

1 GOVERNMENT OF THE DISTRICT OF COLUMBIA
2 Mayor's Agent for the Historic Landmark
3 and Historic District Protection Act

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Public Hearing

8

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10 616 Eye Street, Northwest, Rear
11 HPA No. 14-152

12

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14

9:31 a.m. to 6:27 p.m.

15

Thursday, June 11, 2015

16

17

Office of Planning

18

1100 4th Street, SW, Suite E650

19

Washington, D.C. 20024

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1 Appearances:

2 JUDGE PETER BYRNE, ESQ.

3 Designated Mayor's Agent

4

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10 KIRK ALAN SALPINI

11 ANNE ADAMS

12 ROBERT HOLZBACH

13 TED RISHER

14 LINDSLEY WILLIAMS

15 STEVE CALLCOTT

16 LINDA LEE

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1 P R O C E E D I N G S

2 MAYOR'S AGENT BYRNE: All right. Well,
3 good morning, everybody. I am Peter Byrne. I am
4 the designated Mayor's Agent for this matter,
5 which involves a permit for an application to
6 raze a warehouse building at the rear of 616 Eye
7 Street, Northwest, for new construction. And the
8 application is assigned Historic Protection Act
9 No. 14-152.

10 The case is being heard under the
11 authority of D.C. Law 2-144, the Historic
12 Landmark and Historic District Protection Act of
13 1978. This law requires that the mayor or her
14 agent review permit applications for demolition,
15 alteration, subdivision, and new construction on
16 the site of historic landmarks or within historic
17 districts.

18 Prior to consideration by the Mayor's
19 Agent, the law requires that applications be
20 referred to the Historic Preservation Review
21 Board for its recommendation. On January 30th,
22 2014, the review board determined that the

1 building contributes to the character of the
2 Downtown Historic District.

3 After reviewing development of the
4 concept over ensuing months, the board, on March
5 18th, 2015, referred the raze to the Mayor's
6 Agent on the grounds that it would not be
7 consistent with the purposes of the Historic
8 Landmark and Historic District Protection Act.

9 After the board made its recommendation,
10 the Applicant requested this public hearing, as
11 provided by law.

12 This hearing will be conducted in
13 conformance with the D.C. Administrative
14 Procedure Act and Title 10-C, District of
15 Columbia Municipal Regulations, which contain the
16 rules of procedure for the Mayor's Agent pursuant
17 to the preservation law.

18 The order of proceeding and presentation
19 of evidence shall be as follows: consideration
20 of pending motions and procedural matters, if
21 any; presentation of the Applicant's case;
22 reports or statements by public agency

1 representatives; statements by affected advisory
2 neighborhood commissions; parties and other
3 persons in support of the application; parties
4 and other persons in opposition to the
5 application; rebuttal by the Applicant; rebuttal
6 by parties in support of the application; and
7 surrebuttal by parties in opposition to the
8 application.

9 So, we do have pending before us the
10 motions for party status for DC Preservation
11 League and for the Douglas Jemal organization.
12 And do you have any objection to those?

13 MS. BROWN: No objection.

14 MAYOR'S AGENT BYRNE: Okay. Well, those
15 are granted. And we'll be able to proceed then
16 with the Applicant's case. So, Ms. Brown, would
17 you like to make an opening statement or just
18 proceed with the first witness?

19 MS. BROWN: Yes. I'll make an opening
20 statement.

21 OPENING STATEMENT

22 MS. BROWN: Good morning. My name is

1 Carolyn Brown, and I'm with the law firm of
2 CastroHaase and Brown. We have five witnesses
3 today, who will be qualified as experts at the
4 time that they testify.

5 We are very pleased to be here today with
6 support for this project from the Historic
7 Preservation Review Board; the Deputy Mayor's
8 Office; Jack Evans, the Council Member in whose
9 board this project is located; ANC 2C; and
10 several residents and business owners in the
11 community.

12 We believe this project of special merit
13 is one that can be approved based on its
14 overwhelming components that fulfill the purposes
15 of the special merit test. We have 138 new
16 housing units on a site where housing is not
17 required. We have approximately nine units that
18 will be set aside for moderate-income households,
19 roughly 50 to 80 percent of the area mean income
20 of the Washington area, where there is no
21 requirement for affordable or inclusionary zoning
22 units.

1 We have an exceptional historic
2 preservation component that retains and
3 rehabilitates all of the contributing buildings
4 on Eye Street and two of the three structures on
5 the alley. In fact, the preservation component
6 is very similar to what you, Mr. Byrne, approved
7 in the 9th and L Square 369 project, where there,
8 eight of the nine contributing buildings were
9 being saved and rehabilitated and incorporated
10 into the new design.

11 We have a handsomely designed new
12 building that incorporates a modern Chinese idiom
13 to reflect the site location within Chinatown.
14 Similar to the Square 369 project at 9th and L,
15 there's a reconfigured alley system that enhances
16 the urban fabric and fulfills the City goals for
17 good urban design and planning.

18 We also have additional jobs and tax
19 revenue for the City on a site that's been
20 vacant, unsightly, and it has really detracted
21 from the historic district. The entire community
22 will benefit from these features of the project,

1 which fulfill the key goals and objectives of the
2 Comprehensive Plan.

3 The demolition that we are proposing in
4 this project is necessary to allow this special
5 merit project to go forward. It can only proceed
6 if we demolish the rear of 616 Eye Street,
7 Northwest.

8 We explored alternatives to demolition,
9 and you will hear from our witnesses today that
10 this project started out very differently from
11 where you see it now. But through thoughtful
12 input from the Historic Preservation Office, the
13 HPRB, and even our opponents, DCPL and Douglas
14 Development, we continued to explore alternatives
15 to determine the exact minimum amount of
16 demolition necessary to achieve the special merit
17 features of the project.

18 On balance, the special merit features
19 far outweigh the loss of the relative value of
20 the rear of 616 Eye Street. So, we believe we
21 have met the test for a project of special merit
22 and the requested demolition permit should be

1 cleared for issuance.

2 With that, I'd like to turn to our first
3 witness, Mr. Kirk Salpini, who I would like to
4 qualify as an expert in real estate development.
5 And I have his resume here.

6 MAYOR'S AGENT BYRNE: Okay.

7 (Pause, Ms. Brown handed the document to
8 the Mayor's Agent.)

9 MS. BROWN: Here they are.

10 MAYOR'S AGENT BYRNE: Thank you. So, I
11 think this time we will mark the exhibits as we
12 go.

13 MS. BROWN: Yes. Good idea.

14 MAYOR'S AGENT BYRNE: So we don't do it
15 all at once when we can't remember what they
16 were.

17 (Laughter.)

18 MAYOR'S AGENT BYRNE: So we'll call this
19 Exhibit A.

20 (Hearing Exhibit A was marked for
21 identification.)

22 MAYOR'S AGENT BYRNE: Great. All right.

1 Well, Mr. Salpini, welcome.

2 So, before we proceed with Mr. Salpini,
3 I think we'll swear everybody.

4 So, our testimony here is given under
5 oath. So, I would ask anyone who is here who
6 intends to speak if you would please raise your
7 right hand and I will ask.

8 Do you promise to tell the whole truth to
9 the best of your ability?

10 (Chorus of "I do.")

11 MAYOR'S AGENT BYRNE: Thank you all very
12 much.

13 All right, Mr. Salpini. State your name
14 for the record.

15 MR. SALPINI: Kirk Allen Salpini.

16 MAYOR'S AGENT BYRNE: All right. Very
17 good. You may proceed.

18 MS. MOLDENHAUER: I'm sorry. A point of
19 clarification.

20 MAYOR'S AGENT BYRNE: Sure.

21 MS. MOLDENHAUER: Ms. Brown has tried to
22 identify the witness as an expert, but the

1 witness has also testified on behalf of the
2 Applicant. He is the Applicant, and I believe
3 that that would not be appropriate. He can
4 obviously provide his individual testimony, but
5 if they want to provide an expert, it should be a
6 third-party expert testimony.

7 MS. BROWN: I would disagree with that,
8 that the Zoning Commission has in the past, and
9 even the Board of Zoning Adjustment have both
10 qualified developers as expert witnesses. In
11 fact, Mr. Paul Millstein, a representative of
12 Douglas Development, has been qualified as an
13 expert before the Zoning Commission.

14 MS. MOLDENHAUER: Obviously, we're in a
15 different forum.

16 MAYOR'S AGENT BYRNE: We're in a
17 different forum. And I think we have done this
18 generally when people have expertise. Even
19 though they're testifying on behalf of the
20 Applicant as sort of part of the Applicant team,
21 we recognize them as experts.

22 But of course, one understands their

1 testimony in a certain context? Right? All
2 right.

3 Please proceed.

4 MS. BROWN: Thank you.

5 MAYOR'S AGENT BYRNE: And are you going
6 to ask him any questions to qualify him? Or do
7 you want to just proceed to that?

8 Do you have any objections to qualifying
9 him on the terms of his qualifications?

10 MS. MOLDENHAUER: No.

11 MAYOR'S AGENT BYRNE: Okay. Fine. Then
12 he's recognized as an expert in real estate
13 development.

14 MS. BROWN: Thank you.

15 Mr. Salpini, if you could state your name
16 for the record again and proceed with your
17 testimony.

18 Whereupon,

19 KIRK ALAN SALPINI

20 was called as an expert witness and testified as
21 follows:

22 DIRECT TESTIMONY

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1

2 MR. SALPINI: My name is Kirk Allen
3 Salpini. I'm Senior Vice President with Monument
4 Realty. And I've been with the company since its
5 founding more than 16 years ago. As such, I've
6 been responsible for completing more than 2.4
7 million square feet of commercial space and 700
8 residential units, much of which is located in
9 the District of Columbia.

10 The company began in 1998. We have in
11 our portfolio more than 6 million square feet of
12 office development, 4,500 residential units, and
13 a number of hotels. Our trade area is primarily
14 the greater Baltimore-Washington SMSA.

15 Monument residential projects of note in
16 the District of Columbia include Potomac Place,
17 Potomac Place Tower, the Eleven, and the
18 Dunbarton. Monument is best known for its
19 ability to tackle complex multi-use projects in
20 both urban and suburban locations. The current
21 project is one that includes several layers of
22 complexities in the entitlement process.

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1 As you can see on the attached plan, in
2 yellow, the site is located mid-block on
3 approximately 0.6 acres between 6th and 7th
4 Streets, H and Eye Street, and literally in the
5 heart of DC's Chinatown.

6 There exist 10 historic buildings of
7 varying size and condition on the site. The
8 buildings are in poor shape, and many of them
9 have been unoccupied for several years. The
10 sheer number of historic structures is unusual on
11 a single site, let alone one as small as this.

12 Paramount in this site assembly process
13 was the challenge to knit the existing and the
14 new together in a cohesive whole. The site is
15 bisected by a north-south alley and bounded by a
16 second east-west alley on its southern edge.
17 It's also bounded by Eye Street to the north.

18 Two buildings in the new development, one
19 on each side of the north and south alley, will
20 be connected by a single-level bridge. We're
21 proposing a mixed-use development of residential
22 and retail uses, totaling approximately 150,000

1 square feet, including 14,000 square feet of
2 retail and arts uses. The entire project will
3 sit atop a three-level below-grade 95-space
4 garage.

5 As evidenced by more than the two-year
6 process with the HPRB, this has been a give-and-
7 take to arrive at the current concept design.
8 Thus far, we've been there at least six times to
9 work through various preservation issues and
10 attended two work sessions with selected board
11 members, while balancing the needs of the
12 community that are served by the current through-
13 block alley.

14 We feel that we've been able to create a
15 cohesive whole that's far better than the sum of
16 its individual parts. The project before you
17 today is not just compatible with the downtown
18 historic district. It's a celebration of the
19 historic buildings in the District, providing a
20 high-quality architectural design that
21 complements the historic buildings and showcases
22 their historic merit.

1 Along the way, we've made great efforts
2 to listen and to adjust our program and design
3 for the site while seeking to retain that
4 compatibility with the existing historic
5 district.

6 We've worked with the ANC 2C, having
7 gained their unanimous support at every step of
8 the process. Delving deeper, we've met many
9 times with the residents of the Wah Luck House,
10 who are our neighbors, presenting our ideas,
11 listening to theirs, and incorporating
12 suggestions that have improved our project's
13 design and its compatibility with the
14 neighborhood.

15 We didn't stop there. Instead, we worked
16 to cultivate relationships with other members of
17 the Chinatown community, and their letters of
18 support for this project, which we have today
19 with us, reflect the extent of this effort.

20 As with any redevelopment project, we're
21 unable to gain support of some of our neighbors.
22 In response to their comments, we relocated the

1 garage entrance, we've lowered the height of the
2 eastern elevation closest to the Wah Luck House,
3 and agreed to alter the building materials used
4 on the east elevation to reduce the glare for the
5 adjacent residents.

6 Unfortunately, we could not reach
7 agreement on the scope of the development. The
8 aforementioned were just some of the many changes
9 that resulted from the collaborative community
10 process.

11 In addition to the neighbors, we've met
12 with the Deputy Mayor for Planning and Economic
13 Development; the Council Member for Ward 2, Jack
14 Evans; the Director of the Office of Planning or
15 their Deputy on eight occasions; HPO's staff five
16 separate times; the New Projects Committee of the
17 DC Preservation League five times; and DDOT on
18 three occasions in an effort to listen and be
19 heard before arriving here today.

20 I think it's important to review with you
21 the various designs we considered and how our
22 project changed to require the least amount of

1 demolition possible to support the redevelopment
2 and special merit elements of the plan.

3 And I realize that I'm talking about
4 plans without first orienting you to the site or
5 the project. My goal now is just to give you a
6 sense of the level of design discussions that we
7 had in an effort to satisfy these often-competing
8 interests. Our architect will walk you through
9 the specifics of the design.

10 But I do think it's important to
11 establish the framework for the project before
12 you today. We had two buildings on the site that
13 were potentially contributing structures, but no
14 one was certain. Until conducting further
15 research, HPO staff were not certain, themselves.
16 Because of this uncertainty, the Director of the
17 Office of Planning suggested that we, quote,
18 "call the question" with the Historic
19 Preservation Review Board as to the contributing
20 nature of these two buildings.

21 The board hearing resulted in split
22 decisions in favor of the buildings' being

1 considered contributing. We found a way to
2 retain one of those two buildings, but the
3 location and nature of the 616 rear portion of
4 the structure made it impossible to preserve
5 while still delivering the rest of our project.

6 We began in June 2013 with a plan for
7 370,000 square feet of office development that
8 connected through the block between H and Eye
9 Streets. Over time, we've made the following
10 notable changes throughout the HPRB review
11 process and in discussions with representatives
12 of the City:

13 We've reduced our overall density by 60
14 percent to 150,000 square feet. We've changed
15 the use from office to residential when asked to
16 do so by the Office of Planning. We widened the
17 north-south alley by 33 percent to maintain a
18 view corridor and improve circulation.

19 We increased from eight to nine the
20 number of retained historic contributing
21 buildings, including preparation of the detailed
22 structural evaluation and retention plans. We've

1 adaptively reused historic alley buildings for
2 community uses.

3 We reduced the height of portions of the
4 new building, including the portion next to the
5 Wah Luck House, by two stories. We increased the
6 setback of the new construction to between 50 and
7 60 feet from Eye Street. We added setbacks to
8 provide variation in the Eye Street elevation.
9 We eliminated new curb cuts on H and Eye Streets
10 through the process to reduce vehicular
11 conflicts.

12 We relocated the parking garage entrance
13 to reduce traffic next to the Wah Luck House.
14 Instead of being on the east-west alley, we've
15 moved it to the north-south alley, further away
16 from them. We dedicated space in the project for
17 community use. We've initiated a community-wide
18 solicitation for use suggestions and coordinated
19 with a community-populated working group to
20 evaluate the solicitations and to receive their
21 recommendations of a preferred user.

22 We eliminated construction over the east-

1 west alley and separated our project into two,
2 the project before you on Eye Street and the
3 balance of the project, which will now be
4 centered and located on H Street. We reduced the
5 connecting bridge between the Eye Street
6 buildings and across the north-south alley, from
7 nine levels to one level. We set back the new
8 construction above the two retained alley
9 buildings by 16 feet.

10 Most of these alterations carried cost
11 and functional implications that we willingly
12 absorbed in an effort to strike a balance between
13 the District's preservation goals and the
14 financial feasibility of the project.

15 Despite the myriad challenges, we're
16 pleased that HPRB has determined that our design
17 is compatible with the downtown historic
18 district, and we request flexibility in the
19 location of the main lobby entrance to the east
20 tower and the location of the community space so
21 that we can resolve these issues with the HPRB in
22 the final design, which may affect the square-

1 footage numbers.

2 As to special merit, we believe that our
3 project has special merit for several reasons.
4 The most important of these is the extent of
5 preservation of contributing structures in the
6 project. Of the 10 existing structures, we are
7 able to preserve 9. The 10th is the subject of
8 today's hearing.

9 Few projects have the potential to
10 positively impact historic preservation in a
11 manner that is as consistent with the Historic
12 Preservation Act as this one.

13 The preservation itself. The project
14 adaptively reuses contributing buildings by
15 retaining facades and significant portions of
16 nine of the ten existing structures. And we
17 incorporate those structures into the new
18 construction in a manner that blends with the
19 historic structures in furtherance of the
20 Comprehensive Plan policies.

21 Our preservation consultant will
22 elaborate on the preservation scope, which will

1 be detailed to reflect research into the history
2 of each building and convey how the restoration
3 is compatible with the historic district. We've
4 already filed the preservation scope with HPRB
5 that they found acceptable and commended for its
6 thoroughness.

7 Suffice it to say that all critical
8 elements of the existing buildings in need of
9 attention will receive it, and the integrity of
10 these structures will be restored.

11 Another component to our special merit
12 elements is housing. Our project provides a
13 substantial amount of housing that is sought by
14 the District. At the request of the Director of
15 the Office of Planning, we agreed to substitute
16 more lucrative office uses with residential
17 development in furtherance of the Comprehensive
18 Plan goals and objectives to expand the
19 District's housing supply through private-sector
20 support.

21 It may be helpful to understand the value
22 forgone by the developer with this change in use.

1 With new class A office space in the Chinatown
2 submarket currently leasing for approximately
3 \$57.70 per square foot, triple-net, versus
4 residential space that rents for approximately
5 \$38.30 per square foot, triple-net, this results
6 in a sizable rent differential and income
7 differential.

8 Added to this fact, residential buildings
9 are typically about 10 percent less efficient
10 than office buildings, to accommodate the
11 additional common-area requirements for floor
12 trash rooms, leasing offices, mail and package
13 storage rooms, and the generous amenity spaces
14 demanded by today's renters.

15 D.C. office buildings have recently sold
16 for more than \$1,100 per square foot, based on
17 capitalization rates before 4 percent. In
18 valuing the difference in income between the two
19 uses, we've assumed a 4.5 percent capitalization
20 rate commensurate with a District class A office
21 building today. The value to the project that we
22 have forgone from this change in use is

1 approximately \$68 million.

2 The next component to our special merit
3 elements is affordable housing. The District is
4 in a self-described crisis of affordable housing.
5 It's been reported that more than 35,000
6 affordable units have disappeared in the District
7 since 2000. Inclusionary zoning legislation
8 requires construction of affordable housing units
9 in designated locations within the District, and
10 it became effective in 2009.

11 According to the Department of Housing
12 and Community Development's annual inclusionary
13 zoning report, as of December 31st, 2013, the
14 most recently available such report, a total of
15 30 units have been delivered some four years
16 later, with another 1,219 units in the pipeline.
17 As you can see, we're still in a situation where
18 many units more are being lost than are being
19 replaced.

20 Although the project is located in the
21 downtown development district and not subject to
22 inclusionary zoning, we agreed to record a

1 covenant in the Land Records of the District of
2 Columbia for the life of the project, whereby we
3 will reserve nine units, equal to approximately 5
4 percent of the net floor area, devoted to
5 residential use in the project for rental or sale
6 to moderate-income households, as defined by the
7 District of Columbia.

8 Again, the inclusion of these affordable
9 units was strongly encouraged by the Office of
10 Planning as something that would go above and
11 beyond what is required. We are providing these
12 units in a part of the City that has become
13 increasingly expensive and in an area where the
14 District's mandatory inclusionary zoning
15 requirement does not apply.

16 That makes these units more important and
17 valuable in the District's efforts to increase
18 the supply of affordable house. Voluntarily
19 meeting this urgent need is an important and
20 responsible contribution to address the
21 affordability gap facing many working-class
22 residents in the District.

1 The next component to our special merit
2 elements is that of fiscal and economic impact.
3 Large mixed-use projects like the one proposed
4 here create both temporary jobs during the
5 construction phase and permanent ones during the
6 ongoing operation of the building. Our fiscal
7 and economic impact consultant will delve more
8 deeply into these aspects.

9 The jobs created will impact entry
10 through middle-management levels. Taxes on real
11 property, sales, income, and payroll, to name
12 just a few, will yield material benefits over the
13 life of this project above those currently
14 generated by the existing uses.

15 The next element of special merit is
16 Chinatown identity. The redevelopment plan
17 advances the policies of the Comprehensive Plan
18 to sustain and protect Chinatown as a viable
19 community with its unique architectural heritage.
20 Our architect will address in greater depth the
21 specific attributes that help connect the project
22 design to that of Chinese culture, but it's

1 evident that the project's Eye Street elevation
2 reflects a modern interpretation of Chinese
3 screens.

4 Strengthening this cultural connection,
5 we are dedicating to the Chinatown community,
6 through a covenant in perpetuity, the right to
7 use approximately 2,300 square feet of ground-
8 floor space, accessed from either H or Eye
9 Street, to house an Asian Living Arts Center, in
10 exchange for nominal rent.

11 We selected the Asian Living Arts Center
12 as the preferred use following a communitywide
13 solicitation process based on their contributions
14 to the Asian visual and performing arts, their
15 willingness to incorporate a Chinatown cultural
16 preservation element in the programming of the
17 space, and their track record of successful
18 fundraising.

19 The latter of these elements is important
20 to any user trying to sustain operations of the
21 community space over time. A collaboration of
22 the Dana Tai Soon Burgess Dance Company and DC

1 Asian Pacific American Film has agreed to staff
2 and manage programming for the community space
3 during the initial 10 years, following completion
4 of the project.

5 The developer also agrees to design and
6 build out the interior of the space and pay the
7 utilities and real estate taxes for the space
8 during the initial 10 years following completion
9 of the project. Visitors to the center will also
10 be able to hear oral histories of Chinese
11 immigrants to America and their struggles to
12 assimilate.

13 The developer estimates the design,
14 construction, and operation costs of the space
15 over the initial 10 years of this agreement to be
16 approximately \$1,225,000.

17 Finally, we anticipate being able to do
18 something in regards to preferred retail uses.
19 What we are suggesting is that this is an area
20 sensitive to the contribution of retail and arts
21 uses. And we think that that is an effective
22 element to the success of this project. And to

1 reinforce our commitment in this area, we agree
2 to exceed the District Zoning Regulations'
3 minimum amount of preferred retail and arts uses
4 required on the site by approximately 300 square
5 feet, and we hope to maintain this excess space
6 following HPRB's final design review.

7 In summary, we feel that the retention
8 and restoration of the nine existing buildings is
9 a huge upgrade to the neighborhood from their
10 boarded-up decaying and vacant condition today.
11 Some of these buildings are structurally
12 impaired. And all can benefit from the attention
13 we will give them. Our project and the new
14 construction on the north side of Eye Street, at
15 600 Massachusetts Avenue, together will be
16 transformative and complete the renovation of
17 this entire block.

18 We've worked long and hard with the
19 parties to deliver a design we can all agree on.
20 We request your careful consideration of this
21 application and are confident you will find
22 sufficient merit herein to approve it. Thank

1 you.

2 MAYOR'S AGENT BYRNE: Thank you, Mr.
3 Salpini.

4 MS. BROWN: I have a couple of redirect
5 questions.

6 MAYOR'S AGENT BYRNE: Sure.

7 MS. BROWN: Not redirect, direct
8 questions.

9 (Laughter.)

10 DIRECT EXAMINATION

11 BY MS. BROWN:

12 Q. Mr. Salpini, did you have an opportunity
13 to read the brief that was submitted by the DC
14 Preservation League?

15 A. Yes.

16 Q. And there was a statement in there that
17 housing would be more lucrative at the site than
18 office space. Do you agree with that statement?

19 A. No, I don't. It's really not that close
20 in the location of this project. The residential
21 rents will be about two-thirds those of the Class
22 A office space, which seems to have enjoyed a

1 tremendous reception based on the nearby
2 buildings that were constructed or are under
3 construction by Boston Properties, Heins at City
4 Center, and the Association of American Medical
5 Colleges, each of which enjoy nearly full
6 occupancy.

7 In addition, we have the building across
8 the street from us at 600 Mass Ave that is
9 precommitted by, I believe, two-thirds of the
10 building to a law firm.

11 MAYOR'S AGENT BYRNE: Is that the Arnold
12 and Porter building?

13 MR. SALPINI: No, this is actually the
14 Venable Building.

15 MAYOR'S AGENT BYRNE: 600 Mass Avenue.

16 MR. SALPINI: Arnold and Porter would be
17 another example. But, yes. Tenants continue to
18 pay a premium for quality and location. Added to
19 the rent spread is a significantly higher yield
20 is rentable area from office versus residential
21 development.

22 The incentive of transferable development

1 rights offered to encourage residential
2 development does provide a modest opportunity to
3 close this spread, but with the large number of
4 transferable development rights recently approved
5 in the District of Columbia, the value of these
6 rights is already being diluted.

7 Finally, even with cap-rate compression
8 in the residential market, quality office space
9 trades at lower capitalization rates than
10 similarly positioned residential. The
11 combination is a clear advantage for the value of
12 office properties.

13 MS. BROWN: Now, I'd like to submit to
14 the record a copy -- and I'm sorry for it not
15 being the original. But it's a snapshot,
16 screenshot of special merit project on E Street
17 approved by the Mayor's Agent in Booth's Alley
18 that availed itself of TDR's and yet was also
19 qualified as a project of special merit,
20 notwithstanding the TDR transfer.

21 MAYOR'S AGENT BYRNE: Okay. And so, it's
22 being offered to show that a project can be a

1 project of special merit even if it takes
2 advantage of TDR's? Do I have that right?

3 MS. BROWN: That's correct, that where
4 housing is the proffered benefit under special
5 merit and an applicant still transfers
6 development rights and derives a profit from
7 that, yes.

8 MAYOR'S AGENT BYRNE: Okay.

9 MS. MOLDENHAUER: And I'd just point out
10 the time frame. This is a 15-year-old case. So
11 obviously, the increase in housing in certain
12 areas of the District and the desire, the need
13 based on the Comprehensive Plan and the focus
14 with the question of high priority, I believe,
15 are --

16 MS. BROWN: I'm just kind of questioning
17 why we're having a dialog about the Applicant's
18 presentation. Are you raising an objection?

19 MS. MOLDENHAUER: I'm identifying a point
20 of clarification.

21 MAYOR'S AGENT BYRNE: Well, we'll accept
22 that as Exhibit B then in the record.

1 (Hearing Exhibit B was marked for
2 identification.)

3 MAYOR'S AGENT BYRNE: Further questions?

4 MS. BROWN: Yes.

5 BY MS. BROWN:

6 Q. In the DCPL brief, they also made a claim
7 that this project is luxury housing and that that
8 should not qualify as a project of special merit
9 either. Is this luxury housing? And can you
10 define "luxury housing"? Let me start with that
11 question first. Can you define "luxury housing"
12 and what that means?

13 A. Well, it's an interesting question. What
14 I sought in trying to think about this after
15 reading their brief was, how would I answer that
16 question? So I went on the Internet and did a
17 search of Zillow for home listings in the
18 District of Columbia.

19 There were more than 200 listings in the
20 District valued in excess of a million dollars.
21 Several projects in the District that we have
22 looked at as we were trying to determine what

1 your competitive set was going to be, such as the
2 Ashton at Judiciary Square, just to name one,
3 demand rents in excess of \$10,000 per month.
4 These comparative examples both on a for-sale
5 basis and a rental basis seemed to me to be
6 fitting examples of what luxury housing would be.

7 On the opposite end, there's low-income
8 housing that's earmarked for those who make 30 to
9 50 percent of the AMI, or about \$40,000 a year.
10 There's moderate-income housing, which targets
11 individuals that make between \$50,000 and \$85,000
12 annually. And workforce housing that seems to
13 meet the needs of residents making from \$85,000
14 to as much as \$128,000 per year.

15 Our project will be targeting workforce
16 housing, but it will also, as I want to remind
17 you, it will also offer 5 percent as affordable
18 to meet the needs of the moderate-income
19 residents, and this covenant does extend for the
20 life of the project.

21 MS. BROWN: Thank you. Those are all my
22 questions.

1 MAYOR'S AGENT BYRNE: Okay. All right.
2 Your witness, Ms. Moldenhauer.

3 CROSS EXAMINATION

4 BY MS. MOLDENHAUER:

5 Q. You're indicating that -- well, just kind
6 of start from what you just stated and kind of
7 we'll work our way back, that these are going to
8 be workforce housing for individuals making
9 around \$85,000 a year, is I believe what you just
10 said?

11 A. 85,000 to 128,000 I believe is what I
12 said.

13 Q. Right. To 128. And that's going to be
14 approximately around \$344,000 (sic) a month for a
15 752-square-foot unit; is that correct?

16 A. Can you ask that question again?

17 Q. The rents are going, from your financial
18 assessments, are going to be around \$3,440 a
19 month for a 700-square-foot unit?

20 A. That sounds a little bit higher, but it
21 could be in that range. I would expect that
22 that's a little high.

1 Q. That's what your report says.

2 A. Okay. But that's reasonable. That is --
3 it is reasonable. But it sounds slightly high,
4 but okay.

5 Q. So "slightly high" meaning higher than,
6 obviously, somebody can afford it at \$120,000
7 salary?

8 A. No. It just sounds slightly higher than
9 what I expected. But that's fine.

10 Q. So is that what you anticipate selling
11 them at or renting them at, or no?

12 A. That is the level that we anticipate
13 renting them at, yes.

14 Q. So then, would somebody possibly at
15 \$120,000, or actually, let's go to the lower end,
16 because at \$85,000 a year, be able to afford, in
17 your expert development opinion, a \$3,500 rent?

18 A. I think that would be a stretch for
19 someone earning \$85,000 a year.

20 Q. So then, your range of who could afford
21 these obviously would not be accurate?

22 MS. BROWN: Objection. That wasn't what

1 he said.

2 MS. MOLDENHAUER: He previously testified
3 that people who are going to be buying his units
4 or renting his units are going to be workhouse,
5 workforce individuals. He described workforce
6 individuals as being 85 to 120. And I'm looking
7 at the lower end of that. I believe workforce
8 housing to be on the lower end, around more at
9 85.

10 And I'm asking if he previously testified
11 that workforce housing could afford this, and he
12 just indicated that someone at 85,000 could not
13 afford this. My question then is, was his prior
14 statement incorrect?

15 MS. BROWN: Go ahead and answer.

16 MR. SALPINI: Okay. No. My prior
17 statement is not incorrect. We have a variety of
18 sizes of units. You based yours, I believe, on
19 700 square feet?

20 MS. MOLDENHAUER: Seven-hundred and
21 fifty-two is one of your units, yes.

22 MR. SALPINI: Great. We have units that

1 will be considerably smaller than that. We have
2 units that will be considerably larger than that.
3 You've picked an average. And obviously, you
4 haven't picked an average of income. You've
5 picked the lowest income. So, the smallest units
6 would likely go to the people who earn the least.
7 We're trying to provide a range of housing to
8 meet the workforce definition.

9 MAYOR'S AGENT BYRNE: What are the
10 smallest units you have?

11 (Pause.)

12 MAYOR'S AGENT BYRNE: Do you mind? I'm
13 sorry.

14 MS. MOLDENHAUER: Oh, jump right in. I
15 was going to that same question. So I'm happy
16 that we're thinking --

17 MR. SALPINI: We'll have units that, on
18 average, will be about 574 square feet, on the
19 small side.

20 MAYOR'S AGENT BYRNE: Okay.

21 MR. SALPINI: Okay.

22 BY MS. MOLDENHAUER:

1 Q. And what is your anticipated rent of
2 those?

3 A. When we complete the project,
4 approximately \$2,700.

5 Q. So, \$2,700 for a 570-square-foot unit?

6 A. Yes.

7 Q. And I'm assuming that a 570-square-foot
8 unit is obviously not going to accommodate a
9 family or probably not a couple or -- that would
10 be fairly tight. So you're looking for an
11 individual person to probably be able to afford a
12 2,700-square-foot (sic) unit and qualifying them
13 as workforce?

14 A. Not necessarily.

15 Q. Can you describe your -- you said that
16 you have some small and some larger units. What
17 is your largest unit?

18 A. We anticipate having two-bedrooms units
19 that will be greater than 1,000 square feet.

20 Q. How many that are greater than 1,000
21 square feet that are two bedrooms?

22 A. Approximately 25.

1 Q. And are you providing any three-bedroom
2 units?

3 A. We are not.

4 Q. Are you aware as an expert real estate
5 developer that the District is in great need of
6 three-bedroom units and that one of the concerns
7 of the -- you indicated the number of -- that
8 there's 219 affordable IZ units currently in the
9 pipeline, that one of the challenges are that
10 most of those are smaller units?

11 MS. BROWN: If you know.

12 MR. SALPINI: I'm not sure what the
13 nature of the units in the pipeline are.

14 BY MS. MOLDENHAUER:

15 Q. Are you aware that there is a need for
16 affordable family-size three-bedroom units?

17 A. I'm not aware of that.

18 Q. Okay. You indicated that you switched or
19 your changed from office and retail to
20 residential based on a conversation with the
21 Director of Planning; is that correct?

22 A. Yes. It was several conversations, but

1 yes.

2 Q. Okay. When did those conversations
3 occur?

4 A. If you'll bear with me.

5 (Pause.)

6 MR. SALPINI: We had three meetings. The
7 first occurred in December of 2013 with the
8 Director of Office of Planning, Michael Darby,
9 Josh Olsen, and myself with Monument.

10 At this meeting, the Director of Planning
11 advised that our special merit argument wasn't
12 clear, that the residential use delivers more
13 benefits to the District. She suggested that the
14 Office of Planning could support office use on H
15 Street if we would agree to split the project in
16 half, and there might be special merit in the
17 residential use on the Eye Street site.

18 The second meeting occurred two days
19 later with the Director of the Office of
20 Planning, Victor Hoskins; the Deputy Mayor for
21 Planning and Economic Development, Jeff Miller;
22 Michael Darby; and myself.

1 The Deputy Mayor stated that office use
2 was consistent with the City's five-year economic
3 development plan and encouraged the Office of
4 Planning to support it. The director, however,
5 stated that residential use was preferable as a
6 use to office at this site.

7 Finally, a third meeting occurred in
8 February.

9 BY MS. MOLDENHAUER:

10 Q. Can I just jump in and ask you a quick
11 question about that? Are they indicating that
12 residential is preferable because the site is in
13 fact located in a housing-priority district?

