

July 27, 2016

VIA ELECTRONIC AND HAND DELIVERY

Mr. Anthony J. Hood
Chairperson
District of Columbia Zoning Commission
441 4th Street, NW
Suite 210-S
Washington, DC 20001

Re: ZC Case No. 16-09: Application for Review and Approval of a Consolidated
Planned Unit Development and Related Map Amendment for the property located
in Square 747, Lot 8

Dear Chairperson Hood and Members of the Commission:

At its public meeting on June 13, 2016, the Zoning Commission voted to set down the above-referenced application for a public hearing. The Applicant supplements the record with information responding to comments raised by both the Office of Planning and the Zoning Commission.

I. Benefits and Amenities

The Applicant has increased its benefits and amenities package since its initial submission. Without a PUD, the current zoning of site, C-M-3, allows for the construction of a hotel or commercial office building, including retail, with a 6.0 FAR and a 90 foot height. Because the Applicant is proposing residential uses, rezoning the site is necessary. Rezoning to C-3-C, would permit construction up to a 8.0 FAR; however, the Applicant is requesting an FAR of only 6.99 (approximately only 1.0 FAR additional density), an additional 30 feet of height and the introduction of residential uses (including affordable housing). In exchange for this flexibility, the Applicant will provide the benefits and amenities summarized below.

A. Inclusionary Zoning

The Applicant is setting aside 8% of the residential gross floor area of the development for affordable housing, resulting in over 50 affordable units. Thirty percent (30%) of the set aside will be reserved for households with an annual income no greater than 50% of the Annual Median Income ("AMI"). This represents an increase from the Applicant's previous proffer. The remainder of the set-aside will be reserved for households with an annual income no greater than

80% of AMI. The Applicant initially requested relief from the IZ regulations to locate all of the affordable units in the northern building, which will be a rental building, in the event the southern building is delivered as a condominium. The Applicant is no longer requesting such flexibility. It does note, however, that in the event the southern building is delivered as a condominium building, the units that will be available for households with an annual income no greater than 50% of AMI will be located entirely in the northern residential building. The condominium building would contain 8% of the GFA as affordable housing, all reserved for households with an annual income no greater than 80% of AMI. The breakdown of the set aside is set forth in the charts below.

Northern Building

Residential Unit Type	Residential GFA / Percentage of Total	Income Type	Affordable Control Period	Affordable Unit Type*	Notes
Total	392,185 sf/100%		Life of project	Rental	NA
Market Rate	360,810 sf/92%	Market	Life of project	Rental	NA
IZ	18,010 sf/4.6%	80% AMI	Life of project	Rental	N/A
IZ	13,365 sf/3.4%	50% AMI	Life of project	Rental	N/A

Southern Building (delivered as a condominium)

Residential Unit Type	Residential GFA / Percentage of Total	Income Type	Affordable Control Period	Affordable Unit Type*	Notes
Total	164,689 sf/100%		Life of project	TBD	NA
Market Rate	151,514 sf/92%	Market	Life of project	TBD	NA
IZ	13,175 sf/8%	80% AMI	Life of project	TBD	N/A

Penthouse Requirements

Penthouse	Residential GFA	Income Type	Affordable Control Period	Affordable Unit Type*	Notes
Hotel					
Habitable space triggering IZ	3,575 sf				IZ units will be located in northern residential building
IZ requirement	894 sf	50% AMI	20 years	Rental	

Northern Building					
Habitable space triggering IZ	5,161 sf				IZ units will be located in northern residential building
IZ requirement	413 sf	50% AMI	Life of project	Rental	
Southern Building					
Habitable space triggering IZ	3,805 sf				IZ units will be located in northern residential building
IZ requirement	304 sf	50% AMI	Life of project	Rental	

B. Open Space

The Applicant is responding to the community’s expressed desire for publicly accessible open space by providing 11,244 sf of ground level plazas and expanded streetscape, representing 11% of the site area. In addition, the Applicant has designed the project to maximize light, air and open space for the residents and guests of the project resulting in a lot occupancy above the podium level of only 65%. In total, the Applicant is providing 46,362 sf of open space (44% of the site area), including the covered Metro Plaza described in more detail below. The project’s open space will include the following key components:

1. Metro Plaza (6,680 sf)

The Applicant will build a public Metro Plaza measuring 70 feet wide, 30 feet high and 90 feet deep. This plaza is at the core of the Applicant’s benefit package as it will facilitate an eastern entrance to the NoMA-Gallaudet U Metro Station to provide closer access to public transportation for thousands of current and future residents of the Atlas District, Union Market and Trinidad.

