026 and may deteriorate further given the ongoing negative perception of the U.S. by potential international visitors. At the same time, reductions in the federal workforce under the Department of Government Efficiency are reducing both federal and business travel, key drivers of hotel demand in the District. The visible presence of the National Guard has also created an atmosphere that discourages both domestic and international leisure travelers. These combined factors further diminish near-term prospects for launching a capital-intensive hotel development. *See* REVPAR Letter, p. 1.
10. Based on the foregoing, REVPAR has recommended that we pause final project designs and engineering until economic conditions improve, overall interest rates moderate, capitalization rates decline, and construction costs normalize to levels consistent with a sustainable redevelopment. This approach would position the approved project to move forward responsibly once fundamentals realign to support value creation. We believe that moving forward now would risk committing to design and financing in an environment that cannot support a positive return on investment.
11. Despite the headwinds described herein, we are fully committed to moving forward with development of the project as approved by the BZA. We simply need additional time for

market conditions to improve during which we can prepare construction drawings consistent with the BZA approval and obtain financing. We therefore need the requested two-year extension to confidently move forward with a realistic and marketable project for the Property. We have already invested substantial resources in the Property, including legal, architectural, engineering, permitting, construction, and other consulting fees, such that we have no financial advantage to not move forward with redevelopment of the Property as soon as feasible.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

I solemnly affirm under the penalty of perjury that the contents of this Affidavit are true and correct to the best of my personal knowledge.

By: 

Name: Eyob Mamo

Title: Manager

Sworn and subscribed to me this 30th day of September, 2025.


Notary Public

