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VIA IZIS

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

**Re: Applicant’s Response to Agency Reports
Z.C. Case No. 02-38I
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”), we hereby submit the following information in response to the reports of the Office of Planning (“OP”) and the District Department of Transportation (“DDOT”) submitted on March 26, 2018 as Exhibits 64 and 63, respectively, in Zoning Commission Case No. 02-38I.

I. RESPONSE TO OP REPORT

The following chart indicates the Applicant’s responses to the specific comments and requests for information from OP in its hearing report.

OP Comment	Applicant’s Response
Include the condition that for the life of the project, the Applicant shall reserve no less than 32,400 square feet of space for office use.	The Applicant agrees with this request and commits to providing a minimum of 32,400 square feet of office space in the East M Street building for the life of the East M Street building.
Provide more three-bedroom units, more floor area devoted to Inclusionary Zoning (“IZ”) units, and a higher affordability level for at	With the change in use from office to residential, the Applicant proposes to dedicate a minimum of 8% of the residential gross floor area in the M Street buildings to households earning up to 60% of the Median Family Income (“MFI”) in accordance with the

<p>least a portion of the units.</p>	<p>Inclusionary Zoning requirements.¹ In addition to complying with the IZ requirements, the Applicant will reserve a total of five units as three-bedroom IZ units (two in East M Street building and three in the West M Street building). These three-bedroom units further the goal for larger, family-sized IZ housing units as specified in Subtitle X 21305.5(f)(3) and is a greater number of three-bedroom units than the Applicant originally proposed. This provision of larger units is also consistent with requests from ANC 6D.</p> <p>While the overall PUD for Waterfront Station was approved prior to the implementation of the IZ Regulations, the Applicant committed as part of its amenities and benefits package to provide a minimum of 160,000 square feet of affordable housing within the overall PUD, to be distributed among the East and West Residential Towers and the Northeast Residential Building. <i>See</i> Z.C. Order No. 02-38A, Decision No 18. This affordable housing was in addition to numerous other amenities, including the re-opening of 4th Street, improvements to and maintenance of the parks to the north of the PUD Site, and significant commitments to retail and public open space. The Zoning Commission found that the “proposed amenities package when balanced with the requested and the impacts of the project are sufficient.” <i>See</i> Z.C. Order No. 02-38A, Finding of Fact No. 137(h).</p> <p>While this application does not request any additional development incentives or flexibility, the proposed conversion of the M Street buildings to residential use comes with the implementation of significant new public benefits, including establishing and providing rent-free a 6,000 square foot Community Center for a period of 30 years with the Applicant spending 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. While affordable housing is an extremely important priority in both the District and this community, the working groups within the ANC identified the Community Center as a major priority for this development. In fact, ANC 6D called the community center “indispensable” in its report. Accordingly, the Applicant has redesigned the East M Street building to include – and the Applicant has committed to provide – the Community Center while also including a commitment to larger, family-sized IZ units. Furthermore, with the addition of these IZ units, the effective rate of affordable housing across the entire Waterfront Station PUD is approximately 15%, which is significantly greater than the minimum</p>
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¹ The Applicant submitted an IZ Location Plan (Exhibit 13H) on August 15, 2017. This plan is being updated based on the revisions to the buildings shown in the architectural drawings submitted at Exhibit 62A and will be submitted as part of the Applicant’s post-hearing submission.

	<p>percentage required by the Zoning Regulations and is greater than other PUDs recently approved by the Zoning Commission.² Accordingly, the approved public benefits along with the additional amenity meet the standards for approval of a PUD.</p>
<p>Consider ways to achieve a higher LEED rating and commit to actual LEED certification.</p>	<p>Z.C. Order No. 02-38A, Finding of Fact No. 90(d) identified a “goal of achieving LEED Silver for the East and West 4th Street Office Buildings,” a “goal of achieving LEED Certification for the East and West Residential Towers,” and an “agreement to incorporate similar features in future second-stage applications.”</p> <p>The Applicant proposes to meet and exceed these previous commitments by achieving LEED Silver under LEED v4 for Building Design and Construction, which is a substantial increase from the level approved in the first-stage PUD.³</p> <p>The Applicant is not proffering its LEED commitment as a new public benefit pursuant to the standards of 11-X DCMR § 305.5. However, the Applicant provides evidence of its sustainable features to ensure compliance with the commitments set forth in the first-stage PUD pursuant to 11-X Subtitle § 302.2(b) [“The second-stage application is a detailed site plan review to determine transportation management and mitigation, final building and landscape materials and compliance with the intent and purposes of the first-stage approval, and this title.”). In addition, as noted above, the Zoning Commission found that the public benefits balanced with the development incentives and flexibility requested in the first-stage PUD, including significant public benefits which have already been delivered. Furthermore, as part of development of the M Street buildings, the Applicant will also implement additional and</p>

