

1309-1329 5th Street, NE



APPLICATION FOR REVIEW AND APPROVAL OF A CONSOLIDATED AND FIRST
STAGE PLANNED UNIT DEVELOPMENT AND RELATED MAP AMENDMENT

July 9, 2014

DEVELOPMENT TEAM

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LIST OF EXHIBITS

Description	Exhibit
Architectural Drawings, Elevations, Renderings, Sections, Streetscape Designs, Landscaping, Civil, Pictures of Property and Surrounding Area, Site Plans, Maps, and Other Plans	A
Application Forms and Agent Authorization Letter	B
Sanborn and Baist Plats and Zoning Map with Property Highlighted in Red	C
Excerpts of Comprehensive Plan Future Land Use Map and Generalized Policy Map	D
Certificate of Compliance with Chapter 24	E
Certificate of Notice and Notice of Intent to File	F
Property Owner List	G
Building Plat	H
Selected Pages of the Florida Avenue Market Small Area Plan	I

PREFACE

This statement is submitted by EAJ 1309 5th Street LLC in support of an application for the review and approval of a consolidated and first stage Planned Unit Development and Map Amendment for the property known as 1309-1329 5th Street NE (Lot 800 in Square 3591) before the District of Columbia Zoning Commission. The property that is the subject of this application is in the Northeast quadrant of the District of Columbia between 5th and 6th Streets, north of Morse Street, NE. The related Map Amendment proposes to rezone the site from the C-M-1 Zone District to the C-3-C Zone District.

The Applicant is requesting approval of this PUD in order to create an exciting, vibrant, and unique mixed-use project on the site that will include retail, theater, office, and/or residential uses and provide an essential early step in the revitalization of the 45 acre Florida Avenue Market area (also known as, and referred to herein as, “**Union Market**”) consistent with the goals of the Florida Avenue Market Study Small Area Plan and the Comprehensive Plan of the District of Columbia.

The project is comprised of two buildings on the lot that will be constructed in two phases. In total, up to approximately 541,400 gross square feet, or an FAR of up to approximately 6.30, is proposed for the project.

The Applicant is requesting consolidated PUD approval for the building located on the south portion of the property, which will be the first phase of the project. Such structure will be built above The Market building at Union Market, an existing approximately 55,600 gross square foot, two-story building that was renovated and reopened by the Applicant in 2012 after the interior of the building was destroyed by a fire in October 2011. The next evolution of this property, per the current PUD proposal, is to construct an approximately 38,000 to 42,000 gross square foot theater above the existing Market building, and an approximately 104,000 to 112,000 gross square foot, four-story office component atop the theater.

The Applicant is requesting first stage PUD approval for the building located on the north portion of the property, which will be the second phase of the project. Such structure will include between approximately 25,000 to 35,000 gross square feet of retail use and approximately 260,000 to 290,000 gross square feet of office or residential use. This structure will contain parking below grade accommodating approximately 300 to 475 parking spaces.

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

I. INTRODUCTION

A. Background and Purposes of Application

EAJ 1309 5th Street LLC (the “**Applicant**”) hereby submits an application to the Zoning Commission of the District of Columbia (“**Commission**”) for the review and approval of a consolidated and first stage Planned Unit Development (“**PUD**”) and a related Zoning Map amendment from the C-M-1 Zone District to the C-3-C Zone District.

The project site consists of Lot 800 in Square 3591 (the “**Property**”). The Property consists of approximately 85,820 square feet of land area and is currently improved with two structures – the unique, artisanal market and event space known as The Market at Union Market (“**The Market**”) in the existing south building (“**Existing South Structure**”) and the warehouse and distribution facility in the existing north building (“**Existing North Structure**”). The Property is located within the boundaries of Advisory Neighborhood Commission (“**ANC**”) 5D01. The Property is presently zoned C-M-1.

The Applicant is seeking approval of the PUD and Zoning Map amendment in order to build upon the retail of The Market to create a vibrant, mixed-use retail, office, and/or residential project on the Property (the “**Project**”) as shown on the plans attached hereto as Exhibit A (the “**Plans**”). The planned development is consistent with the goals of the Florida Avenue Market Study Small Area Plan (“**Small Area Plan**”) and the Comprehensive Plan of the District of Columbia (“**Comprehensive Plan**”).

B. Overview of Opportunity and Applicant’s History in Union Market

In 2009, the DC Council approved the Small Area Plan, which set forth a framework for the revitalization of the Union Market district (formerly referred to as Florida Avenue Market). Authored by the Office of Planning, and created with input from DC government agencies, property owners, developers and community stakeholders, the comprehensive framework of the

Small Area Plan recommends increasing the density of Union Market at FARs ranging from 5.0 to 8.0, which could allow as much as 8 million square feet of development, while celebrating and enhancing the uniqueness of the Union Market.

Union Market provides the District with an unbelievable opportunity, rare for any major city – an opportunity to create a 45 acre mixed-use district, with an existing grid of streets, in the heart of Northeast DC’s Ward 5, all without displacing a single resident. To that end, the Small Area Plan calls for Union Market “to take advantage of changing transit and housing preferences to create a vibrant, attractive, and walkable neighborhood and commercial district” in order to “offer expanded choices to the adjacent neighborhoods of Near Northeast, Trinidad, and Gallaudet University, all of which have long been underserved by retail and commercial amenities”.¹ As will be described below, the Applicant shares this vision and has taken countless steps to bring it to fruition. The instant application is the latest milestone in such effort.

Over the last several years, the Applicant has contributed significantly to the revitalization of the overall Union Market area in an effort to bring the goals and vision of the Small Area Plan to reality. These efforts include the significant work and cost (several million dollars) related to the restoration and reopening of The Market building and the renovation of the vacant flower warehouse at 550 Penn Street NE to transform it into two state-of-the-art food production facilities with retail storefronts (owned and operated by local residents) and a pop-up three-screen movie theater (the first in Ward 5). Meanwhile, the Applicant has also worked to retain and enhance long-time businesses of the prior market, such as Harvey’s Markets and Almaala Farms.

¹ Office of Planning, “Florida Avenue Market Study - Small Area Plan”, June 2009.

Importantly, the Applicant has facilitated the growth of forty new unique, local, artisanal businesses at The Market through partnerships, non-traditional financial arrangements, and heavy capital investment to attract these businesses to the area while mitigating initial startup costs. These partnerships go beyond direct financial aid as the Applicant provides additional support through offerings such as business plan consultation, marketing assistance, and hiring. These efforts have benefited the District beyond just the 45 acre area as some of the incubator businesses at The Market have already grown to second locations throughout DC. These are the “maker economy” uses that have been such essential economic engines and job generators in the District.

Continued expansion and improvement of the identity of Union Market is critical to facilitating further future development and allowing it to prosper throughout the 45 acres. Accordingly, the Applicant has committed significant additional dollars to attract and secure retail and entertainment businesses that are not just new to Union Market, but to the District as well. These new businesses clearly achieve the goals of the Small Area Plan by filling an evident gap in this underserved market, creating numerous jobs, promoting community interaction, and cultivating economic growth, while also addressing the need to reduce DC’s substantial retail leakage and introducing a new area of DC to both national and international tourists.

Broadening this identity on a local level, the Applicant has brought art and design to this traditionally wholesale/industrial area by providing reduced rent studio space for four local artists. The Applicant has also commissioned their work to enhance the environment around Union Market with items such as murals, bike racks, and even a chandelier made of recycled

products. The Applicant implemented an additional, related initiative by creating an internship for a student of the Duke Ellington School of the Arts.

In an effort to educate the broader DC market to the unique heritage of Union Market, the Applicant has hosted over one hundred community events within a span of only twenty-four months and has provided several thousands of dollars in donations, sponsorships, and community-focused efforts. In order to enhance identity and the pedestrian oriented nature of the area, sizeable amounts of lighting and security have been installed throughout the 45 acres to create a safer and more secure feeling environment.

The above are a sampling of the Applicant's investments made within Union Market that benefit the surrounding community and nearby property owners. These investments have been undertaken voluntary in the spirit of furthering the vision of the Small Area Plan and attracting interest to this unique area of DC.

In summary, the Applicant's efforts in the Union Market district are not limited to acquiring, consolidating, and developing properties, rather, the Applicant's has a wider perspective of furthering the goals of the Small Area Plan, discovering and highlighting the heritage of the area, creating a vibrant destination, and nurturing and celebrating the unique talents of local creative entrepreneurs in the fields of food, art, design, and technology. The existing property owners, local community, and the District are all beneficiaries of these efforts – efforts made to realize a vision for DC to create a district where business creativity is inspired by the authenticity of this place and the aspirations of what it can become.

