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

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

# Revised Submission – July 2, 2018<sup>1</sup>

### PROPOSED BENEFITS AND AMENITIES

# 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 and the introduction of distinctive, vertical buildings that provide interest and variety along street frontages, are construed to define public spaces, and create better connections for the neighborhood.

**Proffer** 

The M Street Buildings shall be developed 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.

**Condition** 

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 feet of gross floor area devoted neighborhood-serving retail and service uses. The M Street Buildings will include a total of approximately 40,172 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 The M Street Sites will be developed with two mixed-use buildings containing residential, retail, office, and community center uses. The East M Building will be developed with a total of approximately 339,733 square feet of gross floor area, which will include approximately 282,208 square feet of gross floor area devoted to residential use; approximately 19,069 square feet of gross floor area devoted to retail use; approximately 32,456 square feet of gross floor area devoted to office use; and approximately 6,000 square feet of gross floor area devoted to a community center.

The West M Building will be developed with a total of approximately 322,773 square feet of gross floor area, which will include approximately 301,670 square feet of gross floor area devoted to residential use and

<sup>&</sup>lt;sup>1</sup> This chart includes the proffered benefits and corresponding conditions required by 11-X DCMR § 308.10. The Memorandum of Understanding negotiated between the Applicant and Waterfront Tower includes additional commitments that the Applicant will incorporate as conditions into its draft Findings of Fact and Conclusions of Law to be filed on July 16, 2018.

creating a vibrant and walkable town center at Waterfront Station.

In addition, the Applicant will dedicate a minimum of 32,400 square feet of space for office uses within the Project.

With respect to retail leasing, the Applicant provide retail spaces that accommodate smaller-scale retailers and will avoid marketing to retail tenants that comprise large spaces (larger than 10,000 square feet each). The Applicant will also dedicate a minimum of 1,000 total square feet in the M Street buildings to small and local businesses as part of its compliance with Condition No. 14 from Z.C. Order No. 02-38A, which requires a total of 12,500 square feet within the overall project. Finally, the Applicant will prohibit any digital advertising signage on the exterior of the M Street Buildings during both initial lease up and for the life of the M Street Buildings.

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

approximately 21,103 square feet of gross floor area devoted to retail use.

# For the life of the Project, the Applicant shall

- 1. Limit the size of the individual retail spaces in the M Street Buildings to a maximum of 10,000 square feet each;
- 2. Dedicate a minimum of 1,000 total square feet in the M Street Buildings as retail space to provide opportunities for small and local businesses to occupy the retail space as part of its compliance with Condition No. 14 of ZC Order 02-38A; and
- 3. Prohibit any digital advertising signage on the exterior of the M Street Buildings.

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.

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

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).

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

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 that 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 building permit for the East M 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.

Prior to the issuance of the building permit for the West M 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.

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.

Prior to the issuance of the first certificate of occupancy for the West M Building, the Applicant shall provide information to the Zoning Administrator (i) showing the total square footage of solar panel systems provided on the West M Building; and (ii) confirming

The Applicant will design the M Street Buildings to achieve LEED Silver under LEED v4 for Building Design and Construction. The Applicant will endeavor to seek certification but proffers a condition relating to design in accordance with Subtitle I § 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.

that the total square footage of solar panel systems provided on the East and West M Buildings combined is a minimum of 2,400 square feet.

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.

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

# 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 construction of the applicable M Street Building.

During construction of the East and West M Street Buildings, the Applicant shall abide by the terms of the applicable Construction Management Plan included in the record at Exhibits and , respectively.

# Transportation Features (Subtitle X § 305.5(o)

### **Safety Study**

The Applicant will contribute \$30,000 to DDOT for the purpose of undertaking a safety study related to the 4<sup>th</sup> and M Street intersection.

# 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 to the operator, the ANC will be required to provide information

# **Safety Study**

<u>Prior to the issuance of a building permit for</u> the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has contributed \$30,000 to DDOT for the purpose of undertaking a safety study related to the 4<sup>th</sup> and M Street intersection.

For the life of the East M Building, the Applicant shall dedicate a minimum of 6,000 square feet of gross floor area in the East M Building as a community center, and shall provide access for community center visitors and employees to the shared outdoor courtyard at the second level of the East M Building.

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 services (e.g. programming, hours 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 the 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.

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.

The Applicant may charge the community center operator for energy utility costs that exceed an amount equal to \$2.00 per square foot per year, with an annual escalation of 3%.

