

**Exhibit H**

**ZC Case No. 14-12 – 1309-1325 5<sup>th</sup> Street, NE**  
**Applicant Responses to DDOE Memo**  
**Updated to reflect meeting with DDOE on January 22, 2015**

The Applicant met with DDOE on January 22, 2015 to discuss DDOE's open issues related to ZC Case No. 14-12 – 1309-1325 5<sup>th</sup> Street, NE. During the meeting, the Applicant and DDOE discussed the topics addressed in the previously submitted memo in response to DDOE's concerns. Some additional understandings were reaching including:

- (1) District Energy: The Applicant supports the concept of a district energy system and will work with the City and other landowners and developers within the Union Market district to facilitate the implementation and planning of such a system. The Applicant understands that an RFP will be issued to study potential systems with various parts of the City and has requested that the Union Market district be selected as one of the study areas. In addition, in order to better understand how such a system might work and how it could be implemented, the Applicant has been in contact with experts in the district energy arena.
- (2) Renewable Energy: The Applicant will be purchasing at least 35% of the Project's power needs from green energy sources. The Project will include provisions (including structural support on the rood and expansion lugs on the switchgear) for the potential future implementation of a solar PV system. The Applicant has also explored the use of fuel cells in lieu of a generator for emergency power, and such fuel cell could also be used to feed power into the grid at peak usage times. However, current fuel cell technology does not meet NFPA requirements for emergency power, which forces the project to rely upon a generator. If fuel cells become available that meet the requisite NFPA requirements, the Applicant will reconsider their use in the Project.
- (3) LEED-ND/ Eco Districts: The Applicant and DDOE discussed the opportunity for LEED-ND and Eco Districts and the Applicant is waiting on more information on Eco Districts from DDOE. The Applicant is interested in understanding both programs further and working with DDOE to investigate opportunities to pursue either.
- (4) Stormwater Management: The Project will comply with current DC stormwater regulations. A strategy has been developed for the South Building which relies primarily upon green roof area and rainwater reuse in the bulding's cooling tower. The calculations aassume that a portion of the Project is calculated as land disturbance, and a portion as existing building footprint as the existing Market is not being displaced. Stormwater management for the North Building will be designed once the Project is further developed.
- (5) Tree Pit and Streetscape Design: The Applicant and DDOE discussed the design of the tree pits and will continue to work together on the planting and material depth and design. The Applicant and DDOE discussed that this will be laid out in the design guidelines for the streetscape that will be established for the entire 45-acre Union Market district.

- (6) LEED: The Applicant is committed to working with DDOE to identify additional feasible LEED points for the project. The Applicant will review the LEED checklist and set up future meetings with DDOE to try to find opportunities for more LEED points.
- (7) Energy Verification: The Applicant will issue an energy verification worksheet to DCRA with their core and shell building permit application.
- (8) Bike Parking: The Applicant has committed to installing permanent bike parking on the first level of either the office or residential use internal to the South Building in addition to the exterior (short term) bike parking. DDOE is in agreement that this will meet their concerns for bike parking for this phase of the development.

## **1. Green Building**

- i) ***Overall green building strategy – The project should define and express an overall green building strategy.***

The building will achieve LEED Silver certification under the current USGBC rating system. Such certification level is a significant increase beyond the requirements of the existing regulations. The project team includes several LEED APs to ensure green building strategies are identified and incorporated from the outset.

- ii) ***DDOE recommends that this project exceed the baseline requirements, and pursue a LEED v4 Certification at the Gold level or higher.***

The building will achieve LEED silver certification under the current USGBC rating system.

The Applicant is intending to obtain as many LEED points as possible beyond the Silver level, but can only guarantee that it will meet the Silver level point total. In order to keep Union Market open during construction, the project will incur significant cost to clear span over the existing building, among other costs, so a Gold level under the new rating system is not economically viable. The ideas for additional points enumerated in the DDOE memo from December 22, 2014 are in line with the Applicant's ideas to obtain such additional points.

- iii) ***DDOE recommends that buildings improve energy efficiency by 20 percent over ASHRAE 90.1-2010.***

The Applicant concurs with DDOE's recommendation that the Project define and conform to one overall green building strategy, and the Project will achieve LEED Silver certification. In order to achieve the 50 points necessary for LEED certification, the Project will need to achieve several points for "optimizing energy performance (energy and atmosphere credit #1)", which will result in energy efficiency greater than that required by ASHRAE 90.1 – 2010.

- iv) Limit glazing to 40 percent of the envelope surface and install continuous insulation on the exterior side of the building framing. Include details in the plans and specifications to ensure proper air-sealing and compartmentalization of residential units.*

While the walls of the movie theater component of the building will be less than 20% glazed, it is not possible to limit glazing to 40% of either an office or residential building. Glazing systems will, however, be thermally broken and be specified with appropriate U and SHGC values. Continuous insulation in the envelope and compartmentalization of residential units (if the residential option is constructed) will be incorporated into the design which would satisfy elements of ASHRAE 90.1.

- v) Design for maximizing of solar potential by locating roof structures on the north side of the roof surface.*

The penthouse roof structure will be designed to support the equipment load of a solar PV system.

- vi) Include on-site renewable energy to meet 3 percent or more of the building's total energy need.*

The Applicant's REIT structure does not allow it to use federal income tax credits for the construction of renewable energy systems. However, the Applicant will make reasonable efforts to explore alternative financing arrangements with third party investors for the future installation of an on-site renewable energy system.

