

Gateway Market and Residences



APPLICATION FOR REVIEW AND APPROVAL OF MODIFICATION OF A
CONSOLIDATED PLANNED UNIT DEVELOPMENT AND RELATED MAP MENDMENT

Lot 8 in Square 3587

April 18, 2013

DEVELOPMENT TEAM

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LIST OF EXHIBITS

Description	Exhibit
Architectural Drawings, Renderings, Sections, Streetscape Designs, Landscaping, Civil, and Other Plans	A
Application Form and Agent Authorization Letters	B
Order Nos. 06-40 and 06-40A	C
Plat Showing Property and Zoning	D
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Certificate of Notice and Notice of Intent to File	G
Property Owner List	H
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PREFACE

This statement is submitted by Gateway Market Center, Inc., in support of an application for the modification of Zoning Commission Order Nos. 06-40 and 06-40A, which involved the consolidated review and approval of a Planned Unit Development and Map Amendment for the property known as 340 Florida Avenue, NE (Lot 8 in Square 3587)¹ before the District of Columbia Zoning Commission. The property that is the subject of this application is vacant and is located in the Northeast quadrant of the District of Columbia between Morse Street, 4th Street, and Florida Avenue, NE. The related Map Amendment rezoned the site from the C-M-1 to the C-3-C Zone District.

The Applicant is requesting the modification of the approved PUD in order to create an exciting mixed use retail and residential project on the site that will provide a catalyst for future development of the 44 acre Florida Avenue Market (also known as the Capital City Market or Union Market) area consistent with the goals of the Florida Avenue Market Study – Small Area Plan and the DC Comprehensive Plan. In total, approximately 170 to 216 residential units (containing a range of approximately 149,800 to 155,900 square feet of residential space), with a significant affordable housing component, and approximately 27,500 square feet of retail, will be created as a result of this project. The Applicant is requesting the flexibility to include a hotel component of approximately 155,900 square feet in place of the residential component. The project will contain approximately 4.8 to 4.9 FAR and have a height of 80 feet, one (1) inch.

The Applicant is requesting the modification as a result of the changing real estate market in this area of the District and further study of the originally-approved plan. The approved PUD proposed a mixed use project with less residential and both office and retail components. The modified PUD eliminates the office component, increases the residential use, proposes a redesign of the retail and below-grade space, and shifts the construction type from concrete to wood frame over a concrete podium in order to respond to current and shifting market fundamentals. The result is a project that carries out the goals and purposes of the original PUD and provides a needed catalyst for redevelopment of this area of the District.

Submitted in support of this application for a modification are a completed PUD modification application form, a notice of intent to file a modification to an approved PUD (with property owner list and certification of mailing), architectural drawings, and a map depicting the zoning districts for the property and the surrounding area. As set forth below, this statement and the attached documents meet the filing requirements for a PUD modification application under Chapter 24 of the District of Columbia Zoning Regulations.

This application is being submitted simultaneously with an application to extend Zoning Commission Order Nos. 06-40 and 06-40A two years until the later of April 28, 2015, or two years after the effective date of the modification Order, if approved.

¹ Lots 5, 800, 802 and 809 in Square 3587 and Parcels 129/9 and 129/32 have been combined to create one record lot, Lot 8.

I. INTRODUCTION

A. Summary and Purposes of the Application

Gateway Market Center, Inc. (the “**Applicant**”), along with Gateway Realty (Edens), LLC (“**Developer**”)², hereby submits an application to the Zoning Commission of the District of Columbia (“**Commission**”) for the modification of the Planned Unit Development (“**PUD**”) application that was approved in Zoning Commission Case No. 06-40, and extended in Zoning Commission Case No. 06-40A (collectively, the “**Orders**”, copies of which are attached as Exhibit C).

The project site consists of Lot 8 in Square 3587 (the “**Property**”). The Property consists of approximately 38,452 square feet of land area and is currently vacant. The Property is located within the boundaries of Advisory Neighborhood Commission (“**ANC**”) 5D (formerly ANC 5B) and abuts the boundaries of ANC 6C. The Applicant also seeks to maintain the previously approved PUD-related Map Amendment to the C-3-C Zone District.

The Applicant wishes to modify Zoning Commission Order Nos. 06-40 and 06-40A primarily for two reasons: 1) to eliminate the office space in favor of residential (or hotel) uses in order to respond to the dynamics of the office, residential, and hospitality markets since the Order was issued by the Zoning Commission; and 2) to redesign the two story retail into one story retail. Together these changes will enable the project to finally proceed to construction and provide the needed catalyst for redevelopment of the 44 acre Florida Avenue Market over the next decade. The rationale for the modification to the previously-approved plan are described in great detail in the application submission for an extension to the Orders that is being submitted to the Commission simultaneously with this filing.

² The Applicant is an affiliate of the property owner, Sang Oh & Company, Inc. The Applicant, Sang Oh & Company, Inc., and Developer have formed a joint venture, Washington Gateway (SOE), LLC.

The Applicant is requesting the modification of the approved PUD in order to create an exciting mixed-use retail and residential (or hotel) project on the Property (the “**Project**”) that will be consistent with the goals of the Florida Avenue Market Study – Small Area Plan (“**Small Area Plan**”). In total, approximately 170 to 216 residential units (containing a range of approximately 149,800 to 155,900 square feet of residential space), with a significant affordable housing component, and approximately 27,500 square feet of retail, will be created as a result of the Project. The Applicant is requesting the flexibility to include a hotel component of approximately 155,900 square feet in place of the residential component. The Project will contain approximately 4.8 to 4.9 FAR and have a height of 80 feet, one (1) inch.

The proposed PUD modification proposes to include the same amenities in the approved PUD Project. Further, with the set-aside of 20% affordable units and the increase in size of the residential component of the Project, the amount of affordable residential space will increase from 26,847 gross square feet to 29,967 – 31,177 gross square feet.

Since the approval of the first extension of the Orders, the Applicant established a joint venture with the Developer in order to effectuate the development of the PUD. Developer’s parent company, Edens Realty, Inc. (“**Edens**”), recently restored and reopened the Union Market with much success. Over the past few months, the Applicant and Developer have held numerous meetings with stakeholders to discuss the future development of the Property. In fact, they have met with the Office of Planning and the District Department of Transportation on several occasions. Additionally, the Applicant and Developer have reached out to the ANCs, Council Members, the Office of the Deputy Mayor for Planning and Economic Development, and other community groups and neighbors to ensure the Project simultaneously achieves the goals of the District of Columbia, the community, and the Applicant.

B. Applicant and Developer

Applicant Gateway Market Center, Inc., is one of several corporations among the family business enterprises managed by Sang Oh Choi as President, CEO, and principal owner. Mr. Choi has been engaged in real estate development and the wholesale and retail produce business in the metropolitan Washington region for more than 20 years. Through leases and purchases of land from the DC Government in the 1980s, he financed and developed a substantial portion of the properties within the Florida Avenue Market and is now one of the largest Florida Avenue Market property owners. He developed, owns and manages the Sam Wang Produce wholesale and retail produce business in the Florida Avenue Market. In other real estate ventures, Mr. Choi has successfully developed a residential subdivision in suburban Maryland and the Virginia Golf Center and Academy in Clifton, Virginia.

Developer Gateway Realty (Edens), LLC is an affiliate of Edens. Edens develops, owns, and operates community-oriented shopping places in primary markets throughout the East Coast. Edens prides itself in introducing pioneering, innovative concepts, creating the right merchandise mix, delivering seamless construction projects, and maintaining ownership and management, and has done so on numerous projects up and down the East Coast for nearly 45 years. Edens has developed a strong national reputation through its commitment to enriching the communities it serves and its focus on building key relationships with neighbors, retailers and project partners. Two local examples of the Edens innovative and well-planned approach can be found at Union Market at 1309 5th Street, NE, and in Mosaic District at Lee Highway & Gallows Road in Merrifield, VA. Each local project has achieved great success and garnered accolades for Edens' vision and unique introduction of new retail concepts.

II. SITE AND AREA DESCRIPTION AND ZONING

A. Location and Current Use

As mentioned above, the Property consists of Lot 8 in Square 3587. The Property is located in the Northeast quadrant of the District of Columbia between Morse Street, 4th Street, and Florida Avenue, NE in the southwest portion of the Florida Avenue Market. It is less than 350 yards from the entrance to the NoMA-Gallaudet University Metrorail station. The Property consists of approximately 38,452 square feet of land area.

The PUD site is in Single-Member-District 5D01 of Advisory Neighborhood Commission 5D in Ward 5. It is in the Ivy City neighborhood, with Trinidad to the east and Eckington to the west. The site is currently vacant. Previously, the site was occupied by the vacant and boarded-up Washington Beef warehouses, a vacated Bank of America branch and a small “Ironworks” welding shop, all of which were demolished by the Applicant.

