CAPITOL GATEWAY MARKETPLACE

APPLICATION TO THE D.C. ZONING COMMISSION FOR A CONSOLIDATED PLANNED UNIT DEVELOPMENT AND ZONING MAP AMENDMENT

SUPPLEMENTAL PREHEARING STATEMENT OF THE APPLICANT

Z.C. Case No. 12-16

May 31, 2013

Submitted by:

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I. INTRODUCTION

This Supplemental Prehearing Statement and the attached documents are submitted on behalf of CG Marketplace, LLC (the "Applicant") in support of its application for review and approval of a consolidated PUD and related map amendment from the R-2 and R-5-A Zone Districts to the C-2-A Zone District for Square 5276, Lots 812, 813, and 23-121; Square 5272, Lot 51; Square 5273, Lot 67; Square 5277, Lots 22-33 and 805; and Square 5246, Lot 110 (the "PUD Site").

The Applicant originally filed a PUD Statement and supporting documents with the Zoning Commission on August 29, 2012; revised application materials on February 4, 2013; and a Prehearing Submission on April 10, 2013. Those submissions collectively set forth in detail the proposed development, project design, requested areas of zoning and design flexibility, and a discussion of how the project meets the applicable review and approval requirements.

This Supplemental Prehearing Submission supplements the record and includes revised development plans and additional information in further support of the application.

II. REVISED ARCHITECTURAL PLANS AND ELEVATIONS

As shown on the Revised Architectural Plans and Elevations ("Revised Plans & Elevations") attached hereto as Exhibit A, the Applicant has made a number of changes to address the concerns raised by the Zoning Commission and Office of Planning, and to improve the design and sustainability of the overall development.

The proposed Capitol Gateway Marketplace (the "Project") continues to include a full-service Walmart store which includes a much desired grocery component that will include fresh produce; a mixed-use building with approximately 288 residential units (plus or minus 10%) and approximately 23,500 square feet of retail use; and an 8,400 square foot sit-down restaurant site. However, as shown on the overall Site Plan included as Sheet G02-01 of the Revised Plans &

Elevations, the office building initially proposed to be located on Parcel 3 and the 51 surface parking spaces proposed to be located along the northern portion of Parcel 2 have been removed, and these areas are now being devoted to green space. The office building was removed from the Project in response to concerns raised regarding, a) the siting/visibility of the proposed building, b) the need of excessive retaining walls to support the development and construction of the use, and c) uncertainly regarding the demand for office space in the neighborhood.

The removal of the office building has eliminated the need for the zoning relief requested for that specific building. Moreover, removal of the parking spaces and the office building have reduced the need to construct substantial retaining walls along the northern property line and this area will now be gently sloped, thus substantially improving the green space for the natural treatment of stormwater and rainwater. This green space is proposed in the form of natural grass cover. The Project will include approximately 114,900 square feet of green space, which is approximately 22% of the PUD Site's area. In addition, the Project will include approximately 39,000 square feet of permeable pavers, which is approximately 7.5% of the PUD Site's area. Overall, approximately 30% of the PUD Site is permeable.

In addition to increasing the amount of green space proposed in the Project, the Applicant has also eliminated a number of retaining walls, and minimized the height of the remaining necessary retaining walls. The northern open space area of Parcel 2 now proposes a 2:1 stabilized slope with no need for a retaining wall. Additionally the BMP area, which was previously surrounded by retaining walls, has been re-graded such that no walls are needed to create the required stormwater volume. As shown on Sheets C05-01 and C05-02, the number of proposed retaining walls have been reduced to three and they are located such that they will not be readily seen by the public. The first retailing wall is located along the eastern edge of the

PUD Site. This retailing wall has an overall length of approximately 312 feet, and the height ranges from zero feet to a maximum of 11 feet. This retaining wall is adjacent to a wooded area and thus will not be readily visible to the public. The second retaining wall is located on the west side of the restaurant site between the parking lot and the adjacent property to the west. This retaining wall has an overall length of approximately 175 feet and the height ranges from zero feet to a maximum of 7.5 feet. Finally, the third retaining wall is located west of the restaurant building between the parking lot and the proposed rain gardens. This retaining wall has an overall length of approximately 70 feet and the height ranges from four feet to a maximum of 4.5 feet.

