

Maureen E. Dwyer
mdwyer@goulstonstorr.com
202-721-1101 Tel

Jeff C. Utz
jutz@goulstonstorr.com
202-721-1132 Tel

February 2, 2015

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”) – 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 pre-hearing submission for its application for a consolidated and first stage planned unit development and related map amendment (the “**Project**”) as requested by the Commission at the first hearing of this case on January 5, 2015 (the “**Hearing**”). The Applicant greatly appreciates the Zoning Commission’s flexibility to schedule the February 11, 2015 hearing and looks forward to presenting the remainder of the Project at that time.

The Applicant has met with the Office of Planning (“**OP**”), the District Department of Transportation (“**DDOT**”) (four times), and the District of Columbia Department of the Environment (“**DDOE**”) since the January 5th hearing. The Applicant appreciates the agencies’ willingness to meet to resolve issues in such a compressed time frame and the amount of time they have dedicated to this effort. In part due to such meetings, the Applicant and agencies resolved the vast majority of the issues noted in the agency reports submitted into the record.

Below please find responses to additional information or project detail requests from the Zoning Commission, along with responses to District agency comments relating to the Project.

ZONING COMMISSION
District of Columbia
CASE NO.14-12
EXHIBIT NO.35

I. Zoning Commission Requests

The Zoning Commission requested additional information or detail regarding the following items at the Hearing:

a. Enhanced Design Details

The Applicant has further refined the Project's design and provided additional pages showing greater detail of its design. An updated plan set is attached as Exhibit A.

As requested by the Commission, the plans include greater detailing relating to the materials utilized by the Project and the location for such materials on the Project facades and in the Project's open spaces. Pages A10, A13-A17, and A26 provide such a detailed study of proposed materials and the components comprising the project's proposed facades. In addition, the Applicant will present a mounted material board to the February 11, 2015 hearing. The plans demonstrate that there is differentiation among the three use components of the project through material and texture differentiation. The design of the building is compatible with the Union Market District through the use of brick at the base and materials above which reflect the surrounding brick buildings through scale of the material, while still differentiating each use component.

As requested by the Commission, the plans also provide greater detail relating to the roof structures on pages A6, A7, A12, Z3, and Z4 of Exhibit A.

Also as requested, Pages A5a and A5b have been included to provide illustrative floor plans of the office and residential floors in the South Building.

The Applicant notes that the originally-requested FAR range has been removed. Similarly, the flexibility regarding the construction of occupiable space in the roof structure in anticipation of approval of Z.C. Case No. 14-13 has been removed.

b. Open Space

The Applicant has included additional design details relating to the Project's open space – both the Union Market Plaza and the Union Market Park – as Pages L1–L4 and L9 of Exhibit A. Page L9 shows the dimensions of the open spaces. Further, Page L2 describes the details during the “interim period” of the Union Market Plaza (i.e., the time period between the completion of the South Building and the completion of the North Building) including the materials used during such period. The plans also include perspectives of the park and plaza that are consistent with the site plans, on pages A23 of Exhibit A.

The Applicant has enclosed design guidelines for its open space, along with a materials palette, as Exhibit B.

c. Parking Phasing Plan

The Applicant has developed a more detailed parking phasing plan (“**Phased Parking Plan**”), as shown on Exhibit C.

This Phased Parking Plan is a further refinement of the Parking Analysis Memorandum submitted into the record as Exhibit 30 on January 5, 2015. The Phased Parking Plan shows the location of the parking space supply that will be utilized by the Project and the time frame that will be involved in the use of such parking. As can be seen with a review of the requested map enclosed with the Phased Parking Plan, all parking lots are located within close proximity to the Property. In addition, as requested by the Commission, the Phased Parking Plan shows the pedestrian pathways that will connect the Project to these lots during the relevant periods of use.

As noted below, the Applicant has reviewed the Phased Parking Plan with OP and DDOT.

d. Streetscape Design Guidelines

The Applicant has developed more detailed documentation for the scope of work relating to the streetscape design guidelines (“**Guidelines**”), as shown on Exhibit D, and has provided such document to DDOT and OP. The goal of creating the Guidelines is to ensure that there is a consistent plan for the public space located through the entire area covered by the Florida Avenue Market Small Area Plan.

The Applicant and DDOT have discussed the following deliverables for the Guidelines effort:

- Assessment of surface infrastructure needs;
- Cross sections for each right-of-way within the Market, including 4th Street, 5th Street, Neal Place, Morse Street, and Penn Street;
- Interim and final condition designs;
- Hard-line plans for the Market shown in section and plan view;
- Standard materials identified; and
- Details regarding transitions between special public space design (including a curbless approach), if any, and more traditional public space designs surrounding the Market district.

