

**TESTIMONY OF CHARLES C. WILKES ON BEHALF OF MQW,
LLC**

AND WILLIAM B. ALSUP, HINES

Z.C. NO. 05-02; Text Amendment – Residential Recreation Space

Good evening, Madame Chair and members of the Zoning Commission. I am Charles C. Wilkes, Chairman of The Wilkes Company and principal in MQW, LLC. Thank you for the opportunity to testify this evening and for your focusing of attention on this important issue.

I appear on behalf of MQW, LLC, owner of property on 3rd Street, between H and K Streets, N.W. in the Mount Vernon Triangle area just north of Massachusetts Avenue. I also appear at the request of and on behalf of William Alsup of Hines who had planned to testify this evening but is unable to attend.

For the reasons discussed below, we support the elimination of Residential Recreation Space requirements. We also oppose the "in the alternative" proposal of the Office of Planning to link Inclusionary Zoning to RRS issues. Our opposition is based on our combined experience on a significant number of development projects. And, to explain our opposition, permit me on behalf of MQW, LLC to focus on one current project.

I.

MQW is a joint venture of Mount Carmel Baptist Church, Quadrangle Development Corporation and The Wilkes Company. We plan to develop on Third Street two residential buildings, a significant amount of affordable housing, an office building (currently under construction) for a major non-profit and, in conjunction with Mount Carmel, an academy for grades K through 3 which will focus on math and science.

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Our site is zoned C-2-C and, thus, has a current requirement that 15% of the residential gross floor area be devoted to Residential Recreation Space. In our case, this would be over 42,000 square feet of floor area.

Because our site is under the jurisdiction of RLARC, we are obligated to implement a wide array of public policy goals and objectives; including developing a significant amount of affordable housing (twenty percent) and providing much needed parking for a cherished and important church that wants to stay in the District of Columbia. Thus, we have a number of competing uses for the interior space (including residential, affordable units, parking, loading and the academy) and the outdoor area (including additional parking for the Church and a playground for students of the academy). In addition, because a large portion of the site consists of a concrete slab that spans the underground I-395, we are unable to provide any underground parking or loading under this slab. This means that we have been forced to move these uses to other areas of the site.

As a result, the 15% requirement is far too costly and impossible to satisfy. In addition, based on our experience in developing other residential condominium projects, condo purchasers don't look for indoor recreation space beyond the fitness room and certainly don't want to pay to insure, maintain and manage such space.

In addition, the OP proposal to link the RRS program with Inclusionary Zoning requirements is wholly inappropriate and, frankly, even feels punitive.

II.

Mr. Alsup on behalf of Hines has asked me to state that he endorses the general position I have outlined and supports the elimination of the RRS requirements. He also opposes the OP proposal to link RRS issues to Inclusionary Zoning issues. He points out that, while the IZ program has generated much debate and attention, this OP

recommendation to impose IZ on sites otherwise exempt from IZ has received no attention, in part because it is subsumed within a proposal originally intended to deal primarily with Residential Recreation Space. More importantly, on the merits, Mr. Alsup and I agree that the OP proposal is deeply flawed and inappropriate. We fail to understand why sites that are exempt from the IZ requirements as a matter of sound public policy would suddenly have an IZ requirement. Furthermore, we believe that if developers are forced to choose between RRS requirements and IZ requirements, as the OP proposal would require, most if not all developers will opt to comply with the RRS requirements or once again seek relief from the Board of Zoning Adjustment. In such an event, the many burdens, costs and outdated assumptions of the RRS program will continue to apply and the attention given to this subject by the Commission and the development community will have accomplished nothing.

Hines, like The Wilkes Company and MQW, LLC, feels strongly that elimination of RRS is a much-needed step that the Commission can take at a time when development of housing in the city – particularly, rental housing – is an enormously difficult challenge.

III

In conclusion, we respectfully request – on behalf of MQW, LLC and Hines – the elimination of all RRS requirements and disapproval of the OP proposal.

Thank you.

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