

October 14, 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: Twenty Day Filing

Dear Chairperson Hood and Members of the Commission:

Pursuant to Section 401.5 of Subtitle Z, the Applicant now supplements the record with additional information regarding the pending PUD application.

I. Updated Plans

This PUD will create a mixed-use residential and commercial project that is consistent with the goals and objectives of the NoMA Vision Plan and the nearby Florida Avenue Market Small Area Plan. The project will establish approximately 650 residential units, approximately 200 hotel rooms, and about 50,000 square feet of retail on a site that was formerly dedicated to motor and apparatus repairs, installation and distribution. Attached as Exhibit C are updated plans depicting the proposed project. The Drawing Index indicates those sheets that have been updated or are supplemental to what was submitted previously.

II. Benefits and Amenities

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 proposing a FAR of only 6.99 (only 0.99 FAR of 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

As noted in previous submissions, both the Central Washington Area Element of the Comprehensive Plan and the NoMA Vision Plan call for residential uses in this area. The PUD process provides an avenue for effectuating these visions and making residential uses possible, as the existing zoning currently precludes residential uses. As a part of the residential program, the Applicant will set aside 8% of the residential gross floor area 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 is an increase above the Applicant’s previous proffer to reserve 25% of the affordable units at the 50% AMI level. The remainder of the set-aside will be reserved for households with an annual income no greater than 80% of AMI. The affordable units required as a result of creating habitable penthouse space will be provided in addition to the proffer noted above. Affordable housing would not be possible on this site but for the PUD process.

B. Open Space

The community has specifically requested that public open space be incorporated into this project. Accordingly, the Project dedicates approximately 10% of the site area to plazas and expanded streetscape at the ground level. Above the ground level, 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 approximately 45,000 sf of open space, approximately 9,500 square feet of which will be open to the public. The project’s open space will include the following key components:

1. Metro Plaza (approximately 6,000 sf)

The Applicant will build a public Metro Plaza measuring 70 feet wide, 30 feet high and approximately 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 30 foot height of the plaza establishes an openness that will make visitors feel comfortable using the plaza both night and day. The Applicant will work with WMATA and MPD to ensure that the tunnel itself incorporates adequate lighting and security that complements the proposed plaza.

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- 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, through the site.
 - The total cost to provide the Metro Plaza is \$1,600,000 consisting of the following components:
 - The estimated land value of the area the Applicant is dedicating for the permanent surface easement in the plaza is \$400,000. This value is based solely on the surface area of the WMATA easement.
 - The cost to construct and landscape the public plaza is estimated to be over \$1,200,000.
 - The applicant has allowed for maximum construction flexibility for the WMATA tunnel by allowing for a 30' high clear span, as well as no building facilities below the plaza slab. This will reduce costs to WMATA and allow for flexibility in the construction of the tunnel.
2. M Street Plaza (approximately 3,000 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. Additional sections of this space are attached as Sheets 5.04-5.05 in Exhibit C.
- 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. At least two-thirds of the plaza space will be available for public uses and up to one-third of the plaza may be dedicated to café seating for retail and restaurant uses.
- 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 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 estimated cost to construct and landscape the publically accessible portion of the M Street Plaza, including water feature, is \$915,000.

3. Florida Avenue Plaza (approximately 500 sf)

The existing sidewalk along Florida Avenue is especially narrow, making pedestrian travel to the Metro station uncomfortable. To rectify the existing condition, the Applicant is setting its building back from the northern property line by 15 feet for the first three stories of building height. This will increase the depth of the sidewalk and ease pedestrian circulation. DDOT is contemplating further changes to the streetscape in the future, which includes closing a lane of travel and further widening the sidewalk area.

- 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 Applicant intends to creatively light or paint the columns in the plaza to provide visual interest along the streetscape.
- 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 and will achieve a minimum of 56 points. In addition, the Applicant will integrate at least 6,000 square feet of solar panels onsite. Attached as Sheets 1.04-1.06 are LEED score cards for each of the buildings.

In addition, there are a number of other environmentally sustainable components of the project that are not given enough credit through the LEED scoring system. Several of these “green” initiatives and their positive impacts on the community are outlined below.

- 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 this costly access portal accords the Applicant only the same amount of LEED points as other projects located in the vicinity of a Metrorail station are given.
- 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. Despite the extensive work required to clean and develop on this brownfield site, the Applicant will receive only one point for LEED purposes.

- 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.
- The Applicant will provide 6,000 square feet of solar panels. Prior to installation of the solar panels, the Applicant will confirm that the panels are acceptable to DOEE and will neither nullify the warranty of the proposed green roof nor impact the storm water retention both in terms of quantity and quality.

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.
- As requested by DDOT, the Applicant will provide 20 shopping carts for tenants to run daily errands and grocery shopping.

E. *PDR Uses*

The Applicant will reserve a minimum of 4,000 square feet in the project (over 10% of the retail square footage) for PDR-related uses to be defined as “production, distribution, or repair of goods, including accessory sale of related product; 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; production and/or distribution of food or beverages and the accessory sale or on-site consumption of the related food and beverage; or design related uses,

including Media/Communications, Computer system and software design; Fashion design; Graphic design; or Product and industrial design.” The reserved PDR space will be located in the retail podium or the first residential floor.

