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VIA IZIS

Zoning Commission for the
District of Columbia
441 4th Street, N.W., Suite 200S
Washington, D.C. 20001

Re: Z.C. Case No. 13-14 – McMillan Sand Filtration Site
Applicant's Response to Commission's Comments of July 28

Dear Commissioners:

On behalf of Vision McMillan Partners and the District of Columbia through the Office of the Deputy Mayor for Planning and Economic Development (the "Applicant"), we submit this letter and the attached documents in response to information requested by the Zoning Commission (the "Commission") during the July 28, 2014, public meeting on the above-referenced application. During this meeting, the Commission requested additional information on, or restudy of, the following items: (i) the height of the Healthcare Facility; (ii) the loading facilities for the multi-family/grocery store on Parcel 4; (iii) the proposed traffic mitigation measures, including submission of a transportation performance plan; and (iv) the specific uses, dollar amounts, and timing of the financial contributions and other proffer public benefits and amenities. Details regarding these topics are discussed below.

1. Healthcare Facility Height Reduced to 115 Feet (Exhibit A)

As suggested by the Commission, the Applicant has reduced the height of the western wing of the Healthcare Facility from 130 feet to 115 feet. In order to match the proportions of the newly reduced west wing, and to maintain the design intent of the building, the Applicant adjusted the north and south facades of the east wing by raising the clearance height of the projecting bay, thereby reducing the size of the eastern building, as well. The building skin was also modified on all sides of both the western and eastern wings, and the overall density of the building was reduced by 25,000 square feet of gross floor area. This reduction in square footage will not have an appreciable effect on the financial feasibility of the project or the transportation network. Renderings and sections showing these revisions are included as part of Exhibit A.

2. Loading Facilities Reconfigured on Parcel 4 (Exhibit A)

As requested by the Commission, the Applicant continued to study the loading operations and facilities for the multi-family/grocery store on Parcel 4. The street level design was reconfigured to ensure a safe and attractive experience for pedestrians along Evarts Street, in response to the Commission's chief concern, without compromising the ability to bring a full-service grocer to the site. In consultation with DDOT, the Applicant has eliminated one curb cut along Evarts Street and combined the trash and service space for the residential and grocery store uses. The two relatively small changes have resulted in significant enhancements to the street level elevation and pedestrian experience. First, new flexible space has been added at the eastern end of the building with new windows spanning approximately 55 feet of the ground floor. This change will significantly enhance the street level experience along Evarts Street. Second, the loading bay opening has been divided into two sections separated by a column, producing a more articulated rhythm to the ground floor facade. The Applicant accomplished this by converting the angled loading for the residential building to perpendicular access and eliminating one delivery space. The Applicant seeks zoning flexibility for this configuration, as described below.

The Applicant restudied the possibility of "front-in/front-out" loading for the grocery store, as directed by the Commission at its July 28 meeting, even if it meant reducing the size of the store. However, there was no solution that proved viable. The design and function of the multifamily and grocery loading area are driven by a variety of constraints and objectives. A key constraint is the size of Parcel 4 with approximately 70,000 square feet of land area. The restricted size of Parcel 4 is a direct function of the input received from the Historic Preservation Review Board ("HPRB") on the Master Plan. At the direction of HPRB, the Applicant introduced the north-south roadways of Quarter Street, Half Street and Three-Quarters Street to create north-south sight lines through the landmark, and limited the width of the new east-west axis of Evarts Street to de-emphasize it in relation to the historic Service Courts. The small block sizes, which are approximately 43,000 square feet in size, are also designed to evoke the layout of the historic filter beds. Other urban design objectives of the overall plan, including the reconstructed Olmsted Walk along North Capitol Street to the east, the preservation of the sand bins in the center of the North Service Court, and a pedestrian-friendly Quarter Street, all necessitated that the loading activities occur on Evarts Street.

The strong consensus desire for a full-service, large-format grocer creates further design constraints on the layout of the building. Grocers that are active in the market require a minimum floor plate of 50,000 net square feet, at least 150 parking spaces on a single level, segregated from parking for other uses, and at least two loading berths capable of handling WB-67 delivery vehicles. In consultation with DDOT, the design team analyzed numerous configurations of the loading docks and parking access within these design parameters. Unfortunately, "pull-in/pull-out" loading or below grade loading cannot be accommodated

without dramatically reducing the net square footage of the grocery floor plate by more than 25 percent, expanding or adding new curb cuts, and significantly reducing the available parking on the P1 level. Based on our discussions with potential grocers, such changes would render the site unmarketable to a large-format grocer. The area is still an emerging market and the Applicant needs to position the site as attractively as possible within the minimum square footage requirements of a large format grocer in order to ensure the highest possible probability of success.