Additional deliverables will likely be added in consultation with DDOT.

Precedent images for potential public space designs are included as part of Exhibit D. The Applicant notes that these are illustrations of possible outcomes of the effort to create the Guidelines and not the final product that will be produced by such effort.

The Applicant believes that the provision of the Guidelines and the study involved in such effort is an amenity regardless of whether the final Guidelines recommend a curbless or any other non-standard approach. The Applicant will fund the above-described study to review the needs of the Market district and assess the feasibility of

various public space design approaches as part of its benefits and amenities package. The provision of the study and Guidelines themselves – particularly with DDOT involved in the process and with approval authority over the final design guidelines – are an amenity to the District as they will define the public space design to the benefit of the whole Market district.

The Applicant estimates that the creation of the Guidelines – from the solicitation and assembly of the consultant team to finalizing the Guidelines – would likely take approximately nine (9) months.

e. Office/ Residential Flexibility

The Zoning Commission requested additional information relating to the Applicant's requested flexibility to allow for either residential or office use of the four stories in the South Building above the theater.

The Project is being designed to accommodate an office or residential use in such location to ensure that two opportunities are not lost. First, the existing theater lease cannot absorb any delays in delivery of the building. The Applicant believes it is of paramount importance that this theater use is delivered to the Property in order to create a unique destination in the Union Market district. An expeditious delivery of the Project will bring such important use to the district. Second, the requested flexibility would allow for the proposed density above the theater to be realized. By approving the requested design and density above the theater, the Commission would allow for the delivery of important uses at the Property in a more efficient manner and in a project that is an early mover in the Union Market district.

The Applicant has designed the structure (i.e., the core and shell of the building) to allow the ordering of the steel trusses that span over the existing Market prior to finalizing an office or residential use. Such structure must be approved now in order to build the infrastructure necessary to support it, lest the option be foreclosed at the site.

The Applicant is a subsidiary that is owned by a pension fund-owned private REIT. Due to that structure (and as is typical within the District of Columbia), it is unable to build a speculative office building. The Applicant continues to pursue non-traditional office tenant users and is committed to working with prospects that would fit the character of the Union Market district. However, the Applicant is required to have at least half of the office space leased prior to commencing to construct an office building. Therefore, the Applicant is simultaneously in negotiations with a prominent residential developer to convert the structure, core and shell of the building into approximately 100-115 residential units located on four (4) floors above the theater. There is significant residential interest in the building because of the unique product type possible in the Project, which is due to the building's unique industrial character, twelve (12) foot, eight (8) inch floor to floor ceiling heights, steel truss and beam construction. This last item allows for the provision of 55 foot uninterrupted spans and large industrial windows which is particularly compelling to condominium developers.

The Applicant continues to work to provide an office user to bring a strong day-time population to the neighborhood, however, also recognizes that there is value to bringing more residential to the neighborhood, especially a with a product that provides home ownership opportunities. As this is a smaller residential project, any residential option is likely to be a for-sale condominium product. A condominium project will bring residents to the neighborhood, who will feel a sense of ownership over the area. Both office and residential options will create additional energy for the entire market district, put “eyes” on the street and provide value to the neighborhood.

The building has been designed to accommodate both uses without impacting the exterior design or massing of the building. The span remains the same with a 100 foot deep bar and trusses that span 55 feet. A residential layout for a typical floor is provided as an illustrative example, attached as Page A5a of Exhibit A. An office layout for a typical floor is provided as an illustrative example, attached as Page A5b of Exhibit A. Therefore, the exterior design submitted to the Commission will not be altered based on the use. The Applicant is committed to finding the best use for the neighborhood to ensure its long term success without causing delays that could jeopardize the theater lease.

f. Private Easement

The Zoning Commission requested further information regarding the Union Market Park, specifically relating to the easement in such area. As a threshold matter, the easement is a 25 foot easement area over the southernmost portion of the Property for access. A similar area on the parcel immediately south of the Property is subject to the same easement commitment. The Project will observe the easement and will actually add additional open space for access adjacent to the easement area comprising the Union Market Park. Further details relating to the easement and Park are provided in Section III(h) below relating to the discussions about such area with DDOT.

