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FILE NO: 99999.000309

January 28, 2004

By Hand Delivery

Zoning Commission
c/o Ms. Carol Mitten, Chair
441-4th Street, N.W.
Room 210
Washington, D.C. 20001

Re: Opposition of Watergate West, Inc. in ZC Case No. 03-16, (PUD Modification - Watergate Hotel)

Dear Ms. Mitten and Fellow Commission Members:

I have attached the following as part of Watergate West's opposition to the proposed PUD modification in this case:

1. Eleven (11) letters in opposition to the proposed PUD modification from residents of Watergate West (and one (1) letter in opposition from the President of the Washington Opera who has an office at the Watergate Complex) indicating that they purchased their units relying on the hotel as their centerpiece or hub of community activity at the Complex. Michael Sonnenreich, President of the Washington Opera, notes the increased need for the hotel use as the nearby Kennedy Center expands.

2. A planning report from Alvin McNeal and Fred Greene which sets forth why any approval of the proposed PUD modification is not in the best interests of the District of Columbia. The report describes the Watergate PUD complex, the components of a PUD, recognition of the Watergate Complex as a "Special Place", the need to preserve the Watergate's vitality and attractiveness, the Commission's recognition of the importance of a hotel in a PUD mixed use development, the challenges to the Zoning Commission in reviewing the modification request, and concludes that there is no compelling justification to alter the use mix at the complex.

ZONING COMMISSION
District of Columbia
Case 03-16
Exhibit 41

ZONING COMMISSION
District of Columbia
CASE NO.03-16
EXHIBIT NO.41

3. The resumes of Mr. McNeal and Mr. Greene are attached for purposes of expert qualification.

4. One of the first brochures extolling the virtues of ownership at Watergate West (circa 1965) indicating the amenities of the adjoining hotel.

Sincerely,

Richard L. Aguglia

Richard L. Aguglia

Attachment

cc: By Hand Delivery

Norman M. Glasgow, Esq.
Counsel to the Applicant

By Fax

ANC 2A
c/o James W. Lewis

By Hand Delivery

Ben Man,
President, Watergate West, Inc.

By Fax

Office of Planning
c/o Andrew Altman

By Fax

Morton Taubman, Esq.
Counsel to Watergate South

By Fax

Benny Kass
Counsel to Watergate East

By E-Mail

Alberto Bastida

MICHAEL R. SONNENREICH, P. C.
ATTORNEY AT LAW

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January 26, 2004

Ms. Carol J. Mitten, Chair
The Zoning Commission of D.C. Room 210
441 Fourth Street, N.W.
Washington, D.C. 20001

Dear Madam Chairman and Members of the Commission,

I just learned that the Watergate Hotel may be sold and converted into cooperative apartments. I have maintained a law office at 2600 Virginia Avenue for many years and am currently the President of the Washington Opera, an organization with which I have also been associated for many years and which has its offices in this building. The Watergate Hotel has symbolized for us the prestige and quality needed in this neighborhood not only because of its high standards but also because of its proximity to the Kennedy Center.

The Kennedy Center, which offers top cultural and entertainment programs, and which houses the Washington Opera, is being renovated. This will increase the need for use of the Watergate Hotel's facilities because it has the status necessary to receive our national and international guests and opera stars, and there is absolutely nothing in this area that can offer the same level of suitable services and amenities.

I also use the Watergate Hotel's restaurant, almost on a daily basis, for lunches on behalf of the Washington Opera. The quality and diversity of what the hotel's restaurant offers is unmatched in this area.

I believe it is essential to keep the Watergate Hotel since it is the only hotel in our neighborhood on which so many of us rely.

Sincerely,

Michael R. Sonnenreich

Ms. Carol J. Mitten, Chair
The Zoning Commission of DC, Room 210
441 Fourth Street, NW
Washington, DC 20001

January 24, 2004

Dear Madam Chairperson and Members of the Commission:

I have lived at Watergate West since the early 1970's. I am a retired employee of the State Department. I have devoted my entire career to federal employment, and I committed substantial resources to ownership at Watergate West.

My choice of this residence was based on the unusual combination of convenience and benefits that the Watergate complex offers. The hotel was a factor in my coming here and is part of the pleasure of living here. I like to eat and entertain there because of the pleasant atmosphere. It is relaxing for me to gaze at the river, to enjoy the most beautiful vista in all of Washington and know that I can afford to go there without the hassle and expense of taxis. In fact, the Hotel is not just a building in our community, but is connected to all the buildings by a network of underground garages. I can go there without stepping outside and being affected by the weather.

Not only the price I paid for my home, but its present value, reflect the presence of the hotel. My home is a prime asset for me and I am deeply concerned that its value will decrease significantly with the advent of even more apartments. That would directly impact the value of my estate, and I am not at a point in my life to rebuild it .

Indeed, I built my life and retirement around certain expectations. One of them was that the Watergate community would be around a long time, and that I could count on it maintaining its value. With the current proposal, lives like mine get trampled, and the founding interests of the Watergate developers get buried and forgotten.

Please do not let this happen. Please consider the interests of those of us who actually live in this community and moved here for what it offered. Please do not sacrifice us to outsiders who do not care at all about those of us who live here. Please preserve this community as it was planned. I would like to thank all the Members of the Zoning Commission for granting me this opportunity to express my opinions.

Mary J. Chiavarini

Mary Chaivarini
Watergate West Owner
2700 Virginia Avenue NW
Washington, D.C. 20037-1908

Ms. Carol J. Mitten, Chair
The Zoning Commission of DC, Room 210
441 Fourth Street, NW
Washington, DC 20001

January 25, 2004

Dear Madam Chairperson and Members of the Commission:

Thank you for providing this forum for the residents of the Watergate Community to present their views. I am a film actress, a graduate of the Yale School of Drama. Currently, I am mostly appearing in movies that have been shot in the District. I am a 20 year resident of Watergate West and a 2 week new owner of an apartment in that building.

The Watergate Hotel is an integral part of our community, and it is one of the reasons I chose to commit myself to my new investment in Watergate West. I am a regular and heavy user of the Health Club as well as the Hotel's restaurant and other facilities. I love the convenience of the Hotel. Watergate is a self contained community and we are all part of an underground tunnel/garage system that goes from one end of the complex to the other. One can walk the entire complex to the Kennedy Center and never have to go outside or be concerned about whether it is raining, snowing or too hot.

To change the function of that building from how it was designed to function, will create all types of congestion. It will play havoc with traffic patterns as tradesmen and guests of residents seek parking places that are already almost non existent. Transients at the Hotel use mostly taxis. Permanent residents need car spaces. The mall is already crowded and used to capacity: George Washington students now use it heavily as it is the nearest shopping to their campus, and the mall also supports two Watergate Office Buildings. It would be overloaded by several hundred more residents from another apartment building. Transient guests at the Hotel do not use our stores in the same manner. The complex was not designed to support these kinds of radical changes.

Please tell me, what can I do to influence your opposition to such a conversion?

Thank you for your attention to this issue.

Marie Henderson

Marie Henderson
2700 Virginia Avenue NW
Washington, D.C. 20037
Tel: 202 965 0179

carolyn alper enterprises
2700 virginia avenue, n.w.
washington, d.c. 20037
(202) 965-5631

1.24.01

Mrs. Carol Mitten
Chairman, Zoning Commission of DC
441 4th St NW
Wash DC 20001

Dear Ms. Mitten,

I purchased my apartment at Watergate west 30 years ago because it was not only beautiful but because I liked the MIXED use of the property adjacent i.e. retail, hotel, office, plus residential.

I still like it AND AM much opposed to changing it via the conversion of the hotel into a co-op or condo.

The loss of our restaurant, health club, meeting rooms, party facilities and public parking impacts my life directly AND negatively.

