

April 9, 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 Posthearing Submission**

Dear Chairman Hood and Members of the Commission:

Enclosed please find the Applicant's responses to the issues outlined by the Commission at the close of the public hearing on March 26, 2015.

Benefits and Amenities

As set forth in the Applicant's prehearing submission and discussed at the public hearing, the Applicant has proposed a significant benefits and amenities package for the PUD. The applicant has committed to a benefits and amenities package valued at over \$5,000,000 in land set aside and upfront capital costs. In addition, the Applicant has committed to a significantly enhanced affordable housing package and ongoing maintenance obligations. (Exhibit A: Updated Benefits and Amenities Package.) Much of the package centers on significant investments in the pedestrian and vehicular street network surrounding the Property, which will bring order and safety to the existing truck-centric transportation grid, improve connectivity and access, and transform the low-scale industrial site and its surrounding environs into the core of a mixed-use, vibrant, and pedestrian friendly neighborhood.

- Neal Place Extension. One of the key benefits of the PUD is the Applicant's commitment to extend Neal Place through the Property. This commitment comes at considerable cost to the Applicant, who had to redesign the entire Project and must absorb the lost revenue associated with the elimination of 6,000 square feet of potential retail space (conservatively estimated at \$3,000,000). The commitment also includes the

expense associated with designing, constructing, and maintaining both the interim park and the final road (estimated at over \$500,000 for design and construction, plus \$5,000 or more per year for maintenance). The lost retail space is particularly significant, because it would have been located in a prominent location at the terminating vista of Neal Place, on axis with the Market at Union Market building one block to the east.

- Streetscape Improvements. As a part of the Project, the Applicant will design and complete the reconfiguration of 4th Street for two-way traffic. The Applicant will also design and construct a new public streetscape along the Project's frontage extending south to Morse Street. Most importantly, the overhauled streetscape will include a new sidewalk that will complete a critical link between the Project, the New York Avenue Metro entrance, and Union Market, the three major pedestrian activity generators in the area. (Exhibit B: Streetscape Improvements.) This streetscape will also include a tree box zone with new street trees, an amenity zone for sidewalk cafes and other pedestrian amenities. The total cost of the improvements to the roadway and streetscape on 4th Street will be approximately \$335,700.
- Alley Reconstruction. Equally important is the Applicant's commitment to improve a portion of the existing alley to the west of the Property. The Applicant proposes to reconstruct the 35 foot-wide portion of the alley adjacent to the Property, extending along the full length of the Property and south to Morse Street (for a total length of approximately 630 feet). (Exhibit C: Alley Improvements.) The Applicant's proposed improvements will include a 30-foot wide alley paved in pervious asphalt or concrete as well as a 5-foot wide planting strip along the portions of the building and security lighting. The total cost of the improvements to the alley will be approximately \$364,500.

The Applicant's improvements will deliver a reconstructed alley that will provide adequate room for vehicular and truck traffic to access and maneuver into the Project. Importantly, the alley will separate vehicular activity from the public streets and sidewalks to reduce pedestrian-vehicular conflicts, which specifically delivers the "effective and safe vehicular and pedestrian access" called for in the Zoning Regulations. 11 DCMR § 2403.9(c).

The remaining 13 feet of width in the alley will be improved by the District or other surrounding property owners proximate to that portion of the alley. The remaining 13 foot-wide portion of the alley is wide enough to accommodate the proposed cycle track and requisite buffer.

At the Commission's request, the Applicant has supplemented the benefits package. First, as requested by the Commission, the Applicant will more than double the affordable housing commitment for units at 50% AMI from approximately 3,411 square feet of gross floor area to approximately 7,945 square feet of gross floor area.¹ All of the 50% AMI units will be located in the South Parcel building in order to deliver the affordable housing for low-income households up front in the first phase of construction. The Project will therefore deliver a total of nearly 40,000 square feet of affordable housing, including nearly 8,000 square feet of affordable housing for low-income families—all of which exceeds what would be provided as a matter of right under current zoning.

Second, in response to the Commission's request and to the extent permitted by District of Columbia law, the Applicant will provide ANC 5D with notice of new job needs and job vacancies after providing the Department of Employment Services ("DOES") with notice of such opportunities under the First Source Employment Agreement. To the extent that the Applicant and DOES agree to develop skills or on-the-job training programs, the Applicant shall provide ANC 5D with notice of such training program.

Third, the Applicant will increase the number of electric car charging stations within the Project's parking garage from 2 stations to 6 stations. All six stations will be provided with the first phase of construction in the South Parcel garage, but the Applicant requests flexibility to relocate some of the stations to the North Parcel section of the garage once that section is completed.

Fourth and finally, in response to the issues raised by ANC 6C (a neighboring ANC), the Applicant will also agree to the following additional commitments:

- (1) The Applicant will contribute \$10,000 to the NoMa BID's Metropolitan Branch Trail Study, which will assess and recommend improvements to safety infrastructure and access points to the Metropolitan Branch Trail south of Rhode Island Avenue NE.²

¹ This represents an increase in the 50% AMI commitment from 12% of the affordable housing in the South Parcel building to 20% of the affordable housing commitment for the entire PUD. The remaining 80% of the affordable housing within the PUD will be set aside for households earning up to 80% AMI.

² The Metropolitan Branch Trail is an 8-mile trail that runs from Union Station to Silver Spring, including adjacent to the Union Market District along the railroad tracks to the west of 3rd Street. The trail serves as an important transportation route that connects numerous vibrant neighborhoods and employment centers. The route includes off- and on-road segments.

