

September 26, 2013

VIA ELECTRONIC FILING AND HAND DELIVERY

Anthony Hood, Chairperson
D.C. Zoning Commission
Office of Zoning
441 4th Street, N.W., Suite 210
Washington, DC 20001

Re: Z.C. Case No. 13-05
D.C. Water Sites PUD
Best and Final Offer Response re: Proffers

Dear Chairman Hood and Members of the Commission:

Pursuant to Section 2403.16 of the Zoning Regulations, this letter identifies the public benefits being proffered by the Applicant in the above-captioned case and the associated proposed conditions for each proffered benefit that are both specific and enforceable. Below is a chart of each proffered amenity and proposed condition. For the Commission's convenience, the conditions are separated by those that apply to the First-Stage PUD and those that apply to the Consolidated PUD.

First-Stage PUD Benefits and Conditions

<u>Proffer</u>	<u>Proposed Condition</u>
<u>Site Planning and Efficient Land Utilization</u> , through the replacement of a fenced-off surface parking lot and low-scale structures with a mixed-use transit oriented development that restores the street grid, provides connections to the Anacostia riverfront, and strengthens the emerging Ballpark and Yards neighborhoods.	<ol style="list-style-type: none">1. The G1, G2, and G3 Parcels shall be developed in accordance with the master plan prepared by Shalom Baranes Associates marked as Tab A of Exhibit 17 of the record (the "Master Plan"), as modified by guidelines, conditions, and standards herein and the Zoning Commission's second-stage approval.2. The G1 and G2 Parcels shall be rezoned to the CG/CR Zone District, and the G3 Parcel shall be rezoned to the CG/W-1 Zone District, as shown on page S09 of the Master Plan

<p><u>Housing and Affordable Housing</u>, through the provision of approximately 600 new residential units, including approximately 48 affordable housing units set aside for households earning up to 80% of the Area Median Income. The PUD will result in approximately 22 affordable housing units above what would be delivered as a matter of right.</p>	<p>3. The G1 and G2 Parcels shall provide approximately 600 residential units and set aside 8% of the residential gross floor area on each Parcel as affordable housing (estimated as approximately 48 units) for households earning up to 80% of the Area Median Income. The Applicant shall have flexibility to revise the number and type of residential units in conjunction with future second-stage PUD submissions to accommodate the final design of each building.</p>
<p><u>Ground Floor Retail Space</u>, including retail space along both 1st Street and 1 ½ Street as well as potential additional retail space along Potomac Avenue. As agreed to with ANC 6D, the northeast and southeast corners of the G1 Parcel shall be programmed for retail use.</p>	<p>4. The Applicant shall provide approximately 35,000 - 50,000 square feet of retail space as shown on page MP-07 of the Master Plan; provided that the Applicant shall program the northeast and southeast corners of the G1 Parcel for retail use.</p>
<p><u>An Expanded Diamond Teague Park</u> on the G3 Parcel, including playground equipment</p>	<p>5. The Applicant shall include an expanded Diamond Teague Park in the second-stage PUD application for the G3 Parcel. The design of the park shall include dedicated playground equipment, at the high level of design expected on the waterfront. Such features could include one or preferably more features such as: slides, swings, and climbing equipment.</p>
<p><u>Environmental Benefits</u> that provide a drastic improvement over existing conditions including green roofs, LID tree pits, and the expansion of Diamond Teague Park.</p>	<p>6. The Applicant shall design the proposed private street network as shown on pages L04-L08 and L10-L13 of the Master Plan, including the LID and tree planting details included in the Master Plan, provided that the Applicant shall have flexibility to modify the design of such improvements to correspond with any design changes requested by DDOT within the public space associated with the PUD.</p> <p>7. In connection with the second-stage PUD applications for each of the G1 and G2 Parcels, the Applicant shall provide evidence that each building will be designed to the equivalent of LEED-NC Silver rating.</p>

Effective and Safe Vehicular and Pedestrian Access and Transportation Management Measures, including restoration of the street grid, pedestrian-friendly streets, and on-street electric car-charging stations.

8. The Applicant shall program the proposed private streets Potomac Avenue SE and 1 ½ Street SE within the PUD as “complete streets” that are shared among a variety of users, most notably bicyclists and automobile drivers. Among other measures, the Applicant shall consider the use of “sharrows” along Potomac Avenue SE. Such detail shall be incorporated into future second-stage PUD applications.