As shown on Sheets C05-01 and C05-02 of the Revised Plans & Elevations, the retaining wall on the east parcel will be constructed using block wall with tie-backs similar to the Vertica Retaining Wall System, while the retaining walls on the restaurant site (west parcel) will be cast in place concrete. Additionally, the wall facing East Capital Street will have a veneer facing with a cap. Sample details of the both the Vertica Retaining Wall System and cast in place walls, and conceptual retaining wall sections, are shown on Sheets C05-03 and C05-04.

In addition to the overall site plan improvements, the Applicant has enhanced the design of the mixed-use, restaurant, and Walmart components of the Project as described in more detail below.

A. <u>Mixed-Use Building Site</u>

As the first building visible upon entering the District of Columbia from the east, the mixed-use building and site function as a symbolic and literal gateway and landmark. In response to comments received from the Office of Planning and the Zoning Commission regarding the treatment of the facades of this building, the Applicant has made a number of refinements to the building elevations. Most importantly, the south elevation has been greatly

simplified and clarified. The retail elevations facing East Capitol Street, N.E. have been further elaborated to enhance the retail experience, and the material palette and massing on this side of the building have been more carefully integrated with the façade treatments of the other three sides. The quantity of metal panel has also been reduced, as have parapet heights. The southwest corner retains its "landmark" appearance, but the deep overhang covering the eastern half of this façade has been eliminated.

A number of refinements to the remaining facades have also been made in order to soften the appearance of the building and lend it a more residential (although still contemporary) appearance. Massing of all three facades has been simplified, and exterior balconies have been eliminated in most locations. A single column of balconies on three of the four facades remains, and corresponds to a terra cotta-colored recessed "tower" mass, anchoring the building visually as well as resolving the massing to a more residential scale. Window proportions have also been reduced to a more residential scale, and cladding materials have been manipulated to visually group windows into smaller, more residential-scale clusters.

As shown on Sheets A03-01 through A03-54, a number of additional renderings, elevation details, and schematic wall sections have been provided in order to further document the exterior appearance of the building.

B. <u>Walmart Site</u>

As shown on Sheets A02-01 through A02-49 of the Revised Plans & Elevations, the Applicant has made revisions to the design of the Walmart building to address the comments raised by the Zoning Commission. In response to the Zoning Commission's comments regarding the west elevation of the building and the pedestrian experience along 58th Street, the design team has made substantial improvements along this building face. For example, additional windows have been added to the northwest corner to allow day-lighting into the store sales floor,

similar to the southwest corner of the building. Contrasting metal panels (similar to the panels along the top of the front sign wall) have also been introduced between the two façade corners. Masonry pilasters have also incorporated into the façade to provide additional relief. The exterior downspouts were incorporated into the interior of the building with external brass downspout tongues exiting the face of the wall to transfer the roof water to the rain garden. Overall, these improvements greatly improve the building's western façade and helps to improve the pedestrian experience along 58th Street.

The design team has also improved the northern elevation of the building. For example, as shown on Sheet A02-49, metal panels (the same as the northwest and southwest corners) have been added adjacent to the loading area and at the corner opposite the mixed-use building. The metal panel system wraps the east corner of the building. In addition to these metal panels, masonry wall reliefs were applied to the façade in a systematic pattern to further enhance the façade.

In addition, after further study of the front (south) façade and the southeast corner of the building, the design team saw an opportunity to increase the glazing, provide greater visual transparency and open up the primary Walmart entrance to the mixed-use plaza experience, helping to provide connectivity to the proposed retail uses in the mixed-use building. In the original design the Walmart building had a free standing wall wrapped in Trespa (phenolic resin) to support the roof structure at the southeast corner which was also used to support the “Market” directional signage. In re-examining this condition, the design team eliminated this wall and added an additional circular column to compliment the adjacent columns. Furthermore, additional glazing supplemented the removal of the phenolic resign wall to substantially improve on the transparency of the façade. This southeast corner of the building now opens up freely to

the mixed-use plaza experience providing clear direction to the Walmart's store's entry and to the plaza's entrance.