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 (i) contributed up to \$500,000 for the community center's interior design and fit-out; (ii) contributed up to \$50,000 for furniture, fixtures, and equipment; and (iii) installed low-e coated glass with a solar heat gain coefficient (SHGC) of 0.39 maximum on the south face of the community center to minimize heat gain. The contributions shall be made to the community center operator. The Applicant shall provide a letter from the operator indicating that the interior design and fit-out has been or is being completed and furniture has been or is being purchased.

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.

The Applicant will permit community center visitors and employees to use the shared outdoor courtyard at the second level of the East M Building. The courtyard will be operated and maintained by the future office tenant of the East M Street Building. Use of the courtyard by the community center users will be limited to the same hours of operation and types of uses as permitted for the office tenants, unless a special activity or event is specifically reviewed and approved by the office tenant manager.

Commemorative Works or Public Art (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 "Public Space Element"). 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 Public Space Element to the ANC up to three times.

# Uses of Special value to the Neighborhood Subtitle X § 305.5(q).

## Continued Engagement

Following the Zoning Commission's approval of Z.C. Case No. 02-38I, and prior to the start

Prior to the issuance of a building permit for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it 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 the Public Space Element.

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.

Prior to the start of construction for the East M Building, the Applicant shall demonstrate to the Zoning Administrator that it has met once (physically or electronically) with ANC 6D for the purpose of creating and

of construction for the East M Building, the Applicant will convene a meeting (physically or electronically) among the Waterfront 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, will schedule additional meetings if necessary, and will 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.

implementing a cohesive and enforceable management plan for 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 provided notice to ANC 6D when construction of the East M Building started ("Notice of East Building Construction Start)" and proof that it met twice with ANC 6D within the first year following the date of the Notice of East Building Construction Start to continue work on implementing a management plan for Waterfront Station.

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 provided notice to ANC 6D when construction of the West M Building ("Notice of West Construction Start)" and proof that it met annually with ANC 6D following the first year after the date of the Notice of West Building Construction Start to continue work on implementing a management plan for Waterfront Station.

Within one year following the issuance of the final certificate of occupancy for West M Building, the Applicant shall provide proof to the Zoning Administrator that it met with ANC 6D to discuss its final issues and/or concerns..

# **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%)	24	Up to 60% MFI	Life of the project	Rental	The Applicant shall reserve a minimum of 3
Additional IZ (over the IZ requirement)	1,052 sf (0.5%)	1				3-bedroom units as IZ units. The 1,052 sf devoted to IZ above the 8% required will be located within one of the 3 3- bedroom units.
Total IZ Provided	19,571 sf (8.5%)	25	Up to 60% MFI	Life of the project	Rental	

# 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 and Provided	20,590 sf (8%)	25	Up to 60% MFI	Life of the project	Rental	The Applicant shall reserve a minimum of 3 3-bedroom units as IZ units.

### PROPOSED TRANSPORTATION MITIGATION MEASURES

# **Transportation Demand Management:**

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>For the life of the Project</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. The first report is due within six months following the point at which 75% of the residential units in the East M Building are leased, and shall be provided annually thereafter.
- 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 providing 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). Longterm 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.

- 6. Prior to the issuance of the first certificate of occupancy for each M
  Street Building, 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 by approximately nine spaces. 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.
- 9. Prior to the issuance of the first certificate of occupancy for the East M Building, the Applicant shall install a bicycle repair station within the East M Building's long-term bicycle storage rooms. Prior to the issuance of the first certificate of occupancy for the West M Building, the Applicant shall install a bicycle repair station within the West M Building's 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 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

- 10. The Applicant shall 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 shall 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 shall offer an annual Capital Bikeshare or carshare membership to each residential unit upon initial occupancy, at the choice of the resident.
- 12. Within six months following the point at which 75% of the residential units in the East M Building are leased, 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 no agreement has been reached for the use of all four spaces within six months following the issuance of the first certificate of occupancy for the West M Building, the following shall apply:

of Capital Bikeshare or carshare membership to each residential unit.

- a. If an agreement has been reached with one or more carsharing services for only three spaces, the Applicant shall extend the annual transportation event described in Decision No. \_\_\_\_ for an additional year.
- b. If an agreement has been reached with one or more carsharing services 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**

The Applicant will work with DDOT to determine an appropriate location for the relocation of the Capital Bikeshare station at the intersection of 4<sup>th</sup> 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.

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 4<sup>th</sup> 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.