14 A. She characterized it in the following
15 way: There were a stated number of people moving
16 into the District every day. There was a
17 shortage, in her mind, of housing that was
18 available to meet that need. In her mind, the
19 benefits from residential use were something that
20 she valued and was encouraging us to go that
21 direction.

22 Q. And did the Office of Planning ever

1 provide you assurance or indicate that providing
2 residential use in a residential-priority area
3 would qualify for special merit?

4 A. She indicated that it might.

5 Q. That it might. And so, you were saying
6 that these discussions occurred around December
7 of 2013 when you preferred to do office. Do you
8 --

9 A. Excuse me, but you didn't let me finish
10 my response to your other question.

11 Q. Oh, sorry. Please continue.

12 A. Sorry.

13 Q. No.

14 A. There was a third meeting, so I may as
15 well just fill the record up.

16 Q. Thank you. Go ahead.

17 A. At the third meeting in February 2014,
18 with the Director of the Office of Planning,
19 Jennifer Steingasser, David Maloney, Steve
20 Callcott, myself, and others, the director
21 requested that we break the project into and
22 change the use of the Eye Street portion to

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1 residential to try to preserve -- she asked us to
2 try and preserve 624 H Street and to keep the 15-
3 foot-wide north-side alley in place.

4 "If you can do these things," she said,
5 "you will have solved," quote, "most of the
6 issues." At this point, she was leaving office.
7 We requested assurance from the Office of
8 Planning that they would support the project
9 following her departure. Her words were
10 unwavering: "You have the people in this room
11 you need to support this project after I leave."

12 MAYOR'S AGENT BYRNE: What was the date
13 of that meeting?

14 MR. SALPINI: It was February 2014, and I
15 can get you an actual date.

16 MAYOR'S AGENT BYRNE: Okay. So we're
17 talking about Harriet Tregoning, yes?

18 MR. SALPINI: Yes.

19 MAYOR'S AGENT BYRNE: Okay.

20 MR. SALPINI: Throughout the three
21 meetings.

22 MAYOR'S AGENT BYRNE: Yeah.

1 BY MS. MOLDENHAUER:

2 Q. So, in trying to recap the timeline to
3 understand that, in December of 2013 was your
4 first meeting, where you had the desire to pursue
5 office?

6 A. Can you restate the question?

7 Q. In December of 2013, you were pursuing
8 office?

9 A. In December we were, but that was not our
10 first meeting.

11 Q. When was your first meeting, then, sorry?

12 A. Well, it was our first meeting with the
13 Director of the Office of Planning to talk about
14 changing the use.

15 Q. Um-hm.

16 A. We started this process in June of 2013.

17 Q. Okay. And that was a smaller meeting
18 with the Office of Planning and their staff and
19 your architect?

20 A. Again, I'll have to check my notes, since
21 I don't recall.

22 (Pause.)

1 MR. SALPINI: We met with Steve Callcott
2 and David Maloney regarding submission for
3 370,000 square feet of through-block office.

4 (Pause.)

5 BY MS. MOLDENHAUER:

6 Q. And was your architect present at that
7 meeting?

8 A. I believe that he was.

9 Q. And so you purchased the property in
10 2013, and you understood that all of the
11 properties were located in the historic district?

12 A. We understood that all the properties are
13 located in a historic district relative to the
14 current Eye Street site, yes.

15 Q. And yet, you indicated earlier that you
16 were going to study and explore whether those
17 buildings were contributing, but your initial
18 meeting indicated that you were pursuing
19 demolition?

20 MS. BROWN: I don't think he testified to
21 that. So I have an objection.

22 BY MS. MOLDENHAUER:

1 Q. Did you not indicate earlier that you
2 were exploring whether the buildings were
3 contributing, that both buildings -- you were
4 referring to both buildings that you initially
5 requested to demolish, you were exploring whether
6 they were contributing?

7 A. Initially, our plan requested to demolish
8 two buildings.

9 Q. So, even though you understood that the
10 Preservation Act never deemed demolition to be
11 consistent with the act, you were pursuing --

12 MS. BROWN: Objection.

13 MS. MOLDENHAUER: I'm --

14 MS. BROWN: The statement --

15 MAYOR'S AGENT BYRNE: Well, let her
16 finish the question.

17 MS. BROWN: Okay.

18 MAYOR'S AGENT BYRNE: Then we can decide
19 whether it's --

20 BY MS. MOLDENHAUER:

21 Q. Your initial goal was to demolish two of
22 the buildings on the site?

1 MS. BROWN: And my objection is that she
2 states something that is a legal conclusion about
3 the law, stating that demolition can never be
4 consistent with the purposes of the act.

5 MAYOR'S AGENT BYRNE: That's fair.
6 That's a fair objection.

7 BY MS. MOLDENHAUER:

8 Q. Was your initial intention to demolish
9 two of the structures in the historic district
10 when you were pursuing it back when you first
11 bought the property in 2013?

12 A. Our plan that we put forth in June of
13 2013 assumed that we would be able to demolish
14 two of those buildings.

15 Q. And you previously indicated that the HPO
16 was split on whether they were contributing?
17 When I look at the Office of Planning's reports
18 even dating back to July of 2013, they both
19 indicate that you were pursuing the demolition of
20 a contributing building.

21 So I just want to make sure that you
22 understand that, even as far back as July 2014,

1 the 616 rear Eye Street building was deemed
2 contributing by the Office of Planning staff?

3 MS. BROWN: Is that a question?

4 MS. MOLDENHAUER: Yes.

5 MR. SALPINI: Okay. Can I answer it?

6 MS. BROWN: Yes.

7 MR. SALPINI: Okay. I believe you're
8 incorrect. I believe that I stated that the HPRB
9 voted on the split decisions to determine that
10 those two buildings were contributing.

11 What I said about HPO staff was that when
12 we initially looked at which of the buildings
13 would be contributing and specifically the two we
14 suggested that we would like to demolish, HPO
15 staff was unclear. They said they needed to go
16 out and look at them again and do some research,
17 is what I recall.

18 And it tells me that there was at least a
19 hint of uncertainty, without physical inspection
20 of those buildings again, to see whether or not
21 there was a reason to deem them to be
22 contributing.

1 (Pause.)

2 BY MS. MOLDENHAUER:

3 Q. In regards to the Chinatown community
4 center space, you indicated that there was going
5 to be a right to use it. Can you elaborate on
6 that?

7 A. What we are willing to do and planning to
8 do is enter into a lease or a use agreement with
9 the Dana Tai Soon Burgess Dance Company and Asian
10 American Pacific Film group to manage and operate
11 the programming for this community space.

12 Q. Will it be exclusive use for the
13 community space or will it be shared with the
14 residential?

15 A. Someone has to take responsibility both
16 financially and for the programming. So it will
17 be these two organizations who take
18 responsibility under the agreement. As we
19 envision, the agreement, there will be the
20 opportunity for them to have or allow subtenants
21 to use the space, based on whatever arrangements
22 that they come up with.

1 What we have learned from these two
2 organizations is that they are willing to work
3 with the 1882 Foundation, for instance, and other
4 Chinatown cultural preservation groups, to make
5 sure that a portion of the space displays
6 Chinatown world histories.

7 Q. Will it be exclusive use to those
8 organizations, or will the residents have access
9 to the site when that use is not being -- when
10 the operational aspect of that portion is not
11 being used by the --

12 A. It's my understanding that the groups
13 intend to allow use by the community in times
14 when they're otherwise programmed for their
15 events.

16 MAYOR'S AGENT BYRNE: I take it that's up
17 to the discretion of the lessees as to when to
18 allow other groups in?

19 MR. SALPINI: Yes. And, you know, just
20 for the record, we have begun preliminary
21 conversations between those two organizations and
22 other organizations in Chinatown about trying to

1 arrange that. But nothing has been finalized.

2 MS. MOLDENHAUER: Nothing has been
3 finalized.

4 BY MS. MOLDENHAUER:

5 Q. But my question is, will the residents,
6 is that -- will that also be accessible and
7 utilized by the residents of the apartment
8 building?

9 MS. BROWN: I'm going to object because
10 this is the third time I've heard this question
11 just asked a different way.

12 MS. MOLDENHAUER: But I haven't received
13 an answer. I've received answers that the public
14 community, but I haven't received an answer about
15 the tenants that are going to be leasing the
16 property and whether they are going to also have
17 use of the space and if it's going to be of
18 benefit to the apartment building.

19 MAYOR'S AGENT BYRNE: So, my
20 understanding from the answer that he gave -- and
21 it was that that would be at the discretion of
22 the lessees who are going to manage the space as

1 to whether to allow the residents to be there.
2 But that's not something that you would be
3 involved in?

4 MR. SALPINI: No, I would not.

5 (Pause.)

6 MS. MOLDENHAUER: No other questions.

7 MAYOR'S AGENT BYRNE: Okay.

8 MS. BROWN: And I just have a couple of
9 quick redirect questions.

10 MAYOR'S AGENT BYRNE: Okay.

11 REDIRECT EXAMINATION

12 BY MS. MOLDENHAUER:

13 Q. Mr. Salpini, when you mentioned that the
14 workforce housing would be about 85 to 120 -- I
15 may have gotten the wrong -- 80 to 125 percent of
16 AMI, that figure could change in the future,
17 couldn't it?

18 A. Absolutely.

19 Q. So when the project is finished, the AMI
20 could be higher?

21 A. Yes. I believe that that is based on the
22 currently available AMI figure. The rents that I

1 provide in the prehearing statement are based on
2 when the project delivers, which I believe is the
3 end of 2017, beginning of 2018. So it's really
4 apples to oranges in terms of comparing.

5 Q. And is the number of units that you have
6 planned now fixed? Or will the plans be
7 reconfigured, potentially, based on the final
8 design of the building?

9 A. It is potentially subject to
10 reconfiguration based on how we solve the
11 remaining design issues with HPRB.

12 Q. Okay. And is this project meant to solve
13 all the housing social ills in the City?

14 A. No.

15 MS. BROWN: Thank you. Those are all my
16 questions.

17 MAYOR'S AGENT BYRNE: Mr. Salpini, a
18 question or two.

19 MR. SALPINI: Yes.

20 MAYOR'S AGENT BYRNE: What is the
21 receiving area for your TDR's in this building?
22 Do you know offhand?

1 MR. SALPINI: I don't know offhand.

2 MAYOR'S AGENT BYRNE: Okay. I'm just
3 curious.

4 MS. BROWN: Mr. Byrne, it could be that
5 we have Mr. Williams that will be testifying.

6 MAYOR'S AGENT BYRNE: Mr. Williams?
7 Okay.

8 MS. BROWN: He may be able to help with
9 that question.

10 MAYOR'S AGENT BYRNE: All right. Thank
11 you.

12 What is the concept of a preferred retail
13 in the area under the planning documents?

14 MR. SALPINI: It's preferred retail and
15 arts uses, so it --

16 MAYOR'S AGENT BYRNE: Arts uses?

17 MR. SALPINI: Yes.

18 MAYOR'S AGENT BYRNE: Oh, okay.

19 MR. SALPINI: That's actually one of the
20 reasons we liked the community space so much is
21 we kind of felt like it was a quasi-retail, but
22 it slid over into the arts based on how the

1 programming ended up working, following the
2 community solicitation process.

3 MAYOR'S AGENT BYRNE: Um-hm.

4 MR. SALPINI: We thought that it would
5 attract people to performances, for instance. It
6 would offer educational opportunities and classes
7 and things like that and fit very well within
8 that expanded retail and arts uses definition.

9 MAYOR'S AGENT BYRNE: Okay. So,
10 preferred retail essentially refers to the arts
11 uses, the arts?

12 MR. SALPINI: Any kind of retail that
13 meets retail is -- the retail definitions of the
14 District, I believe, and then it's -- layered on
15 top of that are the arts.

16 MAYOR'S AGENT BYRNE: Okay. Okay. Okay.
17 So, what does "preferred retail" mean in that
18 context, then, in terms of -- maybe I shouldn't
19 be asking him; I should ask a lawyer.

20 MS. BROWN: I could direct you to Chapter
21 17 of the Zoning Regulations.

22 MAYOR'S AGENT BYRNE: Thank you.

1 MS. BROWN: And that's Section 1710,
2 which sets forth retail and services uses. And
3 Section 1711, which sets forth art uses and arts-
4 related uses.

5 MAYOR'S AGENT BYRNE: Okay. Okay.
6 That's fine. Okay.

7 Very good. Thank you, Mr. Salpini.

8 MR. SALPINI: Thank you.

9 (Mr. Salpini was excused as a witness.)

10 MS. BROWN: Our next witness, and she'll
11 be testifying in two parts, is Anne Adams, who
12 I'd like to qualify as an expert in architectural
13 history and preservation. And I will -- oh, I'm
14 sorry. I also wanted -- Mr. Salpini mentioned
15 the support letters. I'd like to submit these to
16 the record.

17 MAYOR'S AGENT BYRNE: Support letters?
18 Okay. So, all of these are -- these are a group
19 of support letters put together.

20 MS. BROWN: Yes.

21 MAYOR'S AGENT BYRNE: With Jack Evans on
22 top. And maybe we can treat them all as Exhibit

1 C.

2 MS. BROWN: Yes.

3 (Hearing Exhibit C was marked for
4 identification.)

5 MS. BROWN: And now I'm going to give you
6 Ms. Adams's resume.

7 (Pause.)

8 MS. BROWN: And I would note that Ms.
9 Adams has been qualified numerous times before
10 the Mayor's Agent on previous occasions. I don't
11 believe she's appeared before you to date.

12 MAYOR'S AGENT BYRNE: Okay. Maybe.

13 MS. ADAMS: I have not.

14 MAYOR'S AGENT BYRNE: You have not?
15 Okay. Thank you. I've just seen you testify
16 other places, I guess.

17 Any objection?

18 MS. MOLDENHAUER: No objection.

19 (Hearing Exhibit D was marked for
20 identification.)

21 MAYOR'S AGENT BYRNE: Okay. Thank you.

22 All right. Ms. Adams is qualified as an

1 expert in historic preservation. And you may
2 proceed. Please start by stating your full name
3 for the record.

4 Whereupon,

5 ANNE ADAMS

6 was called as an expert witness and testified as
7 follows:

8 DIRECT TESTIMONY

9 MS. ADAMS: My name is Anne Adams. I'm
10 an architectural historian with Goulston and
11 Storrs. And I'm here today on behalf of the
12 Applicant.

13 And how does this work? I want to go to
14 the next one.

15 (Pause.)

16 MS. ADAMS: I was contacted in late 2012
17 by the Applicant and asked to look at the
18 buildings that are on the site, find out their
19 history, find out how they evolved, and look at
20 their physical condition to see whether any parts
21 of these buildings could be appropriately removed
22 as part of a project on the site.

1 The site is in a downtown historic
2 district, as currently designated. And that is
3 outlined in green on the slide, and the red
4 dashes are an outline of the site, which is at
5 the northern end of the historic district.

6 I understand that the historic district
7 may be expanded at some point in the future. But
8 that's not relevant here. The buildings all
9 contribute to the character of the historic
10 district now, and they won't be any more
11 contributing if the boundaries or the period of
12 significance change, because they're already
13 subject to that.

14 There is a lot of permit information on
15 these buildings. I was able to find 16 maps --
16 Baist, Hopkins, and Sanborn -- dating from 1887
17 to 1965. And I will just pick three of these.
18 It doesn't show very well, but this is an 1888
19 Hopkins map, where the building in question here
20 is the 616, the rear alley building of 616, which
21 is not there in 1885.

22 This is a 1921 Baist map, and you can see

1 this is the current site of the warehouse behind
2 616. It was not built at that point. But the
3 two adjacent alley buildings are there. This is
4 a 1932 Baist map that shows the building in
5 question.

6 Interestingly, the permit application to
7 build this building shows a site plan for a
8 building running from Eye Street to the alley.
9 It was going to replace the existing house, which
10 was there and remains there today. And there's a
11 notation on the permit application that says,
12 "Only the back part of the building will be built
13 now."

14 The two buildings remain. The house and
15 the warehouse remain separate until sometime
16 fairly late in the twentieth century, and that's
17 just as an aside.

18 Also, I have all the maps. If you are
19 interested, I can submit them. Otherwise, I will
20 continue.

21 All of this information gave me a pretty
22 good sense of how these buildings developed and

1 what was potentially not significant. We then
2 met with Steve Callcott from the Historic
3 Preservation Office on the site toward the
4 buildings. And we were able to identify
5 additions, sections of the building that had been
6 so altered, or buildings that had been so altered
7 they had no historic fabric remaining.

8 And happily, we could agree on a number
9 of parts of these buildings that could be removed
10 as noncontributing fabric and as alterations, as
11 opposed to demolition.

12 What we didn't agree on at that point was
13 the question of 624 and the rear building at 616
14 Eye Street. As you've heard, we went to the
15 Historic Preservation Review Board, which made
16 the determination that both of those buildings
17 contribute to the character of the downtown
18 historic district.

19 The result of that is that the Applicant
20 determined that it could and would include 624,
21 the building on the street, and rehab it and give
22 it an adaptive use.

1 The 616 rear presents significant
2 difficulties, which you will hear about from the
3 architect. But the fact is that's why we're here
4 today. This is a contributing building. The
5 law, the Historic Preservation Act, does allow
6 for demolition of contributing buildings and
7 landmarks for both -- if it meets any number of
8 -- well, three tests.

9 And obviously, if this is a contributing
10 building, we have to prove that the demolition is
11 either consistent with the purposes of the Act or
12 necessary to construct a project of special
13 merit.

14 MAYOR'S AGENT BYRNE: What's the near-
15 date of significance for the downtown historic
16 district?

17 MS. ADAMS: It goes 1830 to 1940.

18 MAYOR'S AGENT BYRNE: To 1940?

19 MS. ADAMS: So, all of these buildings
20 are within that period.

21 MAYOR'S AGENT BYRNE: Okay.

22 MS. ADAMS: You've also heard that the

1 Applicants developed a pretty detailed treatment
2 plan for the buildings that are being retained.
3 That was submitted to the Historic Preservation
4 Review Board, which gave those plans its blessing
5 and delegated final review of those plans to the
6 staff. The Applicant is looking forward to
7 working out the final details of that aspect of
8 the project and hopes to be able to do so.

9 I'm not going to talk about the history
10 of all of the buildings. This is actually a site
11 plan that shows the retained contributing
12 buildings, including the two alley buildings.
13 The sections with the crossed hatches are
14 noncontributing fabric, and then this is the
15 building we are here to discuss today.

16 MS. BROWN: I'm sorry. Is it possible to
17 identify the addresses of these?

18 MS. ADAMS: Can I do it on the next?

19 MS. BROWN: Yes, certainly.

20 MS. ADAMS: Okay. Okay. Here we go.

21 624 Eye Street, which is at the far west edge of
22 the site. This is still -- quite go in order

1 here. This is 620 Eye Street located right here.
2 618 right here. 616 Eye Street is right here.
3 This is the building that faces the street in
4 front of the warehouse building. 614 Eye is
5 here. 612 is here. And 610 is here.

6 Going around to the alley, this is the
7 building in question. It's here. This is the
8 warehouse immediately to its west, and then
9 here's the garage on the corner.

10 I'm not going to talk about the history
11 per se, but what is really important is that
12 these buildings are in neglected and somewhat
13 abused condition, for the most part. There have
14 been significant alterations made over the years,
15 many of them seriously detracting from the
16 character of the buildings.

17 There are two in particular where
18 significant alterations have been made, 624 and
19 612. And that's important because it's those
20 facades which will be rehabilitated to provide
21 upgraded access to the new buildings, and those
22 were chosen because they were the most altered.

1 MAYOR'S AGENT BYRNE: And they're going
2 to be further altered to provide access to --

3 (Cross-talk.)

4 MS. ADAMS: They will be altered in a
5 manner that's appropriate. But I can't say
6 they're being restored.

7 MAYOR'S AGENT BYRNE: Okay.

8 MS. ADAMS: But they will be treated
9 appropriately.

10 So, the other thing -- these are just
11 more alley photographs. This is the east side of
12 616 rear right here. These are the other two
13 alley buildings right here.

14 The building in question is
15 architecturally undistinguished, and it's a very
16 closed building that doesn't engage with the
17 alley or passersby, unlike the two buildings, the
18 warehouse building and the garage building, which
19 are operated as commercial establishments and had
20 an ongoing relationship with customers.

21 And I think those buildings are better
22 able to convey their history and their

1 significance just through their architecture,
2 which is not the case with 616 rear, at least in
3 my opinion.

4 MAYOR'S AGENT BYRNE: Do you know what
5 the businesses that those two other alley
6 buildings were engaged in? I mean, obviously,
7 they were garage and the other is --

8 (Cross-talk.)

9 MS. ADAMS: This was always a garage.

10 MAYOR'S AGENT BYRNE: Yeah.

11 MS. ADAMS: This was pattern warehouse.
12 It was a rice warehouse at one time. It was the
13 Washington Rice Company.

14 MAYOR'S AGENT BYRNE: Wow.

15 MS. ADAMS: This was a furniture
16 warehouse.

17 MAYOR'S AGENT BYRNE: Well, was the
18 garage ancillary to some other building, or was
19 it --

20 MS. ADAMS: No. It was an independent
21 business.

22 MAYOR'S AGENT BYRNE: It was an

1 independent business?

2 MS. ADAMS: These buildings are part of
3 the early twentieth-century redevelopment of
4 alleys in downtown.

5 MAYOR'S AGENT BYRNE: Right.

6 MS. ADAMS: It's sort of a second-
7 generation history.

8 MAYOR'S AGENT BYRNE: So, would it have
9 done with the garage -- have done a retail
10 business on repairs?

11 MS. ADAMS: Yeah. It was until fairly
12 recently. It may still be used that way, but
13 people are still going in there.

14 MAYOR'S AGENT BYRNE: Okay.

15 MS. ADAMS: I mean, it's a pretty -- it's
16 a very active alley.

17 MAYOR'S AGENT BYRNE: Yeah.

18 MS. ADAMS: Pedestrians and cars. And
19 those buildings, at least, I think there is a
20 better sense of their history that people can
21 understand.

22 MAYOR'S AGENT BYRNE: Okay.

1 MS. ADAMS: All of these buildings are
2 part of the site. They're part of the
3 progressive redevelopment -- development and
4 redevelopment of the site in the greater downtown
5 historic district, and including the influx of
6 German immigrants in the mid-to-late nineteenth
7 century.

8 Gustav Voight owned 614 Eye Street. A.
9 Gasenheimer owned 624. But no one of these
10 buildings can tell the story of the entire site
11 or the district, and not all of them is essential
12 in telling it, that story.

13 I'm pleased to be here today to support
14 the project as it has evolved, as you --
15 actually, as Rob is going to present it to you.
16 I'm going to let him do that, and then I'm going
17 to come back and talk a little bit more about
18 what you have seen, after Rob presents.

19 MAYOR'S AGENT BYRNE: All right. Okay.

20 MS. BROWN: I'm not sure if we've got --
21 we're fine -- official ruling on her
22 qualification as an expert.

1 MS. ADAMS: Oh.

2 MAYOR'S AGENT BYRNE: Oh.

3 MS. BROWN: Did we agree to that?

4 MAYOR'S AGENT BYRNE: Yes. Yes.

5 MS. BROWN: Okay. Thank you. I just
6 wanted to make sure I wasn't --

7 MAYOR'S AGENT BYRNE: Yeah. Okay.

8 MS. MOLDENHAUER: We had no objection
9 then.

10 MS. BROWN: Perfect. I just wanted to
11 make sure I have the note. Thank you. That's
12 all.

13 MAYOR'S AGENT BYRNE: Absolutely. Okay.

14 So, do you want to ask questions now, or
15 do you want to wait and get it all in one?

16 MS. MOLDENHAUER: So I'm trying to
17 understand exactly. I was going to ask the same
18 question as --

19 MAYOR'S AGENT BYRNE: So, I think she
20 wants to bring the architect --

21 MS. MOLDENHAUER: You want to bring the
22 architect in and then Anne is going to testify

1 again?

2 MS. BROWN: Yes. So, the purpose of the
3 sequencing, just so everybody can understand, is
4 that first we needed to understand what the
5 buildings were in order to understand what the
6 project could do. So, we are sequencing this.
7 Here's the history, here's the design, and then
8 she'll come back and talk about how the project,
9 how it meets the test.

10 MS. MOLDENHAUER: I'll ask all my
11 questions at the end.

12 MAYOR'S AGENT BYRNE: Okay.

13 MS. BROWN: Okay. Thank you. And
14 actually, if I could say one more thing. The
15 whole exercise of identifying parts of the
16 buildings that could appropriately be removed was
17 important to give some direction to the developer
18 and the architect as they were trying to put
19 together a project.

20 MAYOR'S AGENT BYRNE: Right.

21 MS. BROWN: It still involved demolition.
22 They recognized that. They recognized they would

1 have to go through the process that they're going
2 through right now and meet one of the tests in
3 order to be able to proceed.

4 MAYOR'S AGENT BYRNE: Okay. Good. Thank
5 you.

6 MS. MOLDENHAUER: Can I ask two or three
7 questions, as well, while we're using this
8 diagram here?

9 MAYOR'S AGENT BYRNE: Sure.

10 BY MS. MOLDENHAUER:

11 Q. On page 5 of the Applicant's prehearing
12 statement for this Mayor's Agent hearing, you
13 indicate on that -- if you want to pull it over
14 and you can open it up and look at that, at the
15 red hash-marks identify noncontributing
16 buildings. And I want to -- it's stated
17 specifically in your submission.

18 A. Um-hm.

19 Q. And you actually have a hash-mark through
20 the building in question. And I just want to
21 make sure that -- it's misleading because you're
22 saying that you didn't know it was contributing,

1 and there's just been kind of some --

2 A. Because --

3 Q. Obviously, that's incorrect?

4 A. The hash-marks here are incorrect. It's
5 a graphic mistake.

6 Q. Okay.

7 A. We know that's a contributing building.

8 And we know --

9 (Cross-talk.)

10 MS. ADAMS: We knew that they had to go
11 through the process.

12 BY MS. MOLDENHAUER:

13 Q. And then visually alluding and
14 persuasive. So then, you indicated that you did
15 initial historical evaluation of what could be
16 demolished in 2012, late 2012. The alley study
17 came out in 2014.

18 A. Um-hm.

19 Q. Did you go back and reevaluate that and
20 then speak with the team about that impact?

21 A. I don't actually think it made any
22 difference, because the buildings are

1 contributing buildings in the historic district.

2 Q. It doesn't -- that didn't change your
3 analysis or you didn't conduct any additional
4 research?

5 A. The decision on that question had already
6 been made by the review board.

7 MS. MOLDENHAUER: I'll continue my line
8 of questioning at the end.

9 MAYOR'S AGENT BYRNE: Okay.

10 MS. BROWN: So, next I'd like to call Mr.
11 Rob Holzbach from Hickok Cole Architects. And
12 I'd like to have him qualified as an expert in
13 architecture. I have his resume here.

14 MAYOR'S AGENT BYRNE: Mark it as Exhibit
15 E.

16 (Hearing Exhibit E was marked for
17 identification.)

18 (Pause.)

19 MS. BROWN: Any objections to that?

20 MS. MOLDENHAUER: No objections.

21 MAYOR'S AGENT BYRNE: All right. So,
22 we'll qualify him as an expert in architecture.

1 Exhibit E. All right.

2 All right, sir, please state your name
3 for the record, and you may proceed with your
4 testimony.

5 Whereupon,

6 ROBERT HOLZBACH

7 was called as an expert witness and testified as
8 follows:

9 DIRECT TESTIMONY

10 MR. HOLZBACH: My name is Robert
11 Holzbach. I'm pleased to be here on behalf of
12 Monument Realty. And so, just a brief outline of
13 our presentation. We're going to first talk
14 about the building itself as it currently stands,
15 and then show you a little bit about how it
16 evolved to where it is. And then I'd like to
17 discuss the various points of historic
18 preservation that apply, I think, directly to
19 this case.

20 MAYOR'S AGENT BYRNE: Good.

21 MR. HOLZBACH: So, I think we're familiar
22 with this. And by the way, the hash-marks,

1 that's my mistake. And sorry for any
2 misconstruing there. That was not intentional.

3 So, let's just look at the site plan
4 here. And I'm not sure how familiar you are with
5 the actual planning and use of the building.
6 This is 624 Eye Street. This is Eye Street, and
7 then this is the north-south alley that cuts
8 through it. 624 is the building, the red
9 building to be retained. This is now the
10 residential entry into what we call the west
11 building. Access down to elevators, which will
12 take residents up to their building.

13 This is currently a vacant lot, which
14 will now be filled in with retail. This is what
15 we call the in-fill building, ground floor retail
16 with residential above. This is 620 Eye Street,
17 which is retail at the ground floor and then
18 residential above. 618, retail ground floor,
19 residential above. 616 is being reused as the
20 main entrance to the east building, which sits
21 approximately here on the site, access down to
22 the elevators. 614 is inside the building.

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1 And by the way, I should point out that
2 this plan that we're showing you right now, HPRB
3 has not seen this. This is development
4 specifically relating to some of their comments,
5 and it's in the process of being developed. And
6 I think it responds directly to some of the
7 issues that they had pointed out.

8 We're providing direct access from the
9 street into 616. It also, coupled with 614,
10 becomes our accessible entrance. So, at-grade
11 entrance here, up a lift, and then into the
12 lobby. There is no accessible entrance through
13 the existing 616 building. So we're combining
14 all of this space to make one larger lobby.

15 In 612, as I said, we have the at-grade
16 entrance for the accessible entry. And then
17 we're combining that with access at-grade for
18 retail. Inside, we're combining with 610 for
19 retail, as well.

20 On the alley side, we have our community
21 room, which is really a combination of the one-
22 and two-story alley buildings, which we

1 discussed. Access to the parking garage is along
2 the now-expanded 20-foot alley into a ramp that
3 goes down. And we'll show you the garage in a
4 little bit. We also have loading off of the
5 alley, loading for the west building and loading
6 for the east building. Trash, egress, various
7 forms of egress coming out to the alley.

8 So this is the ground level. At the main
9 entrance, again, to the east building is through
10 here. We've created a two-story space. So, on
11 the second floor, you see it open to below.
12 Residents to the townhouses above will go either
13 up the stairs and then out into the outdoor
14 space.

15 By retaining essentially the historic
16 line of the existing townhouses, and then setting
17 back the new construction pretty far off of Eye
18 Street, we create an open space in between. So
19 this is how we're actually gaining access to the
20 townhouses. We're essentially creating the rear
21 of the townhouses as a new front entry to those
22 buildings in that -- go ahead.

1 MAYOR'S AGENT BYRNE: So, will they have
2 entrance from Eye Street? Not at all?

3 MR. HOLZBACH: No.

4 MAYOR'S AGENT BYRNE: Not at all?

5 MR. HOLZBACH: No. We wanted to separate
6 the retail and the residential uses completely.
7 So what this does is it also -- residents could
8 also come in, go through up to the elevator, and
9 then out through the amenity space into this
10 outdoor courtyard, which we're calling the Muse.

11 MAYOR'S AGENT BYRNE: Okay.

12 MR. HOLZBACH: We've also taken advantage
13 of this opportunity for light and located all of
14 our amenity space on the second floor here
15 against this borrowed light. And you'll hear a
16 lot of talk about the bridge. The bridge
17 connects at the second floor, linking the west
18 building to the east building at the amenity
19 level only.

20 The Eye Street building -- I'm sorry, the
21 alley building, this the two-story alley
22 building. We're utilizing this building as a

1 retail unit on the second floor. The one-story
2 building is one story. So at the second level,
3 this is new construction, with residential unit
4 above. Here you can start to see the setback
5 that we've worked with HPRB to develop over the
6 alley buildings.

7 MAYOR'S AGENT BYRNE: That's over the
8 garage?

9 MR. HOLZBACH: That's correct.

10 So going up another level, we can see
11 here this is the roof at the glassed bridge
12 below. And you can start to see the distinction
13 of the two separate buildings becoming apparent.
14 This is the in-fill portion, the in-fill
15 building, residential. This actually should be
16 colored the same color. This is essentially
17 townhouse, townhouse, townhouse, townhouse. This
18 is not a three-story building. This is basically
19 open to below.

20 And then you can start to see our
21 residential building. Given the fact that we set
22 back so far from Eye Street, we essentially take

1 the line from the alley and go forward with the
2 typical residential building dimensions, trying
3 to create a space here between. And also, you
4 can start to see the setback over the alley
5 structures. This is the two-story building
6 below.

7 Moving up, more residential. It's all
8 basically -- now they're completely separate
9 buildings. And also, I note that you can start
10 to see that, the way the building is setting back
11 as we go up through the floors, this is all a
12 long-term development in meetings with HPRB for
13 trying to minimize the massing and do setbacks as
14 the building goes up. So, the ninth floor,
15 finally the 10th floor -- you can see that,
16 definitely, the building does certainly shrink as
17 it goes higher.

18 Finally, the roof plan. On the west
19 tower, we're providing access to a roof deck.
20 The east tower is where the primary mechanical
21 areas are that serve both buildings. We're not
22 providing any access to the roof on this side.

1 Every horizontal surface that has a roof is going
2 to be green, to the extent that we're able to, in
3 order to meet our GAR requirements, green area
4 ratio.

5 So, looking at the garage then, as we
6 said, we have the north-south alley. And then we
7 come down our ramp. Then our ramp basically runs
8 down into a double-loaded parking aisle. And
9 then down a ramp to another double-loaded parking
10 aisle. So, there are three levels of parking
11 below grade. This is what below-grade looks
12 like. At P-1 level, we're providing all of our
13 utility rooms, accessing Eye Street through --
14 this is the in-fill portion. And this is the
15 alley portion. And then the alley and then the
16 in-fill.

17 MAYOR'S AGENT BYRNE: So, what are those
18 vaults on the back?

19 MR. HOLZBACH: These are the PEPCO
20 vaults.

21 MAYOR'S AGENT BYRNE: Oh, PEPCO vaults.
22 And there's nothing there. The alley's open at

1 the street level under this?

2 MR. HOLZBACH: Correct. And then we also
3 have, you know, direct access, three elevators to
4 the building above. I note that we're staying
5 clear of the row houses along Eye Street. Even
6 here, we're kind of fitting our building into
7 this space that's available.

8 I would note, though, that we are
9 excavating and supporting the one- and two-story
10 buildings in place. At least, that's the current
11 plan. So, we're going to be building underneath
12 there. They're on-grade buildings, so there's no
13 cellar or basement.

14 MAYOR'S AGENT BYRNE: Yeah.

15 MR. HOLZBACH: Okay. So that's a brief
16 introduction to the way that the building lays
17 out.

18 Over the course of the -- I'm going to
19 give you sort of a history of the design. First,
20 though, I'd like to talk about the compatibility
21 with the historic district. The red dashed lines
22 indicate sort of the up-down nature of the Eye

1 Street facades. This is the in-fill building, as
2 discussed. This is 624, the main entrance to the
3 west building. 616 is the main entrance to the
4 east building. You can see the stepping nature
5 of the design and the setback over behind these
6 buildings.

