

To: Horning/Menkiti

From: John Leibovitz

Re: Response to March 26 Letter regarding Retail at 901 Monroe

Date: April 8, 2025

On February 25, 2025, I met with members of your development team regarding my concerns about the lack of any retail component in the current PUD proposal for 901 Monroe Street.¹ I appreciated the thoughtful and open discussion of various tradeoffs and considerations in that meeting. I was therefore disheartened to receive your written response, dated March 26, 2025, in which your paid consultants ignore the subtleties of our prior discussion and make various irrelevant or over-inflated assertions with a clear direction to “get to no” on the retail issue. I respond to these points below.

A Modest Proposal

In our February meeting, I made several key points, including:

- The 901 Monroe site is strategically located at Brookland’s commercial and transit crossroads and, with the emergence of “green shoots” just across the bridge (e.g., Trader Joe’s), could be a vital connection between Monroe Street Market and the historic 12th Street retail corridor;
- The proposed “live work” units are unlikely to activate the street. The residential use will likely dominate, with drawn window blinds drawn most of the time.
- Given the long-expected lifespan of the 901 Monroe building, the current design will foreclose the possibility of any retail for decades or more, even if/when market conditions change.

To address these points, I proposed a modest and reasonable plan:

- (1) The project should include a small amount of flexible Monroe Street-facing space (~2000 sq. ft.) that could be capable of either retail or residential use; and
- (2) The developer should make a good faith effort to find a suitable retail tenant for a period of time (e.g., 18 months post-construction) before deciding whether to fit out the space for residential use.

¹ I detailed these concerns about the lack of retail, among others, in a memo I first shared with your team on December 4, 2024. Subsequently, on February 18, a petition asking for a retail component, signed by 108 neighbors was transmitted to ANC5B with a courtesy copy sent to the 901 Monroe development team. I have attached the most recent versions of both documents to this letter.

The value of this proposal is twofold. First, in the short term, it provides a window of opportunity to find a retail tenant while bounding the lease-up risk to the developer if retail demand fails to materialize. Second, in the long term, it ensures that the space is architected in a way that preserves the ability to be retrofitted to retail use in the future if/when the market changes. (I provided a case study of another mixed-use project that employed a similar strategy to “future proof” its design in the face of market uncertainty.²) This proposal could be implemented as part of the PUD’s Community Benefits Agreement package.

Point/Counterpoint

The response memo from your consultants reads, unfortunately, as an entirely one-sided rebuttal of this modest proposal. First, the construction portion:

- *Need for a Grease Shaft.* Four of the twelve identified “challenges” relate to the need for a grease shaft. Under NFPA 96, grease shafts are required for “cooking operations that produce grease-laden vapors” such as grilling, broiling, or frying.³ Many—if not most—coffee shops do not, in fact, have kitchens of this type. Most coffee shops, including Starbucks, use ventless speed ovens (e.g., Merrychef, TurboChef) that do not require an exhaust hood.⁴ I concede that this location may not be suitable for a barbeque, diner, fish fry, or even a full-service restaurant. That said, a wide range of retail uses, including various Food & Beverage uses, do not require a grease duct.⁵
- *Need for Gas Service.* The memo asserts that retailers “frequently require natural gas”, a requirement that is inconsistent with the project’s all-electric design. Again, this is a wild overstatement. Many retail uses do not require a natural gas line. Indeed, the same “environmental priorities” that apply to this building apply to retail market generally.
- *HVAC Requirements.* The memo asserts that retailers require VRF systems that would need to be selected up front. It may be the case that a retail space would require additional HVAC capacity to accommodate more customers using the space. (To the extent that the “live work” spaces are truly going to accommodate commercial activity one would hope that some portion of extra loading already is

² Will Macht, “Avoiding Retail Vacancies with Flexible Retail/Residential Design” (Urban Land Institute, 2014) at <https://urbanland.uli.org/planning-design/avoiding-retail-vacancies-flexible-retailresidential-design>

³ NFPA 96 (2021), Section 4.1.1

⁴ District of Columbia Municipal Regulations incorporates International Mechanical Code. Speed ovens are UL 710B-labeled devices excepted under IMC 507.1.

