

Exhibit C

Statement of Purpose and Objectives for Text Amendment

The Applicant Alturas LLC (the “**Applicant**”), the owner of the subject property, proposes a text amendment to the Zoning Regulations in order to allow for certain use types to be permitted at the address of 1781 Florida Avenue NW (Lot 800, Square 2557) (the “**Property**”), which is within the MU-4 zone and subject to the Reed-Cooke Overlay (the “**Overlay**”). This petition (“**Petition**”) satisfies the requirements for a text amendment pursuant to Subtitle X, Chapter 13 and Subtitle Z § 305.

I. Background

A. The Property

The Property is the southernmost parcel within the Overlay, located at the junction of Adams Morgan and the U Street corridor. The Property is improved with a two-story commercial building (the “**Existing Building**”). The Property is an “island” that has frontage on public rights-of-way on all four sides: U Street NW to the south, Florida Avenue NW to the east, California Street NW to the north and an alley to the west. As such, the Property does not abut any other private property.

The Applicant purchased the Property in 2000 which was completely dilapidated and completed a gut renovation of the Existing Building in 2006. The Existing Building is structurally configured to accommodate multiple tenants. The largest tenant is Mint, a fitness studio that has occupied the Existing Building’s second level since the Existing Building opened in 2006. The Existing Building’s first level has experienced substantial tenant turnover, particularly in recent years. Portions of the first level have been rented out to a coffee shop, prepared food shop, ice cream parlor, clothing store, art gallery, furniture store and more. In 2022, the Applicant combined almost all of the first level space to accommodate a CVS Pharmacy. However, in early-2025, CVS Pharmacy vacated the Existing Building with seven years remaining on its lease; as such, much of the first level could remain vacant and unoccupied.

The Property abuts an MU-4 and MU-5A zone that runs along 18th Street from Columbia Road to the south toward Dupont Circle. Likewise, nearby segments of U Street are zoned MU-4 and ARTS. The MU-4, MU-5A and ARTS zones do not have the same use restrictions as the Overlay. A nearby RA-2 zone located to the south and east of the Property is comprised primarily of attached rowhomes and low-density apartment buildings. To the north of the Property, across California Street, is the Marie Reed Recreation Center.

B. Reed-Cooke Zoning

The Reed-Cooke neighborhood is generally bound by Florida Avenue NW to the south, 16th Street NW to the east, Columbia Road NW to the north, and 18th Street NW to the west. The neighborhood was re-zoned under ZC Case Nos. 86-12 (Phase I) and 88-19 (Phase II). Phase I focused on residential properties in Reed-Cooke, with 72 properties rezoned from C-M-2 (now PDR-2 zone) to R-5-B (RA-2 zone) and C-2-B (MU-5A zone). These residential properties are not subject to the Overlay.

In Phase II, the Zoning Commission approved a text amendment to create the Overlay and a zoning map amendment to rezone commercial properties in Reed-Cooke, including the Property, from C-M-2 (PDR-2) to C-2-B (MU-5A), C-2-A (MU-4), or R-5-B (RA-2). All properties rezoned in Phase II are subject to the Overlay.

ZC Case Nos. 86-12 and 88-19 were intended to implement the Comprehensive Plan's designation of Reed-Cooke as a "special treatment area." *See* ZC Order 523-A. As set forth in the Comprehensive Plan, the policy goals of the Reed-Cooke special treatment area were to:

- 1) Protect current housing in the area, and provide for the development of new housing;
- 2) Maintain heights and densities at appropriate levels; and
- 3) Encourage small-scale business development that will not adversely affect the residential community.¹

See ZC Order 523-A

The third policy – to encourage business that will not adversely affect the residential community – resulted in a list of 41 prohibited uses in the Overlay.² The prohibited uses are set forth under Subtitle U § 514.3.

II. Purpose and Objectives of the Petition

This Petition is intended to allow three uses – off-premises alcoholic beverage sales, a restaurant, and a veterinary hospital - at the Property, which are otherwise prohibited in the Overlay. With respect to off-premises alcohol sales and restaurants, the Petition would allow the Applicant to lease the Property to the types of commercial uses that are prevalent on 18th Street NW in Adams Morgan and on U Street NW. Due to its location at the corner of Florida Avenue and U Street, the Property shares more in common with these corridors that are primarily comprised of restaurants and bars, rather than more residential areas of Reed-Cooke to the north and east.

By expanding the type of uses permitted at the Property, the Petition will alleviate some of the challenges faced by the Applicant in keeping tenants in the Existing Building. With the current Overlay use restrictions, the Applicant is limited to leasing the Property to retail businesses that are largely less neighborhood centric and more specialty retail. Yet, the surrounding neighborhood is not retail-focused, and the Property does not have the daily foot-traffic along its eastern side to draw in customers that can support these types retail businesses. Given the Applicant's 20 years of experience with leasing the Existing Building, the Applicant understands that it needs to curate a neighborhood-oriented tenancy that is effectively restricted by the use prohibitions currently in

¹ As reflected in ZC Order 523-A, at the time of the re-zonings, the applicable version of the Comprehensive Plan was the "District of Columbia Comprehensive Plan Amendments Act of 1989," which became effective on May 23, 1990. The Comprehensive Plan has seen been revised and updated, with the most recent version becoming effective on August 21, 2021. While Reed-Cooke is no longer identified as a "special treatment area," the Mid City Area Element identifies the same policy goals for the Reed-Cooke neighborhood as under the 1989 Comprehensive Plan. *See* 10A DCMR § 2014.13.

² 17 of these uses arise from a cross-reference to uses prohibited in the MU-10 zone. *See* Subtitle U § 514.3(b); *see also* Subtitle U § 519.1.

place. The Petition opens up a tenant pool that could include a high-end grocer that sells alcohol, a restaurant, or a veterinary hospital, all of which have sufficient demand in the market and can provide neighborhood amenity goods and services.

Nonetheless, as described in the accompanying Comprehensive Plan analysis, the Property is uniquely positioned within the Overlay to limit adverse effects to the nearby residential community in Reed-Cooke. The Property is the southern-most parcel in the Overlay and is naturally separated from residential properties in the Reed-Cooke neighborhood. The Property is also an “island” that does not directly abut any other private properties. Due to the Property’s relatively small size and triangular shape, the Existing Building’s floorplate cannot attract very large tenants. Instead, the Existing Building will be limited to smaller, community-serving establishments. It is also worth noting that the Petition does not propose to exempt the Property from other uses that are potentially more likely to impact neighboring properties, such as a bar or cocktail lounge or assembly hall.

Therefore, the Petition will achieve the goal of encouraging those business helpful to the neighborhood and enlivening the Property with in-demand uses while simultaneously avoiding the types of adverse effects on residential properties that lead to the use restrictions in the Overlay.