

December 16, 2014

VIA HAND DELIVERY

Anthony J. Hood, Chairman
Zoning Commission for the District of Columbia
441 Fourth Street, NW, Suite 210S
Washington, DC 20001

Re: Zoning Commission Case No. 14-12 – Application of EAJ 1309 5th Street LLC to the D.C. Zoning Commission for a Consolidated and First Stage Planned Unit Development and Related Zoning Map Amendment for 1309-1329 5th Street NE (Lot 800, Square 3591) (the “Property”) – Twenty-Day Pre-Hearing Submission of the Applicant

Dear Chairman Hood and Commissioners:

Pursuant to 11 DCMR Section 3013.1, EAJ 1309 5th Street LLC (the “**Applicant**”), the applicant in Zoning Commission Case No. 14-12, hereby files its twenty day pre-hearing submission for its application for a consolidated and first stage planned unit development and related map amendment (the “**Project**”). The Applicant looks forward to presenting the Project at the Zoning Commission’s January 5, 2015 hearing.

I. Background

The Property consists of Lot 800 in Square 3591. The Property is located in the Northeast quadrant of the District of Columbia bounded by a surface lot to the south, a vacant lot used for maintenance storage to the north, 6th Street NE to the east, and 5th Street NE to the west. The Property is located in the 45-acre Union Market district (also known as the Florida Avenue Market).

The Property is currently improved with two structures – (i) the unique, artisanal market and event space known as “The Market” at Union Market and “Dock 5” in the

existing south building on the Property, and (ii) the warehouse and distribution facility in the existing north building on the Property.

On July 10, 2014, the Applicant filed an application for a consolidated and first stage planned unit development and related map amendment to permit the redevelopment of the Property. The Project will have a height of 120 feet and contain a floor area ratio (“FAR”) of up to approximately 6.3, for a total of up to approximately 541,400 gross square feet, comprised of theater, retail, office, and possibly residential uses.

Below please find descriptions of updates to the Project and additional information requested by the Zoning Commission or District agencies.

II. Updates to Building Design

The Project’s design has been updated to reflect a more industrial aesthetic. The updated plans are attached as Exhibit A (the “**Plans**”). The updated design for the building maintains the original three volume stacked concept reflective of the diverse building program, with each volume containing a specific use. However, the uppermost volume has been redesigned to provide a more direct reference to the industrial aesthetic of the existing Union Market neighborhood. The upper façade reflects this aesthetic with a repetitive, non-hierarchical industrial module and window type. Additionally, the existing “Union Market” sign has been relocated to the top of the building, akin to its position on the original building, and as reference to the origins of this section of the city.

As requested by the Office of Planning (“**OP**”), additional detail regarding the materials proposed to be utilized for the Project are included as Pages A13 in Exhibit A. As these pages show, the predominant material of the existing retail base is a white, painted masonry façade. The theater will be predominantly comprised of large format metal panels with glass porches and a glass terrace railing. The office/residential building component above will be framed in structural steel with a metal panel, terracotta and/or ceramic skin. It will include long horizontal steel balconies and operable windows in order to facilitate circulation of fresh air. In addition, pages with greater dimensional information are included on Pages A5, A9, and A11 of Exhibit A.

As previously discussed, The Market at Union Market will remain open for business throughout the construction process at the Property in order to maintain the momentum of the Market and its small businesses and allow for continued discovery of the Union Market area by the District at-large. The design of the new building relies upon long-span steel trusses that span over the existing Market, obviating the need to build new structure inside the existing building to support the new building overhead. Similarly, vertical circulation will be located to the north of the existing building, again

avoiding any major impacts to ongoing Market operations. Once construction commences, much of the foundation and steel erection work will occur outside of normal operating hours for both the Market and surrounding businesses. Significant measures will be put into place to ensure the safety of the public and employees while the new structure is under construction. The design and the construction methods which will be utilized to ensure minimal disruption to the existing small business owners within and surrounding The Market will be implemented at significant additional expense to the Applicant.

As described in the Applicant's application and in the prehearing submissions, the Applicant requests flexibility to modify the retail façade of the Project – specifically to modify the façade of the North Building. Further details regarding such request for flexibility will be submitted for such retail area flexibility as part of the Phase 2 PUD application for the North Building.