7 By contrast, what's seen from a different
8 view, you can see the up-down nature. By
9 contrast, directly across the street, for
10 actually a comparison, this is the 600
11 Massachusetts Avenue building. The existing
12 fabric is higher. The new fabric is matching
13 that. And the building pops up behind that, as
14 well.

15 In sections, you can see this is the 600
16 Massachusetts Avenue building. This is the
17 Chinatown residential building. Our setbacks
18 are, for the most part, greater. And as you can
19 see, I think we're being fairly respectful in
20 terms of height and mass.

21 MS. BROWN: Can I interrupt for a quick
22 and ask a question?

1 MR. HOLZBACH: Yes.

2 MS. BROWN: What is the relevance of the
3 600 Mass building?

4 MR. HOLZBACH: Well, during the course of
5 the design and the discussion with HPRB, there
6 was a lot of concern that there was nothing else
7 in the District in this area that was of
8 equivalent height or mass. And directly across
9 the street there is something of equivalent
10 height and mass.

11 MS. BROWN: And was that a project
12 approved by the Mayor's Agent?

13 MR. HOLZBACH: Honestly, I don't know the
14 answer to that.

15 MS. BROWN: Okay. Thank you.

16 MR. HOLZBACH: I'm sure somebody else
17 does.

18 MS. BROWN: Yes. Right.

19 MR. HOLZBACH: And then, throughout the
20 rest of the District, just the notion of the up-
21 down. So this was all deemed by HPRB to be
22 appropriate.

1 The design. So, this is the office
2 building design that we were, you know,
3 developing back in October of 2013. We were
4 proposing to demolish the 624 building, which we
5 are now proposing to keep. We had --
6 essentially, we're expanding the alley. This is
7 a 330,000 square-foot office building.

8 We've since moved on from there. This
9 became the residential building. There was a lot
10 of concern about building over the alley with
11 function, as well as some of the designs. It was
12 deemed to be too high. So we started working on
13 the massing here. We took away the function over
14 the alley, and we raised it to the third floor
15 only, making it just circulation, trying to make
16 it as transparent as possible.

17 There were concerns about the, you know,
18 asymmetrical overhang on this side. So we
19 adjusted that, still, you know, trying to further
20 refine the massing. There was still concern
21 about the fact that we were overhanging at all.
22 So we reduced that as much as possible. Lastly,

1 we were told that -- oh, by the way, this is a
2 night shot, sort of starting to show the activity
3 that we're planning to receive here.

4 Even in this hearing, we were told, "The
5 bridge is just not going to work for you, so you
6 have to consider alternatives." So, we got to
7 the point where we have a one-story bridge that
8 links across at the amenity level so that the
9 west building can enjoy access to that, as well.

10 And this is where we are today. So, this
11 is the design that the HPRB reviewed and approved
12 the concept design for. And we're continuing to
13 develop. We heard comments about this portion of
14 the facade. So we're starting to work and
15 address those issues. And HPRB has not seen this
16 iteration. We're starting to look at a little of
17 the street fringe a little bit more. So, I think
18 that gives you a good sense of the history of the
19 project.

20 So, lastly, very quickly I'll go through
21 the alley structure compatibility. You know,
22 this is the state of the alley today. And I'm

1 going fast because I don't want to take up too
2 much of your time.

3 MS. BROWN: Take your time. You're okay.

4 MR. HOLZBACH: Yeah. Okay. So, we've
5 talked a lot about trying to respect these alley
6 buildings. And my initial thought was we could
7 do that through architecture. So, though we're
8 going to be pushing --

9 (A fire alarm was heard.)

10 (Instructions were heard over the PA
11 system to evacuate the building due to a fire
12 emergency; all parties complied.)

13 MAYOR'S AGENT BYRNE: All right, ladies
14 and gentlemen. I suppose we should start again.
15 Welcome back. Turns out it was a fire drill.
16 So, what are you going to do?

17 All right. I think when we were
18 interrupted, Mr. Holzbach was speaking. And I
19 don't remember exactly where we were. Was there
20 a question pending?

21 MR. HOLZBACH: No. I was just --

22 (Cross-talk.)

1 MAYOR'S AGENT BYRNE: You were still in
2 the middle of your presentation. Okay. Very
3 good.

4 MR. HOLZBACH: So, I'd like to backtrack,
5 actually, just a little bit here.

6 MAYOR'S AGENT BYRNE: Sure.

7 MR. HOLZBACH: And just point out, if you
8 happen to be a resident of, say, the 10th floor,
9 9th floor -- we'll get there -- we have two means
10 of egress in case of fire on both buildings.

11 (Laughter.)

12 MS. ADAMS: It's not enough.

13 MR. HOLZBACH: Yes. So, going forward
14 back to where we were. We started talking about
15 the alley buildings. And, you know, I would like
16 to just maybe take a second or two on the alley
17 itself and how the current state is pretty messy.
18 There's dumpsters in the alleyway. There's
19 people traversing here. There's rodents
20 traversing here. There's a lot of loading and
21 unloading, which we would expect. But there's no
22 real order to it.

1 So, additionally, you know, the buildings
2 themselves, they're kind of being held together
3 by nuts and bolts and brackets, and especially
4 this building on the corner. So this development
5 is working to repair and retain these buildings,
6 except for the five-story warehouse, which we're
7 going to talk about in a few minutes, which is
8 right here.

9 So, if we're retaining the one- and two-
10 story buildings, one of the challenges we faced
11 through the HPRB was setting back, or how do we
12 relate? How does the new building land on top of
13 those? Our assumption was that we could handle
14 it architecturally, that we could mitigate the
15 overall height of the building by creating this
16 middle layer that's of material that relates more
17 closely to this.

18 That didn't seem to work. I think there
19 was a lot of pressure and feeling that we should
20 really set back the building. We still felt that
21 we could do an architectural solution. And so,
22 we then changed it from brick to maybe a lighter

1 material like maybe a metal panel, more
2 glassiness.

3 Again, back in November it was clear,
4 "No, you really need to set back." So, we did.
5 And this is the study that we did for that,
6 setting back over the buildings. And finally, in
7 April, this is what was part of the package that
8 was -- the concept plan that was approved by
9 HPRB.

10 To where we are now, this is a good, I
11 think, shot of the alley buildings, where we are
12 trying to relate to the alley height. Clearly,
13 the building is larger than that. Setback, green
14 roofs -- again, every horizontal surface we could
15 possibly plant, we're planning on doing so. So
16 this gives you a sense of where we are today with
17 the planning.

18 Throughout the course of this project,
19 you know, as it was a very large office building
20 at one point in time. And there was various
21 scopes of demolition proposed. Going back to the
22 most earliest proposal, this was the office

1 building subdivision here, where we literally
2 were connecting from Eye Street all the way to H
3 Street. And the blue line here indicates the
4 historic district line.

5 So, by virtue of the fact that we're
6 subdividing across the historic district, these
7 buildings became, you know, part of consideration
8 of HPRB. The original proposal before HPRB was
9 to raze these and put up brand-new buildings.
10 That met a lot of resistance from HPRB. So, we
11 reconsidered, came back with a much smaller site
12 touching the Eye Street side, and also changed to
13 housing.

14 I should also note that we were proposing
15 at this time to demolish 624. And hearing the
16 direction, we decided to incorporate it into the
17 project. Also, the first 30 feet of this
18 building on H Street, we were proposing to
19 retain. And then these are empty lots existing,
20 so we were going to in-fill there. That also met
21 with a lot of opposition.

22 Meanwhile, I think all the while we were

1 still proposing to raze or demolish 616 rear. To
2 where we are now, which is the H Street is
3 completely off of the scope of this project,
4 simply 616 rear. So that gives you a sense of
5 the studies that we did and why we are where we
6 are.

7 So, once we've decided, okay, how do we
8 determine whether or not we could keep the five-
9 story warehouse? That's something we did study.
10 And so, what we want to do is show you, okay,
11 this is the building. And we call it five-story
12 warehouse, but in reality, there's this overrun
13 for the freight elevator that impacts even higher
14 than what you would call, say, the fifth floor.
15 So there's a greater impact than you would
16 assume.

17 Additionally, the first floor is actually
18 raised above grade. So that is another challenge
19 to utilizing it straight away.

20 This is a section. So the red indicates
21 the warehouse, the five-story warehouse in
22 section. The black behind is the proposed

1 development. This is the townhouse at 616, which
2 is our entry and access into the Muse. So,
3 zooming in here a little bit more, we see that --
4 the first thing you notice is that the floors
5 completely don't align. There's zero alignment
6 between the floors. You maybe catch up about
7 here. But otherwise, it's almost in the worst
8 possible condition.

9 You know, we're setting the floor lines
10 from the Eye Street side, and it just works out
11 that it's not very beneficial. Something else
12 I'd point out is that this is a cast-in-place
13 construction, and we have these deep beams that
14 run across the width of the span. And the head
15 height there is eight feet. So even though you
16 have, say, ten-feet-eight clear to the bottom of
17 the slab, these beams that bisect the space bring
18 it down to eight feet.

19 To reuse this building for residential
20 use, you need to supply air into the space. And
21 so, there's a plenum that's typically about a
22 foot in residential construction. And this has

1 to clear the underside of the beams. So, you get
2 this one-foot-deep plenum, which leaves you with,
3 typically in the restroom-kitchen area,
4 essentially a seven-foot-high space available,
5 which doesn't even meet the code of allowable
6 height for occupancy.

7 You know, you could possibly drill
8 through the beams. I don't think that's a good
9 idea. But, though -- yeah. I don't think that's
10 a good idea.

11 Going backward, I would say also that the
12 windows on the parameter don't allow a lot of
13 light. This has kind of mean little windows that
14 maybe are good for a warehouse, but not good for
15 residential occupancy.

16 So, in section, we feel like this was
17 just not something that we could use well. But
18 let's look at the plan, as well. These are some
19 sketches that we did early on. This is the one-
20 story, two-story, and then the five-story
21 warehouse in the plan. Here, this was back when
22 we had one core, where we were bridging over at

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1 every floor. You can see that the garage entry
2 starts getting skewed, and that that posed some
3 problems below-grade as well.

4 But then again, this is awhile ago before
5 we had fully developed the plan and when we had
6 one core. Overlaying this building on the
7 current plan, where we have two cores, you can
8 see that there's -- it causes even more
9 difficulty retaining this building and developing
10 the project. We've got the elevators that are a
11 problem. Our loading and trash and egress, I
12 think we all appreciate that, again how it is
13 much larger than originally conceived. I think
14 that's what typically happens when you develop a
15 project. These spaces get larger.

16 So, now you might wonder, is it possible
17 to move the elevators to the north? No, because
18 then you're in the ramp. Is it possible to move
19 the elevators to the east? No, because then the
20 ramp comes down and can't turn. So that
21 basically, you know, this provides a major
22 impediment to parking and the ground-level

1 services, especially when we have two cores.

2 Going up a level, this is the second
3 floor, the amenity level. It appears that it
4 could work in plan. But the reality is that this
5 is actually an open-to-below space. And then if
6 you recall, the section with the beams, this is
7 the beam here. So there's really no way to
8 literally get into that section to that portion
9 of the plan, because there's zero head height --
10 not zero head height, but, say, a few feet of
11 head height, if they're misaligned.

12 Again, overlaying that in the current
13 floor plan with two cores, it poses a major
14 impediment to planning at the second floor. And
15 then the third floor is the same story, where in
16 planning, it appears to work at this current
17 design. But then with the two cores, it's simply
18 not feasible. And then here we've outlined the
19 location of the overrun, which would affect yet
20 another floor, as well.

21 And simply pushing forward and trying to
22 get out away from this building wasn't an option

1 because the Eye Street setback was so important.
2 You know, maintaining the identity of these row
3 houses on Eye Street and that space between was
4 so important that we really had to work from the
5 alley forward.

6 So, moving on. Let's talk about the
7 buildings that we are retaining and the retail
8 and residential use of those buildings. I've
9 walked you through that in some detail. Let's
10 look at it a little bit more.

11 As we know, the 624 and 616 are the main
12 entries. It is residential for the other
13 buildings. We have our Muse. It's actually
14 inspired by a Chinese rock garden design. So
15 that's sort of, again, pulling this Chinatown
16 notion into the project. And this is somewhat of
17 a repeat.

18 But here's the section through 616, the
19 main entry to the building where you see the
20 opening in the floor and then the access through.
21 And so, this is from our George Gordon
22 architects. He's our restoration architect. The

1 demolition -- these buildings, some of them,
2 particularly 612, whether it's significant
3 settlement visible in the brick -- the interior
4 of these buildings are, in some cases, this
5 building and this building have been completely
6 gutted. There's nothing remaining. 624 is
7 significantly altered as well.

8 We're planning to repair all of the
9 brickwork. This building, the windows were
10 originally arched windows. They've since been
11 squared off so they're just simple square punches
12 through. We're going to be bringing it back to
13 its original arched configuration.

14 However, we're also adding contemporary
15 entrances. So, the entrance to the new building,
16 this is the 624, the entrance is through -- it's
17 the main entrance to the west building. 616 is
18 in actually fairly -- it's a fairly handsome
19 building. And so, we felt that was the best
20 entrance for our building -- for our east
21 building. And then 612 is where we have our
22 accessible entrance, again.

1 Looking at the plans, you can see how
2 these townhouses are adaptively being reused. So
3 we have entrance to the Muse, from the Muse to
4 the second level townhouse, and then stairs up to
5 the third level. Again, entrance, and then this
6 also serves the third level of this building.
7 Entrance, exit, stairs up to the third level
8 here, and then joins this one above, which you
9 can see here.

10 So, I think that we're able to kind of
11 revitalize and reuse these townhouses in a way
12 that they were originally meant to be upper
13 levels. Additionally, if you look, this is an
14 elevation of those buildings from the Muse, where
15 one, two, three, four of those buildings are able
16 to -- the existing original elevation is being
17 restored.

18 This is the main entrance, 616. So,
19 we're taking some opportunity there to make it
20 appear more open and grand for the residents.

21 So, again, as part of the process of
22 development, which is a very fluid thing, but one

1 thing that we kind of knew was we're not going to
2 be building underneath the primary townhouses or
3 624. I noted earlier that we're building
4 underneath the one- and two-story buildings.
5 This represents 616. Again, as you see, if we
6 put the elevator here, that would be a problem.
7 Move the elevators over, then the ramp can't get
8 through.

9 So, just in terms of accommodating and
10 the effect to our plan, it would be ideal if we
11 could have built under here or here to create a
12 more efficient garage. Even at the lower level,
13 you could see how much more efficient if we could
14 have another double-loaded aisle here. So this
15 is some of the impacts of restoring and reusing
16 those buildings. And these all have -- most of
17 these buildings have cellars, so that was
18 something else we had to consider.

19 So, the impact of, what are doing for the
20 Chinatown small-area plan design guidelines?
21 This is the drawing that we recently had
22 submitted to OP for the Chinatown Steering

1 Committee. OP remarked that this is one of the
2 best submissions they had received for a building
3 with this many historic buildings on a site.

4 We're proud of the development in terms
5 of its relation to Chinatown. You're not going
6 to see pagodas or moon gates or dragons or
7 anything like that. We're not trying to, you
8 know, be a literal interpretation of Chinatown.
9 We're trying to take traditional Chinese design
10 aesthetics and then infuse them into the new
11 building in a contemporary manner. And this is
12 something that OP supports.

13 You know, the new interventions at 612
14 and 624, as well as at 616, they are inspired by
15 Chinese architecture and various motifs. This is
16 a sculptural element that we're considering as a
17 way to activate the alleyway.

18 And what we've described it as, it's
19 inspired by a couple of things. It's inspired by
20 the lanterns that you might see hanging over the
21 alleyways in Chinese cities. It's also inspired
22 by the New Year's celebrations, where they have

1 the dragons kind of coming through the street
2 where people are underneath it, and it sometimes
3 creates a spiraling effect. It's fascinating and
4 beautiful.

5 And so, we're taking those two images and
6 combining them into something totally new. It's
7 never intended to look like a dragon. It's never
8 intended to look like those traditional lanterns.
9 It's something that's inspired by those, but
10 totally new.

11 So, we'll get to more detail. Even here,
12 we're infusing these friezes around the top of
13 the building that have these Chinese patterns
14 into them. We're taking the railings and
15 building in these patternings into the railings.

16 On the west and the east side, this is
17 the east side, literally in the brick we're
18 imprinting this Chinese symbol, which is the word
19 "fu." And as you can see here, it's actually
20 used in a gate. I apologize; I don't know where
21 this is. This is the wall around, I believe, a
22 garden or a house.

1 But the word "fu" means prosperity, or
2 luck. And in this case, we're placing it upside-
3 down. And so there's this homonym, where the
4 word, upside-down, also means "to arrive." And
5 so, what you'll see outside of residences is,
6 they'll take the word "fu," place it upside-down,
7 which means essentially "Good luck arrives." So
8 we're trying to again bring this meaning into the
9 building and literally inside the fabric of --
10 it's in the brick.

11 So, where there's a question of maybe we
12 could make this a little higher so it's more
13 visible, we're studying that. This gives you a
14 sense of the stepping and the massing as well.
15 And even on the other side, the side facing west
16 where the narrow buildings, I believe, they -- my
17 understanding is that this is a 3-FAR. They
18 traded away three. So this is going to be a low
19 building for some time to come. So, HPRB
20 directed us to study this elevation.

21 And by the way, HPRB has not seen this
22 elevation. This is based on their direction, and

1 we took this to Chinatown Steering Committee.
2 So, again we're trying to infuse the building
3 with these Chinese aesthetic elements.

4 Looking more directly at the Eye Street
5 buildings, I'm going to jump ahead to the
6 perspective view. It's a little easier to read.
7 Actually, go back. Traditional entries to
8 residential units here. You see these banners.
9 There's a poem. We're actually doing that here.
10 Over traditional retail, you might see this kind
11 of large block cantered at an angle over a retail
12 establishment, which is what we're doing here.

13 So this is where the Chinese lettering
14 for the signage would go. You can get a better
15 sense of it here. As well as the sort of signage
16 that signifies entry, we're also adding a small
17 glass canopy above that follows the arch.

18 In terms of the intervention here, there
19 is a composition of elements that we're using.
20 We have what I'll call a glass box, a solid
21 component, a canopy that signifies entry. This
22 is for the accessible entries. And then it's all

1 wrapped in a frame, which helps to take that
2 element and then separate it from the historic
3 building. We're not trying to say, "Oh, yeah,
4 this is something that was always there." This
5 is separate and clearly different and
6 contemporary.

7 On the west side, this is 624 here. And
8 then this is our infield building. Same
9 components, the glass box, the solid element, the
10 canopy. And then, here even, it's sort of all
11 glass because this is retail. But they're both
12 wrapped in this frame. Here again, you see the
13 notion of this canted-out signage. We will be
14 embedding a medallion in the brick of the new
15 infield building.

16 This is really the only chance for the
17 Eye Street buildings to do something embedded in
18 the architecture, because the other buildings are
19 historic, except for a clear intervention that we
20 have with the entrances.

21 Even, you know, something that I've
22 always loved are these scroll paintings. And so,

1 what I particularly like is the composition of
2 the calligraphy. And so we see this element as
3 potentially a vertical way to scroll painting.
4 You can't see it through the tree, but we have
5 this pin-mounted poem, again mounted on there.
6 It's inspired by that, the scroll paintings.

7 It should never be interpreted as a
8 scroll painting; obviously, it isn't. It's
9 inspired by. And here you can see the retail
10 signage.

11 So, moving on to the alley, you see our
12 artistic light that draws people in. This is the
13 community center here. You see the impact of the
14 setback, the signage. Even, you know, we're
15 carrying these Chinese-inspired sconces along the
16 alley, and then required lighting is in Chinatown
17 colors. So, you know, we think that we can
18 really make this an interesting place to be.

19 Looking at the streetscape and the paving
20 patterns, we are replacing the existing, really
21 chopped-up alleyway with new concrete on the
22 east-west alley side. And then, additionally, to

1 help draw people down, we're using the same
2 sidewalk brick down the alley that will have the
3 Zodiac papers in it.

4 We are indicating a five-foot swath,
5 which was -- you know, originally, the alley was
6 only to here. So this is all new. Through
7 paving design, we're going to indicate a walkway
8 for pedestrians, because we know and want to
9 encourage people coming down here. And this
10 gives you a sense of -- this is that Zodiac
11 symbol that would be used. And that's kind of a
12 sense of the paving in the alley.

13 Additionally, there's this standard kind
14 of Chinatown way-finding signage that we'll be
15 adding along the street. And then, finally, the
16 railings. The existing railings will be replaced
17 with new railings that will have this medallion
18 integral to the railing.

19 A note about the streetscape, we're
20 maintaining the existing line of the railings.
21 And before, this was mostly just concrete or
22 brick. We're adding in, we're making it a little

1 bit more lush. For instance, at the 616
2 entrance, we're providing plantings on either
3 side to make the entrance a little more welcome.
4 However, at the more retail side and the
5 accessible entrance, which is at grade, this
6 becomes more open and the fencing actually is
7 more open on this side. We're adding more
8 plantings where there were none before.

9 On the west side, which is from here,
10 from the alley further west, there's very little
11 -- the sidewalk opens all the way up to the
12 street frontage. So there's not really any
13 fencing or anything. We're maintaining that.

14 That's our presentation for the
15 architecture.

16 MAYOR'S AGENT BYRNE: Thank you.

17 MS. BROWN: I have a couple of quick
18 follow-up questions.

19 MAYOR'S AGENT BYRNE: Yes.

20 DIRECT EXAMINATION

21 BY MS. BROWN:

22 Q. You mentioned about the parking.

1 A. Yes.

2 Q. And the required parking. How many
3 levels would you have to go down to accommodate
4 required parking? Is it like two-and-a-half
5 levels?

6 A. Probably two-and-a-half. Maybe we could
7 maybe get away with two. Honestly, I'm not sure.
8 I honestly couldn't answer that. But two-and-a-
9 half, probably.

10 Q. Okay. And then, usually, once you're
11 going down two-and-a-half, you build out the rest
12 of the floor --

13 A. Right.

14 Q. -- because it's just --

15 (Cross-talk.)

16 MR. HOLZBACH: Yeah. It doesn't make
17 sense.

18 MS. BROWN: Yeah. Okay.

19 MR. HOLZBACH: So, it's sufficient as we
20 have it laid out.

21 BY MS. BROWN:

22 Q. Okay. And just to clarify, the Eye

1 Street buildings have below-grade construction.

2 They have basements or cellars --

3 A. Yes.

4 Q. -- whereas the warehouses do not?

5 A. Correct.

6 Q. And that's why it's difficult to excavate
7 them. Okay.

8 And what is the setback of the new
9 construction from the Eye Street facade?

10 A. So, this is 30 feet, and this varies
11 between 50 and 60.

12 Q. Fifty to sixty?

13 A. Rough numbers, but yeah.

14 Q. Okay. Okay.

15 A. I can look it up and give you exact
16 numbers, but 50 to 60.

17 Q. Okay. And is the Chinese pattern paving
18 required in the alley?

19 A. Not in the alley.

20 MS. BROWN: Okay. All right. Those are
21 all my questions.

22 MAYOR'S AGENT BYRNE: Thank you.

1 Ms. Moldenhauer?

2 MS. BROWN: I'm sorry. I have copies of
3 the slide presentation that I'm handing for the
4 record.

5 MAYOR'S AGENT BYRNE: Okay. All right.
6 Good.

7 MS. BROWN: We're on F now?

8 MAYOR'S AGENT BYRNE: Yeah. I think
9 we're on F now, yes, Exhibit F.

10 (Hearing Exhibit F was marked for
11 identification.)

12 (Pause.)

13 CROSS EXAMINATION

14 BY MS. MOLDENHAUER:

15 Q. Obviously, there's been a long history,
16 so we're just trying to understand when you and
17 your firm got involved in the project. When did
18 you and your firm get involved in the project?

19 A. So, that's a good question. I can tell
20 you when I became involved.

21 Q. All right.

22 A. I became involved around December of

1 2012, I would say.

2 Q. And at what point, what was the design
3 concept in 2012?

4 A. At that point, we were looking at office
5 building, connecting through to H Street.

6 Q. And so, that was a much larger project
7 with an H Street address?

8 A. I assume. We never spoke of the address.

9 Q. Primarily?

10 A. Primarily facing H Street, yes.

11 Q. And did you create concept designs,
12 architectural studies for that? Or how far along
13 in the process did you get?

14 A. We got through HPRB. We presented our
15 concept design at HPRB.

16 Q. And then, at what point in time did that
17 transition from office design to a residential
18 design?

19 A. I would say, again without notes, I think
20 this happened in December of 2013, during the
21 discussions that Monument Realty had with OP.

22 Q. Did it have anything to do also with the

1 change in acquisition of the size of the site on
2 H Street?

3 A. I can't answer that question. That's --

4 Q. Did at some point the H Street portion of
5 the project no longer get pushed into a phase 2
6 and the Eye Street project became a primary phase
7 1?

8 A. Oh, that, certainly. But I wouldn't say
9 then, but it did. That's why we're here.

10 Q. And so, what different information or
11 what studies in regards --

12 A. I'm sorry. Phase 2 was not -- it's
13 completely outside of the scope. If there's work
14 happening there, it's not even part of our firm's
15 work.

16 Q. So, there's no longer a portion that
17 you're reviewing that has any H Street address?

18 A. Absolutely correct.

19 Q. So now, it is solely an Eye Street
20 address with setbacks?

21 A. Yes.

22 Q. Off of the historic structure?

1 A. Off of Eye Street, yes.

2 Q. So, when you were reviewing this project,
3 what different materials did you review in
4 regards to structural engineering and analysis
5 for deciding how you were going to pursue an
6 architectural design?

7 A. I'm sorry. Could you ask the question
8 again? I'm not sure I totally understood.

9 Q. There was a report from SK and A --

10 A. Yes.

11 Q. -- engineering analysis of the different
12 buildings. Was that --

13 MS. BROWN: I'm not sure -- I'm sorry.
14 Finish your question.

15 BY MS. MOLDENHAUER:

16 Q. Was that a sole report that has been part
17 of the public record, or have you been reviewing
18 other reports that are not part of the public
19 record?

20 MS. BROWN: And my objection is that he
21 did not testify to any SKA report.

22 MS. MOLDENHAUER: He did testify to the

1 structural integrity of the different buildings.
2 And all we have right now is that report in the
3 record.

4 MAYOR'S AGENT BYRNE: Okay. I'll permit
5 it.

6 MR. HOLZBACH: Sure. That is the report
7 that I refer to.

8 BY MS. MOLDENHAUER:

9 Q. And there were no other reports that you
10 were aware of?

11 A. I believe the only other report that I'm
12 aware of, I think, was produced by other parties
13 relating to 616 rear.

14 Q. And the SKA report in regards to 616 rear
15 does not have as much details. So I'm curious as
16 to, you know, where you were obtaining your
17 structural, the detailed information that you
18 testified to.

19 A. Detailed information?

20 MS. BROWN: I'm sorry. Could you clarify
21 that? Which detailed information are you talking
22 about?

1 MS. MOLDENHAUER: SKA report is very
2 limited in regards to --

3 BY MS. MOLDENHAUER:

4 Q. I'll ask it this way. What information
5 in SK and A report describes the 616 rear
6 building?

7 A. I'd have to -- could I take time and
8 refer to the report?

9 Q. Yes, go ahead. Um-hm.

10 (Pause, Mr. Holzbach perused the
11 documents.)

12 MAYOR'S AGENT BYRNE: Can I just ask what
13 you're trying to pursue here?

14 MS. MOLDENHAUER: I'm trying to
15 understand the -- they're providing information
16 about the floor-to-floor height and where the
17 beams are located. But the structural report,
18 obviously, there are architectural statement, but
19 from the structural engineer, there's nothing in
20 the record from a structural engineer or
21 professional that identifies that information.

22 MAYOR'S AGENT BYRNE: I see. So the

1 question is, where did that information come
2 from?

3 MR. HOLZBACH: Okay. The floor-to-floor
4 heights --

5 BY MS. MOLDENHAUER:

6 Q. Is that not in that report?

7 A. I don't know the answer to that without
8 referring.

9 Q. Okay.

10 A. I can tell you that the floor-to-floor
11 heights were provided to us by Monument Realty
12 based on field survey.

13 Q. And you did not review that or confirm
14 that yourself?

15 A. I did not go out there with a tape
16 measure. I was in the space, and I can attest
17 that the ceilings are very low. The beams are
18 very low.

19 Q. Okay. But you did not -- I'm trying to
20 understand in regards to what studies, as the
21 primary architect, in testifying as to the
22 infeasibility of certain things here, which I

1 think is critical to the standard of necessity,
2 what you as the professional here that's
3 testifying that it could not be done actually
4 observed?

5 And you're just saying that you just
6 simply did a site visit, but that you did not
7 rely on a structural engineer or any other
8 structural reports. You relied upon Monument's
9 measurements that they gave you. Is that
10 correct?

11 A. The measurements that I received, you saw
12 that generated the section. And the section
13 clearly showed that this was not a feasible way
14 to use the building, incorporated into the
15 development.

16 Q. So, you were talking about the fact that
17 you reviewed alternative scenarios, and you
18 talked about moving the -- actually, if you want
19 to go back to that image, that would be great,
20 the one that you were talking about inability to
21 relocate -- okay.

22 A. I'm not sure how far.

1 Q. Go up one. That's the garage level.

2 A. That's the garage.

3 Q. Go to the first floor. That's the
4 garage, yes.

5 A. This would be one floor.

6 Q. So if you want to go to the first floor,
7 that's the cellar level.

8 A. This is the -- you want to see the
9 studies that we showed to incorporate the
10 building?

11 Q. Where you, yeah, overlaid it. That would
12 be very helpful, I think.

13 A. Um-hm.

14 (Pause.)

15 BY MS. MOLDENHAUER:

16 Q. Okay. Go back.

17 A. Ground level.

18 Q. Yep. Perfect. So you indicated that you
19 studied whether this could be moved in different
20 locations to the north or to the east; is that
21 correct?

22 A. The elevator core.

1 Q. The elevator core. At what point in time
2 did you conduct those studies?

3 A. At the time. Well, actually, that's not
4 true. Because at the time when we did that study
5 --

6 Q. What "at that time"? Can you provide me
7 a date?

8 A. I'm going to provide that date. So, this
9 is the study that we produced earlier on when we
10 said that essentially, this garage ramp was going
11 to be kinked out of the way. We had one elevator
12 core. Here, we had a much more efficient floor
13 plan above that still didn't work when you got
14 into the bit more efficient planned second floor,
15 because the floor lines were so off and then the
16 beams were so deep that you couldn't get into
17 that space from the other floors.

18 Here we've provided, really for
19 reference. After we lost our ability to cross at
20 every floor with a bridge, we had to add two
21 cores, losing more efficiency, making it more
22 infeasible to keep this building.

1 Q. At what point in time did you -- I think
2 you indicated that you had had the alley crossing
3 or the single core in the bridge?

4 A. Um-hm.

5 Q. Up until the last or second-to-last HPRB
6 meeting?

7 A. Yes. I think we -- and it was in
8 November that we still had the bridge.

9 Q. So you didn't have a second core until
10 November?

11 A. Until after November.

12 Q. And when you -- did you look at possibly
13 evaluating whether you could move the structure
14 closer to the Wah Luck House or options in
15 regards to relocating the contributing building
16 to another location on the site?

17 A. At that point, no. We didn't study.
18 Once we had two cores, we were certainly not
19 looking at --

20 Q. Did you study that in 2012 or 2014?

21 A. We had studied relocating the one- and
22 two-story buildings in various locations.

1 Q. I'm not -- those are your -- you're
2 maintaining those. I'm only focused on questions
3 about, did you evaluate the contributing building
4 616?

5 A. We were suggested by Wah Luck House that
6 we would move that building over. And we did
7 study that. And I have to say I don't recall why
8 we didn't find it feasible. I think the fact of
9 moving the five-story building we found to be
10 infeasible.

11 Q. And why? Based on economics it is
12 infeasible?

13 MS. BROWN: He already answered the
14 question, saying that he didn't know why.

15 MR. HOLZBACH: I honestly don't recall.

16 MS. MOLDENHAUER: I'm trying to refresh
17 his memory.

18 MR. HOLZBACH: I don't recall.

19 BY MS. MOLDENHAUER:

20 Q. You don't recall at all?

21 A. I don't.

22 Q. And did you at any point ever study

1 whether or not you could retain a portion of the
2 structure, providing partial demolition at all?

3 A. We did some elevation sketches, providing
4 the portion, maintaining a portion of the
5 structure. The problem there is that the
6 windows, again, so misaligned with the floors
7 that you would have the floor line coming in
8 front of the windows.

9 Q. And did you ever pursue or have
10 discussions regarding punching holes into the
11 existing structure as to whether or not that
12 would be an option?

13 A. Punching holes into the --

14 Q. To create additional -- one of your
15 testimony was that there's a single level of
16 windows.

17 A. Um-hm.

18 Q. And so, there's a lot of modifications
19 that you're making to the other contributing
20 buildings. And so, the question was, is there a
21 way to modify and adaptively reuse this building
22 by providing additional fenestration and windows

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1 on the structure to preserve it?

2 A. I think yes, there's a possibility. It
3 would be subject to review and approval by the
4 HPRB. And depending on the condition of the
5 building, we've had various success in doing
6 that. So, it's possible, though not guaranteed.

7 Q. And did you study that here?

8 A. No. We didn't get that far because of
9 the floor level issue. It's sort of -- the floor
10 levels, really going across the windows, was sort
11 of a decision point for us.

12 Q. And is there, in your architectural
13 ability, is there ways to make that work in
14 regards to the floor levels? Is it plausible to
15 be able to create residential units in the
16 building?

17 A. Well, I would say that, in plan, it
18 appears that you could. For instance, here, it
19 appeared -- at least back then, when we had one
20 core, it appeared that you could, except for the
21 problem that there is so little clearance between
22 the bottom of the beams and the new floor slab

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1 that you would have to either step or ramp and
2 then provide elevators. It just seemed like a
3 massive amount of work for -- that would affect
4 the entire building.

5 So we saw the section, and we determined
6 that that was just not a feasible course of
7 action.

8 Q. And not feasible because it couldn't be
9 done, but not feasible because it would be too --

10 A. I think that the planning of the building
11 would be -- what's the right word? Something I
12 would never, ever propose to a client.

13 Q. Would you have simply just simply encased
14 that building and created a separate structure
15 and then not had the floor lines aligned? Would
16 that have been an option?

17 A. It is. And I thought about that. But,
18 you know, this -- so you have this freight
19 elevator that comes up from Eye Street, and it
20 takes you up, which is interesting and kind of
21 neat. I honestly did explore that. I thought,
22 okay, this is never going to be a Soho loft where

1 you're going to have this great space. These
2 beams are a real problem in terms of providing
3 access for ventilation. And so, I felt this is
4 not feasible for residential.

