TELEPHONE 965-1000

Watergate West

2700 VIRGINIA AVENUE, N. W. WASHINGTON, D. C. 20037

May 21, 2003

VIA FACSIMILE

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2003 MAY 21 PM 3:47

Ms. Dorothy Miller
Advisory Neighborhood Commission 2A
Saint Mary's Court
725 24th Street, N.W.
Washington D.C. 20037

Re: Watergate West; Watergate Hotel; Monument Realty; Zoning Commission #03-16

Dear Ms. Miller:

I currently serve as President of Watergate West, Inc. ("West"), a 139 unit housing cooperative located at 2700 Virginia Avenue, N.W., Washington, D.C. 20037. West is advised that your organization may be considering or commenting upon a proposal that has been made by Monument Realty, as the potential contract purchaser of the Watergate Hotel, to the Zoning Commission. The proposal includes, among other things, a conversion of the Watergate Hotel, located at 2650 Virginia Avenue, N.W., Washington, D.C., into a 150 unit condominium project.

The Board of Directors of West has met once with representatives of Monument Realty and there have been constructive discussions regarding a number of aspects of the proposed conversion of the use as a hotel. Nonetheless, at the current time, West urges the ANC to disapprove the proposed conversion and concomitant amendment of the Watergate Complex Planned Unit Development (PUD) unless and until, among other things, West and Monument Realty have reached agreement on a number of key points and have reduced that agreement to writing. Alternatively, West urges the ANC to defer consideration of this matter until its June 2003 meeting.

At the current time, West objects to the proposal submitted to the Zoning Commission for the following reasons:

1. There are currently six (6) separate legal entities comprising the Watergate Complex. Each of the entities is a party to many agreements affecting access to and the use of various portions of the Watergate

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Exhibit 16

ZONING COMMISSION
District of Columbia
CASE NO.03-16
EXHIBIT NO.16

Complex. The agreement which best evidences the co-dependence and interdependence of the members of the Watergate Complex is the 1964 Agreement for Services, as amended, which outlines the specific rights and obligations of each member to the steam and chilled water service provided by a central power plant. In order to avoid any disruption in the crucial understandings of the various parties since the creation of the Watergate Complex, it is critical that Monument Realty create a single entity that is empowered to be the assignee of these various agreements. This entity must have genuine substance and must be adequately capitalized to bear both the responsibilities and the burdens of these various costs, use and easement agreements. A housing cooperative - - properly structured - - would satisfy this important need.

2. The proposal submitted by Monument Realty does not accurately represent the number or ownership of the parking spaces Monument Realty intends to make available to purchasers of future condominium (or cooperative) units. While the Hotel, and presumably Monument Realty in the event it purchases the Hotel, has certain leasehold rights to underground areas in and on which Monument Realty intends to build the additional parking necessary to support a condominium or cooperative, those rights will currently expire when the leasehold interest expires. Given the shortage of available existing parking at the Watergate Complex, the approval of any plan which anticipates additional vehicular traffic and parking without fee simple ownership of the parking facilities providing some relief for additional congestion would further damage the Watergate Complex and its residents. West, in particular, suffers from a current shortage of available parking spaces for its members and West is pursuing with Monument Realty ways in which this shortage can be ameliorated.

3. The proposal submitted by Monument Realty provides for the addition of chimneys and other proposed permanent roof-top structures. Such structures may adversely impact the views of certain residents of West and other neighbors and affect the overall appeal of the Hotel and the Complex as a whole. Since the Watergate Complex borders the Rock Creek Parkway, West is anticipating that the plans will need to be reviewed by and considered by the Fine Arts Commission. Unless and until that review has been conducted and detailed architectural drawings

submitted for public review, West remains very concerned about this aspect of the proposal.

4. The proposal submitted by Monument provides for a limited number of parking spaces on the surface of the Hotel property. Residents of the Watergate Complex were assured at the time the PUD was created and residential units were being sold that there would be no surface parking permitted at the Watergate Complex. At this juncture, West objects to the inclusion of such spaces as a violation of the PUD.

5. Monument Realty is currently planning to convert the use of the hotel into a condominium. West firmly believes that a housing cooperative would be far more consistent with the current scheme of the PUD. One criteria for PUD modifications under the D.C. Municipal Regulations is that the proposal not be "inconsistent with the comprehensive plan and with other adopted public policies and active programs related to the site". 11 DCMR 2403.4. Since the inception of the Watergate Complex in the early 1960's, all residential use, other than the Hotel, has been through three (3) housing cooperatives. This form of residential use is the West-preferred residential use in this PUD.

While this listing may not be exhaustive, these matters will require further consideration by both Monument Realty and Watergate West. Watergate West urges the ANC either to: (1) defer this matter until further good faith discussions are held and the parties have an opportunity to reduce any agreement on these points to writing; or (2) report a negative recommendation to the Zoning Commission.

Thank you for your consideration of these matters.

Sincerely yours,

WATERGATE WEST, INC.

By: Ben Man by DHC
Ben Man
President

cc: Mr. Alberto P. Bastida, AICP (D.C. Office of Zoning) (by facsimile)
Ms. Carol Mitten (Chairperson of D.C. Zoning Commission) (by facsimile)
Board of Directors of Watergate West
Mr. Michael Darby (Monument Realty LLC) (by facsimile)
Mr. Asheel Shah (Monument Realty LLC) (by facsimile)
David H. Cox, Esquire (Jackson & Campbell, P.C.) (by facsimile)
Thomas Hylden, Esquire (via facsimile)



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FROM: David H. Cox **DATE:** May 21, 2003

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If there are any problems with transmission, please call 202-457-1641.

RE: Watergate Hotel – 2650 Virginia Avenue, N.W.

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