

May 4, 2015

VIA ELECTRONIC FILING

Anthony J. Hood, Chairman
Zoning Commission for the District of Columbia
441 Fourth Street, NW, Suite 210S
Washington, DC 20001

Re: Zoning Commission Case No. 14-07: First-Stage and Consolidated PUD for 1270 4th Street, NE (Parcels 129/77, 129/95, and 129/96 in Square 3587) Applicant's Submission Regarding Public Benefits and Proffers

Dear Chairman Hood and Members of the Commission:

Pursuant to Section 2403.16 of the Zoning Regulations, this letter identifies the public benefits being proffered by the Applicant in the above-captioned case and the associated proposed conditions for each proffered benefit that are both specific and enforceable. Below is a chart of each proffered amenity and proposed condition. For the Commission's convenience, the conditions are separated by those that apply to the Consolidated PUD and those that apply to the First-Stage PUD. The Consolidated PUD is referred to as the South Parcel, and the First-Stage PUD is referred to as the North Parcel.

A. Consolidated PUD Conditions

<u>Proffer</u>	<u>Proposed Condition</u>
<u>Exemplary Urban Design, Architecture, and Open Spaces</u> , through the use of high quality materials and design that will enhance and celebrate the industrial characteristics of the Union Market district, incorporate portions of the existing warehouse façade, complete the urban street grid, establish the temporary pocket park on the Neal Place extension, and commit to sustainable design features.	1. The South Parcel shall be developed in accordance with the architectural drawings submitted into the record on March 6, 2015 as Exhibit 31A, as modified by the drawings submitted on March 26, 2015 as Exhibit 40 and the drawings submitted on April 9, 2015 as Exhibit 46D and 46E, and as modified by the guidelines, conditions, and standards herein (collectively, the " Plans ").
<u>Site Planning and Efficient Land Utilization</u> , through the replacement of existing low-scale structures and a surface parking lot with a	2. The South Parcel shall include a mixed use building containing approximately 29,042 square feet of retail use, approximately 465

mixed-use, transit-oriented development that creates an urban street grid, provides multi-modal transportation connections, strengthens the emerging Union Market area, and fulfills many of the planning goals and policies of the Small Area Plan.

Street-Engaging Retail Offerings, including approximately 41,000 total square feet of retail space on the South and North Parcels to activate the public realm along 4th Street and germinate other development in the vicinity as well as potential additional retail space along the private alley, if requested by a retail tenant at market rents.

residential units, and a parking garage containing approximately 400-550 parking spaces for both commercial parking and accessory parking for the Project, as shown on the Plans.

3. The South Parcel shall be rezoned from the C-M-1 Zone District to the C-3-C Zone District. Pursuant to 11 DCMR § 3028.9, the change of zoning shall be effective upon the recordation of the covenant discussed in Condition No C.1.

4. The PUD shall be constructed as two buildings on a single record lot pursuant to Section 2517 of the Zoning Regulations. The maximum density of the South Building shall be 5.68 FAR.

5. The Applicant shall have flexibility from the rear yard, court, roof structure, parking and loading requirements as shown on the Plans.

6. The Applicant shall retain and incorporate portions of the existing building façade into the South Parcel building as shown on the Plans.

7. In the event that a retail tenant requests retail space at market rents with a primary entrance facing the alley, the Applicant shall modify the west façade to incorporate doors and windows to accommodate this tenant.

8. Within twelve months of the issuance of the certificate of occupancy for the South Parcel building, the Applicant shall submit evidence that it has secured Silver certification or higher for the building from the U.S. Green Building Council under the LEED 2009 rating system with a minimum of 53 points. Furthermore, prior to the issuance of the certificate of occupancy, the Applicant shall provide access to the Project's Green Building Certification, Inc. ("GBCI") website to demonstrate evidence