5 Q. I'm going to ask a question as a lawyer,
6 not as an architect.

7 A. Okay.

8 Q. But in today's day and age, with exposed
9 ductwork and kind of the exciting new ways of
10 kind of providing a unit with exposed brick,
11 exposed ductwork, is that not plausible to
12 provide a decor or kind of creative architectural
13 ways to adaptively reuse this building and create
14 units?

15 Because the floor-to-ceiling height you
16 indicated on your one design was actually quite
17 high, higher than what you're providing in the
18 rest of the structure.

19 A. Um-hm. Right. Between the beams, I
20 think it was roughly 10-6.

21 Q. Yeah.

22 A. Right. But standing in the space, it's,

1 the beams have a major effect on the perception
2 of the space. So, while you could still run
3 ductwork, exposed duct underneath, it still gets
4 very low, seven feet. And I think there -- to
5 answer your question a little bit more
6 specifically, there are things in the ceiling you
7 don't want to see. So you want to cover that
8 with a plenum.

9 Q. Okay. One of your comments was also that
10 the -- trying to adaptively reuse or partially
11 demolish the building would not be feasible based
12 on the location of the loading. If you want to
13 kind of scroll down to that loading diagram that
14 you had. Right there, perfect.

15 So, did you look at either -- right now,
16 correct me if I'm wrong, the buildings completely
17 connect on the cellar level.

18 A. Yes. I think --

19 Q. You want to show that?

20 A. Let me go forward to the garage level.

21 (Pause.)

22 MS. MOLDENHAUER: That slide always seems

1 to take some time.

2 MR. HOLZBACH: I apologize.

3 (Pause.)

4 BY MS. MOLDENHAUER:

5 Q. Okay. Thank you. So, are you providing
6 more than the required parking? Or are you just
7 specifically meeting the parking requirement?

8 A. We are providing more.

9 Q. Okay. So, could you provide loading on
10 your cellar level?

11 A. I don't believe we'd be able to come
12 anywhere near the clearances for getting below
13 grade.

14 Q. Have you studied that?

15 A. No.

16 Q. No. So you haven't studied whether or
17 not you could relocate the loading onto the
18 cellar level and then possibly alleviate one of
19 the challenges that you identified in maintaining
20 the contributing building.

21 Also a question is -- oh, could you go
22 now back to where you had the unit layouts, where

1 you actually put in bedrooms and kitchens and all
2 of that? There. Go back.

3 A. Oh, here?

4 Q. Back one.

5 A. For the --

6 Q. Exactly.

7 A. -- townhouse.

8 Q. So, you keep on referring to them as
9 "townhouses." But I'm seeing -- and then this is
10 on your, the second floor. And if you go to
11 floor three, I'm seeing kitchens in each of
12 these. So these are not actually townhouses.
13 These are condo, single-floor condo units that
14 are in what was the historical townhouses; is
15 that correct?

16 A. These are rental units in what used to be
17 -- I guess what are visibly townhouses.

18 Q. I just want to make sure. It was
19 confusing the record. And not having lived and
20 breathed this in, you know, 2013, I just wanted
21 to make sure that it's clear that these are
22 actually single-floor rental units --

1 A. That's right.

2 Q. -- that are not, you know, large
3 townhouse-style units, but rather single-floor
4 rental units on each level that don't connect.

5 You indicated that one of the schemes --
6 one of the intentions is to try to activate the
7 alley and that there was going to be repaving.
8 Whether or not you were able to get approval for
9 demolition of this contributing building, would
10 you still need to redo the alley in conjunction
11 with renovating of this project?

12 A. Yes.

13 Q. And you went through some of the --

14 A. Can I clarify? The north-south alley,
15 yes. The east-west, no.

16 Q. The east-west, no. So, sorry. Can you
17 show that on the diagram?

18 A. Um-hm.

19 (Pause.)

20 MS. MOLDENHAUER: Actually, I want to go
21 back to that one.

22 BY MS. MOLDENHAUER:

1 Q. So you're saying that you would not have
2 to do which portion?

3 A. So, we're building garage under this
4 portion.

5 Q. Um-hm.

6 A. So we necessarily have to redo that work.
7 There's some utility work happening in this
8 portion. But there's -- it's just an obligation
9 to repair.

10 Q. All right. But you're only doing
11 concrete on that portion, not brick, as you're
12 showing on that thing?

13 A. Right. We're completely replacing all of
14 the existing torn-up brick and concrete and
15 asphalt and replacing with new concrete and --

16 Q. And you're saying that you would not
17 typically do that if you were not -- if that's
18 not standard in regards to improving an existing
19 alley as you're doing a large development on the
20 site?

21 A. Not being a civil engineer, I couldn't
22 tell you specifically what's required. I could

1 tell you that, you know, if you were tearing it
2 up, I would expect that you would be repairing
3 it.

4 Q. Right. And are you showing any
5 pedestrian sidewalks, or are you providing any
6 pedestrian strafing? I don't see any in any of
7 your plans that would kind of allow for enhancing
8 the alley for both vehicular access and
9 pedestrian access.

10 A. Yes. There's a five-foot swath here
11 that's kind of shaded that is through brick,
12 through different paving patterns for showing
13 this is the pedestrian pathway.

14 Q. But there's none on the -- sorry. That's
15 the lower? What's the concrete portion? Is
16 there anything identified on that concrete
17 portion that actually then leads to the community
18 center?

19 A. At this time, no.

20 Q. Can you go -- if you look back to your --
21 if you want, I can show you which one it is.

22 A. Which?

1 MS. BROWN: It might be in your --

2 MS. MOLDENHAUER: Oh, that's perfect.

3 Thank you. I appreciate that.

4 (Cross-talk.)

5 MS. MOLDENHAUER: If you can go to slide

6 --

7 MS. BROWN: In the lower right-hand

8 corner is the number, if you can see it.

9 (Laughter.)

10 MS. MOLDENHAUER: Slide 28. Thank you.

11 MS. BROWN: I did the same thing.

12 (Pause.)

13 MR. HOLZBACH: What is on slide 28?

14 MS. MOLDENHAUER: Yes, that's the slide.

15 That's your slide 28. Fantastic.

16 BY MS. MOLDENHAUER:

17 Q. So here, you were kind of talking about
18 the up-and-down nature of the historic district.
19 Is that something that is specifically identified
20 as a critical issue or a critical characteristic
21 of this area?

22 A. Critical, I couldn't say. I can tell you

1 that during the HPRB hearings, we were asked
2 about why does the in-fill building at 622 Eye
3 pop above the adjacent building, and that it was
4 seen to be too high compared to the adjacent
5 building.

6 And our -- the purpose of this slide is
7 to show that this is something that you see
8 throughout the historic district, that it's not
9 suddenly a pop-up, if you will. It is compatible
10 with the historic district.

11 Q. I mean, it seems as though you're also
12 identifying that the historic district naturally
13 in this area has -- and I think you said, you
14 know, steps up and down in nature. And that's --
15 is that correct??

16 A. Well, visibly, yes.

17 Q. Visibly, yeah. And so, in regards to the
18 alley structures, do they not step up and down in
19 regards to one-story, two-story, and then five-
20 story, kind of comparing to that same step up-
21 and-down structure?

22 A. Yes. Of course.

1 (Pause.)

2 BY MS. MOLDENHAUER:

3 Q. We've talked about drilling through the
4 beams. But did you consider at all partial
5 removal of the beams?

6 A. No.

7 Q. You did not.

8 MS. MOLDENHAUER: No other questions at
9 this time.

10 MS. BROWN: I have a couple of redirect,
11 if I may.

12 REDIRECT EXAMINATION

13 BY MS. BROWN:

14 Q. Mr. Holzbach, when you were first
15 retained for this project, were you ever given
16 any instructions from Monument to demolish the
17 site in its entirety, any instructions about what
18 you should save and get rid of on the site?

19 A. No. I think the design process is a
20 fluid process. We knew there was a desire for
21 high density, and then we proposed this large
22 development. And the client chose that

1 direction. But we studied many different
2 options, certainly.

3 Q. So that you would only look to demolish
4 what you need to demolish in order to construct
5 this project?

6 A. Yes.

7 Q. Okay. And you were asked several
8 questions about the SKA report and the interior
9 measurements that you got. As an architect, you
10 rely on many professionals to provide you
11 information in order to prepare drawings. So
12 there are calculations that you don't prepare
13 yourself; is that correct?

14 A. Yes.

15 Q. And so you would rely on civil, you would
16 rely on an architectural historian to provide you
17 information? You would rely on a surveyor to
18 provide you information; is that correct?

19 A. Yes.

20 Q. And did a surveyor prepare the measured
21 drawings, or the dimensions for the beams and the
22 interior of the building, to your knowledge?

1 A. I don't know.

2 Q. Okay. If the building were moved, the
3 one in question, the floors would still misalign,
4 wouldn't they?

5 A. (No audible response.)

6 Q. So if you tried to take the 616 rear and
7 shift it to another location, as maybe the Wah
8 Luck House suggested, you still couldn't
9 integrate it into the building because of the
10 misaligned floors?

11 A. Correct.

12 Q. Okay. There was also the suggestion that
13 you maintain this building as a standalone and
14 try to reuse the freight elevator. You would
15 also need to provide two means of egress, too,
16 wouldn't you?

17 A. Yes.

18 Q. And what kind of usable space would be
19 left, and what would the quality of that space be
20 like?

21 A. Let me think about that for a second.

22 (Pause.)

1 MR. HOLZBACH: I think you would lose a
2 portion probably of the back of the building to
3 be given over to those functions. I think -- I
4 didn't think very highly of the quality of the
5 space to begin with. So anything that you add to
6 it would certainly diminish what there is.

7 Q. Okay. You also heard the suggestion that
8 you could sacrifice some of the parking to
9 accommodate loading in the lower level. What is
10 the requirement for a loading vehicle for
11 residential? Is it a 55-foot truck?

12 A. So, in this case, I believe, not being a
13 land-use attorney, I'd have to refer to the
14 Zoning Regulations. I believe that we are
15 exempt. Honestly, I can't answer the question.

16 Q. Yes. So, if you don't know, you don't
17 know. That's fine. Don't guess.

18 (Laughter.)

19 MR. HOLZBACH: Yeah. I'd have to do
20 research to answer you specifically.

21 MS. BROWN: All right. Those are all my
22 questions.

1 MR. HOLZBACH: Sorry.

2 MAYOR'S AGENT BYRNE: Just a couple of
3 questions.

4 MR. HOLZBACH: Yes.

5 MAYOR'S AGENT BYRNE: First, on the row
6 houses that are being retained on Eye Street.
7 What we refer to as the cellars of those, is that
8 where the retail is going to be?

9 MR. HOLZBACH: It will be part of the
10 retail.

11 MAYOR'S AGENT BYRNE: Part of the retail,
12 okay.

13 And then in regards to the house at
14 issue, the warehouse at issue, could you -- so I
15 understand that the cross beams are made of
16 concrete?

17 MR. HOLZBACH: Yes.

18 MS. BROWN: And could those be replaced
19 with steel and taken out?

20 MR. HOLZBACH: I hesitate to answer
21 because I'm not a structural engineer. The
22 architect in me wants to say maybe.

1 MAYOR'S AGENT BYRNE: Yeah.

2 MR. HOLZBACH: But you know, this is an
3 old building, early cast-in-place. So I'd also
4 be afraid.

5 MAYOR'S AGENT BYRNE: Yeah, yeah. You'd
6 be afraid of the whole thing collapsing?

7 MR. HOLZBACH: Yeah.

8 MAYOR'S AGENT BYRNE: And I suppose you'd
9 say something similar about, so, the misalignment
10 of the floors with the floor levels that are
11 geared towards the Eye Street row houses --

12 MR. HOLZBACH: Yes.

13 MAYOR'S AGENT BYRNE: -- you know, I
14 suppose in theory could be solved by jacking up
15 the warehouse building; is that true?

16 MR. HOLZBACH: In theory.

17 MAYOR'S AGENT BYRNE: In theory, yes.
18 And the risks with that are collapse of the
19 building?

20 MR. HOLZBACH: Yes.

21 (Laughter.)

22 MAYOR'S AGENT BYRNE: Yes. Are there

1 other risks?

2 MAYOR'S AGENT BYRNE: This is beyond my
3 expertise, I have to say.

4 MAYOR'S AGENT BYRNE: Okay. I guess as
5 an engineer -- it's an engineering question.

6 MR. HOLZBACH: I would be guessing.

7 MAYOR'S AGENT BYRNE: I just wondered.

8 All right. That's all I have. Thank you.

9 (Mr. Holzbach was excused as a witness.)

10 MS. BROWN: We will recall Ms. Adams.

11 MAYOR'S AGENT BYRNE: Sure.

12 (Pause.)

13 Whereupon,

14 ANNE ADAMS

15 was recalled as an expert witness and testified
16 as follows:

17 DIRECT TESTIMONY (Continuing)

18 MS. ADAMS: Again, Andi Adams,
19 architectural historian with Goulston and Storrs.

20 I'd actually like to back up for just a
21 second because I don't want anyone to think I
22 gave the HPO alley survey study short-shrift.

1 It's a terrific document, wonderful information.
2 I actually read it in the context of a number of
3 projects; the timing just happened to be good.

4 And there's a lot of information about
5 all of the alley buildings in the application to
6 extend the boundaries of the historic district,
7 and focus is on the alleys. So that document has
8 information about all the buildings but 616 R.

9 And then there's the alley building study
10 -- both important. However, it doesn't change
11 the status of any of these buildings as a
12 contributing building. If they're contributing
13 now, they will continue to contribute. It gives
14 us a broader understanding of the buildings in
15 the context of the alleys.

16 But in considering all the buildings that
17 are on the site, I would still, for
18 architectural, visual, locational, and other
19 reasons say that the other buildings that are
20 there now are more important than 616 are,
21 regardless of the information that's in that
22 study.

1 Because all buildings are not of equal
2 importance. The law, historic preservation law,
3 applies equally to all contributing buildings,
4 but all buildings are not equal. So, I was not
5 dismissing that. It did not change my assessment
6 at all. But I did read it, think about it, and
7 think about the information that's in the
8 historic district application. But as I said, it
9 didn't fundamentally change how I would assess
10 that building.

11 MAYOR'S AGENT BYRNE: Well, just to ask
12 that. I mean, in terms of the alley survey, are
13 there other buildings in D.C. that are in alleys
14 that are five-story warehouses with a freight
15 elevator?

16 MS. ADAMS: There are other large alley
17 buildings. I would have to double-check, but I
18 think in Blagden alley. And the study hasn't
19 exhaustively surveyed all the alleys.

20 MAYOR'S AGENT BYRNE: Right.

21 MS. ADAMS: This is just part.

22 MAYOR'S AGENT BYRNE: No, I just

1 wondered. Some question -- I mean, I take your
2 point about the fact that they are all already
3 contributing buildings. I just wondered whether
4 the alley survey would tell us more about the
5 significance of this building in terms of its
6 rarity or something like that.

7 I'm not saying it is. I'm just asking
8 the question.

9 MS. ADAMS: And I would have to go back
10 and look specifically for that particular issue.

11 MAYOR'S AGENT BYRNE: Okay.

12 MS. ADAMS: Because I don't know that I
13 did.

14 MAYOR'S AGENT BYRNE: Okay.

15 MS. ADAMS: But there are other tall,
16 large alley structures that are identified in
17 that.

18 But back to the project that you've just
19 seen. I'm actually really pleased to be able to
20 be here to support this today, because when I
21 first started looking at these buildings and saw
22 what was proposed, I was up front with Monument

1 from the get-go and said I would not and could
2 not support it in its original state, version.

3 And even up through the version before
4 this, it was problematic to me. I think the
5 changes that have been made between the next-to-
6 the-last and this version of the project are
7 significant, huge.

8 And it reduces the size, the scale, and
9 the visual impact of the new construction to a
10 point where the historic buildings really read
11 well. It reads as two separate projects. And I
12 think it's a really exciting opportunity.

13 And more importantly, it's that new
14 construction that is going to fund all of these
15 preservation benefits. There has to be enough
16 building there to warrant the work that needs to
17 be done on the historic buildings, which is
18 significant. You've heard a number of times
19 these buildings are not in good condition. They
20 have had significant alterations.

21 The extent of the work to put them back
22 to an appropriate appearance, to redo the front

1 yards, to reestablish a streetscape in a manner
2 that will contribute more to the historic
3 district than it is at the moment, I think is
4 really important. And that is a really
5 significant benefit.

6 And this project, as I think Rob said, or
7 someone said, in conjunction with the Gould
8 project across the street, will go a really long
9 way to establishing, reestablishing the scale and
10 sense of Eye Street as a historic residential
11 street, in spite of the new construction.

12 And I think all of those positive aspects
13 of the project are more important than the loss
14 of 616 R.

15 Preservation has grown up and changed a
16 whole lot in the decades I've been working in
17 this field. We look at demolition differently.
18 We look at preservation differently than we did
19 for, you know, early decades. At one point, the
20 DC Preservation League and others really didn't
21 want to see any demolition be necessary to
22 construct a project of special merit. That was

1 not where they wanted to go.

2 At some point, that changed. They didn't
3 want to see demolition be consistent with the
4 purposes of the act. But over the course of the
5 last 30 years, the DCPL, the Committee of 100,
6 and others have supported demolition, mostly in
7 the form of facade projects, because that's what
8 they did for years, as both consistent and part
9 of special merit.

10 And HPRB did the same thing. They
11 actually were making recommendations on
12 demolition being consistent, demolition being
13 necessary to construct a project of special
14 merit, making those recommendations to the
15 Mayor's Agent.

16 They don't do that anymore, and we're not
17 doing these facade projects anymore. But the
18 fact remains that the law provides, if you meet
19 the required tests, to do demolition, partial or
20 whole, as either of those things. This is for
21 the purposes of the act or as a component of
22 special merit. There's a third -- I mean,

1 unreasonable economic hardship, but that's not in
2 this realm.

3 And I think it's really important to keep
4 remembering what the law says. You have noted
5 this, and other Mayor's Agents have noted that
6 regardless of the possible sort of emotional or
7 mental disconnect between demolition and
8 preservation, the law provides for that.

9 And actually, Donald Sheehy wrote in one
10 of his orders that, quote, "Law 2-144 permits the
11 demolition of a landmark or a building in a
12 historic district, and the Mayor's Agent is bound
13 to apply the law as it is written and not as one
14 might prefer it to be written."

15 And that's important to me. This was in
16 his order on Hecht Company department store.
17 Which one was this? From, since there are
18 multiple orders on that, September of 1994.

19 And as I said before, it is true that the
20 act applies equally. The process is the same for
21 all buildings that are subject to this review
22 process that are contributing buildings. But all

1 buildings are not of the same importance.

2 If you take the Patent Office and a row
3 house, they're not the same. They're not the
4 same significance. It's a highly articulated
5 carriage house versus a simple brick box built in
6 the '30s that happens to be built in the period
7 of significance of a historic district. They are
8 two different things.

9 And the relative significance of those
10 actually is something that the HPO staff and the
11 review board look at all the time. Some alley
12 buildings are more important than others. And
13 retaining some is important, and others can go.

14 In an absolute sense, all buildings are
15 unique. They all have their own history. They
16 all have their own story to tell, if they can.
17 But all buildings have history, and not all
18 buildings -- while they may represent their
19 evolution and the evolution of their site and the
20 historic district, they're not all equally
21 significant to that story.

22 I'm not arguing at all the 616 R is not a

1 contributing building; it is. I'm not arguing
2 that it doesn't have history or reflect the
3 evolution of the site or all of the things that
4 have been said about it in the historic district
5 expansion document.

6 What I'm saying is that the preservation
7 benefits that will result from the construction
8 of this project are more important. They are
9 more beneficial than the loss of that particular
10 building. The other buildings contribute more
11 visually, architecturally to the District than
12 that one does.

13 It's true that one cannot demolish a
14 contributing building without coming through this
15 process and meeting the Mayor's Agent review
16 process and meeting one of the tests whereby the
17 Mayor's Agent can approve it. It's also true
18 that there's no affirmative requirement that
19 anybody restore or rehabilitate historic
20 buildings. They can't let them fall down through
21 demolition and by neglect. But there is nothing
22 that says something has to happen.

1 And this project is an opportunity to
2 make a major positive effect and impact on this
3 streetscape and this part of the historic
4 district through the preservation benefits that
5 will come from this, both on the street and on
6 the alley. Because those two alley buildings are
7 also very important.

8 The project meets the purposes of the act
9 with respect to contributing buildings in
10 historic districts. It retains and enhances nine
11 contributing buildings and adapts them for
12 current use. Alteration of the buildings are
13 compatible, and it assures that the new
14 construction and subdivisions are compatible with
15 the character of the historic district.

16 And in some ways, I actually think that
17 this project, this demolition could be approved
18 as consistent with the purposes of the act,
19 because of the extent of the preservation
20 benefit. It's happened before, not in awhile,
21 but --

22 MAYOR'S AGENT BYRNE: Can you tell me

1 what cases you're thinking of?

2 MS. ADAMS: I probably can.

3 MAYOR'S AGENT BYRNE: I'm aware of cases
4 in which there has been demolition to a historic
5 landmark that funded -- that the redevelopment
6 project funded the restoration of the more common
7 parts of the building.

8 MS. ADAMS: Um-hm, um-hm.

9 MAYOR'S AGENT BYRNE: But I'm not aware
10 of cases in which an entire building has been
11 demolished and it's been found to be consistent
12 with the purposes of the act.

13 MS. ADAMS: Yeah.

14 MAYOR'S AGENT BYRNE: And maybe that's
15 more a question for your lawyer than for you.

16 MS. ADAMS: One of them, actually, is 515
17 C Street, Northeast.

18 MAYOR'S AGENT BYRNE: Oh. I know it,
19 yeah.

20 MS. ADAMS: It's an old case and very
21 curious, but --

22 MAYOR'S AGENT BYRNE: The old Sid's Tax

1 building over there. On Stanton Park, on Stanton
2 Park.

3 MS. ADAMS: Yes, Stanton Park. The board
4 and the Mayor's Agent made a determination that
5 the new building would be more compatible than
6 the building that was there.

7 Alma's Temple is the landmark. The
8 second time around it was actually totally
9 demolished. Both projects envisioned and were
10 Mayor's Agent approved taking down everything but
11 the facade. But the second time around, they
12 dismantled that facade to the ground, and it was
13 put back. But it was total demolition.

14 Palais Royal was demolished. That was
15 actually special merit. Oh, there are a whole --
16 I have this written down.

17 MAYOR'S AGENT BYRNE: Okay. Well, you
18 can submit it later, although I would imagine
19 they'd want to ask you questions about it.

20 MS. ADAMS: Rhodes' Tavern, also special
21 merit.

22 MAYOR'S AGENT BYRNE: Ah, Rhodes' Tavern,

1 yeah. Rhodes' Tavern.

2 MS. ADAMS: Rhodes. But there are a lot
3 of projects that include a major preservation
4 benefit that were only facade projects, Bowen
5 building, I think Shoreham. The idea at that
6 time was that you focus on what's most important,
7 which was deemed to be the facades at that time,
8 or certain interiors that would not otherwise
9 have been retained and restored.

10 It's just -- I don't know. It's my sense
11 of things that at some point the benefit of the
12 preservation is such that, collectively and
13 cumulatively, it can be consistent even if you're
14 doing demolition.

15 MAYOR'S AGENT BYRNE: Yep. I hear you.

16 MS. ADAMS: And it has happened before.

17 MAYOR'S AGENT BYRNE: Do you think it's
18 preferable to consider cases in which there is
19 substantial restoration, preservation and
20 restoration? Do you think it's superior to
21 consider them under the consistent with the
22 purposes of the act provision than the special

1 merit provision? I mean, there are cases also
2 where a Mayor's Agent has said that the
3 preservation elements are part of special merit.

4 MS. ADAMS: And there are quite a few
5 cases where the significant preservation benefit
6 was a major component.

7 MAYOR'S AGENT BYRNE: Yeah.

8 MS. ADAMS: And I think that would apply
9 here. And the question of consistency or special
10 merit has been a question everyone collectively
11 has thought about over --

12 MAYOR'S AGENT BYRNE: Yeah.

13 MS. ADAMS: But the pendulum has,
14 frankly, swung back and forth.

15 MAYOR'S AGENT BYRNE: Yeah.

16 MS. ADAMS: All these projects have to be
17 reviewed on their own merits and on a case-by-
18 case situation. I think that you can do it as
19 consistent. But I think you can do it both ways.
20 And I don't know. That doesn't answer your
21 question, but --

22 MAYOR'S AGENT BYRNE: One way than the

1 other is not necessarily better in a general
2 sense, in your mind?

3 MS. ADAMS: I don't think so.

4 MAYOR'S AGENT BYRNE: Okay. That's it.
5 That's all good.

6 MS. ADAMS: They're both provided for.

7 MAYOR'S AGENT BYRNE: Yeah.

8 MS. ADAMS: And the end result is still
9 the same in terms of the preservation component.

10 MAYOR'S AGENT BYRNE: Yeah. The inquiry
11 may be different.

12 MS. ADAMS: What?

13 MAYOR'S AGENT BYRNE: The inquiry may be
14 somewhat different.

15 MS. ADAMS: Yes. Yeah. And probably not
16 my issue.

17 MAYOR'S AGENT BYRNE: Yeah.

18 MS. ADAMS: So, let's see here. Oh,
19 regardless, you know, preservation projects
20 continue to require assessments of buildings, and
21 assessments of parts of buildings and relative
22 merit.

1 And if you look at the McMillan Sand
2 Filtration site, at the McMillan Park Reservoir,
3 there was an assessment of what were the most
4 significant aspects of that site, how could they
5 be used, and what could reasonably be sacrificed
6 for the better of the collective benefit of that
7 project? This is no different. The L Street,
8 9th and L, it's the same thing.

9 So, that shouldn't be -- it's a normal
10 part of what I do. It's what preservation --
11 well, I mean, it happens. And to say that that's
12 not right is ignoring the realities of projects
13 and how you get preservation done, because it's
14 basically developer money that's going to pay for
15 most of this. And in this case, it's a lot.

16 And I think that the changes in the new
17 construction are substantial and really allow the
18 historic buildings, will allow the historic
19 buildings to read as the main focus of this. The
20 back buildings will be two separate buildings,
21 but they actually, I think, will pick up and
22 enhance the sense of Chinatown as a place, which

1 is not a preservation issue, particularly, but I
2 think it's important.

3 And so, I think the collective sense of
4 this block and this group of, let's see, seven
5 buildings on the street and two on the alley can
6 have a huge positive impact on the historic
7 district and how people perceive it. And I would
8 support you making it consistent with the
9 purposes of the act.

10 But in the alternative, it's certainly a
11 very significant component of a special merit
12 project. And I would urge you to make that
13 determination and allow this project to go
14 forward, even at the expense of 616 R.

15 MAYOR'S AGENT BYRNE: Thank you.

16 MS. BROWN: I have a couple of questions
17 to follow up.

18 FURTHER DIRECT EXAMINATION

19 BY MS. BROWN:

20 Q. You're familiar with the briefs submitted
21 by DCPL in this case?

22 A. I have read it, yes.

1 Q. Okay. On page 5 of that brief, DCPL
2 suggests that the rear of 116 (sic) Eye Street,
3 quote, "represents a unique period and sustained
4 presence of German culture in downtown as second-
5 and third-generation Germans gradually
6 assimilated into the American culture," end
7 quote.

8 Do you agree with that statement, and
9 will we lose a sense of that if this building is
10 demolished?

11 A. Well, the building certainly represents
12 its history. But there are other buildings on
13 this site that also relate to that. And there
14 are buildings all through downtown that reflect
15 that pattern of development and immigration. And
16 I don't think that sense will be lost by the
17 demolition of this building, partly because -- I
18 don't mean to sound flip here, but looking at
19 that building, you can't make any connection
20 there.

21 Q. Connection with the German American
22 culture?

1 A. Yes. It does not tell its story in any
2 visual way.

3 Q. So, on balance, what is the value of that
4 contributing building to be demolished in
5 comparison with the special merit features?

6 A. Assuming you're asking about the
7 collective restoration, rehabilitation, adaptive
8 reuse, giving these historic buildings that are
9 being retained a viable long-term use and future,
10 to me, and restoring the streetscape, to me those
11 are exponentially more important, collectively,
12 than the significance of that one building.

13 Q. Are you aware of any Mayor's Agent cases
14 on special merit that have been improved based on
15 the housing component?

16 A. Square 456 had a housing component, and
17 that was part of the special merit. I think it
18 was the second one, Randall School, I believe.
19 I'm sure there are others, but those are two that
20 come to mind right off the top of my head.

21 Q. Do you know if the project at 915 E
22 Street, Booth's Alley, was special merit on the

1 housing? If you know.

2 A. I don't know. I'm sorry.

3 MS. BROWN: Okay. I think those are my
4 questions. Thank you.

5 MAYOR'S AGENT BYRNE: Okay. Good.

6 Your witness.

7 CROSS EXAMINATION

8 BY MS. MOLDENHAUER:

9 Q. How are you? So, I'm just going to kind
10 of go through and ask a couple of different
11 questions.

12 You are comparing the preservation of the
13 Eye Street building and the two other, one
14 storage unit warehouses to -- and sacrifice one
15 to protect them all in regards to the warehouse
16 building. Is that correct?

17 A. I'm sorry. I'm not sure I understood
18 what you said.

19 Q. You're sacrificing the one, demolishing
20 of the one to preserve the other buildings?

21 A. To do more than just preserve. Because
22 they will be -- the facades will be restored or

1 appropriately rehabilitated. And the buildings
2 get new uses and also rehabilitation. It's not
3 just one building for nine buildings. It's the
4 result of the work that will go on on those other
5 nine buildings.

6 Q. And then focusing on the warehouse
7 building. The current building you indicated
8 that it has -- has it had any substantial
9 alterations from its original construction?

10 A. I don't think I discussed that.

11 Q. I'm asking you the question.

12 A. Oh. What's the question?

13 Q. You've researched the building. Does the
14 warehouse building, has it had any substantial
15 alterations from its original construction?

16 A. Well, it was connected to the house. And
17 I suspect that the openings have changed on the
18 first floor.

19 Q. Is that deemed to be substantial
20 alteration?

21 A. I don't think it makes any difference in
22 this case. I don't know what you're getting at.

1 So.

2 Q. I'm asking you the question. But I think
3 you've already answered it, that there's only
4 been minor changes.

5 You talked about the nature and needing
6 to preserve the two, one-story and two-story
7 warehouses because of their relationship with
8 customers. This was in your earlier testimony
9 prior to the fire alarm. Is that correct?

10 A. Something like that, something like that.

11 Q. I'm trying to remember because it's been
12 -- something like that?

13 (Laughter.)

14 BY MS. MOLDENHAUER:

15 Q. And so, in regards to your research on, I
16 guess, the history of this warehouse, the
17 warehouse building, have you looked into to try
18 to -- what have you looked into and what facts
19 have you evaluated to make the decision that this
20 furniture warehouse building had maybe less
21 character than these other two buildings?

22 A. Well, visually, the building has less

1 architectural character, for sure. And the
2 nature of the architecture of those other two
3 buildings express their uses more clearly and are
4 inviting to the public, because, you know,
5 there's an interaction.

6 It's not a standard necessarily for
7 anything, but when you look at the whole
8 totality, 616 R is extraordinarily ordinary
9 visually. It's tall, and it has an elevator
10 override. It has no architectural detail, which
11 isn't, in and of itself, lethal. But compared to
12 the visual benefits of the other buildings, those
13 to me are more important. People can relate to
14 them better than they will relate to the other.

15 Q. When --

16 A. Easy to adapt, also, for other uses,
17 without changing --

18 Q. Let's just focus on -- focus on what you
19 just said. I'm not talking about adaptive reuse,
20 but let's just focus on you're talking about,
21 just the visual character. Is the visual
22 character the only thing that contributes to

1 historical buildings or contributing buildings?

2 A. No.

3 Q. What other factors contribute to
4 qualifying a building as contributing?

5 A. Technically, any building that's built
6 between -- within the period of significance is a
7 contributing building, as long as it retains its
8 integrity. That doesn't mean that all
9 contributing buildings are equally important.
10 And this is primarily -- I'm making this -- I'm a
11 visual person. I like buildings. And I relate
12 to buildings that way, and I think most people
13 do.

14 Their visual contribution of the two
15 warehouses being retained and adapted and this
16 one are very different. And I think it is not
17 inappropriate, it's perfectly appropriate, to
18 understand the relative merits of contributing
19 buildings. It doesn't change their status as
20 contributing buildings. But as I said, not all
21 buildings are equal.

22 Q. You keep on going back, though, to

1 visual, visual. And I guess my question is, are
2 there other factors? Does use, material,
3 variations of those that evaluate or contribute
4 to a contributing building, not just the time
5 period, but the use and the material?

6 (Pause.)

7 MS. ADAMS: I'm not sure how to answer
8 that question, because I'm not -- these buildings
9 are contributing. Any building in this District
10 built between 1830 and 1940 that retain their
11 integrity are contributing buildings.

12 BY MS. MOLDENHAUER:

13 Q. Well, let's back up here. If you are
14 asked as an architectural historian to evaluate a
15 building, do you just look at what it looks like
16 from the outside? Or do you research who used it
17 and how was it used and the activity of the use?
18 Do all of those factors go into your research and
19 analysis, and are all those considered?

20 A. Not with respect to whether it's a
21 contributing building.

22 Q. But in the overall perspective, in the

1 overall analysis.

2 A. Perhaps. Um-hm.

3 Q. Perhaps, or do you evaluate that on every
4 building?

5 A. I will look at buildings on a case-by-
6 case basis for the characteristics that seem
7 relevant to that building. Because not all
8 buildings -- some buildings have really important
9 history that, you know, it's housed in a brick
10 box. To my knowledge, this building does not.
11 Some buildings are architecturally significant.
12 So.

13 Q. You started off by indicating that, you
14 know, the alley survey, that you wanted to give
15 respect to that. Doesn't the alley survey
16 specifically look through activity through uses
17 of alley and warehouse structures?

18 A. That's a different issue than what we're
19 dealing with here.

20 Q. How so? How are you separating out these
21 issues?

22 A. I don't have it in front of me, so I'm

1 not going to -- I don't remember well enough.
2 But there is a lot of discussion about how you
3 activate alleys, what you do with alleys to make
4 them, you know, take advantage of the buildings.
5 This is a different issue than whether a building
6 is a contributing building to a historic
7 district.

8 Q. One of the questions asked in regards to
9 the fact that you were saying that, you know, the
10 other buildings are more significant in regards
11 to retention. You've said now on multiple times
12 you think that the other buildings are more
13 significant visually.

14 In regards to this is one of the only,
15 from our research, alley structures in this
16 square that actually roughly relates to in
17 regards to the alley structure in relating to the
18 front building, in regards to the history of the
19 family, family living in 616 and then actually
20 working out of the rear, do you believe that --
21 did you analyze that or look at that in regards
22 to whether or not that provided some uniqueness

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1 and some historical value to the preservation of
2 the site?

3 MS. BROWN: If I could interject with a
4 slight objection here. I think we're hearing
5 testimony about what a document says and what
6 their view of the history is and that it's
7 presumed accurate. And I want to -- I don't know
8 that we can establish that as accurate or not at
9 this point.

