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## **VIA IZIS AND HAND DELIVERY**

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

**Re: Z.C. Case No. 02-38I  
Applicant's Supplemental 20-day Prehearing Filing  
Second Stage PUD & Modification of Significance to First-Stage PUD @ Square 542**

Dear Members of the Commission:

On behalf of Waterfront 375 M Street, LLC and Waterfront 425 M Street, LLC (together the "Applicant"), and pursuant to 11-Z DCMR § 401.5, we hereby submit this Supplemental Prehearing Statement in support of Z.C. Case No. 02-38I for a second-stage planned unit development ("PUD") and a Modification of Significance to an approved First-Stage PUD for 375 M Street, SW (the "East M Street Building") and 425 M Street, SW (the "West M Street Building") in accordance with the Zoning Commission's approval in Z.C. Case No. 02-38A.

As described in the Applicant's previous filings, this application requests approval of a second-stage PUD consistent with the height, density and other conditions approved in the First-Stage PUD. The application also includes a modification of significance to permit a change of the primary use of the M Street Buildings from office to residential. As currently proposed, the M Street Buildings will provide a combined total of approximately 581,816 square feet of residential use, approximately 32,400 square feet of neighborhood-serving office use, approximately 39,933 square feet of active ground floor retail use, and approximately 6,000 square feet dedicated to a community center, as specifically requested by the community and as more fully described below. Additional refinements from the First-Stage PUD include (a) relocation of the parking access from M Street to the north-south Private Drives (defined below) and updates to the architectural design, all as described in the Applicant's Statement in Support of the Application (Exhibit 2), and (b) a modification to the loading configuration, as described herein, in response to concerns from the community.

**I. Update on Proposal to Create an Active Town Center at Waterfront Station and Community Engagement**

The public hearing for this case was originally scheduled for November 30, 2017, and has been postponed twice due to the Applicant’s ongoing work with numerous community stakeholders, including the Advisory Neighborhood Commission (“ANC”) 6D and Waterfront Tower Condominium Board (“Waterfront Tower”), a party in opposition to the application. The most significant and overarching issue raised by the community was the importance of the M Street Buildings in creating a vibrant and active “town center” at Waterfront Station.

In response to this priority, the Applicant undertook a number of initiatives to study the existing site activity, to explore the best types of uses, public spaces, and marketing strategies for Waterfront Station, and to engage with the community to identify their views on the attributes and uses that would best create an active and vibrant Waterfront Station town center. The revised architectural drawings attached hereto as Exhibit A (the “Revised Drawings”) and the information provided herein reflect the Applicant’s response to requests, concerns, and suggestions raised by the community over the past several months.

**1. Existing Site Activity**

The Applicant commissioned a pedestrian study to determine the times of day and days of the week that have the highest and lowest levels of pedestrian activity at Waterfront Station as it currently exists (the “Pedestrian Study”). The purpose of the Pedestrian Study was to identify when pedestrians are using Waterfront Station in order to determine who those pedestrians are (e.g. residents, visitors, employees). With this information, the Applicant can identify what new use(s) would complement the existing activity, with the ultimate goal of extending pedestrian traffic into the evenings and weekends and creating a more active town center environment.

The results of the of the Pedestrian Study are shown in the Pedestrian Data Collection Results Memorandum, prepared by Gorove/Slade and attached hereto as Exhibit B. As noted therein, pedestrians were counted on the east and west sides of 4<sup>th</sup> Street, SW, on a weekday and a weekend day. Results from the Pedestrian Study indicate that pedestrian activity peaks on weekday mornings (8:15 am to 9:15 am), weekday afternoons (12:45 pm to 1:45 pm), and weekday evenings (5:30 pm to 6:30 pm), and is lowest on weekday evenings and on the weekends.<sup>1</sup> This data is representative of typical commuter patterns and is similar to other areas of the District that have high office densities.

Results from the Pedestrian Study demonstrate that pedestrian activity at Waterfront Station is primarily generated by employees and visitors to the 1100 and 1101 4<sup>th</sup> Street office buildings, and not by residents living within Waterfront Station or in the surrounding neighborhood. Specifically, the AM weekend peak hour observed 25% fewer pedestrians, the midday weekend peak hour observed 45% fewer pedestrians, and the PM weekend peak hour observed 30% fewer pedestrians, compared to comparable weekday observations. Therefore, the

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<sup>1</sup> The one exception is the spike in pedestrian activity after the weekday evening peak period, which coincided with an 8:00 pm event at Arena Stage.