I hope you will see Fit to deny this Request.

sincerely

Carolyn Small Wiper

#1301

Ms. Carol J Mitten, Chair
The Zoning Commission of DC,Room 210
441 4thStreetNW
Washington DC 20001

January 23, 2004

Dear Madam Chairperson:

As a 29 year resident of Watergate West I would like to contribute my views on the proposed conversion of the Watergate Hotel into a condominium, by rezoning the grounds and property.

Personally I stronglydisapprove of this idea, because it detrimentally changes the entire concept of the Watergate image which was originally conceived as a selfsufficient entity consisting not onlyof three cooperatives, two office buildings, including a bank, a plaza surrounded by a variety of shops and boutiques, a supermarket, and -- most importantly-- anchored by a well-managed worldclass hotel, designed to fit into the elegant overall style of the Complex.

The Watergate has earned a reputation of being a Washington landmark, and any visit to the nations capital is considered incomplete without a personal experience. Being the center of our community it is popular with residents and tourists alike. It is very hard to imagine Watergate without its hotel, its outstandingrestaurant and colorful bar. Difficulty to obtain a table atteststo the popularity of all facilities. The atmosphere is simply unique, the unparalleled view across the river towards the Rosslyn skyline, its great hospitality and caring service, not to mention the excellent food, can simply not be matched. Its meeting rooms are hosting innumerable conferences, seminars and resident-sponsored events, such as extended family reunions.

It would be a tremendous loss to both the city, the hotel industry, aswell as the residents of the three cooperatives if the conversion would be allowed to proceed.

A contemplated condominium conversion would also add to further crowding of the shops and markets, a trend that has been aggravated by the steady influx of university students in the area. The quality of thesupermarket has deteriorated markedly with the emphasis on student fast food, at the expense of residents who now find it increasingly difficult to find healthful food on the shelves.

In view of all the above concerns and problems I would therefore appreciate it very much if the Zoning Board would consider its decision very carefully, striving to maintain the status quo of the Watergate Hotel. Its unique eminence should not be diminished or exploited by some short-term economic gain, sacrificing an entire neighborhood.

Thank you for your sympathetic review and positive determination.

Sincerely,

Barbara J. Fritzler

Barbara J. Fritzler, Watergate West, Apt. 407

NATALIE J. RAPLEY

2700 Virginia Ave. NW. # 1103
Washington D.C. 20037

January 24, 2004

The Hon Carol J. Mitten
Chairperson Zoning Commission of DC
Room 210
441 4th Street NW
Washington DC 20001

Dear Madam Chairperson :

Re : WATERGATE HOTEL rezoning

As an original owner and resident of Watergate West, I would like to express my deep concern and opposition to the conversion of the above mentioned property to anything other than the present use.

When I purchased my apartment, one of the main attractions was the fact of having a fine Hotel next door.

- Additional factors to be considered as owner of 1103 :-
- Having a Hotel "on site" for the purpose of putting up out of town guests
- The availability of the Watergate Restaurants
- The Health Club
- The LOCATION ,LOCATION,LOCATION

The loss of the Hotel would undoubtedly make my apartment less desirable and valuable in the event of a sale of my property.

Your consideration is appreciated,

Yours truly,

Natalie J. Rapley

Ms. Carol J. Mitten, Chair
The Zoning Commission of DC, Room 210
441 4th Street, NW
Washington, DC 20001

January 23, 2004

Dear Madam Chairperson:

I grew up in the Watergate Complex, and have lived or owned property in ***all*** of the apartment buildings, East (1966-1970), South (1986-1999) and West (1985-present). As a kid in the summer of 1966, I remember swimming in the pool of Watergate East and watching other parts of Watergate being built. I got married here and celebrated my wedding at the Hotel restaurant, where we also celebrated every family birthday and anniversary. I remember walking my dog around the pit where they were constructing what would become the Kennedy Center at the same time as other parts of the complex were going up. I truly remember how this complex was constructed and the community it was supposed to become. Indisputably, it did not become an ordinary Washington residential complex, but the most famous and prestigious residential complex in the ***world***, because of the people who have lived here and the events that have taken place.

Key to the success of the community is the concept of the Watergate Hotel. It is the bedrock for the rest of the complex, the most important benefit to life here. We use the restaurant on a daily basis for lunch, dinner and Sunday Brunch. It is the heart of our community, a place where we all go to eat and meet. Indeed, we have special rates to encourage our patronage! To relegate it to a basement without the charm of the river view, the hotel's ambiance, and the skill of the Hotel staff, is not "maintaining the restaurant".

Because the Hotel is so convenient and accessible to Watergate residents, it is a part of our daily living. Indeed, now that Howard Johnson's has been given to George Washington University, it is the only alternative for those of us wishing to have friends housed nearby. We entertain guests in the Watergate Hotel's Bar, have Tea in the afternoons, visit the Hotel's celebrated hairdresser, Zahira's, or stop by the Health Club for exercise. All are gathering points where we make friends and socialize within the community, like the well in a town center in olden times.

Please don't destroy the special community that has developed around the Hotel, which is uniquely characteristic of Watergate. There is no substitute for the Hotel, all our lives revolve around it and the community which has thrived since it was built. The goal of the builders was to develop such a community, and it is unlike any other in the Washington area. Please let the Zoning Commission address ***the needs of the community, our Wategate community, our HOME***, and not the financial might of developers seeking to make just another quick buck. Please do not destroy this heritage.

Sincerely,

Rhonda J. Crane

Dr. Rhonda J. Crane,
Watergate West, Apartment 1110

January 24th, 2000

Dear Madam Chair-person,

As a longtime resident of Watergate West I am writing this letter to you to ask you to think very cautiously about allowing the Watergate Hotel to be made into a condominium residence.

Since the arrival of the G.W. dormitory across the street we have been aware of many more people in our vicinity. I have no trouble with the University Students. I find them courteous and good citizens.

However, to bring a whole new group of people, on top of the University students, into the area will over tax, I feel, our surroundings.

The mall in the Watergate is busy enough. It will affect parking, which is bad enough — and car traffic on the parkway and Virginia Avenue.

I sincerely ask you to weigh very carefully this change which will lead to making the area — like any large city — over peopled and over trafficed. Helping to diminish the graceful Zone that it is.

Sincerely,

Mary Ann Bailey

Ms. Carol J. Mitten, Chair
The Zoning Commission of DC, Room 210
441 Fourth Street, NW
Washington, DC 20001

January 24, 2004

RE: Opposing the conversion of Watergate Hotel into Apartments

Dear Madam Chairperson:

I am a retired university professor of anatomy and physiology who taught in the District of Columbia for almost 30 years. My professional qualifications also include being a Registered Nurse (RN) for the past 60 years (my license is current) and I used to have a clinical practice. I have lived at Watergate West since it opened and am very satisfied with everything that the Watergate community offers to its residents. I appreciate the opportunity that the Zoning Commission has provided us to express our concerns about the proposed changes to the Watergate Hotel.

I am writing to request that the Members of the Zoning Commission oppose the conversion of the Watergate Hotel into more apartments. The proposed changes are made with apparently little concern for the impact of those changes on those of us who live here. And we, the residents of the Watergate complex, are left with our hands tied, unable to stop them.

That is why I seek your help. These changes would give us nothing in return and deprive of us of the use of the resources of the Watergate Hotel. I moved here because it was a self contained community, where I could go downstairs and buy milk or go to the Hotel for dinner. Additionally, the Hotel is an elegant part of our complex, and its' status adds greatly to the prestige of our apartments. It attracts an interesting and celebrated clientele to the Watergate complex, further enhancing the value of the apartments.

The conversion of the Hotel to more apartments dilutes the value of the existing apartments by making this finite resource more plentiful. For most of us, the value of our apartments represents a significant amount of our savings. Please help us and please stop this conversion from happening. Thank you very much indeed for allowing us to speak and I do hope you will find this matter in our favor.

