

**BEFORE THE ZONING COMMISSION  
OF THE DISTRICT OF COLUMBIA**

Application of UDR, Inc. & UM 500 Penn Street NE LLC  
ANC 5D

Z.C. Case No. 17-14

**PRE-HEARING STATEMENT OF THE APPLICANT**

This application was set down for a public hearing at the Commission’s February 26, 2018 public meeting. Both the Office of Planning and the Commission identified issues for which they sought additional information prior to the public hearing. The information below and attached responds to these issues.

**I. Drawings and Plans**

a. More refined and detailed drawings to demonstrate superior architecture

Drawings with more details, refinement, and views of the proposed project are included in the updated set of drawings and plans included as Exhibit A (the “Plans”).

b. Additional detailed perspective drawings

As shown on pages A-27 – A-30, A-42, and A-43, the Plans include detailed perspectives from New York Avenue, 5<sup>th</sup> Street, Brentwood Parkway, ground floor, alley, and the roof.

c. Detailed signage plan

A signage plan depicting the locations and guidelines for retail, residential, and shared signage on the building is included as pages S-01 – S-07 in the Plans.

d. Additional drawings showing penthouse and roof

These additional drawings, which include new angles of the penthouse and roof, are included as pages A-39 – A-43 in the Plans.

e. Penthouse on the east side of the rear wing, adjacent to a court

The penthouse is not setback from the east side of the building because it is adjacent to a closed court, so a setback is not required. However, this condition of the penthouse's visibility will be temporary. The adjacent property to the east will be redeveloped with a building of a comparable height that will obscure the visibility of the penthouse.

f. Rendering of the alley

This drawing, which depicts the impact of the proposed uses and design on the alley, is included on page A-28 of the Plans. Note that the storefront (number, size, location, and materials) openings onto the alley will be tenant driven.

g. Site plan showing access to parks and open space networks

The site plan included on page A-07 of the Plans shows the open spaces, parks, and recreation trails that are proximate to the project. Residents of the project will have access to ample nearby open space as well as to indoor and outdoor recreation opportunities.

**II. Sustainable Design Features**

a. Solar panels

The Applicant has updated the building design to include solar panels on the building roof. Placement of the panels will comply with DOEE guidelines and will be balanced to comply with GAR and stormwater requirements. Solar energy will provide at least 1% of the residential building's electrical consumption.

b. LEED Gold

The project will be designed and certified by the USGBC to satisfy the LEED Gold standard (USGBC Certified v.2009 or equivalent).

- c. Coordinate with DOEE regarding review and compliance with stormwater requirements

Prior to the issuance of a building permit, Applicant will coordinate with DOEE regarding review and compliance with stormwater requirements. The project will comply with all applicable stormwater requirements.

- d. Coordinate with DOEE regarding the incorporation of efficient energy standards into the project, including renewable energy

The Applicant will coordinate with DOEE regarding efficient energy standards, while designing the project to satisfy and be certified by the USGBC for the LEED Gold standard (USGBC Certified v.2009 or equivalent), including the use of solar panels.

- e. Coordinate with DOEE regarding recycling initiatives

In coordination with DOEE, the Applicant will design recycling initiatives for both the commercial and residential portions of the project.

### **III. Traffic, transportation, and public space**

- a. Analysis of traffic and loading in the adjacent alley

The analysis shown on page A-09 of the Plans illustrates the anticipated traffic and loading activity in the alley from the proposed project and other projects that use the alley. Based on this analysis, the Applicant expects that the alley will adequately accommodate the traffic and loading activity.

- b. Elements of the Transportation Demand Management (“TDM”) plan that would be provided beyond the required mitigations

The Applicant’s Comprehensive Transportation Review (“CTR”) will include an expansive TDM program for the project that will include multi-modal transportation improvements and commitments, such as an electronic display of transit information in the

lobby, distribution of information about transportation programs, and improvements to pedestrian infrastructure next to and near the project.

c. Multi-modal transportation improvements

The Applicant's CTR will include a robust TDM program for the project that will include multi-modal transportation improvements and commitments, such as Capital Bikeshare memberships for new residents, \$50 SmarTrip cards for new residents, and electric car charging stations.

d. Detailed streetscape plans

Detailed streetscape and public space plans are included as pages L-02 – L-06 in the Plans. As shown, these plans will be in compliance with the Union Market Streetscape Design Guidelines.