II. Request for Flexibility of Use in South Building

The Applicant is requesting additional flexibility from the Zoning Commission to allow for the use of the top four floors of the South Building, comprising approximately 104,000 to 112,000 gross square feet, as residential or office use. Previously, the Applicant was proposing office use for such space¹. If the top four floors of the South Building contain residential use, the Applicant would provide no less than 8% of such gross square footage as affordable space at 80% of the Washington, D.C. Area Median Income (“AMI”). The introduction of either office or residential uses will serve to activate the neighborhood in a complementary manner to the existing wholesale operations in the Market. Introducing either residential or office uses in the Market will establish an underserved use that will promote activity throughout the day and create a dynamic mixed-use neighborhood.

Page Z1 of the Plans summarizes the zoning implications of the Project when including the office component in the South Building. In addition, Pages Z2 and Z3 show the rooftop structures and court calculations for such use mix. These pages are the same as the similarly numbered pages submitted in the application packet. Page Z4 of the Plans summarizes the zoning implications of the Project when including the residential component in the South Building, with yellow highlighted fields showing the figures that would change if the South Building's residential use is constructed. In

¹ Note that the Applicant previously requested flexibility as part of the Phase 1 PUD approval request for either office or residential use in the North Building, comprising between 260,000 to 290,000 gross square feet. The Applicant retains such proposal for the North Building.

addition, Pages Z5 and Z6 show the rooftop structures and court calculations for such use mix. Court relief is still required for such use mix, although the extent of relief needed for Courts OC-1B and CC-1 are greater for the residential use option.

The Applicant believes that the flexibility allowing for either an office or residential use of the top four floors of the South Building will result in the more expeditious delivery of the Project.

Furthermore, the industrial aesthetic of the upper floors of the South Building is able to be utilized for either a residential or office use. Both uses would retain the same exterior appearance, in accordance with the Plans. While the design features elements commonly found on residential structures, such as balconies, and others commonly found on office structures, such as a larger window grid pattern, the resulting design complements the Union Market district's unconventional character and adds to the uniqueness of the area. The Project will be a distinct addition to either the residential or office inventory of the District of Columbia.

The dimensions and configuration of the floors allows for relatively easy conversion between the two uses. The varying floor plans of an office use versus a residential use are shown on pages A4 and A10 of the Plans. As can be seen by reviewing these pages, the envelope of the building does not change as a result of such use change. Instead, the demising walls interior to the structure are simply reconfigured.

The Applicant has studied the impact of traffic and loading for the use with the highest traffic and loading and submitted its Traffic Impact Study on December 11, 2014. For this Project, office is the highest traffic and loading use for both the North and South Buildings. DDOT agreed to such approach as part of the scoping exercise for the Project. In addition, the office use would generate the highest parking requirement for the South Building under the Zoning Regulations.

III. Sustainability

The Applicant is committed to bringing a sustainable project to the Property. As previously described, the Applicant has raised the Project to a LEED Silver level, as shown on the LEED scorecard attached as Page LD1 of Exhibit A.

The Project will implement the District's new Stormwater Management Regulations (MS4). The Project's Stormwater Management Plan is attached as Page C200 of the Plans. This plan depicts how the Applicant proposes to handle stormwater along 5th Street, NE, as requested by the District Department of the Environment ("DDOE").

The Project has low impact development (“**LID**”) features including green roofs, rainwater cistern, and infiltration trenches beneath public sidewalks. As requested by OP and DDOE, the Applicant has enclosed an additional plan providing additional detail for such LID features as Exhibit B.

As shown on Page Z1 and Z4 of the Plans, the Project meets the District’s Green Area Ratio (“**GAR**”) requirements. The Project satisfies the GAR requirement through such items as providing green roof areas, along with planting an open, landscaped area along the south of the Property. A summary of the specific elements contributing to the Project’s satisfaction of the GAR requirements is attached as Exhibit C, as requested during the Project’s Interagency Meeting on December 11, 2014.

The Applicant will continue to work with DDOE throughout the permitting process.

IV. Infrastructure

In its setdown report dated July 18, 2014, OP recommended that the Applicant explore options for building a district energy system that can serve the broader Union Market area. The Applicant has already invested significant time into researching the options for and process of creating a district energy system and supports the concept becoming a reality. As part of such research, the Applicant has studied other developments in the City where district energy is being considered. Clearly, any one of these initiatives is an expensive, significant undertaking, particularly for one property owner to undertake. In order for such initiative to be successful, and for the significant costs to be mitigated, all property owners within the Union Market district must engage in the design process and commit to the rollout of such infrastructure. The Applicant will work with the District, the community, and other landowners and developers within the Union Market District to facilitate the implementation and planning of such a system. The Applicant’s Project will be designed such that it is able to switch over into the alternative power source easily.