10 MAYOR'S AGENT BYRNE: So, as I understand
11 the question, the line of questioning is to try
12 to clarify more the grounds upon which you are
13 suggesting that preservation value of 616 rear is
14 not that great. And I understand about the
15 visual.

16 And I think she's asking about the
17 history of the use of the site in connection with
18 the family that had a business there and that
19 sort of thing, and asking what kind of weight,
20 perhaps, that would be given?

21 MS. MOLDENHAUER: Yeah. Exactly.

22 MAYOR'S AGENT BYRNE: I think that's the

1 question.

2 MS. MOLDENHAUER: Yes.

3 MS. ADAMS: It's all part of the history
4 of the building. It's all interesting
5 information. For me, that doesn't change its
6 status as a contributing building. It doesn't
7 make it noncontributing. I think these
8 buildings, the contribution they make to sort of
9 the public good is primarily visual. That's what
10 people see. It's how people understand
11 preservation.

12 And I personally think period and
13 architecture are probably the most important
14 things a building can contribute to both the
15 District and our collective sense of historic
16 Washington. It's interesting information; it
17 would not affect my assessment of the building.

18 MAYOR'S AGENT BYRNE: Fair enough.

19 BY MS. MOLDENHAUER:

20 Q. You referenced a couple of different
21 cases and other Mayor's Agent's cases in which
22 the Mayor's Agent recommended demolition. And

1 are you aware, since obviously you were
2 testifying more to provide us, providing an
3 expert testimony on the history, that a majority
4 of those followed the Hecht's decision?

5 A. I can't tell you where things are
6 chronologically; I don't know.

7 Q. Are you aware that the Hecht's decision,
8 when talking about the demolition of a building
9 in conjunction with housing or to that effect,
10 was required to be a catalyst to the area?

11 A. Yes.

12 Q. And a catalytic effect? So, you are
13 aware of that?

14 A. Yes.

15 Q. How, in a very vibrant downtown Chinatown
16 area that is developed, do you believe this
17 project to be a catalytic effect?

18 A. I didn't say I did. And I'm here to talk
19 about the preservation benefits. There are other
20 people who can talk about the other aspects of
21 special merit.

22 MS. MOLDENHAUER: No other questions.

1 MAYOR'S AGENT BYRNE: No other questions?

2 Okay. Thank you, Ms. Adams.

3 MS. ADAMS: Thank you.

4 (Ms. Adams was excused as a witness.)

5 MS. BROWN: Okay. Our next witness is
6 Mr. Ted Risher. And I would like him qualified
7 as an expert in financial impact analysis of
8 developments. And I have his resume here.

9 (Pause.)

10 MS. BROWN: I can't remember where we are
11 in the --

12 MAYOR'S AGENT BYRNE: Oh, this would be
13 G. Okay. I'll give Ms. Moldenhauer a chance to
14 look it over.

15 MS. MOLDENHAUER: Thank you.

16 (Pause.)

17 MS. MOLDENHAUER: I have no objection.

18 MAYOR'S AGENT BYRNE: Thank you. We'll
19 qualify him and Mr. Risher as an expert in real
20 estate finance.

21 MS. BROWN: Do you have additional
22 questions on his qualifications that you'd like

1 to explore on the record?

2 (Laughter.)

3 (Hearing Exhibit G was marked for
4 identification.)

5 MS. BROWN: If you could introduce
6 yourself and proceed with your testimony.

7 Whereupon,

8 TED RISHER

9 was called as an expert witness and testified as
10 follows:

11 DIRECT TESTIMONY

12 MR. RISHER: First of all, thank you very
13 much for allowing me to come and talk. I know
14 it's always tough at the end of the day being one
15 of the final presenters, so I appreciate your
16 attention. My intention is to be brief, but to
17 be more than open to clarifying questions and
18 things of that nature.

19 Just a little bit of an introduction. My
20 name is Ted Risher. I work for Basile Baumann
21 Prost Cole, henceforth known as BBPC. I've
22 worked there for approximately seven years.

1 We're a real estate development and
2 economics advisory services firm. We work
3 primarily with Federal Government agencies,
4 municipalities, and institutions in guiding them
5 through the execution of different real estate
6 strategies and providing them with feasibility
7 analysis and economics analysis. So that's my
8 background.

9 Prior to that, I did work for the City.
10 I was the Development Director at the National
11 Capital Revitalization Corporation, as well as a
12 project manager in the Office of Planning and
13 Development at the DC Housing Authority. So I do
14 have a significant amount of experience on the
15 public side, with the City, D.C. in particular,
16 and in the private development community, as
17 well.

18 So, again, I appreciate the opportunity
19 to come here. My purpose with my testimony is to
20 highlight some of the high-level findings of the
21 economics and fiscal impact analysis that we
22 performed for the project at the behest of

1 Monument and also amplify and add depth to some
2 of the high-level discussions that have gone on
3 in previous testimony and to try and add some
4 weight to that, as well, and make some clarifying
5 comments.

6 So the first portion of my testimony, no
7 pun intended, will be a little monumentally
8 boring. But we'll get through that and then
9 we'll get into some interesting stuff that I hope
10 we can generate some conversations about.

11 I know that the analysis itself has been
12 submitted as evidence or testimony or whatever it
13 is. I'm just going to go through, real quickly,
14 the construction period fiscal and economic
15 impacts, and the operating period fiscal and
16 economic impacts, really sort of highlight some
17 of the high-level findings and also continue to
18 sort of point to the conservatism that runs
19 through the model in terms of how we estimate the
20 benefits to the District and note that it is our
21 continued expectation that the project will out-
22 perform our assumptions.

1 So, going to the construction period, and
2 this will be somewhat reminiscent of Mr.
3 Salpini's testimony, but will add more depth to
4 it, we anticipate that the construction period,
5 which is roughly calendar years 2016 and 2017, so
6 a 24-month period, will produce 154 direct
7 construction jobs, of which 10 percent of those
8 will go to D.C. residents. It will also produce
9 an additional 51 indirect jobs for the 24-month
10 period, so a total of 205 jobs, half of which of
11 the indirect jobs would go to D.C. residents. So
12 a total of 41 jobs for D.C. residents.

13 So the total direct -- the total payroll
14 for those jobs for the two-year period is
15 approximately \$22 million, of which \$4 million
16 would be accruing to D.C. residents. The total
17 material purchased during the project, so all the
18 materials and FF and E and other sorts of things
19 that go into the project, about \$16.5 million, of
20 which 2.67 million would be purchased in the
21 District.

22 And then total consumption expenditures,

1 which would essentially be the economic impact of
2 the workers being in that site every day for a
3 24-month would be about \$12.8 million, of which
4 1.28 million would be generated by District
5 residents. So, in my mind, we took a very
6 conservative line on the number of District
7 residents that would be employed by this job, at
8 10 percent. So, again, always leaving room for,
9 to be out-performed on our assumptions.

10 On the fiscal impacts for the two-year
11 construction period, the bulk of the benefits,
12 \$474,000, are generated by the transfer and
13 recreation taxes for the nine parcels. There's
14 an additional \$256,000 in income tax. Again,
15 these are two-year figures, so figure it's not an
16 annual, but it's a 24-month figure.

17 And one of the things we also did was we
18 accounted for the District's cost to support and
19 provide services to these ladies and gentlemen
20 who are going to be coming into the District and
21 working this project.

22 And we refined a methodology, looking at

1 the latest budgetary information from the Office
2 of the Chief Financial Officer and the council,
3 came up with some estimates on how much it costs
4 to provide these support services. So, police,
5 fire, EMT, various utility services, and the
6 like. So we actually backed out an additional
7 \$450,000 and came up with about a \$400,000 total
8 fiscal impact to the District during the 24-month
9 period.

10 Moving on to the operating period, we
11 anticipate the creation of 52 direct jobs, of
12 which 30 would be for D.C. residents. An
13 additional 11 indirect jobs, of which all would
14 go to D.C., generating 1.85 million in total
15 direct payroll and 490,000 in indirect payroll.

16 The big part of the economic impact would
17 be additional retail sales generated by the
18 16,000 square feet of retail, with about \$4
19 million annually, obviously, taxable. The fiscal
20 impacts, we anticipate at \$1.8 million total
21 positive annual impact to the District. The
22 chief primary drivers of that are \$1.3 million in

1 additional income tax from the residents that
2 would be staying in the building, and also
3 \$875,000 in new real estate taxes.

4 Currently, the parcels that comprise the
5 site now generate about \$135,000 annually. That
6 goes with the 875, so about a 500 percent
7 increase. And there are several ways to look at
8 that. You know, I look at it as either
9 additional bonding capacity or as a value being
10 generated by the project.

11 If you looked at that sort of 500 or that
12 \$740,000 Delta and looked at it over, say, a 20-
13 year period at a conservative debt-service
14 coverage ratio, and conservative rates, that's
15 about \$6 or \$7 million in additional bonding
16 capacity that the City has access to. Or it's
17 essentially, you know, sort of a value that the
18 project is providing to the City.

19 And again, to get to that 1.8 million, we
20 backed out \$900,000 in expenses that the City is
21 going to incur, providing services to the
22 residents of the building, and as well as the

1 employees. And again, that's generated basically
2 by taking that approximately 4,000 per-person
3 asset the DCPS budget and applying that to a
4 weighted average of 1.49 persons per household,
5 and then throwing in the -- an assumption that 5
6 to 10 percent of the units actually will have
7 children.

8 So, that's sort of the high-level
9 overview of the economics and fiscal impacts that
10 we gauge for the project. Again, we would expect
11 to out-perform and produce more benefits for the
12 District.

13 I wanted to get on to an amplification of
14 a previous discussion on the value of the
15 residential-versus-office, because it seems to be
16 something that people are focusing in on. Mr.
17 Salpini in his testimony noted a \$68 million sort
18 of Delta between the value of an office project
19 and the value of a residential project. And I'm
20 here to sort of explain that assumption.

21 You know, there's two things driving the
22 value difference here. One is the fact that

1 office space is just much more efficient. You
2 can generate more usable and rentable area out of
3 an office. You know, we had a core factor of
4 almost 1.3 on the residential and about 1.15 on
5 the office. So you're generating more usable
6 space.

7 The other thing, too, is that, as Mr.
8 Salpini noted, there is a significant difference
9 in between class A office rent and class A multi-
10 family rents. So you're generating that
11 differential in NOI and that operating income of
12 approximately \$3 million jump in the office.

13 So even if you're spending more on the
14 office to deliver it, whether it's through the
15 construction of the finishes or tenant
16 improvement allowance packages or something like
17 that, you're generating more value.

18 And empirically, absent the knowledge
19 that you would have as an owner, if you look at
20 150,000-square-foot class A office building in
21 east end or Chinatown, and you look at 150,000-
22 square-foot class A multi-family product in the

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1 east end or Chinatown, there's a big difference
2 in value, especially if you're looking at it as a
3 purchaser.

4 Another thing, too, in sort of to -- I
5 went back and, going through some of the tables
6 that we produced for this report, I wanted to add
7 a little bit more realism to it as well. So we
8 initially had a \$68,000 million Delta.
9 Obviously, it's every owner's dream to have an
10 office building that's 100 percent leased. So I
11 added 10 percent threshold vacancy there. I did
12 some sensitivity analysis, because I wanted to
13 make sure that, you know, we had a very
14 supportable assumption here.

15 So even adding the 10 percent vacancy to
16 the office program and maintaining 100 percent
17 occupancy on the residential, which obviously
18 isn't achievable as well, you're still looking at
19 \$51 million in additional value on the office
20 program.

21 The other thing, too, is the 4.5 percent
22 cap rate on the office is probably super-

1 conservative, especially in this environment with
2 perceived overvaluation of the equities markets
3 and corresponding alteration in most global
4 institutional investors' portfolio strategies to
5 trend more towards hard assets and away from soft
6 assets. The 4.5 percent is probably
7 conservative. You're probably driving that more
8 down to a long bond rate like 3 percent, 3.25,
9 3.5 percent.

10 So again, I think we took a conservative
11 approach to valuing the office. I think a 4.5 on
12 the class A multi-family is dead-on. So again, I
13 think there's room for us to actually make even
14 more of the case that switching to a residential
15 program certainly is a concession in the form of,
16 you know, leaving value on the table. So that's
17 where I was with that.

18 Also, on the -- actually, I'll let you
19 probably on that -- getting into the discussion
20 of luxury-versus-market and this concept of what
21 luxury is, what market is, if you go to the
22 Internet, you can find tons of definitions. Some

1 are more reliable than others. But I took sort
2 of a personal approach. It's kind of one of
3 those things that you know it when you see it.

4 We may have labels and ideas that we put
5 on what we want workforce housing to be or low-
6 income housing to be or market-rate housing to be
7 or luxury housing to be. The bottom line -- and
8 we may have ideas, and we may have desires about
9 what that housing costs.

10 But it's the market that decides. I
11 mean, absent government regulation and
12 intervention, three things are going to determine
13 that rent. What's your location? What is the
14 level of finishes in the units? And what are the
15 level of amenities in the building? And that's
16 it.

17 So, we may find it difficult to find
18 sympathy with an individual making \$100,000 who
19 chooses to spend 35 percent of his or her gross
20 income or 50 percent of his or her net income to
21 live in a certain apartment in a certain area.
22 And we may find it even more difficult to find

1 sympathy with the developer of that product
2 making that kind of money.

3 But that's just reality. There are
4 plenty of people doing that in the District right
5 now. So, somebody spending \$3,000 to live in a
6 550-square-foot small one-bedroom or studio, it's
7 just the reality we live in.

8 Would I term it "luxury"? No. I look at
9 this building, and I'm very impressed by the
10 setbacks, the step-backs, the variation in the
11 building facade, the outdoor spaces, which I
12 think are great. I think the building design is
13 super-high quality and the preservation of the
14 historic buildings is outstanding.

15 Does that make it luxury? No. There are
16 plenty of examples, even in the submarket, most
17 notably, the Ashton, which is a UDR building,
18 which is on Third Street, and Mass Court, which
19 is right around the corner, which is TIAA-CREF
20 building, offer many more building types of
21 amenities, including rooftop pools, concierge
22 service, spas, business centers, things like

1 that. I mean, those have become the norm for
2 what people would consider luxury.

3 You go out of the submarket, even not
4 that far out of the submarket, you go to City
5 Center, you go to -- you go up 14th Street, you
6 go to some of the other -- well, the JBG-
7 delivered stuff that TIAA-CREF bought, like the
8 Louis and stuff like that, I mean, you're looking
9 at average rents in the \$6-to-\$10-a-square-foot
10 range. And you've got advertized asking rents up
11 to \$30,000 for some of these units. I mean, that
12 in my mind is luxury.

13 When you're trending -- and you know,
14 just to a point of clarification, when the -- I'm
15 sorry. I missed your name?

16 MS. MOLDENHAUER: Moldenhauer. It's a
17 long one.

18 MR. RISHER: Excellent name. When Ms.
19 Moldenhauer noted that the average rent per unit
20 at Monuments project was approximately \$3,400,
21 that was a trended rent to 2018. The untrended
22 rent is about \$3,050. Is that affordable to the

1 majority of people? It's not a question for me
2 to answer. However, that's just sort of the
3 reality of the market.

4 And the fact that there are examples in
5 the immediate area that are so far and above what
6 Monument is proposing here, I think, just doesn't
7 reach the level you need to consider this an
8 ultra-luxury or a luxury product, even a luxury
9 product. It is a high-quality, class A apartment
10 building. It is nothing more.

11 I want to make sure that I hit everything
12 I wanted to. I think that's the bulk of my
13 testimony. So, I'll take questions if there are
14 any.

15 MAYOR'S AGENT BYRNE: Thank you.

16 MS. BROWN: I have one quick follow-up
17 question.

18 DIRECT EXAMINATION

19 BY MS. BROWN:

20 Q. Mr. Salpini testified that the jobs
21 created by this project will be mostly entry-
22 level and mid-management. Is that part of your

1 report, or are you aware? Do you have any
2 thoughts on that?

3 A. Yeah. We took some industry standards
4 and did a stratification of the construction jobs
5 and the -- and obviously, they are pyramidal in
6 nature. So you've got more unskilled labor at
7 the bottom, and then it sort of pyramids into
8 management and things like that.

9 I would say it's more of a tiered, you
10 know, sort of construction labor-force structure,
11 but typical with any other construction project
12 that's taking place in town.

13 MS. BROWN: Okay. Thank you. No more
14 questions.

15 MAYOR'S AGENT BYRNE: Okay.

16 Ms. Moldenhauer?

17 CROSS EXAMINATION

18 BY MS. MOLDENHAUER:

19 Q. I wanted to kind of understand some of
20 the assumptions that you might be making --

21 A. Sure.

22 Q. -- and how you got to these numbers or

1 how you're trying to compare the office to the
2 residential.

3 A. Sure.

4 Q. I have a general challenge with the
5 argument itself. But I'm going to just jump into
6 the facts.

7 You're talking -- when you're analyzing
8 the financials or the \$68 million that an office
9 project would benefit Monument, is that based on
10 a similar floor plan or a similar structure that
11 was designed for HPRB? Or is that doing -- I
12 mean, how --

13 A. Yeah. That's taking comparables from
14 recently executed leases in the submarket and
15 applying them to what we would project as the
16 usable rental area in an office product with a
17 similar shell, which would be about 134,000
18 rental square feet.

19 Q. And that's taking into consideration the
20 historic interior buildings and layouts and then
21 diminished valuations for those smaller office
22 spaces that could not then be connected to the

1 larger floor plan?

2 A. Well, I think up in the office program,
3 what we're assuming is that the majority of that
4 historically preserved space would still be
5 retail frontage. So there's sort of a net
6 neutral effect of that. The bulk of the rentable
7 office area, absent the circulation or reception
8 areas, would be in the tower in the back.

9 Q. And you were classifying this as kind of,
10 in your analysis, as a class A office and class A
11 office comparables. Given the fact that you're
12 no longer having an H Street office space, but
13 rather an Eye Street, did you take that into
14 consideration in a reduction of value in your
15 analysis?

16 A. I was brought on last year, a few months
17 ago. So I really wasn't that cognizant of the
18 evolution of the design in the project. However,
19 it's been my experience that if it's amenitized
20 properly and it's of sufficient high-quality
21 construction that being mid-block versus being
22 right on H Street, as long as it's done well and

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1 it's accessed properly, I couldn't see making a
2 severe reduction in value just for being a more
3 unique design. In fact, I think it might be more
4 attractive to some renters.

5 Q. When you provided the different fiscal
6 impacts and benefits, in regards to the job
7 numbers, the overall, you know, payroll and taxes
8 that would be generated by purchasing, and
9 materials, what distinguishes this project from
10 any other development project in regard to those
11 figures?

12 A. Nothing.

13 Q. So, then --

14 A. New construction is always going to
15 generate benefits for the City. It's always
16 going to generate opportunities for residents.
17 It's always going to generate income for the
18 District. So.

19 Q. So then, there's nothing special in
20 regards to these generations over any other
21 development?

22 A. No.

1 Q. Did you do any evaluation or fiscal
2 analysis comparing retention or partial retention
3 of the historic warehouse to then how that would
4 positively impact the fiscal impact on this
5 project?

6 A. Monument gave me a program that I
7 conducted an analysis in response to. What I
8 will say is that the increased cost of adapting a
9 building such as the structure in question is
10 generally going to have a negative impact on
11 Monument's bottom line, and that negative impact
12 could translate through to the District in terms
13 of, you know, in terms of final value of the
14 project.

15 Q. A negative impact on their bottom line,
16 but would it not possibly cost more time and more
17 effort, or more skilled workers so that the
18 fiscal impact on the District might be higher?

19 A. I would say that the -- it would
20 certainly make the project more expensive. So,
21 from that perspective, there might be some
22 marginal -- you know, some marginal positive net

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1 to the District. But I would say that the
2 marginal benefit to the District would be
3 severely outweighed by the financial impacts of
4 the project and the ability for them to carry a
5 more dynamic workforce and to basically have a
6 more efficient project.

7 Q. And you said that you were provided by
8 Monument an alternative scenario that you --

9 A. No. I was provided one program.

10 Q. I don't know what you mean by one
11 program. Can you describe that?

12 A. One building program.

13 Q. One building program? And what was that?

14 A. It was the building program you see
15 before you.

16 Q. Oh, so you were not provided a building
17 program for an alternative scenario?

18 A. No.

19 Q. Thank you. That clarifies what I was
20 trying to understand.

21 Then, just kind of going to the question
22 we were talking about earlier with regards to

1 your numbers, of page 16 of your report, Table
2 15, which are the residential household income
3 estimates. And we've been throwing out words
4 like "luxury," and you compared this to the
5 Ashton, which --

6 A. I don't compare it favorably to the
7 Ashton.

8 Q. No, no, no, no, no, no, no. That's
9 right. You were comparing the term "luxury" to
10 the Ashton.

11 A. Right.

12 Q. And I don't know if you would agree with
13 this or not; I would consider the Ashton as an
14 uber-luxury and City Center uber-luxury.

15 (Laughter.)

16 MR. RISHER: I don't know if that's a
17 technical term.

18 (Laughter.)

19 MS. MOLDENHAUER: It's definitely not a
20 technical term. It's not a legal term, I don't
21 believe. But we had experts earlier testify they
22 Googled the word "luxury." So I think that I can

1 throw out the question of "uber."

2 MR. RISHER: Go for it.

3 BY MS. MOLDENHAUER:

4 Q. Would you agree with that, though, that
5 City Center and Ashton are kind of a new playing
6 field in the District, of higher luxury?

7 A. No, I wouldn't. Because first of all,
8 the Ashton has probably been around seven-eight
9 years, probably delivered -- I mean, it's been
10 awhile that the Ashton has established itself in
11 the market. Same with Mass Court.

12 I would -- if City Center had delivered
13 and literally was an island unto itself and was
14 just this place where you could -- you, too,
15 could rent a 600-square-foot junior one-bedroom
16 for five grand a month, I would say you're right.

17 The issue is that you find these products
18 all over the place. You find them Camden Grand
19 Park on McPherson Square. I mean, you find these
20 comparables all over town. I mean, even up 14th
21 Street, you go past north of Florida, you go to
22 View 14, I mean, there are some ridiculous prices

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1 people are paying in what traditionally were not
2 viewed as luxury market.

3 You go to the Donatelli projects even
4 further up in Columbia Heights, you're looking at
5 spending three grand for a tiny 900-square-foot
6 two-bedroom or one-bedroom and den. I mean,
7 there's just -- there is so much comparable
8 product that I would term "luxury" that I don't
9 see the delineation yet between some luxury and
10 then some, you know, ridiculous like, you know,
11 something that only diplomats can afford.

12 Q. You've described a lot of other projects
13 in the area. What's your opinion on the number
14 of kind of housing products that are currently
15 coming on market or are in the pipeline in this
16 sector of Chinatown and downtown?

17 A. I'd have to get back to you on that.
18 That's a completely different study from what I
19 did in terms of -- I mean, understanding a
20 general sense of the market and the absorption
21 and things like that is important. I wouldn't
22 want to give you a number unless I had researched

1 it adequately.

2 Q. Considering as you've got City Center,
3 you have -- you've got the -- what is it? River
4 Crossing? Capitol Crossing. I mean, you are
5 kind of flagging this project. Are there a lot
6 of residential projects that either have just
7 been delivered or are coming online in this area?

8 A. Sure. Let's call it 1,000. And the only
9 thing that happens to Monument is that its value
10 is further depressed because you're putting more
11 units online in the market to compete with their
12 product that's not delivering for another two
13 years.

14 So I think that -- I think there are,
15 yes. There are several hundred units that are
16 going to be delivering over the next 24 to 36
17 months. And it makes it a horse race for
18 Monument to make the rents that they had pro
19 forma'd here.

20 Q. Okay. And the rents -- sorry. It brings
21 me back. You replied to kind of my last question
22 about the rents.

1 A. Um-hm.

2 Q. I'm just trying to understand where
3 Monument is on what their proffering or stating
4 in regards to their rents. And there's
5 obviously, in your spreadsheet you have nine
6 affordable units.

7 A. Right.

8 Q. And then, I guess my question then is, on
9 the other side -- and I'm trying to understand
10 this. The 130 market-rate units, is your
11 understanding that those are all going to be
12 market rate? I'm trying to understand. I
13 believe there was testimony that some of those
14 would be at levels that would be for workforce
15 housing. Are those workforce housing
16 availability only on those nine?

17 A. Well, I don't -- I don't know the exact
18 structure of the affordability for the nine
19 units, whether they're being targeted at 50
20 percent AMI or 80 to 120.

21 Q. Eighty.

22 A. Okay, 80 percent, which with our AMI is

1 still ridiculous. You know, for a family of
2 four, that's probably still \$80,000, something
3 like that. So, in terms of, let's separate the
4 ADU's from the question, since it seems what
5 you're asking for is, you know, are we targeting
6 the other 130 towards the workforce? And I'm
7 using my air-quotes there.

8 You know, workforce for the District is
9 different from workforce in Charles Town, West
10 Virginia. I mean, workforce here could be
11 \$80,000 to \$120,000.

12 That being said, the generally accepted
13 principles is don't spend more than 30 percent of
14 your gross income on your housing. I have
15 personal experience, and I know plenty of people
16 who spend obscenely more than 30 percent of their
17 gross income on housing.

18 So the question is, who are we targeting?
19 We're targeting who's going to be able to pay
20 \$2,700 for a studio, which is, unfortunately
21 because of where we live, not out of the norm.
22 And those people or those families will make the

1 decisions based on their own personal sets of
2 standards about how much they're willing to spend
3 on housing.

4 Q. All right. I mean, I'm just trying to --
5 so your value here, which is a little higher.
6 You're saying your average monthly rent was going
7 to be \$3,400.

8 A. Right.

9 Q. That's for like a 750 --

10 A. That's a 2018 figure.

11 Q. Okay.

12 A. Which it says.

13 Q. 2018 figure. So, obviously, I mean, I'm
14 just looking at the Bureau of Labor and
15 Statistics for this year. So obviously, you'd
16 have to take into account a Delta of, you know,
17 you know, preschool teachers make, in the
18 District of Columbia, about \$35,000. Middle
19 school teachers, about \$63,000. Security guards,
20 38; police officers, 69,000.

21 I mean, in regards to -- you were
22 indicating that maybe some of these people might

1 be willing to -- is your testimony then that some
2 people that are making these figures might choose
3 to put more of their income toward, you know,
4 their living accommodation? Is that what your
5 testimony is?

6 MS. BROWN: And if I could just interject
7 a quick objection. We haven't seen those
8 figures. And it's more testimony as opposed to a
9 question. So, if you can leave the caveat in the
10 answer of --

11 MS. MOLDENHAUER: Subject to --

12 MS. BROWN: Assuming that this was true.

13 MS. MOLDENHAUER: Yes.

14 MAYOR'S AGENT BYRNE: Assuming that this
15 is true.

16 MS. MOLDENHAUER: I'm fine with that.
17 Obviously, I would make the same objection. I
18 understand.

19 MR. RISHER: I'm not going to testify to
20 the mindset of the personal decisions that
21 anybody makes about anything in their life,
22 whether it be housing or anything else.

1 What I will say is that the rents that
2 Monument has pro-forma'd in their underwriting of
3 this project do not swing out of the norm with
4 anything I would consider to be nothing more than
5 class A multi-family market-rate housing.

6 MS. MOLDENHAUER: Market rate. Thank
7 you. Okay. No further questions.

8 MAYOR'S AGENT BYRNE: Okay. Thank you
9 very much.

10 (Mr. Risher was excused as a witness.)

11 MS. BROWN: We'd like to turn now to our
12 last witness, Mr. Lindsley Williams, who I'd like
13 qualified as an expert in land use and planning
14 and zoning. And I have his resume here. He's
15 been previously qualified in two previous cases.

16 MAYOR'S AGENT BYRNE: Yes. By me.

17 MS. BROWN: By you.

18 (Laughter.)

19 MS. MOLDENHAUER: No objection.

20 (Laughter.)

21 MAYOR'S AGENT BYRNE: Yeah. Don't
22 bother.

1 (Laughter.)

2 MAYOR'S AGENT BYRNE: But you can get a
3 copy of this.

4 MS. BROWN: She's got two.

5 MAYOR'S AGENT BYRNE: So this is Exhibit
6 H.

7 (Hearing Exhibit H was marked for
8 identification.)

9 MS. BROWN: Mr. Williams, if you could
10 introduce yourself and proceed with your
11 testimony when you're ready.

12 Do you have a copy?

13 MR. WILLIAMS: Yes, I have two, one for
14 Douglas and one for DCPL.

15 MS. BROWN: Okay. Good. Thank you.

16 MR. WILLIAMS: So that's three. You take
17 one.

18 MAYOR'S AGENT BYRNE: All right. Thank
19 you.

20 MS. BROWN: This is his testimony.

21 MAYOR'S AGENT BYRNE: This is Exhibit I,
22 the testimony of Mr. Williams.

1 (Hearing Exhibit I was marked for
2 identification.)

3 MAYOR'S AGENT BYRNE: Ready?

4 MR. WILLIAMS: Yep.

5 MAYOR'S AGENT BYRNE: Go ahead.

6 (Pause.)

7 Whereupon,

8 LINDSLEY WILLIAMS

9 was called as an expert witness and testified as
10 follows:

11 DIRECT TESTIMONY

12 MR. WILLIAMS: Well, good afternoon. I
13 want to introduce myself by name. I'm Lindsley
14 Williams. I'm a land-use planner and consultant
15 in planning land use and zoning at the law firm
16 of Holland and Knight. And I'm helping Carolyn
17 Brown and the Applicant in this case to talk a
18 bit about the Comprehensive Plan. And we may get
19 into some zoning issues as well, if that's your
20 pleasure.

21 I'm even newer than any of the other
22 witnesses to the task here. I got involved, it's

1 the only program, what you've seen earlier this
2 afternoon -- that's the program that came to me.
3 I don't know anything about except what I saw in
4 the diagrams. The prior -- the scenario, so that
5 saves that question.

6 (Laughter.)

7 MR. WILLIAMS: And I will have to say
8 that I was immediately struck by what I thought
9 it was accomplishing. So I started out with a
10 very positive note.

11 And as I got further and further into it,
12 I became more and more positive, not just
13 positive about the program, but also feeling that
14 there were a number of factors that I could go
15 into, and I will through the testimony, to say
16 that this is a project where the special merit
17 tests, it seems to me, have been met because of
18 the way in which it fulfills a number of the
19 broad, guiding principles of the Comprehensive
20 Plan and some of the history of other plans in
21 the City relating in particular to housing.

22 And I guess I'm going to start with that

1 for normal. So, as we go through this, I've
2 identified all the lots. You know that the total
3 area of the land is about 25,800 square feet.

4 And what I know and when I talk about
5 plans, I always like to know where we come from.
6 And just as Ms. Adams has brought in some
7 diagrams, so too have I. And the first diagram
8 that I have is to show you out of the Sanborn map
9 of 1890, which was the earliest one I found, she
10 found one three years earlier. But it shows
11 essentially the same area. I didn't ring it in
12 red. But it shows, in pink, the brick buildings
13 and yellow, the frame construction.

14 And it shows along the alley, the east-
15 west alley, a series of small structures,
16 apparently brick, all of which have been
17 supplanted with larger buildings. There are
18 typically pairs of buildings that are behind each
19 of the numbered buildings on the street frontage.
20 And they have come and gone, and you can see them
21 through the weaving together of my diagrams and
22 the ones that Andi Adams put in. So that by

1 1909, there's a slightly different configuration.

2 But what you can do is draw a line about
3 halfway down the material -- halfway down the
4 depth of the alley, which is 132 feet from the
5 Eye Street property line. So you can see where
6 the building that is in the project now is
7 basically standing behind pretty much all of the
8 original Eye Street-facing structures.

9 And the one thing I would just have you
10 go back and note previously, just as a small item
11 of history, if you will look at the upper-left
12 end of the 7th Street side, you can probably see
13 there's some text there. And the text, if you
14 get down into it -- this has nothing to do with
15 special merit, I have to say; it's just an
16 interesting fact -- it says, "Chinese laundry."

17 So there we have it, in 1890, the first
18 appearance of something Chinese in this project
19 area, which I just thought was noteworthy. And
20 pardon me for sort of romanticizing it.

21 In any event, what I also think is
22 important to note is something, again, that Ms.

1 Adams brought in, is that this building that
2 we're looking at today on the question of total
3 demolition is actually only part of what was
4 intended to be. It's a half-building that is
5 deemed by virtue of the way the law works to be
6 the building. But it really is not even a
7 complete building from what was originally
8 contemplated by its class from what she said.

9 Nowadays, moving down to Figure 3, which
10 is out of the D.C. website, we get a totally
11 different picture of where there is footprint of
12 building, with many of the lots being fully
13 occupied on the east side of the 15-foot-wide
14 alley, and others of them being less complete,
15 but still substantially covered with building,
16 leading to the east.

17 So, now, on page 6 of my report, I go
18 into and start going down through the elements of
19 the Comprehensive Plan. And that's important
20 because they set the ground rules for what is the
21 current expectations of the City, as expressed in
22 zoning, for what's supposed to be happening. And

1 this is legislation which is adopted through a
2 fairly complex process, and I won't try to take
3 you through all of that because we'd be here all
4 afternoon.

5 MAYOR'S AGENT BYRNE: That's not
6 necessary.

7 MR. WILLIAMS: In any event, out of it
8 comes a series of narratives which become various
9 texts having to do with different areas of the
10 City, some citywide elements, the land use
11 element, the historic preservation element, the
12 urban design element. And in the land-use
13 element itself, there are two kinds of very
14 important maps.

15 And the first of those that I've
16 identified is the policy map. And in this, you
17 can see the area. And in my report, the physical
18 report that I just handed Mr. Byrne, along with
19 the parties, there's a little blue box that's
20 drawn around the word "Central Washington," which
21 has a grayed shape. That's here. And that same
22 gray area is all through the downtown area. And

1 what that does is say, "You get your words out of
2 the Central Washington element of the plan."

3 So the site here is basically underneath
4 the E and the N of Old Convention site. And
5 that's what I tried to highlight in the physical
6 document that you have. And probably even more
7 compelling to me is the document that's called
8 the Generalized Land Use Map, where you see this
9 striped pattern that I'm wiggling with the cursor
10 over right here. You can see the striped pattern
11 legend is a mixed-land-use. And the striping
12 here is basically of equal weight in terms of
13 thickness. Okay?

14 But the thickness, I want to say, does
15 not say that each building is supposed to be 50
16 percent one thing and 50 percent another. It
17 simply says that overall, throughout the area,
18 it's to be a combination of the uses. And the
19 uses here in question are the bright red --
20 that's the high-density commercial -- and the
21 brown, which is the high-density residential.
22 And that's what you're going to be seeing in the

1 area.

2 And I want to talk a bit about how that
3 gets translated into zoning. In zoning, there
4 are a series of zone classifications. The zoning
5 here is DD C3C. And in the zoning, various
6 parameters are set as upper limits of development
7 rights. Typically, in high-density areas, you're
8 seeing heights that begin at 90 feet and
9 sometimes get to go higher than that. And you're
10 seeing floor-area ratios of 6.0 and higher.

