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December 16, 2004

RECEIVED
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2004 DEC 16 PM 3:17

VIA HAND DELIVERY

Zoning Commission for the
District of Columbia
441 4th Street, N.W., Suite 210S
Washington, D.C. 20001

Re: Zoning Commission Case No. 01-13A
Request for Modification to the Planned Unit Development
for International Monetary Fund HQ2

Dear Members of the Commission:

The International Monetary Fund ("IMF"), the applicant in the above-referenced case, hereby submits an original and nineteen copies its Supplemental Prehearing Submission in accordance with Section 3013.8 of the Zoning Regulations and the Notice of Public Hearing published in the D.C. Register on November 12, 2004.

We look forward to the Commission's consideration of this application at the public hearing scheduled for January 6, 2005. Should you have any questions or need additional information, please do not hesitate to have Office of Zoning staff contact me.

Very truly yours,

Christy Shiker

Christine Moseley Shiker

Enclosures

cc: Parties to *Original* Zoning Commission Case (See Proof of Service)
Jennifer Steingasser, Office of Planning (Via Hand Delivery; w/enc)
Sally Blumenthal, National Park Service (Via Hand Delivery; w/enc)

ZONING COMMISSION
District of Columbia
CASE NO. 01-13A
EXHIBIT NO. 13

ZONING COMMISSION
District of Columbia
CASE NO.01-13A
EXHIBIT NO.13

PROOF OF SERVICE

I hereby certify that on December 16, 2004, a copy of the foregoing Supplemental Prehearing Submission was served on the following persons or organizations as stated below:

Advisory Neighborhood Commission 2A (Via Hand Delivery)
St. Mary's Court
Washington, DC 20037

With **seven** copies to

Dorothy Miller, Chairman for ANC 2A (Via Hand Delivery)
2440 Virginia Avenue, NW
Apartment D206
Washington, DC 20037

West End Citizens Association (Via US Mail)
PO Box 58098
Washington, D.C. 20037-8098

With a copy to

West End Citizens Association (Via Hand Delivery)
c/o Barbara Kahlow
2555 Pennsylvania Avenue, N.W. #404
Washington, DC 20037

Christine Moseley Shiker
Holland & Knight

BEFORE THE

ZONING COMMISSION
FOR THE DISTRICT OF COLUMBIA

RECEIVED
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2004 DEC 16 PM 3:17

INTERNATIONAL MONETARY FUND HQ2

SUPPLEMENTAL PREHEARING SUBMISSION

OF THE APPLICANT
IN SUPPORT OF
AN APPLICATION FOR A
MODIFICATION TO THE APPROVED
PLANNED UNIT DEVELOPMENT

Zoning Commission Case No. 01-13A

December 16, 2004

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I.
INTRODUCTION

This Supplemental Prehearing Statement and attached documents are submitted by the International Monetary Fund (the "IMF") in support of its request for modification to two conditions of Zoning Commission Order No. 960 (Revised) (the "Order") which approved the Planned Unit Development (PUD) and related zoning map amendment for the development of the IMF's second headquarters building at 1900 Pennsylvania Avenue. First, the IMF requests that Condition No. 8(a) which currently provides for the replacement of the benches in the four triangular parks to adjacent to the site be substituted with a condition that provides for the design of a new park bench and ongoing enhanced maintenance of the parks. Second, the IMF requests that the Zoning Commission modify the last sentence of Condition No. 8(e) which relates to the timing of the neighborhood beautification projects set forth in that condition. Each request is discussed in detail herein. The submission is made in accordance with Sections 2409.9 and 3013.8 of the Zoning Regulations and the Notice of Public Hearing published in the D.C. Register on November 12, 2004 ("Public Notice").

On September 30, 2004, the IMF requested a minor modification to the Order. The IMF argued that the requested modification is minor because the request does not affect the essential elements of the approval given by the Zoning Commission for this project, such as use, height, gross floor area, lot occupancy, setbacks or number of parking spaces. Furthermore, the proposed substitute

amenity is similar to the approved amenity and the revised timing ensures that the IMF performs its required amenity prior to the issuance of a certificate of occupancy.

At its October 25, 2004, public meeting, the Zoning Commission removed the requested modification from the consent agenda. The Zoning Commission indicated that the substitute amenity could call into question the balance of the amenities and benefits and, therefore, set the case for a limited-scope hearing regarding only the two requested modifications. Accordingly, the IMF submits this supplemental prehearing submission as required by Section 3013.8 of the Zoning Regulations and the Public Notice.