The location of the easement area and the relationship of the structure’s projections over the easement area are shown on pages Z3 and Z4 of Exhibit A. The Project’s theater component will project into the easement area distances of twelve (12) feet and 25 feet and have a clearance of no less than 38 feet, 9 inches.

g. Loading Plan in the Plaza

As noted in Section III(b) below, DDOT has approved the Loading Management Plan submitted as Tab D to the Pre-Hearing Statement dated December 16, 2014 (Exhibit 19D in the Record). The Loading Management Plan provides details relating to the day-to-day operation of the loading facilities located within the Union Market Plaza for the South Building.

h. Union Market Identifier

As discussed and presented at the Hearing, the Applicant proposes to move the “Union Market identifier” (the “**Identifier**”) currently on top of the existing Market structure to the top of the proposed South Building. Although the Identifier extends

above 120 feet, such location is permissible since the Identifier is an architectural embellishment. Therefore, the Identifier would be permitted by the exemptions to the Height Act of 1910 under DC Code 6-601.05(h). The Identifier is an iconic identification marker that announces the identity of the Union Market district. The Identifier possesses a style of lettering that not only is closely identified with the industrial aesthetic of the Union Market district, but resuscitates the signage that was historically located along the tops of buildings in the Union Market district. In fact, such signage is shown in several areas within the Florida Avenue Market Small Area Plan. Further, the Small Area Plan (on page 34) stresses the importance of signage and way-finding to increase the “general public awareness of the Study Area’s offerings” and “clearly identify” the Union Market district. The proposed Identifier furthers such goals. The Identifier is an important identification marker for Union Market district.

The Applicant also believes that the visibility of the Identifier should not be confined to the Union Market Park area. Rather, the location of the Identifier on the top of the building would allow it to be seen – and to identify the Union Market district – from much farther afield. Once the project at the south of the Property is constructed, if the Identifier were to be located at the top of the theater component, it would not be viewable but for the limited audience within the Union Market Park. Such population will already be aware of the Union Market district. The intent of the sign is to be an iconic indicator of the entire Union Market district, and in fact its visibility from a distance as a marker of the area is more important than identifying the building itself from the street directly below the Market building.

Studies showing the Identifier and its location to identify the wider Union Market district are enclosed as Page A25 to Exhibit A.

i. Benefits and Amenities Package

i. Affordable Housing

If such component of the Project is residential, the Applicant will set aside two (2) of the Project’s affordable units in the South Building for residents earning no more than 50% of the Washington, DC Area Median Income (“**AMI**”). These two (2) units of affordable respond to the Commission’s concerns relating to the Project providing housing for nearby residents. The deeper level of affordability for the two (2) 50% AMI units equates to a cost of approximately \$700,000 for the Project. The Applicant will provide the remainder of the Project’s affordable units in the South Building for residents earning no more than 80% of AMI. The Applicant will provide a total of 8% of the residential gross square footage in the Project as affordable.

ii. Enhanced Security Commitment

The Zoning Commission requested additional information regarding security services included in the Applicant’s benefits and amenities package. A diagram showing the extent of the current security patrol is attached as Page 1 of Exhibit E. This diagram shows that the security patrol is currently contracted to monitor the Property itself along

with the nearby segments of 5th, 6th, and Penn Streets along with the adjacent “Neal Place.” A diagram showing the proposed enhanced extent of the security patrol is attached as Page 2 of Exhibit E. This diagram shows that the additional security services will be contracted to patrol the following additional areas:

- Penn Street between 4th and 5th Streets.
- Neal Street between 4th and 5th Streets.
- Morse Street between 4th and 6th Streets.
- Florida between 4th and 5th Streets.
- 4th Street between Penn Street and Florida Avenue.
- 5th Street between Neal Place and Florida Avenue.

Today, the Applicant provides security for the area immediately adjacent to The Market in the Union Market district (as shown on Page 1 of Exhibit E). Once there is added activity around The Market, with the opening of the movie theater and either office or residential use, that security would typically be decreased to one to two security officers depending on the volume at The Market, for a total of 128 hours/week at a cost of approximately \$32/hour for an annual cost of approximately \$150,000/year. As part of the benefit and amenities package for the Project, the Applicant will instead provide enhanced private security and expand the scope of the area being monitored to include the larger Union Market District (as shown on Page 2 of Exhibit E) for the first five (5) years following the issuance of the Certificate of Occupancy for the South Building. After such five (5) years, the Applicant will provide private security for its Property in accordance with typical market practice. The Applicant will expend \$400,000 a year during such five (5) year term for all security services, including the \$150,000 for the typical current costs to secure The Market, and the additional \$250,000 to patrol the Union Market district 24 hours a day, 7 days a week. Therefore, the total cumulative value of this amenity is \$1,250,000 over the course of five (5) years and, using a discount rate of 6%, approximately \$1,053,000.