11 And then we're going to turn to what goes
12 on in the zoning itself, which is the very next
13 page. And we're going to see -- somewhat hard to
14 read, but it's there if you look for it with me.
15 First thing I want to do is to show you that this
16 is up -- it is, as I said earlier, it's zoned DD
17 C3C. That's the little blue remark that I'm
18 wiggling around over here.

19 The striping indicates that it's an
20 overlay area; that's the DD. And then there's
21 this faint set of words over here called "housing
22 priority area." And we're going to talk a bit

1 about that soon.

2 But I also want to point something else
3 out that's in the report. I'm going to have to
4 physically hold it up right now. In my report,
5 you'll see the red circle that's surrounding the
6 demarcation of the Gallery Place-Chinatown Metro
7 stop.

8 And the reason I'm trying to do that is
9 to remind everyone here that this area is
10 extremely well served by public transit. Not
11 only is there the Galley Place Station, which is
12 basically the cross-over between the red line,
13 and then below that the green and the yellow, but
14 it's, in effect, it is close to being the 100
15 percent corner of this City.

16 Does the term "100 percent corner" mean
17 something to people, or do you want me to explain
18 it?

19 (Inaudible interjection.)

20 MR. WILLIAMS: Okay. In this City,
21 because of the Height Act, we probably have
22 several -- so maybe it's only the 90 percent

1 corner. But you've got Metro Center, you've got
2 Gallery Place-Chinatown, you've got L'Enfant
3 Plaza to the south, and perhaps a few others
4 would rise to the level.

5 But this is an extremely well-served area
6 for public transit. When you have an area that's
7 well served for public transit, it becomes an
8 attractive place to go to for work. It also
9 becomes an extremely attractive place to go to
10 for residential purposes if you can find the
11 housing.

12 One of the reasons being that you can
13 actually pony up a little more money to pay for
14 the rent because you don't need to have cars, or
15 as much. You don't need to have as many cars.
16 Ms. Tregoning, in her terms, spoke about this a
17 lot.

18 So, this is an area where you can do some
19 offsets in your own personal economy. And I
20 think that helps explain where some of the market
21 and where some of the rent money will come from.
22 That's speculation on my part. I haven't done a

1 market analysis here, to anticipate another
2 question.

3 Now, what you get out of this is, in the
4 C3C zoning, the by-right FAR of a C3C, no
5 overlay, nothing, just straight out-of-the-box
6 C3C, you get an FAR that you can get up to 6.5.
7 And it is, it's high density because it's just
8 slightly over 6. That's my personal
9 determination, that it's high density. And
10 you're allowed to go up to 90 feet.

11 When you get to the DD C3C, without any
12 further -- haven't got to housing priority yet.
13 But you get to go up to 9.5 with the same set of
14 uses, but you also get to go up to as much height
15 as the street in front of you allows you to get
16 to, which in the case of Eye Street being 90 feet
17 wide with commercial activity is, 90 plus 10 is
18 110. It won't surprise you to know that
19 maximizing the opportunities that the site has,
20 the site rises to 110 feet.

21 When you get into the housing priority
22 areas and the historic preservation thing,

1 something actually quite interesting happens that
2 was generated by the Zoning Commission in the
3 years that followed my tour there when Tersh
4 Boasberg was there. Because this is where the DD
5 was created. It didn't come out all at once in
6 the same way. It got modified. It's a
7 complicated thing. But it's a formulaic
8 approach, and what's allowed now, where there is
9 a historic preservation zone that applies, and
10 that certainly is here -- we've had the diagram.
11 We know that it's there.

12 All of a sudden, the FAR, by right, drops
13 down to 6. But you can use -- you can then
14 generate housing rights out of some of the
15 remaining rights that you would otherwise have.
16 And you get to generate them at the rate of two
17 feet for every one foot of residential that you
18 put in.

19 So if you put in 10,000 square feet, you
20 then have some rights that you can sell that will
21 be potentially absorbed in what are called
22 receiving zones that are located in various

1 places around the City, which a lot of it has
2 much the same base zoning that we just talked
3 about, C3C, but it has room and capacity through
4 utilities and other kinds of things to absorb
5 more. And people purchase the rights, and then
6 they are able to achieve a larger bundle of
7 product elsewhere.

8 And what this does, it helps to defray
9 the hit, if you will, that strictly following the
10 historic preservation rules, might otherwise
11 have. And so, is it the right formula? I'm not
12 going to say that it is. It is the formula. And
13 over the years that it's been in place, it's had
14 a pretty darn positive effect, as has the whole
15 DD, in my view.

16 Particularly on -- DD came out in the
17 1990s. It was followed in the 1990s, if you
18 will, by an official release of a plan called the
19 Downtown Action Plan, which called for a number
20 of things to get more of. More of one thing in
21 particular -- housing. Didn't say affordable
22 housing; it just said housing. And it even set

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1 goals. And they were up to five figures, 10,000
2 units or thereabouts.

3 And it also set goals to have more retail
4 distribution throughout the downtown and more
5 what I'll call arts and cultural spaces. And the
6 plan has, over the time that it's been in effect,
7 and it's still in effect and still in the
8 Comprehensive Plan, if we want more of these
9 things, but the housing, total housing has been
10 extremely effective.

11 But it has not been repealed. There's
12 nowhere that it says, "Okay. We've met our goal.
13 Stop." So we're still on a green-light basis
14 against that objective, and that's what the
15 project does. It continues to add to housing
16 stock in an area where there is capacity. It has
17 the land. It has the FAR rights so that it can
18 proceed to do what it can and it should.

19 To me, those are things that underlie why
20 this is of special merit, because it is
21 furthering the Comprehensive Plan. And in those
22 respects, it is -- I've also identified in the

1 report specific language that is in the Chinatown
2 central area element of the plan.

3 The yellow text is what I have chosen to
4 select out, are the provisions that I believe
5 that the plan, as it has been expressed by the
6 architect and by the proponent, Monument, that it
7 has been responsive to these specific things that
8 I've identified on the two pages that are here.

9 I also have identified that it is
10 responsive to other City-wide elements, policy
11 number UD, Urban Design 3.11, which is improving
12 streetscape design; and 3.12 having to do with
13 sidewalk space; 3.13, streetscape design and
14 street function; street lighting, that's 3.14;
15 3.15, streetscape and mobility, along with
16 enhanced street walls.

17 There are some others. I'm not trying to
18 say it's knocking every element of the
19 Comprehensive Plan out of the park. But it's
20 delivering against those. It's also delivering
21 against the policy and the housing element for
22 housing in the Central City. Know that I said

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1 "broad housing." It also, I believe, is
2 responding to policy provision H.12, which is
3 ensuring housing affordability.

4 Some might look at the numbers about the
5 affordable housing and say, "It's not enough."
6 And I'm not going to say what is enough. It is
7 what's in the application.

8 What I will say is that in the four years
9 that we have statistics, and we came out with 30
10 units -- I think that's what was reported earlier
11 -- when this project is delivered at the end of
12 this build cycle, it's going to have one-third of
13 the number of units that were added to the City
14 in the first four years of the City's endeavors.

15 So, to me, you have to look at, what are
16 the opportunities? What are the requirements?
17 And as has been indicated earlier, none of the
18 policies and provisions of the Zoning Code, that
19 I've seen anyway, and I think Ms. Brown will, you
20 know, share the same legal conclusion -- that
21 there is no requirement that this be done with
22 affordable housing.

1 This is something that has come about
2 through their collaborations with the District of
3 Columbia, through the collaborations with the
4 Office of Planning. And it is part of the
5 program that, to me, adds to the idea that there
6 is special -- satisfies that there's been special
7 merit.

8 Collective benefits. Oh, I've made it in
9 my own mind, I just wanted to reinforce, in
10 drawing this to a conclusion, that the density
11 that is being proposed here is still going to be
12 at around 6 when you look at the FAR's and the
13 lot size and all that.

14 And in an area that is as well served as
15 this is by the public investment and the transit
16 systems and so on and so forth, being in the
17 downtown core area, I, as an urban planner, have
18 you tell you that I think that trying to say, "It
19 should be less" is almost immoral.

20 We've put an awful lot of energy into
21 getting the downtown so that it is well served.
22 We want to be able to bring value to the City.

1 And if it is artificially lopped off, vertically
2 or in terms of gross FAR, that just seems to be
3 to be something that is a action that is to be
4 taken very, very cautiously and with some
5 understanding of why that's the way to go.

6 To me, the density here could go up if it
7 were allowed. It is not really practical to try
8 and push it, because if you start pushing the
9 envelope of the building out, you're encroaching
10 on the Eye Street frontage. So, to me, Height
11 Act says you can't go to more than 110. The back
12 of the building walls, the original building
13 walls set a limit that, to me, is responsive.

14 If you look at the view angles, to me it
15 is a worthwhile -- I'm going in the wrong
16 direction. Excuse me.

17 So, the last picture that's in the show
18 that I wanted to do -- yes, in what's being
19 displayed is a picture not of this project. But
20 it's a picture looking in sort of an oblique way
21 down at what's emerging out of the whole that is
22 to the north of Eye Street on the north side of

1 Eye Street right now from Gould's.

2 And you'll see that it has the same kind
3 of varied roof structure, height, and it rises up
4 to its height. And over here, you see in the
5 Gould -- there's a picture out of Gould's website
6 of the buildings that it faces, which are --
7 there's the alley, for example, the north-south
8 alley.

9 And if you go back to the images that you
10 saw earlier, you will be able to remember that
11 the building that is basically being proposed is
12 something that will be -- it's not going to be a
13 clone of this. But it's going to be something
14 which is of a comparable nature, with varied roof
15 heights. And it's not going to be a chasm going
16 down Eye Street, because on both sides, the
17 buildings are set back from the street edge of
18 the property.

19 Now, in my report, I put in two other
20 images that came -- they're known as Figure 8 and
21 Figure 9 in the report. Perhaps you'd like to
22 turn to them.

1 MAYOR'S AGENT BYRNE: Okay.

2 MR. WILLIAMS: The first is an oblique
3 view that is created, that is out of what Sanborn
4 does nowadays. This is now Sanborn 125 years
5 after 1890, I might add. So they're still
6 flying. In fact, now they're actually flying.

7 (Laughter.)

8 MR. WILLIAMS: And it shows the present
9 site. It is what it is. It shows the vacant
10 land that's up on H Street. It shows the
11 buildings that are in this area. It's not
12 distinguished. Our City can do better than that.

13 So, what I've then asked the architects
14 to do is to provide me a little diagram saying,
15 just suppose you flew your building and flew it
16 into there and dropped it in. Not that it's easy
17 to move buildings of that scale by helicopter.

18 But if you would just go in, there you'd
19 get to see something that is bringing this part
20 of the City back to life and doing it in a way
21 that is respectful to the entire area, to the
22 south, leading to the Gallery Place area that

1 we've just been talking about, and also that is
2 harmonizing with and kind of helping frame the
3 rest of Eye Street, which is the Gould project to
4 the north.

5 And I believe with that, I have said what
6 I need to say. Whew.

7 MAYOR'S AGENT BYRNE: All right. Thank
8 you.

9 MS. BROWN: I have just a couple of very
10 quick questions. I hope they're quick.

11 DIRECT EXAMINATION

12 BY MS. BROWN:

13 Q. What is -- are you familiar with the
14 brief that was submitted by the opponents?

15 A. Yes.

16 Q. And you're familiar with their assertion
17 that if it's in a housing-priority area, you
18 can't get credit for housing, because it's not
19 required?

20 A. I don't agree with that.

21 Q. And they also make the assertion that
22 you're not -- you can't get credit for affordable

1 housing component because it doesn't meet the IZ
2 requirements?

3 A. IZ doesn't apply.

4 Q. So anything that you produce that's
5 affordable, when it's not required, would be a
6 benefit?

7 A. To me, it would be.

8 Q. And how does this compare with the
9 project at 9th and L that was approved by the
10 Mayor's Agent?

11 A. Oh, to me, there's an extraordinary
12 parallel. I sat that case with you. In the case
13 of QC 369, that's what it was known as, the 9th
14 Street east face, which is directly looking at
15 the wall of the convention center, has a series
16 of buildings that were perhaps in worse condition
17 than these, which is not -- oh, it's just a fact.

18 Suffice it to say that they -- and it
19 also included a vacant lot. And they were able
20 to basically put the new development of the hotel
21 complex to the west of the building line on the
22 street line by 30, 35, 40 feet, and from that

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1 rise up to the height that was permitted in that
2 zone district.

3 It also involved the preservation of and
4 retention of a large apartment building that
5 dates back through its period of significance,
6 the Lurgan. It involved the demolition,
7 ultimately, of one property that was post-Civil
8 War that was located along L Street, and the
9 relocation and partial demolition of the pre-
10 Civil War Building.

11 But that project was able to proceed with
12 some relocation of buildings, because the
13 building that was being relocated itself was
14 residential, and its floors could be made to
15 align, which they almost did anyway. But it
16 could be tinkered with. And you wound up with
17 one incredible room as part of the hotel complex
18 that honors that original pre-Civil War building
19 in a way that the --

20 I have to tell you that I have tried to
21 figure out what this building is, or this half-
22 building. And I think the only building shape

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1 that I can come up with for it is a fire training
2 tower.

3 (Laughter.)

4 MR. WILLIAMS: That's sort of irrelevant.
5 But I couldn't figure out how this building could
6 have been designed. Inefficient, filled with
7 stairways and elevators and what -- you know,
8 there's room left for a sack of flour. Anyway.

9 So, I hope that's not too long-winded.

10 MS. BROWN: Unless you -- perhaps maybe
11 yes-or-no questions now just to summarize.

12 (Laughter.)

13 BY MS. BROWN:

14 Q. Is it your position that the TDR
15 incentives in the DD emphasize that housing is a
16 high priority for the City?

17 A. Yes.

18 Q. In this site. And does the fact that
19 it's in a housing-priority area also emphasize
20 that housing is a priority for the City at this
21 site?

22 A. It is a priority. It is not a

1 requirement. But it is a priority.

2 Q. Thank you.

3 MS. BROWN: That's it.

4 MAYOR'S AGENT BYRNE: Okay. Good.

5 All right.

6 CROSS EXAMINATION

7 BY MS. MOLDENHAUER:

8 Q. Good afternoon.

9 A. Hi, there.

10 Q. How are you?

11 A. All right.

12 Q. So, I'm just trying to walk through some
13 questions. You just finished by ending on the
14 9th and L Street project. And I just want to ask
15 you some questions about that.

16 Would you say that 9th and L, obviously,
17 was very unique because it was addressing a hotel
18 need for the convention center?

19 A. That was certainly an element of what was
20 required. We had the letter from Mr. O'Dell --
21 which differentiated it. And it basically
22 rounded out and completed a pretty clearly stated

1 need for additional hotel rooms. So that was
2 part of the need basis and justification for
3 special there, in my view.

4 Q. And in that situation there, given the
5 City's structure, there was not as many
6 opportunities for in-fill developments for a
7 hotel, and based on the specific, unique location
8 needed for a hotel close to the convention
9 center.

10 A. I think I understand your question.
11 Would you ask it a little differently?

12 Q. Sure. Sorry. The need for a hotel was
13 not a general need of the entire District,
14 correct?

15 A. Oh, absolutely. It was needed right
16 there where it was proximate to the hotel.

17 Q. Okay. So if that's -- I'm happy we agree
18 on that. So it was a very specific location
19 based on need of the City.

20 My question now as related to -- thinking
21 about that, you talked about your understanding
22 of the 9th and L Street case. Isn't it true that

1 that case states that, quote, "The prevailing
2 view is that demolition is never consistent with
3 the purpose of the act"? Are you aware of that
4 phraseology that's pulled from that case?

5 A. I wouldn't doubt your ability to quote
6 it. I just don't remember it specifically.

7 Q. So, doesn't the -- I mean, you're
8 qualified here as a land-use planning and zoning
9 expert, and you've testified before this board.
10 Are you aware that under the general guidelines
11 or general desires for the whole City, do not
12 satisfy specific special merit?

13 MS. BROWN: I'm going to object because
14 I'm not sure that he's qualified to answer that
15 question.

16 MS. MOLDENHAUER: He's just testified to
17 other cases and provided expert testimony about
18 his opinion whether this was -- met the test.
19 And so I'm asking his opinion in regards to --

20 MR. WILLIAMS: I think that this case, as
21 I've tried to say, meets the test. And I
22 testified to the same thing in the other cases,

1 where I came to the same conclusion.

2 BY MS. MOLDENHAUER:

3 Q. You've identified -- your first
4 statement, though, was that it was the City's
5 broad guidelines for housing. Are there anything
6 that specifically talks about a need of housing
7 in this area other than the housing priority
8 district in the Comp Plan?

9 A. Let me check one thing here.

10 (Pause.)

11 MR. WILLIAMS: CW 2.3.1, sustaining
12 Chinatown, retain and enhance Chinatown as a
13 thriving downtown community, including housing,
14 community, and cultural. But there's one place.

15 BY MS. MOLDENHAUER:

16 Q. Can you say, CW 2-3 --

17 A. It's the first page of the yellow sheet.

18 Q. I was looking at mine. Can you just read
19 the number again? Sorry.

20 A. Sure. CW 2.3.1.

21 Q. 2.3.1.

22 A. It basically describes the project.

1 Q. Hold on.

2 A. The full text of it is, "retain and
3 enhance Chinatown as a thriving downtown
4 community, including housing, community and
5 cultural facilities, ethnically oriented street-
6 level retail, related wholesale operations,
7 office and professional uses, and hotels."

8 Obviously, we're not dealing with office
9 and professional uses and hotels here. But
10 they're not far away. They're somewhere on the
11 same square. And if the project hadn't had its
12 full history somewhat intercepted, it might have
13 some office even here. And elsewhere on the
14 square, there's a Monument activity that I think
15 they can talk about, if need be, on hotels.

16 Q. So under that section, office use would
17 have also then qualified?

18 A. It would have, yes.

19 Q. And then any general project would then
20 qualify and be deemed special merit?

21 A. I don't want to say that any project
22 would simply on the basis of the use. You have

1 to look at all of the features of the project and
2 the cost. And it could be that certain projects
3 could be done without any demolition to the
4 extent requiring a discussion in this room with
5 this gentleman.

6 Q. Okay. And in this case, though, even
7 considering the project's need to go through HPRB
8 and provide setbacks and adjust their design,
9 they're still -- I'm trying to make sure I
10 understand you. They're still, based on your
11 testimony, maximizing the permitted FAR as a
12 matter of right on the site?

13 A. I believe that is correct. But --

14 Q. This is no compromises or offsets in that
15 regard?

16 A. Let me put it this way. I know of no
17 anticipated need to seek relief from any zoning
18 requirement to allow something bigger. In other
19 words, there's not going to be -- I don't believe
20 they will be trying to figure a way to get to 130
21 feet or to an FAR of 7 or something like that.
22 Right now, I see this as a flat limit of 6 in the

1 rules.

2 Q. I have a question about Chinatown,
3 section 2.3 ZP, action 5.3. I'll just quote it
4 for you. I don't think it's in your section.

5 A. Okay.

6 Q. But it's under the Chinatown -- identify
7 that as one of the sections that you were looking
8 at. "Location development of more visible
9 community activity space." That's a quote. I
10 can give you a copy of this.

11 A. Yeah, yeah. That's fine.

12 Q. In your layman's experience and planning
13 experience, how do you feel that a single alley
14 access for community space that has, you know,
15 one door and there's no other, right now,
16 proposed retail. There's going to be a trash
17 space and a loading space right next to it. How
18 do you argue that that is more visible community
19 activity space?

20 A. Well, if I recall correctly, there's a
21 space for the community that is located at the
22 intersection of the 30-foot-wide alley segment

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1 and the 15-foot, the now becoming 20-foot-wide
2 alley segment leading north.

3 And that particular alley system is
4 actually one of the few, not that it's rare. But
5 it's not the norm, which has actually had a
6 historic name. And it extends further to the
7 south, as well, and will connect up to the level,
8 to the project that Gould is doing to the north.

9 So I expect that to be a very well-
10 populated and highly utilized alley with a
11 differential kind of lighting and sort of overall
12 tone and pattern. And I don't think it's slight
13 at all in the manner in which it seems to be --
14 there are some service uses that are flanking it.
15 You can't wish the need for service uses away.
16 But to me, this is going to be in a visible
17 location and will be visible in particular from H
18 Street, if you look down the 15-foot alley that
19 is there right now and that will remain.

20 (Pause.)

21 BY MS. MOLDENHAUER:

22 Q. As a zoning and land-use expert, you may

1 not agree with it. But are you aware that the
2 Zoning Commission and many of the board members
3 have discussed the insufficiency of 80 percent
4 AMI affordability, but rather that they're going
5 to be looking at the necessity for going to 50
6 percent to really address the District's needs?

7 A. I know that such discussions have taken
8 place.

9 MS. BROWN: And I was going to object,
10 because that is sort of testimony that's not into
11 the record.

12 MR. WILLIAMS: Sorry.

13 (Pause.)

14 MS. MOLDENHAUER: Okay. Thank you very
15 much for your time. No further questions.

16 MR. WILLIAMS: Thank you.

17 MAYOR'S AGENT BYRNE: I have just one
18 clarifying question for me. In the designation
19 of this area, housing priority area B --

20 MR. WILLIAMS: Yes.

21 MAYOR'S AGENT BYRNE: And you pointed
22 that out on the map as it was sort of hazily

1 visible.

2 MR. WILLIAMS: Yes.

3 MAYOR'S AGENT BYRNE: Is there a text
4 element to that in the Zoning Regulations?

5 MR. WILLIAMS: There's a text element
6 that says -- let's see. The answer is yes.

7 MAYOR'S AGENT BYRNE: Okay.

8 MR. WILLIAMS: But let me see if I can
9 find it.

10 (Pause.)

11 MR. WILLIAMS: What I'm seeing
12 immediately is the meets and bounds at 1706.8B,
13 which simply says, "What are the boundaries of
14 the different areas?"

15 MAYOR'S AGENT BYRNE: What does it mean
16 for an area to be a housing priority?

17 MR. WILLIAMS: Well, that's the point at
18 which you then get the provision --

19 MAYOR'S AGENT BYRNE: The bonus?

20 MR. WILLIAMS: Yes. Precisely.

21 MAYOR'S AGENT BYRNE: Okay. That's the
22 area at which you get the bonus. And is B and A

1 like different degrees of bonus?

2 MR. WILLIAMS: Yes.

3 MAYOR'S AGENT BYRNE: Is that the way it
4 works?

5 MR. WILLIAMS: Yes.

6 MAYOR'S AGENT BYRNE: Okay. That's good
7 enough. Yeah. That's what I needed. Thanks.
8 Okay. Great.

9 MS. BROWN: Thank you.

10 (Mr. Williams was excused as a witness.)

11 MS. BROWN: That concludes our direct
12 testimony. And I would reserve closing and
13 rebuttal as a single last word.

14 MAYOR'S AGENT BYRNE: Right. Fair
15 enough. Fair enough. Fair enough.

16 MS. BROWN: Thank you.

17 MAYOR'S AGENT BYRNE: Okay. So, let's
18 see. Well, we next would be hearing from the
19 public officials. And that would be Mr.
20 Callcott, if you care, if you think it's -- if
21 you intend to provide testimony.

22 MR. CALLCOTT: There were one or two

1 points I just want to make.

2 MAYOR'S AGENT BYRNE: Okay. Very good.

3 All right. So, let's move on then to Mr.

4 Callcott. And then we'll take -- after that

5 we'll take a short break. Unless -- is there

6 anyone here from the ANC?

7 (No audible response.)

8 MAYOR'S AGENT BYRNE: Okay.

9 MAYOR'S AGENT BYRNE: Good afternoon.

10 MR. CALLCOTT: Good afternoon.

11 MAYOR'S AGENT BYRNE: Please state your

12 name for the record.

13 Whereupon,

14 STEVE CALLCOTT

15 was called as a witness and testified as follows:

16 DIRECT TESTIMONY

17 MR. CALLCOTT: Steve Callcott with the

18 Historic Preservation Office and the Office of

19 Planning. And I just wanted to provide just a

20 little bit of context for the Historic

21 Preservation Review Board's review of this

22 project. As you see, there are seven reports,

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1 seven instances in which this went to the review
2 board, which is an unusually high number, and
3 over the course of about two years.

4 It was a difficult project, contentious
5 project at times, with a lot of different,
6 competing interests. I think that that's been
7 represented in the testimony about the many, many
8 policies that overlay the Chinatown area. It's a
9 difficult area in the sense that there are many,
10 many competing interests the City has established
11 for that area.

12 We've heard about the housing priority
13 area. We know, of course, that it's in an
14 historic district. The provisions to allow for
15 density to be transferred offsite, but still
16 which leaves the allowance for a lot of density
17 within the historic district, together with the
18 City's policy of trying to encourage the
19 preservation and retention and renewal of sort of
20 a cultural aspect, which is a very difficult
21 thing, I think, to put into public policy and to
22 ensure.

1 So, this project sort of had challenges,
2 I think, on all of those fronts. From the get-go
3 when this project first came in the door, the
4 Office of Planning was concerned about just the
5 sheer size and density. And I think that the
6 primary challenge from the Historic Preservation
7 Review Board's standpoint was, frankly, less
8 about the demolition than it was about trying to
9 figure out a way to accommodate and find
10 compatible the extent of new construction that
11 the Applicants were looking for.

12 And indeed, they weren't able to. The
13 Applicants were forced through many, many
14 different iterations, as you saw, to tone it back
15 and to reshape this project.

16 One of the central tensions was the
17 Applicant's understandable desire to have a front
18 door for the project. And that, I think, led to
19 their decision to want to span over the east-west
20 alley to have presence on H Street, because
21 without that, the Eye Street frontage, with the
22 exception of one little row house lot, is

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1 completely landlocked. So all of the new
2 construction is within the middle of the block.

3 So, but the review board felt very
4 strongly that spanning over the alleys was --
5 really ran counter to the overall site
6 organization of this block and the site
7 organization within the historic district in
8 which you have street-fronting buildings and
9 alley buildings and that sort of fine-grained
10 character that's established in the historic
11 district, and that sort of changing the solid-
12 void ratio, if you will, that's established by
13 where buildings go and where there is open space
14 was really inherently incompatible with the
15 character of the historic district.

16 So, a lot of discussion was based on how
17 to eliminate that. And ultimately, the board
18 found that, of course, the little one-story
19 connection was sufficient. And I think that that
20 is very much the exception, as opposed to the
21 rule, when you just reduce it down to the single
22 story.

1 And so, that's what much of the
2 discussion was about, together with trying to
3 shape the new construction, as the architect has
4 pointed out, by pulling the building back with
5 very generous setbacks from the Eye Street
6 buildings, and then pulling back the top floors,
7 additionally, so, as well as pulling off of the
8 alley buildings themselves, the two retained
9 alley buildings.

10 So, as you know, the board did finally,
11 after multiple bites at this, find that the
12 project was consistent with the character of the
13 historic district.

14 The decision to demolish the 616 was one
15 that was made at the very beginning of the
16 project. And indeed, one thing that has not been
17 mentioned is that our understanding of that
18 building changed a little bit over time, which
19 was that in the downtown survey, the date of the
20 building was after the period of significance.

21 And indeed, when we first started talking
22 to Monument about this and they said they were

1 demolishing the building, we said, "Okay, well,
2 it falls outside the period of significance."
3 And it was only with the additional research that
4 was done as part of the proposed expansion of the
5 downtown historic district in which research was
6 done on this alley in-depth was it identified
7 that it did -- it was an earlier building than we
8 thought it was.

9 So, I think that's important for sort of
10 their decision-making as to why they arrived at
11 that decision early on.

12 So, and I think that there was some
13 testimony provided today which I don't think
14 would have changed the review board's position on
15 the contributing status of it. But I think that
16 the evaluation of the difficulties of
17 incorporating that building and reusing it that
18 the architect made are compelling. It's not
19 simply just incorporating it into the existing
20 project, but just reusing it unto itself looks to
21 be very challenging.

22 So, but that testimony was not

1 BY MS. BROWN:

2 Q. Okay. Just on that last point, I just
3 want to make sure I understand. Housing can
4 qualify as an element of special merit?

5 A. Correct.

6 Q. Thank you.

7 A. We're not saying --

8 Q. Okay. Okay.

9 A. Correct.

10 Q. Thank you. I just wanted to make sure.

11 A. But there was no guarantee that the
12 Office of Planning would support the project as
13 one of special merit merely by providing housing.

14 Q. I understand. Okay. Thank you.

15 MAYOR'S AGENT BYRNE: Okay. Ms.
16 Moldenhauer.

17 MS. MOLDENHAUER: No questions.

18 MAYOR'S AGENT BYRNE: So, as you were
19 saying about the difficulties of incorporating
20 616 into the project and that not being before
21 the HPRB, that would have been on the question of
22 whether it was a contributing element, right? I

1 mean, that's the only issue that the HPRB
2 considered in regard to 616; am I right?

3 MR. CALLCOTT: Right. They were not
4 provided with studies of the -- as I remember, of
5 the difficulty of trying to incorporate that
6 building in.

7 MAYOR'S AGENT BYRNE: But that wouldn't
8 have necessarily been legally relevant?

9 MR. CALLCOTT: Correct. Right.

10 MAYOR'S AGENT BYRNE: Right.

11 MR. CALLCOTT: Again, the Applicants put
12 forth at the very beginning that they intended to
13 pursue demolition and knew that they had to go to
14 the Mayor's Agent before that as soon as the
15 review board definitely established that that was
16 a contributing building.

17 MAYOR'S AGENT BYRNE: Right, right. And
18 the review board doesn't really pass on the
19 questions of demolition, especially.

20 MR. CALLCOTT: Right. They encourage the
21 Applicants to consider a project that wouldn't
22 result in demolition.

1 MAYOR'S AGENT BYRNE: Yes. Right.

2 MR. CALLCOTT: But beyond that, that's
3 sort of where their authority stops.

4 MAYOR'S AGENT BYRNE: Yes. They like to
5 say, "Take that to the Mayor's Agent for review."

6 (Laughter.)

7 MR. CALLCOTT: He will clean it all up,
8 right?

9 (Laughter.)

10 MAYOR'S AGENT BYRNE: "And then bring a
11 clean project back to us."

12 MR. CALLCOTT: Right.

13 MAYOR'S AGENT BYRNE: Yes.

14 MS. BROWN: I have one follow-up
15 question.

16 BY MS. BROWN:

17 Q. This project here has been compared to
18 the one at 9th and L, as Square 369. And in that
19 case, when it went before the HPRB, the HPRB was
20 encouraging -- not only encouraging, but
21 indicating that the Applicant should save more
22 buildings. HPRB can make a determination that if

1 they don't think enough historic fabric is being
2 saved, that they can deny the design.

3 So maybe that's a better question to ask
4 you. If the Historic Preservation thinks there's
5 too much demolition, they can tell the Applicant
6 that the design is not compatible because it does
7 not incorporate enough of the historic fabric.
8 Is that true?

9 A. Well, I think -- so, as it related to the
10 9th Street buildings, for that project, I think
11 one of the things that all of us were trying to
12 get to was the determination that the treatment
13 of those buildings wasn't demolition and
14 qualified as an acceptable level of alteration.

15 And so, the review board certainly had
16 comments about how to limit the amount of
17 alteration to those buildings so that they felt
18 comfortable saying that that was only an
19 alteration and not substantial demolition.

20 But as to whether the review board -- I
21 mean, yeah. The review board asks for all sorts
22 of things, as we know, and certainly encourages

1 people to consider the maximum amount of historic
2 preservation.

3 I think that perhaps the difference
4 between that case and this case as it pertains
5 just to this issue is that I think the Applicants
6 in this instance have always been very clear
7 about the difficulties and lack of viability of
8 -- and they seem very assured on that issue,
9 whereas with the 9th and L Street project, the
10 applicants seemed to be a little more flexible
11 and found a way to make it work in terms of
12 preserving at least the Lurgan building and the
13 portion of the pre-Civil War building.

14 MS. BROWN: The pre-Civil War building.

15 MR. CALLCOTT: Right.

16 MS. BROWN: Thank you.

17 MAYOR'S AGENT BYRNE: Okay. So, let's
18 take a five-minute break, please. And then we
19 will come back and we'll be ready for the
20 opponent's case.

21 MS. MOLDENHAUER: We are going to have
22 three witnesses. And so, I don't know how late

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1 we are going to go. But I don't know if -- if we
2 can get started, but I don't think we'll finish.

3 MAYOR'S AGENT BYRNE: You don't think
4 you'll finish?

5 MS. MOLDENHAUER: I don't know how late
6 we're going to go.

7 MAYOR'S AGENT BYRNE: How long do we have
8 the room, Steve?

9 MR. CALLCOTT: Till five.

10 MAYOR'S AGENT BYRNE: Well --

11 MS. MOLDENHAUER: If we can go till five,
12 I think that's just two hours, and the three
13 witnesses that have a lot to kind of go through
14 -- I'm letting you make the decision. I just
15 wanted to kind of --

16 MS. BROWN: Can we go to the OP office,
17 to the OP conference room?

18 MR. CALLCOTT: Yeah, we probably could.

19 MS. BROWN: Okay.

20 MAYOR'S AGENT BYRNE: It would be great
21 to finish today so people don't have to come
22 back. So, that's what I would -- that would be

1 my preference if we could possibly do that.

2 So, let's take a five-minute break. Then
3 we can check on these things.

4 MS. BROWN: Okay. Okay. Thanks.

5 (Whereupon, at 3:10 p.m., a recess was
6 taken, to resume at 3:20 p.m.)

7 MAYOR'S AGENT BYRNE: All right. I think
8 it's time. If you're here to speak, ma'am, on
9 behalf of the project?

10 MS. LEE: Yes.

11 MAYOR'S AGENT BYRNE: All right. Well,
12 please come up and we'd be happy to hear from
13 you.

14 MS. LEE: Okay.

15 (Pause.)

16 MAYOR'S AGENT BYRNE: And have you signed
17 the sheet?

18 MS. LEE: I did.

19 MAYOR'S AGENT BYRNE: You did? All
20 right. Very good. That's fine.

21 MS. LEE: When I came in this morning.

22 MAYOR'S AGENT BYRNE: Good, good. All

1 right. And this is a written version of your
2 testimony?

3 MS. LEE: That's right. It's the written
4 part.

5 MAYOR'S AGENT BYRNE: Okay. So, let's
6 pass these around. And, Ms. Brown, for you.

7 (The Mayor's Agent distributed the
8 documents.)

9 MAYOR'S AGENT BYRNE: And this will be
10 Exhibit J.

11 (Hearing Exhibit J was marked for
12 identification.)

13 MAYOR'S AGENT BYRNE: All right, ma'am.
14 Please state your name for the record, and then
15 you can proceed.

16 Whereupon,

17 LINDA LEE

18 was called as a witness and testified as follows:

19 DIRECT TESTIMONY

20 MS. LEE: Okay. Good afternoon. My name
21 is Linda Lee. My family and I have been business
22 and property owners for many years after my

1 family settled in Chinatown in 1948. We operated
2 a retail and wholesale grocer business at
3 abovementioned property for almost 40 years and
4 rented a restaurant in Chinatown till about five
5 or six years ago, when our family retired.