II.
SUMMARY OF APPROVED AMENITIES PACKAGE

The Zoning Commission approved a comprehensive amenities and benefits package (the "Community Amenity Package") as part of the approval of the PUD. The Community Amenity Package includes the following superior benefits and amenities, as set forth in Finding No. 44 and Condition Nos. 6 through 13:

- $1,000,000 Contribution to the Housing Production Trust Fund
- $1,000,000 Contribution to Support Local Community Benefits, discussed in detail below
- Two-level Restaurant/Market Retail Space at the corner of Pennsylvania Avenue and 20th Street
- Community-Oriented Retail, Exhibit or Cultural Space at the corner of Pennsylvania Avenue and 19th Street

- Public Use of the Meeting Facility
- Urban Design, Architecture, and Landscaping
- Transportation Management Features
- Local Business Opportunities and First Source Employment Opportunities

The contribution of $1,000,000 to fund off-site community amenities includes five specific parts to benefit the local community, including the following:

(1) Replacement of park benches, originally estimated to cost $132,000;

(2) Contribution of $100,000 to St. Mary's Court for prescription drugs and related health care needs;

(3) Contribution of $50,000 to St. Mary's Court for Transportation Needs;

(4) Contribution of $100,000 to the D.C. Central Kitchen; and

(5) Remaining funds to be spent on replacement of diseased trees or installation of new trees and other neighborhood beautification projects.

The contributions to St. Mary's Court and D.C. Central Kitchen have all been made, and the replacement of trees has been approved and is in process. The IMF only requests a modification to the amenity related to the replacement of park benches and to the timing for the other neighborhood beautification projects, both of which are discussed below.

III.
REQUESTED MODIFICATIONS TO ORDER

A. Replacement of Park Benches – Condition No.8(a)

The IMF requests that the Zoning Commission modify Condition No. 8(a), which states as follows:

> Condition No. 8(a): IMF shall replace forty-eight (48) benches in the parks in the vicinity of the Site with new, segmented benches as recently approved by the National Park Service for Washington Circle. IMF shall install these benches prior to the issuance of certificate of occupancy for HQ2.

The IMF has been and is still fully prepared to perform this amenity in accordance with the Order. However, when the IMF approached the National Park Service ("NPS") regarding replacement of the benches, the IMF was informed that the segmented benches installed in Washington Circle are no longer the NPS approved bench. According to the NPS, a task force comprised of representatives of the NPS, the Commission of Fine Arts, the National Capital Planning Commission, and the Office of Planning had reviewed the standard NPS bench since the approval of the PUD and determined that a new bench needed to be designed. Furthermore, in discussions with the IMF, the NPS indicated that it no longer wants to replace the benches, some of which are relatively new, in the Federal Reservations adjacent to the PUD Site. Accordingly, this amenity is no longer acceptable to the NPS, and the NPS will not allow the IMF to replace the benches.

The IMF and its representatives met numerous times with the NPS in an effort to identify a substitute amenity. As a result of those discussions, the IMF proposes the following replacement for Condition No. 8(a):

> Revised Condition No. 8(a): IMF shall expend the total sum of $250,000 for (a) the design of a new, segmented park bench prototype; and (b) the ongoing enhanced maintenance and repair of the three (3) triangular parks immediately to the west and northeast of the Site along Pennsylvania Avenue, NW. IMF shall enter into an agreement with the National Park Service regarding the use of these funds prior to the issuance of a certificate of occupancy for HQ2.

In order to provide an amenity with a similar direct benefit to the immediate community, the IMF agreed to expend $250,000 – increased from the estimated $132,000 for bench replacement – for the design of a new bench prototype and the enhanced maintenance of the parks. The NPS estimates that the $250,000 will provide for enhanced maintenance in the three parks for 6.5 to 9.5 years. This proposed replacement amenity serves the same purposes as the previous amenity and, thus, is a similar benefit. First, the funds used for the design of the prototype bench will allow for benches to be installed throughout the immediate area to deter "long-term occupancy." Second, the maintenance agreement for the parks enhances the environs immediately surrounding the PUD Site. The enhanced maintenance program will include the following: sod replacement and erosion control; use of environmentally sensitive pest management; more frequent grass mowing, weeding and edging of grass along pavement edges; more frequent trash removal; painting and cleaning of benches, light poles and trash receptacles; cleaning of walkways; and more frequent light bulb replacement. The maintenance program does not include the fourth triangular park immediately adjacent to the World Bank, as the World Bank currently maintains that property. The IMF anticipates that the

maintenance will be performed by the Golden Triangle Business Improvement District.

The NPS supports this proposed replacement amenity, as is indicated in the NPS letter of support filed with the Zoning Commission in the record at Exhibit 4. In addition, Vikki Keys, Superintendent, National Capital Parks-Central, will appear at the hearing to testify in support of the proposed modification.