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.
- 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. An example of such art is included on Sheet 5.03 of Exhibit C.

In addition, the Applicant will 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. The \$100,000 fund contemplates an average of \$20,000 spent every three years on a new mural (on either the WMATA wall at the back of the Metro Plaza or on the ceiling of the Metro Plaza) or sculpture in the Metro Plaza, resulting in rotating artwork for 15 years after completion of the project. The type, location and design of artwork will be determined by a five person panel comprised of the property owners association (three members), the NoMa BID (one member) and ANC 6C (one member).

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 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 playable/interactive art installations.
- 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.
- The streetscape is further improved by the dedication of private property along M Street and Florida Avenue to ease pedestrian circulation and provide points of passive recreation for pedestrians, as noted above.

III. 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 recently filed TIF application. The application is still under review by the DC Office of the Chief Financial Officer, and a determination may not be made for several months.

IV. Consistency with Comprehensive Plan

The Applicant is using the PUD process as an avenue to transform the Property to a higher and better use that contributes to the surrounding community. Whereas the existing industrial use on-site is insular and detached from the community, the Project will integrate the parcel with the neighborhood and will facilitate connections with the broader community that do not currently exist. The PUD is aligned with many goals and objectives of the District of Columbia Comprehensive Plan, namely providing residential uses within the Central Washington Area Element and adjacent to Metro stations.

The Future Land Use Map ("FLUM") includes the Property in the mixed-use Medium Density Residential/Production, Distribution and Repair land use category. The proposed rezoning is consistent with this as it facilitates the construction of a high-quality mixed-use project. The C-3-C Zone allows for a mix of uses, including residential uses, which would not be feasible under the existing zoning designation. The Project consists of a 5.25 FAR of residential uses, which is consistent with the medium density residential designation; and 1.4 FAR of hotel and retail uses, which is consistent with the PDR designation.

V. Comprehensive Transportation Review

Attached as Exhibit A is a copy of the Applicant's Comprehensive Transportation Review, which incorporates comments from DDOT. As noted in the report, the PUD will not have a detrimental impact to the surrounding transportation network. This is due in large part to the site's proximity to the Metrorail and the proposed transportation demand management plan,

outlined on page 16 of the report. Contributing factors include the limited number of vehicular trips generated by the PUD when spread across the roadway network, the ability to implement mitigation measures such as simple signal timing adjustments at nearby intersections; adequate on-site parking; improved pedestrian circulation; and the integration of future cycle tracks along M Street.

VI. Flexibility

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 411.9: The Applicant seeks relief to allow varying heights for the habitable penthouse space and the Commission requested additional details for this relief. The penthouse is set back one foot for every foot of height; however, the penthouses for each of the three buildings step up in height, which creates a double-height condition in the residential buildings and a mezzanine condition in the hotel. 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.
- C. Section 775.5: Though no side yard is required, the Applicant is providing a 15 foot side yard 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.
- D. 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.
- E. Section 2201.1: The Applicant seeks variance relief from the requirement to provide a 55 foot loading berth for the residential uses.

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 is consistent with the pending amendments to the inclusionary zoning regulations, which eliminates the requirement to reserve condominium units for low income households. The Applicant is requesting this relief because its goal is to address the current affordable housing crisis by achieving near immediate occupancy of the 50% AMI

units. Given the vibrancy of the affordable rental program, the Applicant believes providing the 50% AMI units in the rental program will be the most effective way to put these units to service for lower income households as soon as possible. The rental program may also be the most effective means for maintaining these units at a truly affordable level since the tenants must undergo annual income certifications, unlike for-sale units.

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%. It seeks flexibility to refine the parking layout in an effort to create a more efficient plan.
- 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. The extension of the garage will not increase the proposed parking beyond the flexibility noted above.
- 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. It also seeks flexibility to provide potential mezzanine space within retail spaces, per tenant specifications.
- 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 but it will be included in either the retail podium or the first floor of residential.
- 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.

VII. Community Outreach

The Applicant is excited to have the support of the community as it moves forward with this Project. It has worked closely with its Single Member District representative on many of the design elements of this Project, including the benefits and amenities being proposed. The Planning and Zoning group voted in support of the application at its public meeting on October 4, 2016. The ANC voted in support of the application at its public meeting on October 13, 2014.

VIII. Resumes

The Applicant anticipates having four witnesses testify on its behalf at the public hearing on November 3: Josh Dix will testify as a representative of the Applicant; Shalom Baranes will testify as an expert in architecture; Daniel Van Pelt will testify as an expert in transportation engineering; and Craig McClure will testify as an expert in landscape architecture. Resumes for each individual being proffered as an expert are attached as Exhibit B, along with outlines of witness testimony. The Applicant requests 60 minutes for its presentation.

IX. Conclusion

The Applicant looks forward to presenting the Project to the Commission at the public hearing scheduled for November 3, 2016.

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 October 14, 2016, by Hand Delivery:

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