Waterfront Station 375 and 425 M Street, SW Z.C. Case No. 02-38I

Second Stage PUD & Modification of Significance to First-Stage PUD

<u>Initial Submission – June 18, 2018¹</u>

PROPOSED BENEFITS AND AMENITIES

<u>Proffer</u>	<u>Condition</u>
Urban Design (Subtitle X § 305.5(a)). The M Street Buildings will accomplish major design objectives, such as superior streetscape design and pedestrian amenities, including wide sidewalks and public plazas, introduction of distinctive, vertical buildings that provide interest and variety along street frontages and are construed to defined public spaces, and creating better connections for the neighborhood.	The M Street Buildings shall be developed substantially in accordance with the plans prepared by Perkins Eastman DC, dated July 2, 2018, and included in the record at Exhibit (the "Architectural Drawings"), as modified by the guidelines, conditions, and standards herein.
Housing and Affordable Housing (Subtitle X § 305.5(f) and (g)). The Project results in the creation of new housing and affordable housing consistent with the goals of the Zoning Regulations, the Comprehensive Plan, and the Future Land Use Map. Overall, the Project will replace two vacant sites with approximately 598 new residential units that would have not been provided if the M Street Sites were developed as office buildings, as approved in Z.C. Order No. 02-38A. East M Building: The Applicant will dedicate a minimum of 8% of the residential gross floor area in the East M Building to households earning up to 60% of the MFI. Two of the units generated by the 8% will be three-bedroom units dedicated to households earning up to 60% of the MFI. In addition to the 8% of the residential gross floor area in the East M Building, the Applicant will dedicate a third three-bedroom unit to households earning up	The Applicant shall provide affordable housing as set forth in this condition: 1. For the life of the Project, the Applicant shall provide the following housing and affordable housing set forth in the following chart: *Chart attached as last page of this document. 2. The covenant required by D.C. Official Code §§ 6-1041.05(a)(2)(2012 Repl.) shall include a provision or provisions requiring compliance with this condition.

¹ The Applicant is continuing to work with both ANC 6D and Waterfront Tower, the party in opposition, to refine final commitments. These final commitments will be included in the Applicant's Post-Hearing Submission that will be filed on July 2, 2018. This chart will be updated and resubmitted on July 2, 2018, to reflect additional commitments.

to 60% of the MFI, thus providing more affordable housing than required by the Zoning Regulations².

West M Building: The Applicant will dedicate a minimum of 8% of the residential gross floor area in the West M Building to households earning up to 60% of the MFI. Three of the units generated by the 8% will be three-bedroom units dedicated to households earning up to 60% of the MFI. Together with the three-bedroom units in the East M Building, these larger-sized units will create new affordable housing options for families, which is an important District priority, and is specifically identified as a public benefit in 11-X DCMR § 305.5(f)(3).

Retail and Service Establishments (Subtitle $X \S 305.5(q)$). The amount of retail space proposed for the M Street Buildings will exceed the minimum amount of neighborhoodserving retail and service uses required under the First-Stage PUD approval for the overall PUD Site. Pursuant to Z.C. Order No. 02-38A, Condition No. 13, the overall PUD was required to have a minimum of 110,000 square gross floor area devoted feet neighborhood-serving retail and service uses. The M Street Buildings will include a total of approximately 39,633 square feet of gross floor area devoted to retail uses, which will result in approximately 130,000 square feet of retail use for the overall PUD, not including retail in the Northeast Building which has not yet been approved. This amount of retail use will advance the major themes and policies of the Comprehensive Plan and the SW Plan for creating a vibrant and walkable town center at Waterfront Station.

Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has dedicated a minimum of 18,530 square feet in the East M Building to retail and service uses, as those terms are defined in FF. No. _____.

Prior to the issuance of the first certificate of occupancy for the West M Building, the Applicant shall demonstrate to the Zoning Administrator that it has dedicated a minimum of 21,103 square feet in the West M Building to retail and service uses, as those terms are defined in FF. No. ____.

² This proffer of an additional 3-bedroom unit in addition to the 8% of gross floor area already committed to the Inclusionary Zoning units is a new commitment that is being included in the Applicant's Post-Hearing Submission in response to comments from the Zoning Commission. The Applicant's Post-Hearing Submission will be filed on July 2, 2018.