C. Project Summary

This Project has the opportunity to lead the revitalization of this 45 acre district in the spirit of the Small Area Plan following the principles and recommendations as outlined by the

Office of Planning and other stakeholders in the creation of such Small Area Plan. The Applicant intends for this Project to foster further revitalization of Union Market while incorporating, and showing due respect to, the guidelines of the Small Area Plan. In particular, the Project places a significant focus on the important “place-making” themes present throughout the Small Area Plan. The Project invigorates both the public space and private property through a unique mix of uses in an atypical configuration, active ground floor retail, and engaging sidewalks and plaza areas. While creating a destination in itself, the Project bolsters the entire Union Market district, enabling it to regain its stature as a retail destination and a gathering place for residents and visitors as well as a significant employment hub within the District of Columbia.

In total, up to approximately 541,400 gross square feet (an FAR of up to approximately 6.30) is proposed for the Project. The Project is comprised of two buildings on the lot that will be constructed in phases. Both phases will have heights of 120 feet.

The Project offers (i) significant public space and streetscape upgrades intended to stimulate and enhance pedestrian activity throughout Union Market, (ii) distinctive, new, exemplary architecture while respecting and retaining portions of the old, (iii) approximately 25,000 to 35,000 gross square feet of new retail intended to activate the streets and inspire other development in the vicinity, (iv) an approximately 38,000 to 42,000 square feet first class theater to not only serve the neighborhood, but also draw residents from throughout and outside of the District to Ward 5, (v) affordable housing (if there is a housing component of the project), (vi) sustainable design, (vii) restoration and adaptive reuse of portions of the Property’s original building at 1309 5th Street, NE, (viii) continued support and operation of and incubation of new businesses at The Market (many locally owned), (ix) numerous open community events and

programming, (x) job opportunities for area residents, (xi) educational programs, and (xii) further new investment in the Union Market district (an area that has been identified by the Office of Planning and other District agencies and representatives as an area in need of stimulation through development) by the Applicant following the Applicant's (and its affiliates') previous investments in the area, which have already created great benefit to the surrounding property owners and community. All the while, the Applicant will maintain continuous operation of the businesses who call The Market home throughout each phase of the Project.

Additionally, affiliates of the Applicant recently obtained a modification approval of the Gateway Market project by Zoning Commission Order No. 06-40C and filed another PUD for 1270 4th Street, NE in Zoning Commission Case No. 14-07 which was recently set down for hearing. The District, the community, and surrounding property owners will derive substantial, additional value from culmination of these three projects to be developed by the Applicant and affiliates of the Applicant.

Over the past several months, and even the last few years, the Applicant has held numerous meetings with many stakeholders in the Project ranging from residential neighbors to neighboring property owners, and many representatives of the District of Columbia. The Applicant has met with the Office of Planning relating to the proposed Project on three occasions to present its proposed application prior to filing this application. Additionally, the Applicant has reached out to the ANC Commissioner for 5D01 (where the Property is located), the District Department of Transportation (DDOT), the Office of the Deputy Mayor for Planning and Economic Development, Gallaudet University, and other community groups and stakeholders to ensure the Project simultaneously achieves the goals of the District of Columbia, the community, and the Applicant. To date, there has been a positive reception to the Project. The Applicant

looks forward to continuing to meet with the District agencies, community, neighbors and other stakeholders regarding the Project.

D. Applicant

The Applicant is an affiliate of Edens Realty, Inc. (“**Edens**”). Edens develops, owns, and operates community-oriented shopping places in primary markets throughout the East Coast. Edens strives to enrich communities by introducing pioneering, innovative concepts, curating the right merchandise mix to meet the needs of the community, engaging the community through design and programming, delivering seamless construction projects, and maintaining ownership and management with a long-term perspective. Edens 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. Just two examples of Edens’ innovative and well-planned approach can be found in the renovation of The Market at the Property itself and through the 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. Within Union Market, Edens also recently obtained an approval of a modification to the PUD at 340 Florida Avenue, NE under Zoning Commission Order No. 06-40C, which will allow for the introduction of a neighborhood-anchoring retail and residential uses, and applied for a PUD approval at 1270 4th Street, NE in Z.C. Case No. 14-07.

II. SITE AND AREA DESCRIPTION AND ZONING

A. Location and Current Use

The Property is located in the Northeast quadrant of the District of Columbia bounded by a surface lot to the south, a vacant lot used for maintenance storage to the north, 6th Street NE to the east, and 5th Street NE to the west. Situated within the eastern portion of Union Market, the Property is less than 1/3 mile from the entrance to the NoMA-Gallaudet University Metrorail station. The Property consists of approximately 85,820 square feet of land area.

The PUD site is in Single Member District 5D01 of ANC 5D in Ward 5. The Ivy City neighborhood is to the north, Gallaudet University and Trinidad are to the east, and Eckington is located to the west. The Existing South Structure on the site is currently improved with the unique artisanal market and event space known as “The Market” and “Dock 5” respectively while the Existing North Structure serves as a warehouse and distribution facility. The area between the two buildings is characterized by a private service plaza that facilitates the loading and offloading of trucks. The structures themselves were originally designed for wholesale distribution, but the Existing South Structure has seen a rebirth as The Market and Dock 5.

B. Surrounding Area

The Property is within Union Market, a warehouse district whose history has been to accommodate the city’s food wholesalers. Today, Union Market is a conglomeration of wholesalers and retailers of meats, produce, dry goods, jewelry, tourist souvenir items, hair care products, and general merchandise. The Gallaudet University campus is just east of Union Market.

The Property and Union Market are in Census Tract 88.03. Census data has demonstrated the neighborhood's need for more and better jobs. From 2007-2011 the average poverty rate in this Census Tract was 49%, much higher than the District average of 18%.

The area surrounding the PUD site and Union Market is becoming a location of interest for substantial commercial and residential development projects since the Applicant renovated The Market in 2012. For example, the adjacent sites to the property to the north and south are currently the subject of a Request for Proposals (RFP) for development – an indication of the perceived development value created at least in part by the neighboring Edens development of The Market and Dock 5.

Southwest of Union Market, the NoMA Business Improvement District has seen a surge in development and investment activity, primarily in office and residential development. However, it still lacks sufficient retail offerings. Major recent and pending developments within a half-mile radius of the Property include: (i) the Constitution Square complex, which includes 2.5 million square feet of mixed-used space including office, hotel, residential, and retail in NoMA; (ii) JBG's 200-room Hyatt Place at 33 New York Avenue, NE; (iii) the 218-room Courtyard by Marriott at 1325 Second Street, NE; (iv) the roughly 1 million square foot Washington Gateway project under construction by MRP Realty, which includes residential, retail, and office space on the triangular lot to the north and east of the intersection of Florida and New York Avenues; (v) the Gateway Market project on 4th Street NE and Florida Avenue by an affiliate of Edens, which will include 170-216 residential units and ground floor retail; and (vi) a recently-filed mixed use retail and residential PUD project at 1270 4th Street, NE by an affiliate of Edens in Z.C. Case No. 14-07.

The 45 acre Union Market area is zoned C-M-1 currently, but two sites have been rezoned to C-3-C in accordance with the recommendations of the Small Area Plan. (Zoning Commission Order Nos. 06-40 through 06-40C, which approved the Gateway Market, Inc. project at 340 Florida Avenue, NE, and Zoning Commission Order No. 11-25, which approved the Baywood Hotels project at 501 New York Avenue, NE). The 1270 4th Street, NE PUD, which was recently setdown for hearing by the Zoning Commission, has also filed for C-3-C zoning. Northwest of Union 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 Union Market, the Gallaudet campus (and the Trinidad neighborhood, which is on the east side of Gallaudet's campus) falls within the R-4 District (with some slight exceptions in the C-1 and C-2-A Zone Districts). South of Union 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

The proposed Project will contain a vibrant and unique, two building, two phase, mixed-use retail, theater, office, and, possibly residential complex. The Project will have a floor area of up to approximately 541,400 gross square feet, or an FAR of up to approximately 6.3. The lot coverage will be less than the 100% permitted by C-3-C zoning with 84% lot coverage, and the maximum height of each building will be 120 feet.

A. South Building

The Applicant is requesting consolidated PUD approval for the building located on the south portion of the property ("**South Building**"), which will be the first phase of the project.

The South Building will be constructed above The Market, an existing two-story structure while still keeping the vibrant, approximately 55,600 gross square foot Market building and its businesses inside operational to serve the neighborhood and the District throughout construction. An approximately 38,000 to 42,000 gross square foot theater will be constructed over, and stretch across, The Market structure. Approximately 104,000 to 112,000 gross square foot of office space will be constructed in four levels on top of the theater. The South Building will have a total square footage of approximately 204,400 to 216,400 gross square feet (or an FAR of approximately 2.38-2.52).

The three distinct programs on the site are emphasized by “sliding” the stacked volumes in which each is contained. Each component of the South Building, including the existing Market building, utilizes a different façade texture to differentiate its use. The three components come together in a unique aesthetic that honors the authenticity and history of Union Market while inviting its next evolution as a burgeoning center of commerce within the District of Columbia. The retail component will retain the existing façade of The Market building – thereby maintaining its aesthetic effect. The theater floats above The Market supported with a unique design and construction strategy using large steel trusses to span over the existing building, its volume sliding past the edge of the existing Market. Despite the theater’s positioning approximately 35 feet in the air, it interacts with the streets of Union Market with dramatic, revealing architecture including terraces and openings in the façade as well as a ground floor lobby and café directly activating the street level. The four levels of office located above the theater, while differing in materials and form, complement the theater design while addressing the Union Market with terraces projecting out to activate the façade. The South Building will

not have parking since the Existing South Structure is being retained with minimal expansion of the footprint.