The Applicant will continue to provide support for the infrastructure study of the Union Market district. To date, the Applicant has been heavily involved in the study of the existing infrastructure in the Union Market district. This study will benefit all landowners and future developers throughout the entire 45 acres.

V. Public Space

As noted in the Applicant’s letter dated December 11, 2014, the Applicant has been meeting with DDOT and OP in order to refine the design of public space adjacent to the Property. Due in part to the planning recommendations received from DDOT from

such meetings, the Applicant has removed its 6th Street curb cut proposed for trash truck access in the South Building. In addition, the Applicant located the Project's vaults in the interior plaza, on private property. The Applicant will construct the vaults and run additional utility lines to such vaults (to reach from the utility lines in public space to such vaults) which will add approximately \$500,000 to the cost of construction.

In addition, the Applicant and DDOT have discussed the street distribution and widths surrounding the Property and are currently working through the design elements. The Applicant will continue to work with DDOT throughout the public space permitting process to finalize and implement the design of such public space. As noted above, the Applicant has removed the streetscape elements as part of its public benefits and amenities package.

Since the Union Market area is such an important nexus within the District, the Applicant has designed its public space program to ensure that it complies with the District's proposed recommendations of the Florida Avenue Multimodal Transportation Study and design guidelines. The Project's compliance with the design guidelines can be found on Page A1.1 of the Plans. The Applicant also reviewed and heavily incorporated concepts from the Florida Avenue Market Small Area Plan.

VI. Traffic

The Applicant's Traffic Impact Study (the "**Study**") was submitted to the Commission on December 11, 2014. The Study included a Traffic Demand Management Plan that will assist to mitigate the Project's impact on the surrounding road network. As a further refinement of the Study and as requested by the Commission and DDOT, the Applicant is attaching its Loading Management Plan as Exhibit D. The Applicant is also submitting a truck turn access plan and studies of truck turns relating to the Study as Pages C-300 through C-303 of the Plans.

Now that the 6th Street curb cut for trash has been removed, all loading for the Project will enter the site from the curb cut at the middle of the Property along 6th Street and drive through the site to egress on 5th Street. Any portion of the central plaza being utilized for loading functions will be cleared of pedestrians during such loading period. As noted in the Loading Management Plan, such loading periods will be limited to times when there are no special events scheduled. Commercial loading will occur between the hours of 5 am and 3 pm and residential loading will occur between the hours of 7 am and 4 pm. In order to minimize conflicts in the central plaza during special events, building management would apply for temporary curbside loading along 6th Street.

As requested by DDOT, the Applicant is submitting a plan for its Curbside Management Plan, attached as Exhibit E. The curbside management plan will address

mechanisms to support all uses within the market including retail, commercial, loading, office, and residential. The Applicant will work with DDOT to address the transition from commercial loading to a mixed use neighborhood and establish a public realm and curbside space that can address the needs of all of the uses in the neighborhood to the best of the Applicant's ability. The curbside management plan will address the area of 5th Street NE between Morse Street NE and Penn Street NE.

VII. Parking

The Zoning Commission requested a parking plan describing how the parking for the Project will function. Attached as Exhibit F, the Applicant is submitting its Parking Plan. As shown on the Parking Plan, no parking will be provided within the South Building, since the Applicant is retaining the existing building as part of the Project. Each phase of the proposed PUD will have sufficient parking supply.

In order to provide parking for the South Building, the Applicant will continue to utilize the parking spaces located on the Gallaudet University lot located immediately to the south of the Property – where it currently provides free parking for customers, tenants, and business owners of The Market – in the short term, if necessary. The Applicant has a lease to park on such property until October 2016. At the expiration of such lease (and prior to the commencement of construction activities for the North Building), the Applicant will provide 112 parking spaces on the north portion of the Property. The Applicant notes that its planned opening date for the Angelika Theater, and therefore likely the South Building, is September 1, 2016. Therefore, the parking lot located on the north portion of the site will be ready by such date. The Applicant is requesting a complete parking variance for the South Building, although parking will be provided as described in this paragraph.

Once construction activities commence for the North Building, the Applicant will provide parking for the South Building on other properties it or its related affiliates control nearby. These nearby lots are shown on the Parking Plan as Penn Street surface lot and 4th street surface lot, and include Square 3587, Lot 77 (a parking lot located on 4th Street, NE) and Square 3592, Lot 45 (a parking lot located on the southwest corner of the intersection of Penn and 5^t Streets, NE). The Applicant will request approval of the approach described in this paragraph as part of the Phase 2 approval for the North Building.