9. The Applicant shall provide two on-street dedicated electric car-charging stations either (a) on public space adjacent to the PUD on 1st Street and N Place SE or (b) on the proposed private streets within the PUD that include 1 ½ Street SE, Potomac Avenue SE, or O Street SE. The specific location and timing for provision of such spaces shall be detailed no later than the second-stage PUD submission for the latter of the G1 or the G2 Parcels, when the private road network and related streetscape improvements are scheduled to be completed.

10. The Applicant shall provide a Comprehensive Transportation Review for each second-stage PUD submission.

11. The Applicant shall have flexibility to redesign the proposed intersection of Potomac Avenue and 1st Street as well as make related changes to the alignment of Potomac Avenue and the shape and amount of development on the G2 and G3 Parcels, based on further discussions with DDOT, OP and HPO. The Applicant agrees to contribute 100% of the design and construction costs for appropriate new signal hardware for the Potomac Avenue and 1st Street intersection that is required to accommodate new traffic movements through the intersection triggered by the extension of Potomac Avenue.

Historic Preservation, through the retention of portions of the Fleet Maintenance Building and restoration of the historic Potomac Avenue right-of-way.

12. The Applicant shall retain and incorporate portions of the Fleet Maintenance Building into the G1 Parcel as shown on Page B-02 of the Master Plan.

- a. The Applicant shall develop a preservation program on the preserved Fleet Maintenance Building façade, despite this façade not being designated as a historic building. This includes preservation of the existing brick, walls, window and door openings - with allowances made to retrofit this into a viable retail building, and preservation of some of the existing diverse and mottled window-pane look. The specific preservation plan will be incorporated into the future second-stage submission for the G1 Building
- b. The Applicant shall seriously consider the preservation of the windows, bricks, and other “character-defining” building materials of the existing industrial heritage buildings proposed to be demolished on the site (that is, the Welding Shop, the Concrete Prefabrication Shop, and the Carpenter Shop), and to reuse such materials elsewhere as interior or exterior elements within the PUD. Details on such efforts shall be included in future second-stage PUD applications.
- c. The Applicant shall seriously consider the relocation of one or more of the existing smaller industrial heritage buildings proposed to be demolished on the site (that is, the Concrete Prefabrication Shop and/or the Carpenter Shop) – to the G3 Parcel. Details on such efforts shall be included in future second-stage PUD applications.

<p><u>Continued Coordination with DC Water.</u></p>	<p>13. The Applicant shall have flexibility to revise the design of 1 ½ Street south of the F1 Parcel to eliminate grading on DC Water property and use retaining walls as needed.</p>
<p><u>Phasing.</u></p>	<p>14. The Applicant shall file an application for second-stage PUD approval of either the G1 or G2 Parcel no later than two years after the issuance of a Certificate of Occupancy (“CO”) for the F1 Parcel. The Applicant shall file an application for second-stage PUD approval of the remaining residential building no later than two years after the issuance of the CO for the initial residential building. The Applicant shall also be permitted to seek approval for landscape and park improvements on the G3 Parcel as well as temporary, interim uses and structures on the G3 Parcel in conjunction with either the G1 or the G2 Parcel.</p> <p>The Applicant shall file an application for second-stage PUD approval of the G3 Parcel no later than five years after the issuance of the CO for the latter of the G1 or G2 Parcels.</p>

Consolidated PUD Benefits and Conditions

<p><u>Proffer</u></p>	<p><u>Proposed Condition</u></p>
<p><u>Exemplary Urban Design and Architecture</u>, through the use of high-quality materials, pedestrian-oriented street grid patterns, streetscape improvements, and clear separation of pedestrian and vehicular circulation patterns.</p>	<ol style="list-style-type: none"> 1. The F1 Parcel shall be developed in accordance with the plans prepared by RTKL marked as __ of Exhibit __ of the record (“Approved F1 Plans”), as modified by guidelines, conditions, and standards herein. 2. The F1 Parcel shall be rezoned to the CG/CR Zone District as shown on page S09 of the Master Plan. 3. The Applicant shall have flexibility from the public space at ground level, court, parking and loading requirements of the Zoning Regulations as shown on the Approved F1