The South Building, which incorporates the existing ground-floor retail of approximately 55,600 gross square feet and adds an adjacent outdoor area covered by an approximately 6,800 gross square foot terrace, provides an engaging street retail experience. Although it is not designated as a structure requiring treatment according to the District's historic preservation laws, the Applicant has retained and restored the building and will integrate "The Market" into the Project. Visually, it will act as a unique pedestal for the two program pieces above. In part, it is this retention, restoration, and integration of the original "Market" building that allows for the Project to become an integrated expression of Union Market. Such retention achieves the Small Area Plan's goals of maintaining Union Market's unique character and sense of place, at significant cost to the development. This retail space will continue to celebrate the original commercial structure while accentuating its industrial materials and form, providing a unique and rich experience for patrons and visitors. To that end, the Applicant realizes the prized activity and energy that the existing Market creates for the District. The multi-tenant retail space will continue to accommodate a range of retail users meeting the recommendations of the Small Area Plan.

The Applicant requests flexibility to design the retail facades in accordance with tenant and market requirements, while still maintaining the majority of the existing façade of the Existing South Structure, and the Applicant anticipates that it will convert the "event space" located on the second story of the existing Market structure into full-time retail use at some time in the future. The Applicant has calculated its parking and loading requirements utilizing the

most conservative method of determining such figures (i.e., the uses that generate the highest parking and loading requirements have been assessed and incorporated into the Plans).

B. North Building

The Applicant is requesting first stage PUD approval for the building located on the north portion of the Property (“**North Building**”), which will be the second phase of the Project. The North Building will be constructed on the site of the Existing North Structure as a second phase of the Project. One level of approximately 25,000 to 35,000 gross square feet of retail will be constructed on the first floor of the North Building. Either nine (9) stories and approximately 265,000 to 290,000 gross square feet of office or ten (10) stories and approximately 260,000 to 290,000 gross square feet of residential use will be constructed over the retail level of the North Building. The office option is shown as “Option 1” in the Plans while the residential option is shown as “Option 2” in the Plans. Sub-grade parking consisting of approximately 300 to 475 spaces will be constructed below the ground-floor retail. The North Building will have a total square footage of approximately 290,000 to 325,000 gross square feet (or an FAR of approximately 3.38-3.78) for the office option or approximately 285,000 to 325,000 gross square feet (or an FAR of approximately 3.32-3.78) for the residential option.

Since the North Building is a Stage 1 PUD application, the facades of the structure have not been rendered. Although such designs would require further Zoning Commission review and approval it is intended that the separate use programs would be expressed individually through color and texture similar to such expression in the South Building. Whether the upper portions of the North Building are to be residential or office uses will largely dictate the aesthetic expression of the structures. The entrance to the residential or office component will be located on the interior private plaza between the North and South Buildings.

C. Section 2517 of the Zoning Regulations

The North and South Buildings will be constructed on theoretical lots drawn to be in accordance with Section 2517 of the Zoning Regulations. As such, the North Building and the South Building will utilize their measuring points for height from the top of the sidewalks adjacent to each such component facing the plaza internal to the site. Such height measurement is in accordance with Section 2517.4 which notes that the height of a building is to “be measured from the finished grade at the middle of the front of the building.” The North and South Buildings will each comply with, and be less than, the FAR limitation of 8.0 for each theoretical lot and each will utilize half of the width of 6th Street for their rear yards. Further, although court relief will be required as discussed below, the theoretical lot lines will be drawn between the structures to allow for the South Building’s tower element to be adjacent to the side lot line of a theoretical lot, and therefore not require a setback from the theoretical lot line.

D. Design Considerations

The design is intended to present the Project as a coordinated retail program at the ground floor, engaging pedestrians on 5th Street, within the Property’s plaza between the South and North Buildings, and along the plaza on the southern facade of The Market. The retail space for the North Building will have ceiling heights of approximately 15 feet to approximately 23 feet².

The massing of the two buildings on the Property will allow for a height of 120 feet to be obtained at this location within Union Market while the plaza separating the North and South Buildings as well as the plaza along the south frontage of the South Building provide vistas into and out of Gallaudet’s campus as recommended by the Small Area Plan. Indeed, the unique design aesthetic of the Project will enhance these vistas while signaling the new vitality of Union

² Note: Systems such as air handling, lighting, and other infrastructure might be installed below the clearances noted in this statement and in the plans submitted and presented as part of this application process.

Market. Additionally, the plaza along the entirety of the southern portion of the Property could be combined with a portion of the adjacent parcel to the south of the Property to create an even larger plaza/open space for the community as recommended by the Small Area Plan.

E. Parking, Loading, and Access

As described later in the document, the proposed streetscape improvements and retail activity along 5th Street promotes 5th Street as a heavily pedestrian-oriented, dynamic retail street with appealing cross shopping opportunities. In order to maximize the pedestrian experience and create a vibrant street level experience, loading and parking access is proposed to occur from 6th Street, which will minimize impacts on 5th Street sidewalks and lessen pedestrian-vehicular conflicts.

The North Building will contain underground parking of approximately 300 to 475 parking spaces to serve the Project's office users, retail tenants and customers, the theater, and possibly residents.

Further, bicycle parking will be provided in a designated area on the first level of the parking garage in the North Building. The Applicant will include sufficient bicycle parking spaces in such area to be in accordance with the Zoning Regulations and DDOT bicycle parking regulations for the relevant use types.

The Project will provide one (1) 30 foot loading berth and one (1) 100 square foot loading platform for the retail use, one (1) 30 foot berth for office and one (1) 100 square foot loading platform for the South Building. Such loading facilities will allow space for the types of trucks, delivery vans, and service vehicles anticipated to service the South Building. Further loading facilities will be included in the North Building during its Phase 2 review before the Commission.

F. Zoning Overview

The Zoning Tabulations Sheet included as Page Z1 of the Plans provides a detailed overview of the proposed building and the requirements and restrictions of the C-3-C zoning.

The following table illustrates the zoning parameters of the proposed Project:

	<u>Proposed</u>	<u>Allowed/Required by C-3-C Matter-of-Right</u>	<u>Allowed/Required by C-3-C PUD</u>
<u>Height</u>	120'	90'	130'; although only 120' due to 5 th Street NE right of way of 100'
<u>Number of units</u>	TBD	No maximum	
<u>FAR</u>	~5.7-6.3	6.5	8.0
<u>Square footage</u>	~489,400-541,400 SF	557,830 SF	686,560 SF
<u>Lot occupancy</u>	84%	100%	
<u>GAR</u>	0.2	0.2 required	
<u>Parking</u>	~300-475 spaces	1 for each 4 dwelling units; 1 for each 750 SF of retail above 3,000; 1 for each 10 seats for theater; 1 for each 1,800 SF of office above 2,000; specific parking arrangement approved at the discretion of Zoning Commission	
<u>Affordable housing</u>	8% of residential GFA, if residential component included	8% of residential GFA, if any	8% of residential GFA, if any

G. Development Parameters Under Existing Zoning

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. The PUD guidelines for the C-3-C District

allow a height of 130 feet (although at this location, only 120 feet are allowed as a result of the Height Act of 1910), a maximum lot occupancy of 100%, and a maximum FAR of 8.0.

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

The PUD process is the appropriate means in order to realize this development because it will provide 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 will allow the public to provide its input on whether the proposed uses, density, height and design are complementary to the existing community.

The Property is an important site for promoting further development within Union Market. The Applicant believes that through the PUD process, it will create an exemplary mixed-use development on the site along with the continuation of the community-serving Market at Union Market. This Project will begin to realize the District's, the community's, and the Applicant's vision for Union Market while continuing to implement the Small Area Plan. The PUD process will provide the framework for realizing the potential of this site, capturing the benefits and amenities that will enhance the surrounding community inclusive of the remaining area of Union Market.

I. Zoning Flexibility Requested

In addition to the rezoning of the Property from C-M-1 to C-3-C and the application of the PUD standards in Chapter 24 of the Zoning Regulations, the Applicant requests the following relief from strict application of the relevant provisions of the Zoning Regulations through the flexibility permitted by the PUD process:

1. Loading – A waiver is required from the loading requirements of Section 2201.1 to allow for the inclusion of less loading than would be required by the proposed use mix of the South Building³. Specifically, as shown on Page Z1 of the Plans,

³ Note: The Applicant will likely include a request for additional loading flexibility for its North Building as part of its Phase 2 PUD application.

the following loading facilities would be required for the uses located in the South Building: one (1) 55 foot loading berth, four (4) 30 foot loading berths, three (3) 20 foot loading spaces, one (1) loading platform of 200 square feet, and four (4) loading platforms of 100 square feet. The Applicant proposes the following loading for the South Building: two (2) 30 foot loading berths and two (2) loading platforms of 100 square feet. Therefore, such loading facilities will not include the following required loading facilities: one (1) 55 foot loading berth, one (1) 30 foot loading berth, three (3) 20 foot loading spaces, one (1) loading platform of 200 square feet, and one (1) loading platform of 100 square feet. The proposed loading will provide sufficient operational support for the proposed uses of the South Building. The Applicant will implement a loading management plan to optimize the use of such loading facilities.