VIII. Public Benefits and Amenities

The Applicant has greatly enhanced its public benefits and amenities package, as requested by the Commission. A description of the updated benefits and amenities package is attached as Exhibit G. The Applicant worked with Advisory Neighborhood

Commission (“ANC”) 5D to further refine additional details of its benefits and amenities package.

The updated benefits and amenities package now contains a basket of significant contributions to the Union Market district, local residents, and visitors to the area, along with the District at large. These amenities will assist in continuing the positive momentum of the Union Market district, and help assure that the ever-increasing civic engagement, safety enhancement, organic investment, and entrepreneurial growth are maintained. The Applicant is particularly proud of the Project’s significant publicly-accessible open space (as described further below), its incubation of small, local, “maker” businesses, its support of community organizations through both financial and in-kind donations and the enhancement of the safety and security of the Market.

The Applicant notes that it has removed the curbless streetscape from the benefits and amenities package of the Project. Instead, the Applicant has augmented the amenities package as described above. The Applicant will work with DDOT through the public space permitting process to design the public space surrounding the Property.

IX. “Union Market Plaza” and “Union Market Park”

As shown on the Plans, the Project will provide a great deal of publicly-accessible open space, as requested by the Small Area Plan and by the neighboring community. In total, the Project will include approximately 19,500 square feet of open space. The Applicant currently programs a great deal of community events and other special functions around the Union Market district such as the DC Scoop ice cream festival, Thread retail pop-up events, drive-in movie screenings, and other similar, well-attended events. The Applicant envisions many of these unique events to be located on the open spaces provided by the Project.

In particular, the Project will provide a green space and hardscaped area of approximately 7,000 square feet along the southern edge of the Property (the “**Park**”) as depicted in plan on Page L1 in the Plans and as a perspective on Page A12 in the Plans. The Park will be located on the area where a park is shown as a potential option in the Small Area Plan. In addition, the Park could be joined with a park that could be located on the property immediately to the south of the Property. The Applicant notes that the Park is currently subject to an easement agreement with the neighboring property owner, which requires a “right of way” for “ingress and egress” through such area.

In addition, the Project will provide a hardscaped area of approximately 12,500 square feet in the center of the Property (the “**Plaza**”). The Plaza will provide a large, visual break between the two structures comprising the Project and allow for vistas to exist into and out of Gallaudet University, as depicted on Page L1 of the Plans. The design intent of such space is to provide an “urban park” that will be highly-focused on

integrating pedestrians into a more built, yet open environment. The area will be a center of activity and stimulate an urban “buzz”. Perspectives of the Plaza are attached as Pages P2 and P3 in the Plans as requested by OP.

The Applicant plans to use the Park and Plaza primarily as open, publicly-accessible engagement and community gathering areas. At times, the Applicant will utilize the entirety or portions of such spaces for events, such as concerts, movies, or festivals that would require a ticketed entry. As mentioned above, after hours, the Plaza space would typically be utilized for loading functions. The description of the programming and operations of the Park and Plaza are attached as Exhibit H.

X. Ward 5 Industrial Land Transformation Study (“Ward 5 Works”)

The Applicant has reviewed and incorporated the Ward 5 Works Study issued in August of 2014. The Ward 5 Works Study notes that great concentrations of the District’s industrial lands are located in Ward 5 and stresses the need to retain the industrial uses. In particular, the Ward 5 Works Study places a premium on “maker economy” uses. The Project is the ideal embodiment of the Ward 5 Works Study. Although the Project requests a rezoning from the C-M-1 Zone District to the C-3-C Zone District, the use mix of the Project implements precisely the maker economy highlighted by the Ward 5 Works Study. The Market building itself contains a large degree of the types of uses – and small businesses– described in the Ward 5 Works Study. It is more than just an artisanal market; it is a jobs and commerce engine. The Applicant has structured partnerial rent arrangements and above market tenant improvement allowances, provided business plan consultation, marketing assistance and human resource support, and assumed the risk for several start up vendors in The Market.

These efforts, which reinforce the Applicant’s commitment to enrich communities and help jumpstart the goals set forth by the Ward 5 Works Study, have also benefited the neighborhood beyond the Union Market as some of the incubator businesses have already grown to multiple additional locations throughout the Washington, DC Metro area including Salt and Sundry, Takorean, Rappahannock Oyster, and Bazaar Spices (opening soon). In addition, the Applicant helped retain some of the key vendors from the prior market, Harvey’s Market and Almaala Farms, to create a sense of continuity and legacy while providing them with support to increase the robustness and depth of their businesses. Several vendors are owned by District residents, including Bazaar, Bidwell, Buffalo and Bergen, Cordial, DC Sharp, Goshen, Peregrine, Righteous Cheese, Ris, SoUP, Takorean, District Fishwife, Toki Underground, Union Market Flowers, and Number 1 Sons. In addition, there are 13 woman owned businesses including Bazaar, Buffalo and Bergen, Curbside Cupcakes, DC Empanadas, DC Mediterranean Corner, Number 1 Sons, Righteous Cheese, Ris, Salt and Sundry, SoUP, Teasm, District Fishwife, Union Market Flowers. In addition there are sixteen minority owned