Applicant’s proposal to develop the M Street Buildings with residential, retail, service, restaurant, and community-serving uses will increase the number of residents living at Waterfront Station, draw additional visitors outside of workday hours, and increase pedestrian activity at off-peak times, thus supporting the active town center vision for Waterfront Station.

## 2. Retail Mix, Public Space Improvements, and Marketing Strategy

The Applicant engaged Streetsense, a company with expertise in retail design, place-making and leasing, to prepare a Retail Assessments and Recommendations Report (the “Retail Report”) (Exhibit C) and to identify the types of retail uses, physical qualities, and marketing strategies that would collectively create the most successful town center environment at Waterfront Station. The Applicant’s initial Application Statement and Prehearing Statement (Exhibits 2 and 13, respectively) describe how the modified PUD will create a dynamic multi-neighborhood center that is consistent with the Comprehensive Plan and the Council-adopted Southwest Neighborhood Plan (the “SW Plan”). The Retail Report provides further evidence that the revised development program for the M Street Buildings will optimize Waterfront Station’s position as a vibrant neighborhood-serving town center in Southwest, DC.

### A. Uses and Physical Attributes of a Town Center

As set forth in the Retail Report, the qualities that create a successful town center are numerous and diverse. These qualities include active ground floor retail and service uses that attract foot traffic throughout the day, into the evening, and on the weekends. A town center must convey a strong sense of place, with high-quality and inviting public spaces, outdoor seating and amenities, and pedestrian-scaled sidewalks and street crossings. Vertical density with appropriate uses is also important, since users of the upper-level floors are necessary to support ground floor retail and increase pedestrian traffic. As with any successful development, convenient access to public transportation options, bicycle facilities, and public parking are essential elements to attracting and retaining a diversity of residents, retailers, employers, and visitors to a town center.

### B. Merchandising, Leasing, and Marketing

The Retail Report recommends a specific merchandising/leasing and marketing plan for the M Street Buildings and Waterfront Station as a whole. The merchandising plan is based on data that reveals the following ideal mix of retail types for a successful town center:

<u>Ideal Use Mix in a Neighborhood Town Center:</u>	
Anchor:	40% to 50%
Full Service Dining:	10% to 20%
Limited Service Dining:	5% to 15%
Neighborhood Retail (goods/services):	25% to 35%

The merchandising plan further recommends specific types of anchor, dining, and neighborhood retail uses for the M Street Buildings based on the existing retail mix at Waterfront Station and the demographics of existing and anticipated retail customers. *See* pages 25-31 of the Retail Report. The overall goal of the merchandising plan is to attract neighborhood-serving

retailers (as opposed to destination retailers) to promote both daytime and evening/weekend foot traffic. The merchandising plan notes that residential use generates significantly more retail demand and foot traffic than office use. The Retail Report concludes that with the proposed modification in use from office to residential for the M Street Buildings, the proportionate shares of residential and office at Waterfront Station will be of an ideal ratio for maximizing retail patronage with both daytime and evening/weekend foot traffic. Thus, the result in the change of use will be an increase in the retail customer base throughout the day, into the evenings, and on the weekends.<sup>2</sup>

The Retail Report also recommends a marketing plan to establish a distinct brand identity for Waterfront Station as a mixed-use, transit-rich, and community-oriented town center. Marketing recommendations include site activation mechanisms and public space programming, cohesive public space signage and wayfinding, an online presence, and engagement with neighborhood stakeholders through each step of the process. These types of strategies will further solidify Waterfront Station's identity within the District and ensure a successful lease-up of retail space within the proposed buildings.

### C. Applicant's Response to Retail Report

The Applicant's proposed uses, public space improvements, merchandising plan, and marketing strategy for the M Street Buildings are fully consistent with the recommendations set forth in the Retail Report. The M Street Buildings will contain active ground floor retail, service, and community-serving uses that will line the building facades along 4<sup>th</sup> Street, adjacent to the Metro Plaza, and M Street and will draw pedestrians to and through the overall development. As described below, a dedicated 6,000 square foot community center has been incorporated into the design and use of the East M Street Building, which will attract an even wider range of visitors to the site. The landscape and public space plan for the M Street Buildings includes public plazas with outdoor seating, pedestrian-scaled amenities and lighting, and streetscape improvements that promote safety and encourage pedestrian travel. Moreover, the residential use proposed for the M Street Buildings will provide the necessary population to support both daytime and evening/weekend foot traffic. Waterfront Station has exceptional access to public transportation, bicycle facilities, and parking options which will continue to serve existing and future users within the neighborhood.

