

Zoning Commission Order No. 10-03 and 10-03A
Request for Extension of Time
(Consolidated Planned Unit Development at Square 912, Lot 55)

Affidavit of Applicant in Support of One-Year Extension of Time

I, Gary D. Rappaport, being duly sworn, depose and state as follows:

1. I am Gary D. Rappaport, Managing Member of Parcel Seven Associates, LLC, which is the owner of Lot 55 in Square 912 (the "Property"). The Property is subject to Zoning Commission (Z.C.) Order No. 10-03, which granted consolidated PUD approval for the construction of a mixed-use development project composed of retail and residential uses on the Property. Pursuant to Z.C. Order No. 10-03A, the Zoning Commission granted a two-year time extension to the original order, such that a building permit application must be filed for the PUD no later than January 14, 2015, and construction of the PUD must begin no later than January 14, 2016.
2. The approved project has approximately 380,560 square feet of residential uses, comprised of 384 units (plus or minus 10%), approximately 51,420 square feet of retail uses, and 405 off-street parking spaces located in a below-grade garage. The project has a maximum density of 5.0 floor area ratio ("FAR") and a maximum building height of approximately 90 feet.
3. Since approval of Z.C. Order No. 10-03 and the extension granted pursuant to Z.C. Order No. 10-03A, we have worked diligently to move forward with development of the approved project. However, we are experiencing delay due to the continuation of retail leases for existing tenants on the Property, which prevent us from securing all required raze permits and commencing construction of the project prior to January 14, 2016. We are therefore unable to comply with the construction time limits set forth in Z.C. Order No. 10-03A.
4. Since 2012, we have worked diligently with the existing retailers currently in operation at the Property to either terminate or renegotiate their existing leases, and in some instances to provide relocation services in a manner feasible to all parties. As shown on Figure 1, as of the date of this affidavit, we have successfully renegotiated all but one lease, such

that 18 out of 19 tenants have vacated or will vacate the Property no later than December 31, 2015. In addition, although the lease for 7-Eleven does not expire until 2020, we have recently been able to reach a relocation agreement with 7-Eleven, such that it will have to remove its fixtures from the Property by December 31, 2015. However, given the time and process involved in addressing the retail leases, and given that several retailers will not vacate the Property until December 31, 2015, we are unable to obtain all required raze permits and begin construction by January 14, 2015.

Figure 1

Address	Tenant	Status
961 H Street, NE	Bank of America	Vacated Dec. 31, 2014
957 H Street, N.E.	7-Eleven	Lease expires in 2020. Applicant negotiated relocation agreement for 7-Eleven to move by December 31, 2015.
941 H Street, N.E.	Marvelous Pizza	Vacated Jan. 1, 2015
935 H Street, N.E.	Metro PCs	Lease concludes Dec. 31, 2015
929 H Street, N.E.	Dana Jewelry	Lease concludes Dec. 31, 2015
925 H Street, N.E.	Smile Cleaners	Vacated June 30, 2015
915 H Street, N.E.	Colbert Ball Tax Services	Vacated April 28, 2015
909 H Street, N.E.	ACE Cash Express	Vacated Sept. 30, 2015
905 H Street, N.E.	Samurai Training Academy	Vacated Sept. 30, 2015
901 H Street, N.E.	Styles	Vacated Sept. 30, 2015
843 H Street, N.E.	Ann's Nails	Vacated Nov. 30, 2014
841 H Street, N.E.	McDonalds	Vacated Jan. 30, 2015
827 H Street, N.E.	Rainbow	Vacated Oct. 31, 2014
819 H Street, N.E.	Chicken and Rice	Vacated March 6, 2015
817 H Street, N.E.	Gamestop	Tenant to vacate Dec. 31, 2015
815 H Street, N.E.	Subway	Vacated Sept. 30, 2015
807 H Street, N.E.	Rent-A-Center	Vacated Dec. 31, 2014
801A H Street, N.E.	Rite Aid	Tenant to vacate Dec. 31, 2015
800 H Street, N.E.	Zippy Furniture	Vacated February 4, 2015

5. In addition to working on leasing issues, we have also been diligently pursuing permits for the approved project. For example, we filed a raze permit application (Cap ID No. R1500147) and have been granted raze approvals from the following agencies:
 - a. DDOT on August, 7, 2015 (Exhibit A);
 - b. Rental Accommodation on August 11 and 18, 2015 (Exhibit B);