As a result of the proposed changes, the Applicant seeks additional zoning flexibility from the Commission. First, the Applicant seeks flexibility to provide a shared service space for the grocery store and residential building whereas the Zoning Regulations require separate service spaces for each use. The loading dock manager will control the use of this service space. Second, the elevator core has been shifted to the east, resulting in a greater degree of flexibility from the roof structure setback relief previously requested for the elevator penthouse, as shown on the drawings attached as part of Exhibit A.

3. Traffic Mitigation and Performance Plan Developed (Exhibit B)

At the direction of the Commission, the Applicant has developed a more specific, coordinated plan regarding transit improvements, traffic mitigation and performance monitoring. Since the Commission's July 28 meeting, the Applicant and the District's Department of Transportation ("DDOT") have held numerous meetings and discussions to develop a coordinated transportation performance plan (the "Performance Plan") that sets forth a firm timeline for implementing transportation infrastructure improvements and mitigation measures. The Performance Plan includes a post-occupancy monitoring strategy to ensure that it is implemented and adjusted according to the actual demand generated by the project. Based on the comprehensive coordination and discussions with DDOT, the Applicant is in full conformance with DDOT's recommendation on all aspects of its transportation strategy and the Performance Plan. The Performance Plan, attached as Exhibit B, is summarized below.

- a. Applicant Commits to Expanded Transit Modes. The Applicant commits to provide new or expanded transit modes through a combination of private shuttle service, infrastructure and road improvements, bike share, and pedestrian and related enhancements, as detailed in Exhibit B, to accommodate the increased trips generated by the project.
- b. DDOT's Commitments - The Commission expressed concern that the city had not made firm commitments with regard to its role in providing enhanced, quality public transportation to the site. In numerous meetings since the Commission's July 28 meeting, the Applicant has heard DDOT express its unequivocal commitment to provide enhanced public transit at McMillan. The Applicant understands that this commitment includes enhanced WMATA bus service and a new Circulator. Further, as previously submitted,

Councilmember McDuffie has made a commitment to ensure funding is in place for enhanced transit. The Applicant understands that DDOT will address those commitments in its submission to the Commission due September 15, 2014. Finally, the Deputy Mayor's Office for Planning and Economic Development has also stated its commitment to these transit measures and overall site infrastructure improvements, as described in its letter attached as Exhibit G.

- c. Applicant Commits to Fund and Fill Transit Demand Gaps. The Applicant commits to fund and fill any and all transit demand gaps that are not met by enhanced public transportation that DDOT and WMATA are pursuing. The Applicant will do this through the funding of private shuttle service, major road improvements, and bike and pedestrian enhancements, as detailed in Exhibit B.
- d. Applicant Commits to Fund Private Shuttle – The Applicant commits to fund a private shuttle service for the PUD site, regardless of cost, to ensure that any transit demand gaps are adequately served, as directed by the Commission. The Commission expressed concern that the Applicant's previous commitment of \$1.25 million over a five year period was limited in amount and duration, and potentially inadequate to address the potential need. The Applicant has now budgeted \$1.75 million (\$500,000 over the previous commitment) to cover the cost of the private shuttle but also commits to expend the actual amount needed, without limitation, to mitigate the additional trips caused by the project that are not provided through public transit service.
- e. Timing of Transportation Plan Implementation - The Commission expressed concern that there are some aspects of the Applicant's transportation plan that must be agreed to in final form at time of building permit, as opposed to prior to Commission approval. The Applicant has addressed this concern, in coordination with DDOT, by establishing thresholds that trigger additional Transportation Demand Mitigation measures. These are detailed in the Performance Plan attached as Exhibit B.
- f. Electric Car Charging: Parcel 1 Garage Signage - The Applicant agrees with DDOT's recommendation and will provide the requested electric vehicle charging stations, in addition to the previously enumerated transit measures in the Applicant's materials submitted to the record as Exhibits 109A and 832E. The Applicant will also provide the directional signage in the Parcel 1 parking garage as requested by DDOT.

4. **Details and Timing of Community Benefits Finalized (Exhibit C)**

The Commission requested additional information regarding the specific uses, dollar amounts, and timing of the financial contributions specified in the community benefit agreement (the "CBA"), as negotiated with Advisory Neighborhood Commission ("ANC") 5E. A chart of

the community benefits and payment schedule is attached as Exhibit C, with key provisions summarized below. As suggested by the Commission, and as reflected below, the specific amounts of funds directed to the various community groups was re-evaluated and reallocated.