B. Surrounding Area

The Gateway project is within the Florida Avenue Market, a warehouse district whose history has been to accommodate the city’s food wholesalers. Today, the Market is a conglomeration of wholesalers and retailers of foodstuffs, dry goods, jewelry, tourist souvenir items, hair care products, and general merchandise. The Gallaudet University campus is north and east of the Market.

The Property and the Market are in Census Tract 88.03. Census 2010 data demonstrated the neighborhood’s need for more and better jobs. The poverty rate in this Census Tract was 32.9%, much higher than the District average of 18.5%. The average median income for a family in this Census Tract was \$42,000, well below the District average of \$70,883.

The area surrounding the PUD site is becoming the center of substantial commercial and residential development projects, some under construction, some awaiting zoning approval, and some in preliminary planning stages. The area south of the Property and the Market is the NoMA Business Improvement District which has seen a surge in development and investment to create a new live/work/shop community. Among the major recent and pending developments within a half-mile radius of the Property are: (i) the Bureau of Alcohol, Tobacco, Firearms & Explosives relocated approximately 1,100 employees to its new 438,000 square foot

headquarters building at New York and Florida Avenues, NE; (ii) MRP Realty is currently constructing 400 residential apartments as part of a larger development which will include roughly 1 million square feet of residential, retail, and office space at a maximum height of 130 feet on the triangular lot to the north and east of the intersection of Florida and New York Avenues; and (iii) an affiliate of Edens has redeveloped the Union Market located at 1309 5th Street, NE with a unique open market concept that has a local neighborhood, city, and regional draw.

The entire Florida Avenue Market area is zoned C-M-1. Northwest of the Market, across New York Avenue, property from the railroad right of way north to Rhode Island Avenue and east to Brentwood Road is zoned in the M District. Directly to the east of the Market, the Gallaudet campus and nearby residential properties are in the R-4 District. South of the Market, properties south of Florida Avenue to H Street, from the railroad tracks on the west to about 3rd Street on the east, are zoned in a mixture of C-M-1, C-M-3, C-2.-B, C-3-A, and C-3-B Districts. From 3rd Street moving east, most properties are zoned in the R-4 and R-5 Districts.

III. PROJECT DESCRIPTION

A. Previously Approved Project

The previously proposed project was approved by the Commission in 2008 pursuant to Order No. 06-40. The previously approved project included a retail/office/residential structure, named the “Gateway Market and Residences”. The design of the building consisted of three distinct elements: a two story retail market hall-inspired masonry base; a glass curtain wall office middle and a glass and metal panel residential and office tower above; and vertical embellishments at the corner of New York and Florida Avenues and at the ends of each residential wing. The project had a building area of 307,384 gross square feet (“GSF”), for an effective FAR of 7.7. The building included 134,237 square feet of residential use, 69,704 square feet of office use, 26,026 square feet of retail use, and 71,381 gross square feet for common, support, and circulation areas. The lot coverage was 93% and the maximum height of

the building was 119'-4" feet (10 stories on the Florida Avenue side, stepping down to 40 feet and four stories on the Morse Street side).

The Applicant could not, however, secure the financing or leasing commitments necessary to move forward with the originally approved project given the dire economic climate, poor building efficiency as a result of the mix of uses, and the unavailability of financing for office space on the site. The Applicant filed a request to extend the PUD with the Zoning Commission on April 8, 2011. The extension was granted by Case No. 06-40A and the Order was extended until April 23, 2013 pursuant to Order No. 06-40A. The Applicant is now concurrently requesting a second extension to the Orders along with this PUD modification request.

B. Proposed Project

The Applicant has modified the site plan, building uses and design of the PUD to create viable street retail and a more efficient and larger residential (or hotel) component. The office component of the Project has been removed to provide for a more efficient layout and a more financeable and marketable design of the building. Essentially, the Project has been right-sized for this location and will act as the ideal introductory development for the Florida Avenue Market Area revitalization. The Applicant is proposing to reduce the height (from 119 feet, four inches to 80 feet, one inch) and the density (from 7.7 to 4.8-4.9 FAR) of the building.

The proposed modification contains an exciting mixed use retail and residential project on the site that will provide a catalyst for future development of the vicinity. The new-look Gateway PUD is designed with a six story façade fronting on Florida Avenue and a six story façade facing Morse Street. The design is intended to present the structure as a cohesive whole,

with a residential (or hotel) component rising above a retail platform engaging pedestrians on all street frontages.

Flexibility

Due to the shifting real estate market in the vicinity of the Property, the Applicant is proposing two development schemes for the component above the retail: (i) a residential component ranging between 170 to 216 residential units (containing a range of approximately 149,800 to 155,900 square feet of residential space), with a significant onsite affordable housing component; or (ii) a hotel component of approximately 155,900 square feet in place of the residential component, with an off-site affordable housing component or contribution.

Retail

The Project will have a retail story of approximately 27,500 square feet, redesigned to provide a much more robust consumer street retail experience. The retail base is inspired by the active and energized streetscape approach that Edens has delivered successfully on other projects. The retail spaces are entered through the unique tenant storefronts that will ring the exterior of the building on the Florida Avenue, 4th Street, and Morse Street sides. The development team aimed to provide the maximum amount of retail space on the ground floor of the Project. The retail space is double the height of a typical story at grade, a result of the significant grade change between Florida Avenue and Morse Street. The retail level will have ample floor-to-floor height (27 foot and 16 foot, respectively) to accommodate multiple retail tenants. The building's retail base is primarily comprised of glass and metal, while underscoring the industrial/commercial feel of the Market.

The design of the ground floor provides the opportunity to accommodate an anchor tenant. The slope of 4th Street provides an opportunity for the anchor tenant to have significant

27 foot floor to ceiling heights. The retail located along 4th and Morse Streets is envisioned as an interactive zone that will be filled with smaller shops and restaurants, and include the energy created through sidewalk patios and seating. The ceiling clearance in such areas will be sixteen feet. Also located on the ground floor, the community room amenity is approximately 2,422 square feet, accessed from Morse Street (although it is possible to access it from 4th Street as well).

Applicant requests flexibility to design the retail facades in accordance with tenant and market requirements. Applicant submits its retail tenant guidelines as Exhibit J to govern the design of retail exteriors.

Residential/Hotel

The residential/hotel component is arranged with a U-shaped configuration with facades on all three street frontages. This arrangement provides an appropriate urban edge to the Project and allows the entrance to the Florida Avenue Market to be strongly enunciated, while providing the greatest number of units with spectacular views to the south and east. These facades surround an inviting, landscaped courtyard for the use of the residents. The three wings of the tower frame the outdoor courtyard over the retail space below. The residential/hotel component is comprised of five stories. Amenity space for the residential or hotel uses is located on the second floor. The residential or hotel unit mix will be apportioned as shown on page G-002 of the plans attached as Exhibit A submitted herewith.

For the residential (or hotel) component the materials are primarily comprised of metal, glass, and composite paneling with selected brick elements. The residential lobby is completely separated from the retail functions.

Outdoor Terrace

The outdoor terrace provides the “extended outdoor living” concept that the development team proposes to introduce into the site. The proposed courtyard is envisioned as a series of open rooms designed for different aspects of outdoor living, with particular attention to the enjoyment of food, given the project’s adjacency to Union Market. In addition to these specific issues, each space is also designed for maximum flexibility for varied programming and multiple uses throughout the year. Entering the courtyard from the amenity space in the building to the east, residents step off a deck into the outdoor living room. Moving west the living room connects to the dining room via an occupiable trellis walk. An outdoor kitchen and bar allows food and drink to be prepared and shared. A more casual experience of picnicking and relaxing is available on the tilted lawn with a wall available for potential projection of art and/or films. The courtyard will also allow for storm water mitigation since it will have a high degree of landscaping, including the sloped lawn.

Parking, Loading, and Access

Parking for 215 cars is provided on two underground levels, with approximately 108 spaces reserved for residential (or hotel) use and the remainder reserved for retail use (and possibly hotel function use). Parking on site is accessed from Florida Avenue, as far removed from the intersection with Fourth Street as practicable.

The location of the parking entrance is the result of several factors. Multiple retailers who have expressed interest in the retail space have indicated their requirement that the Florida Avenue frontage be utilized for the curb cut so that customers can more easily find their business. It is unlikely that such retailers would locate at the Property without such access. In addition, since the site has a significant slope, such entrance takes advantage of a lower

topographical point and greatly reduces the amount of ramping necessary and improves efficiency and functionality. The Applicant and Developer have met with DDOT regarding such access location. Further discussions will be required to finalize the location and operation of the access along Florida Avenue. The number of curb cuts at the Property will be reduced from the current five (5) curb cuts to two (2) as a result of the Project.