⁵ For fun, I asked ChatGPT. It provided a list of 35 retail categories that do not require a grease duct.

factored into the plans.) It is false to assert that additional capacity cannot be added (or removed) later. This can be done through careful planning / zoning of a centralized HVAC system or by installing supplemental mini-split systems that are routinely deployed in such situations.

- *Power Needs.* Installation of larger service capacity would be slightly more expensive but can surely be accommodated through intentional design at this stage of project development.
- *Sanitary Capacity.* As discussed in our February 25 meeting, careful planning of sanitary rough-ins would need to be part of the planning exercise. Again, this is a solvable issue.
- *Sprinkler Requirements.* The memo asserts a need to consult with MEP. I agree. A skilled MEP engineer will solve the issue.
- *Size Considerations.* This is a demand-related issue addressed in my response to the second memo, below.
- *Second Egress.* The unit would front on Monroe Street and have a rear entrance to the interior hallway that plans show will have emergency egress to 10th Street. If needed, a direct doorway to 10th Street could also be added.
- *Other Considerations.* These are not showstoppers. All of these issues are commonly faced in other, similar projects. A motivated design team could find solutions that appropriately balance cost and flexibility.

Now, let us turn to the Rappaport market analysis portion:

- *Post-Covid Developments.* I understand and agree that the market has changed in the post-Covid era. However, as noted in my original memo, the swing from 12,000+ sq. ft. of retail in the original project vs zero sq. ft. in the latest version is a drastic overcorrection. Real estate cycles come and go, yet this building will be with our neighborhood for decades. It would be prudent to design it in a way that it can accommodate tenant mix that can change as the market pendulum swings back, which is the basis of the modest proposal described above.
- *Size of Space.* Approximately 2,000 sq. ft. (which could be formed by combining the three ground level units on the corner of Monroe and 10th Street NE) would be more than sufficient for many retail uses, including the much-discussed café, but also a small store or other use.
- *Need for Parking.* The development site lies directly across from a busy multi-modal transit station and two blocks from one of the city's preeminent bike trails. Many suitable retail uses would not – and should not – require car trips. The neighborhood is in the process of significant densification, including the several hundred tenants who will be moving in upstairs. A coffee shop or grab and go food establishment, to

provide just two possible uses, would be a welcome amenity for neighbors and transit users alike.

- *CSX and Metro Train Tracks*. The location of the site at the east end of the Monroe Street Bridge is a feature, not a bug, from the standpoint of retail use. Any Brookland resident heading to Monroe Street Market or Catholic-CUA Station must traverse this corridor. Many neighbors regularly walk, run, or bike by the site. The assertion, without any evidence or qualification, that the train tracks provide a “physical and psychological deterrent for potential shops” belies lived experience.
- *12th Street Retail*. The memo lists various adjacent sites that “will likely never develop into future retail uses”. This assertion demonstrates one of the key points I have been emphasizing. The Brookland Small Area Plan designates this stretch of Monroe Street as an area for mixed use development, to connect Monroe Market with the 12th Street corridor. Once upon a time, there was a well-trafficked retail establishment on this site, before it was razed by the current development team. The 901 Monroe project is the *only hope* for this hole in the neighborhood’s commercial fabric to be repaired.
- *Metro Kiss & Ride*. This issue is a red herring. There are only a few dozen kiss and ride parking spaces at the station. No one has claimed that kiss and ride users would provide a customer base for a retail use. On the other hand, it is fair to assume that some significant portion of the more than 10,000 metro riders entering or exiting the station daily would appreciate a retail option across from the station.

Conclusion

The unfortunate consequence of the existing 901 Monroe plan is much worse than a lack of retail in the short run. In rejecting our modest proposal for flexibility in construction ***the development team is determining that there will never be retail on that site – and probably the entire stretch of Monroe Street between 12th Street and the bridge***. This contravenes the goals of the Brookland Small Area Plan. We know that market cycles come and go. Just a decade ago Menkiti was proposing 12,000 square feet of retail. Now the development team prefers no retail whatsoever. Surely a middle ground can be achieved. There is still time for creative thinking. A balanced “make it work” plan that can be incorporated into a Community Benefits Agreement would be of significant long-term value to the neighborhood.