Consistent with the merchandising plan, the Applicant will provide retail space for a variety of users/uses and retailers of various sizes, consistent with the ideal use-mix set forth above. The Applicant will also market to local retailers that will serve neighborhood residents rather than destination retailers. The Applicant will work with the community throughout the development and construction processes to identify the types of retail use that meet the community's needs and market demand. Accordingly, the Applicant requests flexibility to modify the locations of demising walls and exact number of retailers within each M Street Building to provide the greatest amount of flexibility in use.

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<sup>2</sup> The proposed community center within the East M Street Building, as will be discussed more fully in Section 3, falls generally within the "Neighborhood Retail (goods/services)" category, since it will draw visitors throughout the day and evening, serve neighborhood residents, and have a separate, well-signed street presence and activation along M Street.

Consistent with the Retail Report’s recommendations of establishing the town center’s identity and marketing it as a unified neighborhood, the Applicant will work with the community to establish a brand identity for Waterfront Station as a whole. As set forth in the Community Benefits Agreement (“CBA”) with the ANC, attached hereto as Exhibit D, and described more fully below, the Applicant will convene regular meetings (at least semi-annually) with all of the Waterfront Station property owners (the “PUD Owners”) and ANC 6D to establish an appropriate management plan for Waterfront Station. The Applicant will encourage public space programming and activation, establish visually appealing wayfinding and signage to and within Waterfront Station, and institute a consistent online presence. Therefore, based on the findings above and the proposed project components, the Retail Report concludes that the Second-Stage PUD for the M Street Buildings maximizes retail trade, implements strategies to increase pedestrian activity to the site (both in numbers of pedestrians and hours per day of activity), provides ground floor retail uses that will maximize vibrancy and activity, and creates the authentic town center environment that has long been prioritized by the District and the community.

### **3. Community Input, Engagement, and Recommendations**

#### **A. ANC Meetings**

The Applicant began meeting with ANC 6D and other community stakeholders in the fall of 2017. The Applicant’s made a formal presentation to the ANC on October 23, 2017, at which time it was determined that additional engagement and collaboration was needed. After working with ANC leadership in late 2017, the Applicant launched an aggressive community engagement strategy with the ANC commissioners in January, 2018, to present the project and the studies described above, solicit meaningful and substantive feedback, and examine new and creative solutions. The culmination of the ANC meetings is the CBA attached hereto as Exhibit D.

The Applicant hosted seven meetings with ANC commissioners between January 17, 2018, and March 12, 2018 (approximately 1-2 meetings per week). Throughout the process, the Applicant presented multiple iterations of plans and programs to directly address the ANC’s stated concerns and recommendations. The Applicant presented the updates to the community at the ANC’s regularly-scheduled public meeting on February 15, 2018, and is scheduled to present the final proposed plans on March 19, 2018. The Revised Drawings, the information provided herein, and the CBA reflect the Applicant’s responses to the requests, concerns, and suggestions raised by the community.

#### **1. Community Center**

The most significant request generated in the ANC meetings was the desire to have a dedicated community center in one of the M Street Buildings to encourage additional pedestrian activity and provide an additional amenity for the community. The ANC identified the community center as a use that would be able to successfully create the vibrant town center.

In response, and as shown in Revised Drawings, the Applicant proposes to dedicate approximately 6,000 square feet in the East M Street Building as a community center. The community center is envisioned by the ANC to be the heart of the community, with an open and

inviting environment that helps transform 4<sup>th</sup> Street, SW into Main Street in a thriving town center. The community center will be a place where people gather, explore arts and recreation, develop new skills and interests, participate in civic life, forge new friendships, and celebrate milestones.

The community center will be programmed to have activities and events during day and evening hours. The ANC envisions that during the day, retired people, caregivers, and people who have flexible work schedules would use the community center for various activities, including to socialize, use workspaces, practice yoga, or take computer classes. The community center may also offer cooking classes that prepare lunches, dinners, or special afternoon teas. The community center could host lecture series and encourage discussion groups as well. In the evenings and/or on weekends, the community center could host meetings and small concerts. In the studio spaces, there may be classes for people to explore the arts. In the garden space, there may be a league of regular checkers, chess, and scrabble players who have round robin games. There may even be enough interest for a theatrical group and amateur theater.