**IV. PDR/Maker Uses**

a. More significant balance of PDR uses within the non-residential floor area

As a long-term investor and owner of place-based retail, Edens' goal from the outset has been to protect and cultivate the uniqueness of the Union Market District. Edens has been and is a leader in promoting the local Maker economy in D.C. and has done so without requirements throughout the city, and specifically at Union Market, over the last 10 years. To date, Edens has delivered over 100,000 square feet of PDR/Maker space in the Union Market District.

Through the process of incubating hundreds of PDR/Maker users, Edens has discovered that these PDR/Maker tenants need a tremendous amount of support. Edens has given these Maker tenants this support and have created a platform for them to thrive and to succeed. Examples of Edens' support includes assistance with writing business plans and incubating new local DC-based businesses; providing a showcase space and platform for start-up businesses to

collaborate, display, and sell their goods; and providing space and building canvasses for art and artists. Through the experience of creating 1309 5<sup>th</sup> Street NE (Union Market itself), Dock 5, Lab 1270, Maurice Office, 550 Penn, and, most recently, Cotton and Reed (see Exhibit B for full list), Edens has learned that the PDR/Maker economy needs incubation. Just reserving PDR/Maker space does not guarantee PDR/Maker uses and often leads to dead retail and empty space. Edens will continue to build the local economy by fostering a thriving commercial ecosystem that provides incubation and mentorship for PDR/Maker uses, which requires an evolving mix of uses and commercial typologies without requirements.

As the dominant provider of such PDR/Maker space, Edens believes that the amount of PDR/Maker space in the Union Market District and surrounding area has reached a market equilibrium point. Edens is concerned that mandating additional Maker space will create an oversupply, which will quickly lead to an unhealthy ecosystem. This will hurt existing both PDR/Maker uses and traditional retailers since there will not be enough traffic and dwell time; this will negatively affect street activity and the long-term viability of commercial tenants.

In addition to Edens' existing 100,000 square feet of PDR/Maker space, recently approved PUDs in and around the Union Market District include over 55,000 square feet of PDR/Maker space, resulting in a present total of more 155,000 square feet amount of PDR/Maker space (existing and planned) within and around the Union Market District.

The additional PDR/Maker space being proposed by this PUD and the three future Edens PUDs (see Section IV(e) below) will ultimately bring the total PDR/Maker space to over 160,000 square feet in and around the Union Market District. This result is a significant balance of PDR/Maker uses within the overall Union Market District market area. As demonstrated throughout its history of retail development at Union Market, Edens will continue to collaborate

with the existing businesses while also curating, incubating, and supporting unique entrepreneurial and local new business within the Union Market District.

b. Continued use of the property for industrial or PDR activities

The property is vacant (but for some short-term temporary uses such as the 1/21/2017 Women’s March when organizers used the vacant space to paint the banners in advance of the march), so the proposed project does not result in the loss of any operating tenant – PDR or otherwise – within the space. Nevertheless, the property can support PDR/Maker uses, as defined and proffered by the Applicant. The Applicant (Edens) has committed to devoting 5% of the non-residential ground floor gross floor area of the project for five years to PDR/Maker uses. The PDR/Maker uses in the project shall satisfy the Applicant’s proffered definition, and the proffered definition is consistent with PDR, as defined in the Comprehensive Plan. Therefore, by committing to include PDR/Maker uses, the project will not be inconsistent with policies LU-3.1.1 and LU-3.1.4 of the Comprehensive Plan.

c. Provision of permanent PDR uses in the project

As described above in Section IV(a), Edens is concerned about regulating or mandating PDR/Maker space in the Union Market District. However, in order to address the partial PDR designation on the FLUM for the property, Edens has committed to a 5-year term for the set-aside PDR/Maker space and will reassess the viability at the expiry of the term.

d. Additional information regarding Maurice Office and how tenants will comply with the proposed “Maker” use definition

The Applicant (Edens) has designed and built Maurice Office (east)<sup>1</sup> as an incubator for local Makers and the creative economy. Current tenants include:

---

<sup>1</sup> Maurice Office (east) is not part of the property included in this PUD application.