C. Restaurant Site

The Project includes a sit-down restaurant site and is a critical component of the development that responds to the community's desire for a sit-down restaurant in the neighborhood. Although the restaurant will be constructed by the restaurant operator, the Applicant has designed the restaurant to fit within the context of the Project and to develop the site in a manner that has the least amount of impact to the surrounding properties.

The slope on this specific parcel is the most complicated of all the parcels in this development. The site slopes in more than three directions. The original design had a major retaining wall proposed along the entire strip of East Capitol Street. As shown on Sheets A04-42, A04-43, and A04-51 of the Revised Plans & Elevations, this updated design eliminated the retaining wall by implementing rain gardens, garden walls, planted hedge systems, interlocking grass pavers, plaza areas, and other landscaping features. This new design now captures all the rain water off the roof as well as the site by utilization of sustainable site features incorporated into the design.

With respect the restaurant's elevations, the building's design is inspired by taking cues from the Walmart building and the mixed-use building and by utilizing similar materials and building form language. In viewing the overall aerial image (See Sheet A04-42 of the Revised Plans & Elevations), the design engages the corner of East Capitol Street and 58th Street while also connecting the community north of 58th Street. The entrance has been strategically located to be visible from East Capitol Street but also to connect to the parking area. Outdoor seating is the greatest enhancement to the design and now connects the exterior to the interior and provides for a more exciting and vibrant environment both during the day and evening. This intersection

has now become an interactive and an engaged component of the overall design similar to the southeast intersection next to the mixed-use building. This new design now connects all three buildings on the site seamlessly and holistically.

The Applicant is seeking consolidated review and approval for development of the proposed restaurant on Parcel 1. It is important to note that the future restaurant operator/tenant is unkown at this time. Although restaurant brands vary from one restauranteur/operator to another, the basic operations are very similar in nature. The Applicant anticipates that the restaurant tenant might want to make adjustments to the approved PUD plans in order to accommodate its operations. The primary façade locations along East Capitol and 58th Streets; the HVAC equipment screeing; the location of the trash areas; landscaping; and the stormwater management features as shown on the plans are fixed. However, the Applicant is requesting flexibility to permit the restaurant operator to make minor adjustments to the approved plans provided that the adjustments do not materially differ from the Revised Plans & Elevations and are consistent with the adaption guidelines included as Sheet A04-52 of the Revised Plans & Elevations.

III. COMMITMENT TO SUSTAINABILITY

The Project exhibits many characteristics of exemplary urban design and green building practices, and demonstrates the Applicant's commitment to utilizing innovative sustainable design practices. Specifically, the Applicant has focused on streetscape improvements and enhancements to the public space, vehicular and pedestrian improvements, transportation demand management measures, environmental benefits, the reduction of retaining walls, and the provision of special features such as rain gardens, linear bioswales along streetscapes, native vegetation, and porous pavers where feasible. (See Sheet G04-01).

Below is a comprehensive list of sustainable features incorporated into the design:

Restaurant Parcel:

- Porous grass pavers covering 5,000 square feet (or 20%) of the restaurant's surface parking lot, and a total of 12,970 square feet of the restaurant site is green space.
- Large bioswales along the East Capitol Street frontage which capture 100% of the parking lot and roof run off from the restaurant site.
- Landscaped islands throughout the parking lot to further capture runoff and provide added canopy coverage to the site.
- Landscape perimeter planting providing a visusal buffer to the north and west of the site.
- Active corner plaza engaging the East Capitol Street and 58th Street intersection with outdoor seating, planting, decorative porous paving, and lighting.