As set forth in the CBA, the community center will be operated by an entity that is mutually-acceptable to the Applicant and the ANC. The Applicant will not charge rent for the first 30 years of operation of the community center, and during that time will pay all property taxes and operating expenses associated with the community center use, except for electricity and internet/cable services. The Applicant will spend up to \$500,000 for the community center's interior design and fit-out, up to \$50,000 for furniture, fixtures, and equipment, and \$15,000 for initial start-up costs. As shown on the Revised Drawings, the community center will have a separate, secured ground-floor entrance on M Street, SW, that is accessible to the public and controlled and managed by the community center operator. Employees and visitors of the community center will have access to the second floor terrace of the East M Street Building, as coordinated through the Building's office tenants.

The Applicant studied the programming, layout, design, and operation of a variety of existing community centers within the District and in similarly-situated neighborhoods, and presented numerous programming, layout, and location options to the community. The design, layout, and program shown on the Revised Drawings and described herein has been positively received by the ANC.

## 2. Office Use Consolidation

As part of the proposal to establish a community center in the East M Street Building, the Applicant also proposes to consolidate all of the neighborhood-serving office space into the East M Street Building, instead of dividing it between the East and West M Street Buildings as originally proposed, in order to provide a critical mass of office use all at once. The total amount of space devoted to the office and community center uses is approximately 38,400. Consolidating the office use into the East M Street Building will benefit the overall project because it will allow for earlier delivery of the office use that the community desires. The community expressed support for this proposed modification, particularly because the East M Street Building (and the associated community, office, and retail spaces) will be delivered before the West M Street Building and because the total square footage devoted to office and community service uses in the East M Street

Building will be approximately the same as the total square footage that was proposed for office use when it was split between the M Street Buildings combined.

### 3. Public Space Plan

As described in the Supplemental Transportation Memo (“Transportation Memo”) prepared by Gorove/Slade and attached hereto as Exhibit E, and as shown on Figure 3 of the Transportation Memo, the Applicant proposes to install speed bumps, stop signs, and other wayfinding signage throughout Waterfront Station. Doing so is intended to manage traffic flow, slow vehicle speeds, and create a more enjoyable and safe pedestrian experience. The Applicant will also install new crosswalks with ADA compliant curb ramps on the outside boundaries of the East and West M Street Buildings, providing a safe pedestrian link from Waterfront Station to the residential developments to the east and west. The Applicant will also incorporate sidewalks along the East and West M Street Buildings in the north-south private drives located on the outside boundaries of the East and West M Street Buildings (the “Private Drives”). The sidewalks will extend north from M Street to the east-west plazas.

In addition, prior to the start of construction of the East M Street Building, and continuing until one year following the issuance of a Certificate of Occupancy for the West M Street Building, the Applicant will convene regular meetings with the PUD Owners and ANC 6D to actively manage the public space within Waterfront Station. As specifically requested by the ANC, the Applicant will also to work with the ANC to install a specific element in public space and/or at the Metro Plaza that creates a sense of arrival to a vibrant waterfront neighborhood.<sup>3</sup>

#### B. Waterfront Tower

In addition to the ANC meetings, the Applicant met separately with representatives from Waterfront Tower, which is a condominium building located across the Private Drive to the east of the East M Street Building and with frontage on 3<sup>rd</sup> Street, SW (1101 3<sup>rd</sup> Street, SW). Waterfront Tower is one of two existing residential buildings that are part of same record lot as the redevelopment recently approved by the Zoning Commission in Z.C. Order No. 12-14/12-14A, dated January 28, 2014, and effective on March 14, 2014 (the “Town Center PUD”). As part of the Town Center PUD, a new residential building was approve immediately to the south of Waterfront Tower (referred to as the “South Building”). The South Building is being constructed directly across the east Private Drive from the East M Street Building, with frontage on M Street and with all parking and loading accessed from the east Private Drive. Waterfront Tower was originally a rental building and was converted to a condominium regime in or around 2009. The The Zoning Commission granted party status in opposition to the subject application to Waterfront Tower on October 30, 2017.

As with the ANC, the Applicant has met with representatives from Waterfront Tower on multiple occasions, beginning in November, 2017, and continuing through the date of this filing.

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<sup>3</sup> If the element is within the public space, the Applicant may be required to obtain approval from DDOT for such installation. If the element is within the Metro Plaza and is outside the scope of the Second-Stage PUD plans approved in Z.C. Order No. 02-38A, then the Applicant may be required to submit those modifications to the Zoning Commission for review and approval of a modification to the Second-Stage PUD.