Respectfully,

Dr. Isabelle DeBella

Dr. Isabelle DeBella
Watergate West, Apt.1107
2700 Virginia Avenue NW
Washington DC 20037

Harold J. Sarbacher

2700 Virginia Avenue NW, Apartment 803, Washington, DC 20037-1905

Telephone
202-333-3842
E-Mail
HJSClass1953@aol.com

January 26, 2004

Ms. Carol J. Mitten
Zoning Commissioner of DC
441 - 4th Street NW, Room 210
Washington, DC 20001

RE: Opposition to the petition to amend the Watergate Planned Unit Development allowing Watergate Hotel to be used for "Residential Purposes."

Dear Ms. Mitten;

I oppose the above specified petition due to come before the Zoning Commission on Thursday, January 29, 2004 for the following reason:

First: Approximately 35 years ago when I came to live in Watergate West, I joined the Watergate Health Club, of which I am still a member. At that time the Watergate Hotel was a premier hotel. It can be returned to that status if managed properly. If the present owners want to get out of the hotel business, let them sell to willing entrepreneurs who can restore the Watergate Hotel to its previous premier status.

Second: Before an application be heard, it should contain all of the "side agreements" made with the various Watergate Cooperatives and its individual personnel so that in the future when such "promises" are broken or are not kept or are modified to any degree, the various Watergate Cooperatives and its personnel will have legal recourse.

Third: Any approval should contain provisions which preclude George Washington University from ever obtaining any interest whatsoever in any apartment within the "new Watergate building" or any interest in the new corporation itself.

Lastly, any approval should be as a Watergate Cooperative building only.

Please give the above factors your full consideration in arriving at your decision respecting the above petition.

Respectively yours,

Harold J. Sarbacher

KATIE BURNEY MLA, MBA, ASLA
Landscape Architect /Urban Designer

2700 Virginia Avenue, N.W. #306
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January 23, 2004

Carol J. Mitten, Chairman
Zoning Commission of D.C.
Room, 210
441 4th Street NW
Washington DC 20001

Dear Chairman Mitten:

The Watergate Complex is a neighborhood. It consists of three residential buildings, two office buildings, and a hotel. The neighborhood is a most desirable living environment because it includes many amenities: a grocery, drug store, various restaurants, and several small shops providing needed services for residents and neighbors. In addition, the hotel houses the only sports club in the area as well as an excellent restaurant.

We believe the hotel is an integral part of The Complex and should continue to exist as a hotel. Integration includes using the hotel for visiting family and friends, exercising at the managed health club/swimming pool without going outside, sharing of a common driveway with Watergate West, and viewing from our windows the hotel as designed. It adds an important dimension to our environment.

The proximity of the Kennedy Center and the Foggy Bottom Metro should make this an attractive location for a hotel business. With the demise of the Howard Johnson hotel, there is a paucity of hotels in the Foggy Bottom area. On the other hand, there are several condo developments, both new and under construction.

The co-op structure of the Watergate units gives residents some control over the uses of other living units in their buildings. With the condominium structure and possibly smaller unit size, there is a danger that this facility would become in part a student dormitory. Such a development would be out of character with the existing neighborhood and would compromise the original concept of the Watergate Complex

We feel that the hotel component and its associated amenities provide a positive resource for residents. We live here **because the Watergate is a "Complex."** Loss of the hotel would have a negative impact on residents as individuals and on the Watergate neighborhood as a whole.

Sincerely,

Katie Burney

2700 Virginia Avenue NW #904
Washington, D. C. 20037
January 24, 2004

Ms. Carol J. Mitten, Chair
The Zoning Commission of D.C.
Room 210
441 Fourth Street, N.W.
Washington, D.C. 20001

Dear Ms. Mitten:

The purpose of this letter is to express our lack of support for converting the Watergate Hotel into a residential property. My wife and I chose to become residents of Watergate West in 1996, attracted by its proximity to shopping and the amenities offered by the hotel. Shortly after our arrival, we both became active and satisfied members of the Watergate Hotel's Health and Sports Club. We, our family and guests, frequently use the hotel facilities and enjoy its excellent and comfortable lounge, restaurant, meeting rooms and friendly staff. We have made many friends, who also are members of the health club and share our interest in this community.

George Washington University's conversion of the Howard Johnson's Hotel into a dormitory has already had an impact on our area. Conversion of the hotel is another change of significant magnitude. We both think the complex would be physically and environmentally compromised, and lose a great deal, if the Watergate Hotel became another residence. Thank you Ms. Mitten, for taking into consideration residents' perspective on this matter.

Respectfully submitted,

Robert M. Phillips (and on behalf of Katherine A. Phillips)

FLGA



Watergate Hotel Conversion- Urban Planning Impact/Considerations

Hamilton Court - Georgetown
1230 31st St. NW, Washington DC 20007
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INTRODUCTION

The Watergate complex includes three luxury cooperatives containing 620 units, 500,000 square feet of office space, several boutique retailers, and the Watergate Hotel. The Watergate Hotel is a 13-story structure containing 250 guest rooms and three sub-levels containing 12,900 square feet of meeting space, a full-service restaurant, a 12,400 square foot full service health club, support retail space, and a 75-space valet parking garage.

The Watergate complex was one of the first Planned Unit Developments (PUD) approved after adoption of PUD regulations by the District of Columbia Zoning Commission in 1958. The Zoning Commission approved the PUD for the Watergate site in 1962. In accordance with the 1958 regulations, the District of Columbia Board of Zoning Adjustment (BZA) was responsible for further processing of the PUD. The first apartment building in the Watergate complex was completed in 1965. In 1964, the BZA approved the additions of the hotel and office structures to this complex. The Watergate complex was completed in its entirety in 1969. The uses are housed in a variety of imaginatively designed structures. The Watergate complex reflects a very creative approach to planning employed by its designer and developer. As a result, it is one of the most desirable addresses in the District of Columbia and, indeed, the United States.

The owner has filed an application before the DC Zoning Commission to convert the existing Watergate Hotel to a "for sale" apartment building. As described in the application, Monument Residential LLC on behalf of BRE/Watergate, LLC, the owner of the hotel, is seeking approval of a modification to the Watergate PUD to convert the 250-room hotel to approximately 155 "for sale" residences.

The purpose of this report is to identify urban planning issues related to the proposed conversion for consideration of the Zoning Commission in its deliberation of this request.

WHAT IS A PLANNED UNIT DEVELOPMENT?

A PUD is usually a large-scale mixed use development allowed in one or more zoning districts within the District of Columbia. A PUD has design and planning flexibility that encourages the provision of amenities beyond those that could be achieved under the general provisions of the Zoning Regulations. Chapter 24 of the Zoning Regulations states that the purpose of the PUD is to encourage the development of well-planned projects that will offer a variety of building types. These projects generally reflect more attractive and efficient planning and designs not achievable under matter of right development. The Watergate PUD continues to reflect this purpose.

It is generally recognized that a PUD is not traditional zoning. There are no zoning districts in a PUD and in the case of the Watergate, commercial office; retail, hotel and residential uses are on the same parcel, intrinsically linked by open space. The complex functions as a whole without any uniformity of uses. In qualitative terms, the hotel, with its available restaurant, and the ability of the residents to purchase health club membership at reduced rates and to access the concierge and room services of the hotel, provides a unique amenities package to residents and contributes as much as any one of the other uses to creating the quality of the environment that has become sine qua non with the Watergate. The amenities package for residents has proven to be mutually beneficial. The hotel helps to define the Watergate Complex as a "Special Place".

The disassembling of a PUD project, which has been successfully implemented, through the elimination of one of its key organizing elements, raises grave concerns regarding the maintenance of the balance of uses that make the project successful. The mix of uses especially the hotel, stimulates evening/weekend activity, and prevents "dead" zones often associated with office developments. The key to preventing the "dead zone" effect is variety, which is most often achieved by a mix of uses.

THE WATERGATE COMPLEX AS A "SPECIAL PLACE"

The Watergate Complex is located in the West End's Foggy Bottom neighborhood of Washington, DC. It sits on the banks of the Potomac River and is adjacent to the Kennedy Center for the Performing Arts. It is within a short walk to Georgetown, the National Mall and many other cultural destinations within the city.