² In Z.C. Case No. 06-14D for MidAtlantic Realty Partners, LLC, the Zoning Commission approved modifications to a previously-approved PUD for property located at Square 3584, Lots 814, 815, 820, 821, and 822. The modification involved, among other items, the conversion of an approved office building to residential use. Similar to the subject application, Z.C. Case No. 06-14D was reviewed and approved prior to the implementation of the IZ Regulations. In Z.C. Case No. 06-14D, the Zoning Commission approved the applicant’s final IZ proffer to dedicate 8% of the residential gross floor area in the converted residential building as IZ units, with 6% dedicated to households earning up to 80% of the AMI and 2% dedicated to households earning up to 60% of the AMI. In contrast, the Applicant in the subject application proposes to dedicate 8% of the residential gross floor area to households earning up to 60% of the MFI, five units of which will be reserved as three-bedroom units. Although the final order for Z.C. Case No. 06-14D has not yet been issued, the Commission voted 5-0-0 to approve the application at its public meeting of May 22, 2017.

³ Pursuant to 11-X DCMR § 305.5, public benefits of a proposed PUD include “[m]eeting the minimum standards for LEED Gold certification.” The Applicant notes that LEED Silver v4 for Building Design and Construction (the current LEED standard) is equivalent to LEED Gold v2009 for New Construction (the version of LEED in place when the 2016 Zoning Regulations were approved).

	<p>continuing public benefits approved in the first-stage PUD and new benefits as part of the second-stage PUD application, despite the fact that the Applicant is not requesting any additional development incentives or flexibility. Thus, the proposed benefits package for the overall PUD continues to balance when compared to the development incentives and flexibility requested.</p>
<p>Examine the use of solar panels on the project</p>	<p>The Applicant is evaluating a variety of options to incorporate the use of solar energy production into the M Street buildings. In order to maximize retail at the ground level of the M Street buildings, accommodate internal turning maneuvers for trucks within the loading docks in response to concerns from the community and nearby property owners, and provide dedicated office and community space in the East M Street building, the Applicant located the majority of the buildings’ residential amenity spaces at the penthouse level, with mechanical equipment above. As a result, there is limited horizontal roof surface that is viable for solar energy collection.⁴ However, the Applicant is exploring the feasibility of integrating a photovoltaic array into the south-facing screen walls of the mechanical penthouses, provided at an angle and still meeting the 1:1 setback requirements.</p> <p>The Applicant is also exploring the use of solar hot water collectors as an alternative to photovoltaic panels in the same location as a means of reducing the buildings’ overall energy consumption, but will not know whether this approach will work until the buildings’ final systems are selected. Thus, should the Commission be interested in the Applicant exploring this option, the Applicant would request flexibility to install either PV panels, solar hot water collectors, or both, based on final systems selections and energy reduction potential.</p> <p>The Applicant will provide additional information on the use of solar energy production at the public hearing.</p>
<p>In order to count as a benefit, clarify that the TDM plan goes beyond what is required for simple mitigation</p>	<p>The proposed TDM plan, as modified based on comments from DDOT and as described in <u>Exhibit A</u> attached hereto, is not intended to be considered a public benefit pursuant to 11-X DCMR § 305.5. However, the proposed 4th and M Street Safety Study requested by DDOT and agreed to by the Applicant is considered a benefit because it addresses existing safety concerns at that intersection and</p>

⁴ Roof surfaces on the north, east, and west sides of the penthouses would capture such little sunlight during the day that placing PV panels in these locations would generate an insignificant amount of energy. Only approximately 450 square feet of horizontal roof surface on the East M Street building would be available and viable for PV panels, which would only generate approximately 0.1% of energy required for the building.

