

August 31, 2016

VIA IZIS

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

Re: Z.C. Case No. 15-28 – Applicant’s Final Proffered Benefits and Amenities

Dear Chairman Hood and Members of the Commission:

Pursuant to the requirements in §§ 2403.16 – 2403.18, this letter is in response to the comments received on August 24 & 29, 2016 from the Office of the Attorney General regarding the public benefits and project amenities being proffered by the Applicant and the draft conditions that are both specific and enforceable. Below is a chart of the Applicant’s final proffered benefits and amenities, and proposed conditions. Changes and additions since the Applicant’s August 1, 2016 letter are underlined and in bold.

| Proffered Benefit | Proposed Condition | Comments |
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| <p><u>Housing and affordable housing.</u></p> | <p>4. <u>The project shall provide the following housing and affordable housing:</u></p> <p>a. <u>The project shall provide a total of approximately 329,509 square feet of residential Gross Floor Area (“GFA”) of housing, including approximately 5761 square feet of habitable penthouse space. Approximately 297,858 sq. ft. of GFA of this total will be market rate housing, and approximately 26,361 sq. ft. will</u></p> | |

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| | <p><u>be affordable housing.</u></p> <p>b. <u>The Applicant shall set aside a minimum of 8% of the floor area of the penthouse habitable space devoted to dwelling units (approximately 461 sq. ft.) for IZ unit(s) reserved for households with incomes not exceeding 50% of the AMI.</u></p> <p>c. <u>The Applicant shall set aside a minimum of 8% of the residential gross floor area as Inclusionary Zoning (IZ) units for the life of the project. Of the affordable units, a minimum of 4% of the residential gross floor area plus 8% of the floor area of the penthouse habitable space devoted to residential dwelling units shall be reserved for households with incomes not exceeding 50% of the AMI. A minimum of 4% of the residential gross floor area shall be reserved for households with incomes not exceeding 80% of the AMI. All of the units reserved for households with incomes not exceeding 50% of the AMI shall be two-bedroom units except for the IZ floor area resulting from the habitable penthouse, which may be other unit types.</u></p> <p>d. <u>The distribution of the affordable housing units shall be in substantial accordance with the matrix and plans marked as 33A of the record, and substantially in accordance with the following chart: [SEE CHART AT THE END OF THIS LETTER]</u></p> | |
| <p><u>Urban design, architecture, and</u></p> | <p>1. The Project shall be developed in accordance with the plans marked as</p> | |

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| <p><u>landscaping.</u></p> | <p>Exhibits 13D, 21C, and 33A of the record, as modified by guidelines, conditions, and standards herein.</p> | |
| <p><u>Site planning, and efficient and economical land utilization.</u></p> | <p>1. The Project shall be developed in accordance with the plans marked as Exhibits 13D, 21C, and 33A of the record, as modified by guidelines, conditions, and standards in the order.</p> | |
| <p><u>Environmental benefits.</u></p> <p>LEED Gold design for the entire Project.</p> <p>Specific sustainable design features including extensive green roof and courtyard, and two electric car charging stations.</p> | <p>1. The Project shall be developed in accordance with the plans marked as Exhibits 13D, 21C, and 33A of the record, as modified by guidelines, conditions, and standards in the order.</p> <p>5. <u>The Project shall be designed to attain LEED Gold certification.</u> The Applicant shall not be required to obtain LEED certification from the U.S. Green Building Council. Prior to the issuance of a certificate of occupancy, the Applicant shall submit to the Zoning Administrator a LEED scorecard <u>showing that the Project will receive a sufficient amount of points to achieve LEED Gold.</u></p> <p>9. The Applicant shall devote, in perpetuity, two parking spaces for electric car charging spaces in the Project’s parking garage.</p> | <p>The commitment to LEED Gold for the entire Project is an increase in the proffer since the Commission took proposed action.</p> |
| <p><u>Public space and parks.</u></p> <p>Installation of N Street improvements, including a playable public art piece.</p> | <p>7. Prior to the issuance of a certificate of occupancy for the Project, the Applicant shall complete or provide the following:</p> <p>A. The Applicant shall design and install, <u>at a minimum cost of approximately \$100,000,</u> a piece of interactive art in the public space adjacent to the Project. The art piece and its location shall be subject to all applicable public space approvals and permits.</p> <p>B. <u>In conjunction with the developer of the property to the north across</u></p> | |

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| | <p><u>N Street</u>, the Applicant shall install improvements to <u>the south side of the N Street</u> streetscape, between 3rd and 4th Streets, consistent with the plan in Exhibit 33A. The final design of the streetscape improvements shall be subject to all applicable public space approvals and permits.</p> | |
| <p><u>Social services/facilities.</u> Contribution to Two Rivers Public Charter School for improvements.</p> | <p>6. Prior to the issuance of an above-grade building permit for the Project, the Applicant shall contribute \$100,000 to Two Rivers Public Charter School for improvements to its building and/or property, as determined by the school. <u>The Applicant shall provide evidence to the Zoning Administrator that the improvements for which the funds have been provided have been designed prior to the issuance of a Certificate of Occupancy.</u></p> | |
| <p><u>Effective and safe vehicular and pedestrian access, transportation management measures, connections to public transit service, and other measures.</u> Devotion of a 10-foot wide strip of the Property along the rear alley to effectively widen the alley. TDM Plan, as set forth in the Applicant’s Comprehensive Transportation Review. Approximately 230 bicycle parking spaces, and shower and changing facilities as well as a</p> | <p>1. The Project shall be developed in accordance with the plans marked as Exhibits 13D, 21C, and 33A of the record, as modified by guidelines, conditions, and standards in the order.</p> <p>10. The Applicant shall implement the following transportation demand management (TDM) measures <u>for the life of the Project, unless otherwise specified:</u></p> <p>a. The Applicant will exceed Zoning requirements to provide bicycle parking/storage facilities at the proposed development. This includes secure parking located onsite, short-term bicycle parking around the perimeter of the site, as well as a bike service area.</p> <p>b. The Applicant will unbundle the cost of residential parking from the cost of lease or purchase.</p> | |