The Watergate complex is shown in the mixed-use, medium density commercial and high-density residential land use category on the Generalized Land Use Map of the Comprehensive Plan of the National Capital. Since the complex was fully developed prior to the adoption of the Comprehensive Plan, it can be assumed that the plan was intended to acknowledge the existing use of the site and to express a policy preference for the future use of this land area.

What makes the Watergate a Special Place? First, one must start with the fact that it has been planned, designed and implemented with a balance of uses that is essential to a successful PUD. Section 7501.32 of the 1958 Zoning Regulations charged the then National Capital Planning Commission and the Zoning Advisory Council to apply the following standards to the Watergate PUD:

1. **Determine suitability of the site for use as a planned unit development;**
2. **Ensure that development proposals are consistent with the comprehensive plan for the City as a whole;**
3. **Evaluate the appropriateness of the uses for the development;**
4. **Determine the appropriateness of the height, density, bulk characteristics proposed for the project;**
5. **Evaluate the appropriateness of the location of public street and alleys that could be opened, closed or relocated, and the location and use of public and private rights-of-way and easements.**

The Watergate has developed and sustained itself over the years as a creditable PUD. An attempt to dismantle some of its essential features that make it function as a viable mixed-use project could set a precedent that leads to its demise and/or tarnishes its rank as a "Special Place" within the historic fabric of Washington, DC.

PRESERVING THE WATERGATE'S VITALITY AND ATTRACTIVENESS

The term vitality refers to life, and in the particular context of the Watergate PUD, life is represented by the presence of people. Like the effect of the natural environment or plant life on the quality of the physical environment, the role of people is critical to a successful mixed-use project.

Planning and development studies have indicated that there is a fundamental interrelationship between attractiveness and activity. The term attractiveness refers to much more than the visual impact, important though this may be in promoting an immediate sense of enjoyment and well being. Successful mixed-use, characterized by a mix of function and activity, also contributes to attractiveness. Additionally, successful mixed-use can produce a beneficial impact upon the social and economic well-being of an area by enhancing viability, generating a strong sense of place and urbanism, and producing an environment which is both attractive and sustainable. Finally, several studies have indicated that by diversifying the evening "economy" in mixed-use projects, vitality is extended "by preventing the six o'clock shut down when shops and offices close." Studies have largely concluded that successful mixed - use is therefore a qualitative rather than a quantitative factor that depends critically upon economic viability, for without that it will die.

The main point to be derived from evaluating several studies, as they relate to the proposal to eliminate the hotel, is that the Watergate has a mix of uses where each use is interdependent and contributes to the functionality of the other. Together, the mix of uses contributes to the attractiveness and success of the mixed-use PUD. Several planning studies would also seem to raise concerns about proposals that would eliminate the hotel from the current mix of uses suggesting that such a change could have a long-term negative affect on the overall vitality and attractiveness of the Watergate as a whole. The hotel is a vital element of the PUD and contributes substantially to filling the void in activity when "shops and offices close."

The combination of uses at the Watergate generates activity levels and contributes to a feeling of security. Based on lessons learned, the following principles are appropriate to apply to areas such as the Watergate:

> **1) Areas should support mixed uses with increased densities. (Hotels are compatible primary uses)**
> **2) Continuous activity is very important to a high density, mixed -use center such as Watergate. Establishing a good mix of uses and users extends the hours of activity in the area. Each person in the**

Watergate as in other mixed -use centers has a different agenda, timeframe, and need. Mixed- use developments replace the normal 8:00am to 5:00 p.m. timeframe. They extend activity earlier in the morning and later into the evening with shopping, drop offs, entertainments, restaurants and residences.

3) Each "Special Place" will necessarily have a different mix of uses to respond to the needs of the residents, traffic patterns, and the character of the neighborhood. Special care should be taken to relate the mixed-use area to the neighborhood and the special character of the area to ensure that there is no adverse impacts. This can be done, as has occurred at the Watergate, by providing easy access and establishing design standards for a character of development that fits with and enhances existing development.

4) The kinds of uses in a mixed-use center and how they are organized are keys to producing the energy and vitality needed for an urban center to generate activity and support for residents and employees in the areas.

Overall, it is the current mix of uses and the locality that really attracts. The lost of the hotel from the mix of uses that have made the Watergate successful over the years could have a negative "domino effect" on the integrity of the PUD. In addition, it could set a bad precedent for other successful PUD's within the District.

ZONING COMMISSION ACTIO THAT RECOGNIZIED THE SIGNIFICANCE OF A HOTEL TO A PLANNED MIXED USE DEVELOPMENT

One theme undergirding this report has been that a hotel contributes an important qualitative benefit to a mixed- use project and provides vitality through continuity and variety of presence, which is not provided by commercial office and retail uses whose active periods are limited to the working hours of a day. Additionally, the interrelationship between the activities of the uses is fundamental to the *observed* quality of the project, which may affect future marketing.

In a recent PUD modification (Case No. 98-1M/97-9C), the Zoning Commission approved the addition of a luxury hotel to the mix of uses included in the previously approved PUD. The Commission concluded that a luxury hotel and its related amenities, very similar to those offered by the Watergate Hotel were superior to those otherwise available under the Zoning Regulations. It concluded further that the mix of uses with the hotel would encourage pedestrian traffic and enliven the neighborhood.

Certainly a similar evaluation can be applied to the Watergate Hotel. Further, the incorporation of a hotel in this PUD would suggest that there is a demand for this type of function within the Watergate planned complex as well. The Watergate Hotel has met this need for more than 40 years. It has more than demonstrated its value to the Watergate community, the Foggy Bottom neighborhood and the District of Columbia.

Sound justification for the proposed conversion of the hotel to a residential condominium or cooperative has not been made. Evidence has not been presented to show that the Watergate Hotel has ceased to be a viable use in the Watergate complex or that a conversion to residential would present a superior alternative. There does not appear to be a shortage of high-rise "for sale" residential products in the nearby areas of the Watergate, the Foggy Bottom neighborhood, nor in the District as a whole.

A recent Washington Post article warned of a possible glut in high-rise condominiums in the Washington Metropolitan area. In this article, Delta Associates indicated that approximately 8,300 residential condominium units are planned over the next two years in the Washington Metropolitan area. Moreover, Delta Associates has indicated that in the District of Columbia, the supply of Class A apartment units had exceeded 4,000 at the end of 2003. This included the on-coming supply of new high-rise apartments and almost 3,000 condo "switches." This latter category includes the condominium market's siphoning off of sizable chunks of units that had been in development as rental apartments.

Within a 5-to-10 minute walk of the Watergate, four major luxury condominium projects are under construction or have been recently completed. This would seem to indicate that there is no lack of high-rise condominium products in the immediate area of the Watergate or in the District of Columbia. In fact, recent news articles suggest that the sales have not been stellar for many of these projects.

The introduction of another high-rise, for sale, product at the Watergate does nothing to contribute to its quality and national prominence as a Special Place. The proposal reflects poor planning, inappropriate land use, poor zoning and public policy.