	not issues caused directly by the proposed M Street buildings. Information on the Safety Study is included in <u>Exhibit A</u> .
Summarize the existing parking totals for the entire site.	The total number of proposed parking spaces across the PUD Site, including in the proposed M Street Buildings, is shown on Sheet 3 of the architectural drawings submitted on March 16, 2018 (Exhibit 62A).
Provide depth of mullions, window reveals, and related details that add depth and texture to the building facades.	As shown on <u>Exhibit B</u> , the Applicant added dimensions to the façade detail sheets to demonstrate the depth and texture created on the building facades. The Applicant will provide sections showing additional details as part of a post-hearing submission for this case.
Commit to using an interim retail strategy to avoid dead retail space should long term tenants not be signed immediately. In addition to traditional retail, uses such as arts, artisan or maker uses could occupy the spaces, which would directly support the policies of the SW Plan	<p>The Applicant will agree to an interim retail strategy for the project during initial lease up, including employing a campaign for vacant storefronts. In addition to traditional leasing signage, some vacant storefronts will receive artistic treatments intended to animate sidewalks, engage the pedestrian and bolster connectedness with the community. Such signage will generate “Instagrammable” moments and bring to the M Street buildings one-of-a-kind engagement opportunities.</p> <p>In addition, during initial lease up for space that has been vacant for longer than one year, the Applicant is committed to pop-up tenancies in combination with the vacant storefront activation campaign described above. These tenancies could be for local businesses that do not require any food preparation, which bring with them costly space buildout dollars that are difficult to reuse with subsequent tenancies. Pop-up tenancies in neighborhood-oriented projects such as these are typically local in nature and small in size.</p> <p>In agreeing to this interim retail strategy, the Applicant requests additional flexibility to include uses from the Arts, Design, and Creation use category (<i>see</i> 11-B DCMR § 200.2(e)) for the pop-up uses described above.</p>
Add more balconies to the project, particularly on the north facades.	The Applicant proposes that approximately 35% of the residential units in the East M Street building (100 units) and 36% of the residential units in the West M Street building (112 units) will have a balcony. The Applicant increased this number from 19% based on OP’s and the Zoning Commission’s initial comments requested at setdown.

	<p>The proposed percentage of units with a balcony is comparable to other new residential projects recently completed in the District and is more than sufficient for the project, especially when considered with the significant amount of outdoor public amenity spaces provided in both M Street buildings. These outdoor areas, which manifest as multi-level terraces and penthouse amenity spaces, will provide exterior activation and eyes on the street that is traditionally provided by balconies. Moreover, the Applicant consciously limited the balconies on the north elevations of both buildings based on experience with recently completed projects where the overhang created by the balcony slabs negatively impacts the quality of natural daylight in the units below. Thus, additional balconies in these locations would negatively impact the livability of those units.</p>
<p>In the east building, clarify the plans to show how the bike storage room would be connected to the lobby area through the interior of the building</p>	<p>The Applicant will revise the East M Street building's ground floor plan to provide direct access between the bike storage room and the residential lobby, and will submit the revised plan to the record following the public hearing.</p>

II. RESPONSE TO DDOT REPORT

A detailed discussion of the Applicant's response to the comments set forth in DDOT's hearing report is provided in the memorandum prepared by Gorove/Slade Associates dated April 4, 2018, and attached hereto as Exhibit A. This memo to DDOT responds to issues related to site design, mitigation, and continued coordination with DDOT, and includes as separate attachments to it (i) a revised Transportation Demand Management plan that incorporates additional mitigation measures requested by DDOT, and (ii) a proposed scope for the Safety Study at the intersection of 4th and M Streets, SW.

III. CONCLUSION

The Applicant appreciates the Commission's continued review of this project and looks forward to making a full presentation at the April 5, 2018, public hearing.

Sincerely,

HOLLAND & KNIGHT LLP

By: Christine 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	(Via Email; w/attachments)
Aaron Zimmerman, DDOT	(Via Email; w/attachments)
Joseph Lapan, DMPED	(U.S. Mail; w/attachments)
Advisory Neighborhood Commission 6D	(See Certificate of Service)
Commissioner Moffatt, ANC 6D05	(Via Email; w/ attachments)
Commissioner Fast, ANC 6D01	(Via Email; w/ attachments)
Commissioner Litsky, ANC 6D04	(Via Email; w/ attachments)
Commissioner Fascett, ANC 6D Chair	(Via Email; w/ attachments)

CERTIFICATE OF SERVICE

I hereby certify that copies of the Applicant's Response to the OP and DDOT Reports were sent to the following on April 5, 2017:

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