Employment and Training Opportunities (Subtitle $X \S 305.5(h)$). As part construction of the M Street Buildings the Applicant will (i) enter into a First Source Employment Agreement to promote and encourage the hiring of District residents, consistent with the agreement included in the case record at Exhibit 2K; and (ii) enter into a Certified Enterprise Business ("CBE") Agreement, in order to utilize local, small, and disadvantaged businesses, consistent with the agreement included in the case record at Exhibit 2L.

Prior to the issuance of a building permit for each M Street Building, the Applicant shall submit to the Zoning Administrator a copy of the executed First Source Employment Agreement and a copy of the executed CBE Agreement, consistent with Exhibits 2K and 2L, respectively.

Environmental Benefits (Subtitle X § 305.5(k)). The M Street Buildings have been designed to integrate a host of sustainable features. The Applicant will incorporate solar panels on the roofs of the M Street Buildings. As shown on Sheets ____ of the Architectural Drawings, the solar panels will cover approximately 2,400 total square feet on the East and West M Buildings combined in an effort to generate a portion of each Building's energy consumption.

Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall provide information to the Zoning Administrator showing the total square footage of solar panel systems provided on the East M Building.

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The Applicant will design its building to achieve LEED Silver under LEED v4 for Building Design and Construction for the M Street Buildings. The Applicant will endeavor to seek certification but proffers a condition relating to design in accordance with Subtitle K § 305.5k(5). The Applicant is not proffering its LEED commitment as a new public benefit for the Second-Stage PUD, but rather in compliance with the original benefits and amenities approved in ZC Order No. 02-38A.

The Applicant shall submit with its building permit application for the East M Building a checklist evidencing that the East M Building has been designed to achieve LEED Silver under LEED v4 for Building Design and Construction.

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Security and Construction Mitigation Plan (Subtitle X § 305.5(q))

The Applicant will abide by a separate Construction Management Plan for each M Street Building, to be in place throughout the development of the applicable M Street Building.

<u>Street Buildings</u>, the Applicant shall abide by the terms of the applicable Construction Management Plan included in the record at Exhibits and , respectively.

<u>Transportation Features (Subtitle X § 305.5(o))</u>

The Applicant commits to the following transportation demand management measures:

- 1. The Applicant will identify a TDM leader (for planning, construction, and operations). The TDM leader will work with residents and tenants of the M Street Buildings to distribute and market various transportation alternatives and options. This includes providing TDM materials to new residents and tenants in a welcome package.
- 2. The Applicant will provide TDM leader contact information to DDOT and report TDM efforts and amenities to goDCgo staff once per year.
- 3. The Applicant will post all TDM commitments online, publicize availability, and allow the public to see what commitments have been promised.
- 4. The Applicant will provide website links to CommuterConnections.com and goDCgo.com on property websites.
- 5. The Applicant will unbundle all parking from the cost of the lease or purchase of residential units. Parking costs will be set at the average market rate within a ¼ mile, at a minimum.

<u>During the operation of the M Street</u> <u>Buildings</u>, the Applicant shall implement the following transportation demand management ("TDM") measures:

- 1. The Applicant shall identify a TDM leader (for planning, construction, and operations). The TDM leader shall work with residents and tenants of the M Street Buildings to distribute and market various transportation alternatives and options. This includes providing TDM materials to new residents and tenants in a welcome package.
- 2. The Applicant shall provide TDM leader contact information to DDOT and report TDM efforts and amenities to goDCgo staff once per year.
- 3. The Applicant shall post all TDM commitments online, publicize availability, and allow the public to see what commitments have been promised.
- 4. The Applicant shall provide website links to CommuterConnections.com and goDCgo.com on property websites.
- 5. The Applicant shall unbundle all parking from the cost of the lease or purchase of residential units. Parking costs shall be set at the average market rate within a ¼ mile, at a minimum.

- 6. The Applicant will install one Transportation Information Center Display (electronic screen) within each residential lobby of the M Street Buildings, containing information related to local transportation alternatives.
- 7. The Applicant will provide at least 20 collapsible shopping carts (10 in each building) for resident use to run errands and for grocery shopping.
- 8. The Applicant will exceed the 2016 Zoning Regulations' requirements for bicycle parking. This includes secure interior bicycle parking (minimum of 85 spaces in the West M Building and 93 spaces in the East M Building) and short-term exterior bicycle parking around the perimeter of the M Street Sites (minimum of 47 spaces in total). Long-term bicycle storage will be offered to residents and employees and will accommodate non-traditional sized bikes including cargo, tandem, and kids bikes.
- 9. The Applicant will install a bicycle repair station within each of the long-term bicycle storage rooms.
- 10. The Applicant will exceed 2016 Zoning Regulations' by providing a minimum of two showers and eight lockers in the West M Building and a minimum of two showers and 20 lockers in the East M Building. These facilities will be available for use by office and retail employees such that each non-residential long-term bicycle parking space has an accompanying locker.
- 11. The Applicant will offer an annual Capital Bikeshare or carshare membership to each residential unit

