SAFEWAY INC.
4551 FORBES BLVD.
LANHAM, MD 20706-4344

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02-38

Writer's Direct Dial Number: (301) 918-6662

May 23, 2003

Ms. Gretchen Dudney
Sr. Vice President & Director of Development
The Kaempfer Company
1501 K Street, NW
Suite 450
Washington, DC 20005

RE: Safeway #1425
Waterside Mall
Washington, DC

Dear Gretchen:

Thank you for returning my call regarding the redevelopment of Waterside Mall. I understand that you feel that there is no way you could modify your design for the office building so that Safeway could have a full-sized store located on 4th Street. Your proposal is to put the Safeway store behind the office building totally surrounded by other buildings except for a vestibule over 100 feet in length connecting the store to the street. Your proposed signage somewhat mitigates our visibility concerns but this design still would require shoppers to walk the length of the vestibule before they actually enter the store and they would have only underground parking. You have proposed this design so that the office lobby can be located on 4th Street at the center of the building. After reviewing the plan again, we feel that your proposed design does not benefit our supermarket operation.

Most people shop for groceries where it is most convenient. Convenience includes a variety of things, for instance, location, adequate parking, ease of getting in and out, etc. Anything that detracts from convenience affects the customers' desire to shop there and the ultimate success of the store. In considering a mixed-use plan, Safeway recognizes that certain compromises must be made from what might be considered a conventional supermarket layout. A new store, however, is a multi-million dollar investment by Safeway. Those compromises must not impact the fundamental operation of the store and risk its success. Consider that most people make more than one shopping trip per week and this trade area contains a significant number of seniors. Any extra walk or a wait for an elevator when repeated multiple times with shopping bags can make a shopper conclude the store is not convenient and motivate him or her to shop at a store

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Case 02-38
Exhibit 112

ZONING COMMISSION
District of Columbia
CASE NO.02-38
EXHIBIT NO.112

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without those conditions. Each situation has to be considered in its own context and evaluated carefully.

In this situation, we have compromised from what would be our optimum placement for the store, i.e. on the intersection of 4th & M Street with surface parking (where we are now). The plan we have proposed moves the store mid-block and only requires a small amount of surface parking with the remainder below grade. You mentioned that there are issues regarding the positioning of fire exit stairs. I am sure there is a way to accommodate such needs within our design.

The location of our store affects only one part of your office component of the redevelopment. By moving Safeway to this location, you will be able to construct a new office building in our current location at the intersection in the near term rather than in seventeen years. Safeway has served this community in this location for over twenty years and would like to continue to serve it with a full-service, state-of-the-art Safeway. The City has determined that full service grocery stores are an important component of its planning and land use policies. I urge you to review the design again to see if you can accommodate our plan.

I look forward to discussing this with you further.

Very truly yours,

Avis E. Black
Area Real Estate Manager

Enclosure

cc: Eric Price, Deputy Mayor Planning and Economic Development
Andrew Altman, Director, Office of Planning
Jerry Moore, III, Esquire
ANC 6D
The Honorable Sharon Ambrose
Cynthia Giordano, Esquire
Simone Goring
Carol Mitten, Chair, Zoning Commission