- a. Community Beautification Funds: Prior to the issuance of a certificates of occupancy for the buildings on Parcels 4 and 5 (as outlined in Exhibit C), the Applicant shall provide evidence to the D.C. Department of Consumer and Regulatory Affairs (“DCRA”) that it has initiated payments to a contractor or otherwise will incur costs in the amount of \$500,000 over a five-year period for fabricating, installing, repairing and restoring tree box fence enclosures, planting trees and ground cover plants, and installing certain neighborhood signage in coordination with the Bates, Bloomingdale, Eckington, Edgewood, Hanover Area, and Stronghold Civic Associations. The Applicant had initially pledged a one-time payment of a lesser amount, but in consultation with the ANC, the contribution was increased and spread out over a five-year period to ensure continued maintenance and enhancement of the public space areas in the immediate vicinity of the PUD.
- b. D.C. Public Education Fund: Prior to the settlement on the sale of the first townhouse on Parcel 5, the Applicant shall initiate annual payments of \$25,000 each over a five-year period (\$125,000 total) to the D.C. Education Fund to be used to improve science, technology, engineering, and math (“STEM”) teacher professional development and instruction, as well as student learning and achievement, particularly at Dunbar High School, McKinley Technical High School, and Langley Educational Campus (see Letter from D.C. Education Fund at Exhibit D-1).
- c. Workforce Development through the Community Foundation for the National Capital Region (“CFNCR”): Prior to the issuance of the first Certificate of Occupancy for the Healthcare Facility on Parcel 1, the Applicant shall initiate annual payments of \$140,000 each over a five-year period (\$700,000 total) to CFNCR to support workforce development initiatives to improve low-income workers skills, credentials, career prospects, earnings, and job placement, particularly in key local industries and occupations. Additionally, prior to settlement on the sale of the first townhouse on Parcel 5, the Applicant shall initiate annual payments of \$60,000 each over a five-year period (\$300,000 total) to the CFNCR to support scholarships for higher education, training or job-related certification encouraging “legacy” careers paths such as civil engineering, landscape architecture, or on-site jobs in the medical field, with a preference for Ward 1 and 5 residents to the extent permitted by law. Attached as Exhibit D-2 is the acknowledgement letter from CFNCR. Additionally, a full description of the plan is also resubmitted for the convenience of the Commission as Exhibit D-3.

- d. North Capitol Main Street, Inc.: Prior to the issuance of the first Certificate of Occupancy for the mixed-use building on Parcel 4, the Applicant shall initiate annual payments in the amount of \$30,000 each over a five-year period (\$150,000 total) to North Capitol Main Street, Inc. for storefront improvements located on North Capitol Street, N.E. and N.W. between Channing Street and New York Avenue (see Exhibit D-4).

5. Defined Delivery of PUD Site Benefits, including Infrastructure, Roadways, Preservation Elements and Park (Exhibit E)

As requested by the Commission, the Applicant has prepared the attached construction phasing diagram and chart defining the delivery of the PUD site benefits (Exhibits E-1 and E-2). Consistent with the PUD regulations, the Applicant shall obtain building permits for Phase I of the PUD, consisting of Parcels 1, 4, 5, 6 and 7 (which also include the Olmsted Walk, the historic resources in the North and South Service Courts, the internal infrastructure and roadways), within two years of the effective date of the Commission's order approving the PUD. The Applicant shall be required to begin construction within three years of the effective date of the PUD approval order. However, because the D.C. Water and Sewer Authority ("D.C. Water") will occupy most of Parcel 6 until approximately 2016, and Cell 14 on Parcel 1 until approximately 2024, the Applicant requests flexibility on the delivery of those specific elements of Phase I of the PUD. The Applicant will be required to file a building permit for the improvements on Parcel 6, and for the improvements to Cell 14 on Parcel 1, no later than six months after D.C. Water vacates that particular portion of the Phase I PUD site. Construction of the improvements to Parcel 6 or the improvements to Cell 14 must commence within one year after the building permit is issued for that portion of the Phase I PUD site. D.C. Water has stated that the First Street Tunnel project will be completed in March 2016 and, if they meet this schedule, The Applicant will conduct concurrent construction of the Park and Community Center with the remainder of Phase I of the PUD (Parcels, 1, 4 and 5). The Applicant is also submitting as Exhibit E-3, a letter from the Office of the Deputy Mayor for Planning and Economic Development demonstrating its commitment to the construction phasing plan and delivery of the infrastructure. Finally, the Applicant is submitting as Exhibit F an updated list of PUD conditions.