The Applicant will purchase green power generated from offsite sources equal to an amount that is at least 35% of the annual building energy usage.

## **2. Green Area Ratio**

- i) Submit GAR plans for new buildings during the Foundation-to-grade (FD) or Civil (BCIV) permit. Submit GAR plans for additions or interior renovations during the Building Permit (B). If a project will take place in multiple zones, we request that it meet the zone requirement with the highest minimum GAR score.*

The GAR scorecard will be submitted with the FD and B permits. The Project is only in one zone.

## **3. Stormwater Management**

- i) Consult the DDOE Stormwater Management Guidebook (2013) for strategies and guidance for stormwater management design.*

The Applicant will review the Guidebook and will comply as required.

- ii) The project team is encouraged to schedule an early PDRM at the 65% design stage to... ensure the design maximizes pervious and green surfaces as well as minimizing long term maintenance costs.*

The Project team will work with DDOE, DDOT and DCRA staff to ensure compliance with the District's stormwater regulations, including attending a PDRM at the 65% design stage. This Applicant and agency coordination will occur during both the EISF and Public Space design approvals.

- iii) Integrate low impact development strategies for stormwater management throughout the site.*

The Project will comply with current DC stormwater regulations. The Project will incorporate green roofs and capture stormwater for onsite reuse. The improvements in the public rights of way will include infiltration beds below streetscape.

#### **4. Water quality, use and connection**

- i) Follow all regulations related to wastewater and stormwater discharge into public infrastructure to minimize quantities and therefore minimize overall impact.*

The Applicant will comply with all such regulations. Note that the Project will discharge into the Combined Sewer System, not the MS4 Separate Stormwater System. The Project will not require EPA permits.

- ii) Plants should be native and adaptive species in order to reduce potable water demand for irrigation.*

At least 75% (as measured by cost) of plants used on site will be adaptive or native.

- iii) Rainwater should be captured in cisterns and reused to meet site irrigation needs or for other purposes*

The Project will include a cistern for onsite stormwater capture and reuse.

- iv) Residential plumbing fixtures should exceed the minimum code requirements*

As the Project will achieve LEED silver certification, potable water use will be reduced by 20% over the reference standard.

- v) Commercial plumbing fixtures should include dual flush water closets, automatic, metered faucets, and waterless urinals.*

As noted above, the Project will achieve LEED silver certification and potable water use will be reduced by 20% over the reference standard. The Applicant will make reasonable attempts to include the fixtures noted above to the extent permitted by our agreements with our tenants and as appropriate for a Class A commercial project.

## 5. Waste

*i) Provide documentation of existing hazardous materials through a Phase I Environmental Assessment*

A Phase I study has been completed and submitted to DCRA and DDOE as part of the Applicant's EISF.

*ii) Divert a minimum of 75 percent of construction and demolition waste.*

The Project will divert at least 50% of construction and demolition waste.

*iii) Recycling – Provide documentation of trash collection rooms with dedicated space for recycling and separation of waste streams. If trash chutes will be installed, include operation guidelines for diverters or separate chutes for recycling.*

The main trash room will include 150 SF of space for storage and separation of recyclables. The residential trash contractor will separate waste off site.

## 6. Air quality / environment

*i) Erosion and sediment control guidelines should stress dust-free construction activity and the contractor should appoint personnel to enforce regulation.*

The Applicant will comply with such guidelines.

*ii) The architect should specify zero-VOC paints, adhesives, and sealants to the greatest extent possible*

The Applicant will make reasonable efforts to incorporate zero-VOC specifications into the Project.

*iii) HVAC and ventilation equipment should be specified to ensure proper air exchange and balanced interior air pressure which will limit odors, eliminate moisture, and guarantee healthy air quality.*

The Project will comply with ASHRAE 62.1. The Applicant will make reasonable efforts to achieve "Indoor Environmental Quality" credits through the LEED certification process.

*iv) Anti-idling signs should be posted during construction as well as permanently at the loading dock(s) and anywhere else at the site where it is likely that commercial vehicles would idle.*

The Applicant will comply with such guidelines.

- v) *Air quality monitoring of the surrounding neighborhood as required by the EISF should include impacts on the major intersections at New York and Florida Avenues NE*

The scoping for the air quality assessment will be negotiated with DDOE staff through the EISF approval process.

- vi) *Existing structures to be renovated or razed are required to perform an assessment of the presence of asbestos-containing materials and conduct the appropriate abatement if such materials are determined to be present prior to the renovation process, if such materials may be disturbed*

The existing Union Market building was abated previously. Any asbestos or hazmats in the North Building will be abated prior to demolition per District regulations.

- vii) *A backup/emergency generator cannot be used in a reimbursed demand response program (i.e., they are paid to switch from the electricity grid to the generator when requested) unless the generator has had best available control technology (BACT) installed according to DDOE requirements.*

The Applicant confirms and will observe this statement.

7. **District energy system** – Finally, regarding the district energy system, the Applicant supports the concept of a District Energy System and will work the City and other landowners and developers within the Union Market district to facilitate the implementation and planning of such a system. The Applicant is designing the Project in order to allow it to switch onto a district energy system in the event that such system is created in the future.