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August 8, 2017

Zoning Commission
for the District of Columbia
441 4th Street, NW – Suite 210S
Washington, DC 20001

Re: Zoning Commission Case No. 02-38I
Waterfront Station Planned Unit Development
Compliance with Certified Business Enterprise and First Source Programs

Dear Members of the Zoning Commission:

I am writing regarding Forest City Washington's compliance with the Certified Business Enterprise ("CBE") and First Source Employment ("First Source") programs. In our ten years of developing real estate in Washington, DC, Forest City has embarked on two major projects in Southeast and Southwest, DC, better known as Waterfront Station and The Yards. For both projects, Forest City has taken an inclusive approach to development by partnering with small and disadvantaged local businesses in order to build community and support local talent.

With respect to Waterfront Station, Z.C. Order No. 02-38A required the Applicant to (i) enter into an agreement to participate in the Department of Employment Services ("DOES") First Source Employment Program that promotes and encourages the hiring of District residents; and (ii) enter into a Memorandum of Understanding with the District of Columbia Department of Small and Local Business Development ("DSLBD") to utilize local, small and disadvantaged business in the development of the project. See Z.C. Order No. 02-38A, Condition No. 24. Consistent with this requirement, Forest City entered into and has abided by the First Source Employment and CBE Agreements for the project.

As noted in the May 4, 2017 letter from the DOES First Source Compliance Monitor (attached hereto as Exhibit A), Forest City has "made great strides in meeting the goals of the District's First Source hiring laws," with Waterfront Station having a 56% DC hiring rate. In addition, out of the three parcels developed thus far at Waterfront Station, Forest City Washington has met or exceeded its CBE contracting and First Source hiring goals to date:

This noted success is due largely to several community, faith-based, and District government agency partnerships that we initiated early on in the development processes. These include our long-standing partnerships with DSLBD, DOES, and the District of Columbia Housing Authority ("DCHA"); the Near SE/SW Community Benefits Coordinating Council; and former Ward 6 Councilmember Tommy Wells and current At-Large Councilmember Ellissa Silverman.

ZONING COMMISSION
District of Columbia
CASE NO.02-38I
EXHIBIT NO.13I



Based on our social inclusion efforts over the years on both the Waterfront Station and The Yards, Forest City has received the following local Honors/Awards:

- 2017 SOME (So Others Might Eat) Appreciation Award for Community Service;
- 2016 DC Chamber's Choice Award for Economic Impact, Community Commitment and Service ;
- 2015 NAIOP Best Practices for Social Inclusion Article;
- 2014 DC Clean Rivers Public Private Partnership Award;
- 2014 Southeast Ministry Servant-Leader Award;
- 2014 Washington Business Journal Minority Business Leader Award;
- 2013 DC Potomac Job Corps Workforce Award and Key to the Center; and
- 2008 DC Idealist of the Year, City Year Washington Honors.

As we continue to move forward with the development and construction of Waterfront Station, we remain firmly committed to complying with our First Source and CBE commitments and achieving the highest standards of social inclusion as commercially reasonable.

Sincerely,

A handwritten signature in blue ink that reads "David R. Smith".

David R. Smith
Vice President - Development
Forest City Real Estate Investment Trust

EXHIBIT A

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Department of Employment Services

MURIEL BOWSER
MAYOR



ODIE DONALD II
ACTING DIRECTOR

May 4, 2017

Andre Banks
Director of CBE & Social Inclusion
301 Water Street
Suite 201
Washington, DC 20003

Dear Mr. Banks,

As First Source Monitor for the District of Columbia Department of Employment Services I would like to thank you for your commitment and efforts in regards to hiring District Residents and Certified Business Enterprises on all Forest City development projects throughout the Navy Yard Southwest Waterfront section of the District. You have also made great strides in meeting the goals of the District's First Source hiring laws. Recently completed Forest City First Source projects include the Yards at Parcel N with a 48% District hiring rate and the Yards Marina with a 100% DC hiring rate. Current ongoing projects that are meeting the First Source requirements include Waterfront Station with a 56% DC hiring rate, the Yards Parcel P2B with an 80% DC hiring rate, and the Yards Parcel O with a 100% DC hiring rate.

In addition, your ongoing efforts with the training and hiring of District Residents for your retail tenants at the DC Yards through the Forest City Washington Workforce Intermediary Program should be commended. You've show outstanding success with your Harris Teeter tenant where you filled 85 out of 125 positions with District Residents and maintained an 82% retention rate six months after opening. You also had over 400 program participants who were not hired by Harris Teeter find employment with your other retail tenants at the DC Yards.

During my time with the Department of Employment Services you've shown Forest City to be a good partner with the District Government in our attempt to lower the unemployment rate throughout the District. Your social inclusion programs, such as Forest City's Mentor Protégé program, have continued to provide residents and businesses of the District with gainful employment and contracting opportunities. I look forward to working with you and Forest City on other upcoming First Source projects.

Sincerely,

Alex Underwood

Alex Underwood
First Source Compliance Monitor