THE CHALLENGE TO THE ZONING COMMISSION

The challenge to the Zoning Commission during this period of rapid housing development in the District, with apartment conversions, fueled by low interest rates and the fact that the District, for the time being, is a "hot" market for such, is to protect the integrity of this PUD and others like it. We believe the following questions should be addressed as the Commission considers the proposed modifications:

1. **What are appropriate land use modifications to an approved and built PUD? How much flexibility should be allowed to a built PUD? What are the appropriate densities of these uses, keeping in mind the desire for balanced infrastructure needs, economic development and quality of life issues for both residents and visitors?**
2. **What are the functional and environment quality differences that may result from the modification?**
3. **What uses will maintain and create an asset for the community as well as reinforce the District's Comprehensive Plan goals? How can this effort leverage the District's Comprehensive Plan goal of enhancing special places?**
4. **What is the appropriate hotel niche for this section of the District of Columbia, taking into consideration the number of new housing units under construction in the Foggy Bottom area and the demand from performers and others visitors at the soon to be expanded Kennedy Center?**
5. **What impact will the elimination of the hotel have on the occupants of the office buildings in the Watergate complex? Additionally, will the absence of a hotel affect marketing and reselling of the current housing units in the Watergate complex?**
6. **What are appropriate functional and operational guidelines that will make the building appealing and compatible with other buildings in the complex, yet not be so restrictive as to discourage a continuation of its current use or a reuse?**
7. **What additional infrastructure is needed at the site to support the proposed modification during and after construction?**
8. **Will such modification establish a precedent?**
9. **Should there be a set of separate procedures when modifications to a built PUD area considered by the Zoning Commission; i.e., owner occupied housing versus rental?**

CONCLUSION

The unique combination of uses, developed under the provisions of the approved Watergate PUD, has added significant vitality and viability to this corridor and to this property. It is the entire complex of uses that has created a positive quality of life for residents and employees of Watergate and that has drawn a significant number of visitors over the years. Therefore, we submit that the elimination of the hotel would be a significant loss and would cause a diminution in the quality of life currently presumed, purchased and enjoyed by Watergate residents and employees. The applicant has not demonstrated that the proposed alternative use would be superior to the hotel in this location. Further, the modifications of the PUD should not be used to circumvent the intent and purpose of the general provisions of the Zoning Regulations in the District of Columbia, particularly when the provisions of the PUD have been relied upon by residents and owners in making their housing and investment decisions. Additionally, it is recommended that a set of procedures be put in place, with appropriate public input, before the Zoning Commission acts on such modifications to an approved and built PUD.

Finally, the "if it is not broken, don't fix it" principle may apply in this case. There is no compelling justification to alter the use mix at the Watergate complex. The risk out weighs the results, as it would prove an overwhelming challenge to correct the situation if the PUD modification is granted and results in the deterioration of the quality and viability of the complex over time.

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Cell: (202) 203-8977
E-mail: amcjdj1947@aol.com

Key Qualifications:

Mr. McNeal specializes in land use planning and real estate development. He has extensive experience in real estate feasibility, negotiations, asset management, highest and best use analyses, value capture, public/private partnerships and transit-oriented development. He possesses further expertise in real property transactions, strategic assessments of real estate assets and inner city redevelopment. He has managed the successful completion of several development projects in Washington, DC, Maryland and Virginia. At WMATA, he was responsible for managing its public/private development program, including developing offering documents, evaluating and selecting development proposals, coordinating development projects with local officials in entitlement matters and securing the support of elected officials and community residents for proposed development projects.

Education:

North Carolina Central University, Bachelor's Degree (Urban Geography and Biology)
University of Cincinnati, Master's Degree (Urban Geography and Planning)
Additional Post-Graduate Studies in management, development financing, real estate negotiations, and real estate asset management.

Experience Record:

1989 – 2003: **Washington Metropolitan Area Transit Authority, Washington, DC**
Manager for Property Planning and Development

- Managed WMATA's unique and highly successful public/private development program, establishing it as a model of "transit-oriented development." The program encompasses 60

projects, valued at over $4 billion. During Mr. McNeal's tenure, 45 development projects, valued at over $3.0 billion, were closed. These projects are located in the District of Columbia, Maryland and Virginia. The projects have added 50,000 new daily riders to WMATA's Metrorail and bus systems, along with creating 35,000 primary jobs and several million dollars to the local tax base. The projects have demonstrated that more compact developments at Metrorail stations can provide housing choices, diverse living areas and create financial returns for transit agencies, developers and the public.

1975 – 1989: **District of Columbia Office of Planning, Washington, DC**
Manager of Strategic Land Use Planning

- Directed the development and completion of the District's first Comprehensive Land Use Plan under Home Rule.
- Negotiated the approval of the various land use plan elements with the District of Columbia City Council, the Federal Planning Commission, Congressional offices and community organizations.
- Managed the preparation of staff reports to the District of Columbia Zoning Commission.
- Directed multiple land use, zoning, historic preservation, housing and development feasibility plans and studies.
- Served as the Mayor's representative to the National Capital Planning Commission, the Year 2020 Panel to the Chesapeake Bay Executive Council and Northeast Corridor Task Force.

1972 – 1975: **Maryland National Capital Parks and Planning Commission, Upper Marlboro, MD**
Principal Land Use and Development Planner

- Managed staff in the preparation of several land use plans, zoning analyses and transit impact studies.

1969 – 1972: **Prince Georges County Government, Upper Marlboro, MD**
Senior Land Use Planner

- Served as the land use planner on the County's Urban Renewal staff.
- Prepared land use, housing, transportation and development plans and strategies for upgrading deteriorating and economically challenged communities.

Consultant and Peer Advisor: Selected by the Federal Transit Administration of the United States Department of Transportation to serve as an expert on transit-oriented development to public transit agencies. Work involved on-site visits, sharing joint development experiences, serving as a resource to address specific transit-oriented development issues, and providing consultant services on marketing specific sites to private and public entities. The following specific services were provided:

- **Atlanta**: Assisted MARTA in refining its public/private real estate development program, defining appropriate value capturing and enhancement approaches and marketing strategies for its real estate portfolio, developing the contents of developer solicitations, and designing proposal evaluation criteria. (2000)
- **Puerto Rico**: Assisted the transit agency in the creation of its public/private real estate development program, recommending approaches, which could be used to attract the most suitable development to stations along its light rail system. (1996)
- **Dallas**: Assisted DRAIL in developing a strategy to market its real property, and recommending value enhancement techniques, which could be used to fully capitalize on the agency's real property assets. (1999-2000)
- **Miami**: Provided extensive input on the preparation of development profiles for each of its transit stations, reviewing and evaluating a draft development solicitation, and provided guidance on marketing strategy and proposal evaluation criteria. (1998)
- **Salt Lake City**: Provided guidance on real property acquisitions for the new light rail system being planned for the 2002 Olympics and assisted in identifying joint development opportunities. (1998).
- **Charlotte, North Carolina**: Advised the transit agency on the location of future rail stations to ensure maximum opportunities for Transit-oriented development. (1999)
- **Triangle Transit Authority (Raleigh, Durham and Chapel Hill, North Carolina)**: Provided recommendations on how the new light rail system could be designed to capitalize on future development opportunities.

Professional Affiliations

Member, Urban Land Institute, 1980-Present
(Approved for Full member status in 1995; has served as a member of the Executive Committee of the Washington District Council since 2000)

Director, Washington Architectural Foundation Board

Member, Lambda Alpha Professional Land Use Society

Member, Technical Advisory Panel, University of Maryland Urban Studies and Planning Program, 1996-present

Some Recent Professional Accomplishments

Presenter, National Roundtable on "Smart Growth Policy and Practice: Linking Transportation and Land Development"
National Association of Home Builders, 3/02

Presenter, National Roundtable on "Inner Ring Suburbs: Decline and Turn Around"
The Brookings Institution, 6/02

Member, District of Columbia's Mayor's Task Force on Transit Oriented Development, 2001-03.

The Task Force was organized to develop Transit-Oriented Development policies and procedures for the District of Columbia.

Member, Prince George's County West Hyattsville Task Force, 6/03

The purpose of the Task Force was to develop a model TOD approach for the county.

National Panelist, National Transit Institute, Rutgers University, 2000-present

The panel meets annually to develop the contents of a course entitled "Coordinating Transportation and Land Use" – to be used for training transit professionals in all phases of transit oriented development, 2000-2004.

Member, Urban Land Institute National Advisory Panels, 1993-2003

Participated in the panel deliberations and wrote the implementation chapters for the following ULI publications:

Long Beach, California: "An Evaluation of Revitalization Opportunities and Strategies for the Long Beach Boulevard Corridor", 2/93.