- (2) In the event that a retail tenant desires retail space at market rents with an entrance facing the alley, the Applicant will incorporate doors and windows to accommodate this tenant.
- (3) The Applicant will regularly clean up trash along 4th Street, NE between Florida Avenue and Penn Street, NE (or become part of a business improvement district which shall assume responsibility for similar duties).

With the above additional commitments, the proposed benefits package will continue to be particularly strong in the areas of site planning and effective and safe vehicular and pedestrian access, and will also be superior in the areas of urban design, preservation, housing and affordable housing, and uses of special value (including the interim park, the retail space, and the street cleaning).

Affordable Housing Unit Locations

At the hearing, the Commission requested additional information and language to address the distribution and location of affordable housing units within the Project in lieu of floor plans identifying the location and type of such units. In response to the Commission's request, the Applicant proposes the following language regarding the Applicant's affordable housing commitment.

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.

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. Finally, the Applicant shall be permitted to locate all of the 50% AMI units within the South Parcel building.

Note that the final affordable housing unit locations will be reviewed and approved by both the Office of the Zoning Administrator and the Department of Housing and Community Development, who will each review the locations to ensure that the units are distributed in

accordance with the applicable regulations as well as with the terms of the zoning order in this case.

Recreational Roof Space – Additional Information

As requested by the Commission, attached as Exhibit D are plans, elevations, and a perspective of the Applicant's proposed rooftop recreation space. (Exhibit D: Rooftop Recreation Space.) Briefly, the rooftop recreation space consists of a series of outdoor rooms as well as a pool and terrace, which together provide the Project's residents with a variety of outdoor recreational amenities. The three indoor rooms associated with these spaces are incidental and accessory to the outdoor pool, terrace, and recreation areas; together, the three rooms constitute less than 20% of the overall rooftop recreation space. Also note that in the process of developing the rooftop recreation space, the Applicant reduced the size of the roof structure, as shown on Exhibit D.

Canopy Projections – Additional Information

As requested by the Commission, attached as Exhibit E are plans and sections depicting the proposed ground-floor canopy projections and precedent images from the Union Market neighborhood and from other industrial neighborhoods that have been developed.³ (Exhibit E: Canopy Drawings.) The proposed canopies will evoke the industrial heritage of the area and mimic the canopies over similar warehouse loading docks in the immediate area.

As shown on the drawings, the proposed canopies will project between 7-10 feet from the building line into public space, which exceeds the maximum permitted projection distance of 5 feet under Section 3202.12.2.4 of the D.C. Building Code. However, the proposed canopy depth is in line with other canopies in the Union Market area, which project ten feet or more.

Therefore, the projections will require a modification of the projection requirements, which is permitted pursuant to Section 3202.4 of the Building Code. (The width of the projections also extends over multiple windows and entrances and may also require a modification of the projection requirements.) Modifications of the projection requirements are granted by the Chief Building Official at the Department of Consumer and Regulatory Affairs, based on a showing that the applicant has met the requirements of Section 3202.4 and after input from DDOT and other public space officials. Such projections are ordinarily reviewed and

³ Note that, for purposes of compliance with the provisions of the D.C. Building Code, the projections may be construed as either canopies or marquees.

approved during the permitting process. The Applicant's proposed canopies are not unusual, and the Applicant anticipates that the code modification will be granted by the code official.

The proposed projections will not interfere with other elements in public space. Given that 4th Street will have an anticipated width of 26 feet, the 10-foot wide canopies will not interfere with trees or with the pedestrian clear path. As shown on the attached drawings, the proposed street section consists of a 6-foot wide tree box, and 10-foot wide clear pedestrian path, and a 10-foot wide amenity zone. The proposed canopies, which will not exceed 10 feet in depth, will therefore not encroach over the pedestrian clear path; rather, the proposed streetscape will provide exceptional pedestrian space to circulate both under and outside of the canopies. Furthermore, the canopies will give street trees sufficient room to grow without conflicting with the proposed projections.

LEED Commitment

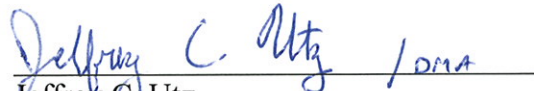
The Applicant has committed to achieving certification at a minimum Silver rating (or 51 points) under the LEED 2009 rating system. At the public hearing and in subsequent email correspondence, DDOE suggested 6 additional credits that the Applicant could employ to get closer to the equivalent of Gold certification. After additional investigation, the Applicant is able to commit to secure an additional 2 points at this time, which would bring the project to at least 53 points. The 7 additional points required to get to Gold certification would require the Applicant to make significant changes to the HVAC systems and layout, which would have major impacts on the roof structure layout, and so the Applicant cannot commit to additional measures or Gold certification at this time.

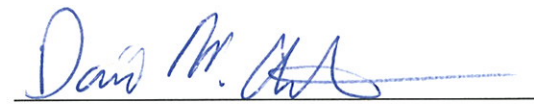
The Project also includes sustainable features that are not reflected in the LEED evaluation. For example, the Applicant has voluntarily proposed to save much of the brick façade of the existing warehouse building at significant expense, and incorporate it into the design of the Project. The reuse of the existing façade is not required for historic preservation reasons nor does it translate into additional LEED points. However, the reuse of the original façade materials is an important sustainable component of the Project that will reflect the authenticity of the industrial character of the neighborhood. As another example, the Applicant has committed to achieve a minimum GAR of 0.22, which exceeds the requirement by 10%. Finally, the Applicant has agreed to increase the number of electric car charging stations from 2 stations to 6 stations.

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

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CERTIFICATE OF SERVICE

I certify that on April 9, 2015, I delivered a copy of the foregoing document via electronic mail, hand delivery, or first class mail to the addresses listed below.



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