- The plaza will incorporate seating areas to create a public gathering place for the neighborhood and will be improved with high quality materials to create a safe and attractive atmosphere for pedestrians.
- The Applicant will record a permanent easement against the Property in the Metro Plaza to allow residents living east of the CSX railroad tracks to easily access the NoMA-Gallaudet U Metro Station when a WMATA tunnel is constructed.
- The estimated land value of the area the Applicant is dedicating for the permanent surface easement in the plaza is \$400,000.
- The 30 foot height of the plaza establishes an openness that will make visitors feel comfortable using the plaza both night and day.

- The plaza will be flanked by retail seating to its north and south along with temporary retail kiosks that will be located along the walkway.
- The western edge of the plaza will be marked by a mural wall that will feature rotating art to be financed by an art endowment fund to be established by the Applicant and discussed in more detail below.
- The plaza aligns with N Street and will preserve views along the street.
- The cost to construct and landscape the public plaza is estimated to be over \$1,200,000.

2. M Street Plaza (3,150 sf)

The Applicant also plans to provide a public plaza along M Street at the southern end of the Project.

- The plaza creates an active, open, and unique space that is accessible to the public, while also creating a unique retail opportunity.
- The plaza embraces the grade change along this section of M Street to create an opportunity for artistic stairs that can double as seating or distinct gathering spots for visitors.
- Portions of the plaza may also be utilized by adjacent restaurants for outdoor seating and performing artists, which will help create a festive and dynamic atmosphere.
- The plaza will include a water feature that will course through a gantry crane/industrial art feature on the roof of the first floor (described in more detail below) and cascade over the rooftop to a pool of water in the plaza area.
- The M Street Plaza was intentionally designed to mirror the Uline Arena/REI plaza directly south of the Project by creating an offsetting triangular park that creates a combined space of over 6,000 sf between the two plazas along M Street.
- The estimated cost to construct and landscape the publically accessible portion of the M Street Plaza, including water feature, is \$915,000.
- In addition, since its last submission, the Applicant has refined the public plaza and the residential building above to remove columns that previously protruded into the open space in order to make the plaza more functional and enjoyable. The estimate cost of these improvements is \$260,000.

3. Florida Avenue Plaza (520 sf)

Addressing concerns of the community, the Applicant is setting the building back from the northern property line for the first three stories of building height. The existing sidewalk in this location is especially narrow.

- Setting the building back allows the Applicant to widen the sidewalk along Florida Avenue and provide a more comfortable pedestrian experience. This is important, particularly during the interim period when the Metro tunnel has not yet been

constructed, because this is the path that many from the community will take to access Metro.

- The estimated cost to construct and landscape the publically accessible portion of the Florida Avenue Plaza is \$220,000.

C. *Environmental Sustainability*

The project will be certified LEED Silver, at a minimum, and the Applicant is currently exploring several opportunities with DOEE to improve the project's environmental sustainability. Attached as Sheets 1.04-1.06 are LEED score cards for each of the buildings.

In addition to the project components identified on the LEED scorecards, there are a number of other environmentally sustainable components of the project that are difficult to quantify through the LEED scoring system. Several of these "green" initiatives and their positive impacts on the community are outlined below.

- The Applicant will remediate the contamination currently on the site and safeguard against future contamination at an estimated cost of over \$9 million. DOEE has granted conditional approval of the Applicant's Voluntary Remediation Action Plan. In exchange of cleaning-up and developing on this brownfield site the Applicant will receive only one point for LEED purposes.
- The most notable environmentally sustainable component of the project is the Applicant's effort to incorporate the Metro Plaza into the building design to allow direct access to the NoMA/Gallaudet Metro station for current and future residents located east of the CSX tracks. This is a benefit that is not contemplated in a by-right development of the property and it is a benefit that no other site can offer. As explained above, providing this tangible and substantive environmental benefit comes at a significant cost to the Applicant. Nevertheless, providing such access is accorded only one LEED point, which is no more than what other projects located in the vicinity of a Metrorail station are given.
- The project also incorporates a significant amount of open space; in fact, the lot occupancy for the project above the podium is just 65%, where a lot occupancy of 100% is otherwise permitted. The project emphasizes the importance of open spaces and providing light and air to each of its units and the buildings surrounding the site. Again, the LEED scorecard does not designate any additional points for this open space.
- The Applicant will buffer the noise from adjacent train track activity for the benefit of the project and the surrounding neighborhood by constructing an acoustic sound wall 6 feet high and nearly 500 feet long running the length of the western boundary of the site. In addition, the Applicant will upgrade the STC rating of the windows of the hotel and apartment facades next to the train tracks. The estimated cost of these improvements is \$1,600,000.