The loading dock is located off Morse Street, at the first floor level, so truck maneuvering will not adversely impact Florida Avenue or Fourth Street. Space for trucks, delivery vans, and loading docks are provided similar to that provided in the approved project.

Overview

The Building Area Tabulations and Zoning, Parking, and Loading Sheets included as pages G-002 and G-003 of the Plans provide a detailed overview of the proposed building and a comparison of the proposed Gateway structure and the requirements and restrictions of the C-3-C zoning. The following table illustrates the zoning parameters already approved for the Property under the Order and those proposed by the modification described herein:

	<u>As approved</u>	<u>As proposed by modification</u>	<u>Allowed by C-3-C PUD</u>
<u>Height</u>	119'-4"	80'-1	130
<u>Number of units</u>	116	170-216 (or 200 hotel units)	n/a
<u>FAR</u>	7.7	4.8-4.9	8.0
<u>Square footage</u>	307,384 square feet	183,712 – 189,763 square feet	307,616 square feet
<u>Lot occupancy</u>	93%	100%	100%
<u>Parking</u>	188 spaces	215 spaces	1 for each 4 dwelling units; 1 for each 750 SF of retail above 3,000
<u>Bike parking</u>	44 spaces	72 spaces	n/a
<u>Affordable housing</u>	26,847 square feet	29,967-31,177 square feet	n/a

C. Development Parameters Under Existing Zoning

The PUD guidelines for the C-3-C District allow a height of 130 feet and a maximum FAR of 8.0. The C-3-C District, as a matter-of-right, permits a maximum height of 90 feet, a maximum lot occupancy of 100%, and a FAR of 6.5.

D. Project Goals and Objectives and Benefits of Using PUD Process

The PUD process is the appropriate means for realizing this development because it provides the community and the District the tools to ensure that the Project is well-designed and best meets the needs of the community. It further allows the public to provide its input on whether the proposed uses, density, height and design are complementary to the existing community. The Property is a critical site in the District as it is the true gateway site to the Florida Avenue Market from the south and prominently located on Florida Avenue, near New

York Avenue, NE. It is appropriate that its development be a part of a community process and a public dialogue. The Applicant believes that through the PUD modification process, it will create a first class mixed-use development that enables residential or hotel uses to be constructed on the site along with community-anchoring retail which will begin to connect the Florida Avenue Market to NoMA. In all, the PUD process provides the framework for realizing the potential of this site.

E. Flexibility under the PUD Guidelines

Pursuant to Section 2405 of the Zoning Regulations, the Commission is authorized to grant flexibility from the parameters of the zoning requirements. The proposed development complies with the broad parameters of the C-3-C Zone District. However, the Applicant seeks flexibility from the following requirements:

Loading Relief: The Applicant was previously approved for variance relief from the loading requirements of 11 DCMR § 2201 to combine the loading area for all three prior uses. The Applicant will maintain this relief request. As shown on page G-003 of Exhibit A, while one 55 foot loading berth, three 30 foot loading berths, three 20 foot loading spaces, and 600 square feet of loading platforms would be required under the Regulations for the uses in the Project, the Project proposes to install one 55 foot loading berth, one 30 foot loading berth, and 400 square feet of loading platforms. Such proposed loading matches the loading provided in the approved plans and will be sufficient for the Project's operations.

Roof structure setbacks: As part of this modification, the Applicant is requesting a waiver of the setback requirements for rooftop structures from the exterior walls to allow the two stair towers to provide roof access. Such stair towers could be connected to create a compliant roof structure, but the Applicant believes that this would negatively affect the Project design.

F. Development Timeline

Development and permitting will begin as soon as a residential development partner is selected, which will be facilitated by the approval of the modification (and extension) request. Upon receipt of building permits, construction is expected to take approximately 18 to 24 months.

IV. THE APPLICATION MERITS APPROVAL PURSUANT TO THE PUD EVALUATION STANDARDS

The Zoning Regulations, at 11 DCMR § 2403.1 *et seq.*, set forth the evaluation standards for Commission approval of PUD applications and modifications to approved PUDs. The PUD must not have an unacceptable impact on the surrounding area and the operation of city services and facilities, it must not be inconsistent with the Comprehensive Plan and other adopted public policies and programs, and it must offer project amenities and other public benefits that are superior to what would likely be provided under matter-of-right development. The Project's impact on the surrounding area and city services and facilities is discussed below. Consistency with the Comprehensive Plan is addressed in Section V, and public benefits and project amenities are described in Section VI.

A. Project Impact On the Surrounding Area

The PUD Evaluation Standards, at 11 DCMR § 2403.3, state: "The impact of the project on the surrounding area and the operation of city services and facilities shall not be found to be unacceptable, but shall instead be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project."

The Applicant submits that the impact of the Project on the surrounding area will be favorable because it will: 1) bring much needed new market rate and affordable housing (or hotel rooms), retail, and jobs to the neighborhood, 2) provide community-anchoring retail to complement the wholesale retail in the neighborhood, 3) promote the goal of transit-oriented development, 4) enhance the aesthetic appeal of a major transportation crossroads, and 5) catalyze additional development within the market and surrounding area. Coupled alongside the success of Union Market, it will trigger the long-awaited renaissance of the Florida Avenue Market.

Moreover, the Project's proposed height and massing are consistent with current development projects in the area and with the District's planning goals for the future of this area of the District. Given the Project's position in the early stages of development within the Florida Avenue Market's redevelopment lifecycle, it must help create the submarket.

The Project will create 170-216 new housing units, or 200 hotel rooms, on property located less than 350 yards from the entrance to the NoMA-Gallaudet Metrorail station. The Property is within a half-mile radius of several high-density office, retail, and residential developments as discussed herein. These projects will bring into the area several thousand workers, many of whom may be in the market for nearby housing or need overnight accommodations and retail goods.

The Project's residential component will help to meet market rate and affordable housing needs for the area's new workers as well as current neighborhood residents seeking new housing opportunities.

The Project's retail component also will have a favorable impact by providing neighborhood serving retail amenities to an underserved neighborhood, and by creating new jobs in an area of the District with one of the highest unemployment rates. Specifically, the Project's retail component will bring a much-needed consumer serving retail amenities to an otherwise underserved market.

The Gateway Project will also improve the attractiveness of the principal entrance to the Florida Avenue Market - designated by the Office of Planning for substantial revitalization - by filling a vacant site with an aesthetically-appealing modern building and streetscape. The project contributes to the overall revitalization of the intersection at New York and Florida Avenues, the NoMA-Gallaudet Metrorail station, and the broader neighborhood's emergence as a major crossroads destination for hundreds of thousands of citizens and visitors annually.

B. Project Impact on City Services and Facilities

The proposed Project will not have an adverse impact on the public facilities that it will rely on for service.

i. Transportation and Parking

Due to the Property's proximity to the NoMA-Gallaudet Metrorail Station, as well as easy access to Metrobus services, the proposed development will be considered a transit-oriented development with high use of public transit. Based on the preliminary conclusions of the Applicant's traffic consultant, Wells & Associates (attached as Exhibit I), the Project will not create adverse traffic conditions. Wells & Associates will submit its full Traffic Impact Study in the Applicant's Pre-Hearing Submission and will continue to work with DDOT to refine the project's vehicular and pedestrian circulation plans.

The local area is fully served by pedestrian facilities, including sidewalks and crosswalks with pedestrian signals (countdown) at intersections. As part of the development, the sidewalks and streetscapes abutting the Property will be upgraded. The Property is also close to established bicycle routes notably the Metropolitan Branch Trail, which connects to the NoMA-Gallaudet Metrorail Station, the neighborhoods of NoMA and Capitol Hill, as well as Catholic University, Takoma Park and Silver Spring to the north. Bicycle usage by residents of the project has been integrated into the design of the Project. A significant amount of secure bike storage areas will be located in the garage and will support and encourage bicycle use.

The project provides 215 underground parking spaces, which satisfies the requirements of the Zoning Regulations. Residential parking will be provided at a ratio of 0.5 to 0.64 spaces per residential unit (or hotel parking will be provided at a ratio of 0.54) for a total of 108 spaces, and the remaining spaces will be designated to serve the retail component of the Project.

ii. Water/Sewer Demand

The water and sanitary service usage resulting from the Project will have an inconsequential effect on the District's delivery systems. The site is currently served by all major utilities. The Project's proposed storm water management and erosion control plans will minimize impact on the adjacent properties and existing storm water systems. The requisite

erosion control procedures stipulated by the District will be implemented during construction of the Project.