iii. LEED

The Applicant met with DDOE to further discuss Project’s approach to LEED. As previously submitted to the Commission, the Applicant will design the Project to a LEED v. 2009 Silver rating and has added the commitment to obtain a certification of such level for the theater and office components of the Project, as the result of feedback from the District. The Applicant has submitted a revised LEED scorecard to DDOE and will continue to identify opportunities for additional LEED points. Further details regarding and discussion of the Project’s approach to LEED are included in Section IV below.

iv. Education Programs

As described in the Applicant’s December 16, 2014 filing, the Applicant will create and continue a partnership with a local school or schools. The Applicant has already or is in the process of establishing these types of educational partnerships and intends to continue these types of programming. Specifically, the Applicant is currently working with the Wheatley Education Campus (and will continue to work with Wheatley

or another similar school program) to provide monthly educational programs and tours to students. The Applicant will provide its employees' time and expertise to develop a curriculum, provide materials, and implement and teach the participating students. These programs and tours will comprise varying subject matter each month, typically last approximately two to three hours, and consist of approximately ten to thirty students, depending on the interest levels of the relevant subjects. Topics will include entrepreneurship, business plans, healthy eating, urban farming, and budgeting/ shopping on a budget. A major purpose of the program is to work with students about to start high school, who are at a major milestone in their education, to motivate them to be successful, discover their passion, and be inspired by local business owners—as well as teach them about healthy eating and budgeting. The program will target 7th and 8th graders. The Applicant notes that it is not possible to estimate the value of the in-kind services and the program; however, a significant number of hours the Applicant's employees' time and resources of the Applicant are to be dedicated to this effort.

As an example of the types of programs and value delivered by this benefit, the Applicant is currently partnering with Urban Alliance to hire a high school intern to work for three (3) hours/day during the next school year and from 9am–5pm over the next summer break, Monday through Thursday. This program is meant to help a student gain valuable work experience and mentorship, provide key early skills on entrepreneurship, and continue to build relationships with the community. For illustrative purposes, the Applicant estimates that this program will cost \$12,500.

v. Event Space and Community Events and Programming

The Applicant has reviewed its ability enhance its event space offering for the community as requested by the Commission. The Applicant will provide discounted or free event space or related services in the South Building event space to the community or non-profits or similar institutions in the DC Metro area at a value of \$30,000 per year for five (5) years, provided that “Dock 5 space” exists as event space. The \$30,000/year like-kind value that the Applicant is committing may be applied to events that receive a reduced or other event services (such as donated time, materials or equipment) or other types of event sponsorship. The \$30,000/year may be applied to a single event or all or portions of multiple events within the calendar year. Examples of groups that the Applicant has recently hosted (and sponsored) at the Dock 5 event space include the Cystic Fibrosis Foundation, Howard Law School, Yu Ying Public Charter School, Casey Trees Foundation, and 1776 for their first annual, world-wide Challenge Cup. The Applicant notes that it has increased this public benefit from a value of \$20,000/year to \$30,000/year. The value of this item, utilizing a net present value (at a 6% discount rate), is \$119,219.

The Applicant will continue to host community events and maintain its community-focused programming at the Property. The Applicant has hosted numerous community events since September 2012, such as: DC Scoop, the Children's Chess Tournament, the Kids Food Festival, Israel Baptist Gospel Brunches, Boogie Babes, the Thread pop-up retail event, Sunday Supper (benefiting the James Beard Foundation Scholarship), drive in movies, and Fresh Farms. Further descriptions of these and other events hosted by the Applicant are listed on Exhibit F. These events have been very

popular with the local community and the District at large. The Applicant commits to hosting no less than ten (10) similar community events¹ for five (5) years, subject to the Applicant's discretion relating to event selection. The Applicant notes that it has increased this public benefit from three (3) community events per year to ten (10) community events per year.

II. OP Report and Follow Up

The Applicant has met with OP staff several times since the January 5, 2015 hearing.

Listed below are the areas of discussion from the OP Report filed December 29, 2014 (the "**Report**") that have been discussed by the Applicant and OP and the resolution or current status of such items. Specifically, the Report requested additional information on fourteen numbered elements relating to the project. The Applicant's responses to these additional information requests and some additional items are noted below:

a. A response to comments provided by DDOE in a memo dated October 29, 2014.

As discussed in Section IV below, the Applicant met with DDOE and has provided an updated response memo to DDOE's comments relating to the Project as Exhibit H.

b. Confirmation that the use of Neal Place from 5th to 6th Streets as a non-vehicular plaza would not be in conflict with the Easement Agreement with the adjoining property owner.