D. *Transit Incentives*

- The Applicant will install a transit screen that is viewable by the public in the Metro plaza.
- The Applicant will install a Capital Bikeshare station and maintain it for a period of one year, to the cost of up to \$100,000. The location of the station is still being refined but it will be located in an area that is convenient for residents and visitors to access.
- The Applicant shall devote six parking spaces for electric car charging stations, at an estimated cost of \$60,000.
- The Applicant shall purchase ten electric bikes from Riide, a DC-based electric bike manufacturer, or similar company, and install ten electric bike charging station to be shared by residents and guests of the project, at an estimated cost of \$30,000.
- The Applicant shall install eight publically accessible electric bike charging stations conveniently located for residents and visitors, at an estimated cost of \$10,000.

E. *PDR Uses*

The Applicant will reserve a minimum of 4,000 square feet in the project (nearly 10% of the total retail space) for PDR-related uses to be defined as “production, sale, distribution, and/or consumption of food and beverages provided that it is as an accessory use to the production or distribution of food and beverage; small-scale production and repair of goods and related sales; media/communications production and distribution; arts and entertainment; art studios, traditional crafts and trades; engineering and design; and technology design and production.”¹ The reserved PDR space will be located in the retail podium or in residential space immediately above retail space. More details of these uses will be provided in the supplemental submission.

F. *Art*

The project incorporates several art features throughout the site for public enjoyment. The art will engage visitors and help to create an inviting environment. Several of the art installations will meet the community’s expressed interest for playable/active art for children. The Applicant shall design and install, to a cost of up to \$250,000, the following art:

- A gantry crane/industrial art element in the M Street Plaza inspired by the family run business that is currently operating on the site and has been based in the District for 101 years.

¹ In the event the PDR use does not qualify as a principal use, only the square footage dedicated specifically to the PDR use will be deducted against the 4,000 square foot commitment.

- An artistic water feature that complements the gantry crane/industrial art element describe above and activates the M Street Plaza.
- At least three pieces of playable or interactive art in the public space along 3rd Street side of the project on an ongoing basis.

In addition, the Applicant shall contribute \$100,000 to an endowment fund, managed by the project's owners association in partnership with the NoMA BID, to finance rotating art and murals in the Metro Plaza.

G. *Streetscape*

The Applicant has gone through great efforts to consolidate parking and loading – for the entire, three building, 700,000 sf project – so that they are accessed from a single garage entry point, requiring only one curb cut on M Street. Doing this provides for two notable public benefits:

- Uninterrupted frontage along 3rd Street that will enhance the pedestrian experience. The Applicant intends to further enhance the pedestrian experience along 3rd Street with its proposed streetscape improvements and playable/interactive art installations. It is coordinating the specifics of these improvements with neighboring developers and DDOT and will provide additional details in its supplemental submission. The intent is that the materials and design will exceed DDOT's typical requirements. It will also incorporate deaf space design guidelines into the design of its streetscape and open spaces.
- All loading facilities and all loading maneuvers for the hotel, retail and residential uses will take place under one roof within the project. This is a significant benefit for pedestrian circulation as it diminishes the opportunity for vehicular conflicts by eliminating back-in loading maneuvers. It also protects the pleasant character of the outdoor spaces the Applicant is providing by removing all loading maneuvers from public view.
- In addition, the Applicant will install a new traffic signal at the garage entrance to the project, located at the intersection of Delaware and M Street. The estimated cost of the signal is \$300,000.

II. Metro Tunnel Timeline

The NoMA BID is leading an effort to establish a tunnel beneath the CSX railroad tracks that will connect the Applicant's on-site Metro plaza with the NoMA/Gallaudet U. Metrorail Station. A WMATA study concluded the construction cost of the tunnel would be \$22 million dollars based on estimates by AECOM. The tunnel will be financed in part through the tax increment financing ("TIF") program and the \$22 million cost has been included in the TIF application. The application is currently being reviewed by the DC Office of the Chief Financial Officer. Details of the program are preliminary and will be updated throughout this process.

III. Retail

The Applicant anticipates filling its retail space with a mix of retailers, both in terms of size as well as in terms of the types of services they will provide. The Applicant will target a number of neighborhood-serving retailers, including a mix of restaurants, such as sit-down restaurants, as well as fast casual food options; and a mix of services, such as clothing retailers, outdoor retailers and PDR uses as noted above.

IV. Penthouse Relief

The Applicant seeks relief from Section 411.9 to allow varying heights for the habitable penthouse space and the Commission requested additional details for this relief. Portions of the penthouses for each of the three buildings step back in height, which creates a double-height or mezzanine condition for the habitable space. This proposed step-up in height creates a more comfortable and elegant space that creates a true amenity for residents and visitors alike. Nevertheless, because the height of the habitable space is not uniform, it requires flexibility from the strict application of the penthouse requirements. See Sheets 3.12 and 3.14.