Further, as more specifically detailed in Section VII, no adverse environmental impact will result from the construction of this Project.

iii. Public Schools

Regarding the impact on the District of Columbia Public Schools (“DCPS”) system, the Project is within the boundaries of Wheatley Education Campus 1299 Neal Street NE; Browne Education Campus, 850 26th Street NE; and Dunbar Senior High School, 1301 New Jersey Avenue NW. The data shows that all of the Property’s neighborhood schools are below capacity. In addition, several other schools are in the general vicinity of the Project, offering schooling options to residents who may seek alternatives to the neighborhood public schools, including McKinley Technology High School located at 151 T Street NE, Two Rivers Public Charter School at 1227 4th St NE, J.O. Wilson Elementary School at 660 K Street NE, Hamilton Center at Hamilton School, 1401 Brentwood Parkway NE, Holy Name at 1217 West Virginia Avenue NE, Kendall Demonstration Elementary is located at 800 Florida Avenue NE, and Model Secondary School for the Deaf, also at 800 Florida Avenue NE.

In this neighborhood, as in the city as a whole, the population of school-age children is declining while the population of childless households is increasing. Due to these trends, the current under-enrollment of the neighborhood public schools, and the relatively convenient access to charter and private schools in the vicinity, we believe the city’s education network is well able to accommodate the school-age children that may reside at the Project.

V. THE APPLICATION IS “NOT INCONSISTENT WITH THE COMPREHENSIVE PLAN AND WITH OTHER PUBLIC ADOPTED POLICIES [...] RELATED TO THE SUBJECT SITE.” 11 DCMR § 2403.4.

A. Comprehensive Plan

The proposed PUD modification is not inconsistent with the Comprehensive Plan and meets numerous goals and policies enumerated in the Comprehensive Plan adopted in 2006 (the “Plan”).

The purposes of the Plan are to: (a) define the requirements and aspirations of District residents, and accordingly influence social, economic and physical development; (b) guide executive and legislative decisions and matters affecting the District and its citizens; (c) promote economic growth in jobs for District residents; (d) guide private and public development in order to achieve District and community goals; (e) maintain and enhance the natural and architectural assets of the District; and (f) assist in conservation, stabilization and improvement of each neighborhood and community in the District (DC Code Section 1-245(b)).

Generally, the Project advances these purposes by furthering the social and economic development of the District through the construction of new residential (or hotel) units on underutilized land, providing new retail destinations in a developing market where none existed previously, and upgrading the public space surrounding the Property.

1. Compliance with Citywide Elements

The Project serves the goals of several of the citywide elements of the Comprehensive Plan, as follows:

a. Generalized Land Use Map

The Generalized Land Use Map includes the Property in the High Density Residential Land and High Density Commercial Land Use Categories (along with Production, Distribution and Repair). Such designation supports the construction of a high-quality residential and retail project on a site that is currently vacant and highly underutilized.

The proposed Project, as modified at 4.8 – 4.9 FAR and at approximately 80 feet, one inch and C-3-C Zone District are consistent with the flexibility that the High Density Residential and High Density Commercial Land Use Categories provide for the Property.

b. Land Use Element

The Plan devotes a great deal of attention to the preeminence of transit-oriented development and the importance of mixed-use development on large sites. The Project is consistent with the following policies of the Land Use Element:

- **Policy LU-1.2.6: New Neighborhoods and the Urban Fabric** - On those large sites that are redeveloped as new neighborhoods, integrate new development into the fabric of the city to the greatest extent feasible. Incorporate extensions of the city street grid, public access and circulation improvements, new public open spaces, and building intensities and massing that complement adjacent developed areas. Such sites should not be developed as self-contained communities, isolated or gated from their surroundings. 305.11
- **Policy LU-1.3.1: Station Areas as Neighborhood Centers** - Encourage the development of Metro stations as anchors for economic and civic development in locations that currently lack adequate neighborhood shopping opportunities and employment. The establishment and growth of mixed use centers at Metrorail stations should be supported as a way to reduce automobile congestion, improve air quality, increase jobs, provide a range of retail goods and services, reduce reliance on the automobile, enhance neighborhood stability, create a stronger sense of place, provide civic gathering places, and capitalize on the development and public transportation opportunities which the stations provide. 306.10
- **Policy LU-1.3.2: Development Around Metrorail Stations** - Concentrate redevelopment efforts on those Metrorail station areas which offer the greatest opportunities for infill development and growth, particularly stations in areas with weak market demand, or with large amounts of vacant or poorly utilized land in the vicinity of the station entrance. Ensure that development above and around such stations emphasizes land uses and building forms which minimize the necessity of automobile use and maximize transit ridership while reflecting the design capacity of each station and respecting the character and needs of the surrounding areas. 306.11
- **Policy LU-1.3.3: Housing Around Metrorail Stations** – Recognize the opportunity to build senior housing and more affordable “starter” housing for first-time homebuyers adjacent to Metrorail stations, given the reduced necessity of auto ownership (and related reduction in household expenses) in such locations. 306.12
- **Policy LU-1.3.4: Design To Encourage Transit Use** – Require architectural and site planning improvements around Metrorail stations that support pedestrian and bicycle access to the stations and enhance the safety, comfort and convenience of passengers walking to the station or transferring to and from local buses. These improvements should include lighting, signage, landscaping, and security measures. Discourage the development of station areas with conventional suburban building forms, such as shopping centers surrounded by surface parking lots. 306.13
- **Policy LU-1.3.5: Edge Conditions Around Transit Stations** - Ensure that development adjacent to Metrorail stations is planned and designed to respect the character and integrity of adjacent neighborhoods. For stations that are located within

or close to low density areas, building heights should “step down” as needed to avoid dramatic contrasts in height and scale between the station area and nearby residential streets and yards. 306.14

- **Policy LU-1.3.6: Parking Near Metro Stations** - Encourage the creative management of parking around transit stations, ensuring that automobile needs are balanced with transit, pedestrian, and bicycle travel needs. New parking should generally be set behind or underneath buildings and geared toward short-term users rather than all-day commuters. 306.15
- **Policy LU-1.4.1: Infill Development** - Encourage infill development on vacant land within the city, particularly in areas where there are vacant lots that create “gaps” in the urban fabric and detract from the character of a commercial or residential street. Such development should complement the established character of the area and should not create sharp changes in the physical development pattern. 307.4
- **Policy LU-3.1.2: Redevelopment of Obsolete Industrial Uses** - Encourage the redevelopment of outmoded and non-productive industrial sites, such as vacant warehouses and open storage yards, with higher value production, distribution, and repair uses and other activities which support the core sectors of the District economy (federal government, hospitality, higher education, etc.). 314.7
- **Policy LU-3.1.4: Rezoning of Industrial Areas** - Allow the rezoning of industrial land for non-industrial purposes only when the land can no longer viably support industrial or PDR activities or is located such that industry cannot co-exist adequately with adjacent existing uses. Examples include land in the immediate vicinity of Metrorail stations, sites within historic districts, and small sites in the midst of stable residential neighborhoods. In the event such rezoning results in the displacement of active uses, assist these uses in relocating to designated PDR areas. 314.9

The Project will revitalize a vacant parcel of land at the south end of the Florida Avenue Market and make it accessible to the general public through a mixed-use project incorporating residential (or hotel) and retail uses. The Project also maximizes its location near a Metrorail Station to bolster the rationale for providing increased density on the site and it is designed to serve and promote the pedestrian. The Project is the quintessential infill development that will allow a “gap” in the urban fabric to be rectified and encourage other nearby gaps to be similarly developed. Perhaps most importantly, it will provide the essence of transit oriented development near the NoMA-Gallaudet Metrorail station, while complementing the established character of the area and not creating sharp changes in the physical development pattern.

The proposed density and envelope are supported by several provisions of the Land Use Element. The density of the project respects and protects the character and integrity of the adjacent neighborhood, in accordance with Policy LU-1.3.5: Edge Conditions Around Transit Stations and Policy LU-2.3.4: Transitional and Buffer Zone Districts.

c. Transportation Element

The proposed development is consistent with several Transportation Element policies:

- **Policy T-1.1.4: Transit-Oriented Development** - Support transit-oriented development by investing in pedestrian-oriented transportation improvements at or around transit stations, major bus corridors, and transfer points. 403.10
- **Policy T-1.2.1: Boulevard Improvements** - Continue to work across District agencies to implement coordinated transportation, economic development, and urban design improvements to the city's major boulevards. 404.6

The Plan strengthens the link between land use and transportation as new development occurs. As mentioned above, the Project is an ideal example of transit oriented development since it makes such a large investment at a site served by mass transit. The Project is strategically located near the Red Line's NoMA-Gallaudet Metrorail station, as well as along a major transportation and bus corridor. The Project's proximity to public transportation makes it a prime location for additional density and residential (or hotel) and retail uses. The Project design also encourages bicycling and walking with its substantial bike storage facilities and integration into the Florida Avenue streetscape. Altogether, the Project encourages modes of transportation by providing the infrastructure for walking, biking and various modes of public transportation.

d. Environmental Protection Element

The PUD promotes several policies of the Environmental Protection Element:

- **Policy E-1.1.1: Street Tree Planting and Maintenance** - Plant and maintain street trees in all parts of the city, particularly in areas where existing tree cover has been reduced over the last 30 years. Recognize the importance of trees in providing shade, reducing energy costs, improving air and water quality, providing urban habitat,

absorbing noise, and creating economic and aesthetic value in the District's neighborhoods. 603.4

- **Policy E-1.1.3: Landscaping** - Encourage the use of landscaping to beautify the city, enhance streets and public spaces, reduce storm water runoff, and create a stronger sense of character and identity. 603.7
- **Policy E-1.3.1: Preventing Erosion** - Ensure that public and private construction activities do not result in soil erosion or the creation of unstable soil conditions. Support the use of retaining walls and other "best management practices" that reduce erosion hazards. Erosion requirements should be implemented through building permit and plan reviews, and enforced through the permitting and regulatory processes. 605.2
- **Policy E-4.2.3: Control of Urban Runoff** - Continue to implement water pollution control and "best management practice" measures aimed at slowing urban runoff and reducing pollution, including the flow of sediment and nutrients into streams, rivers, and wetlands. 619.8

The Project incorporates significant public space landscaping that not only provides aesthetic benefits, but it provides environmental benefits as well, namely in the form of runoff reduction and storm water management. The Project includes a stormwater management program, which includes a landscaped green courtyard as well as a propriety filtering device, which will address stormwater in accordance with all environmental requirements. The Project also will implement an erosion and sediment control plan, in accordance with Page C-5.0 of Exhibit A that will assist in preventing soil erosion and the creation of unstable soil conditions.

e. Urban Design Element

The Project furthers several of the policies of the Urban Design Element:

- **Policy UD-1.4.1: Avenues/Boulevards and Urban Form** - Use Washington's major avenues/boulevards as a way to reinforce the form and identity of the city, connect its neighborhoods, and improve its aesthetic and visual character. Focus improvement efforts on avenues/boulevards in emerging neighborhoods, particularly those that provide important gateways or view corridors within the city. 906.6
- **Policy UD-2.1.3: Downtown Edges** - Establish and maintain scale and density transitions between Downtown and adjacent lower density neighborhoods. Use variations in height, massing, and architectural quality to ensure that the fine-grained pattern of adjacent neighborhoods is protected. 909.9
- **Policy UD-2.2.5: Creating Attractive Facades** - Create visual interest through well-designed building facades, storefront windows, and attractive signage and lighting. Avoid monolithic or box-like building forms, or long blank walls which detract from the human quality of the street. 910.12

- **Policy UD-2.2.7: Infill Development** - Regardless of neighborhood identity, avoid overpowering contrasts of scale, height and density as infill development occurs. 910.14
- **Policy UD-3.1.1: Improving Streetscape Design** - Improve the appearance and identity of the District's streets through the design of street lights, paved surfaces, landscaped areas, bus shelters, street "furniture", and adjacent building façades. 913.7
- **Policy UD-3.1.2: Management of Sidewalk Space** - Preserve the characteristically wide sidewalks of Washington's commercial districts. Sidewalk space should be managed in a way that promotes pedestrian safety, efficiency, comfort, and provides adequate space for tree boxes. Sidewalks should enhance the visual character of streets, with landscaping and buffer planting used to reduce the impacts of vehicle traffic. 913.8
- **Policy UD-3.1.3: Streetscape Design and Street Function** - Use variations in lighting and landscaping to highlight and clarify the function of different streets. The design features of streets should make the city's circulation system easier to navigate and understand for residents and visitors. 913.9
- **Policy UD-3.1.4: Street Lighting** - Provide street lighting that improves public safety while also contributing to neighborhood character and image. 913.10
- **Policy UD-3.1.6: Enhanced Streetwalls** - Promote a higher standard of storefront design and architectural detail along the District's commercial streets. Along walkable shopping streets, create street walls with relatively continuous facades built to the front lot line in order to provide a sense of enclosure and improve pedestrian comfort. 913.13
- **Policy UD-3.1.7: Improving the Street Environment** - Create attractive and interesting commercial streetscapes by promoting ground level retail and desirable street activities, making walking more comfortable and convenient, ensuring that sidewalks are wide enough to accommodate pedestrian traffic, minimizing curb cuts and driveways, and avoiding windowless facades and gaps in the street wall. 913.14

The Project design acknowledges and embraces the importance of the site location. The building design must relate to its location in the Florida Avenue Market and the history that entails along with the new vibrancy and commercial density of the immediately adjacent NoMA subdistrict. The PUD design successfully creates a sense of place for the development, while incorporating such nearby influences. As such, it successfully avoids overpowering contrasts of scale, height, and density with its surroundings and it creates an attractive, sensible edge to Downtown.

Further, the Project will implement enhanced streetwalls, as the Applicant will celebrate and accentuate the existence of the retail on the ground floor. Such design attempts to maximize

the storefront design and architectural details at the pedestrian level, encouraging pedestrians to interact with the Project at every step. The result will be an improved and attractive street environment that will foster pedestrian activity and neighborhood vitality.

f. Housing Element

The PUD is consistent with the following goal and policies of the Housing Element:

- **H-1.1 Expanding Housing Supply** - Expanding the housing supply is a key part of the District's vision to create successful neighborhoods. Along with improved transportation and shopping, better neighborhood schools and parks, preservation of historic resources, and improved design and identity, the production of housing is essential to the future of our neighborhoods. It is also a key to improving the city's fiscal health. The District will work to facilitate housing construction and rehabilitation through its planning, building, and housing programs, recognizing and responding to the needs of all segments of the community. The first step toward meeting this goal is to ensure that an adequate supply of appropriately zoned land is available to meet expected housing needs. 503.1
- **Policy H-1.1.1: Private Sector Support** - Encourage the private sector to provide new housing to meet the needs of present and future District residents at locations consistent with District land use policies and objectives. 503.2
- **Policy H-1.1.2: Production Incentives** - Provide suitable regulatory, tax, and financing incentives to meet housing production goals. These incentives should continue to include zoning regulations that permit greater building area for commercial projects that include housing than for commercial projects that do not include housing. 503.3
- **Policy H-1.1.4: Mixed Use Development** - Promote mixed use development, including housing, on commercially zoned land, particularly in neighborhood commercial centers and around appropriate Metrorail stations. 503.5
- **Policy H-1.2.1: Affordable Housing Production as a Civic Priority** - Establish the production of housing for low and moderate income households as a major civic priority, to be supported through public programs that stimulate affordable housing production and rehabilitation throughout the city. 504.8
- **Policy H-1.2.7: Density Bonuses for Affordable Housing** - Provide zoning incentives to developers proposing to build low- and moderate-income housing. Affordable housing shall be considered a public benefit for the purposes of granting density bonuses when new development is proposed. 504.14

The residential option will be a mixed use development close to Metrorail. By providing 170-216 new residential units in a neighborhood with a severe housing shortage, and by designating 20% of these units as affordable, the Project promotes Housing Element multi-unit residential development objectives. The Project creates housing on a property that is currently vacant. The Project is consistent with the Housing Element's encouragement of zoning incentive

for low and moderate income Housing. The residential building will be of a high quality design and will incorporate high quality materials. The provision of residential units at this site is significant given the Florida Avenue Market's history and the District of Columbia's objective of introducing new residents to the Florida Avenue Market community.

Alternatively, the hotel component will introduce new overnight guests to the Florida Market area, exposing out-of-town visitors to the character of the Market and bridging the divide between NoMa and the Florida Avenue Market. In the case the Applicant implements a hotel component in lieu of a residential component, Applicant shall provide an accommodation of 31,177 square feet of affordable housing either at an off-site development or via a payment in lieu to the District's Housing Production Trust Fund or other mechanism created in consultation with The District of Columbia.

g. Economic Development Element

The Project is consistent with the following Economic Development Element policies:

- **Policy ED-2.2.1: Expanding the Retail Sector** - Pursue a retail strategy that will allow the District to fully capitalize on the spending power of residents, workers and visitors, and that will meet the retail needs of underserved areas. 708.5
- **Policy ED-2.2.3: Neighborhood Shopping** - Create additional shopping opportunities in Washington's neighborhood commercial districts to better meet the demand for basic goods and services. Reuse of vacant buildings in these districts should be encouraged, along with appropriately-scaled retail infill development on vacant and underutilized sites. 708.7
- **Policy ED-2.2.6: Grocery Stores and Supermarkets** - Promote the development of new grocery stores and supermarkets, particularly in neighborhoods where residents currently travel long distances for food and other shopping services. Because such uses inherently require greater depth and lot area than is present in many commercial districts, adjustments to current zoning standards to accommodate these uses should be considered. 708.10
- **Policy ED-2.3.1: Growing the Hospitality Industry** - Develop an increasingly robust tourism and convention industry, which is underpinned by a broad base of arts, entertainment, restaurant, lodging, cultural and government amenities. Strive to increase: (a) the total number of visitors to Washington; (b) the number of visitors staying in the District (rather than in suburban hotels); and (c) longer visitor stays in Washington. Promote the District not only as the preferred base for exploring the city's attractions but also the preferred overnight base for visiting regional attractions. 709.5
- **Policy ED-2.3.4: Lodging and Accommodation** - Support the development of a diverse range of hotel types, serving travelers with varying needs, tastes, and budgets. New hotels should be encouraged both within Central Washington and in outlying

commercial areas of the city, particularly in areas which presently lack quality accommodation. 709.8