The issues raised by Waterfront Tower are primarily a result of the building's proximity to the East M Street Building.

1. Private Drive – Loading Configuration and Vehicle Congestion

Waterfront Tower expressed concern over potential increased traffic congestion in the Private Drive due to loading trucks serving the East M Street Building. Waterfront Tower's passenger drop-off area is located directly to the east of the approved location of the East M Street Building's loading facilities. In response to Waterfront Tower's concerns, the Applicant proposes a modified loading configuration that consolidates all truck access into an internal loading facility with a single access point from the Private Drive. This access is shifted farther to the south, away from Waterfront Tower's drop-off area. *See Revised Plans*. The revised loading plan continues to provide three separate loading berths, and as shown on the updated AutoTurn movements included as Figures 1 and 2 of the Transportation Memo, the revised layout permits front-in, front-out maneuvers entirely within the building footprint<sup>4</sup>. The Applicant will incorporate a mirror-image of the redesigned loading facility in the West M Street Building. *See Revised Plans*.

The Private Drives will operate more efficiently as a result of the reconfigured loading plan. Although the number of vehicles accessing the private drives will not change, loading vehicles will no longer be making backing maneuvers within the Private Drives, thus reducing conflicts among different users of the Private Drives and eliminating all truck maneuvering in the portion of the Private Drive adjacent to Waterfront Tower. This results in simplified vehicular activity within the Private Drives and a safer environment for vehicular, pedestrian, and bicycle activity. As noted above, additional signage, striping, and traffic calming measures, as well as new sidewalks, are proposed along the Private Drives to discourage speeding or wrong-way vehicular travel and enhance pedestrian safety. Furthermore, the revised loading configuration eliminates one loading entrance/doorway in each M Street Building, which enhances views from the residential buildings on the opposite sides of the Private Drives.

2. Increase in Shadows and Impacts on Views

Waterfront Tower expressed concern that the modified building design would increase shadows on their property and would detrimentally impact views from their property. The Applicant met with representatives from Waterfront Tower to review shadow studies, a copy of which are attached hereto as Exhibit F. The shadow studies compare (i) the existing condition; (ii) the massing approved in the First-Stage PUD; and (iii) the massing proposed in this Second-Stage PUD. Based on the studies, the slightly revised building massing resulting from the residential use does not create any discernible increase in shadows on Waterfront Tower when compared to the massing approved as part of the First-Stage PUD. In addition, the studies also show the most significant shadows cast on Waterfront Tower are created by the Town Center PUD's South Building approved in 2014 in Z.C. Order No. 12-14/12-14A.

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<sup>4</sup> The Zoning Commission approved the location and configuration of the East M Street Building's loading facilities in 2007 as part of the First-Stage PUD approval (Z.C. Order No. 02-38A), which was prior to the approval of the loading configuration for the Town Center PUD.



In addition, the Applicant's revisions to the loading configuration has limited Waterfront Tower's views into the service areas, and the shift of the loading and parking entrances to the south further limits the views into the building. With respect to other views, Waterfront Tower is not entitled to any particular view or views from its property across the East M Street Property. Furthermore, the Zoning Commission approved massing for the East M Street Building in 2007. Waterfront Tower was already constructed at that time. While Waterfront Tower changed ownership structures in or around 2009, the massing for the East M Street Building was already approved at that time and such information would have been available to any potential purchaser of units within Waterfront Tower.

### 3. Notice

Finally, as set forth in its request for party status dated August 22, 2017 (Exhibit 14), Waterfront Tower claimed that it did not receive adequate notice of the public hearing on this case. The Zoning Commission granted that party status request on October 30, 2017, and Applicant held its first of several meetings with representatives from Waterfront Tower on November 9, 2017. Accordingly, Waterfront Tower has actual notice of the public hearing.

In addition, consistent with the Zoning Regulations, the following additional notice was provided to Waterfront Tower:

- The Applicant disseminated the initial notice of the PUD application through a Notice of Intent mailed to Waterfront Tower on October 28, 2016 (*see* Exhibit 2M, p. 13).
- The Office of Zoning issued the first Hearing Notice to Waterfront Tower on September 5, 2017, and reissued the notice on November 7, 2017 and January 18, 2018 (*see* Exhibits 16, 35 and 50).<sup>5</sup> No record of Waterfront Tower's Hearing Notice being returned to the Office of Zoning is present in the case record.
- The Applicant first posted notice of the public hearing on the East and West M Street sites on October 16, 2017 (Exhibit 30) and again on February 21, 2018 (Exhibit 59), with the notice signs maintained as required by 11-Z DCMR § 402.10.