Saint Louis, Missouri: "Strategies for Optimizing Community and Economic Development Benefits of Metro link at the Wellston, Delmar and East Riverfront Station Areas", 9/95.

Phoenix, Arizona: "Light Rail: Economic development Along the Planned Light rail Line", 12/01.

Paterson, New Jersey: "Development around transit in Paterson, New Jersey", 12/03.

Selected Articles and Publications

Mr. McNeal has written many articles on public/private development issues for national and local publications, including:

"Metro Makes Its Mark", Urban Land, 9/99.
"Building Around Transit" (with Roslyn Doggett) Urban Land, 7/96.

Washington on Foot, a series of neighborhood walking tours published by the Smithsonian Institution. (Co-author of 1992 and 2004 editions)

He has also made numerous presentations to local and national conferences on Land Use Planning, Transit-Oriented Development and Public Private/Partnerships.

Other

Has served as a part-time instructor in planning and development at University of Virginia (1978-1994).

References Upon Request

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RESUME

Fred Greene

Experience

1995-Present FLGA*LLC* Washington, DC

President/CEO

- Co-developed **Gallery Place**, a large scaled mixed use housing, retail, office and entertainment complex, currently under construction in downtown Washington, adjacent to the MCI Center.
- Land use and zoning consultants.
- Real estate development specialists.
- Web address: www.flgallc.com

1992-1995 First American Title Insurance Company

Vice President

- Managed Washington operations in areas of title insurance residential and commercial sales, first and second mortgage closings, and property data collection and storage.

1984-1991 District of Columbia

Director, Office of Planning

- Appointed and Cabinet-level position.
- Managed growth and development for the District.
- Developed and processed the first Comprehensive Plan since Home Rule for District of Columbia.
- Administered and managed zoning in coordination with the DC Zoning Commission and the Board of Zoning Adjustment.
- Managed the local area planning process.
- Represented the Mayor and the District on planning and development oriented boards and commission, such as the National Capital Planning Commission and the Pennsylvania Avenue Development Corporation.

1981-1984 Montgomery County Government Maryland
Department of Housing and Community Development

Director, Planning and Development

- Coordinated planning and development activities in targeted growth areas, including Silver Spring, Takoma Park, and Wheaton.
- Managed the development and approval of the County's housing policy, including the provision of affordable housing.

1975-1981 City of Annapolis Maryland

Director, Planning and Zoning

- Appointed and Cabinet-level position.
- Managed growth and land use development policies for the Mayor and Aldermen.
- Managed zoning, Planned Unit Development (PUD), and special exception processes.
- Managed housing and community development.

1973-1975 Morton Hoffman & Company Baltimore, MD
Urban and Economic Consultants

- Conducted market and financial feasibility studies for planned housing and commercial projects, including mixed use projects, retail, office, hotel/motel, and industrial.