- **Policy ED-3.1.1: Neighborhood Commercial Vitality** - Promote the vitality and diversity of Washington's neighborhood commercial areas by retaining existing businesses, attracting new businesses, and improving the mix of goods and services available to residents. 713.5
- **Policy ED-3.1.2: Targeting Commercial Revitalization** - Continue to target government economic development programs to areas of greatest need, including older business areas and commercial centers that inadequately serve surrounding areas. Focus on those areas where the critical mass needed to sustain a viable neighborhood commercial center can be achieved. 713.6
- **Policy ED-4.2.11: Local Hiring Incentives** - Maintain requirements for resident job training and placement for projects built and/or operated with any form of public subsidy/loan, grant or other incentives. Promote incentives for similar training and hiring programs by the private sector. 717.19

The Project will greatly expand the retail sector in the Florida Avenue Market, and will allow the District to capitalize on the retail spending of residents, workers and visitors, particularly due to its proximity to Florida Avenue and New York Avenue. Combined with the resurgence of Union Market, the currently underserved area will be provided with a robust node of neighborhood-serving and destination retail. This will assist to create the critical mass necessary to implement the District's (and the neighborhood's) vision for the Florida Avenue Market.

Additionally, if the hotel option is implemented at the Project, Policy ED-2.3.1 will be achieved by allowing for the growth of a robust tourism and convention industry. Building a hotel in such a unique area would increase the total number of visitors to Washington, give tourists another attractive option to stay in the District (rather than the suburbs) and possibly promote longer stays in the District.

Further, the Project will implement local hiring incentives – both through the First-Source Agreement and its LSDBE Memorandum of Understanding – that will result in greater job training and opportunities for District residents and more contracting opportunities for District small businesses.

h. Community Services and Facilities

The Project is consistent with the following Community Services Element policies:

- **Policy CSF-1.1.1: Adequate Facilities** - Construct, rehabilitate, and maintain the facilities necessary for the efficient delivery of public services to current and future District residents. 1103.7
- **Policy CSF-1.1.7: Public Facilities and Economic Development** - Locate new public facilities to support economic development and neighborhood revitalization efforts. 1103.13
- **Policy CSF-4.1.1: Updated Police Facilities** - Provide updated and modern police facilities to meet the public safety needs of current and future District residents, businesses, workers, and visitors. 1103.14

As part of its amenities package, the Applicant will construct a 2,422 square foot multifunctional space reserved for community use, which will include such uses as a community room, an office for ANC 5D, and a Metropolitan Police Department workstation or other security/information services.

B. Upper North East Area Element

The Comprehensive Plan also contains ten area elements. The PUD Site is located in the “Upper North East” Area Element. The Project is consistent with the following policies of the Area Element:

- **Policy UNE-1.1.2: Compatible Infill** - Encourage compatible residential infill development throughout Upper Northeast neighborhoods, especially in Brentwood, Ivy City, and Trinidad, where numerous scattered vacant residentially-zoned properties exist. Such development should be consistent with the designations on the Future Land Use Map. New and rehabilitated housing in these areas should meet the needs of a diverse community that includes renters and owners; seniors, young adults, and families; and persons of low and very low income as well as those of moderate and higher incomes. 2408.3
- **Policy UNE-1.1.3: Metro Station Development** - Capitalize on the presence of the Metro stations at Rhode Island Avenue, Brookland/CUA, and Fort Totten, to provide new transit-oriented housing, community services, and jobs. New development around each of these three stations is strongly supported. The District will coordinate with WMATA to ensure that the design, density, and type of housing or other proposed development at these stations is compatible with surrounding neighborhoods; respects community concerns and feedback; serves a variety of household incomes; and mitigates impacts on parking, traffic, and public services. Development shall comply with other provisions of the Comprehensive Plan regarding the compatibility of new land uses with established development, the provision of appropriate open space, and mitigation of impacts on traffic, parking, and public services. 2408.4
- **Policy UNE-1.1.6: Neighborhood Shopping** - Improve neighborhood shopping areas throughout Upper Northeast. Continue to enhance 12th Street NE in Brookland

as a walkable neighborhood shopping street and encourage similar pedestrian-oriented retail development along Rhode Island Avenue, Bladensburg Road, South Dakota Avenue, West Virginia Avenue, Florida Avenue, and Benning Road. New pedestrian-oriented retail activity also should be encouraged around the area's Metro stations. 2408.7

- **Policy UNE-1.2.1: Streetscape Improvements** - Improve the visual quality of streets in Upper Northeast, especially along North Capitol Street, Rhode Island Avenue, Bladensburg Road, Eastern Avenue, Michigan Avenue, Maryland Avenue, Florida Avenue, and Benning Road. Landscaping, street tree planting, street lighting, and other improvements should make these streets more attractive community gateways. 2409.1
- **Policy UNE-1.2.5: Increasing Economic Opportunity** - Create new opportunities for small, local, and minority businesses within the Planning Area, and additional community equity investment opportunities as development takes place along New York Avenue, Bladensburg Road, Benning Road, and around the Metro stations. 2409.
- **Policy UNE-2.1.2: Capital City Market** - Redevelop the Capital City Market into a regional destination that may include residential, dining, entertainment, office, hotel, and wholesale food uses. The wholesale market and the adjacent DC Farmers Market are important but undervalued amenities that should be preserved, upgraded, and more effectively marketed. 2411.6
- **Policy UNE-2.1.4: Northeast Gateway Urban Design Improvements** - Improve the image and appearance of the Northeast Gateway area by creating landscaped gateways into the community, creating new parks and open spaces, upgrading key streets as specified in the Northeast Gateway Revitalization Strategy, and improving conditions for pedestrians along Florida Avenue and other neighborhood streets. 2411.8
- **Action UNE-2.1.A: Capital City Market** - Develop and implement plans for the revitalization and development of the Capital City Market into a mixed use residential and commercial destination. Redevelopment plans for the site shall be achieved through a collaborative process that involves the landowners and tenants, the project developers, the District government, and the community. 2411.9

As mentioned above, the Project will provide an ideal infill project on a site that is adjacent to the NoMA-Gallaudet Metrorail station and a four bus lines. By bridging the Market area's divide across Florida Avenue to the NoMA neighborhood to the south, the Project will greatly improve the image and aesthetics of the Florida Avenue Market area, along with upgrading the conditions for pedestrians along Florida Avenue.

In a similar vein, the Project density and envelope achieve two elements of the Upper Northeast Area Element - Policy UNE-1.1.2: Compatible Infill and Policy UNE-1.1.3: Metro

Station Development – since the Project is residential infill and its density specifically is compatible with surrounding neighborhoods. The Project’s proposed envelope also still achieves Policy UNE-1.1.8: Untapped Economic Development Potential since it realizes the significant potential of the area’s commercially and industrially-zoned lands to generate jobs, provide new shopping opportunities, and promote the vitality and economic well-being of the Upper Northeast community.

Similarly, the Project is in accordance with action UNE-2.1.A which aims to redevelop the Florida Avenue Market with a mixed use residential and commercial destination. The redevelopment plan is desired to involve stakeholders including landowners, developers, the District government, and local community. Such “all hands” approach has certainly been pursued here over the past several years. The development team will continue to involve all such parties throughout the design and construction phases.

B. The Application Promotes the Objectives of the Small Area Plan

The Project is also in accordance with the Small Area Plan. The Small Area Plan envisions the Property as being the southern edge and gateway to the Florida Avenue Market. The design of the Project allows the Property to function in that role – both being the pioneering larger development in the area and introducing the NoMA subdistrict and pedestrians from the Metrorail station to the new energy and direction of the Market.

The density and size of the Project is also in accordance with the Small Area Plan. Specifically, on Page 53 of the Small Area Plan, in the “Putting the Vision to Work” section, the Small Area Plan notes that the character of the neighborhood is established by “a mix of densities ranging from moderate to medium to high density, designed in such a way to be integrated into surrounding development and community fabric.” On Page 55 of the Small Area

Plan, the Small Area Plan notes that “development in all sub-areas should contain a variety of building heights.” The Project will allow for the Florida Avenue Market area to meet NoMA with a unique density befitting its lower scale eclectic mixture structures and uses, while transitioning to the high density, large scale projects located in NoMA. The Project is also in accordance with similar building envelopes and densities approved in the vicinity, such as the 4.09 FAR building approved at 501 New York Avenue, NE by Z.C. Case No. 11-25.

