

January 5, 2010

Zoning Commission for the District of Columbia  
441 4<sup>th</sup> Street, N.W.  
Suite 210S  
Washington, DC 20001

Re: Zoning Commission Case No. 08-34  
Compliance with Certified Business Enterprise and First Source Programs

Dear Members of the Commission,

I am writing in response to your inquiry concerning the Louis Dreyfus Property Group's compliance with the Certified Business Enterprise (CBE) and First Source Employment (First Source) programs. In our 40 years of developing real estate in Washington, Louis Dreyfus Property Group (LDPG) has completed three buildings that required compliance with the District's CBE and First Source programs. These buildings were all within one project known as Station Place, a 1.6 million square-foot, commercial planned unit development that was approved by the Zoning Commission in 2002.

Station Place, which includes the headquarters of the U.S. Securities and Exchange Commission, exceeded the local, small and disadvantaged business, (LSDBE, now CBE) goals set forth in our Memorandum of Understanding with the D.C. Office of Local Business Development, now known as the Department of Small and Local Business Development. Development of the three buildings of Station Place resulted in the filing of over 45 quarterly LSDBE Expenditure reports between 2002 and 2009. The projected development costs associated with the design, development, construction, maintenance and security for Station Place totaled over \$240 million. The CBE expenditures equaled approximately \$98 million, or 41% of the projected development costs. At Station Place, LDPG exceeded our goal of 35% CBE participation by 6%.

Compliance with the goals set forth in our First Source Agreement proved to be more challenging. Our base building general contractors, J.A. Jones/Tompkins Builders and Balfour Beatty Construction, and their subcontractors entered into a minimum of 57 First Source Agreements and submitted 79 months of Contract Compliances Form packages to the Department of Employment Services (DOES). In the construction of the three buildings, there were 38 new non-union hires. DC residents accounted for 19 of the new non-union hires—the equivalent of 50%. [It should be noted that the trade unions have, as part of their collective bargaining agreements, their own, separate and distinct hiring process for filling job openings that is based on seniority rather than residency. The terms of the First Source Agreement provide that DOES will work within the terms of all collective bargaining agreements to which the employer is a party. At Station Place, union tradespersons represented 375 of the 413 new/re-hired workers.] The biggest obstacle to reaching the goal of 51% was finding DC residents who are qualified, skilled construction workers. DOES offers its placement services to contractors attempting to comply with First Source requirements, and has a database of names of DC residents who are looking for employment in the construction industry. However, that database has historically not been adequate to provide the necessary labor pool of skilled construction workers who are also DC residents.

Our experience with the difficulty of meeting the goals of the First Source program prompted us to become more involved with professional development in the construction trades industry. LDPG is a founding and active member of the DC Students Construction Trades Foundation, a non-profit organization that works cooperatively with the DC Public Schools to provide District students with access to career pathways in the skilled construction trades. Through a public-private partnership with DCPS, the Foundation has operated the

## Louis Dreyfus Property Group

Academy of Design and Construction at Cardozo Senior High School since 2004. The Academy now has an enrollment of over 120 high school students; in addition, the Foundation operates the DC Apprenticeship Academy, which trains DC residents who are construction industry apprentices, and prepares them for success in their careers and life. For this project, LDPG will seek to hire District residents for 67% of the employment opportunities for new apprentices. We believe that our involvement in training new construction workers will enable us to meet that goal.

I hope that this letter has been responsive to your inquiries. Thank you for your time and effort. And I look forward to your decision on January 24<sup>th</sup>.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert H. Braunohler", with a long horizontal flourish extending to the right.

Robert H. Braunohler  
Regional Vice President