- 6. The Applicant shall install one Transportation Information Center Display (electronic screen) within each residential lobby of the M Street Buildings, containing information related to local transportation alternatives.
- 7. The Applicant shall provide at least 20 collapsible shopping carts (10 in each building) for resident use to run errands and for grocery shopping.
- 8. The Applicant shall exceed the 2016 Zoning Regulations' requirements for bicycle parking. This includes secure interior bicycle parking (minimum of 85 spaces in the West M Building and 93 spaces in the East M Building) and short-term exterior bicycle parking around the perimeter of the M Street Sites (minimum of 47 spaces in total). Long-term bicycle storage shall be offered to residents and employees and will accommodate non-traditional sized bikes including cargo, tandem, and kids bikes.
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- 11. The Applicant shall offer an annual Capital Bikeshare or carshare membership to each residential unit

- upon initial occupancy, at the choice of the resident.
- 12. The Applicant will host a transportation event for residents, employees, and members of the community once per year for a total of three years (examples: resident social, walking tour of local transportation options, lobby event, transportation fair, WABA Everyday Bicycling Seminar, etc.).
- 13. The Applicant will include a rider in all residential leases that restricts all residential tenants of the M Street buildings from obtaining RPPs
- 14. The Applicant will provide four spaces dedicated for carsharing services to use with right of first refusal. If an agreement has been reached with a carsharing service for only three spaces, the Applicant will extend the annual transportation event for an additional year. If an agreement has been reached with a carsharing service for only two spaces or less, the Applicant will offer an additional year of Capital Bikeshare or carshare membership to each residential unit.

Capital Bikeshare

The Applicant will work with DDOT to determine an appropriate location for the relocation of the Capital Bikeshare station at the intersection of 4th and M Streets, SW. The station is currently located on the NW corner of the intersection within private space, in a location that will be retail frontage as part of the proposed development. In conjunction with the relocation, the Applicant will fund the expansion of at least four docks to the existing station. The Applicant commits to providing Capital Bikeshare with a \$3,800 maximum contribution for the relocation and expansion.

- upon initial occupancy, at the choice of the resident.
- 12. The Applicant shall host a transportation event for residents, employees, and members of the community once per year for a total of three years (examples: resident social, walking tour of local transportation options, lobby event, transportation fair, WABA Everyday Bicycling Seminar, etc.).
- 13. The Applicant shall include a rider in all residential leases that restricts all residential tenants of the M Street buildings from obtaining RPPs
- 14. The Applicant shall provide four spaces dedicated for carsharing services to use with right of first refusal. If an agreement has been reached with a carsharing service for only three spaces, the Applicant shall extend the annual transportation event for an additional year. If an agreement has been reached with a carsharing service for only two spaces or less, the Applicant shall offer an additional year of Capital Bikeshare or carshare membership to each residential unit.

Capital Bikeshare

Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has (i) worked with DDOT to select an appropriate location for the relocation of the Capital Bikeshare station at the intersection of 4th and M Streets, SW; (ii) funded the expansion of at least four docks to the existing station; and (iii) contributed a minimum of \$3,800 to DDOT for the relocation and expansion described in (i) and (ii) above.

Safety Study

The Applicant will contribute up to \$30,000 to conduct and document a safety study regarding the intersection of 4th and M Street, SW, that will include the following work: (i) obtain and evaluate detailed crash data from DDOT for the intersection to determine if there are geometric or operational adjustments that may benefit the intersection; (ii) evaluate sight lines and determine if there are any geometric or public space adjustments that may benefit visibility at the intersection; (iii) develop conceptual alternatives and perform vehicular capacity and queuing analyses for up to three distinct reconfigurations of the intersection to address safety concerns and evaluate the reintroduction of the southbound left turn movement. The three proposed alternatives are set forth in the safety study memorandum (Ex. 76A, pp. 6-7); (iv) recommend adjustments to the intersection based on the findings of the crash analysis, the sight line evaluation, the vehicular capacity analysis, and the queuing analysis; (v) summarize all analyses and recommendations in a technical memorandum to be shared with DDOT and the surrounding community. The Applicant will be available to attend up to three meetings, including one meeting with DDOT and two meetings with community stakeholders. Any recommended intersection changes will be decided and implemented by DDOT and not by the Applicant.