	Plans.
<p><u>Movie Theater and ground-floor retail and arts uses</u> (uses of special value).</p>	<p>4. The F1 Parcel shall be used for ground-floor retail and arts uses, a movie theater, and commercial parking uses with approximately 331 parking spaces, as shown on the Approved F1 Plans.</p>
<p><u>Loading</u> and continued coordination with DC Water.</p>	<p>5. The Project shall provide loading consistent with the Approved F1 Plans, provided that the Applicant shall be have flexibility to modify such plans in response to continued coordination efforts with DC Water including as follows:</p> <ul style="list-style-type: none"> a. The Applicant shall refrain from using WB-50 trucks to service the F1 Parcel, if required by DC Water to accommodate the design of DC Water’s proposed new administrative headquarters building. b. The Applicant shall modify the location and design of the trash berth, if required to accommodate the design of DC Water’s proposed new administrative headquarters building. c. The Applicant shall coordinate the time for such deliveries and trash service with DC Water.
<p><u>Environmental Benefits</u> that provide a drastic improvement over existing conditions including a green roof and LID tree pits.</p>	<p>6. The Applicant shall design the F1 Parcel to achieve the equivalent of certification or higher under the LEED-CS rating system.</p> <p>7. The F1 Parcel shall include a green roof and LID tree pits as shown on the Approved F1 Plans, provided that the Applicant shall have flexibility to modify the final design of improvements in public space in response to DDOT direction and to modify the corresponding elements in private space to align with the final design of streetscape improvements in public space.</p>


<p><u>Effective and Safe Vehicular and Pedestrian Access and Transportation Management Measures</u>, including restoration of the street grid, pedestrian-friendly streets, and bicycle parking amenities.</p>	<p>8. The F1 Parcel shall provide a minimum of 40 bicycle parking spaces within the building and 12 bicycle parking spaces on racks outside the building, as well as an on-site facility with showers and lockers for employees of the movie theater. The final number and location of improvements in public space shall be subject to the discretion of DDOT.</p> <p>9. Prior to the issuance of a certificate of occupancy for the F1 Parcel, the Applicant shall demonstrate that it has constructed the streetscape improvements along the south side of N Place and the east side of 1 ½ Street adjacent to the F1 Parcel as shown on the Approved F1 Plans. The final design of any improvements in public space shall be subject to final approval from DDOT and the Applicant shall have flexibility to modify such improvements in response to DDOT direction as well as modify the corresponding elements in private space to align with the final design of streetscape improvements in public space. The Applicant shall also have flexibility to modify the location of the proposed N Place curb cut in response to DDOT direction as well as modify the design of the F1 Parcel to accommodate any change to the location of the curb cut.</p> <p>10. [Conditions regarding performance monitoring and potential new signal at 1st Street and N Place to be negotiated with DDOT and provided in a supplemental submission.]</p>
<p><u>Employment Opportunities</u>, including a first Source employment agreement and a workforce intermediary program.</p>	<p>11. Prior to the issuance of a building permit for the F1 Parcel, the Applicant shall provide evidence that it has amended its existing First Source Agreement or signed a new First Source Agreement with the D.C. Department of Employment Services.</p>

	<p>12. Prior to the issuance of a certificate of occupancy for the F1 Parcel, the Applicant shall provide evidence that it has entered into a Memorandum of Understanding with ANC 6D and/or the Community Benefits Coordinating Council regarding a Workforce Intermediary Program that will provided supported employment and jobs for ANC 6D residents (20003 and 20024 zip codes) to the extent permitted by District of Columbia law with a focus on training, placement, and retention of candidates for jobs created by the PUD.</p>
Design Flexibility	<p>13. The Applicant shall have flexibility with the design of the PUD in the following areas:</p> <ul style="list-style-type: none">a. To vary the location and design of all interior components, including partitions, structural slabs, doors, hallways, columns, signage, stairways, mechanical rooms, elevators, and toilet rooms, provided that the variations do not change the exterior configuration or appearance of the structure;b. To vary final selection of the exterior materials within the color ranges and materials types as proposed, based on availability at the time of construction;c. To make minor refinements to exterior details and dimensions, including balcony enclosures, belts, courses, sills, bases, cornices, railings, and trim, or any other changes to comply with Construction Codes or that are otherwise necessary to obtain a final building permit, or are needed to address the structural, mechanical, or operational needs of the building uses or systems;d. To vary the size, location and design features of the retail/arts component of

	<p>the Project, including the size, location, and design of windows, doors, awnings, canopies, signage, and similar features, to accommodate the needs of specific retail tenants and storefront design; and</p> <p>e. To vary the size, location, type and other features of proposed building signage related to the proposed retail and theater uses.</p> <p>f. To vary the design of the parking garage, which need not conform to the parking garage requirements of the Zoning Regulations regarding aisle width and parking space width, provided that the parking garage contain approximately 331 vehicular parking spaces, which requirement may be satisfied through any combination of handicapped and full and compact parking spaces.</p>
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We look forward to the Zoning Commission taking Final Action on this case.

Very truly yours,


Phil Feola


David Avitabile

DA/da

CERTIFICATE OF SERVICE

On September 26, 2013, I caused a copy of the foregoing letter and enclosure to be delivered by hand or by electronic mail to the following:

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