6 My husband, Dr. Toon Lee, graduated from
7 McKinley High School and initially worked as a
8 pharmacist for People's Drugstore Number 1. That
9 was located nearby Chinatown. Later on, he
10 returned to Chinatown as a physician to serve the
11 Chinese community for over 45 years.

12 We are the original Chinatown residents,
13 who preserved, protected our community despite
14 experiencing many difficulty as people escaped to
15 the suburbs. I have witnessed and participated
16 in many challenges as the east end of the
17 downtown Washington has undergone great change.
18 We feel confidence in handing over the
19 guardianship of this area to the people. We
20 believe we can trust and they can deliver that
21 result, because throughout the many years, we
22 have many charmers and many talkers came to us.

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1 And we received them well. But we did not make
2 our decision until just the last few years.

3 I'm a strong believer in the value of
4 historic background and preservation. However,
5 I'm also a believer of economic vitalities, which
6 is integral to the viability of this City, like
7 many other neighborhoods in the District of
8 Columbia. Chinatown must be able to grow and
9 develop in order to preserve its livelihood,
10 lifeblood. And we like to continue creating
11 Chinatown as a modern version of Chinatown, not
12 historic Tara (phonetic), nineteenth century
13 Chinatown.

14 Chinatown was treated as -- right after
15 the riot, Chinatown was seen as a ghetto. Nobody
16 wants it. Everybody run to the suburbs. We
17 stay.

18 Having worked with Monument Realty for
19 the last three years, improving review plans and
20 participating in both agency and community
21 organization meetings and hearings, I strongly
22 believe that the developer's most recent plan,

1 which included the demolition of the old
2 warehouse, would provide the most promising
3 utilization and development of the area.

4 This proposal is both justified and fair.
5 The new project would retain and enhance future
6 unique of the historic Chinatown district and
7 affect, in total, nine existing historic
8 buildings. The warehouse building was vacant
9 even before our family purchased it in 1966. The
10 staircase of the building is very narrow, and the
11 only way to utilize the upper floor is by walking
12 up and down the stairs. All objects must be
13 hand-carried while negotiating the restrictive
14 passage.

15 When we purchased the building, we have
16 considered to tear down the warehouse and make it
17 more usable building. But the cost of replace
18 the building is so expensive, our family cannot
19 afford to do that. So, we just didn't do it.
20 And through all this 40 years, we only used the
21 first floor. The more higher floor you go up,
22 the lower the ceiling up, because of the beam is

1 so big.

2 I believe that the continuation of
3 development is a important element for the
4 vitality of Washington Chinatown. Good example
5 -- the thoughtful plan in designing for in the
6 Washington Convention Center, the Verizon Center,
7 and the Galley Place projects.

8 I supported this project from the very
9 beginning when many people were skeptical about
10 the project. I must thank and credit the far-
11 sighted D.C. Government officials, especially the
12 Mayor, the city council for their leadership and
13 the courageous business leaders, who despite all
14 the criticism and doubt, moved forward with this
15 project. The result is a new downtown at the
16 east end of Washington, D.C.

17 Without those projects, we would not be
18 sitting here to argue. There's nobody come.
19 When Chinatown need, that's a friend to come
20 build us up when we have a hard time, we didn't
21 have much visitors. We didn't have any friends.
22 But when we see the light at the end of the

1 tunnel, all of a sudden, we have more, so many
2 new friends we extend our welcome not enough for
3 them. But they just keep coming and continue to
4 tell us what will be the best for us to do.

5 I believe the proposed plan will bring in
6 many benefits, including 15,000 square foot of
7 the active retail space and approximately 140
8 residential units. This again would certainly
9 enhance the economic activities and create many
10 employment opportunities.

11 Therefore, I request the City, the
12 District of Columbia, continue to support the
13 quality redevelopment project like the one
14 submitted by the Applicant. This project would
15 retain historic building and add quality
16 amenities while maintaining the integrity and
17 stability of Washington Chinatown. And I will be
18 very happy to answer any questions, because we
19 owned the building for so long. And that's what
20 I'm here for.

21 MAYOR'S AGENT BYRNE: Very good. Thank
22 you, Ms. Lee.

1 Ms. Brown, do you have any questions?

2 MS. BROWN: No questions.

3 MAYOR'S AGENT BYRNE: No questions?

4 MS. MOLDENHAUER: No questions.

5 MAYOR'S AGENT BYRNE: No? So I'll just
6 ask you. You used only the ground floor?

7 MS. LEE: Only the ground floor.

8 MAYOR'S AGENT BYRNE: For storage?

9 MS. LEE: No. Because, see, our family
10 runs like a grocery store, actually, originated
11 as the located in the Wah Luck House location.
12 But because the eminent domain, the government
13 took over the project and we have to look for
14 another place in Chinatown. And that was the
15 only place that's available at the time, in 1966.

16 MAYOR'S AGENT BYRNE: Ah. So you bought
17 it --

18 MS. LEE: Yeah, bought it.

19 MAYOR'S AGENT BYRNE: -- after the
20 District exercised eminent domain on the site
21 where you used to be?

22 MS. LEE: That's correct. Yeah. And we

1 -- you know, very -- you know, they said they
2 felt like -- sometimes felt like the District is
3 not welcome us because we overstayed. And I
4 think that should not be the case. But there was
5 not too many people in Chinatown. And nobody in
6 Chinatown to take care of the elderly, the sick.
7 Our family was there to do it and to defense it.
8 And we feel this is a time that we'd like to see
9 the modern version of Chinatown, not -- see, our
10 men don't wear the pigtails, and our women don't
11 bind their feet anymore.

12 (Laughter.)

13 MS. LEE: And I think, why should make
14 you feel like we should be live in the stereotype
15 of Chinatown? And I think I'm very, very much,
16 you know, like to see the modern version of the
17 Chinatown move forward. Fifty years from now,
18 our grandchildren say, "Yeah, that's what my
19 family started." But they look at that as a
20 modern version of Chinatown.

21 MAYOR'S AGENT BYRNE: Very good. Thank
22 you very much, Ms. Lee. I appreciate your coming

1 and talking to us.

2 MS. LEE: Okay. Thank you very much for
3 the opportunity to speak before you.

4 MAYOR'S AGENT BYRNE: Thank you.

5 All right. Then, Ms. Moldenhauer, you
6 can proceed.

7 MS. MOLDENHAUER: Thank you.

8 MAYOR'S AGENT BYRNE: Oh, I'm sorry. I'm
9 sorry. Mr. Ted, you were going to speak, too.

10 (Laughter.)

11 MAYOR'S AGENT BYRNE: And you saved my
12 jacket. You have written testimony as well?

13 MR. GONG: I do have. This is written
14 testimony. Just speaking from it, not
15 necessarily reading it.

16 (Documents were distributed.)

17 Whereupon,

18 TED GONG

19 was called as a witness and testified as follows:

20 DIRECT TESTIMONY

21 MR. GONG: Thank you for the chance to be
22 here. My name is Ted Gong. I'm the President of

1 the D.C. Lodge of the Chinese American Citizens
2 Alliance and the Executive Director of the 1882
3 Project Foundation.

4 Now, in the document I handed out, it
5 tells some of the things that we do and what
6 we've done in D.C. Chinatown. I won't go over
7 that. But I want to say that I agree with
8 actually the Historic Preservation Review Board
9 that the five-story building is historically
10 significant.

11 And it is significant because of its
12 historical linkage to the German and Jewish
13 furniture makers and shopkeepers who were in
14 Chinatown before the Chinese came there in the
15 1930s.

16 But it is also significant to the
17 Chinatown community that worked and played in the
18 alley area where nine-man volleyball was actually
19 nurtured and where families tended to the bean
20 sprouts that were grown in the warehouse and that
21 were supplied to the Chinatown and the
22 surrounding area restaurants.

1 Now, if I had my druthers, I would like
2 to have that whole open alley area and the row
3 houses on H made into an integrated historical
4 zone. But that's not in the cards, not at all.
5 And so, in all districts, all neighborhoods have
6 to compromise. That includes historic D.C.
7 Chinatown.

8 So the question becomes whether the
9 razing of the warehouse and the loss of its
10 historical value is worth the commercial
11 development Monument proposes with the mitigation
12 actions of preserving the other historical
13 buildings or providing for a community center.

14 Overall, I think they do. You know,
15 other people today have talked about the economic
16 issues involved, the housing issues involved, the
17 engineering, the architecture. But I find it
18 very interesting that in this hearing that is
19 about historical preservation, that few people --
20 some people, but few people have actually talked
21 about the history of the people that played out
22 inside the buildings, so within the alley area.

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1 And that's why the community center is
2 very important for us. The provision of that is
3 very significant. And so, but first I want to
4 correct a possible misimpression. The community
5 center did -- the community did not select the
6 Asian Living Art Center. It is more accurate to
7 state that the developer selected the center
8 after consulting with several community
9 organizations. And for that, I do want to
10 commend Monument for reaching out to us.

11 But there was no consensus that the Dana
12 Tai Soon Burgess Dance Company and the DC Asian
13 American Film should be awarded the space for the
14 purposes of a proposed Asian Living Art Center.
15 And there was no consensus that they should
16 control programming and management of the, quote-
17 unquote, "community space."

18 On the contrary, I would say that there
19 remains much concern about them coming into the
20 community as outsiders. You know, as much as I
21 admire their dance and film programs and support
22 their objectives, and as much as I value and

1 actually look forward to collaborating with them
2 to diversify and raise the level of the cultural
3 programming in Chinatown, there's nothing in
4 their makeup and past projects to illustrate that
5 they see historical preservation to be a primary
6 priority, a primary mission priority.

7 So is it clear to me that they understand
8 or appreciate the people and history of Chinatown
9 and its legacy? I have not seen them participate
10 in community activities, nor reach out to
11 understand the community, nor explain to the
12 community what it is about.

13 So the exchange between what the
14 community loses in terms of historical
15 preservation and in terms of maintaining its
16 identity, and the gain offered by the community
17 space, as it is now proposed by the developer, is
18 not equal.

19 That exchange would be improved if the
20 space were designed to be a history center in
21 which there is a theater space or if there are
22 public guarantees that the programming for the

1 use of the space gives priority to the
2 preservation of D.C. Chinatown character and
3 Chinese-American history.

4 I would also add that this space should
5 be guaranteed for community-determined use for
6 specific numbers of hours per month or a
7 percentage of programming time on a pro bono
8 basis, especially during key holidays, Chinese
9 New Year, Ching Ming, mid-autumn moon festival.

10 Otherwise, the Monument proposal for the
11 use and control of this space, said to be for the
12 community, serves neither historical preservation
13 nor even cultural continuity. The Asian Living
14 Art Center is something new.

15 Now, let me be very clear what I'm trying
16 to say. I'm not criticizing the proposed
17 programs or their objectives, which have done
18 well in other venues, such as the Kennedy Center,
19 the Portrait Gallery at different locations in
20 D.C. But they do break continuity with
21 Chinatown's legacy, and they do not enhance
22 directly the preservation of its history.

1 Rather, they seek to transform Chinatown
2 into an Asian-town. They serve primarily the
3 interests of a film and arts community, or a Pan
4 Asian community that has no historical or active
5 social connection to Chinatown.

6 In that sense, they are another step in
7 completing the gentrification of Chinatown. In
8 this case, it is not economic gentrification if
9 we always lament when we see another mom-and-pop
10 store give way to a chain or to, you know,
11 another shop that is providing fusion Asian food,
12 right? But it is a sort of a cultural
13 gentrification. We ought to be also concerned
14 about that.

15 So, in summary, I do not object to the
16 demolition of the warehouse, because I believe
17 the Monument property development should move
18 forward. It does provide some special benefits
19 to us in terms of -- especially the community
20 center, if it's done right. I do not oppose the
21 proposed use of the community space, either. It
22 has a creative and expressive capability that

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1 Chinatown does not now have.

2 But, in my capacity as promoting the
3 preservation of Chinatown history, heritage, and
4 identity, I have concerns, and I believe I
5 reflect community concerns, about arrangements to
6 hand over management and programming control of a
7 space to organizations that have no direct ties
8 nor roots to legacy Chinatown.

9 So I'm happy to answer any questions if
10 you have any.

11 MAYOR'S AGENT BYRNE: Ms. Brown?

12 MS. BROWN: No, sir.

13 MAYOR'S AGENT BYRNE: So, Mr. Gong, what
14 is the 1882 Foundation?

15 MR. GONG: The 1882 Foundation -- 1882
16 refers to the year in which the Chinese Exclusion
17 Act was passed. And what we are about is
18 teaching about the history of the laws, the
19 consequences, the continuing significance of
20 those laws. Basically, we are about Chinese
21 American history or Asian American history.

22 And we do that through oral histories.

1 We do that through preservation of sites. We
2 have a conference once a year on how museums and
3 exhibits can present that history. That's what
4 we do.

5 MAYOR'S AGENT BYRNE: Are you a national
6 organization or a local one or a regional one?

7 MR. GONG: We have a national -- sort of
8 national connections. We are a 501-C3
9 organization organized here. Originally, we were
10 organized to get Congress to apologize for the
11 exclusion laws of 1882. And to do that -- that
12 was about three years ago. To do that, we had to
13 form a national grass-roots organization.

14 Now, one of the things that we're doing
15 now is continuing the educational -- the goal was
16 not just to get Congress to pass the resolutions,
17 which they did, amazingly, unanimously, in two
18 different occasions. But it was the educational
19 value of it. And what we want to do is create an
20 institution that continues that education.

21 And so, once a year, for example, we
22 organize a conference usually hosted in

1 conjunction with the Smithsonian. They are not
2 officially connected with us in any way, but they
3 help collaborate with us.

4 So, last month we just finished our third
5 annual conference of eight, twelve museums and
6 historical societies from around the country --
7 so there's a national connection there -- meeting
8 together with 12 to 13 federal agencies that deal
9 with historical preservation, funding, and that
10 that sort of stuff.

11 And one of the interesting things I'll
12 just say is that this year we're all talking
13 about how to create a digital platform that
14 integrates these museums.

15 And one of the things is to create a hub
16 in which, if you wanted to learn about Chinese
17 American history, after viewing the archway, you
18 can walk around the corner, find this historical
19 site. We will have people to tell you stories
20 about D.C. Chinatown. But we also give you a
21 connection that allows you to connect into the
22 museum in Seattle, the museum in New York, the

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1 museum in Angel Island.

2 That would be the type of experience that
3 we would like to do and build.

4 MAYOR'S AGENT BYRNE: Very interesting.
5 Thank you very much.

6 MS. MOLDENHAUER: Can I ask you one
7 question? Sorry.

8 CROSS EXAMINATION

9 BY MS. MOLDENHAUER:

10 Q. One of the things that we had questions
11 about was the other two community centers that
12 are located in Chinatown, the one at Gallery
13 Place and then one that was proffered for 600
14 Mass Ave.

15 Do you have any concerns about, I guess,
16 what programs may be detracting from those
17 programs that are occurring there, based on this
18 community center, or the way that this is not
19 specifically detailing the distinction between
20 what is occurring there and what you would want
21 to see that would be provided here?

22 A. You know, I don't know the one about the

1 600 Mass and how that's -- the other one, on
2 Gallery Street, they are small. They're very
3 maybe not more than half the size. And it's not
4 a particularly functional place for purposes of
5 historical exhibits. And its time is precious.
6 It doesn't have enough time to do various things.
7 It's basically a square room that doesn't allow
8 you to do very much in terms of really serious
9 historical planning or exhibits.

10 Now, every space that we use, every space
11 that maybe comes available is not overlapping
12 space. Because I think that one of the things
13 that we should do is try to use as many of the
14 spaces that might be available in Chinatown. And
15 so, we would do some of our planning in one
16 place, and do an exhibit here or a talk story
17 there.

18 Our talk stories actually purposely
19 rotate among community organizations, such as the
20 Community Church, the Chinese Consolidated
21 Benevolent Association, and the cultural center.
22 Now, what would be -- and so, that actually is

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1 try to use all Chinatown as best we can.

2 The value of that space, that community
3 center which Monument is proposing is that alley
4 actually has been the heartbeat of a lot of
5 things that have occurred in Chinatown in terms
6 of kids playing there, learning, first dates
7 while tending bean sprouts.

8 Things of this sort are -- and it's also
9 a place where German and Jewish, as well as
10 Chinese, actually -- you can see it together in
11 that one place. And it would be nice to somehow
12 have that center there to retell the stories, the
13 whole -- you know, to archive the stories and
14 retell the stories.

15 MAYOR'S AGENT BYRNE: Okay. Thank you
16 very much.

17 OPENING STATEMENT

18 MS. MOLDENHAUER: Good afternoon. My
19 name is Meredith Moldenhauer on behalf of DCPL,
20 in opposition. And obviously, today we've heard
21 a lot about a very nice project. There's no
22 question that they have worked with HPRB and made

1 concessions that are required based on the
2 historical buildings that are on the site.

3 The question today, though, is not, in
4 our view, about the entire project, but about
5 this one building, 616 rear structure on Eye
6 Street, and the question of whether or not the
7 Applicant has satisfied the burden to demonstrate
8 that they are a project of special merit and
9 demonstrate that this is a project of necessity.

10 In that regard, I looked to a couple of
11 cases that we've referred to, and I refer to, you
12 know, the Court of Appeals case on don't tear it
13 down in which they indicated that reasonableness
14 of the proposed project must be considered in the
15 context of whether there is a viable alternative
16 to demonstrate availability.

17 Also, in the Booth Alley case, that
18 indicated that the Applicant investigated 15
19 design options involving the preservation of
20 variations of the amount of historic buildings,
21 facades, fabrics, identifying including Eye
22 Street, L Street, U Street shaped configurations.

1 We also have the Georgetown Pepco case, which
2 specifically talks about -- and they lay out, you
3 know, the six different options, the five
4 different options of, you know, preserving it,
5 moving it.

6 Here, we have not been provided their
7 initial prehearing statement, which should have,
8 you know, laid out their merit. Did not provide
9 any degree of discussion on alternatives,
10 retention, reuse, or, you know, relocation of the
11 structure. Here for the first time, we hear
12 testimony from the architect of the project about
13 some considerations, but no actual documentation
14 of viable options, review. There's been no
15 testimony from an expert structural engineer
16 regarding the potential liability -- there's
17 testimony in regards to that.

18 There are plausible alternatives, but
19 that they would be leaving money on the table or
20 maybe that it's just simply financially not
21 feasible. However, the Court of Appeals and
22 other Mayor's Agents have determined that just

1 finding a least-expensive alternative is not
2 sufficient enough to satisfy a necessity. And we
3 still stand on the fact that we don't believe
4 that the Applicant has proven their case.

5 We are going to provide demonstrations
6 and testimony that there are additional
7 alternatives, that this building does contribute
8 to the character of the Chinatown Historic
9 District, and that it is, obviously has been
10 deemed a contributing building, but also it's a
11 building that should be retained and should be
12 determined on a way to try to work within the
13 existing design and alternatives.

14 I will also save additional time for a
15 closing. And at this point, we'll bring Laura
16 from EHT Traceries forward for some testimony.

17 (Pause.)

18 MS. MOLDENHAUER: This is her resume.
19 It's previously been accepted.

20 MS. BROWN: No objection.

21 MAYOR'S AGENT BYRNE: Okay. So we're
22 recognizing her as an expert. And what do we

1 have? This is your written testimony?

2 MS. HUGHES: Yes.

3 MS. BROWN: I'm sorry. Is her resume
4 submitted?

5 MS. MOLDENHAUER: Can we put that into
6 the record? No, it has not been submitted yet.
7 Sorry. I was just showing it to you because
8 you've had an objection.

9 MS. BROWN: Oh, it's only one copy?

10 MS. MOLDENHAUER: Yes. It's one copy.

11 MS. BROWN: Okay. Okay.

12 MAYOR'S AGENT BYRNE: All right. So,
13 okay. So we'll put -- I suppose -- all right.
14 So we'll put the resume in as Exhibit L.

15 (Hearing Exhibit L was marked for
16 identification.)

17 MAYOR'S AGENT BYRNE: And then the
18 written testimony is Exhibit M.

19 (Hearing Exhibit M was marked for
20 identification.)

21 MAYOR'S AGENT BYRNE: And, Ms. Hughes,
22 you can state your name for the record and take

1 us through your testimony.

2 Whereupon,

3 LAURA HUGHES

4 was called as an expert witness and testified as
5 follows:

6 DIRECT TESTIMONY

7 MS. HUGHES: Thank you. The name is
8 Laura Hughes. I'm an architectural historian and
9 principal with EHT Traceries.

10 I have a long history with the downtown
11 historic district, longer than I really want to
12 admit, beginning in the early 1980s when I
13 assisted the organization that is now the D.C.
14 Preservation League with the downtown survey. I
15 additionally entered all the data from the
16 downtown survey into the DCHS database as part of
17 the mitigation for the Atlantic building project.

18 More recently, in 2012, on behalf of
19 DCPL, Traceries prepared a landmark application
20 for a boundary expansion for the downtown
21 historic district, which included the properties
22 on the 600 block of H Street and their associated

1 alley buildings.

2 In 2014, Traceries testified on several
3 occasions on behalf of DCPL before the Historic
4 Preservation Review Board regarding the
5 significance of the buildings involved in the
6 Monument development and the compatibility of
7 their proposed development in the historic
8 district.

9 The rear of 616 Eye Street, as a
10 significant warehouse, contributes an important
11 layer of understanding to the history of downtown
12 to Washington's German American community and the
13 evolution of Washington's commercial corridor
14 along 7th Street. Additionally, this one
15 building encapsulates the story of a family
16 achieving the American dream and the continued
17 presence of the residence and the Krieg family
18 business impacts a significant aspect of history
19 within the downtown historic district.

20 The Downtown Historic District has a
21 broad period of significance, as we've heard
22 today, from 1830 to 1940, which was intended to

1 capture a period of intensive growth that was
2 indicative of the evolution of Washington, D.C.,
3 from its beginnings in the early nineteenth
4 century to its maturation in the mid-twentieth
5 century.

6 It is one of the few neighborhoods in the
7 City where federal, commercial, residential, and
8 religious buildings are so closely and
9 successfully intermingled and where evidence of
10 cultural, religious, and commercial values are so
11 vividly embraced and displayed.

12 The very significance of the District is
13 derived not from its character as a residential
14 or commercial enclave, but rather as a varied and
15 changing neighborhood where economic and
16 demographic changes are evident on the
17 architectural fabric.

18 To quote from the text of the original
19 nomination of the District, "The designation of a
20 single comprehensive downtown historic district
21 more appropriately addresses the unique qualities
22 of significance, President Washington's old

1 downtown, than does the designation of two
2 separate districts differentiated from each other
3 primarily by the predominant patterns of use.
4 Residential and commercial areas overlap and
5 share a common historic and architectural
6 cohesiveness. The interdependence of the two is
7 an important aspect of the significance of the
8 area, as is the interrelationship of federal and
9 local interests here," end quote.

10 As downtown became increasingly dense and
11 commercial in character, and as the focus of
12 development shifted west towards 7th and F
13 Street, single-family row houses were subdivided
14 into multifamily units, commercial storefronts
15 were added on the ground floors of residential
16 buildings, and large garage commercial and light-
17 industrial buildings were constructed at the rear
18 of properties, facing the alleys.

19 616 Eye Street and the rear of 616 Eye
20 Street exhibits these characteristics and is
21 reflective of greater patterns of development.

22 Today, Essex Court is one of only two

1 through alleys in the downtown historic district.
2 And of the two, it is by far the largest and most
3 intact, containing six of the District's nine
4 historic alley buildings, identified from the
5 Historic Alley Buildings Survey from 2014, which
6 we talked about a little bit before.

7 Although developed alleys and alley
8 buildings were once common in downtown, they
9 declined throughout the twentieth century, mostly
10 in the face of development pressures. Square 453
11 survived as the largest and most intact
12 assemblage of alley buildings. Alley buildings
13 represent the mix of uses and juxtaposition of
14 high-style monumental buildings with their
15 vernacular, residential, and commercial buildings
16 that were essentially contributors to the
17 character and vitality of the District.

18 Importantly, I think, the downtown
19 historic district does not have a list of
20 contributing and noncontributing buildings. So,
21 as Steve was talking about, sometimes we don't
22 know the exact date of a building and it could be

1 outside the period of significance.

2 So, we typically undertake some
3 documentation when we look at any building in the
4 downtown historic district. We do additional
5 research to verify dates in history of the
6 building that are not specifically called out in
7 the historic district nomination, and to verify
8 their contribution.

9 And certainly, when we started the
10 expansion of the downtown historic district,
11 that's what we did for these buildings, as Steve
12 mentioned.

13 A major focus of this expanded nomination
14 was the exploration of the history of alleys in
15 downtown, and the significance of Essex Court as
16 the largest and most intact of these to remain in
17 the downtown historic district.

18 Square 485, located across 6th Street to
19 the east, features an inverted T-shape and three
20 extant historic alley buildings. Although Square
21 485 is significant in its own right, it does not
22 exhibit the historical breadth, size, and

1 diversity of Square 453 and its historic alley
2 buildings.

3 The three buildings in question on the
4 north side of Essex Court were constructed
5 between 1912 and 1922 and have served as
6 warehouses, garage, and a cabinet and pattern
7 shop, as well as the Washington Rice Company.
8 These buildings, with their mix of scales, lack
9 of architectural pretention, and appearance of
10 growth over time reflect the historical character
11 of Essex Court in the downtown historic district.

12 And while they do retain their historic
13 integrity, incompatible development and
14 demolition could result in the further
15 degradation of this fragile environment.

16 The rear of 616 Eye Street exemplifies
17 the mixed-use construction of the period and of
18 the downtown historic district. The 1884 row
19 house at 616 Eye Street was purchased by the
20 Krieg family in 1922. At the rear of the
21 property, they constructed a five-story warehouse
22 in which to store and pack furniture, baggage,

1 and pianos.

2 Designed by Julius Wenig, this building
3 remains today and clearly represents its original
4 use and continues to contribute to the historic
5 district. Its location and five-story presence,
6 adjacent to the one-story garage and two-story
7 rice company, is precisely the variety of scale
8 and that is found throughout the historic
9 district.

10 The historic district documents the
11 importance of furniture retailers whose location
12 on 7th Street, on the same square, ensuring an
13 alley with these properties, was instrumental to
14 the growth of the commercial corridor. The
15 warehouse building was architecturally tailored
16 to the requirements of the Kriegs' business.
17 Five stories tall, within the gauged elevator
18 shaft, the building contains a remarkable amount
19 of space for its tiny site.

20 In addition to being fireproof, the
21 building's ribbed concrete beams and columns
22 allowed for great structural efficiency. The

1 Krieg family, as German and Irish immigrants, are
2 reflective of the early immigrant populations of
3 the downtown historic district, who contributed
4 to the cultural and social character of D.C. in
5 the nineteenth and early twentieth century.
6 Their operation of a furniture-moving and storage
7 business is a symbol for immigrant families
8 achieving the American dream.

9 Based on Federal Census data, Godfrey
10 Krieg was born in Germany and had emigrated to
11 the United States by 1860s. He married an Irish
12 immigrant, and together they had several
13 children. The children's records of birth
14 suggest that the family first lived in
15 Pennsylvania, then New York, and Virginia before
16 moving to D.C. by 1880.

17 One of the youngest sons, Frederick,
18 later became the manager of Krieg's Express,
19 which is the title of the owner on the building
20 permit in 1922, a packing and shipping company
21 that had offices at 616 Eye Street and a purpose-
22 built storage warehouse in the rear of their

1 property.

2 The German American population in
3 Washington contributed to the City's culture,
4 particularly the professional and mercantile
5 classes that clustered in the downtown around the
6 Patent Office and 7th Street commercial corridor.
7 These included enormously successful German
8 American architects, like Germuiller and Wenig,
9 who was actually the architect of the warehouse.
10 And the merchants included the Kriegs.

11 The Kriegs' furniture warehouse is an
12 important connection to the once-thriving German
13 American residential community, and the furniture
14 businesses that thrived on this square, including
15 the Grogans, the Gehrends, the Lederers, the
16 Augensteins, the Ruddens, and into the twentieth
17 century with Marlo's furniture, Peerless
18 furniture, Flare (phonetic) and National
19 Furniture Stores, all on this square and then one
20 immediately to the north of this square.

21 City directory research also indicates
22 that the Kriegs used the property at 616 Eye

1 Street as both a residence and a place of
2 business. This condition of mixed residential
3 and commercial within a single property is the
4 critical importance of preserving the warehouse
5 and is a well-documented and important practice
6 in the downtown historic district and one that
7 contributes significantly to the character and
8 importance of the historic district.

9 The warehouse at the rear of 616 Eye
10 Street helps provide an understanding of the
11 complete history of the downtown historic
12 district. The range of alley buildings along the
13 north side of the Essex Court complements the
14 residential buildings facing Eye Street. Indeed,
15 it is the presence of the residential and
16 commercial buildings together that is to
17 significant.

18 The utilitarian nature and industrial
19 appearance of the alley buildings conveys their
20 historic uses and reinforces the commercial
21 significance of the downtown historic district as
22 a whole. These buildings are significant, as

1 they encapsulate their transitional and evolving
2 nature of downtown into the twentieth century.

3 To say that they are insignificant
4 because they are not architecturally
5 distinguished is to ignore the entire spectrum of
6 cultural, economic, and social forces that served
7 to shape downtown throughout history and today,
8 continue to contribute to its unique character.

9 The loss of this warehouse would further
10 erode the very fragile history of alley buildings
11 in the downtown historic district. Thank you.

12 MAYOR'S AGENT BYRNE: Thank you.

13 (Pause.)

14 MAYOR'S AGENT BYRNE: Oh, she's coming
15 back?

16 MS. MOLDENHAUER: I don't know. The
17 projector just kind of turned off. I don't know
18 what's happening.

19 (Pause.)

20 MS. MOLDENHAUER: The computer is on, but
21 the projector, I don't know. I don't think I
22 touched anything. Is this the projector? That's

1 power and off. I want to say no. Did it go to
2 sleep? Okay.

3 MS. HUGHES: It should come back.

4 (Pause.)

5 (Inaudible conversation.)

6 MAYOR'S AGENT BYRNE: It's showing on
7 here, right?

8 MS. HUGHES: It is here. Yeah.

9 (Pause.)

10 MS. MOLDENHAUER: Do you want to just
11 lean over and look on here? We don't have to
12 delay.

13 MAYOR'S AGENT BYRNE: Well, I can do
14 that, but it doesn't help.

15 MS. MOLDENHAUER: I could give you a copy
16 of -- it actually is the picture.

17 MAYOR'S AGENT BYRNE: The pictures of the
18 building. Are there more visuals?

19 MS. MOLDENHAUER: No. And this is just
20 for --

21 MAYOR'S AGENT BYRNE: Just this picture?

22 MS. MOLDENHAUER: Yeah. So we could just

1 keep going if we want to -- I mean, if we're
2 trying -- there will be more visuals later,
3 actually, with the next witness. So we do need
4 to get it working.

5 MAYOR'S AGENT BYRNE: Yeah. Okay. All
6 right. So, go ahead with your questions.

7 MS. MOLDENHAUER: For the next witness.
8 So if we want to just try to -- I don't want to,
9 because you indicated you want to finish this
10 evening.

11 MAYOR'S AGENT BYRNE: If possible, I
12 would like to finish this evening.

13 MS. MOLDENHAUER: But we will need that
14 for the next witness.

15 MAYOR'S AGENT BYRNE: I understand.

16 DIRECT EXAMINATION

17 BY MS. MOLDENHAUER:

18 Q. Looking at the image of the one-story
19 corner -- I'm sorry. You're looking at the -- I
20 handed this back. You handed it back? Oh, good.

21 (Laughter.)

22 MS. MOLDENHAUER: I don't know why you

1 handed it back to me.

2 (Inaudible conversation.)

3 MS. MOLDENHAUER: These are paper, paper
4 versions if that's okay.

5 MAYOR'S AGENT BYRNE: Yeah. I'm good.

6 BY MS. MOLDENHAUER:

7 Q. As you look at the one-story corner
8 garage and the two-story garage next to it, and
9 then the five-story warehouse, can you walk
10 through or kind of provide your opinion on how
11 that texture relates to the historic district?

12 A. Well, I mean, it's precisely the type of
13 sort of variation that is found throughout the
14 historic district. Then particularly the first-
15 story, second-story, and five stories of the
16 warehouse building, typically streetscapes
17 evolved over time.

18 And I think we've seen a number of those
19 pictures, even today, where, you know, we have
20 lower buildings and taller buildings all along
21 the historic streetscape. So it's very typical
22 of the downtown historic district.

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1 Q. And by demolishing the warehouse
2 building, are you, in your personal opinion, are
3 you losing an aspect of what this alley story is
4 telling in regards to character?

5 A. Yeah. I mean, I think that building is
6 critically important to the story that's being
7 told here, and particularly its association with
8 the row house at 616 Eye Street and the business
9 that sort of evolved in this rear warehouse
10 building.

11 Q. And as Ms. Adams has supplied, the visual
12 appearance, whether something may not be as
13 pretty with arched windows or industrial, you
14 know, six-pane glass, is that something, in your
15 professional opinion, that might decrease the
16 value here of the building or provide more reason
17 why a special merit case should be approved?

18 A. You know, I think this building is
19 critically important for a number of reasons.
20 Its history and association with the German
21 American community, as well as the commercial row
22 along 7th Street and the historic furniture

1 businesses that were associated there. And the
2 fact that it was storing the furniture that was
3 precisely being sold on 7th Street and continuing
4 sort of that sense of history is very important.

5 A lot of the alley buildings were very
6 modest industrial buildings. And this is
7 indicative of that appearance.

8 Q. Can you provide some understanding of the
9 distinction between -- we talked a lot today
10 about the 911 (sic). In your professional
11 opinion, can you provide a distinction in your
12 opinion with knowledge of this project?

13 A. You know, and that --

14 Q. 9th and L. Sorry, not 911. 9th and L.

15 MAYOR'S AGENT BYRNE: 9th and L.

16 MS. MOLDENHAUER: Yeah.

17 MS. HUGHES: In that project, the
18 condition of a number of the buildings was very,
19 very deteriorated. We could not access a number
20 of the buildings, the second floor in a number of
21 those buildings. So, you know, besides doing
22 extensive research on those buildings and trying

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1 to document them, understand the dates of
2 construction, understand the evolution of those
3 buildings with the additions in the rear, we were
4 also assessing the condition of those buildings.

5 So it was -- we did very similar research
6 on those buildings, but then there was an
7 assessment of the condition, and I think that
8 played into sort of the decision how to handle
9 those buildings.

10 BY MS. MOLDENHAUER:

11 Q. And during this process, have you had a
12 chance to review the SKA structural report as
13 well as the structural report prepared by DCPL?
14 I'm sorry, have you reviewed both of those?

15 A. I have seen them, yes. I can't recite
16 them.

17 (Laughter.)