businesses such as Almaala, Bazaar, CoCo Sala, Curbside Cupcakes, DC Empanadas, DC Mediteranean Corner, Dolcezza, Goshen, Lyon Bakery, Mama Organic, Neopol, Number 1 Sons, SoUP, Toki Underground, and Union Market Flowers located in The Market. The Market established many of these retailer’s first brick and mortar locations for at least fifteen of these businesses. The Market has also hosted several temporary ‘pop up’ retailers who seek out temporary retail spaces to introduce and test market their products in the DC marketplace. Examples of these pop-ups include Mess Hall (a food incubator), Follain and Mason-Dixie Biscuits. In order to maintain and protect all of the small businesses that have started at the Market and to continue to establish the neighborhood as a food destination, The Market is being retained as an essential part of the Project and maintained in operation throughout construction, at great cost to the Applicant. Indeed, the renovation and resuscitation of The Market has been at the core of the Applicant’s mission in the Union Market district.

The uses comprising The Market and to constitute the remainder of the retail areas in the Project also fit seamlessly with the “food-centric” uses recommended by the Small Area Plan. Indeed, the Union Market district is again on the way to being a “food hub” largely as the result of the existing and proposed uses for the retail floors of the Project. The remaining floors of the Project will support and foster the continued flourishing of the retail on the Property and elsewhere within the Union Market district.

XI. Community Support

The Applicant met with ANC 5D01 and ANC 5D and obtained the unanimous support on December 9, 2014. The ANC also submitted a letter of support with the initial application, supporting the setdown of the Project at that time. The Applicant will continue to engage with community members, local institutions, local vendors, other nearby owners, and interested individuals prior to the public hearing as well. A summary of the Applicant’s community outreach relating to the Project is detailed below:

ANC 5D01 (Single Member District) Commissioner

- 6/7/2014*
- 10/5/2014*
- 10/21/2014
- 11/24/2014*
- 12/4/2014*

ANC 5D

- 11/11/2014*

- 12/9/2014 (received unanimous support)

ANC 5D06

- 7/18/2014*
- 11/19/2014*
- 12/9/2014*

Trinidad Neighborhood Association

- 4/25/2014*
- 7/12/2014*

** One-on-one meetings with President or Commissioners*

XII. Phasing of Projects

As mentioned above, the Applicant is committed to having the theater component of the project open – not just delivered – by September 1, 2016. Therefore, the Applicant is on a particularly aggressive timeline and will proceed to construction on the South Building as soon as possible, if approved. The timing for the North Building is not currently known.

An affiliate of the Applicant is also scheduled to present Z.C. Case No. 14-07 – for the project located at 1270 4th Street, NE – on February 19, 2015. Such project is also on an expedited timeline. If approved, the Applicant is estimating a first quarter of 2015 commencement of construction with completion estimated to be in the 3rd quarter of 2016.

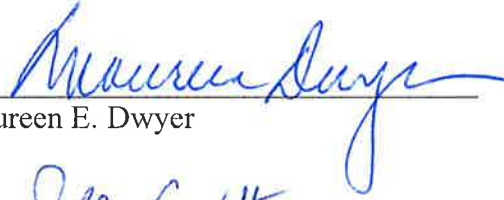
An affiliate of the Applicant recently obtained approval of Z.C. Case No. 06-40C – for the project located at 340 Florida Avenue, NE. This project is currently in for permits with an estimated construction commencement in the first quarter of 2015 with completion estimated to be in the second quarter of 2017.

XIII. Conclusion

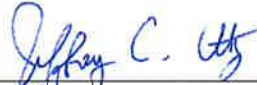
The development team looks forward to presenting this application to the Commission.

If you have any questions regarding this application, please feel free to contact Maureen at 202-721-1101 or Jeff at 202-721-1132. Thank you for your attention to this application.

Respectfully submitted,



Maureen E. Dwyer



Jeffrey C. Utz

Certificate of Service

I certify that on December 16, 2014, I delivered a copy of the foregoing document via hand delivery or first class mail to the addresses listed below.



Jeffrey C. Utz

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