The Project also implements the guidelines of the Small Area Plan to construct and enhance the streetscape on Florida Avenue. The Project will deliver completely updated sidewalk and planting areas on all street frontages and match the Small Area Plan’s guidelines to the maximum extent possible.

In addition, the Small Area Plan supports the way that the Project has been designed to relate to the Florida Avenue Market. For example, the Small Area Plan provides planning guidance that supports the removal of the curb cut from Morse Street (and Fourth Street) to a street more conducive to the location of a curb cut. The Applicant believes such conducive location to be on Florida Avenue. The Small Area Plan discusses maintaining and encouraging Morse Street as a main street retail setting. As noted on Page 64 of the Small Area Plan, a high volume of pedestrians already pass through Morse Street daily. Page 39 of the Small Area Plan demonstrates the vehicular conflicts already extant on Morse Street. Similarly, the Small Area Plan notes the high number of pedestrians on Fourth Street, NE. Therefore, the introduction of additional avoidable traffic onto these streets could lead to unnecessary vehicular and pedestrian conflicts and needlessly stifle the pedestrian usage of Morse Street (and Fourth Street).

VI. THE APPLICATION PROVIDES SUPERIOR PUBLIC BENEFITS AND PROJECT AMENITIES

The PUD Evaluation Standards, at 11 DCMR §§ 2403.5-2403.7, require the Commission to “evaluate the specific public benefits and project amenities of the proposed Development.” That Section continues:

Public benefits are superior features of a proposed PUD that benefit the surrounding neighborhood or the public in general to a significantly greater extent than would likely result from development of the site under the matter-of-right provisions of this title. A project amenity is one type of public benefit, specifically a functional or aesthetic feature of the proposed development that adds to the attractiveness, convenience, or comfort of the project for occupants and immediate neighbors.

Working with the District and the ANC, the Applicant has developed a comprehensive package of public benefits and project amenities.

A. Review of Project under Section 2403.9

The PUD Evaluation Standards, at Section 2403.10, provide that “a project may qualify for approval by being particularly strong in only one or a few” of the public benefits and project amenities listed in Section 2403.9, “but must be acceptable in all proffered categories and superior in many.” We submit that the Project provides superior public benefits in these categories. Our proffers are in the following categories:

1. Housing and affordable housing (§ 2403.9(f))

Pursuant to Section 2403.9(f) of the Zoning Regulations, the PUD guidelines state that the production of housing is a public benefit that the PUD process is designed to encourage. The residential component of this Project, if implemented, will create approximately 170-216 new residential units in the Florida Avenue Market neighborhood. In addition, the Project will result in the creation of approximately 29,967-31,177 gross square feet of affordable housing at 80% of the Area Median Income (AMI). This amount represents 20% of the density and is the same percentage of total residential square footage as that previously approved. However, it is a significantly greater total square footage of affordable housing than the 26,847 gross square feet

of affordable housing approved in Zoning Commission Order No. 06-40. If the hotel component of this Project is implemented, the Applicant will either construct off-site or financially assist an amount of affordable space equivalent to 31,177 gross square feet of affordable housing.

The affordable housing units will be guaranteed by covenant and be dispersed throughout the residential portion of the Project. As committed to previously, the Applicant proposes to list the affordable units for inclusion in the District of Columbia's Department of Housing and Community Development's (DHCD) Affordable Housing locator service – DCHousingSearch.org. In accordance with DHCD's standard practice, DHCD will pre-screen applicants to determine their eligibility based on applicable income limits, creditworthiness, and other criteria established by DHCD at the time of the offering.

The site's proximity to the NoMA-Gallaudet Metrorail station, its stunning views of the Capitol and the National Mall, and its ready access to retail services and public facilities make it a highly desirable residential location for those of all income levels. Metrorail accessibility makes the site especially suitable for a major affordable housing commitment, reducing transportation costs for those on limited budgets. Given the current strong interest in the production of affordable housing in the District of Columbia and the current shortage of quality housing in the Florida Avenue Market neighborhood, this is a significant amenity.

2. Urban design, architecture and landscaping (§ 2403.9(a))

Section 2403.9(a) lists urban design, architecture, and landscaping as categories of public benefits and project amenities for a PUD. As shown in the detailed plans, elevations, and renderings included in Exhibit A, the Project exhibits the characteristics of exemplary urban design, architecture, and landscaping. The Project provides a superior urban design response that

fully responds to the site location and topography, efficiently integrating a variety of uses of direct interest to the community.

The design creates a sense of scale and visual interest, incorporating elements from the Market's industrial past, while tying it to an exciting and reenergized future. The building as a whole employs traditional, time-tested materials in new and modern ways in a design that is aesthetically enduring and which adds to the fine urban texture of the District. The design is also fully responsive to the environment of the Florida Avenue Market, providing a defining urban edge to both Florida Avenue and Fourth Street to help define the primary Market entrance. This design tells a story directly related to, and thus reinforcing, the character of its immediate surroundings.

At present, the site is bare of an attractive streetscape or sense of place. The Project proposes a dramatic change to the existing streetscape. As described, the Project will implement elements of the Small Area Plan's guidelines for public streetscapes along Florida Avenue, Fourth Street, and Morse Street. As a result, the Project will be a key connector of the Florida Avenue corridor to the NoMA-Gallaudet Metrorail station and will implement the Small Area Plan's aspirations for the streetscape. Updated sidewalks will replace nonexistent or broken sidewalks; trees and plantings will provide shade and soften the street edge, and benches and receptacles will create a pleasant pedestrian environment. The Applicant's streetscape beautification plan for the proposed Project will make a significant contribution to the overall appearance of the development and its appeal to residents and visitors. Through the use of a variety of sidewalk materials, landscape and lighting elements, and site furnishings, the Applicant is offering to create an atmosphere that encourages pedestrian circulation. The streetscape even extends onto the Applicant's property and the overhead architectural features

allow for further protection of visitors and residents by providing shelter from inclement weather.

Finally, extra-height retail space, with glass storefronts are a project amenity benefiting shoppers and passersby, along with the retail tenants. Rather than trying to install another interstitial floor along this street frontage, the Applicant is proposing dramatic, 27 foot high ceilings in the ground floor retail space fronting on Florida Avenue. Such height is significantly greater than the prior approved project's retail clearance height of 17'0". On the Morse Street side of the Project, the clearance in the retail spaces will be 16'0", which is approximately 4'0" higher than typical retail height in the District. This feature is not often found in the District due to the city's height limits, but is common in cities without such restrictions.

Extra-height floor-to-ceiling glass storefronts enhance interior natural light and present an inviting exterior face to passers-by during the day and a sidewalk illumination source at night. This approach also provides a retail marketing asset by offering tenants the flexibility to design unique and aesthetically-appealing showcases for consumer goods.

3. Site planning, and efficient and economical land utilization (§ 2403.9(b))

Pursuant to Section 2403.9(b) of the Zoning Regulations, "Site planning, and efficient and economical land utilization" are public benefits and project amenities to be evaluated by the Zoning Commission.

The Gateway PUD reflects creative design and engineering, and careful use of height and density, to accommodate residential and retail uses on a relatively small plot of land with significant grade changes. Overcoming the challenges of a difficult slope, the Applicant's development team succeeded in providing both underground parking as well as retail space that will be experienced as one continuous platform to pedestrians. Further, the design leverages the

slope of the site to allow for the ground floor retail facing Florida Avenue to achieve a dramatic ceiling height of 27 feet. The Applicant team was also able to design pedestrian and vehicular entrances that keep residential and commercial traffic safely separate from each other. Perhaps most importantly, the Project will introduce a significant amount of community-anchoring retail space to an area that is currently underserved.

The Project has been designed to provide residents and their guests with open and inviting spaces for entertainment, recreation, and relaxation, including the large outdoor landscaped amenity space.

4. Social services/facilities (§ 2403.9(g))

According to Section 2403.9(g), "social services/facilities" are deemed to be public benefits and project amenities. The Project includes a substantial multifunctional community room of 2,422 square feet which can be used as an ANC office and meeting space, and a Metropolitan Police Work Station, or other security/information services. The space will be provided to the community without charge in perpetuity.

5. Environmental benefits (§ 2403.9(h))

According to Section 2403.9(h), "environmental benefits such as [...] stormwater runoff controls in excess of those required by the Stormwater Management Regulations; use of natural design techniques that store, infiltrate, evaporate, treat and detain runoff in close proximity to where the runoff is generated, and preservation of open space or trees" are deemed to be public benefits and project amenities. Although not required to do so, as described on page G-108 of Exhibit A, the Project will achieve 29 LEED points, 5 more than previously provided by the Order.