- The habitable penthouse space of the hotel consists of a single floor that has a ceiling height varying between 11 feet and 17 feet, 8 inches in height. The space will be dedicated to amenity space for the hotel, including a restaurant. Despite the varying heights, the penthouse is set back from the exterior wall one foot for every foot of height.
- The habitable space for the northern residential building consists of a single floor that will be dedicated to a mix of amenity space and residential units. The height of the habitable space varies from 11 feet to 20 feet in height. The penthouse is set back from the exterior wall one foot for every foot of height.
- The habitable space for the southern residential building consists of a single floor that will be dedicated to a mix of amenity space and residential units and will include approximately 600 square feet of mezzanine space. The height of the habitable space varies from 11 feet to 20 feet; however, the penthouse is set back from the exterior wall one foot for every foot of height.

V. Flexibility

In addition to the penthouse flexibility noted above, the Applicant requests the following relief from strict application of the relevant provisions of the Zoning Regulations through the flexibility allowed by the PUD process:

- A. Section 411.4(c): The Applicant seeks special exception relief to allow a restaurant in the hotel penthouse.

- B. Section 775.5: Though no side yard is required, the Applicant is providing a 15 foot side yard along the western property line, along the railroad tracks. If a side yard is provided, it must be a minimum of 20 feet wide; accordingly, the Applicant seeks relief from this requirement.
- C. Section 2115.9: The Applicant is providing 60 valet parking spaces for the hotel use; however, the project as a whole is not considered a “commercial” project and therefore permitted to include valet parking spaces in its parking supply. The Applicant seeks relief from this section so that the hotel valet parking spaces are included in the proposed parking supply.
- D. Section 2201.1: The Applicant seeks variance relief from the requirement to provide a 55 foot loading berth for the residential uses.
- E. Section 2605: The Applicant is exploring the potential for establishing the southern residential building as a condominium building. In the event it does so, it seeks flexibility to locate all of the affordable units available to households with an annual income no greater than 50% AMI in the northern (rental) residential building. This breakdown is reflected in the charts in Section I.

In addition to the relief required from the Zoning Regulations, the Applicant seeks flexibility in the implementation of the Project, including:

- A. Unit range: The Applicant seeks flexibility to vary the proposed residential unit range and hotel room range by 10%.
- B. Parking range: The Applicant seeks flexibility to vary the number of proposed parking spaces by 10%.
- C. Garage footprint: The Applicant seeks flexibility to extend the footprint of the garage toward the southern lot line so long as it remains within the lot lines and below grade along both M and 3rd Streets.
- D. Retail façade design: The Applicant seeks flexibility to vary the design of the retail space per the specifications of the retailer.
- E. Retail: The Applicant seeks flexibility to provide approximately 10,000 square feet of additional retail space below grade in the northern residential building along Florida Avenue.
- F. Streetscape: The Applicant seeks flexibility to coordinate with other stakeholders and relevant District agencies in finalizing the details of the 3rd Street streetscape.

- G. Penthouse: The Applicant seeks flexibility to modify the penthouse design for the hotel per specifications of the final operator. The parameters of the massing (height, density and set back) will not change and no additional relief is requested as a part of this flexibility.
- H. PDR Retail: The Applicant is setting aside 4,000 square feet of space for PDR uses, as defined above. The ultimate location of these uses has not yet been determined.
- I. Phasing: The Applicant anticipates constructing the Project in one phase; however, it would like the flexibility to construct it in two phases should market conditions change. The proposed phasing would allow the Applicant to apply for a building permit for the northern residential building, and corresponding portion of the podium, within two years of approval of this PUD and to apply for a building permit for the southern residential building, hotel, and corresponding podium within 4 years of the approval of this PUD.

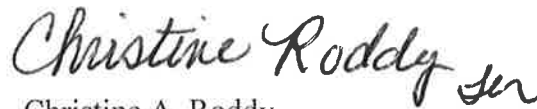
VI. Conclusion

The Applicant is very excited about this project and has received positive feedback from the community. It will continue its discussions with the ANC as it progresses through the process. In light of the foregoing, the Applicant asks that the Commission schedule a public hearing on this application as soon as practicable.

Sincerely,



Allison C. Prince



Christine A. Roddy

Enclosures

cc: Josh Dix, Trammell Crow Company
Rich McPhillips, Trammell Crow Company

CERTIFICATE OF SERVICE

I hereby certify that I sent a copy of the foregoing document to the following addresses on July 27, 2016, by Hand Delivery:

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