If the Zoning Commission approves the requested modification, the contribution of $1,000,000 to local community benefits would be allocated as follows: $250,000 for park maintenance and bench design; $100,000 contribution to St. Mary's Court for prescription drugs and related health care needs; $50,000 contribution to St. Mary's Court for transportation needs; $100,000 contribution to the D.C. Central Kitchen; and $98,220 for tree replacement. Accordingly, there will be $401,780 in remaining funds to be devoted to special neighborhood beautification projects.

B. Timing for Completion of Special Projects – Condition No. 8(e)

The IMF also requests that the Zoning Commission modify Condition No. 8(e), which states as follows:

> Condition No. 8(e): The remaining portion of the $1,000,000 shall be earmarked for (i) replacement of diseased trees or installation of new trees in the geographic area bordered by E Street to the south, 22nd Street to the west, Pennsylvania Avenue to the north, and 18th Street to the east; and (ii) other neighborhood beautification projects that are within one-quarter mile of the Site or the boundaries of ANC 2A and endorsed by the Department of Transportation, Public Space Management Administration or the Department of Public Works, as appropriate to their respective area of authority, with the advice of ANC 2A and WECA. Representatives of IMF shall first work with the

> Department of Transportation to identify the tree needs of this geographic area and shall determine the appropriate level of funding for tree beautification projects shall then be identified. IMF shall provide the beautification projects shall then be identified. IMF shall provide the Department of Transportation or Public Works, as appropriate, and ANC 2A all appropriate paperwork to justify these expenditures. All trees shall be installed prior to issuance of a certificate of occupancy for HQ2. Any special projects endorsed by the Department of Transportation or Department of Public Works shall be completed prior to issuance of a certificate of occupancy for HQ2.

To comply with this condition, the IMF has committed to replacing all diseased or dead trees within the boundaries of Advisory Neighborhood Commission 2A ("ANC 2A"). The IMF notified both the ANC 2A and the West End Citizens Association ("WECA") as to these plans by letter dated April 13, 2003. The IMF has been informed by ANC 2A that it is pleased with the decision to replace all diseased or dead trees within the ANC. Furthermore, representatives of the IMF have met with specific ANC members to discuss specific trees to ensure that all trees that need to be replaced are replaced.

With respect to the special neighborhood beautification projects, the IMF has worked with both the D.C. Department of Parks and Recreation and the District Department of Transportation ("DDOT") to identify these other neighborhood beautification projects in accordance with the Order. Through these meetings, the IMF has identified seven different special neighborhood projects, including the following: improvements to the Francis Pool soccer and baseball fields, landscaping and site furniture in the park bordered by New Hampshire Avenue, 21st and M Streets, and landscaping at two other small triangular parks within ANC 2A.

On July 21, 2004, representatives for the IMF presented the proposed special neighborhood projects to ANC 2A, and received general support for these projects. The IMF informed WECA as to the proposed neighborhood beautification projects by letter dated October 14, 2004, and by telephone during that same week. WECA has refused to meet with representatives of the IMF as to the proposed neighborhood beautification projects.

Accordingly, the IMF is in full compliance with Condition No. 8(e), with only the exception of the timing for implementation of the amenity. Specifically, the IMF cannot complete the special neighborhood beautification projects itself prior to the anticipated issuance of a certificate of occupancy in April 2005, due to the uncertainty with respect to the replacement of the benches. Specifically, the IMF does not know the exact amount of the remaining funds because it is does not know the total amount of money being expended to satisfy Condition No. 8(a). Accordingly, the IMF will be unable to comply with the timing set forth in Condition No. 8(e).

As recommended by the D.C. Department of Parks and Recreation, the IMF proposes making this contribution for these improvements to Green Spaces for D.C. Green Spaces for D.C. is a non-profit entity that has been set up to accept private funds for the purpose of constructing improvements in D.C. public parks pursuant to a Memorandum of Understanding between it and the D.C. Department of Parks and Recreation dated August 1, 2003. IMF will enter into an agreement with Green

Spaces for D.C. and will contribute the remaining funds prior to the issuance of the certificate of occupancy.

Accordingly, the IMF proposes modifying only the last sentence of Condition No. 8(e), which relates to the timing of the special neighborhood beautification projects, to read as follows:

> The IMF shall enter into a letter agreement with Green Spaces for D.C. and deposit a payment with Green Spaces for D.C. for the special neighborhood beautification projects endorsed by the Department of Transportation or Department of Public Works prior to issuance of a certificate of occupancy for HQ2.

C. Balance of Amenities

Taking into account the requested modifications, the balance of amenities has not changed. As noted in Section II, the benefits and amenities approved for the project cover a wide variety of areas including monetary and non-monetary contributions. The total amount of money to be expended by the IMF for these benefits has not changed, and there is no proposed modification to the non-monetary contributions. Therefore, the total Community Amenity Package is identical to that approved by the Zoning Commission in the Order.

