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July 7, 2004

HAND-DELIVERED

Alberto Bastida
Secretary to the Zoning Commission
District of Columbia Zoning Commission
441 4th Street, N.W. - Room 210 South
Washington, D.C. 20001

Re: Zoning Commission Case No. 04-02

Dear Mr. Bastida:

This firm represents Washington Gas Light Company ("WGLC") and Lincoln Property Company in connection with the public hearing conducted on June 14, 2004 in the above-referenced rule-making proceeding. Mary Jean Brady of WGLC, at the urging of the Zoning Commission, provided an abbreviated oral testimony at the hearing in the five (5) minutes allowed her, but then failed to submit a copy of her full remarks at the conclusion of the hearing. In order to complete the record in this proceeding, I enclose ten (10) copies of her testimony, which I trust will be a sufficient number for these purposes.

Very truly yours,

George R. Keys, Jr.

Enclosures

cc: Mary Jean Brady

ZONING COMMISSION
District of Columbia
CASE NO. 04-02
EXHIBIT NO. 19

ZONING COMMISSION
District of Columbia
CASE NO.04-02
EXHIBIT NO.19

WASHINGTON GAS COMPANY AND LINCOLN PROPERTY COMPANY TESTIMONY

before the

ZONING COMMISSION for the DISTRICT OF COLUMBIA

on

Case No. 04-02 (Map and Text Amendment – East M Street SE, Capital Gateway Overlay)

June 17, 2004

My name is Mary Jean Brady and I am the Maritime Plaza project manager for Washington Gas Company. I am presenting testimony this evening on behalf of Washington Gas, the owner of the Maritime Plaza property, and Lincoln Property Company, Washington Gas' development partner for the Maritime Plaza project. I will provide background on the development project and my partners will address specific issues in more detail.

Maritime Plaza is a 12-acre parcel located at the southeast corner of 12th and M Streets, SE just north of Water Street and approximately 300 feet from the Anacostia River. It is a Brownfield site that is being redeveloped for commercial use under a remedial plan, approved by the D.C. Department of Health and the U.S. Environmental Protection Agency, which prohibits residential and below grade development. The site plan includes four office buildings and a hotel with both surface parking and an above grade parking structure. The project also provides significant public amenities including a large park-like central plaza and several smaller plazas that will be designed to attract the public into the site and provide vistas of and access to the nearby waterfront. To date, two office buildings, leased primarily to Navy contractors, have been completed.

Maritime Plaza is located in the "East M Street Area" that is subject of the proposed map and text amendment. It comprises 80% of the privately owned land and 93% of the developable land in the East M Street Area. Washington Gas and Lincoln support the rezoning of this area from M, C-M-1 and C-M-2 to W-3 which allows the same building height and substantially the same FAR as the M zone; however, we strongly oppose the alternative W-2 zone that would limit future building height to 60 feet

and FAR to 4.0. The conditions imposed by a W-2 zone would not only make future development of Maritime Plaza economically infeasible, but they are also contrary to the goals of the Anacostia Waterfront Initiative (AWI) which encourage sufficient development density to make the waterfront a vibrant and active area providing access to as many people as possible.

Washington Gas and Lincoln also strongly oppose the imposition of the "Capital Gateway Overlay" on Maritime Plaza because the special exception process the Overlay requires is largely duplicative of the Large Tract Review (LTR) process. Washington Gas formally initiated the site development process more than five years ago and in 1999 received LTR approval from the Office of Planning (OP) for the first phase of development. The first phase LTR approval applied to only five acres of the property; however, that LTR application package presented an integrated office complex development plan for the entire Maritime Plaza site that was reviewed and discussed at length with OP, Ward 6 Councilperson Sharon Ambrose and numerous community organizations and stakeholders.

After additional meetings with the Office of Planning, we submitted our second phase LTR application in March of this year. The Phase II application was specifically revised to address OP's comments about building orientations, vistas, pedestrian access through the site and connections to the Anacostia River. We expect to continue our collaborative process with OP throughout the remaining Maritime Plaza development project. However, despite all of the time, expense and effort involved in the LTR process, the CG Overlay would change the rules of the game by allowing the Zoning Commission and the National Capital Planning Commission, through the special exception review and approval process, to impose additional requirements and/or change those established by the Office of Planning. This uncertainty and the additional costs and delays associated with the special exception process will severely hamper Maritime Plaza's ability to compete with potential development projects on the north side of M Street which is not subject to a special exception process.

Maritime Plaza is 4,000 feet from the nearest Metro station (twice GSA's 2,000-foot requirement) and is located in a relatively isolated area that is not suitable for speculative development. This puts the site at a competitive leasing disadvantage that

we have only been able to overcome by the speed of our response and price competition. The special exception will result in delays that will erode our ability to compete effectively for tenant RFPs, and it is likely that further office development, and the associated development of the plaza and other amenities will be deferred for many years until revitalization of the M Street corridor is largely complete.

The Capital Gateway Overlay area was developed, after much deliberation, to coordinate and address the potential development of numerous privately-owned parcels as well as the specific conditions found in the South Capital Street corridor, a major entryway into the city. This Overlay should not be automatically applied to the East M Street Area which consists of only two development parcels and is located at the "dead-end" of M Street and Virginia Avenue and effectively cut off from the city street network by the SE freeway, the 11th Street bridge and the river.

Washington Gas and Lincoln support the Overlay's purpose, summarized in section 1600.3 (f), "to provide for the development of Virginia Avenue SE as a gateway to the river with a strong connection to the waterfront park and Riverwalk." We are committed to designing and building the future office buildings and parking structure in a manner that can accommodate "an active mix of uses" on the ground floor when a market develops for them in the East M Street Area. However, only office development at Maritime Plaza can provide the economic base and critical mass of tenants necessary to fund the construction of the plazas that will provide pedestrian access to the river and that will support ancillary retail and entertainment businesses.

In summary, Washington Gas and Lincoln support the goals of the Anacostia Waterfront Initiative and have participated in its development process. We recognize Maritime Plaza's special potential to provide access to the future waterfront park and we believe that the growth of our project will help to stimulate the park's development. We have worked in good faith with the Office of Planning to redesign the Maritime Plaza site plan to meet the AWI's objectives. In addition we have held or participated in over twenty community meetings to solicit input and discuss our development plans. The Large Tract Review process is sufficient to ensure that Maritime Plaza is developed in a way that is consistent with the city's vision for a redeveloped waterfront. We urge the Zoning Commission to delete section 1605 of the proposed regulations and to consider

an alternative plan that Mr. Williams will soon describe. In addition, we request that the Zoning Commission leave the record open on Case No. 04-02 for several weeks to allow us to submit more detailed written testimony.

Thank you for your time and attention. I would be happy to answer any questions you may have at the conclusion of our testimony.