The Applicant's proposed use of the Union Market Park will not be in conflict with the easement agreement. The Applicant sets forth the following relevant facts relating to the easement agreement:

- The easement agreement is a private recorded document between two private property owners that has been in place since 1966;
- The area governed by the easement agreement has been closed to vehicles by both parties for a number of years;
- The easement agreement would allow for a non-vehicular park at the south of Property subject to both the Applicant's and the adjacent property owner's consent. The Applicant will design its portion of the park area to be an open green space in accordance with the Small Area Plan;
- The Applicant has been in contact with the owner to the south of the Property regarding the Union Market Park and easement area. Such owner has

¹ The Applicant notes that a nominal entry fee or ticket cost might be required as a method of crowd control. These fees or costs would not cover the cost of the events.

- indicated support of the Applicant's open space concept and preliminarily intends to create an equivalent open space area at the north of its property; and
- The Applicant has proffered its portion of the area as a part of a public park and will be required to implement the proffered park in such location or modify the PUD.

c. Additional information concerning the Streetscape Design Guidelines, including the scope, deliverables and draft cross sections.

The Streetscape Design Guidelines – including the scope, deliverables and cross sections relating to the effort – are discussed in Section I(c) above.

d. The temporary locations and quantity of bicycle parking spaces.

As discussed with the agencies, the Applicant is committed to providing a sufficient amount of both temporary (i.e., short term) and permanent bicycle parking for the South Building, and in fact already provides a great degree of temporary bicycle parking on site.

A plan showing the location of the approximately 54 temporary bike parking spaces to be provided for the South Building is attached as Page L10 of Exhibit A. As shown on that plan, these temporary bicycle parking spaces will be provided on the Property in or in the vicinity of the park to the south of the South Building. Note that although they are for temporary users, they are intended to be provided permanently. The same number of temporary bicycle parking spaces will be able to be provided in the same general vicinity, functioning as typical publicly-available bicycle racks during the construction phase of the South Building.

The Applicant is will provide a compliant number of permanent bicycle parking spaces in the Project as well (although is requesting relief regarding the locations for such spaces). For the new retail and theater uses in the South Building, the Applicant will provide eight (8) permanent bicycle parking on the first floor or first subgrade level of the parking garage in the North Building once it is constructed. For the office or residential uses in the South Building, compliant permanent bike parking will be provided on the lowest floor of such uses. The required temporary and permanent bicycle parking for the North Building uses will be provided in or around such structure. The provision of temporary and permanent parking is summarized on Pages Z1 and Z2 of Exhibit A.

e. LED sign datasheet and other details to include the purpose of the sign, its frequency of use and what will be shown on it.

The Applicant has removed the LED proposal from the Project at this time.

f. Perspectives of the LED sign from public ways.

The Applicant has removed the LED proposal from the project at this time.

g. Perspective of Union Market Park.

The Applicant has created four view studies illustrating the Union Market Park which are included as Page A23 in Exhibit A.

h. Clarification concerning the need for retail façade flexibility.

The Applicant is not including the request for retail façade flexibility in the Consolidated PUD for the South Building. As referenced on Page 3 of the Applicant’s December 16, 2014 submission, this request is no longer included in the current application, beyond the flexibility typically included in the conditions of a PUD Order. The Applicant intends to request such flexibility as part of the design consideration of the North Building’s Phase 2 application in the future.

i. Identification of the hardscape and landscape materials in the park and plaza.

The Applicant has included design guidelines for the park and plaza area’s hardscape and landscape materials as Pages L1–L4 and L9 of Exhibit A.

j. Clarification concerning the parking calculations provided for retail and event space uses.

The Property is the subject of a parking credit as the result of the construction and approval of existing structure as a commercial use in the 1960’s. The existing gross square footage of The Market building – including the event space – is approximately 55,424 gross square feet. Since the building provides no parking spaces, it has a parking credit of approximately 70 parking spaces $((55,494 \text{ GSF} - 3,000 \text{ GSF})/750 \text{ GSF})$. The insertion of the “10” figure in the “Required” column for the retail use’s required parking is utilized for the additional 6,929 gross square feet of retail space added on to the South Building. Such new space would generate the additional ten parking space requirement (9.24 spaces rounded up to be conservative). Although the event space would typically produce a parking requirement if constructed separately and new, it was previously included on the Z1 and Z2 tabulations to present all relevant data. To clarify the relevant information, the “event space” line item has been removed from the parking calculation chart and moved to the notes corresponding to the retail element.