	<p>of the points.</p> <p>9. Prior to the issuance of the certificate of occupancy for the South Parcel building, the Applicant shall submit evidence that it has achieved a minimum green area ratio (“GAR”) of 0.22.</p>
<p><u>Housing and Affordable Housing</u>, through the provision of approximately 465 residential units (+/- 10%) in the South Parcel building and approximately 165 residential units (+/- 20%) in the North Parcel building; and the set aside of 8% of the residential gross floor area of the PUD as affordable housing units (“Affordable Housing Component”), including 20% of the Affordable Housing Component set aside for households earning up to 50% of the Area Median Income (“AMI”) and the remainder of the Affordable Housing Component for households earning up to 80% AMI, with all of the 50% AMI units to be located in the South Parcel building. All of the housing and affordable housing created by the PUD will exceed what would be delivered as a matter of right.</p>	<p>10. Prior to the issuance of the building permit for the South Parcel building and for the life of the Project, the Applicant shall demonstrate that it has set aside a minimum of: (a) 8% of the residential gross floor area of the South Parcel building (“South Parcel ADU Component”) and (b) the North Parcel 50% AMI Component (defined below) as affordable housing within the South Parcel building.</p> <ul style="list-style-type: none"> a. The South Parcel ADU Component shall be broken down as follows: <ul style="list-style-type: none"> i. 20% of the South Parcel ADU Component shall be set aside for households earning up to 50% AMI; and ii. The balance of the South Parcel ADU Component (that is, 80% of the South Parcel ADU Component) shall be set aside for households earning up to 80% AMI. <p>All of the South Parcel ADU Component shall be provided within the South Parcel building.</p> b. In addition to the South Parcel ADU Component, the Applicant shall also set aside an amount equal to 20% of the North Parcel ADU Component (defined below in Condition B.7) for households earning up to 50% AMI, within the South Parcel building (the “North Parcel 50% AMI Component”). For purposes of this condition, the North Parcel ADU Component shall be calculated based on the proposed

	<p>residential gross floor area of the North Parcel building as set forth in the First-Stage PUD.</p> <p>c. The Applicant shall distribute the mix of affordable housing unit types proportional to the mix of market rate unit types. Within this distribution, the 50% AMI units shall also be distributed proportionately across the unit types. The size of the affordable units shall be of a size substantially similar to the market rate units.</p> <p>d. The Applicant shall distribute affordable housing units throughout the Project on all floors except that the Applicant shall not be required to locate any affordable units on the top two floors of the Project. Furthermore, within each floor, the Applicant shall not concentrate such units in any one tier or section of the Project.</p>
<p><u>Effective and Safe Vehicular and Pedestrian Access and Transportation Demand Management Measures</u>, through pedestrian-oriented street grid patterns and clear separation of pedestrian and vehicular circulation patterns including the design, construction, and maintenance of the Neal Place extension, reconfiguration of 4th Street, construction of streetscape improvements on the west side of 4th Street, reconstruction of portions of the alley, funding for the Metropolitan Branch Trail transportation demand, parking, loading, and curbside management plans.</p>	<p>11. Prior to the issuance of the Certificate of Occupancy (“C of O”) for the South Parcel building, the Applicant shall complete construction of the interim park over the Neal Place extension as shown on the Plans, and shall further demonstrate that the infrastructure of the road (as part of the parking garage) for the Neal Place extension has been constructed beneath the park to ensure that the majority of the investments into the permanent road is made at the outset.</p> <p>a. Within twelve (12) months of the issuance of the C of O for the South Parcel building, and on an annual basis thereafter (“Study Anniversary”) or within six (6) weeks of DDOT requesting additional observation prior to a subsequent Study Anniversary (“Requested Study”), the Applicant</p>

shall initiate a performance monitoring study of the length of queues along the northbound 4th Street approach to Morse Street (“Monitoring Study”). DDOT requests for a Requested Study cannot be made more than one (1) time per year and shall eliminate the requirement for an additional study to be performed at the subsequent Study Anniversary. Each Monitoring Study shall be conducted by a professional transportation engineering or planning firm that regularly works in the District and consist of observations for two (2) observation periods during a three (3) week timeframe. An observation period is defined as Wednesday – Thursday and Saturday peak periods. The weekday peak period is defined as between the hours of 4 to 7 pm when DC Public Schools and Congress are in session. The weekend peak period is defined as between 11 am – 2 pm during a Saturday during a week when DC Public Schools and Congress are in session. The Applicant shall provide a copy of each Monitoring Study to DDOT.