2. Roof structures – A waiver is required from the requirement of Section 411.5 that roof structures shall be of uniform height. In order to reduce the height of portions of the roof structure on the South Building, the Applicant proposes to lower portions of the roof structure’s height to 14 feet, while allowing the portions of the roof structure containing elements, such as the elevator override, to reach a height of 16 feet, 6 inches.
3. Courts – A waiver is required from the requirements of Section 776 as discussed below.⁴ As described below, the Project proposes three non-compliant courts for the configuration created by the North Building’s office option and two non-compliant courts for the North Building’s residential option. The courts requiring waivers are as follows:
 - South Building’s court relief – The first non-compliant court is the closed court labeled “CC-1” on Pages Z2 and Z3 of the Plans created by the theoretical lot line. This court exists on the South Building’s theoretical lot, and therefore for both the office and residential options for the North Building. This court has a required width of 33.5 feet pursuant to Section 776.1, but the width provided is 20 feet. The area of such closed court (2,211 square feet) also requires relief from the the area requirements of Section 776.2 (which generate a requirement of 2,245 square feet). Section 2517.4 requires that each theoretical lot contain compliant open spaces, including courts if provided. Although this court must be analyzed in terms of its theoretical lot, it will be part of the interior plaza on the Property, which will have a more than compliant width for an open court when considered cumulatively.
 - North Building’s office option court relief – The building configuration created by the North Building’s office option requires waivers for the following two courts:

⁴ Note: The Applicant notes that the commercial or residential use options for the North Building affect the calculations for court widths on the North Building’s theoretical lot in compliance with Section 2517, but not the South Building’s theoretical lot. The court requirements for each theoretical lot are analyzed and calculated separately. Section 776.5(b) does not require that the courts located on the South Building’s theoretical lot are calculated to comply with residential court requirements as the result of possible residential uses on the North Building’s theoretical lot.

- The open court at the north of the Property labeled “OC-3” on Page Z2 of the Plans, located between the north façade of the North Building and the Property’s north lot line. This court has a required width of 26 feet, 6 inches, but the width provided is 10 feet. Such open court allows for additional light and air on the north side of the Property, rather than building to the property line. Such setback will allow for permanent windows along the north side of the Property, and the south side of the property to the north.
- The open court located between the south façade of the North Building and the North Building’s south theoretical lot line, shown as court “OC-3” on Page Z2 of the Plans. This court has a required width of 30 feet, but the width provided is 26 feet. Similar to the court shown as “CC-1”, although this court must be analyzed in terms of its theoretical lot, it will be part of the interior plaza on the Property, which will have a more than compliant width for an open court when considered cumulatively.
- North Building’s residential option court relief – The building configuration created by the North Building’s residential option requires a waiver for the closed court labeled “CC-2” on Page Z3 of the Plans created by the North Building’s north façade and the Property’s north lot line. This court has a required width of 35.5 feet pursuant to Section 776.3, but the width provided is 28 feet. The area of such closed court (2,521 square feet) complies with the area requirements of Section 776.4. Such open court allows for additional light and air on the north side of the Property, rather than building to the property line. Such setback will allow for permanent windows along portions of the north side of the Property, and the south side of the property to the north.

4. Temporary waivers

- i. Parking – A waiver is required from the requirements of Section 2101.1 to locate required parking spaces for the South Building on the Property prior to completion of construction of the North Building. As shown on Page Z1 of the Plans, the South Building’s uses generate a parking requirement of approximately 189 parking spaces. The South Building will not contain parking spaces. All parking spaces for the Project will be located within the North Building’s subgrade garage after the North Building’s completion.
- ii. Bicycle parking – A waiver is required from the requirement of Section 2119.3 to locate required bicycle parking spaces for the South Building in a structure or building prior to completion of construction of the North Building. Under Sections 2119.1 and 2119.2 approximately twelve (12) bicycle parking spaces will be required in the South Building. Approximately ten (10) bicycle parking spaces will be provided adjacent to the South Building on the Property by the Applicant prior to completion of construction of the North Building on the surface of the Property rather than inside a

building or structure. After the North Building is constructed, additional bicycle parking facilities will be located within such structure. In addition, bicycle parking facilities will be located in bicycle racks adjacent to the Property.

5. Development Timeline

Construction of the South Building would commence upon receipt of building permits and is expected to take approximately 18-24 months.

Applicant requests Stage 1 approval for the North Building for five (5) years from the date of approval. Within such time period, Applicant would file an application with the Zoning Commission for a Stage 2 PUD approval for the development of the North Building.

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 Zoning Commission approval of PUD applications. 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, among other benefits described below, it will: 1) bring much needed new retail and jobs to the neighborhood, 2) provide a theater use that has not previously existed in this community⁵, 3) promote the goals of transit-oriented development, 4) provide community spaces where civic activity can occur, 5) facilitate additional development throughout Union Market (an area identified through the Small Area Plan as in need of investment through redevelopment) and the surrounding community, 6) create engaging social gathering places, 7) offer economic growth and job opportunities in an area of the District with one of the highest unemployment rates, 8) provide retail to an underserved area of the District, and 9) bring first class office space to an area of the District that does not possess such. Along with the impact already felt by the Applicant's renovation and reopening of The Market, the implementation of the Gateway Market project approved by Z.C. Order No. 06-40C, and the project at 1270 4th Street, NE currently before the Zoning Commission as Z.C. Case No. 14-07 should such project be approved by the Zoning Commission, this additional Project by the Applicant will play a significant role in accelerating the long-awaited renaissance of Union Market so that it becomes a true destination within the District not only for residents of the District, but also for residents of neighboring jurisdictions, tourists, and visitors to the District of Columbia.

The Project's proposed height and massing are consistent with the Height Act, the District's planning goals for the future of this area as embodied in the Small Area Plan, and the development projects underway in Union Market. Given the Project's position in the initial stages of the redevelopment of Union Market, it will establish and promote the standard for future development. The Project brings to life the vision set forth in the Small Area Plan through

⁵ The Applicant notes that Angelika Theater just opened in June 2014 in one of its properties nearby in Union Market in anticipation of moving to the Property upon approval and construction.

implementation of the principles and recommendations set forth by the Office of Planning in such plan. One example is that the Project achieves the essential “place-making” theme of the Small Area Plan as it creates a vibrant retail and office experience with programmed outdoor open spaces and a design that speaks to the authenticity and history of the market. This combination retains, while at the same time enhancing, the character of Union Market as directed by the Small Area Plan.

Building on the popularity of the renovated Market, which has become a linchpin in this community, by adding new neighborhood-serving retail amenities to an underserved neighborhood, the Project creates a retail and theater destination, along with a significant office and possibly a residential component on property located less than 1/3 mile from the entrance to the NoMA-Gallaudet Metrorail station. Plus, the Property is within a half-mile radius of several high-density office, retail, and residential developments. These nearby projects will bring several thousand workers into the area, creating further demand for retail goods and services, which will be served by the Project (and eventually the balance of Union Market). This Project will have a significant impact on, and will enhance the perception of, retail offerings in the District. This will further attract new retail businesses to the District and play an important role to stem and reverse the retail “leakage” experienced by the District of Columbia.

If the North Building is constructed to include a residential component, it will help to meet the housing needs for the area’s new workers as well as provide new housing opportunities within the neighborhood.

The Project will improve the attractiveness of both the central spine and eastern edge of Union Market. The 5th Street meridian of Union Market will be travelled by many pedestrians and cars visiting the area. The Project will set the stage to create a sense of place along a critical,

central artery of the district and provide a draw to the interior of the district. In fact, as in ZC Case No. 14-07, the Applicant's proposed "curbless" streetscape along 5th Street will allow for a unique integration of the pedestrian into the fabric of Union Market which will assist in place-making as pedestrians, residents, employees, and patrons walk the inviting and active public space of the area. Such streetscape design facilitates engaging sidewalks, cross shopping, and flexibility for district-wide community events.

Importantly, the Project will also provide an activated urban plaza along the entirety of the southern portion of the Property. Such area can be combined with a portion of the property to the south of the Property to create an open community space – for community events, movie screenings, farmers markets, District celebrations, and any number of other similar neighborhood or civic gatherings. This space is consistent with the recommendations of the Small Area Plan. The Project also introduces a second plaza area between the North and South Buildings creating additional community gathering space. Both plazas will function seamlessly with the curbless public space design to create a more expansive feeling of open public engagement.