This information has been updated on the Pages Z1 and Z2 of Exhibit A.

k. Site plans for temporary parking lots that demonstrate compliance with the Zoning Regulations.

The Applicant has submitted the Phased Parking Plan as Exhibit C, as described in Section I(c) above and III(e) below. As described in those sections, the Applicant has reviewed the Phased Parking Plan with OP and DDOT.

The parking lots on 4th Street and Penn Street are currently in use. Although these lots do not have fully zoning-compliant aisle widths, the dimensions and configurations of the lots are sufficient for operation. Neither lot has operational difficulties. The

Applicant notes that the insertion of the road connector at Neal Place would not require a reduction to the parking spaces in the parking lot north of 1250 4th Street NE. Both lots may be utilized to provide parking as needed for the South Building.

Although the parking lots on 4th Street and Penn Street are currently temporarily in use for other users affiliated with the applicant in the Market, any use of these lots required for this Project will take priority. That is, the Project will be able to utilize these lots as much as necessary to satisfy temporary parking demands for the South Building during the time periods described in the Phased Parking Plan.

l. Confirmation that the infrastructure is sufficient for the development.

The Applicant submitted a memo produced by Bohler Engineering regarding the infrastructure as Exhibit 23 in the record. The memo concludes that the infrastructure is sufficient for development or will be upgraded by the Applicant where it is not as part of the implementation of the Project.

m. Additional information concerning the residential option of the South Building proposal, including number of units, unit types (number of bedrooms) and number of affordable units.

The residential component in the South Building will contain between 100 and 115 residential units. The unit type breakdown is not yet known for this residential component although the unit types may range from studios to three bedroom units. As described above, approximately eight (8) to ten (10) residential units will be provided as affordable. Two (2) of such units will be provided for residents with incomes no greater than 50% of the Washington DC AMI. The remainder of the affordable units will be provided to residents with incomes less than or equal to 80% of the Washington DC AMI.

n. Consideration of participation in the One City-One Hire program or a First Source Employment Agreement.

The Applicant will enter into a First Source Agreement in the form attached hereto as Exhibit G with the District of Columbia Department of Employment Services.

o. Additional items

The Applicant is also providing herewith responses to the items that were not numbered at the beginning of the Report. Specifically, the Applicant is providing the following information:

- Community engagement information – ANC 5D voted to unanimously support the project at its December 9, 2015 meeting, as evidence by its support letter dated December 14, 2014. The Project was specifically discussed at each of the community meetings referenced on Pages 10 and 11 of the Applicant’s December 16, 2014 submission (Exhibit 19 in the Record).

- Dimensions on the sections of the plans – Dimensions have been added to the sections of the plans, as shown on Page A11 of Exhibit A.
- Dimension of the depth of the projection terrace into the Union Market Park – Diagrams showing the dimensions of the projection into Union Market Park are shown on Pages Z3 and Z4 of Exhibit A. We note that, at its maximum, the terrace projects 43 feet at its deepest point and 30 feet at other points into the Park.
- Details regarding roof structures variances – Details regarding the details of the roof structure variances have been added to the plans, as shown on Pages A7, A12, Z3, and Z4 of Exhibit A.
- District energy system – 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 has met with DDOE and understands that an RFP will be issued to study potential systems with various parts of the City and has requested that the Union Market 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. 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.

III. DDOT Report and Follow Up

The Applicant has been having weekly meetings with DDOT (and typically OP staff) on a weekly basis since November 2014. This team met an additional five (5) times after the January 5, 2015 hearing and will continue such meetings going forward.

Listed below are the areas of discussion from the DDOT Report filed January 5, 2015 that have been discussed by the Applicant and DDOT and the resolution or current status of such items.

a. Streetscape Design Guideline Scope

As discussed in prior filings and at the Hearing, the public space for the Union Market district is largely undefined. The Applicant and DDOT desire to formalize a set of guidelines to bring forth and govern a cohesive, unique, and well-planned set of guidelines to help institute the vision for the Union Market district.