- i. Sensis (creative content marketing)
- ii. DC United (flex showcase space)
- iii. Goodfight (film production)
- iv. Reading Partners (collaboration space for education non-profit that promotes kids reading)
- v. John Dreyfus (sculpture studio)
- vi. HUGE (creative digital media / art company)
- vii. Venga (hospitality analytics technology startup)

Each of these tenants satisfies the proposed definition of PDR/Maker use. Edens has committed to extend the final term of the leases for these tenants for five (5) years, or only release the space to tenants that meet the PDR/Maker definition, to March 1, 2023, preserving 20,000 square feet of PDR/Maker uses adjacent to the project.

e. Additional information regarding future PUD applications and the PDR proffer

While each PUD must stand on its own, Edens committed to provide the same PUD proffer for at least three known PUD cases that Edens controls within the Union Market District. The three future PUDs are the following:

- i. Stage II PUD in Case No. 14-12B (Edens/Great Gulf).
- ii. Parcel 0129/0045, aka “Maurice Parking Lot” (Edens PUD expected to be filed this year).
- iii. 1271 5th Street NE (Square 3591, Lot 3), aka “Nak Lee” (Edens PUD expected to be filed this year).

f. Definition of PDR/Maker use to include “food hubs” and “food incubators”

The terms “food hubs” and “food incubators” as included in the proposed PDR/Maker definition are used exactly as defined in the *Ward 5 Industrial Land Transformation Study* (the “Ward 5 Works Study”). The Ward 5 Works Study defines these terms as: “institutions which offer the opportunity to expand existing food-related businesses, value-added production, aggregation of product and clientele, and distribution of food-related products.” Accordingly,

the proposed PDR/Maker use definition will adhere to the Ward 5 Works Study definition for “food hubs” and “food incubators.”

g. How the project and tenants will further the *Ward 5 Works Land Transformation Study*

The Ward 5 Works Study has five primary goals: diversify existing businesses and grow new businesses, retain industrial land use, promote inclusive jobs, provide community amenities, and highlight the industrial aesthetic of Ward 5. Edens has demonstrated its commitment to these goals throughout four previously approved PUDs. This project will further the Ward 5 Works Study by honoring the industrial character and heritage of the site, provide numerous new jobs in Ward 5 and the Union Market District and will specifically support a vibrant and diverse commercial market with particular attention and value placed on PDR/Maker. In addition, the project will advance multiple specific goals and objectives in the Ward 5 Works Study as described below.

The Ward 5 Works Study encourages creating “great spaces” within Ward 5 by improving the physical appearance and enhancing connectivity as well as by retaining the industrial feel of the Union Market District. The project will contribute to the creation of this great space and will maintain the Market’s industrial aesthetic. The project will provide much-needed and desired retail and residential uses along the northern edge of the Market and will incorporate the façade of the existing building into the project’s design as well as have an overall industrial style of design to maintain the industrial character of the neighborhood. Importantly, the project will devote 5% of its non-residential ground floor GFA to PDR/Maker uses for five years in order to contribute to developing a cutting-edge and sustainable Maker industry that diversifies the District’s economy.

The Ward 5 Works Study calls for the Florida Avenue Market to be a creative hub. The project will support this goal by providing retail and PDR/Maker uses that will become part of the creative hub, as well as by providing housing, including affordable housing, for employees and customers of the creative hub.

The Ward 5 Works Study also focuses on projects that provide community amenities, particularly through projects with amenities that “improve the quality of life in the area and support local businesses and residents.” Accordingly, the project will provide significant community benefits, including larger (three bedroom) residential units, affordable housing, and LEED Gold design, employment and training opportunities, artwork, and others. Therefore, with such important community benefits, the project will improve the quality of life for residents, both of the project and of the overall area.