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 its proximity to other of its projects in Union Market, the Applicant has previously studied traffic conditions and impacts of the area and continues to do so. The Applicant shall utilize and enhance the information and analysis from such prior and ongoing work. The Applicant engaged a traffic consultant, Gorove Slade Associates, to further study the area's traffic conditions and the Project's traffic generation. The Applicant has already met with

DDOT regarding its various projects within Union Market. The Applicant shall submit its Traffic Impact Study in its Pre-Hearing Submission (or earlier) and will continue to work with DDOT throughout the PUD review process to refine the project's vehicular and pedestrian circulation plans and its proposed changes to the public space.

Currently the 5th and 6th Street public space in Union Market is not adequately served by pedestrian facilities. Therefore, as part of the Project, the sidewalks and streetscapes abutting the Property will be upgraded to provide a more pedestrian-friendly experience, and thereby achieve many of the goals of the Small Area Plan. In fact, the streetscape will be more fully integrated into the private space through the proposed complementary "curbless" public space design along 5th Street which accommodates a natural evolution of uses in Union Market. The Applicant will work closely with DDOT on the specific details of this streetscape design.

The Applicant's public realm design is an effort to maximize the pedestrian experience at the street level while integrating it with retail space. Combined with its program for the two activated plazas, the Applicant's approach towards the pedestrian experience offers the public open areas to congregate and socialize, which fosters a strong sense of community and allows for the open space lauded by the Small Area Plan. As mentioned, the proposed public space improvements along 5th and 6th Streets allow for the incorporation of both long term and short term conditions along 5th Street and permit the public space to be built out organically. The design of the improvements accommodates both the truck loading needs of the not-yet-redeveloped properties across 5th Street to the west while simultaneously allowing for the enhanced public space improvements adjacent to redeveloped parcels along 5th and 6th Streets in a manner that fosters the natural adoption of the design theme as other properties redevelop over time.

The Property is also close to established bicycle routes, notably the Metropolitan Branch Trail, which connects to the NoMA-Gallaudet Metrorail Station and Union Station, the neighborhoods of NoMA and Capitol Hill, as well as Catholic University, Takoma Park and Silver Spring to the north. The Applicant will support and encourage bicycle transportation as part of its transportation demand management plan. Upon development of the second phase of the Project on the site of North Building, secure bike storage will be located on the first level of the garage.

As stated above, the Project will provide approximately 300 to 475 underground automobile parking spaces in Phase 2 (site of the North Building).

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.

The Applicant has previously upgraded water lines in the area – (i) in Neal Place from 4th Street to 5th Street and up a portion of 5th Street, and (ii) in Penn Street from just east of 5th Street to Brentwood Parkway.

iii. Public Schools

Phase 1 of the Project does not contain a residential component. However, the Applicant is seeking flexibility to include the potential for residential product in the second phase of development. Even if residential product is introduced during the Phase 2 PUD review for the

North Building, the impact on the District of Columbia Public Schools (“DCPS”) system will be negligible. The Project is within the boundaries of Wheatley Education Campus at 1299 Neal Street, NE; Browne Education Campus at 850 26th Street, NE; and Dunbar Senior High School at 101 N Street, NW. DCPS 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 Street, NE, J.O. Wilson Elementary School at 660 K Street, 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 addition, KIPP DC was recently awarded the Hamilton School site at 1401 Brentwood Parkway, NE which will soon house approximately 850 high school students.

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, the school network would be 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 is not inconsistent with the Comprehensive Plan and meets numerous goals and policies enumerated in the Comprehensive Plan for the National Capital adopted in 2006 (the “**Comprehensive 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)).

The Project directly advances these purposes of the Comprehensive Plan. The Project fosters growth of social, economic and physical development through the creation of dynamic, engaging community spaces anchored by community serving retail and service businesses. The Project will drive economic growth through substantial job generation as well as substantial incremental new tax revenue for the District. The Project not only furthers physical development of this Property alone, but also encourages additional development and investment in Union Market.

The Applicant’s attention to the Small Area Plan recommendations made by the Office of Planning and numerous area stakeholders sets in motion the proper guide for future projects to also achieve District and community goals. As the first pioneer of the revitalization of Union Market, the Applicant recognizes how this Project serves as a key initial step in driving the

realization of the potential for neighboring properties. The Project’s design itself is intended to be inspirational, signaling that the history of the place serves as a solid foundation on which to build the future of Union Market. Conserving the Existing South Structure pays homage to its roots as an important and valued neighborhood asset, while adding new uses to stay relevant and flourish in the decades ahead. The Project provides a new competitive advantage to a neighborhood which over the past many years has been underserved by retail, has possessed an inadequate supply of employment opportunities, and has not been the beneficiary of the investments that have benefited many other areas the District.

1. Compliance with Citywide Elements

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

a. Future Land Use Map

The Comprehensive Plan’s Future 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 mixed use project on the site. The proposed Project, with an FAR of up to approximately 6.30, a height of 120 feet, lot coverage of 84%, and the requested Zoning Map amendment to the C-3-C Zone District are consistent with the High Density Residential and High Density Commercial Land Use Categories for the Property, which permit FAR of 8.0, building height of 130 feet, and lot coverage of 100%.

b. Generalized Policy Map

The Generalized Policy Map (“GPM”) includes the Property in the “Multi-Neighborhood Centers” category. As stated on the GPM, for this category, new development is appropriate

since “mixed-use infill development should be encouraged to provide new retail and service uses and additional housing and job opportunities.” As a mixed-use infill development with new retail, service, office, and possibly residential uses, the Project will be consistent with the Property’s designation on the GPM.

c. Land Use Element

The Comprehensive 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 advances 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-1.3.4: 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-1.3.6: 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

The Project will revitalize an underutilized parcel of industrial land in the center of Union Market and link it back to the urban fabric through the development of a mixed-use project incorporating retail, theater, office, and possibly residential uses.

The Project leverages its proximity to a the NoMA-Gallaudet Metrorail Station by promoting density on the site and providing new shopping opportunities and employment, without encroaching upon existing residential areas. The Project will be an ideal infill development that will allow an underutilized site to be brought to its highest and best use close to public transportation. As mentioned above, the Project will encourage similar redevelopment of underutilized properties in the vicinity at these transit-oriented sites.

The Applicant itself has already redeveloped The Market from an outmoded site to a flourishing retail destination and the next phases of this Project will continue redevelopment of this previously under-productive site. The Applicant is retaining the Existing South Structure and incorporating it into the design of the Project to complement the established aesthetic

character of the area, while complementing the existing uses with compatible food-based businesses as well as promoting new types of businesses to add to and stabilize Union Market.

The Applicant is proposing improvements to public space to improve traffic circulation, widen sidewalks and add safety measures to provide better and safer public access for pedestrians. The Applicant has taken a broader perspective into account when developing the design for the Project's public space improvements so that they can be implemented throughout Union Market as properties are redeveloped. Eventually, such approach will lead to an improved connective network for pedestrians to and from the Metrorail and bus lines, safer bicycle access, and enhanced circulation for vehicles. Parking is proposed underground as directed by the Land Use Element of the Comprehensive Plan and is "geared toward short-term users rather than all-day commuters".

a. Transportation Element

The proposed development is consistent with the following Transportation Element policy:

- **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

As mentioned above, the Project will be an ideal example of transit-oriented development since it will make such a significant contribution of retail, office, and possibly residential at a site well-served by mass transit. The Project will be strategically located near the Red Line's NoMA-Gallaudet Metrorail station, as well as along a major transportation and Metrobus corridor. The Property's proximity to public transportation makes it a prime location for additional density and mixed-use uses. The Project will also encourage pedestrian-oriented transportation by investing in private and public space improvements focused on walking, biking, and connections to the various modes of available public transportation.

b. Urban Design Element

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

- **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-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 in an emerging retail and mixed-use destination. The unique building design relates to its location and the history of Union Market while integrating new vibrancy through its unique “sliding” tripartite volume approach. At the same time, the design effectively incorporates the existing Market building along with creating a more pedestrian-focused place with inviting street-front retail and greatly improved streetscape, plazas and sidewalks. The Applicant has proposed wide

sidewalks adjacent to the Property. The Applicant notes that sidewalks do not exist in this area of the District today.

The sidewalk widths and design proposed would allow a combination of activities to occur, such as retail on the sidewalks, café seating, “street furniture”, and landscaping, along with ample space for pedestrians through the provision of wide zones for movement. These pedestrian areas will also be safely buffered from the vehicle traffic. These improvements will create a safer and more inviting experience for pedestrians traversing Union Market. The Applicant is making two open plaza areas on its private property to facilitate further activation of the outdoor spaces. This pedestrian-oriented design is in direct fulfillment of the Small Area Plan’s goals for Union Market to create a truly walkable Union Market community.