Building Space for Special Uses (Subtitle X § 305.5(j)

The Applicant will dedicate a minimum of 6,000 square feet of the East M Building as a community center. The Applicant will permit ANC 6D to select the community center operator, but prior to turning over occupancy of the community center operator, the ANC

Safety Study

Prior to the issuance of a building permit for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has spent up to \$30,000 in undertaking the following activities with respect to the safety study: (i) obtained and evaluated crash data from DDOT for the 4th and M Street intersection and determined if there are geometric or operational adjustments that could benefit the intersection; (ii) evaluated sight lines and determined if there are any geometric or public space adjustments that could benefit visibility at the 4th and M Street (iii) developed conceptual intersection; alternatives and performed vehicular capacity and queuing analyses for up to three distinct reconfigurations for the 4th and M Street intersection that address safety concerns and evaluate the reintroduction of a southbound left turn movement; (iv) provided a technical memorandum to DDOT and the surrounding community that recommends adjustments to the 4th and M Street intersection based on the findings from the crash data analysis, sight line evaluation, and vehicular capacity and queuing analyses; and (v) participated in one meeting with DDOT and two meetings with community stakeholders regarding the safety study, or in the alternative, documentation indicating that DDOT and/or the community stakeholders considered one or more of the meetings unnecessary. Any recommended intersection changes shall be decided and implemented by DDOT and not by the Applicant.

Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has dedicated a minimum of 6,000 square feet of gross floor area in the East M Building as a community center and has installed low-e coated glass with a solar heat gain coefficient (SHGC) of 0.39

will be required to provide information about the selected operator to the Applicant, including but not limited to the operator's business plan, governance structure, financial statements, board of directors (if any), affiliates (new and established) and scope of programming, hours services (e.g. operation). The ANC will permit the Applicant to provide meaningful input and feedback on the information provided (e.g. comments and concerns relating to substantive issues in the aforementioned documents), with Applicant's feedback not to be unreasonably withheld or delayed. If the ANC does not agree with the Applicant's feedback, then it must respond in writing to the Applicant explaining its position, and the ANC and the Applicant must resolve all issues regarding the operator prior to the Applicant turning over occupancy of the community center to the operator. Once the Applicant turns over occupancy to the operator, the operator will be required to maintain the community center in good order, repair, and conditions, consistent with the terms of the lease agreement to be executed for the community center.

The Applicant will not charge the community center operator for any of the following: (i) rental fees; (ii) property taxes; (iii) building maintenance; (iv) operating expenses; or (v) utilities, with the following exception. In an effort to promote energy conservation, the Applicant will limit its electric utility contribution to \$2.00 per square foot per year (approximately \$12,000 per year) with an annual escalation of 3%. This proposed subsidy is the estimated electricity cost for the community center operation, such that the Applicant anticipates that it will cover 100% of the electric utility charges, despite the contribution limit. The Applicant will also provide low-e coated glass with a solar heat gain coefficient (SHGC) of 0.39 maximum on south face of the community center to minimize heat gain.

maximum on the south face of the community center to minimize heat gain.

Prior to turning over occupancy of the community center to the community cent er operator, the ANC shall provide information about the selected Operator to the Applicant, including but not limited to the Operator's business plan, governance structure, financial statements, board of directors (if any), affiliates (new and established) and scope of programming, hours (e.g. operation). The ANC shall permit the Applicant to provide meaningful input and feedback on the information provided, with the Applicant's feedback not to be unreasonably withheld or delayed. Meaningful input includes comments and concerns relating to substantive issues in the aforementioned documents. If the ANC does not agree with the Applicant's feedback, then it shall respond in writing to the Applicant explaining its position. The ANC and the Applicant shall resolve all issues regarding the Operator prior to the Applicant turning over occupancy of the community center to the Operator. Once the Applicant turns over occupancy to the Operator, the Operator shall maintain the community center in good order, repair, and conditions, consistent with the terms of the lease agreement to be executed for the community center.

For the first 30 years following the issuance of the certificate of occupancy for the community center within the East M Building, the Applicant shall not charge the community center operator for any (i) rental fees; (ii) property taxes; (iii) building maintenance fees; (iv) operating expenses; or (v) utilities. Notwithstanding the foregoing, the Applicant's contribution for energy costs shall be limited to \$2.00 per square foot per year (approximately \$12,000 per year), with an annual escalation of 3%.