Further, the Ward 5 Works Study encourages the District to allow retail outlets within these industrial areas. The project will be consistent with this objective by incorporating significant ground floor retail that will create a vibrant, active streetscape at an entry point to the Florida Avenue Market. Some of these retail uses will also be PDR/Maker uses, so the project will contribute to the PDR economy in that regard.

**V. Public Benefits and Amenities Proffers**

a. Job training and readiness program

Based on a desire from the ANC SMD, the Applicant will partner with and provide funding for Jubilee Jobs to provide job readiness, training, and placement programs for ANC 5D residents. The program will have three basic components:

1. Job Readiness/Placement – Jubilee Jobs will host an orientation for ANC 5D residents at the ANC’s recently developed meeting space located at 1240 4<sup>th</sup> St NE. Attendees who wish to continue through the program will be invited to attend three workshops at Jubilee Jobs’ office, focused on career coaching, conflict resolution, and interviewing skills. The Applicant will contribute \$10,000 to Jubilee Jobs for this job readiness and placement program development and administration.
2. Job Training – The Applicant will contribute \$10,000 to Jubilee Jobs to establish and provide scholarships for ANC 5D residents to study construction trade related programs.
3. Access to Employment – The Applicant will contribute a total of \$10,000 to Jubilee Jobs for \$50 SmarTrip cards to be provided on a monthly basis to ANC 5D residents who find job placement through Jubilee Jobs.

b. First Source Agreement

The Applicant recently learned that DOES has affirmatively stated that it is no longer accepting voluntary First Source Agreements. Accordingly, the Applicant cannot make this commitment unless informed otherwise by DOES.

c. Continue working with the artist community to include a more substantive art-related proffer

The Applicant has refined its proffer of public art so that the artwork shall be visible from outside the building at the street level to further activate the streetscape and provide a greater public benefit.

d. Explore providing rooftop community gardens, such as Rooftop Roots

The Applicant studied whether providing a rooftop community garden would be possible on the project. The project’s non-interior courtyard roof will have conflicting uses due to

mechanical equipment, resident amenity space, and solar panels occupying nearly all of the available space. The green roof areas shown in the Plans will occupy the other rooftop areas that are not otherwise occupiable by humans due to not meeting minimum code requirements for parapets and accessibility, so they cannot accommodate a community garden for those reasons.

**VI. Miscellaneous**

a. Intent for Lot 3

Since filing this application, the Applicant subdivided Lot 3 into two new record lots. The PUD site in this application is now its own record lot (Lot 5) independent from the adjacent record lot to the east, so this application does not govern the lot to the east other than the PUD/Maker space set-aside, as described above in Section IV(d).

b. Deaf Space Design Principles

Deaf Space principles have been incorporated into the project's overall design, including the project's streetscape design and public space distribution, all of which are in accordance with the principles in the Union Market Streetscape Design Guidelines. Examples of these design decisions include the incorporation of wide sidewalks to facilitate safe and easy movement, increased lighting levels to promote visibility, textured paving in the sidewalk to cue users to the edge of the pedestrian area, and designs of seating areas to promote visual communication.

c. For-sale or rental residential units

All residential units will be rentals.

d. Access to building amenities and the interior design materials for affordable housing units

All residential building amenities, including interior facilities as well as exterior courtyards/rooftop amenities, will be open to all residents of the residential building. Interior finishes will not vary between market rate and affordable housing units.

e. Number of three-bedroom units reserved for affordable housing

The number of affordable three-bedroom units will be proportionate to the number market-rate three-bedroom units but not less than one affordable three-bedroom unit.

Based on the responses above, the Applicant requests that a public hearing be scheduled at the earliest opportunity.

Respectfully submitted,  
GOULSTON & STORRS, PC

\_\_\_\_\_/s/\_\_\_\_\_  
Cary Kadlecek