- b. Prior to the issuance of the C of O for the South Parcel building, the Applicant shall also demonstrate that it has placed \$165,000 for the cost of construction of the final Neal Place extension into an interest-bearing escrow account (such escrowed funds to be invested by the Applicant at its discretion in investment-grade securities with interest to be paid to the Applicant on a regular basis, in order to construct the final Neal Place extension to vehicular traffic within twelve (12) months of the earlier of the following

	<p>events. When:</p> <ol style="list-style-type: none"><li data-bbox="906 373 1438 1136">i. After review of a Monitoring Study demonstrates that queuing extending on 4th Street south from Morse Street toward Florida Avenue does not allow enough queuing space to accommodate two additional average size vehicles without blocking the crosswalk on more than two instances per peak period on more than one (1) observation day, and DDOT concludes and communicates to the Applicant that the Neal Place Extension is needed to alleviate traffic queuing conditions at 4th and Morse Street. Each Monitoring Study should be the result of typical traffic patterns rather than the result of atypical traffic events (e.g. construction, holidays, or special events); or<li data-bbox="906 1171 1438 1423">ii. DDOT communicates to the Applicant that all required permits have been issued for the proposed 3rd Street NE as a public or private street, alley, or driveway connection serving vehicular traffic and construction has commenced; or<li data-bbox="906 1459 1438 1745">iii. DDOT communicates to the Applicant that all required permits have been issued for Neal Place to the immediate west as a public or private street, alley, or driveway connection serving public vehicular traffic and construction has commenced.<li data-bbox="906 1780 1438 1892">iv. After 5 years from the issuance of the certificate of occupancy for the South Building with an option to
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	<p>extend for another 5 years with DDOT approval.</p> <p>v. Prior to the issuance of the certificate of occupancy for the North Parcel building.</p> <p>12. Prior to the issuance of the certificate of occupancy for the South Parcel building and provided that DDOT has granted final approval for the reconfiguration, the Applicant shall demonstrate that it has contributed 100% of the design, engineering, and construction costs for the reconfiguration of 4th Street NE to eliminate head-in parking and convert the street to two-way traffic. The final design of such improvements shall be subject to approval of DDOT.</p> <p>13. Prior to the issuance of the certificate of occupancy for the South Parcel building, the Applicant shall demonstrate that it has constructed streetscape improvements along the west side of 4th Street NE between Neal Place and Morse Street NE pursuant to streetscape design guidelines for the Union Market area as approved by DDOT.</p> <p>14. Prior to the issuance of the certificate of occupancy for the South Parcel Building, the Applicant shall demonstrate that it has reconstructed a 35 foot-wide segment of the private alley along the Property's west frontage and south to Morse Street and installed a planting strip and security lighting as shown on the Plans.</p> <p>15. The South Parcel building shall provide a minimum of 147-179 bicycle parking spaces within the building and 20 bicycle parking spaces on racks outside the building. The final number and location of improvements in public space shall be subject to the discretion of DDOT.</p>
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16. Prior to the issuance of the building permit for the South Parcel building, the Applicant shall contribute \$10,000 to the NoMa BID's Metropolitan Branch Trail Study.

17. For the life of the Project, the Applicant shall provide the following transportation demand management ("TDM") measures:

- a. Designate a TDM coordinator responsible for organizing and marketing the TDM plan.
- a. Provide information and website links to commuterconnections.com, goDCgo.com, and other transportation services on developer and property management websites.
- b. Provide a transportation information screen within the South Parcel residential lobby.
- c. Reserve at least two car-sharing spaces within the South Parcel portion of the garage; provided, that upon the completion of the North Parcel portion of the garage, the car-sharing spaces may be located in either portion of the garage.
- d. Install at least six electric car-charging stations within the South Parcel portion of the garage; provided, that upon the completion of the North Parcel portion of the garage, the car-sharing spaces may be located in either portion of the garage.

18. The Applicant shall provide each new resident for the first year after the issuance of the certificate of occupancy for the South Building with an annual membership in a car-sharing or bike-sharing program, up to a maximum of \$35,000.

19. The Applicant shall provide parking within the South Parcel building as shown on

	<p>the Plans. Prior to the issuance of the certificate of occupancy for the South Parcel building, the Applicant shall demonstrate that it has created a parking management plan that includes the following measures:</p> <ul style="list-style-type: none">a. Controlled access to the parking garage.b. For the residential portion of the garage, parking costs will be unbundled from the cost of lease or sale of each residential unit. <p>The Applicant shall maintain the parking management plan for the life of the South Parcel building.</p> <p>20. The Applicant shall provide loading facilities within the South Parcel building as shown on the Plans. Prior to the issuance of the certificate of occupancy for the South Parcel building, the Applicant shall demonstrate that it has undertaken the following loading management measures:</p> <ul style="list-style-type: none">a. Designate a loading facility manager, who will coordinate with residents and retail vendors to schedule deliveries.b. Require all residential and retail tenants to schedule deliveries that utilize the loading dock. <p>The Applicant shall maintain the loading management plan for the life of the South Parcel building.</p> <p>21. Prior to the issuance of the certificate of occupancy for the South Parcel building, the Applicant shall demonstrate that it has developed a curbside management plan for 4th Street NE to introduce striping and signage along 4th Street NE. The final details of the plan will be subject to final discretion of DDOT.</p>
<p><u>Uses of Special Value: Trash Clean-Up</u>, through the regular clean up of trash along 4th Street, NE between Florida Avenue and Penn Street, NE.</p>	<p>22. Prior to the issuance of the certificate of occupancy for the South Parcel building and for the life of the Project, the Applicant will regularly clean up trash along 4th Street, NE between Florida Avenue and Penn Street, NE</p>