Further, the Project will implement enhanced streetwalls since the Applicant will celebrate and accentuate the existence of the retail on the ground floor with notably tall ceiling heights. Such approach will maximize the storefront design and architectural details at the pedestrian level, further encouraging pedestrians to interact with the Project along its entire extensive frontage. The result will be an improved and attractive street environment that will foster pedestrian activity and neighborhood vitality. The streetscape experience is paramount to the Applicant as it seeks to create the ideal retail presence.

At the same time, the Project will be of a scale, height, and density appropriate for a site in the center of an emerging regional destination for retail and services. In sum, the Project will make a large, early step towards the place-making so desired by the Small Area Plan.

c. Housing Element

If the Applicant elects to pursue a residential component in its future development of the Project within the North Building, 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-1.1.4: 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

If the residential component is included in the Project as part of the North Building, the Project will expand the District’s housing supply in a mixed-use setting near a Metrorail station. Thus, the Project would promote multiple Housing Element multi-unit residential development objectives. In such case, the Project would produce housing on an underutilized portion of the Property and would stimulate the development of additional housing in the area. The residential building would be of a high quality design and would incorporate high quality materials. The provision of residential units at this site is significant given Union Market’s history and the

District of Columbia's objective of introducing new residents to Union Market per the Small Area Plan.

d. 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-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

The Project directly satisfies these objectives. The Project is an important next step in filling the gap of retail services in Union Market. In fact, the Project would allow the District to capitalize on the retail spending of both new and existing residents and workers. The vision of this Project is based on the retail that the Applicant has seeded Union Market with – the Market. The heavily-curated retail, food market set the tone for new development in the area to enable recruitment and retention of quality retail such as the best-in-class theater that will sit atop The Market. The North Building brings another approximately 25,000 to 35,000 square feet of retail (designed with high ceilings of 15'-23') to attract additional quality retail businesses to the district.

Union Market is an “area where the critical mass needed to sustain a viable neighborhood commercial center can be achieved” as directed by Policy ED-3.1.2. The area provides a truly unique opportunity to create a shopping district serving not only the neighborhood with retail goods and services, but also a serving the broader region and even tourists. This flourishing retail area will be sparked by the Project and the others that it plans to develop throughout Union Market which will provide the stabilizing foundation for this currently underserved neighborhood to experience a retail vitality in the future. Union Market has not been known as a retail destination for decades as most properties therein have converted to wholesale. The Applicant aims to reverse that through the Project and its other efforts in Union Market.

While the Applicant is initiating the creation of a revitalized shopping district in this underserved area, the Project does just that – revitalizes – which further solidifies the objectives of the Economic Development Element. Combined with the retention of The Market – which remains in continuous operation throughout the construction of the Project – the proposed high-quality retail and 8-screen movie theater provides an infusion of neighborhood and destination retail to the currently underserved neighborhood.

The Applicant strives to create the critical mass necessary to implement the District’s (and the neighborhood’s) vision for Union Market. The Project helps ensure Union Market’s commercial vitality by luring new businesses to the site and encouraging new business to locate and grow nearby, thereby helping to create a virtuous cycle at Union Market to embody the Comprehensive Plan’s and Small Area Plan’s goals.

e. Community Services and Facilities

The retail provided as part of the Project fulfills many of the goals of traditional community service facilities. The retail component of the Project – including the successful

Market – provide an amenity base for the community and allow Union Market to develop a critical mass to create the thriving, bustling foundation for the future.

In addition, the significant improvements to the public space and the private plazas adjacent to the Property contribute to the open space system within Union Market, enhance the community’s experience and offer a safer and upgraded public setting in which the public can operate, whether it is accessing the new retail amenities or traversing Union Market to reach the Metro station.

B. Upper Northeast Area Element

The PUD site is located in the Upper Northeast Area Element (the “Area Element”) of the Comprehensive Plan. The Project is consistent with the following policies and action of the Area Element:

- **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-1.1.8: Untapped Economic Development Potential** – Recognize the significant potential of the area’s commercially and industrially-zoned lands, particularly along the New York Avenue corridor, V Street NE, and Bladensburg Road, and around the Capital City Market, to generate jobs, provide new shopping opportunities, enhance existing businesses, create new business ownership opportunities, and promote the vitality and economic well-being of the Upper Northeast community. The uses, height, and bulk permitted under the existing M and CM-1 zones are expected to remain for the foreseeable future. 2408.9
- **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
- **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

Again, the Project directly meets the objectives of these elements. As mentioned above, the Project provides an ideal infill project on a site that is close to the NoMA-Gallaudet Metrorail station and near multiple Metrobus lines. By becoming one of the first large developments within Union Market (referred to as “Capital City Market” throughout the Area Element), the Project greatly improves the image and aesthetics of Union Market along with creating a better built environment with more all-day activity. In addition, the Project upgrades the conditions for pedestrians along 5th and 6th Streets with a greatly enhanced public space streetscape. The various improvements resulting from the Project make Union Market more enticing to further development.

Similarly, the Project takes advantage of untapped economic potential. The Project augments the current two story Market structure with additional retail, an exciting and unique theater component, a significant office component, and, possibly a residential component. Thus, 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.

The Project is in direct alignment with Policy UNE-2.1.2 and Action UNE-2.1.A which aim to redevelop Union Market with a mixed use residential and commercial destination. The

Project, particularly when combined with the other projects affiliated with the Applicant in Union Market, is the embodiment of such redevelopment plan. The Project solidifies and grows the Property's and Union Market's role as a regional destination. The Project will complement The Market through providing dining, entertainment, and office uses in the first phase and additional retail, office and/or residential in the second phase. This Project is a significant catalyst to help the District realize these goals of the Upper Northeast Area Element.

Further, the Applicant's redevelopment plan has involved stakeholders including the local community, nearby landowners, nearby developers, and the District government. The Applicant will continue to involve such parties throughout the design and construction phases.

B. The Application Promotes the Objectives of the Florida Avenue Market Study Small Area Plan

As is apparent from the numerous notations throughout this application statement, the Project has been formulated with much attention paid to the principles of the Small Area Plan. Such attention is visible through the program, sensitive restoration, new uses, enhanced architecture, activation of the public realm, community focus, public benefits, and many other aspects of the Project.

The Small Area Plan envisions the Property as medium-high density development – with an appropriate height of 70-130 feet and an appropriate density of 5.0-8.0 FAR – within Union Market.⁶ The proposed massing and height of the Project is within such range.

As recommended in the Small Area Plan, the Project sacrifices potential FAR in order to maintains vistas into and out of Gallaudet by providing view corridors through two wide, open

⁶ The Industrial Land Use Study supports this density and use change by stating, “Given its tremendous accessibility to New York Avenue, Florida Avenue, Metro Bus, and the recently-opened New York Avenue Metro (Red Line), this is an area where more intense development could produce tangible benefits for the District.” (p. 125)

spaces across the Property – one at the southern portion of the Property and the second between the North and South Buildings.

The Project also implements the guidelines of the Small Area Plan to construct and enhance the streetscape on 5th Street. The Small Area Plan proposes wide unique public accessways for pedestrians, ample planting beds, and medium shade trees; the Project implements the Small Area Plan’s guidelines to the maximum extent possible. 5th Street will become a vital commercial corridor of Union Market as the Small Area Plan comes to fruition. 5th Street will be the main street of the district with ground-floor shops pouring onto the sidewalks, welcoming public space amenities, and open space programming. The design of the Project will facilitate that role, both being an early mixed-use development including the already-vibrant Market and by specifically enhancing 5th Street for pedestrians, along with improving conditions for vehicles.

In addition, the Small Area Plan supports the way that the Project has been designed to relate to Union Market. The Small Area Plan notes the high number of pedestrians on 5th Street in addition to the expected traffic. Therefore, the introduction of additional avoidable traffic onto this street could lead to unnecessary vehicular and pedestrian conflicts and needlessly stifle the pedestrian usage of 5th Street. It is with this in mind – avoidance of pedestrian/vehicle conflicts and meeting the Small Area Plan’s vision for 5th Street – that the Applicant designed the Project so that most vehicular and truck traffic enters the site from 6th Street. Further, the density and size of the Project is in accordance with the Small Area Plan. Specifically, page 50 of the Small Area Plan states, “The character to the west and north [in Union Market] will complement the character of the new, modern-style anticipated along New York Avenue, and in

the NoMa neighborhood just over the railroad tracks.” As such, those buildings have styles similar to and heights and densities equivalent to or greater than what is proposed for the Project.

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 is in the process of developing 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 and project amenities in these categories. The Applicant’s benefits and amenities are in the following categories:

1. Applicant-provided Union Market district amenities and benefits

Well before the submission of this application, the Applicant (along with other affiliates of Edens) has consistently provided a wide variety of amenities and benefits throughout Union Market. The Applicant has taken a macro-view of Union Market to implement numerous

initiatives and investments to upgrade the offerings and experience in the district. These market-wide amenities create the foundation to implement the goals of the Small Area Plan and meet the needs of the community.

Beyond the Applicant's sizeable contributions outlined above in the Introduction that the Applicant has already made to benefit the Union Market district, the Applicant has demonstrated several additional efforts toward realizing the vision of the Small Area Plan.