The Project includes storm water management facilities that will control runoff generated by the site. The Project will further reduce runoff through its landscaped courtyard, and Applicant shall maximize the landscaping in the public space to the extent possible (while still remaining in compliance with the Small Area Plan). Additionally, courtyard and streetscape plantings will extract a significant amount of airborne pollutants. They also trap some airborne particulates such as solid metals, dust, pollen, etc., and improve the air quality by reducing the amount of ozone and carbon dioxide.

6. Uses of special value to the neighborhood or the District of Columbia as a whole (§ 2403.9(i))

According to Section 2403.9(i), "uses of special value to the neighborhood or the District of Columbia as a whole" are deemed to be public benefits and project amenities. The addition of approximately 170 to 216 new households will result in the generation of significant additional tax revenues in the form of property, income, sales, use, and employment taxes for the District. If the Project incorporates a 200 room hotel onto the site, it will generate a great deal of additional hotel and franchise taxes that will bring additional revenue to the District, even more jobs, and tourists to this often overlooked area of the District.

The provision of a 27 foot clear ground floor retail space on Florida Avenue will also be a use of special place-making value to the Florida Avenue Market area. The retail space in total will drive a significant amount of income and sales taxes for the District as well in addition to new retail jobs.

7. Effective and safe vehicular and pedestrian access, transportation management measures, connections to public transit service, and other measures to mitigate adverse traffic impacts (§ 2403.9(c))

The Zoning Regulations, pursuant to Section 2403.9(c), state that "effective and safe vehicular and pedestrian access, transportation management measures, connections to public

transit service, and other measures to mitigate adverse traffic impact" can be considered public benefits and project amenities of a project.

The proposed Project will provide a below-grade parking garage with approximately 215 parking spaces. This vehicular entrance and exit will be accessed from Florida Avenue, while the loading for the building will be accessed from Morse Street, NE. Such bifurcation of vehicular traffic will allow for the reduction in vehicular conflicts. These vehicular entry points are also well-removed from any pedestrian access points in the Project. Locating the loading dock on Morse Street removes truck sidewalk crossings and maneuvering from both Florida Avenue and Fourth Street. By locating the parking entrance as far as practicable from Fourth Street the impact of turning or queuing is mitigated.

The main lobby for the residential or hotel component, which will be for pedestrian access, will be constructed on Fourth Street, NE. The Project will contain retail space on Florida Avenue, Fourth Street, and Morse Street to maximize the amount of storefront. Separate and distinct entrances/exits for vehicles and pedestrians will mitigate any potential pedestrian and vehicular conflicts.

As described above, the Project is appropriately located within two blocks of the NoMA-Gallaudet Metrorail Station and will provide potential new riders for the Metrorail system at this location. Second, its proximity to Metrorail, Downtown, and the Central Employment Area help to reduce dependence on the private personal vehicles and allow residents to experience a live/work urban environment.

The Project will incorporate a traffic management plan in and around the PUD site to properly manage the traffic flow in the area.

8. Employment and training opportunities (§ 2403.9(e))

According to Section 2403.9(e), "employment and training opportunities" are representative public benefits and project amenities.

The Applicant and the D.C. Department of Employment Services ("**DOES**") executed a First-Source Employment Agreement on August 2, 2002 in conjunction with the Applicant's purchase of the five District-owned properties that are now part of the PUD site, to promote and encourage the hiring of District of Columbia residents. Thus, the Applicant has joined the District in its stated policy of encouraging the hiring of District residents. A copy of the executed agreement was included with the original application as Exhibit 16. The Applicant and DOES also executed a revised First-Source Employment Agreement, which was submitted into the record as Exhibit 55, to reflect the expanded scope of the Gateway project.

The Applicant also entered into an LSDBE Memorandum of Understanding ("**LSDBE MOU**") with the D.C. Office of Local Business Development (now the D.C. Department of Small and Local Business Development) on September 9, 2004 to specify contracting goals for small, local businesses in conjunction with the Applicant's purchase of the District-owned properties. A copy of the executed LSDBE MOU was included with the original application as Exhibit 17. The Applicant and the D.C. Department of Small and Local Business Development also executed a revised LSDBE MOU.

9. Comprehensive Plan (§ 2403.9(j))

According to Section 2403.9(j), public benefits and project amenities include "other ways in which the proposed planned unit development substantially advances the major themes and other policies and objectives of any of the elements of the Comprehensive Plan." As described

in greater detail in Section V, the Project is consistent with and furthers many elements and goals of the Comprehensive Plan.

B. Public Benefits of the Project

Section 2403.12 and 2403.13 require the Applicant to show how the public benefits offered are superior in quality and quantity to typical development of the type proposed. The Applicant has addressed this issue in the text of the statement. It is only as a result of the additional density provided through the PUD process that the Applicant is able to construct such a well-designed project. The architectural detailing of the proposed building, the affordable housing, and the large retail spaces provided in this Project set it apart from a matter-of-right project.

VII. ENVIRONMENTAL ANALYSIS FOR SECOND STAGE APPLICATION

A. Water Demand

The Project will contain approximately 186,400 – 192,500 square feet of development and the average daily demand for water is estimated to be approximately 70,500 gallons per day. This demand can be met by the existing District water system. The proposed connection for fire water supply will be made within the existing distribution system and will be coordinated with DC Water.

B. Sanitary Sewer Demand

The average daily demand on the sanitary sewer system for the Project is estimated to be approximately 63,400 gallons per day. The proposed connection for the sanitary sewer line will be made with the existing distribution system and will be coordinated with DC Water.

C. Stormwater Management

The Project will accommodate its storm water run-off with a stormwater management system in compliance with standards set by the Department of Health. The proposed systems

will be designed, constructed, and maintained in accordance with standards set by the Department of Health.

D. Solid Waste Services

Solid waste will be collected by the District of Columbia from covered receptacles for appropriate disposal.

E. Electrical Service

Electricity for the Project will be provided by the Potomac Electric Power Company in accordance with its general terms and conditions of service. All electrical systems will be designed to comply with the District of Columbia Energy Code.

F. Energy Consumption

The Project will be constructed in full compliance with Article 24 (Energy Conservation) of the District of Columbia Building Code. Conformance to code standards will minimize the amounts of energy needed for the heat, ventilation, hot water, electrical distribution and lighting systems contained in the buildings. Indeed, the Applicant is incorporating Energy Star rated appliances, energy efficient lighting, and low VOC paints and adhesives into the residential units.

G. Erosion Control

During excavation and construction, erosion on the project site will be controlled in accordance with District of Columbia law.

VIII. COMMUNITY OUTREACH

Since this development has its roots in DHCD's Washington Beef Properties RFP in 2002, which required community participation, the development team has worked closely with ANC 5D since that time and throughout the Gateway planning process. ANC 5D has supported the project from its inception and has contributed many valuable recommendations that the

Applicant has incorporated in the Gateway PUD application. In addition, ANC 6C has become a party to the case and submitted a letter supporting the original application, as it was amended.

During the team's continued meetings with the local community, the responses of the community groups, including the ANCs, underscore the Ward 5 Community's desire to see mixed-use developments near the NoMA-Gallaudet Metrorail Station, particularly with robust ground floor retail elements.

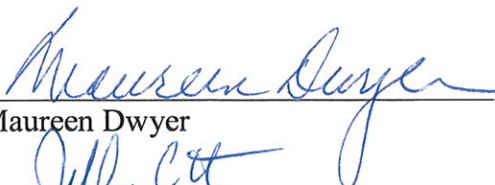
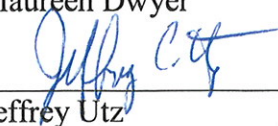
As discussed above, the Project's mixed-use development is consistent with objectives and policies that the Comprehensive Plan identifies for this part of the District of Columbia.

IX. CONCLUSION

The Applicant submits that the modification to the Project complies with the requirements of Chapter 24 and related provisions of the Zoning Regulations applicable to Zoning Commission review and approval of Consolidated PUD and Related Map Amendment applications; complies with the 1910 Height of Buildings; is consistent with the Comprehensive Plan and other adopted public policies and active programs related to the subject site; will provide significant public benefits that would not be provided by matter-of-right development; and will enhance the health, welfare, safety, and convenience of the citizens of the District of Columbia. Further, it is a much-needed modification to the prior-approved project which enhances the building's efficiency, removes the office component, and creates a more realistic design and building envelope for this particular parcel.

For the foregoing reasons, the Applicant submits that the modification to the Consolidated PUD and Related Map Amendment applications should be set down for a hearing by the Zoning Commission at its earliest convenience.

Respectfully submitted,

By: 
Maureen Dwyer
By: 
Jeffrey Utz