	(or become part of a business improvement district which shall assume responsibility for similar duties).
<u>Employment Opportunities</u> , including a First Source Employment Agreement submitted as Exhibit 31F of the Record and notice to ANC 5D of opportunities created through the PUD	<p>23. Prior to the issuance of the first Certificate of Occupancy for the South Parcel building, the Applicant shall enter into a First Source Employment Agreement with the Department of Employment Services (“DOES”) in the form submitted into the record as Exhibit 31F to achieve the goal of utilizing District of Columbia residents for at least 51% of the new construction jobs created by the project.</p> <p>24. The Applicant will provide ANC 5D with notice of new job needs and job vacancies after providing DOES with notice of such opportunities under the First Source Employment Agreement. To the extent that the Applicant or DOES agree to develop skills or on-the-job training programs, the Applicant and DOES shall provide ANC 5D with notice of such training program.</p>
<u>Design Flexibility for Consolidated PUD</u>	<p>25. The Applicant shall have flexibility with the design of the PUD in the following areas:</p> <ul style="list-style-type: none">a. To vary the location and design of all interior components, including but not limited to partitions, structural slabs, doors, hallways, columns, signage, stairways, mechanical rooms, elevators, and toilet rooms, provided that the variations do not change the exterior configuration or appearance of the structure;b. To vary final selection of the exterior materials within the color ranges and materials types as proposed, based on availability at the time of construction;c. To make minor refinements to exterior details, dimensions, and locations,

	<p>including belt courses, sills, bases, cornices, railings, balconies, trim, frames, mullions, spandrels, or any other changes to comply with Construction Codes or that are otherwise necessary to obtain a final building permit, or are needed to address the structural, mechanical, or operational needs of the building uses or systems;</p> <p>d. To vary the residential unit count of the South Parcel building by up to 10%;</p> <p>e. To vary the size, location and design features of the retail component of the South Parcel Building, including the size, location, and design of windows, doors, awnings, canopies, signage, and similar features, to accommodate the needs of specific retail tenants and storefront design, provided, the storefront design is consistent with the guidelines included in Exhibit 31B of the record;</p> <p>f. To vary the size, location, type and other features of proposed building signage related to the proposed retail uses, provided, the signage is consistent with the guidelines included in Exhibit 31B of the record;</p> <p>g. In the event that a retail tenant desires retail space at market rents with an entrance facing the alley, flexibility to modify the west façade to incorporate doors and windows to accommodate this tenant.</p> <p>h. To vary the number, type, and location of doors related to the rooftop uses to accommodate changes in building</p>
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	<p>operation and function;</p> <ul style="list-style-type: none">i. To vary the location of the green roof areas on the roofs provided that the Applicant maintains compliance with Condition 8 of this Order;j. To revise the design of the public space surrounding the South Parcel building to be consistent with the forthcoming streetscape design guidelines for the Union Market area, and to modify the exterior design of the South Parcel building to the extent necessary to obtain approvals from District agencies and/or service to the Property from utilities as would otherwise be in accordance with the pending streetscape design guidelines; andk. To vary the design of the parking garage, which need not conform to the parking garage requirements of the Zoning Regulations regarding aisle width and parking space dimensions as shown on page A2 of the Plans, provided that the parking garage contain approximately 400-550 vehicular parking spaces.
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B. First-Stage PUD Conditions

	<p>1. The North Parcel shall be developed in accordance with the architectural drawings submitted into the record on March 6, 2015 as Exhibit 31A, as modified by the drawings submitted on March 26, 2015 as Exhibit 40 and the drawings submitted on April 9, 2015 as Exhibit 46D and 46E, and as modified by the guidelines, conditions, and standards herein (collectively, the "Plans") and the Zoning Commission's second-stage approval.</p>
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2. The North Parcel shall include a mixed use building containing approximately 12,000 square feet of retail use, approximately 165 residential units (+/-20%), and a parking garage containing approximately 80-200 parking spaces for both commercial parking and accessory parking for the Project, as shown on the Plans; provided that the Applicant shall narrow the range of residential units and parking spaces prior to submitting a second-stage application for the North Parcel building.