Wal-Mart:

- Native planting areas and decorative porous paving along the East Capitol Street frontage consistent with the other parcels along East Capitol Street.
- Large bio-retention areas along the 58th Street frontage and at the northeast corner of the site, and porous pavers along the East Capitol Street frontage, will capture runoff from the roof and site, capturing approximately 85% of the site's run-off.
- Capital Bike-Share station provided within the building.
- Street trees along all surrounding streets (58th street, Private Street 1 and Private Street 2).

Mixed-Use Building

- Signature gateway plaza at southeast corner to mark the entrance into the site and symbolically into the City with paving and planting consistent with the other parcels. The

latest plaza design further softens the space with enlarged planning areas and additional shade trees.

- Bio-retention areas throughout the plaza, along the frontages of the building, at the northeast corner of the site, and porous pavers along the East Capitol Street frontage will capture approximately 85% of the runoff from the roof and site.
- Attractive interior courtyard amenity with over 50% green area.
- Outdoor seating with shade for residents, retail patrons and the general public
- The building has been designed to achieve a minimum of 52 points as shown on the theoretical LEED checklist included as Sheet G04-02 of the Revised Plans & Elevations, which would be the equivalent of LEED Silver.

IV. AFFORDABILITY OF RESIDENTIAL COMPONENT OF DEVELOPMENT

The mixed-use component of the Project includes 288 residential units (plus or minus 10%). As indicated in the Applicant's Prehearing Submission, the residential units will be financed through a Low Income Housing Tax Credit ("LIHTC") financing offering, and thus the Project is exempt from the Inclusionary Zoning requirements pursuant to Section 2602.3(f) of the Zoning Regulations. All of the residential units in the mixed-use building will be designated as affordable housing units for households earning 60% of the AMI for 15 years. This substantially exceeds the amount of affordable housing that would be required under the Inclusionary Zoning requirements set-forth in Section 2603.1 of the Zoning Regulations. Under the LIHTC program, the Applicant anticipates that monthly rents for residential units in the Project will be $1,129 for studio/efficiency units, $1,209 for one bedroom units, and $1,452 for two bedroom units based upon the rates established by the D.C. Department of Housing and

Community Development (See http://dhcd.dc.gov/service/home-and-lihtc-rent-program-limits).[1] These rental rates will help to continue to support property values in the existing neighborhood.

V. ISSUES/CONCERNS RAISED BY THE OFFICE OF PLANNING

1. Employment and Training Opportunities

Expanding employment opportunities for local residents is a priority of the Applicant. A&R and its affiliates have an exemplary track record in achieving and surpassing the District's local-resident employment goals. For example, with respect to its most recent project -- Rhode Island Row -- approximately 21% of the total workforce for that project have been District residents and 5% have been Ward 5 residents. Of the new hires, 82% have been District residents and 29% have been Ward 5 residents.[2] A&R is committed to achieving similar results for this exciting new development, and consistent with other recently-approved PUDs, the Applicant will be entering into a First Source Employment Agreement with the Department of Employment Services for construction of the mixed-use building and will to submit a fully-executed First Source Employment Agreement to DCRA prior to the issuance of a building permit for the mixed-use building.

2. Transportation Features

The proposed development will include a number of elements designed to promote effective and safe vehicular and pedestrian access, transportation management measures, and connections to public transit services. For example, the project includes a total of 84 bicycle

[1] Rental rates and per square foot rents are below DC averages in Ward 7 and the 20019 zip code. Generally, current rental rates in Ward 7 and the 20019 zip code average approximately $925 per month for a one bedroom apartment (ranging between $775 and $1,100) and $1,170 per month for a two bedroom apartment (ranging between $900 and $1,200).