In addition to providing the community center space at no cost, as described above, the Applicant will also contribute a one-time payment of up to (i) \$500,000 for the community center's interior design and fit-out; and (ii) \$50,000 for furniture, fixtures, and equipment.

Prior to the issuance of a certificate of occupancy for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has contributed up to (i) \$500,000 for the community center's interior design and fit-out; and (ii) \$50,000 for furniture, fixtures, and equipment.

Commemorative Works or Public (Subtitle X § 305.5(d)). Following the Zoning Commission's approval of Z.C. Order No. 02-38I, the Applicant will engage with and select a local artist to design and install an "element" in the Metro Plaza adjacent to the M Street Sites. The Applicant will select an artist who is familiar with the history of Waterfront Station, such that the artist will be able to design a unique and meaningful installation that creates a sense of arrival to Waterfront Station and is successful on its own, independent from the success of surrounding retail or changes in the season. The Applicant will present the proposed artist, general design, and scope of work for the element to the ANC up to three times, and will be required to submit an application for a minor modification to Z.C. Order No. 12-38I, pursuant to 11-Z DCMR § 703, for approval of the final element design and location. The Applicant will ensure that the public space element is installed consistent with the design, location, and scope agreed to by the ANC and approved by the Zoning Commission in the minor modification request.

<u>Uses of Special value to the Neighborhood</u> <u>Subtitle X § 305.5(q).</u>

Continued Engagement

Following the Zoning Commission's approval of Z.C. Case No. 02-38I, and prior to the start of construction for the East M Building, the Applicant will convene a meeting (physically or electronically) among the Waterfront

Prior to the issuance of a building permit for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it (i) met with the ANC up to three times to select a local artist who is familiar with the history of Waterfront Station to establish the general design and scope of work for installing an "element" in the Metro Plaza adjacent to the M Street Sites; and (ii) submitted an application to the Zoning Commission for a minor modification to Z.C. Order No. 02-38I, pursuant to 11-Z DCMR § 703, for approval of the element's final design and location.

Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that the public space element has been installed, consistent with the design, location, and scope approved by the Zoning Commission in the minor modification request.

Prior to the start of construction for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it convened one meeting (physically or electronically) among the PUD Owners and ANC 6D for the purpose of creating and implementing a cohesive and enforceable management plan for Waterfront Station.

Station property owners (the "PUD Owners") and ANC 6D for the purpose of creating and implementing a cohesive and enforceable management plan for Waterfront Station. The Applicant will subsequently convene two meetings with the PUD Owners and ANC 6D within the first year following the start of construction of the East M Building, shall schedule additional meetings if necessary, and shall thereafter convene meetings annually with the PUD Owners and ANC 6D until one year following the issuance of the first certificate of occupancy for the West M Building.

Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it convened two meetings with the PUD Owners and ANC 6D within the first year following the start of construction of the East M Building.

Prior to the issuance of the first certificate of occupancy for the West M Building, the Applicant shall demonstrate to the Zoning Administrator that it convened annual meetings with the PUD Owners and ANC 6D following the first year of construction of the West M Building.

<u>During operation of the West M Building</u>, the Applicant shall convene one final meeting with the PUD Owners and ANC 6D within one year following issuance of the first certificate of occupancy for the West M Building.

East M Building

Residential Unit Type	Net Residential Square Feet/ Percentage of Total	Units	Income Type	Affordable Control Period	Affordable Unit Type	Notes
Total	231,491 sf (100%)	289	N/A	N/A	N/A	
Market Rate	211,920 sf (81.5%)	264	Market Rate	N/A	Rental	
IZ Required	18,519 sf (8%)		Up to 60% MFI	Life of the project	Rental	The Applicant shall reserve a minimum of 3 3-bedroom units as IZ
IZ Provided	19,571 sf (8.5%)	25	Up to 60% MFI	Life of the project	Rental	units. The 1,052 sf devoted to IZ above the 8% required will be located within one of the 3 3-bedroom units.

West M Building

Residential Unit Type	Net Residential Square Feet/ Percentage of Total	Units	Income Type	Affordable Control Period	Affordable Unit Type	Notes
Total	257,371 sf (100%)	309	N/A	N/A	N/A	
Market Rate	236,781 sf (92%)	284	Market Rate	N/A	Rental	
IZ Required	20,590 sf (8%)	ł	Up to 60% MFI	Life of the project	Rental	The Applicant shall reserve a minimum of 3 3-bedroom units as IZ units.
IZ Provided	20,590 sf (8%)	25	Up to 60% MFI	Life of the project	Rental	