

October 4, 2019

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

Re: Case 19-10 Valor Development (Super Fresh site)

Dear Mr. Hood

I am writing to you again to reiterate my support for the development that is being planned for the former Super Fresh by Valor Development, and to respond to the letter submitted by Mr. Mordini on September 25, 2019.

As I stated in my prior letter supporting the development at the Super Fresh site, our neighborhood and community needs this development to once again have a grocery store (Mom's) where we can walk to get groceries and reconnect with neighbors like we did when Super Fresh was open. With the Safeway in Tenley and the Safeway on McArthur Blvd both recently closing, we have lost two local grocery stores that were the most convenient to our neighborhood, post Super Fresh's closing. These two stores closed because the thin margin economics of the grocery store business resulted in those stores no longer be profitable and as a result the highest and best use for their prime real estate was no longer a stand-alone grocery store. In fact most of the remaining and planned grocery stores are part of a larger generally mixed-use project in order to make the economics work. Such is the case at the Super Fresh site, which requires the additional economic support of the housing in order to provide the support for the Mom's grocery store.

With respect to Mr. Mordini's letter dated September 25, 2019 to the DC Zoning Commission, as I read his letter I couldn't help but remember a quote from Abraham Lincoln, "**Better to remain silent and be thought a fool than to speak and to remove all doubt.**"

Mr. Mordini clearly has no understanding of what a conflict of interest is nor does he understand the economics of the Millie's investment, or the risks associated with a restaurant investment. Mr. Mordini is just a resident that lives on Fordham Street across from the Crate and Barrel that is using sophistry to protect his interests. But let me be specific and address each of his points.

- 1) ***These investors represent the interest of a corporation rather than the welfare of the neighborhood.*** Mr. Mordini knows nothing of the economics of an investment in Millie's. I wanted to invest in Millie's but forgot to follow-up and missed the deadline. My reason for investing in Millie's was not some huge potential future windfall, but rather to be part of a place that was designed to be a neighborhood meeting spot with good food and atmosphere. Millie's has achieved that goal and we look forward to seeing friends and catching up when we go to dinner there.

I am familiar with the economics of an investment in Millie's. Without giving too much detail, it includes a relatively small minimum investment, a fixed return, an annual food credit at the restaurant, which equates to a few dinners, and your name on a plaque. Given that restaurants generally have a failure rate of 65%+, the investors invested to help support getting the badly needed restaurant started. The annual return is a fixed rate and is structured more as a loan than an equity investment. As such the investors annual return is the same whether Millie's has two people for dinner or an additional 500 – 1,000 customers as Mr. Mordini suggests. The investors have no equity stake in the restaurant and so receive no direct financial benefit from an increase in business. In fact the overall return potentially goes down with an increase in customers as it would become harder to get a table and redeem the annual food credit. Additionally, Millie's is so popular that it is hard to get a table there now and the kitchen runs at full capacity. As a result, the financial impact of additional residents to the neighborhood would likely be marginal.

I know most of the investors in Millie's, their names are proudly displayed on plaques in the restaurant, and they made the investment because they know that Bo Blair does an excellent job creating a fun and inviting experience, with really good food and they wanted to bring that to our neighborhood and be a part of it.

The only potential windfall that investors in Millie's that live in the immediate area might receive is an increase in the value of their homes because they have such a great amenity within walking distance. Mr. Mordini has also benefited from this rising tide affect on Spring Valley real estate. Mr. Mordini lives at 4251 Fordham Road NW, which he purchased in December 2017 for \$1,139,000. This was seven months after Millie's opened. Today Mr. Mordini's home is worth \$1,211,411 according to Zillow, an increase of \$72,411. In fact, Mr. Mordini has an economic interest in the success of Millie's as well. So why is Mr. Mordini against Millie's and the Super Fresh site, after all he bought his house after Millie's opened. My guess is he doesn't like the additional traffic and cars that park along Fordham and his interest is not to have that increase. The development of the Super Fresh site should not cause an increase in traffic or parking issues as I would assume most residents would just walk to Millie's. Additionally, the Super Fresh development is designed to be overparked in order to provide additional parking to the area.

When considering conflicts of interest, we can clearly see that the investors have no real conflict as their investment is not affected by the volume of business at Millie's.

- 2) ***These investors may have spoken in support of the project at ANC meetings without divulging their conflict of interest.*** As outlined above, there is no conflict of interest as the investors return is not directly tied to the volume of business at Millie's and there is no equity interest in the restaurant. The investor's interest in the redevelopment of the Super Fresh site is the same as why they invested in Millie's, which is to help make it happen, and overall benefit our neighborhood. They are interested in seeing an empty grocery store that is an eye sore get turned into a new Mom's grocery store with some residential units, and additional parking.

- 3) ***This conflicted group of people may have organized a political base to elect or influence ANC commissioners.*** Ok. This one is so far out there it is hard to respond to. This is the United Stated of America. Every citizen has the right to organize and support candidates in any

election. Mr. Mordini has the right to organize a group of people to elect ANC commissioners. To suggest that is not allowed or discouraged is not what this country was founded on. As to influencing ANC commissioners, that would suggest that there is some quid pro quo arrangement here. Maybe the investors used their annual food credit to treat a commissioner to a mahi mahi taco, or a frose at Millie's. Uh Oh!

4) *This conflicted group of people may have formed an organization with party status to influence the zoning commission.* Since Mr. Mordini's letter was addressed to the zoning commission and seems to suggest that the zoning commission's evaluation of the Super Fresh project and its approval may have been influenced by a lobbying group, I will let the Zoning Commission respond to that accusation.

The world is full of conflicts of interest, some great and some small, some real and some perceived. In this instance the economic structure of an investment in Millie's is not affected by the volume of business, therefore there is no conflict. There is an alignment of interests when everyone wins, and when considering the alternatives for the Super Fresh site, the project that has been proposed by the Valor team is a good compromise on the number of units and brings a badly needed grocery store back to the neighborhood, removes a dilapidated eye sore, increases our property values, and increases the tax revenue that our wonderful city receives. This benefits everyone and aligns the interests of the majority.

In summary, I support the Super Fresh redevelopment plan submitted by Valor Development and our democratic society needs to remember that a democracy is based on the benefit of the many at the expense of the few. This development's benefits to our neighborhood and city far outweigh the cost to the few residents that fear change and the unknown.

Best regards

Wes Boatwright

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