These efforts include a partnership formed with a local public elementary and middle school, Wheatley Education Campus, to provide monthly educational programs for students on subjects ranging from entrepreneurship and developing a business plan to urban farming, healthy eating, and grocery shopping on a budget. The Applicant has provided similar educational programs and market tours for Two Rivers Public Charter School and J.O. Wilson Elementary School students on numerous occasions and offers these types of programs to other area schools that visit The Market as well. The Applicant and the businesses at The Market regularly participate in fundraising efforts for its partnership schools and other area schools plus many other District organizations. Additionally, the Applicant has hosted several schools, non-profits, and charitable organizations in its event space, Dock 5, for little to no cost. Just a handful of the other various groups that the Applicant has recently hosted (and sponsored) at the Dock 5 event space include the Cystic Fibrosis Foundation, Howard Law School, Yu Ying Public Charter School, Casey Trees Foundation, and 1776 for their first annual, world-wide Challenge Cup.

As mentioned previously, in addition to the millions of dollars invested to restore and reopen The Market, the Applicant has both retained and enhanced long-time businesses of the prior market, such as Harvey's Markets and Almaala Farms, and formed partnerships with the small local businesses launched at The Market. The Applicant has offered non-traditional

financial arrangements to mitigate risk of fixed expenses and initial capital expenses to help incubate these new businesses to become successful ventures. These efforts have benefited the District beyond just the 45 acre area as some of the incubator businesses at The Market have already grown to second locations throughout DC, creating the “maker economy” jobs so important to economic vitality.

The Applicant has incubated new local businesses beyond just The Market building. In December 2012, the Applicant made a sizeable investment into the vacant flower warehouse at 550 Penn Street, NE. The several million dollar investment enabled a local business, Neighborhood Restaurant Group, to open a state-of-the-art curing, baking, and catering production facility to support the growth of its restaurants throughout the District and greater metro area. This new facility bridges the old food production and supply businesses with the new, up-and-coming food enthusiasts of DC today. The ability of the Applicant to bring such a well-regarded local restaurant group to the Union Market district started to change the restaurant industry’s perception of Union Market – a perception that had marred it for many years. The Applicant was able to bring this business to Union Market by providing it with favorable financial terms and a sizeable capital investment. In 2013, Neighborhood Restaurant Group, was joined by Dolcezza Gelato, another growing local business. Launched in just a 750 square feet storefront in Georgetown, this local business is expanding to new stores across the District. Dolcezza needed production space to facilitate this store growth as well as support the growing demand for its wholesale business. The Applicant assisted Dolcezza with their business plan and fundraising efforts, and provided similar favorable terms with significant capital to help Dolcezza build their production facility and grow their business. Recently, in June 2014, the Applicant worked with Angelika Film Center to open a pop-up movie theater, which is the first

theater for Ward 5 and believed to be the first pop-up theater in the United States. Again, favorable financial terms and sizeable capital from the Applicant are making it possible for this business, new to DC, to serve the community and develop its local business while its permanent location is under design review and, hopefully, construction.

The improvements for 550 Penn mentioned above have gone well beyond the four walls of the building or even that immediate property. The Applicant improved the streetscape with sidewalks where they did not previously exist and installed street trees, bike racks and lighting to increase the sense of security and cultivation. The Applicant also completed infrastructure improvements to the area by upgrading the water line in Penn Street, installing a much larger Pepco electrical service line, and bringing telecom services to the area.

Other infrastructure improvements previously made within Union Market by the Applicant also include a new water line serving 5th Street. When completing the renovation of The Market in 2012 the Applicant opted to invest additional capital into upgrading the water line from 4th Street to 5th Street to a greater line size than required to facilitate the Applicant's development alone. The Applicant upsized the line by approximately 30% so that the line could be used to support future development on other (including non-Applicant owned) properties along 5th Street.

The Applicant has also provided studio space to several local artists at low rents, commissioned these artists for installations in and around Union Market, and created an internship opportunity for a student of the Duke Ellington School of the Arts. This is an effort to expand the identity of the Union Market district, bring the arts to this community, and provide education in the arts, while promoting local artists. Such efforts have resulted in tours to Union

Market from the Corcoran Gallery and other notable organizations of the arts – organizations that would not have previously had a reason to visit this area of the District.

Beyond physical improvements and stimulating economic growth through developing new businesses in Ward 5, another example of the Applicant's community-benefitting initiatives are the community events and programming put together by the Applicant and its affiliates since 2011. The Applicant has hosted and sponsored over one hundred events such as DC Scoop (a free ice-cream festival), which will celebrate its fourth anniversary with the event occurring this July, the Children's Chess Tournament, the Kids Food Festival, Israel Baptist Gospel Brunches, Boogie Babes, the Thread pop-up retail event, Sunday Supper (benefiting the James Beard Foundation Scholarship), Union Market Drive-Ins (movies and fundraising effort with proceeds donated to Wheatley Education Campus), and Fresh Farms (weekly outdoor farmers market bringing fresh produce to the neighborhood). There are many more that the Applicant hosts throughout each year and, on top of this, the Applicant and The Market tenants devise numerous educational programs for visitors to learn about local businesses, food preparation, healthy eating, and other similar subjects. In early 2014, the Applicant kicked off a weekly education series with American University called "Market Talks", which highlights a wide range of issues to facilitate further social community interaction.

In addition to the many community-facing events, the Applicant has provided security measures throughout the Union Market district with lighting improvements as well as a security team, which makes regular sweeps beyond the Applicant's property throughout the day and night. In an effort to create a better environment throughout Union Market, the Applicant has adopted blocks within the district where it regularly cleans up trash and removes graffiti, often for neighboring property owners.

Each of the new businesses and the investments in Union Market by the Applicant have played a key role in changing the perception of the area, generated substantial interest in the area by other groups interested in making additional sizeable investments, and benefited the nearby community and property owners.

The above descriptions are only a sampling of the wide array of significant, impactful amenities and benefits that the Applicant and its affiliates have implemented at Union Market already. Many of these investments fall within the classifications of amenities set forth in Section 2403.9 of the Zoning Regulations. All of these contributions have been voluntary – being made in the spirit of furthering the vision of the Small Area Plan and attracting renewed interest to an area of DC that had been largely ignored for decades.

In summary, the Applicant has proactively pursued not only acquiring properties throughout the 45 acre Union Market district, but also furthering the goals of the Small Area Plan, exposing the heritage of the area, while simultaneously nurturing and celebrating the unique talents of our local creative entrepreneurs, helping them build and create their futures in the fields of food, art, design, and technology. The existing property owners, local community, and greater DC MSA are all beneficiaries of these efforts – efforts all made to realize a vision for DC to create a district where business creativity is inspired by the authenticity of this place and the aspirations of what it can become.

2. 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. If the Project includes a residential component, it will create new affordable units at 8% of the gross floor area of such residential component per Inclusionary Zoning requirements.

As part of the approximately 260,000 to 290,000 gross square feet of residential use potentially to be provided in the Project's North Building, approximately 20,800 to 23,200 gross square feet (or 8% of the residential component) would be provided as affordable housing at 80% of the Washington, DC Area Median Income. Section 2403.9(f) notes that affordable housing may be considered a public benefit to the extent it exceeds what would have been required through matter of right development under existing zoning. Since the Property is currently zoned C-M-1, the entirety of the affordable housing component should be considered a public benefit.

3. 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 design that fully responds to the site location and history while efficiently integrating a unique assemblage of uses directly benefitting the community.

The Project's design creates a visually striking destination, that fuses elements from Union Market's industrial past, while creating a sense of the new future that awaits Union Market. The use components are located one atop the other and create a sense of vertical movement delineating each such use. The open space between the buildings also allows for a variation to the massing along 5th Street and creates an interesting, framed vista from Union Market into the Gallaudet campus and from the campus into the district. Further, the components of the Project employ unique textures to further identify each unique use.

The exemplary design of the building incorporates architectural innovation appropriate for mixed-use in an exciting new neighborhood without overpowering the industrial and food market that has long existed around it. Indeed, the enhanced architecture over The Market celebrates such space.

The Project design utilizes the existing structure on the Property in order to infuse the industrial/commercial aesthetic into the building, particularly along the ground floor. Guided by the Small Area Plan's goal to incorporate existing buildings into redevelopments within Union Market, the Project utilizes and celebrates the building on the Property to give the first floor its authenticity and character at great cost to the Applicant. The Applicant believes that the retention of the structure significantly contributes to the place-making desired by the Small Area Plan and assists in Union Market becoming a destination similar in character to the Meatpacking District in New York City or the Pearl District in Portland, Oregon. Each such district revitalized areas that immensely benefited each of their respective cities much as Union Market has the potential to accomplish for the District.