The Applicant and DDOT are in agreement on the plan moving forward relating to the Streetscape Design Guidelines. As discussed in Section I(d) above, the Applicant and DDOT have worked to create a draft scoping document to be issued for the consultant solicitation to create the Guidelines. On January 16, 2015, the Applicant and DDOT met to address the technical elements of the streetscape in order to inform ultimate design guideline scope. The resulting draft scope of work document is attached hereto as Exhibit D. This draft scope of work will be further refined by the Applicant and DDOT prior to consultant solicitation but provides a point-in-time snapshot of the scope of work for the Guidelines. Of course, there will be ongoing design coordination with

DDOT throughout the Guideline creation process. In addition, precedent images relating to the Guidelines are attached hereto as Exhibit D.

b. Loading Management Plan

The Applicant and DDOT are in agreement that the Loading Management Plan submitted as Tab D to the Pre-Hearing Statement dated December 16, 2014 (Exhibit 19D in the Record) is sufficient for the proposed Project.

c. Public Space Improvements to Neal Place and 5th Street

The Applicant and DDOT are in agreement that the Applicant will upgrade pedestrian facilities on the south side of Neal Place between 4th Street and 5th Street and on the west side of 5th Street between Neal Place and Penn Street to DDOT standards, rather than simply upgrading these segments to ADA standards. DDOT is seeking such commitment from the Applicant rather than a specific plan for these public space segments as part of the PUD proceedings. Such commitment addressed DDOT's concerns relating to the satellite parking proposal. DDOT indicated that the number of parking spaces proposed throughout the Union Market district by Applicant would provide sufficient parking for the Project.

The primary difference between ADA and DDOT sidewalk standards relates to the dimension of the pedestrian clear path, with DDOT's standards requiring a wider width. These upgrades will allow pedestrians to access the Applicant's interim parking lot locations to and from the Property. The details of such design will be finalized during the public space permitting process.

The Applicant and DDOT agree that the final plan for the sidewalk on the south side of Neal Place between 4th and 5th Streets will include:

- A six foot (6') wide clear path to meet ADA and DDOT with the exception of pinch points due to existing infrastructure that may remain.
- Replacement of curb ramps to meet ADA and DDOT standards.
- Moving light pole(s), if necessary.
- Striping in parallel parking.

Similarly, the Applicant and DDOT agree that the final plan for the sidewalk on the west side of 5th Street between Morse and Penn Streets will ensure that DDOT standard sidewalk is in place.

d. Curbside Management Plan

The Applicant and DDOT are in agreement that the Applicant will develop a Curbside Management Plan for the street segment along 5th Street between Morse and Penn Streets. This plan will describe the Applicant's installation of striping and signage along such street segment. The details of such design will be finalized during the public space permitting process.

e. Phased Parking Plan

The Applicant and DDOT are in agreement that the Phased Parking Plan submitted as Exhibit C to this submission is sufficient for the proposed Project. The Phased Parking Plan is described further in Section I(c) above.

f. Transportation Demand Management Plan

The Applicant proposed the following Transportation Demand Management (“TDM”) Plan for the Project based on discussions with DDOT. The TDM Plan contains significant enhancements to the TDM Plan included as part of the Transportation Impact Study, submitted into the record as Exhibit 18A. The Applicant will provide:

1. Two (2) transit information screens in the South Building – including one (1) in the movie theater lobby and one (1) in the office/residential component lobby.
2. Applicant will provide parking for bicycles as follows²:
 - o Prior to the issuance of the Certificate of Occupancy for the South Building, the Applicant will provide: (i) permanent bicycle storage space containing bicycle facilities currently complying with the District of Columbia Municipal Regulations on the lowest residential or office floor for the residential or office use in the South Building, and (ii) approximately 54 short term (i.e. “temporary”) bicycle parking spaces currently complying with the requirements of the District of Columbia Municipal Regulations outside of the South Building in the “Union Market Park” or its vicinity.
 - o Prior to the issuance of the Certificate of Occupancy for the North Building, the Applicant will provide: (i) the number of permanent bicycle parking facilities for the theater and new retail uses in the South Building (8 spaces) on the first floor or first subgrade level of the parking garage in the North Building, (ii) bicycle storage space containing permanent bicycle storage facilities currently complying with the District of Columbia Municipal Regulations for all retail and residential or office uses in the North Building, and (iii) short term bicycle parking spaces currently complying with the requirements of the District of Columbia Municipal Regulations outside of the North Building.
3. Applicant will make available at least two (2) vehicle parking spaces for a car share service, if there is interest from such company: (i) in the temporary parking lot being utilized for parking at the South Building located the closest to the South Building on a temporary basis, and (ii) prior to the issuance of a

² This approach still requires relief from the Zoning Regulations’ requirement that the bike parking spaces be located on the ground, basement or cellar levels under 11 DCMR 2119.2. The Applicant requests flexibility from such section.

Certificate of Occupancy for the North Building, in the North Building on a permanent basis.