6. Changes to the Affordable Housing Mechanism for Parcel 5

Through further conversations with the Real Estate Transaction Section of Office of the Attorney General ("OAG") and the Office of the Deputy Mayor for Planning and Economic Development, the Applicant has been advised that the Department of Housing and Community Development ("DHCD") does not have the statutory authority under the Inclusionary Zoning Implementation Amendment Act (D.C. Code § 6-1041.01 et seq. (2012 Repl.)), to apply the IZ requirements to the additional IZ units and affordability levels proffered by the Applicant. Based on those conversations, the Applicant has determined, subject to confirmation by the Zoning

Administrator, that all of the affordable housing contemplated for the PUD site is subject to the IZ exemption for developments subsidized in part by the District government and administered by DHCD. The Applicant will comply with subsection 2602.7, which requires such exempted developments set aside "Exempt Affordable Units" equal to at least the gross square footage that would have otherwise been required by Chapter 26. In this case, the Applicant will meet that requirement by reserving 12.25% of the project's residential gross area distributed among 22 individual affordable townhouses for so long as the project exists. This represents 15 percent of the 146 units, well above the eight percent required by IZ, in response to the Commission's request for deeper affordability and more units. Nine of the townhouses, representing 17,910 square feet of gross floor area, will be reserved and made affordable for households earning no more than 50 percent of the area medium income ("AMI") and 13 of the townhouses will be reserved and made affordable for households earning no more than 80 percent of the AMI. In compliance with section 2602.7, the Applicant will record a covenant approved by the District in the land records of the District of Columbia before the first purchase agreement or lease is executed for the townhouses.

7. **NCPC**

As noted in its June 23, 2014 submission to the record, the Applicant met with staff at the National Capital Planning Commission ("NCPC") to discuss viewsheds and provided them with the viewshed studies indicating that the Healthcare Facility will not block views from the Armed Forces Retirement Home to the Capitol. The reduction in height from 130 to 115 feet further allays those concerns. We understand that NCPC has been attempting to prepare a modeling study but due to technical difficulties has not yet produced it and has been unable to share it with the Applicant as originally planned. We believe the modeling study will further confirm what the Applicant's viewshed studies show: that views to the Capitol will remain unimpeded from Scott Statue.

8. **Conclusion**

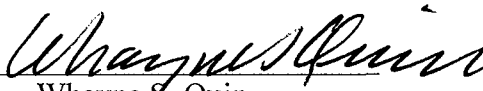
The public review process for redevelopment of the McMillan Sand Filtration Site has significantly strengthened the Applicant's project and vision for the PUD site. The Applicant has worked closely with the affected ANCs, civic associations, and other neighborhood organizations to create a set of additional community benefits that reflect local needs and provides specific benefits and amenities that are appropriate to the surrounding communities. With respect to transportation, the Applicant prepared a detailed Performance Plan that establishes firm commitments for the timing of implementation of transportation infrastructure and mitigation measures. DDOT has worked very closely on this project with the Applicant – both Vision McMillan Partners and DMPED – over the past several years and most recently following the Commission's July 28 meeting. DDOT is committed to providing enhanced public transportation options within and around the PUD site. The Applicant further studied and

revised the loading configuration in the multi-family/grocery store on Parcel 4 to create a safe and vibrant streetscape along Evarts Street. Finally, the Applicant continues to coordinate with NCPC to ensure that acceptable views and viewsheds are maintained across the PUD site.

These enhancements greatly improve an already extraordinary project that redevelops underutilized vacant land; preserves above- and below-ground historic resources consistent with the Comprehensive Plan's specific provisions for the site; provides new affordable and market-rate housing; develops new medical facilities to create a multi-faceted healthcare campus to rival other cities; provides thousands of new jobs, particularly in the medical field, to support District residents at all skill levels; and generates substantial new revenue for the city. The requested zoning is not inconsistent with the Comprehensive Plan and the PUD provides exceptional project amenities and community benefits to mitigate any potential adverse impacts. We respectfully request the Commission to approve the application.

Respectfully submitted,

Holland & Knight LLP

By: 
Whayne S. Quin
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cc: Jennifer Steingasser, D.C. Office of Planning (via hand-delivery)
Maxine Brown-Roberts, D.C. Office of Planning (via hand-delivery)
Jonathan Rogers, DDOT (via hand-delivery)
Advisory Neighborhood Commission 1B (via first class mail)
Advisory Neighborhood Commission 5A (via first class mail)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the Applicant's Post-Hearing Submission was sent on August 25, 2014, electronically to the parties below and will be hand-delivery to those parties on August 26, 2014:

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