WATERFRONT

A Mixed-Use Revitalization in Southwest Washington, DC
401 M Street, SW, Washington, DC 20024
www.waterfrontdc.com

RECEIVED
D.C. OFFICE OF ZONING
2003 JUN -9 PM 12:07

June 9, 2003

Carol Mitten, Chair
DC Zoning Commission
441 4th Street, NW
Suite 220
Washington, DC 20001

Re: ZC Case No. 02-38 (PUD & Map Amendment, 401 M St., SW)

Dear Chair Mitten:

Regarding the Safeway letter to you from Avis Black dated May 30, 2003, we would like to respond as follows:

1) Regarding an expanded grocery store on our site, the letter states that the Applicant " was only willing to consider its plan, one that Safeway had already determined to be unworkable operationally." This is not correct. We are, and always have been, willing to consider any grocery store plan that respects the commercial viability of the other uses on the site. In fact, discussions were held with Safeway to expand its store even before Kaempfer and Forest City's involvement, but Safeway indicated it would not expand without a pharmacy exclusive, which was impossible due to the existing CVS lease. Discussions were initiated again in 2001 by Kaempfer and Forest City and the plan referenced in Safeway's letter (and provided to you with previous correspondence) was rejected by them in 2002. We continue to believe this plan is workable operationally.

2) Regarding the 1.5 mile radius issue, we did not intend to include Capitol Hill in this area, and are agreeable to restricting this area to south of I-395.

3) The statement that the "Applicant is clearly unwilling to give the community more than it already has" is not correct. The community currently has no guarantee of any retail in the project and no commitment to set aside space for a grocery store. We

ZONING COMMISSION
District of Columbia
Case 02-38
Exhibit 116

Development by Forest City Washington and The Kaempfer Company
1501 K Street, NW, Suite 300, Washington, DC 20005
Phone: 202-331-4300 Fax: 202-331-4313

ZONING COMMISSION
District of Columbia
CASE NO.02-38
EXHIBIT NO.116

remain committed to a 30,000 square foot grocery store as a long term use for this project in accordance with the language we submitted to you in our May 23, 2003 letter.

4) The concern that "Safeway runs the risk that its customers will find the access to the store inconvenient and shop elsewhere" and "the city has refused to accommodate this need," is not well founded. Until only recently, Safeway customers have had to obtain a parking ticket on weekdays and before 3p.m. Saturday to enter the parking lot and get the ticket validated at the store to avoid a parking charge. The revised circulation plan after 4th Street is built avoids this inconvenience. Furthermore, DDOT has agreed to a median break on M Street to accommodate Safeway. And the Office of Planning has indicated in its supplemental report that "DDOT characterized one proposal to widen the eastern driveway along the M Street frontage to accommodate another travel lane as the solution that works..." We will continue to work with the City, DOT and Safeway to provide adequate access to the existing store. If Safeway still feels the parking is too inconvenient, we will allow them to cancel their lease with no penalty and we will lease the store to another grocery chain.

5) Finally, the May 30th Safeway letter states "this project is not a true Town Center with retail, residential and office uses all making important contributions to the whole." We emphatically deny this conclusion, as demonstrated by testimony throughout the PUD hearing by the Applicant, the community, and the City Office of Planning.

In conclusion, we have an existing, binding lease with Safeway for the next 17 years, which we fully intend to honor. The primary issue we are addressing is what happens 18 years from now. Although we realize that the grocery business could be very different 18 years from now, we are committed to guaranteeing space for a grocery on our site as our formal response indicates. We find it troubling that Safeway has suddenly attempted to elevate landlord tenant issues to a zoning matter and question whether this is may prove to be precedent setting.

WATERFRONT

A Mixed-Use Revitalization in Southwest Washington, DC
401 M Street, SW, Washington, DC 20024
www.waterfrontdc.com

Our application proposes to redevelop this underperforming, uninviting, monolithic site into a successful, mixed use project with quality design, guaranteed retail and residential space, a public plaza, and pedestrian friendly streetscapes. We hope that you agree with us and vote to approve our application as soon as possible

Sincerely,

Gretchen Dudney

Gretchen Dudney
Senior Vice President

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
Avis Black, Safeway
Cynthia Giordano, Esquire
Simone Goring, NCRC