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DC Zoning Commission
Suite 210
441 Fourth Street, N.W.
Washington, DC 20001

Re: Case No. 03-16: Watergate Hotel PUD Modification

Dear Commissioners:

Charlotte K. Ehrenhaft holds a "propriety lease" on unit 404-N of Watergate East, Inc. (WEI), a Delaware corporation that owns the co-operative apartment house at the address above. Peter D. Ehrenhaft is her husband and lives with his wife in that apartment. He is an attorney admitted to practice in the District of Columbia in 1961 and is in good standing. Peter Ehrenhaft requests an opportunity to testify in the captioned proceedings scheduled to come before the Commission on January 29, 2004. No counsel or expert will appear in connection with this testimony.

On behalf of my wife and myself and numerous like-minded residents of the WEI building, I wish to express our enthusiastic support for the proposal of Monument Realty to convert the present Watergate Hotel building into a condominium apartment house. Our building abuts the hotel property and our apartment looks down on the hotel (and future condo) entrance. An enclosed porch of our apartment straddles the driveway leading to that entrance. We are, in a word, as close to the building that is the subject of this proceeding as any resident of WEI can be.

We have been residents of WEI since 1994. Additionally, as a partner of Fried, Frank, Harris, Shriver & Kampelman, I was involved in the early development of the Watergate project as our firm represented the Italian real estate company that designed and arranged for its construction. The law firm was the first occupant of a floor of the 600 New Hampshire Avenue office building from its opening in 1968 until after I left the firm to enter government service in 1977. I returned to the Complex as a resident and served as the Treasurer of WEI from 1996 to 1999. From these perspectives I am familiar with the arrangements between the buildings that constitute the 6-building Watergate Complex and the finances of WEI and the condition of our building. I know first hand how substantially WEI would benefit from the proposed hotel conversion by exchanging WEI's existing 99-year lease to the hotel owners of certain parking spaces from a $1 per month rental to a $4.25 million purchase price.

I am satisfied that the present owners of the Hotel have made good faith efforts to operate a luxury hotel. However, due to the location of the hotel (deemed "remote" from downtown and substantial shopping or entertainment facilities other than the Kennedy Center), the configuration of its rooms, and the need for massive renovations to bring its infrastructure to current luxury standards the owners are sensibly trying to sell their property to a developer who would convert the building

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into between 152 and 150 condo units. While many of us would prefer a hotel in the Complex, we recognize that the proposed condo would preserve the unique architecture of the building, bring residents who would contribute to the income tax base of the city and likely add to the customer base of the shops that operate within the Complex. Transient traffic would probably decline while a stable and community-building group of owners would move into our neighborhood, consistent with the Mayor's and Commission's city development goals.

Conversion on the hotel to condo use appears to be fully consistent with the SP-2 zoning of this area of the city and would not significantly alter the PUD applicable to the Complex as a whole. The Commission should not restrict the owners of the hotel in their decision to sell a non-performing asset and should allow the condo developer to restore the building and its amenities for the benefit of the entire neighborhood and the Complex in particular. In this regard, the developer has agreed to certain covenants to run with the land, binding on the condo association that will assume control of the building, for the benefit the residents of the Complex more generally. These include a health club and a restaurant and limits on outdoor parking.

Although some present residents of our building oppose the proposed conversion of the hotel to condo use, they have provided to the owners of the hotel and the condo developer no alternative buyer or other practical uses of the property. Their nostalgic desire for the type of hotel the Watergate Hotel hoped to be and may at one time have been, provides this Commission with no legal basis for denying Monument's well-documented proposal to use a valuable city property for uses that are entirely appropriate for the area and the development goals and financial needs of the District of Columbia.

We urge the Commission to approve the application.

Respectfully submitted,

Charlotte K. Ehrenhaft

Peter D. Ehrenhaft