3. The North Parcel shall be rezoned from the C-M-1 Zone District to the C-3-C Zone District. The change of zoning shall be effective upon the Commission's approval of second-stage PUD application for the North Parcel building and, pursuant to 11 DCMR § 3028.9, the recordation of the covenant discussed in Condition No. C.1.

4. The PUD shall be constructed as two buildings on a single record lot pursuant to Section 2517 of the Zoning Regulations. The combined density of the North Parcel building and the South Parcel building shall not exceed 8.0 FAR.

5. With twelve months of the issuance of the certificate of occupancy for the North Parcel building, the Applicant shall submit evidence that it has secured Silver certification or higher from the U.S. Green Building Council under the LEED 2009 rating system. Furthermore, prior to the issuance of the certificate of occupancy, the Applicant shall provide access to the Project's Green Building Certification, Inc. ("GBCI") website to demonstrate evidence of the points.

6. Prior to the issuance of the certificate of occupancy for the North Parcel building, the Applicant shall submit evidence that it has achieved a minimum GAR of 0.22.

	<p>7. For the life of the Project, the Applicant shall set aside an amount equal to: (a) 8% of the residential gross floor area of the North Parcel building (“North Parcel ADU Component”), less (b) the North Parcel 50% AMI Component, as affordable housing for households earning up to 80% of the Area Median Income (“AMI”) (“North Parcel ADU Component”) within the North Parcel building.</p> <ul style="list-style-type: none">a. The Applicant shall distribute the mix of affordable housing unit types proportional to the mix of market rate unit types. The size of the affordable units shall be of a size substantially similar to the market rate units.b. The Applicant shall distribute affordable housing units throughout the Project on all floors except that the Applicant shall not be required to locate any affordable units on the top two floors of the Project. Furthermore, within each floor, the Applicant shall not concentrate such units in any one tier or section of the Project. <p>8. The North Parcel building shall provide a minimum of 48-71 bicycle parking spaces within the parking garage.</p> <p>9. For the life of the North Parcel building, the Applicant shall provide the following transportation demand management (“TDM”) measures:</p> <ul style="list-style-type: none">a. Designate a TDM coordinator responsible for organizing and marketing the TDM plan.b. Provide information and website links to commuterconnections.com, goDCgo.com, and other transportation services on developer and property management websites.
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	<p>b. Provide a transportation information screen within the North Parcel residential lobby.</p> <p>10. If requested by DDOT, the Applicant shall provide an additional Comprehensive Transportation Review (“CTR”) for the second-stage PUD application for the North Parcel that is consistent with the CTR analysis provided as Exhibit 24H of the record.</p> <p>11. In connection with the second-stage PUD application, the Applicant shall provide a parking analysis of the proposed amount of parking in the North Parcel building.</p> <p>12. Prior to the issuance of the first Certificate of Occupancy for the North Parcel building, the Applicant shall enter into a First Source Employment Agreement with the Department of Employment Services (“DOES”) in the form submitted into the record as Exhibit 31F to achieve the goal of utilizing District of Columbia residents for at least 51% of the new construction jobs created by the project.</p> <p>13. The Applicant will provide ANC 5D with notice of new job needs and job vacancies after providing DOES with notice of such opportunities under the First Source Employment Agreement. To the extent that the Applicant or DOES agree to develop skills or on-the-job training programs, the Applicant and DOES shall provide ANC 5D with notice of such training program.</p>
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Conclusion

The Applicant looks forward to the Commission's action on this matter. If you have any questions, please contact Jeff Utz at 202-721-1132 or David Avitabile at 202-721-1137.

Respectfully submitted,



Jeffrey C. Utz



David M. Avitabile

cc: Jeff Kaufman, Edens
Senthil Sankaran, Edens
Alisa Brem, Edens
Shalom Baranes, Shalom Baranes Associates
Dan Van Pelt, Gorove/Slade
Dan Duke, Bohler Engineering

CERTIFICATE OF SERVICE

I certify that on May 4, 2015, I delivered a copy of the foregoing document via electronic mail, hand delivery, or first class mail to the addresses listed below.



David M. Avitabile

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