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| <p>2,000 square foot dedicated bike storage room at grade accessed directly from the alley.</p> <p>Elimination of curb cuts on 3rd, 4th, and N Streets to reduce pedestrian-automobile conflicts.</p> <p>Implementation of measures to prohibit trucks from using 4th Street.</p> | <p>c. The Applicant will price the residential parking at no less than the rate of the least expensive parking garage within ¼ mile of the Property.</p> <p>d. The Applicant will identify TDM Leaders (for planning, construction, and operations). The TDM Leaders will work with residents in the building to distribute and market various transportation alternatives and options.</p> <p>e. The Applicant will provide TDM materials to new residents in the Residential Welcome Package materials.</p> <p>f. The Applicant will install Transportation Information Center Displays (electronic screens) within the residential, hotel, and office lobbies, containing real-time information related to local transportation alternatives.</p> <p>g. The Applicant will offer each resident of the Project an annual car-share or bike-share membership for the first three years that the residential portion of the Project is open.</p> <p>h. The Applicant will install traffic management cameras at the following intersections: North Capitol Street NE/M Street NE and Florida Avenue NE/3rd Street NE.</p> <p>i. The Applicant will provide showers and changing facilities for hotel, office, and retail employees.</p> <p>j. The Project will offer a direct connection between the long-term bicycle parking and each land use component in the Project.</p> <p>k. The Applicant will dedicate two parking spaces in the Project's parking garage for use by a car-sharing service, provided that a car-sharing service is interested in the spaces.</p> | |
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| | <p>11. The Applicant will implement the following measures to prohibit trucks that service the Project from using 4th Street:</p> <ul style="list-style-type: none"> a. The Applicant will install signage on private property for the widened alley area that states, “All retail truck traffic is prohibited from using 4th Street.” One sign will be placed in the private property alley widening (rear yard of Project) near 3rd Street such that it can be viewed when entering the site. Another sign will be placed in the private property alley widening (rear yard of Project) near 4th Street such that it can be viewed by trucks exiting the Property. b. The Applicant will include in all retail leases language that prohibits the retail tenants’ delivery trucks from using 4th Street to enter or exit the alley system at the rear of the Project. | |
| <p><u>Uses of special value.</u></p> <p>Contribution to NoMa BID for study of new entrance to Metrorail station.</p> <p>Reservation of 3000 square feet of retail space for “maker” uses.</p> | <p>7. Prior to the issuance of a certificate of occupancy for the Project, the Applicant shall complete or provide the following:</p> <ul style="list-style-type: none"> C. The Applicant shall contribute \$50,000 to the NoMa BID for the study of a new eastern entrance to the NoMa – Gallaudet Metrorail station. <u>The Applicant shall provide evidence to the Zoning Administrator that the study for which the funds have been provided has been completed prior to the issuance of a Certificate of Occupancy.</u> <p>8. The Applicant shall reserve 3000 square feet of the Project’s retail space for “maker”</p> | <p>The definition of “maker” is different since the Commission took proposed action, but the Applicant agrees to the definition that OP proposed.</p> |

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| | <p>uses. <u>Maker uses shall be defined as the following:</u></p> <ul style="list-style-type: none">• <u>Production, distribution, or repair of goods, including accessory sale of related product;</u>• <u>Uses encompassed within the Arts, Design, and Creation Use Category as currently defined in 11 DCMR Subtitle B § 200.2, including an Art Incubator, as currently defined in 11 DCMR Subtitle B § 100.2, but not including a museum, theatre, or gallery as a principal use;</u>• <u>Production and/or distribution of food or beverages and the accessory sale or on-site consumption of the related food and beverage;</u>• <u>Design related uses, including Media/Communications, Computer system and software design; Fashion design; Graphic design; or Product and industrial design.</u> <p>The reserved retail space shall receive a certificate of occupancy only for uses that satisfy this definition.</p> | |
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Affordable Housing Table:

| Residential Unit Type | GFA/Percentage of Total | Units | Income Type | Affordable Control Period | Affordable Unit Type |
|------------------------------|--------------------------------|--------------|--------------------|----------------------------------|--|
| Total | 329,509 sf/100% | 372 | NA | NA | NA |
| Market Rate | 303,148 sf/92% | TBD | Market Rate | NA | NA |
| 50% AMI | 13,411 sf/4% (includes PH) | TBD | 50% AMI | For the life of the project | 2 bedrooms, except IZ floor area resulting from PH may be any type |
| 80% AMI | 12,950 sf/4% | TBD | 80% AMI | For the life of the project | All |

We look forward to the Zoning Commission taking Final Action on this case. If you have any questions regarding this application, please feel free to contact us.

Sincerely,

/s/ Phil Feola
Phil Feola

/s/ Cary Kadlecek
Cary Kadlecek