The Project implements the Small Area Plan's elements and aspirations for improved public streetscapes along 5th and 6th Streets. New improvements to the public space pedestrian accessways replace nonexistent or broken sidewalks; trees and plantings provide shade and soften the street edge, and benches and receptacles create a pleasant pedestrian environment. The Applicant's streetscape beautification plan for the proposed Project makes a significant contribution to the overall appearance of the development and its appeal to residents and visitors traversing 5th Street through an innovative "curbless" streetscape design implementation. Through the use of a variety of materials, landscape, lighting elements, and furnishings, the Applicant expects to create an atmosphere that encourages pedestrian circulation and achieves

true “place-making”. The Project animates the street by creating a permeable retail experience that connects the activity of the retailer with pedestrians on the street. Multiple outdoor seating areas for food-based users further stimulate activity in the public realm.

The Project’s storefronts present an inviting exterior face to passers-by during the day and a sidewalk illumination source at night. This is particularly important on Union Market’s future primarily-pedestrian thoroughfare. This design also provides a retail marketing asset by offering tenants the flexibility to design unique and aesthetically-appealing showcases for consumer goods.

4. 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 Project design reflects creativity and engineering to synthesize the highly-beneficial retail, theater, office, and possibly residential uses at the Property, with loading facilities and approximately 300 to 475 underground parking spaces. The Project successfully provides loading facilities, underground parking, drive aisles, and ramps on a narrow site without compromising the essential and sizable retail spaces as experienced from 5th Street and the plaza internal to the Property.

Further, the Applicant and its affiliates propose an efficient, economical land utilization strategy. That is, given the limited number of parcels within Union Market that are large enough to facilitate efficient parking garage layouts due to the fractured ownership throughout Union Market and existing structures that may be maintained, the Applicant’s approach to “pooling”

additional parking on select sites is a well-planned concept that illustrates the strategic macro-perspective called for in the Small Area Plan.

The Project introduces a significant amount of community-serving or community-anchoring retail space in an area that is currently underserved, along with retaining the now-essential Market building. Importantly, the Project retains and enhances open space both in the central portion of the Property running from 5th Street to 6th Street and along the south portion of the Property. Such space allows for thriving uses to be located adjacent to civic spaces activated by the customers and community fostered by Union Market.

The project also achieves the principles of transit-oriented development, as it strikes a careful balance between increasing density and sensitive placement of massing and use on the Property.

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

According to Section 2403.9(g), "social services/facilities" are deemed to be public benefits and project amenities. As mentioned above, the Project includes a substantial amount of enhancement to the public space surrounding the Property. This public space is cultivated and reclaimed for use by pedestrians, whether for walking or other activated street life, from the current disorganized truck and other vehicle traffic and parking patterns.

In addition, also as mentioned above, the Project includes a high degree of open space – both in the central portion of the Property and along the southern portion of the Property. Such spaces allow Union Market residents, users and visitors to enjoy outdoor gathering areas and program such spaces for a wide variety of social and civic uses.

6. 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. The Project is designed to achieve the equivalent a LEED certified rating.

In addition, the Project incorporates extensive sustainable features. They include features to maximize water efficiency and measures both to mitigate the building's impact on the environment and to create a healthier interior environment.

7. 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.

As a threshold matter, the retail offered through the Project, and the retail provided by the existing Market, are essential amenities for Union Market and surrounding community. This retail component assists in creating the critical mass necessary to establish an essential, bustling, one-of-a-kind shopping district in DC. The retail space drives a significant amount of income and sales taxes for the District and creates new retail jobs. The retail space allows the District to reverse the retail leakage that has afflicted it for decades and, in fact, creates a retail migration that allows the District to capture retail spending from neighboring jurisdictions.

The complementary uses of the theater and office components allow Union Market to create a 24 hour live/work/play community. The theater and the office component will bring people to Union Market during the day, at a time when residents in the district will typically be

at work. The theater on its own is a significant amenity for the community surrounding Union Market. There are currently no options for movie theaters in Northeast Washington.

The activated plaza between the two buildings as well as the plaza along the South Building's southern frontage demonstrates the Applicant's approach towards the value of providing engaging open spaces to congregate and socialize with the primary goal of fostering a strong sense of community.

If residential use is included in the Project, such residential use will result in the generation of significant additional tax revenues in the form of property, income, sales, use, and employment taxes for the District. In addition, these new residents will have an interest in a long-neglected neighborhood, and they will add neighborhood activity from dawn till night.

The extent of the proposed investment at the Property will catalyze development in Union Market. The retail, theater, office, and possibly residential uses will combine to bring both daytime and evening users into the Market that will allow it to reach a critical mass and become self-sustaining, in achievement of the Small Area Plan's vision.

8. 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 amenities of a project.

As previously described above, the Project is appropriately located within 1/3 mile of a Metrorail Station and provides potential new riders for the Metrorail system at this location. Also, its proximity to Metrobus, Downtown, and the Central Employment Area (including

NoMA) helps to reduce dependence on the private personal vehicles and allows retail and theater employees and customers along with office workers and, if included in the Project, residents, to experience a live/work urban environment. Tenants and their employees in the Project are able to use public transit to and from work, along with shopping and dining near their workplace.

Furthermore, as will be articulated in the full traffic report to be submitted with the pre-hearing statement, the Project will incorporate a traffic management plan in and around the Property to properly manage the traffic flow in the area. The traffic management plan will include such features as car sharing benefits and bicycle storage.

The proposed Project provides a below-grade parking garage with approximately 300 to 475 parking spaces. This vehicular entrance and exit as well as the loading for the buildings is accessed from the 6th Street at the east side of the Property. Accordingly, this removal of vehicular traffic and locating the loading off the 6th Street lessens truck sidewalk crossings and maneuvering from 5th Street, which will minimize vehicle-pedestrian conflicts since the majority of pedestrian traffic will be on 5th Street. The Applicant met with DDOT relating to these traffic maneuvers and will continue to do so as it studies the Project's relationships to the surrounding traffic patterns and streets.

9. 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 Project creates several types of job opportunities. During its construction phase, the Project provides jobs primarily in the construction and related fields. Once operational, the Project will provide jobs for the entirety of the retail and theater uses, management of the office building, and, potentially, management of the residential building.

The retail use of approximately 25,000 to 35,000 gross square feet of new retail use and 38,000 to 42,000 gross square feet of new theater use require a significant work force to operate.

Further, the Market is already employing a high percentage of District employees. Currently, approximately 80% of the 130 person workforce at The Market are District employees. A telling sign of how The Market has built bridges within the community is the large percentage of employees within The Market that are Gallaudet students, alumni and/or members of the deaf community.

In addition, a large percentage of the tenants within The Market are small businesses that are locally-based and owned by District residents, minorities, and/or women.

10. 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, specifically the Florida Avenue Market Small Area 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, particularly Section VI above. 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.

VII. ENVIRONMENTAL ANALYSIS FOR SECOND STAGE APPLICATION (THE SOUTH COMPONENT OF THE PROJECT)⁷

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

A. Water Demand

The Project will contain up to approximately 139,400 gross square feet of retail, restaurant and theater use and up to approximately 402,000 gross square of office and possibly residential use, and the average daily demand for water is estimated to be between approximately 94,225 to 104,225 gallons per day⁸. 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 between approximately 75,380 and 83,380 gallons per day⁹. 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 District Department of the Environment. The

⁷ Note: The Environmental Analysis will be updated for the North Component of the Project during its Second Stage PUD review. The numbers included in this Environmental Analysis are estimates.

⁸ Note: This estimate involves conservative assumptions that likely increased the total figure. For example, the average residential unit size is estimated to be approximately 670 net square feet per unit for purposes of calculating the water usage. These residential units will be included in the Phase 2 PUD application, so an actual estimated unit size is not known at this time.

⁹ Note: Similar to the above, this estimate involves conservative assumptions that likely increased the total figure.

proposed systems will be designed, constructed, and maintained in accordance with standards set by the District Department of the Environment.

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 a highly efficient mechanical system.

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

The development team has engaged in discussions about the Project with many community stakeholders. The Applicant has met with the Commissioner of ANC 5D01 on multiple occasions to review future development plans for its projects around Union Market and will continue to have such meetings. The Commissioner has verbally expressed her support of the Project and we anticipate that a Letter of Support will be forthcoming. The Applicant and

development team will return to the full ANC for a presentation prior to the hearing on this Application and will continue to meet with the ANC thereafter and throughout the course of the Project. The Applicant has also met with Gallaudet University to discuss the Project and Gallaudet's projects to the north and south of the Property. In addition, the Applicant will meet with other community groups such as the Trinidad Neighborhood Association to ensure inclusion in this process.

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 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, Florida Avenue Market Small Area Plan and other adopted public policies and active programs related to the subject site; embodies an essential early "place-making" step in the redevelopment of the Union Market (also known as Florida Avenue Market and Capital City Market) as a destination; 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.

For the foregoing reasons, the Applicant submits that the Consolidated and First Stage PUD and related Map Amendment application should be set down for a hearing by the Zoning Commission at its earliest convenience.

Respectfully submitted,

By: Maureen E. Dwyer/gcu
Maureen Dwyer

By: Jeffrey C. Utz
Jeffrey Utz