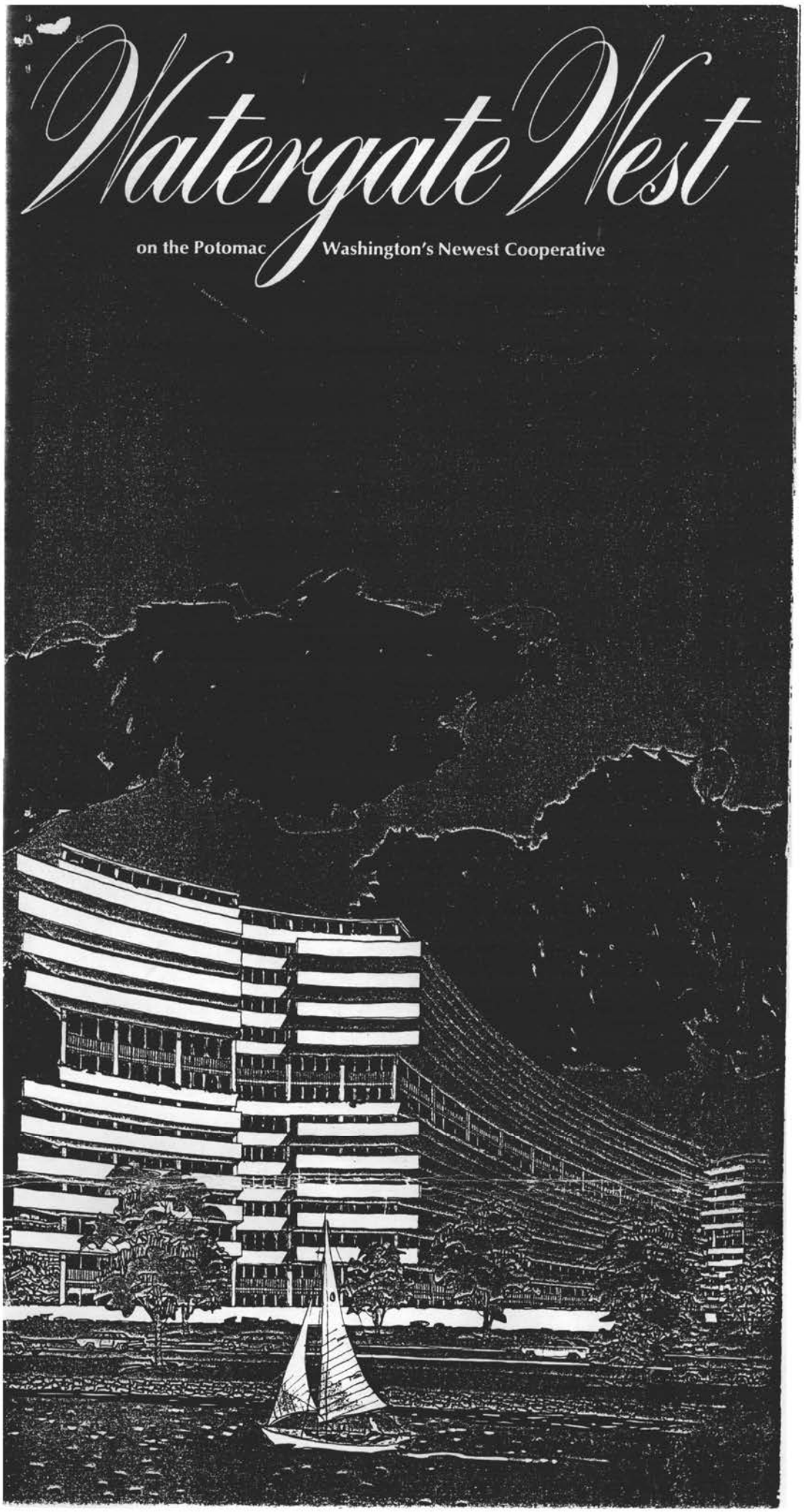
Education

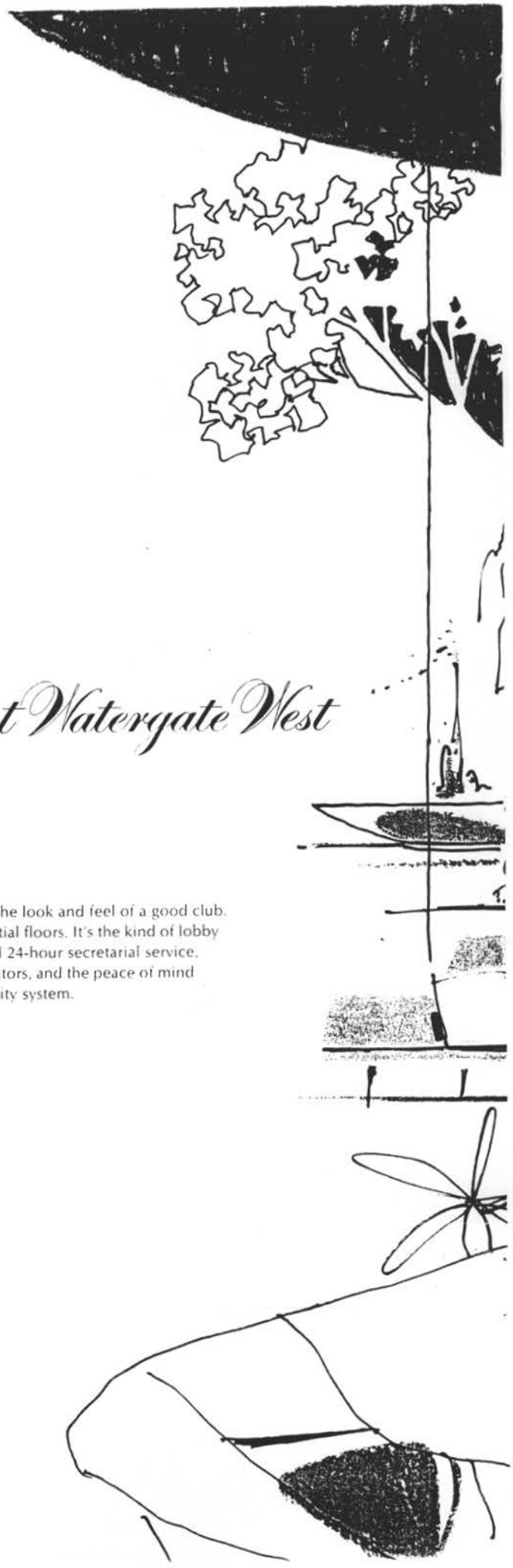
Master in Community Planning
University of Maryland

Bachelor of Science
Tuskegee University
Alabama

Watergate West

on the Potomac Washington's Newest Cooperative

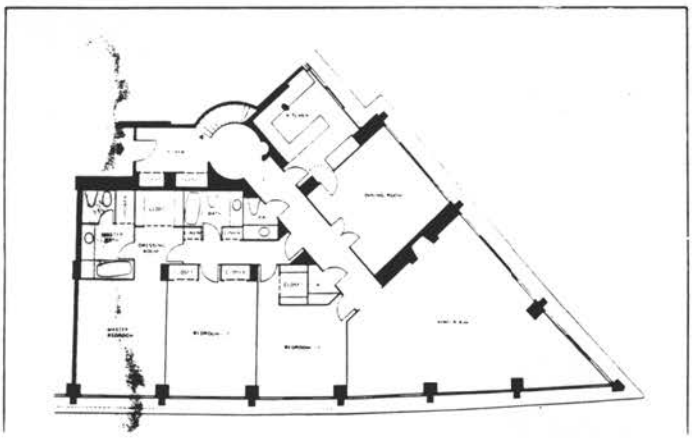




The Lobby at Watergate West

The lobby at Watergate West has the look and feel of a good club. It sets the mood for the 14 residential floors. It's the kind of lobby in which you would expect to find 24-hour secretarial service, high-speed deluxe automatic elevators, and the peace of mind of a subtle, highly advanced security system.



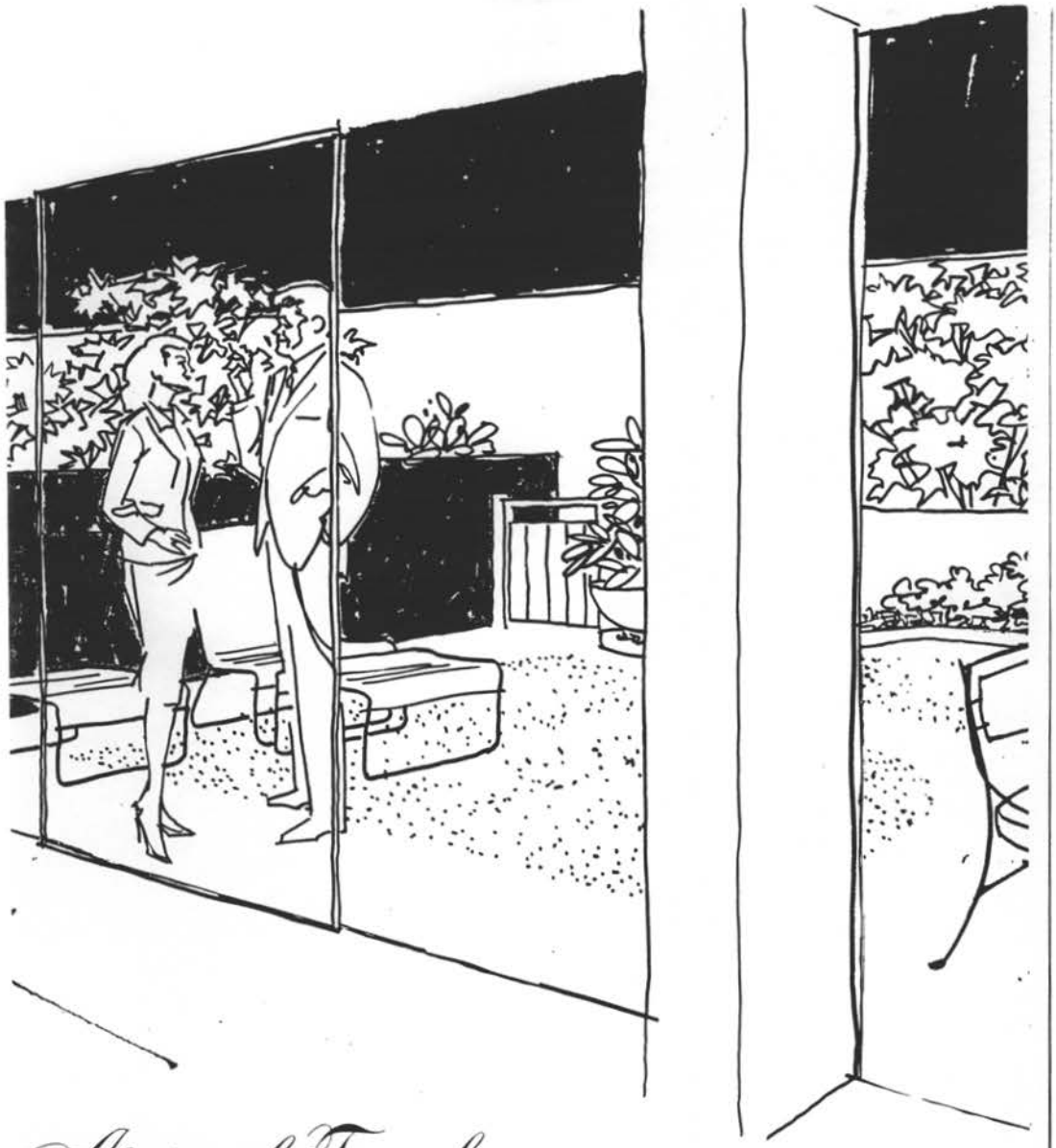




Commanding Penthouses

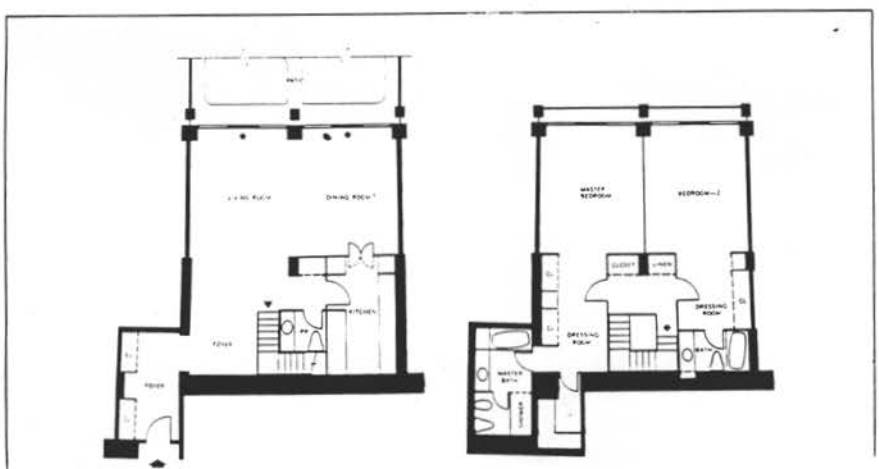
Few homes truly satisfy the desire for light, space, seclusion, a view. A penthouse at Watergate West gives you these things and more. A private stairway leads to a walled rooftop garden, complete with electric and telephone outlets, intercom speaker and the freedom of river and sky. Each window offers a different and delightful view. Each penthouse is planned for the give-and-take of family life—as well as for large-scale entertaining. Marble-floored entrance foyers, wood-burning fireplaces, living rooms up to 36 feet long, dining rooms up to 16 feet. The well-equipped kitchens (some with separate pantry and service entrance) have washer-dryer combinations. For maximum quiet and privacy, master bedrooms have adjoining dressing rooms, walk-in closets and bath. Servant quarters, where provided, are conveniently located.