Accordingly, notice has been provided in accordance with the Zoning Regulations.

### C. Other Community Stakeholders

The Applicant has also engaged with a variety of other community stakeholders. The Applicant has met with leadership of the Southwest Neighborhood Assembly ("SWNA") on several occasions, beginning in the summer of 2017. The Applicant has also met with the

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<sup>5</sup> Pursuant to 11-Z DCMR § 402.1, notice of a public hearing is required to be delivered to owners of all property within 200 feet of the property included in the application; provided, however, in the case of a residential condominium or cooperative with 25 or more dwelling units, notice may be provided to the board of directors or to the association of the condominium or cooperative that represents all of the owners of all such dwelling units. Because Waterfront Tower is a condominium with more than 25 units, the Applicant provided notice directly to the condominium board and not to the individual unit owners.

Southwest Business Improvement District on an ongoing basis since the spring of 2017. The Applicant hosted separate meetings with the Tiber Island Cooperative and the Carrollsburg Square Condominium Association, which were the parties to the original PUD case, and also has communicated with leadership from the Harbour Square Condominium, which submitted a letter in opposition to the application (*see* Exhibit 41). Overall, the Applicant believes that the modifications included in the Revised Drawings and described herein fully address the concerns expressed by the various community stakeholders.

## **II. Update on Public Benefits and Amenities**

### **1. Approved First-Stage Benefits and Amenities**

Pursuant to 11-X DCMR § 304.4(c), the Zoning Commission shall find that proposed developments include specific public benefits and project amenities that are not inconsistent with the Comprehensive Plan or with other adopted public policies and active programs related to the subject site. The First-Stage PUD included a number of significant public benefits and project amenities, which are described in detail in Z.C. Order No. 02-38A, FF No. 89(a)-(f) and FF Nos. 90(a)-(h). The significant majority of these benefits and amenities have already been delivered, including the following:

- Re-open 4<sup>th</sup> Street, SW, as a dedicated public right-of-way to break down the super block previously in place, to restore the street grid, improve traffic flow and serve as a neighborhood town center;
- Construct 895 residential units, with approximately 11.8% being affordable;
- Construct more than 90,000 square feet of retail space (of the 110,000 square feet required overall project), with more than 10,000 square feet provided for small and local retail users (of the 12,500 square feet required for the overall project);
- Deliver the significantly expanded and upgraded 55,000 square foot Safeway grocery store;
- Maintain the Safeway, CVS Pharmacy, and Bank of America on-site throughout the initial construction;
- Deliver over 50,000 square feet of public open space; and
- Construct and maintain the public park property to the north of Waterfront Station.

As part of the subject application, the Applicant will also implement the following previously-approved public benefits and amenities applicable to East and West M Street Buildings:

- Accomplish major urban design benefits and improvements (FF No. 89(c));
- Create and improve the town center (FF No. 89(d));
- Add more retail and service uses in Waterfront Station, including for small and local retail users (FF Nos. 89(f) and 90(c));
- Incorporate sustainable design features (FF No. 90 (d));
- Introduce elements of the Transportation Management Plan (FF No. 90(g));
- Provide employment and training opportunities (FF No. 90(h)); and
- Enter into a Security and Construction Mitigation Plan for the M Street Buildings (FF No. 90(f)).

Accordingly, the Commission’s previous finding that the relative value of the public benefits and project amenities is sufficient given the degree of development incentives requested should not change. *See* Z.C. Order No. 02-38A, FF No. 91.

## **2. Proposed Second-Stage Benefits and Amenities for the M Street Buildings**

Despite the extensive level of public benefits and amenities approved through the First-Stage PUD, the Applicant proposes the following additional and continuing benefits and amenities as part of the Second-Stage PUD and modification to the approved First-Stage PUD for the East and West M Street Buildings:

### **A. Housing and Affordable Housing**

The Applicant proposes to provide a minimum of 8% of the residential gross floor area in both the East and West M Street Buildings to households earning up to 60% of the Medium Family Income (“MFI”), which is fully consistent with the Inclusionary Zoning (“IZ”) regulations. In addition, the Applicant proposes to dedicate two of the proposed IZ units in the East M Street Building and three of the proposed IZ units in the West M Street Building (five units total) as 3-bedroom IZ units dedicated to households earning up to 60% of the MFI. These larger-sized units will create new affordable housing options for families, which is an important District priority, and is specifically identified as a public benefit in 11-X DCMR § 305.5(f)(3). In contrast, under the approved PUD for the East and West M Street Buildings, no affordable housing would have been provided at all.