The issue before the Zoning Commission is solely the allocation of dollars within the $1,000,000 devoted to local community benefits, which includes the five parts set forth in detail above. The estimated cost for the benches at the time of the Order was $132,000 (or $2,750 per bench), as indicated in Finding No. 44(d)(1). The amount to be expended on the proposed amenity increased to $250,000. Both the IMF and NPS believe that the enhanced improvement of the parks in the vicinity of

the PUD Site is of similar – if not superior – value to the neighborhood when compared with the bench replacement. Furthermore, at the time of approval, the total balance within the $1,000,000 was unknown, including the final cost of the bench replacement. Accordingly, Condition No. 8(e) was included to ensure that in the event there were remaining funds after the amenities identified in sub-paragraphs (a) through (d) were completed, those funds would be devoted to special neighborhood beautification projects endorsed by the District and reviewed by the community. At the time the Order was issued, it was not certain that funds would remain. However, even with the increased amount devoted to the amenity for Condition No. 8(a), there are still remaining funds to devote to special neighborhood beautification projects. Accordingly, the intent of the amenities package is satisfied.

IV.
COMMUNITY REVIEW OF PROPOSED MODIFICATIONS

On September 15, 2004, the IMF presented this minor modification relating to park benches to ANC 2A. ANC 2A voted not to support this proposed modification to the PUD. In its deliberations, the ANC stated that it did not originally support this amenity and would not support any replacement amenity that designated funds for the benefit of the NPS. At its October 14, 2004, public meeting, the IMF again presented the proposed modifications to ANC 2A. At that meeting, ANC 2A made specific recommendations for the use of the funds. ANC 2A voted to support the revised timing for Condition No. 8(e).

The West End Citizens Association, by letters dated October 10, 2004, and October 17, 2004, does not support the requested modifications.

V.
REQUEST FOR PROMPT REVIEW

The IMF respectfully requests that the Zoning Commission promptly review this requested modification. The IMF anticipates that construction of the project will be complete in early Spring, 2005, and is scheduled to receive a certificate of occupancy in April, 2005. The Order requires that the elements of the amenities package be implemented before the issuance of the certificate of occupancy, if not before. The IMF is unable to complete its obligations until such time as a substitute amenity is determined. Accordingly, the IMF would appreciate the Zoning Commission's prompt review and approval of this request.

VI.
EXHIBITS

List of Witnesses and Amount of Time for Hearing	Exhibit A
Summary of Testimony for Each Witness	Exhibit B

VII.
CONCLUSION

The Applicant respectfully requests that the modifications to the Order be approved.

Respectfully submitted,

HOLLAND & KNIGHT LLP
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(202) 457-7167

By: _____
Whayne S. Quin

By: _____
Christine Moseley Shiker

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A

List of Witnesses

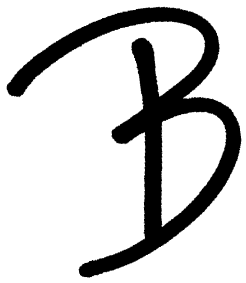
Vikki Keys, National Park Service

John Schlichting, CarrAmerica Development, Inc.

Steven E. Sher, Urban Planner

ESTIMATED TIME REQUIRED FOR PRESENTATION OF APPLICANT'S CASE: 15 minutes

2471817_v1



Outline of Testimony
Vikki Keys
National Park Service

I. Introduction

II. Approved Bench Amenity

- A. National Park Service will not permit implementation of bench amenity
- B. Task Force determined that proposed bench is no longer acceptable

III. Proposed Replacement Amenity

- A. Maintenance and Refurbishment of Parks
- B. Design of new Bench Prototype
- C. Benefit to the Community
- D. Precedents for Improvement of National Park Service Property as amenity

IV. Conclusion

Outline of Testimony of
John B. Schlichting
CarrAmerica Development Inc.

I. Introduction

II. Request for Modification to Condition No. 8(a)

- A. Description of Condition No. 8(a)
- B. Work with the National Park Service (NPS)
  - 1. No longer an acceptable amenity
  - 2. Number and substance of meetings with NPS
- C. Proposed Replacement Amenity
- D. Serves Same Purpose
- E. Costs
- F. Implementation of Amenity by Golden Triangle BID

III. Request for Modification to Condition No. 8(e)

- A. Description of Condition No. 8(e)
- B. Need for Change Based on Uncertainty with Condition No. 8(a)
- C. Proposed Agreement with Green Spaces for DC
- D. Proposed Modification to Timing

IV. Conclusions

Outline of Testimony
Steven E. Sher

I. Introduction

II. Overall Scope of Amenities

- A. Description of Approved Amenities
- B. No Change in Total Community Amenities Package
- C. No Change in Balance of Local Community Benefits

III. Conclusion