- c. Zoning Review on August 12, 2015 (Exhibit C); and
 - d. Historic Preservation on August 11, 2015 (Exhibit D); and
 - e. DC Water on October 23, 2015 (Exhibit E).
6. The issuance of the final raze permit cannot be obtained until the existing structures on the Property are entirely vacant, which is anticipated to occur by December 31, 2015. Once the structures are vacant, we will be able to commence additional required activities, such as removing all items and fixtures from the retail units and cutting off all utilities. Although we will be able to move quickly on these items, the regulatory process to obtain the final raze permit can take several months after the buildings are vacant, thus delaying our ability to demolish the existing structures and begin construction.
7. In addition, in the summer of 2014, we selected our residential development partner and architect, and commenced the full design process for the PUD. Construction drawings are currently 75% complete and were submitted for third party review on September 10, 2015.
8. On January 9, 2015, we successfully submitted a foundation-to-grade permit to DCRA (Tracking No. FD 1500034) (Exhibit F).
9. On August 5, 2015, we recorded the required PUD Covenant for the project as Instrument No. 2015079869 (Exhibit G).
10. We also executed a First Source Employment Agreement with the District's Department of Employment Services ("DOES").
11. We have also undertaken the following actions that are required to move forward with redevelopment of the Property:
 - a. Completed extensive environmental and geotechnical due diligence on September 22-24, 2014, and September 29 through October 10, 2014, respectively. The Geotechnical Engineering Study and the Environmental Subsurface Investigation are both attached as Exhibit H;
 - b. Submitted an initial service application to Washington Gas regarding utility distribution systems for the project on November 26, 2014. We submitted an updated application on November 11, 2015;

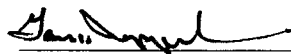
- c. Submitted an initial service application to Pepco regarding utility distribution systems for the project on February 17, 2015. We submitted an updated application on October 30, 2015;
- d. Conducted a PDRM with DDOT on April 4, 2015. Meeting minutes are attached as Exhibit I;
- e. Submitted water and sewer plans to DC Water on July 2, 2015 and October 28, 2015 (Tracking No. 15-270844);
- f. Submitted an application to DDOT for public space improvements for the project on September 15, 2015 (DDOT Tracking No. 116048);
- g. Submitted an Environmental Impact Screening Form (EISF # 15-00616) and received a No Further Action (“NFA”) letter from the Department of Energy and the Environment (“DOEE”) on September 17, 2015. The NFA letter is attached as Exhibit J;
- h. Engaged a general contractor, WCS Construction, LLC, via the issuance of an RFP for Support of Excavation and Dewatering scopes of work, on October 6, 2015;
- i. Met with ANC 6A on October 8, 2015, and received a unanimous vote in support (7-0) for the PUD extension requested herein. The ANC’s support letter is attached as Exhibit K;
- j. Received approved demolition plans from DC Water on October 16, 2015;
- k. Submitted a response to the initial set of comments from the third party reviewer on October 19 and 28, 2015 (Exhibit L);
- l. Awarded bids for support of excavation and dewatering via a Notice to Proceed sent to our general contractor, WCS Construction, LLC, on November 5, 2015;
- m. Engaged a general contractor, WCS Construction, LLC, on November 11, 2015, via the issuance of an RFP for demolition, environmental abatement associated with demolition, rodent abatement associated with demolition, excavation, wet utility installation, and site fencing;
- n. Presented a safety and security plan to ANC 6A on November 12, 2015, and committed to continually work with the community as security and safety issues evolve over the life of the project;
- o. Met with ANC 6A on November 12, 2015, and received a unanimous vote in support (6-0) for the project's proposed public space improvements (DDOT Tracking No. 116048). The ANC’s letter in support is attached as Exhibit M and

p. A DDOT Public Space Committee hearing has been preliminarily scheduled for December 17, 2015.

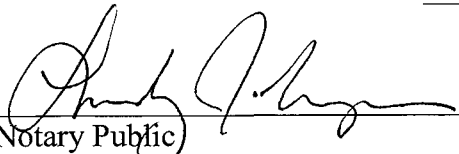
12. We are committed to moving forward with development of the PUD. To date, we have invested over \$2 million in the Property, including legal, architectural, engineering, and other consulting fees. There is no financial advantage to not redevelop the Property, and we have every incentive to develop the Property as soon as feasible.
13. We are also continuing to work with the existing tenants to ensure that the buildings on the Property are vacated quickly. All retail spaces will be vacated by December 31, 2015, and all additional requirements to clear out the premises and cut off utilities will be taken shortly thereafter. Any potential subsequent delay will be a result of the regulatory process, which can take up to a year before the issuance of a raze permit. In the meantime, we are working with our third-party reviewer to finalize all permit application documents. Once the raze permit is issued, we will be ready to begin demolition and construction. Accordingly, the requested one-year extension is necessary to provide sufficient time for us to continue pursuing these endeavors.

I solemnly affirm under the penalty of perjury that the contents of this Affidavit are true and correct to the best of my personal knowledge.

Parcel Seven Associates, LLC,
a District of Columbia limited liability company

By: 
Name: Gary D. Rappaport
Title: Managing Member

Sworn and subscribed to me this 5 day of DECEMBER, 2015.


Notary Public

My Commission Expires: 8.31.2018