The overall Waterfront Station PUD also includes affordable housing in the East and West Residential Buildings (1150 and 1151 4<sup>th</sup> Street, SW), which each contain 53 affordable housing units (106 total), or 20% of the net residential square footage within each building. All of the affordable housing units in the East and West Residential Buildings are reserved for households earning up to 50% of the area medium income (“AMI”). Additional affordable housing will be provided within the PUD upon the development of the Northeast Building (1000 4<sup>th</sup> Street, SW), which has not yet been submitted for Second-Stage PUD but which will reserve approximately 30% of its residential units as affordable.

If the M Street Buildings are developed as proposed, the total number of affordable units within the overall PUD would increase by approximately 20%, and the effective proportion of affordable units compared to market rate units across Waterfront Station would be approximately 15%. This proportion is significantly greater than the minimum percentage required under the new IZ regulations, and is greater than other recently-approved PUDs.

### **B. Employment and Training Opportunities**

As described in previous filings, as part of construction of the M Street Buildings the Applicant will (i) enter into a First Source Employment Agreement to promote and encourage the hiring of District residents (*see* Exhibit 2K); and (ii) enter into a Certified Business Enterprise Agreement, in order to utilize local, small, and disadvantaged businesses (*see* Exhibit 2L).

C. Other Public Benefits and Project Amenities that Advance the Major Themes and Policies of the Comprehensive Plan

Retail Use. The amount of retail space proposed for the M Street Buildings will exceed the minimum amount of neighborhood-serving retail and service uses required under the First-Stage PUD approval for Waterfront Station. Specifically, Condition No. 13 of Z.C. Order No. 02-38A required that the overall PUD provide a minimum of 110,000 square feet of gross floor area which the Applicant shall target for neighborhood-serving retail and service uses. The M Street Buildings will include a total of approximately 39,933 square feet of gross floor area devoted to retail uses, which results in almost 130,000 square feet of retail for Waterfront Station, not including the proposed retail square footage in the Northeast Building, which has not yet been submitted for a Second-Stage PUD. This amount of retail use will advance the major themes and policies of the Comprehensive Plan and the SW Plan for creating a vibrant and walkable town center at Waterfront Station.

Community Center. As noted above, the Applicant proposes to dedicate approximately 6,000 square feet in the East M Street Building as a community center. A description of the proposed uses and programming of the community center is described in Section I(3)(A)(1) of this letter.

The community center will be operated by an entity that is mutually-acceptable to the Applicant and the ANC. The Applicant will not charge rent for the first 30 years of operation of the community center, and during that time will pay all property taxes and operating expenses associated with the community center use, except for electricity and internet/cable service. The Applicant will spend up to \$500,000 for the community center's interior design and fit-out, up to \$50,000 for furniture, fixtures, and equipment, and \$15,000 for initial start-up costs. The community center will have a separate, secured ground-floor entrance on M Street, SW, that is accessible to the public and controlled and managed by the community center operator. Employees and visitors of the community center will have access to the second floor terrace of the East M Street Building, as coordinated through the Building's future office tenants.

Work with Property Owners. As set forth in the CBA, following the Zoning Commission's approval of Z.C. Case No. 02-38I, and prior to the start of construction for the East M Street Building, the Applicant will convene a meeting (physically or electronically) among the PUD Owners and ANC 6D for the purpose of creating and implementing a cohesive and enforceable management plan for Waterfront Station. The Applicant will subsequently convene two meetings with the PUD Owners and ANC 6D within the first year following the start of construction of the East M Street Building, and shall thereafter convene meetings annually with the PUD Owners and ANC 6D until one year following the issuance of the first Certificate of Occupancy for the West M Street Building.

Element in Public Space/Metro Plaza. As noted above, following the start of construction for the East M Street Building, the Applicant will work with ANC 6D to install an element in public space and/or in the Metro Plaza that creates a sense of arrival to a vibrant waterfront neighborhood.

### **III. Updates on Transportation and Public Space**

#### **1. Comprehensive Transportation Review Report**

On October 27, 2017, the Applicant submitted a Comprehensive Transportation Review (“CTR”) report, prepared by Gorove/Slade Associates (Exhibit 32A), which concluded that the M Street Buildings would not have a detrimental impact to the surrounding transportation network, assuming that all proposed design elements and mitigation measures are implemented. Specifically, the CTR found that the M Street Buildings would increase queuing delay at the 4<sup>th</sup> and M Street intersection and the 7<sup>th</sup> and I Street intersection, but that adjusting signal timing at those intersections would decrease delays to levels that are improved over background conditions, and would therefore be fully mitigated.