4. Applicant will provide the following financial incentives:
 - o Office option: Each office worker will be provided with a access to a corporate bike share membership. The maximum value of such financial incentives shall be up to \$15,000 cumulatively for the Project.
 - o Residential option: All new tenants will be provided with a car share or bike share membership. The maximum value of such financial incentives shall be up to \$10,000 cumulatively for the Project.
5. Applicant will provide information and website links to commuterconnections.com, goDCgo.com, and other transportation services on developer and property management websites.
6. All parking on site will be priced at market rates at a minimum, defined as the average cost for parking in a 0.25 mile radius from the site. All residential parking will be unbundled from the costs of leasing apartments or purchasing condos.
7. The Applicant shall designate a TDM coordinator, who is responsible for organizing and marketing the TDM plan and who will act as a point of contact with DDOT.

g. Routing to Union Market District

The Applicant and DDOT are in agreement regarding the signage routing traffic to the Union Market District. The Applicant will provide additional way-finding signage from the Brentwood Avenue, NE entrance to the Union Market district from New York Avenue. The Applicant will coordinate the design and location of the way-finding signage with DDOT during the public space permitting process and, if required, Federal and DDOT standards/guidelines. Further, the Applicant will include a description and map on the Union Market district general website and on any website for the Project that depicts the Brentwood Avenue, NE entrance to the Union Market district from New York Avenue.

h. “Neal Place” Open Space (Clarification of Easement for Future Road)

The Applicant and DDOT are in agreement regarding the “Neal Place” open space at the south of the Project (i.e., the Union Market Park). The Applicant and DDOT clarified that the existing easement is a private agreement between two adjacent property owners, rather than a public easement. DDOT does not require a public easement for access or a future road. Instead, DDOT requested, and the Applicant committed to provide, an unobstructed clear path with a minimum width of ten (10) feet (to be free from sidewalk café furniture or other similar obstacles) for pedestrian and bicycle access between 5th and 6th Streets through the Union Market Park. DDOT indicated that it would be acceptable for the Applicant to coordinate with the adjacent property owner to the south to share the ten (10) foot wide clear path between the properties provided that a cumulative ten (10) foot wide clear path results. Final designs for the park with the clear path will be designed once the adjacent property owner is engaged in the design process to ensure that there will be a minimum width of ten (10) feet.

i. Operational and Geometric Changes

The Applicant and DDOT are in agreement that the operational and geometric changes required for the Union Market district will require that the Project will still be processed through the typical public space permitting process for these elements. Some small additional capacity analyses will need to be performed at such later public permitting process as part of the normal course of public space permitting.

j. Utility Vaults

The Applicant and DDOT are in agreement that the utility vaults will be located on private property (unless otherwise agreed up as part of the public space process).

k. Compatibility Between Adjacent Parcels/Sequencing

The Applicant and DDOT are in agreement that the sequencing and compatibility of the construction of adjacent parcels will be the Applicant's responsibility. The Applicant will be responsible for coordinating the construction process, including traffic control plans ("TCPs") as part of the typical public space process. The Applicant notes that the TCPs are already being drafted.

IV. DDOE Report and Follow Up

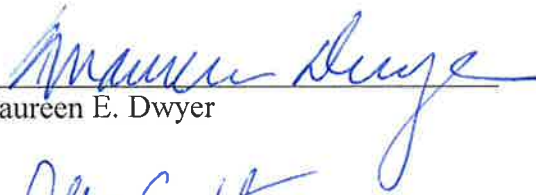
The Applicant met with DDOE on January 22, 2015 and discussed DDOE's issues relating to the Project. A memo responding to the DDOE reports dated October 27, 2014 and December 22, 2014 was submitted into the record on January 5, 2015 as Exhibit 31 in the Record. The Applicant hereby submits an updated memo that amends and replaces the Exhibit 31 in the Record as Exhibit H.

III. Conclusion

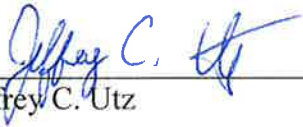
The development team looks forward to presenting this application to the Commission.

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 February 2, 2015, I delivered a copy of the foregoing document via hand delivery or first class mail to the addresses listed below.



Jeffrey C. Utz

Brandice Elliott (2 copies)
District of Columbia Office of Planning
1100 4th Street, SW, Suite 650E
Washington, DC 20024

Jamie Henson (2 copies)
Jonathan Rogers
Policy and Planning
District Department of Transportation
55 M Street SE, 5th Floor
Washington, DC 20009

Advisory Neighborhood Commission 5D (7 copies)
1807 L Street, NE
Washington, DC 20002

ANC Commissioner Peta-Gay Lewis (5D01)
1868 Corcoran Street, NE
Washington, DC 20002

gsdocs.8157585.1