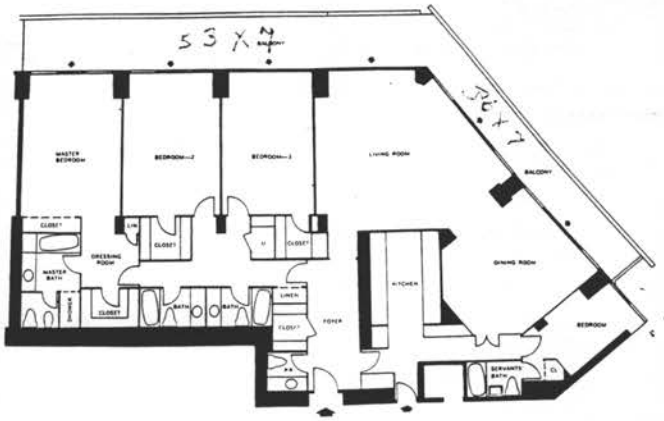
Atypical Townhouses

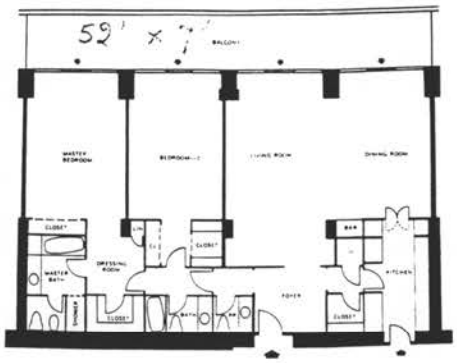
At Watergate West, a townhouse is truly a *house*, not a two-level apartment. A two-story house with a staircase, private outdoor patio with walls, landscaping and an intercom speaker. Even more atypical is the size: two, three and four bedrooms with as many baths, ample closet space and large living rooms. Off the bedrooms, dressing rooms are room-size, some second baths are master-size. Kitchens are well-equipped with convenient washer-dryer combinations.

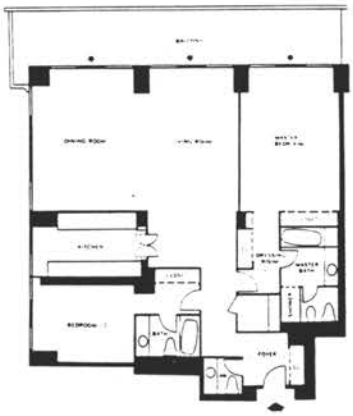


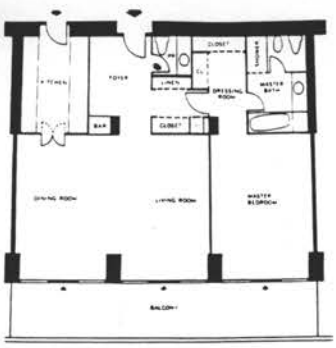


Typical Watergate West Floor Plans











Since Watergate West caters to the individual, you have a large choice of living arrangements: 143 high-ceilinged apartments with 29 different floor plans. Sound barrier walls and floors between apartments, electric door chimes and an advanced year-round air-conditioning system which provides (in addition to individual room temperature control) a dehumidifying system for summer comfort and built-in humidifiers in all bedrooms for winter comfort. Every typical floor has a laundry room (except the townhouses and penthouses where each apartment has its own facilities); every resident has a private storage area.

Some Watergate West apartments have wood-burning fireplaces, wet bars, private rooftop gardens, landscaped patios, intercom systems, servant quarters and a variety of luxury features. Most have balconies. Balcony apartments have floor-to-ceiling windows, with access to balcony from each room. TV antenna and telephone outlets are abundant and conveniently located, and apartments are pre-wired for telephone intercom. Foyers have marble floors and dining rooms have dimmer switches to complement the elegant atmosphere of your urban home.

KITCHENS: Frost-free refrigerator-freezers (16 to 22 cu. ft.) with automatic ice-makers. Oversize gas wall ovens, deluxe surface burners, dishwashers, waste disposers, furniture-finished wood cabinets. Vinyl covered walls and ceilings. Some kitchens have washer-dryer combinations.

BATHROOMS: Most apartments feature a spacious, marble floored compartmented master bath with bidet, tub and separate shower stall. All powder rooms have marble floors, elegant golden faucets and accessories, spacious vanity and medicine cabinets, and "silent" equipment. Marble vanity tops, full wall mirrors, and vinyl covered walls are standard in Watergate West.

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Co-op Ownership

You enjoy the benefits of home ownership without the disadvantages of grass cutting, snow shoveling, exterior painting and other maintenance problems. You may earn significant tax deductions* and enjoy the capital gains benefits of appreciation in value.

A 10% deposit reserves your apartment. Another 30% (approximately) is due at the time of closing; the balance over 30 years at 6% interest. Monthly payments include principal, interest, land rent, taxes and insurance, operating costs, all utilities—everything except telephone and optional garage.

*Section 216 of the Internal Revenue Code allows certain income tax deductions to "tenant-stockholders" of cooperative apartment house corporations. The Cooperative has been advised that a tenant-stockholder entitled to occupancy should be entitled to deduct from his gross income for federal income tax purposes his proportionate share of the interest with respect to the mortgage indebtedness and of the real estate taxes on the building paid by the Cooperative, in each year in which 80% of the gross income of the Cooperative is derived from qualified tenant-stockholders. When the Cooperative has qualified as such for federal income tax purposes, approximately 45% of the monthly payments will initially represent taxes and interest paid by the Cooperative and are payments of the kind normally deductible by members for federal income tax purposes. The exact amount of the actual tax savings to each individual will depend upon the amount allowable by the Internal Revenue Service and will further depend upon the tenant-stockholder's own income tax bracket. The Cooperative, the Sponsor and the Sales Agent can make no warranties or representations that the Internal Revenue Service will allow the deductions, and shall not be liable if, for any reason, it is held that the Cooperative does not meet, or at any future date ceases to meet, the requirements of Section 216 or any amendments thereof.

At Watergate, Everything's Easier

Shopping is easier. You can walk to your modern Watergate shopping mall, complete with supermarket, drugstore, barber and beauty shops, a wine and liquor store, valet, pastry shop, book shop, gift and accessory shops, even a post office.

Keeping fit is easier. Walk through seven landscaped acres of trees, fountains, lawns. Swim in the magnificent outdoor pool. Tone up at the membership health club in the adjoining Watergate hotel. The health club has solariums both indoors and out, sauna, gymnasium and year-round pool. For your relaxation, Watergate West has a rooftop sundeck and a convenient party room.

Dining out—and dining well—is easiest of all; the hotel restaurant is definitely four-star. Plenty of underground parking for residents and their guests. The adjoining hotel (The Watergate), where you'll find the restaurant and the health club, is available for your out-of-town guests.











Close to Every Place That Matters

You're eight blocks from the White House, two blocks from the State Department, across the street from the Kennedy Center for the Performing Arts. You can walk to Georgetown. Cab downtown in 5 minutes. Watergate has taxi and R-6 bus service; a proposed subway station is within two blocks. Three major expressways are nearby. Washington National Airport is 10 minutes and one traffic light away.