[2] In order to maximize local hiring, prior to construction starting, A&R and the contractor established a partnership with the District Department of Employment Services (DOES) wherein DOES accepted applications from and pre-screened District residents interested in employment opportunities on the project. When a new position becomes available, the Contractor notifies DOES and requests pre-screened applicants to refer to the Subcontractor.

spaces located throughout the PUD Site. Walmart has also agreed to pay for the purchase and installation of a Bike Share Station on the Walmart site. Moreover, in response to the concern raised in the Office of Planning report regarding the amount of parking proposed for the Project, the Applicant has eliminated 80 parking spaces, of which 51 were surface parking. In addition to reducing the amount of overall parking, as indicated in the Transportation Impact Study prepared by Gorove Slade and attached hereto as Exhibit B, the Applicant has committed to implementing the following transportation demand management measures:

- The Applicant will maintain or coordinate relocation of any existing bus stops during construction of the development.
- The Applicant will comply with Zoning requirements to provide bicycle parking/storage facilities. This includes secure parking located in the garage for retail employees and long-term storage for residents.
- The Applicant will unbundle all parking costs from the cost of lease or purchase of residential units. Parking costs will be set at no less than the charges of the lowest fee garage located within ¼ mile.
- The Applicant will post all TDM commitments on-line, publicize availability, and allow the public to see what commitments have been promised.
- The Applicant will identify separate TDM Leaders for the mixed-use and Wal-mart portions of the site (for planning, construction, and operations) and provide this information to DDOT and Zoning Enforcement.
- The Applicant will install a Transportation kiosk in the residential lobbies, which will contain printed materials related to local transportation alternatives and will maintain a stock of materials at all times.

- The Applicant will provide website links to CommuterConnections.com and goDCgo.com on developer and property management websites.
- The Applicant will dedicate two spaces on site for car sharing services to use with right of first refusal.
- The Applicant will provide reserved spaces for carpools and vanpools that are conveniently located with respect to the elevators serving the buildings.
- The Applicant will provide an on-site business center available to residents, which will provide access to copier, fax, and internet services.
- Wal-mart will provide a Capital Bikeshare station and ongoing funding for the program.
- The Applicant will also provide 1-year Capital Bikeshare memberships for each new resident.
- The Applicant agrees to host a transportation mobility fair six months after the development has opened. The transportation fair will be advertised to all retail workers and residents. The onsite TDM coordinator will work with DDOT's goDCgo team to organize representatives that are experts in the non-auto transportation options that serve the site. Each person that attends the event will be educated on the various options and representatives will work with attendees to help them tailor the use of non-auto options to their specific transportation needs. Based on the turnout of the transportation fair and feedback gleaned by the onsite TDM coordinator, a determination will be made if the event will be repeated the following year.

- Two years after the project is 90% occupied, the Applicant will perform a monitoring study of site trip generation. The site trips will be compared to the projected trip generation contained in this report. If the measured trip generation exceeds the projections, the Applicant will supplement the above TDM measures with additional ones, such as those from in *Incorporation of Transportation Demand Management (TDM) into the Development Review Process* suggested for a project of this size not listed above.

The Applicant believes that the proposed transportation features and improvements constitute significant amenities for the Project.

VI. COMMUNITY SUPPORT

The Applicant has worked diligently for a number of years to obtain community support for the overall Capitol Gateway PUD and the Project. The Applicant, the D.C. Housing Authority, and Walmart representatives have met with and presented the Project to the Ward 7 Councilmember, a number of individuals, members of community groups, Advisory Neighborhood Commission ("ANC") 7C and 7E, and individual ANC commissioners. As a result of these efforts, the Applicant has received letters of support from Councilmember Yvette M. Alexander (Exhibit C), the Capitol Gateway Community Resident Association (Exhibit D), the Northeast Boundary Civic Association (Exhibit E), Mr. Ronald Streff (Exhibit F), Dr. Mary Gaffney (Exhibit G), and anticipates that additional letters of support will be submitted prior to the public hearing.

VII. CONCLUSION

For the foregoing reasons, the Applicant submits that the proposed PUD and zoning map amendment meet the standards of Chapter 24 of the Zoning Regulations and the standards for

approval. Accordingly, the Applicant requests that the Zoning Commission approve the application.

Respectfully submitted,

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