The CTR also sets forth a proposed Transportation Demand Management (“TDM”) Plan that goes above and beyond the TDM plan approved in the First-Stage PUD and addresses the current best practices that have evolved since that time. *See* CTR, pp. 17-18. The Applicant will continue to work with DDOT to ensure that the proposed TDM measures for the M Street Buildings are appropriate to reduce travel demand and reflect current DDOT and industry standards.

With respect to on-site parking, and based on feedback from the community, the Applicant modified the ratio of commercial parking spaces within the M Street Buildings, such that each building will provide 0.50 parking spaces per residential unit, with the balance of the parking spaces reserved for commercial uses. As noted in previous filings, the proposed parking at the M Street Buildings exceeds the amount of parking required by the First-Stage PUD and the amount of parking required by the 2016 Zoning Regulations.

#### **2. Revised Loading Configuration and Operation of North-South Private Drives**

As described above, and as shown on the Revised Drawings, the Applicant modified the loading configuration in the M Street Buildings by consolidating all truck access into a single access point from the private drives, which are shifted farther to the south. *See* Revised Plans and description of the proposed changes in Section I(3)(B)(1) of this letter.

#### **3. Updates to Public Space Plans**

The Applicant has also enhanced its public space plan in response to comments heard at public meetings to ensure a safer environment for vehicular, bicycle and pedestrian activity, both within 4<sup>th</sup> Street and the Private Drives. *See* Transportation Memo, Figure 3 and Section I(3)(A)(3) of this letter.

### **IV. Design Flexibility**

The Applicant’s proposed design flexibility language for the M Street Buildings is set forth on pages 26-28 of the Applicant’s Prehearing Submission. In addition to the flexibility already

submitted, the Applicant requests the following modification to the “retail use” flexibility requested on page 27 of the Prehearing Submission in order to provide medical care uses on either the first or second levels of the East M Street Building:

8. To vary the types of uses designated as “retail” use on the Architectural Plans and Elevations to include the following use categories: (i) Retail (11-B DCMR § 200.2(cc)); (ii) Services, General (11-B DCMR § 200.2(dd)); (iii) Services, Financial (11-B DCMR § 200.2(ee)); ~~and~~ (iv) Eating and Drinking Establishments (11-B DCMR § 200.2(j)); and (v) Medical Care (11-B DCMR § 200.2(p)).

The Applicant appreciates the Commission’s continued review of this project. We look forward to making a full presentation at the April 5, 2018, public hearing on this application.

Sincerely,

HOLLAND & KNIGHT LLP

By: Christie Shiker  
Christy M. Shiker

By: Jessica Bloomfield  
Jessica R. Bloomfield

Attachments

- |     |                                     |   |
|-----|-------------------------------------|---|
| cc: | Joel Lawson, Office of Planning     | (See Certificate of Service)              |
|     | Matt Jesick, Office of Planning     | (Hand Delivery and Email; w/ attachments) |
|     | Aaron Zimmerman, DDOT               | (Hand Delivery and Email; w/ attachments) |
|     | Joseph Lapan, DMPED                 | (U.S. Mail; w/ attachments)               |
|     | Advisory Neighborhood Commission 6D | (See Certificate of Service)              |
|     | Commissioner Moffatt, ANC 6D05      | (Hand Delivery and Email; w/ attachments) |
|     | Commissioner Fast, ANC 6D01         | (Hand Delivery and Email; w/ attachments) |
|     | Commissioner Litsky, ANC 6D04       | (Hand Delivery and Email; w/ attachments) |
|     | Commissioner Fascett, ANC 6D Chair  | (Hand Delivery and Email; w/ attachments) |
|     | Commissioner Shockely, ANC 6D02     | (Hand Delivery and Email; w/ attachments) |
|     | Commissioner Collins, ANC 6D03      | (Hand Delivery and Email; w/ attachments) |
|     | Commissioner Hamilton, ANC 6D06     | (Hand Delivery and Email; w/ attachments) |

**CERTIFICATE OF SERVICE**

I hereby certify that electronic copies of the Applicant's Supplemental Prehearing Submission were sent on March 16, 2018, with hard copies sent on March 19, 2018.

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Via Email and Hand Delivery

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