18 BY MS. MOLDENHAUER:

19 Q. No. I'm not asking you to recite them;
20 I'm just asking if you'd reviewed them.

21 And in your opinion, do you believe that
22 this warehouse has similar structural challenges

1 that were identified in those buildings?

2 A. You know, those, you could almost
3 visually see the deterioration and the collapse
4 of the physical fabric of those buildings. So,
5 just even visually looking at this building, it
6 doesn't seem to rise to the same level of
7 deterioration as those buildings.

8 Q. And in your personal experience with
9 dealing with other projects, can you identify, if
10 you can, any examples of reuse or relocation of
11 buildings? Such as these other areas, other
12 areas of a site?

13 A. It certainly, on recent projects there
14 have been a number of relocations. The Yale
15 Laundry, the hotel part of that project, they
16 shifted the residential building slightly so that
17 the new construction was adjacent to the new
18 construction of the apartment buildings. Square
19 450 has a number of relocations on that site, to
20 various locations on that square, as well as
21 Square 451 had a number of buildings that were
22 relocated.

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1 So it's certainly something that we've
2 seen recently on projects.

3 Q. And those were multistory buildings?

4 A. Yes, they were very large buildings. And
5 I guess the one on Square 450, the largest
6 building hasn't been moved yet. But the intention
7 is to move that building.

8 Q. I think we've all seen a lot of the
9 buildings that are moved on New York Avenue and
10 all of those squares.

11 A. Yeah. Depressed.

12 (Laughter.)

13 (Pause.)

14 BY MS. MOLDENHAUER:

15 Q. And can you just provide a little bit of,
16 in your words, the history and the research in
17 regards to where you found some of the
18 information about the German, you know, use and
19 the prior aspects of this? Was that something
20 that was readily available for your research?
21 We've heard about evolutions of research on this
22 contributing building. And I just want to try to

1 understand the research process.

2 A. Yeah. I mean, we -- very similar to
3 Andi, we started with maps and historic building
4 permits. And just really then to understand the
5 people involved, they gave us the names and the
6 sort of estimate dates. We really did some
7 census research and some City directory research,
8 which is, you know, the type of research we do
9 when we're trying to work on a building like that
10 or understand the history of a building.

11 Q. And in the alleys survey, there is some
12 conversation about the character and use of
13 building and the history of that. Can you
14 elaborate on that, to a degree?

15 A. Yeah. I mean, I think why the alley
16 buildings survey has been so influential or so
17 helpful in some of our research and how we look
18 at some of these alley buildings is when we did
19 the original downtown historic district
20 nomination, we really didn't look at the alley
21 structures that carefully.

22 And so, this new survey by the D.C.

1 Preservation Office, which documents 1,249 alley
2 buildings, is very helpful in understanding the
3 sort of importance of alley structures and really
4 shedding light onto how we should be looking at
5 these buildings.

6 There were 69 warehouses in that study,
7 and, as I mentioned, there were 9 in the downtown
8 historic district. So, it really gives you a
9 good idea of the significance of alleys and the
10 associated buildings.

11 But you did mention -- the survey is
12 divided by use. So, there is a whole section on
13 stables, a whole section on dwellings, a whole
14 section on warehouses and stables, as well. So,
15 that's how it's viewed in the historic context of
16 that study.

17 Q. And are you aware of any other five --
18 four, what is it?

19 A. Five.

20 Q. Five-story alley structures in the
21 District?

22 A. Not certainly in the downtown historic

1 district. And even in that survey, I think there
2 are two other buildings. One is the C.W. Smith
3 Warehouse in Georgetown -- in Georgetown, I think
4 -- that's four stories. And then there's a tin
5 shop on 9th Street in the 1200 block that's three
6 stories.

7 So this five-story building is very
8 unique. And there might be a five-story building
9 in the survey; I'm not remembering every single
10 building. But when I looked, this is one of the
11 tallest buildings in the entire survey of alley
12 dwellings, of alley buildings.

13 Q. And this is one of the tallest, then, of
14 alley structures, and it's also -- can you -- I
15 believe that you reported something about how
16 Essex Court is one of the most intact alleys.
17 Can you elaborate on that?

18 A. Yeah. I mean, there used to be a number
19 of through alleys throughout the downtown
20 historic district. And those have all been
21 closed as part of developments. So, Square 453
22 and the square immediately to the north are the

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1 only two remaining alleys with intact alley
2 dwellings in the downtown historic district.

3 Q. And in -- I know that during the HPRB
4 hearing, DCPL had a lot of concerns and expressed
5 concerns -- so did HPRB -- about the bridge. And
6 obviously, providing that bridge already through
7 one of the only through alleys, can you express
8 your opinion on that in regards to how that
9 affects the consistent with the Preservation Act?

10 A. Yeah. I think as we've heard today, this
11 is historically and even today is a very active
12 alley. And the bridge really changes that
13 character and visibility from H through Eye
14 Street. And so, historically, people access
15 these buildings on the rear and throughout its
16 history. And so, that will change with the
17 bridge.

18 MS. MOLDENHAUER: No other questions on
19 direct.

20 MAYOR'S AGENT BYRNE: Did you say no
21 further questions?

22 MS. MOLDENHAUER: After redirect. I'll

1 wait, obviously, for Ms. Brown. But no further
2 questions.

3 MAYOR'S AGENT BYRNE: Okay.

4 CROSS EXAMINATION

5 BY MS. BROWN:

6 Q. Good afternoon, Ms. Hughes. HPRB has not
7 voted on the historic district expansion, has it?

8 A. No.

9 Q. So, we don't know whether or not they
10 agree with your assessment or not?

11 A. Correct. It has not been heard by HPRB.

12 Q. Okay. So, mix of commercial and
13 residential uses is not new. It's not rare, it's
14 new, is it, in the historic district?

15 A. No. But I think what I was referring to
16 is sort of the mix of residential, commercial,
17 religious, and federal buildings throughout the
18 downtown historic district, as well as alley-
19 serving buildings.

20 Q. Doesn't that happen in Capitol Hill?

21 A. Not to that extent.

22 Q. So there's not a mix of residential,

1 commercial, federal, religious on Capitol Hill?

2 A. I mean, there -- there is that same mix,
3 yes.

4 Q. Okay. HPRB disagreed with you on your
5 assessment of the bridge, didn't they? They
6 approved the bridge.

7 A. They did ultimately approve the one-story
8 bridge, yes.

9 Q. Okay.

10 (Pause.)

11 BY MS. BROWN:

12 Q. So, are you -- so I don't think you've
13 heard the Applicant argue that the building is
14 not contributing or it doesn't have a level of
15 significance, correct? Have you heard that
16 argument from the Applicant?

17 A. I think they've concurred that it is
18 contributing. I think what we didn't hear was
19 documentation of its history and sort of cultural
20 significance. And I did not hear that in the
21 presentation.

22 Q. Um-hm. And every building has a history,

1 correct?

2 A. Yes.

3 Q. And it's just a question of whether or
4 not it's significant, correct?

5 A. Sure. Yes. Every building has a
6 history.

7 Q. So the fact that we've got this lovely
8 history of who occupied this house, who built is
9 it -- can sometimes be irrelevant to its
10 significance.

11 A. And --

12 Q. It fills the story, but it's not
13 necessarily -- in and of itself, it's not the
14 significance of the building.

15 A. It goes -- it contributes to the
16 significance of the building. And I think in
17 this case, the history, the association between
18 the residential building and the warehouse behind
19 and the Krieg family in the connection with the
20 furniture row is very significant.

21 Q. And you mentioned that the German
22 American connection was also very important. So

1 if this were built by a Swedish family, it
2 wouldn't be significant?

3 A. You know, I think that German American
4 history is very significant in this area. And
5 so, that there is that connection, you know, made
6 us look into it a little more. If it was -- if
7 we didn't find that connection or if the names
8 associated with the building were not German
9 American and didn't have that heritage, then that
10 wouldn't have been part of its history.

11 Q. And if this building were not
12 significant, we wouldn't be here today, would we?

13 A. Well, I mean, the building contributes to
14 the historic district. So, we are here.

15 Q. Right. So this is a safety-valve process
16 for allowing developers or individuals to
17 demolish buildings that are contributing and may
18 even be significant?

19 A. Well, that's the role of the Mayor's
20 Agent, yes.

21 MS. BROWN: All right. No more
22 questions.

1 REDIRECT EXAMINATION

2 BY MS. MOLDENHAUER:

3 Q. In regards to whether a building is
4 significant, there's no gradations between
5 contributing and -- one contributing building and
6 another contributing building?

7 A. That is correct. Buildings in a historic
8 district are designated contributing and
9 noncontributing. If they're designated
10 contributing, then all the buildings are
11 contributing with that designation.

12 Q. And your identification of the history
13 and the use has to do with the use that goes
14 forward and talks about the use rather than just
15 who owned it -- rather how it was used?

16 A. Right.

17 Q. And in regards to the question of
18 patterns and variations, you would distinguish
19 Capitol Hill and its mix of uses from Chinatown's
20 mix of uses?

21 A. Yeah. I mean, you know, there are
22 federal buildings in Capitol Hill, a lot of

1 religious buildings. The downtown evolution with
2 its commercial building is slightly than Capitol
3 Hill, which is predominantly residential. There
4 are commercial corridors.

5 But in the twentieth century, there was a
6 marked shift to commercial in the downtown
7 historic district throughout the District. And
8 some of those changes are reflected in the
9 buildings in the square, as well as the
10 construction in the alley during the 1920s.

11 Q. And one of the things that we were asking
12 about the uniqueness in regards to these specific
13 uses in alleys, in this alley structure?

14 A. Right. Correct.

15 Q. And then, in your professional opinion,
16 does this project meet special merit?

17 A. I don't think it meets the test, no.

18 MS. BROWN: Redirect as well, because we
19 didn't hear this before.

20 RE CROSS EXAMINATION

21 BY MS. BROWN:

22 Q. So, now you're opining onto the special

1 merit features of the project and whether or not
2 it meets the test. So, have you evaluated the
3 housing component and compared it to the 9th and
4 L project, which was also deemed special merit
5 because of its housing component?

6 A. The 911 (sic) was the hotel component.
7 But I haven't looked extensively at the housing
8 component compared to 9th and L Street, no.

9 Q. So you don't know whether or not housing
10 was deemed a component of the special merit for
11 that project that you worked on?

12 A. There was an apartment part of the
13 project. But the large component was the need
14 for the hotel adjacent to the convention center.

15 Q. And was the preservation component also a
16 large element of it?

17 A. There was a large preservation component
18 as part of that project.

19 Q. Okay.

20 A. I wasn't directly involved in that
21 project.

22 Q. And did you work on -- so I want to get a

1 feel for what you think is special merit and
2 projects that your firm has worked on.

3 Your firm also worked on the project at
4 Square 452 just north of this site, correct?

5 A. What is that project?

6 Q. That is the 600 Mass Avenue, the Gould
7 Properties project.

8 A. Oh, yes.

9 Q. Okay.

10 A. I didn't work on that project. Again,
11 that wasn't me.

12 Q. But it was your firm?

13 A. Firm, yeah.

14 Q. And your firm is supportive of that as a
15 project of special merit?

16 A. Right.

17 Q. And testified in support of that?

18 A. I didn't, but --

19 Q. Your firm did.

20 A. Um-hm.

21 Q. Okay. And what about the Randall School
22 project, which was one of special merit? Were

1 you involved in that one?

2 A. Again, my firm was. I was not involved
3 in that project.

4 Q. Okay. And how about O Street Market?

5 A. I was not involved in that project?

6 Q. And your firm was?

7 A. Was, yes.

8 Q. Okay. So you don't have any direct
9 knowledge about the --

10 A. No, I do not.

11 Q. Okay.

12 A. With the Mayor's Agent's proceedings.

13 MS. BROWN: Okay. So I think I'll stop
14 there.

15 MAYOR'S AGENT BYRNE: Okay.

16 MS. MOLDENHAUER: No more questions,
17 unless you have questions.

18 MAYOR'S AGENT BYRNE: Okay. No. Oh, I
19 did want to ask a question.

20 The architect who built the building --

21 MS. HUGHES: Julius Wenig.

22 MAYOR'S AGENT BYRNE: Julius?

1 MS. HUGHES: Wenig.

2 MAYOR'S AGENT BYRNE: Yes. Any
3 significant person as an architect?

4 MS. HUGHES: He designed a number of
5 buildings in the downtown historic district. And
6 he is considered an important D.C. architect,
7 yes.

8 MAYOR'S AGENT BYRNE: Do you know of any
9 that you could cite here?

10 MS. HUGHES: He designed the Mercantile
11 Savings Bank at 10th and G.

12 MAYOR'S AGENT BYRNE: Okay.

13 MS. HUGHES: Which is also a D.C.
14 Landmark.

15 MAYOR'S AGENT BYRNE: The Mercantile
16 Savings Bank at 10th and G.

17 MS. HUGHES: Um-hm.

18 MAYOR'S AGENT BYRNE: Okay. Okay.

19 MS. HUGHES: That's the main building
20 that I know of.

21 MAYOR'S AGENT BYRNE: Okay. Thank you.

22 MS. HUGHES: Sure.

1 MAYOR'S AGENT BYRNE: That's all. Thank
2 you.

3 (Ms. Hughes was excused as a witness.)

4 MAYOR'S AGENT BYRNE: All right. So --

5 MS. MOLDENHAUER: We do need the --

6 MAYOR'S AGENT BYRNE: Yes. So we need to
7 know whether we have --

8 MS. BROWN: Ten minutes?

9 (Inaudible conversation.)

10 MS. MOLDENHAUER: We could either work
11 from a hard copy, or we could -- we still have --
12 we have two more witnesses.

13 MAYOR'S AGENT BYRNE: Right. So Steve
14 has gone out to see what -- I don't know what the
15 options are downstairs, whether we would have a
16 better ability to look at slides downstairs, if
17 we go down there. Or upstairs, actually. So.

18 (Pause, the parties discussed and
19 attended to technical difficulties with the
20 audio-visual equipment.)

21 (Off the record from 4:22 to 4:29 p.m.)

22 MAYOR'S AGENT BYRNE: So, Mr. Sperry.

1 Are you introducing him as an expert?

2 MS. MOLDENHAUER: Yeah, in architecture.

3 MAYOR'S AGENT BYRNE: As an architect?

4 MS. MOLDENHAUER: And we provided copies
5 of his resume.

6 MAYOR'S AGENT BYRNE: Okay. Do you have
7 any objections?

8 MS. BROWN: I just have some quick
9 questions just to clarify the scope of your
10 practice.

11 MAYOR'S AGENT BYRNE: Please.

12 MS. BROWN: Do you focus on commercial
13 space or residential?

14 MR. SPERRY: Both. We work on mixed-use
15 projects.

16 MS. BROWN: And you personally, what is
17 your experience in D.C. for commercial, retail,
18 and housing?

19 MR. SPERRY: Well, currently, a couple of
20 good projects to talk about would be, I'm working
21 on the Hecht warehouse building, which is both
22 commercial and residential, 330 residential units

1 and about 200,000 square feet of retail. And
2 it's actually in a historic building up in
3 Northeast in the Ivy City neighborhood. We're
4 doing that one.

5 I'm just finishing up a project at Nth
6 and 9, actually. It's called the Gang of Three.
7 It's much smaller, but it is office above two
8 levels -- yeah, two levels of retail and a
9 basement on the first floor. So, I work with a
10 variety of scales, and the Hecht is probably on
11 the larger end, and the Gang of Three is on the
12 smaller end.

13 MS. BROWN: And Hecht's was retrofitting
14 the building for residential?

15 MR. SPERRY: That's correct.

16 MS. BROWN: And do you have experience
17 with residential new construction?

18 MR. SPERRY: Yes, we do. Yeah.

19 MS. BROWN: Okay.

20 MR. SPERRY: We're working -- right now
21 there's a project we're doing in Arlington,
22 Virginia, actually, that's called Verde Pointe.

1 It's about 140 new residential units in two
2 buildings, and then a 15,000-square-foot retail
3 space as well.

4 MS. BROWN: Okay. But in D.C., it's just
5 the Hecht's?

6 MR. SPERRY: No. Then in D.C., we're
7 currently working on another project at 1900 Half
8 Street, which is another 400 residential units.
9 That's actually a conversion as well, though.
10 So, let's see. What else do we have?

11 MAYOR'S AGENT BYRNE: Southwest?

12 MR. SPERRY: Southwest, yeah. It's kind
13 of by the soccer stadium.

14 MAYOR'S AGENT BYRNE: Um-hm. It's not a
15 historic district, though?

16 MR. SPERRY: It's not. No, no. But I
17 think that's the pretty good --

18 MS. BROWN: Okay. I just wanted to get a
19 scope of his experience, and I don't have an
20 objection.

21 MAYOR'S AGENT BYRNE: Good. Very good.
22 All right. So, he can -- please state your name

1 for the record, and proceed with your testimony.

2 MS. MOLDENHAUER: Do we need to mark his
3 resume as an exhibit?

4 MAYOR'S AGENT BYRNE: Oh, right. And I
5 guess we're up to N, Exhibit N.

6 (Hearing Exhibit N was marked for
7 identification.)

8 MS. BROWN: I'm sorry. Which was that,
9 his resume?

10 MS. MOLDENHAUER: Yes.

11 MAYOR'S AGENT BYRNE: Yeah, yeah.

12 MS. MOLDENHAUER: And then it will also
13 be his --

14 MAYOR'S AGENT BYRNE: This will be his
15 slides.

16 MS. MOLDENHAUER: Slides.

17 MAYOR'S AGENT BYRNE: This will be O,
18 Exhibit O.

19 (Hearing Exhibit O was marked for
20 identification.)

21 (Documents were distributed.)

22 Whereupon,

1 KEVIN SPERRY
2 was called as an expert witness and testified as
3 follows:

4 DIRECT TESTIMONY

5 MR. SPERRY: Okay. My name is Kevin
6 Sperry. I'm with the firm of Antunovich
7 Associates in Arlington, Virginia. So, I was
8 brought on to look at this project and
9 essentially to find if there was any way to
10 potentially reuse the structure that we're all
11 talking about today.

12 First thing I want to do is really
13 commend the architect for the design of the
14 building. I actually, in all the different
15 iterations of the project, I think it's an
16 incredibly attractive building, for most part. I
17 think I have a few issues that I would like to
18 talk about. But for the majority of the project,
19 I have great respect for their firm and I think
20 it's a very nice-looking building.

21 In my opinion, as a architect and
22 historian, we do a lot of renovations in our

1 office, I believe that in a historic district,
2 every building is important. And we have to do
3 as much as we can, within reason, to keep as many
4 buildings as we can, because over time, they will
5 start to slowly pick away building after
6 building, and then we all know when happens when
7 things get decimated.

8 So, when I hear -- earlier there was a
9 statement that was, "This project can only
10 proceed with the demolition of 616 Eye Street."
11 That's a pretty specific statement, and I think
12 it would be fair for that to be proven and to
13 have, you know, a series of exhibits to explain
14 all the different options that were looked at for
15 the retention of 616 rear building.

16 And I think that after quickly looking at
17 it, I have looked at a couple of different ways
18 that I think we can retain that building, and I
19 think it would really actually increase the value
20 of the project as opposed to financially limiting
21 the value of the project.

22 Before we get to that building, real

1 quick, I do want to talk about the community
2 room. I was looking at the plans. And they're
3 in the current set of plans that was actually
4 shown today, which is different from the plans
5 that I had seen previously for the HPRB -- I
6 could bring that up if you like.

7 (Pause.)

8 MR. SPERRY: There is a connection that
9 has been designed between that space and the
10 residential portion of the building. It connects
11 to the public lobby. Let me see if I can find it
12 quickly. I apologize.

13 (Pause, Mr. Sperry looked for a slide.)

14 MR. SPERRY: This is it. So, in this
15 image, this is the current -- what I'm
16 understanding to be the current plan for the
17 ground floor. The community room does attach to
18 the gray corridor, which would be accessed --
19 could be accessed by the residential tenants to
20 the building.

21 So, the question came up before as to if
22 the community space -- I'm sorry. It was stated

1 that it's going to be up to the lessee if the
2 residential tenants will have use of the space,
3 it's yet to be determined.

4 So if you look at potentially both sides
5 to that answer, if it is yes, if the answer is
6 yes and they would have access to that space,
7 then it could be said that there will be a
8 financial benefit to the project for this
9 community room. And that could essentially
10 happen from day one if the lessee agrees to that.

11 In some ways, this would actually benefit
12 the argument of the alley, because it would
13 really activate it more. There's a chance,
14 somewhat of a good chance, that if the community
15 room is only used for the community, it's going
16 to be dark a large percentage of the time, which
17 no one will see. So, you know, if the
18 residential tenants have access to that room,
19 then it could actually improve the space and the
20 exterior space. But at the same time, it would
21 then provide a financial benefit to the project.

22 If the answer is no, then the lights, as

1 I said, could very well be out for a majority of
2 the time. Either way, there really is no
3 guarantee that it will never be able to be
4 converted back to residential space, to amenity
5 space, in which it would become a financial
6 benefit for the project. All of these leases
7 have a limited time span, and it's important to
8 think of them for the duration of the building as
9 opposed to the duration of the lease, which is
10 much more temporary.

11 MAYOR'S AGENT BYRNE: What? I don't
12 understand why we're talking about it at this
13 rate.

14 MS. BROWN: Yeah. Yeah.

15 MR. SPERRY: Well, there was a discussion
16 earlier about how this space wouldn't be an
17 incentive for the residents. It's an incentive
18 only for the community.

19 MS. BROWN: I don't think that was
20 testified to.

21 MAYOR'S AGENT BYRNE: There was testimony
22 that the space was going to be covenanted, I

1 believe, for community use.

2 MS. BROWN: Right.

3 MAYOR'S AGENT BYRNE: And that the plan
4 was to lease it to these organizations to put on
5 cultural activities and that the question of
6 whether other people would have access to it
7 would be at the discretion of the lessees.

8 MR. SPERRY: Right. So that lessee --

9 MAYOR'S AGENT BYRNE: So, you're saying
10 it's physically possible -- the point of this is
11 it's physically connected to the rest of the
12 building?

13 MR. SPERRY: Right.

14 MAYOR'S AGENT BYRNE: So that if one
15 wanted to change that arrangement in the future,
16 that would be -- that would be physically
17 possible to do so?

18 MR. SPERRY: That is correct.

19 MAYOR'S AGENT BYRNE: Okay.

20 MR. SPERRY: The next small item before
21 we get to the tower in the back is the bridge.
22 Again, as we were talking about the bridge before

1 a little bit, again, it's really improved a lot
2 from the first design up until the latest design,
3 where it's come down in scale.

4 However, I just wanted to make the point
5 that there are some very successful projects
6 which do connect two buildings in a subterranean
7 fashion, which would be possible here as well.
8 City Market at O, which was raised before, I
9 believe Square 450, which is under development,
10 those both connect below grade as opposed to
11 above an alley.

12 And in some ways, it can also minimize
13 some loading. It can make your loading more
14 efficient if you can kind of -- obviously, you
15 can't load and then go up into public space and
16 then through a corridor and then back down. But
17 if you do go through the subterranean levels,
18 it's much more feasible to do that. So I just
19 wanted to raise that quick point.

20 MAYOR'S AGENT BYRNE: Okay.

21 MR. SPERRY: So, in regards to the
22 historic tower, the five-story tower that we're

1 speaking about, the architect previously brought
2 up a few points in regard to how it would be
3 unfeasible to reuse it. And I just want to bring
4 up one of the earlier slides that was reviewed.

5 So, when we were looking at the project
6 at the existing building, they've had a lot --
7 you know, we weren't actually allowed access to
8 get inside. So, I'm assuming that all this is
9 correct. We were looking at a rough dimension of
10 10-foot-11 for floor-to-floor. So that's
11 basically what you see here, 10-foot-8 clear from
12 the slab to the underside of the slab above. And
13 then there's a thick beam, which goes down to
14 eight feet.

15 So, the question is, how do you get air
16 flow from wherever the air unit is to the rest of
17 the unit? And it was stated that if you were to
18 put a one-foot plenum in, it would be a seven-
19 foot ceiling, which actually is correct. It
20 doesn't meet code at all. However, there is
21 really no requirements at all to have that plenum
22 be throughout the entire unit.

1 Not only that, but I don't know why
2 anyone would do that, because really, the
3 historic nature and quality of this building is
4 the space. And if you have these beams, you
5 would want to take advantage of those and take
6 advantage of the ceiling height. So there are
7 many ways to distribute air without covering up
8 the entire ceiling of the building. And one of
9 those ways is to put a soffit along one of the
10 walls, one of the side walls to distribute it
11 this way. And if that soffit were to go up to
12 seven feet, for a certain, you know, depth, we've
13 designed buildings where you have this very
14 similar condition, and the soffit is actually
15 above the kitchen. So, the kitchen has cabinets
16 that go up to seven feet, and then above that
17 seven-foot line, there is a soffit where the air
18 is distributed so that you can take advantage of
19 the rest of the ceiling height throughout the
20 unit and really just kind of push the air
21 distribution to one corner of the building.

22 Another way to do it is just literally

1 bump out a wall and do it within a wall. We've
2 done that before, as well. So, there are a
3 number of ways to distribute air without covering
4 up the entire ceiling and then, thereby making it
5 a seven-foot-zero, which is an unlivable floor
6 space. But I don't see any reason why you would
7 do that.

8 As you mentioned before, the alternatives
9 that were looked at by the architect to retain
10 the building were really 100 percent retention
11 and -- or full demolition. It was either all or
12 nothing. There was little attempt to look at a
13 partial demolition to the project.

14 And I think that that would go a really
15 long way in keeping the nature of the alley and
16 also allowing the building to retain some of its
17 floor heights and things like that, because as I
18 was looking at the section, I was noticing the
19 very same thing that they were in their analysis,
20 where the floors really do line up in
21 inconvenient locations. If you're trying to use
22 all of the floor of this building and then line

1 up your new floors next to it, it's really far
2 off.

3 But a partial demolition of the project,
4 of the building, could really mitigate that
5 difficulty. And that was never really looked at
6 by the clients or especially by --

7 MAYOR'S AGENT BYRNE: You mean to
8 demolish the floors and rebuilt the floors?

9 MR. SPERRY: Only maybe, for instance,
10 some of the floors towards the back of the
11 building. At the alley where the windows are,
12 maybe those floors could remain. But towards the
13 back of the building, you could take some of
14 those floors out so that it aligns with the
15 proposed floors of the project.

16 MAYOR'S AGENT BYRNE: And then they'd
17 have to be measured up somehow?

18 MR. SPERRY: Possibly. Possibly. Yes.
19 I have a couple of different --

20 MAYOR'S AGENT BYRNE: You're going to
21 show us that?

22 MR. SPERRY: Yes.

1 MAYOR'S AGENT BYRNE: Okay. Great.

2 MR. SPERRY: And then finally, one of the
3 other alternatives that were looked at, we had
4 talked about the elevator location. Shifting the
5 elevators north would not work because it goes
6 into the ramp. Shifting the elevators east would
7 not work because it goes into the drive lane as
8 it comes around, and there's really nowhere else
9 that you could turn around in that driveway.

10 Shifting them west or south was not
11 really investigated. So those are two things
12 that actually I looked at in my two options. So
13 I'll go through those really quickly now.

14 This is -- I think we all know where we
15 are. So this is this one. This is our exterior
16 analysis of the floor heights. As I mentioned
17 before, we were assuming roughly a 10-foot-11
18 floor-to-floor height. As designed, the typical
19 floor-to-floor height of the building is nine-
20 foot-ten, thereabouts. So this is a one-foot
21 increase.

22 So in and of itself, this is an actual

1 improvement to value of the project of these
2 units, specifically. Obviously, it gets into a
3 little bit more complexity when you look at this
4 compared to the rest of the buildings and how it
5 aligns with the floors as they are designed right
6 now. But in and of itself, this is obviously not
7 a detriment to the building to reuse these areas
8 for residential space, as long as you can
9 distribute the air, like I believe you can.

10 So, I've got two slides of the plans as I
11 was reviewing of the Applicant. This is the
12 first floor. And you can see where the elevators
13 currently are locating, the loading dock. And as
14 we looked at previously, the existing building
15 kind of fits within this area right here.

16 And then up above, this is a third-floor
17 plan. We can consider this fairly typical. So
18 this kind of gives an idea of the unit mix and
19 building layout.

20 So, in my first alternative, what I
21 looked at was shifting the elevators to the west.
22 I essentially hugged them to the back, to the

1 rear of the building. And it's very similar to
2 what it is there today. It's nearly an identical
3 location within the existing building. So it
4 wouldn't have a huge impact on residential lobby
5 locations or anything like this.

6 The loading sequence, I think it actually
7 changed between the one that I looked at and the
8 one that we saw today for the first time. But
9 the loading area was a little bit large. I was
10 able to create a smaller, more efficient loading
11 area, which actually still complies. And the
12 trash delivery room would be outside of this
13 existing building. So the walls, the historic
14 walls of the existing building could still work
15 in their current locations.

16 There's an identical trash delivery area
17 in size, and this actually provides additional
18 retail space to the east of the project, as
19 opposed to a very small sliver of retail that
20 they were trying to capture back, which connected
21 through to the alley. This makes it just a
22 little bit more generous, which is a benefit.

1 And then up above, this is what happens.
2 You would try to bring your corridor through that
3 existing building with the elevators topped up to
4 the north side. And then within this solution,
5 you would have to navigate vertically within the
6 unit. And admittedly, that does get a little bit
7 tough. Because as we looked at before, the floor
8 locations are, you know, all different. There
9 are many differences between the floor locations,
10 depending on the floor, up to four feet. So it
11 could be difficult for one to navigate for the
12 entire unit.

13 However, there are solutions such as, it
14 could have a raised living room platform, but a
15 bedroom could still be lower. This would require
16 some additional penetrations into the exterior
17 facade, with new windows. But as Steve mentioned
18 before, since this was never really considered by
19 HPO or staff, I don't think they really had the
20 opportunity to evaluate any of those alternate
21 options.

22 So then, the second option that I looked

1 at was actually shifting the elevators to the
2 south. So, this would essentially extend the
3 residential lobby a little bit. The elevators
4 are a little bit more central within the
5 building. The stair, I shifted it to the west so
6 that it's actually outside of the area of the
7 historic building.

8 And what this does is it flips the
9 loading to a new area outside of historic
10 building and relocates the trash and delivery
11 room to inside the historic building. There
12 might need to be a little bit of modification of
13 the first-floor slab height on this, but I think
14 it's a small price to pay for the retention of
15 this great five-story warehouse building.

16 So, as you'll notice, the elevators
17 currently have two openings in them. And they
18 were designed with two openings. So, this
19 proposal would retain those two openings. And
20 then, as you come up to the upper levels, the
21 idea would be that this one-bedroom unit, which
22 exists then within the historic building, could

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1 be accessed directly from an elevator without
2 having to go into the corridor.

3 Now, this is done -- this is a very
4 typical historic condition in buildings in New
5 York City, where the elevators go up, and they
6 are almost private elevators. And you could go
7 into a very small vestibule, for safety
8 essentially, and then walk into your unit.

9 So this would allow the existing floor
10 slab elevations to not have to be altered at all
11 from what they are right now. And I think that
12 was getting into the issues of, you know, how
13 many units you could fit on the floor and things
14 like that.

15 If you do it this way, then admittedly,
16 you would lose one unit. Because the floor-to-
17 floor elevations are so different and so much
18 greater in the historic building, that you
19 actually, within six levels of the building as
20 proposed, you would fit five units in the
21 historic building. But as we looked at before,
22 when you get to the top of that building, those

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1 levels almost align identically. So it would
2 work out really well as you went up from there.

3 It also kind of works out really well
4 where the stair could be an emergency egress
5 point, because at the point of the kind of middle
6 area where you step off the stairs, that could be
7 an emergency egress that leads you back onto the
8 main level of the building.

9 So this is simply a quick exhibit of how
10 this kind of existing building could potentially
11 work, obviously I haven't given it as much time
12 as the three years that the Applicant did. And I
13 believe that if the Applicant were to look at it,
14 they could make a really wonderful solution for
15 reuse of this existing building without really
16 having to alter the remaining areas of the
17 building at all.

18 One additional item to note is that the
19 unit mix is identical to what it was before.
20 There's absolutely no change.

21 MAYOR'S AGENT BYRNE: I thought you said
22 they lost a unit.

1 MR. SPERRY: They lost one unit over the
2 entire building.

3 MAYOR'S AGENT BYRNE: Okay.

4 MR. SPERRY: The typical floor unit mix
5 is identical in terms of how many one-bedrooms,
6 two-bedrooms.

7 MAYOR'S AGENT BYRNE: I see. I see what
8 you mean. Okay.

9 MR. SPERRY: One other item, which I'm
10 actually not showing in this, is that as this
11 were to go down to the parking, this would fall a
12 little bit within the drive aisle. And I'm sure
13 that would come up. The architect would be able
14 to notice that pretty immediately.

15 The parking is over requirement right
16 now. So, you would certainly lose a couple of
17 parking spaces; I'm not sure how many. But I
18 don't believe that would be enough reason to, you
19 know, call this out as something that's
20 completely infeasible. I believe a little bit
21 more study into a couple of concepts such as this
22 would really be worth it.

1 And then, the final slide here is
2 essentially what we had looked at before, where
3 the alignment of these floors is considerably
4 different. Like I say, we're looking at, you
5 know, four feet in a lot of instances. So the
6 elevator sliding through would be a really
7 elegant and effective way to mitigate the
8 difference without changing the rest of the
9 project.

10 And that was all I had.

11 MAYOR'S AGENT BYRNE: Okay. Thank you.

12 Do you have any questions?

13 MS. MOLDENHAUER: I just think one
14 question.

15 DIRECT EXAMINATION

16 BY MS. MOLDENHAUER:

17 Q. There was testimony regarding the
18 difference between office and residential. You
19 had testified earlier that you do both mixed-use,
20 office and residential, projects.

21 Can you describe possibly the difference
22 in regards to efficiencies of design between

1 residential and office?

2 A. There is a difference in efficiency, I
3 believe. Office, because it's wider, essentially
4 is a little bit more efficient than residential.
5 I couldn't really talk a whole lot about the
6 actual percentages or anything like that. But
7 there is a difference in efficiency between those
8 two uses.

9 Q. Can you typically obtain more square
10 footage of residential due to lower ceiling
11 heights?

12 A. Yes. So, one of the ways that you could
13 certainly gain back a lot of the area is because
14 an office typical ceiling height is roughly 13
15 feet floor to floor. And this project is
16 proposing nine-foot-ten-foot floors. So over 110
17 feet, you could gain one or two more levels of
18 residential. Thereby, the efficiency is less,
19 but you gain a lot more usable area because of
20 those extra couple of levels that you can squeeze
21 into the 110-foot envelope.

22 MS. MOLDENHAUER: No more questions.

1 MAYOR'S AGENT BYRNE: All right. Ms.
2 Brown.

3 CROSS EXAMINATION

4 BY MS. BROWN:

5 Q. I was confused about your testimony on
6 the community room. Why were you talking about a
7 financial benefit?

8 A. Because it was referenced before. At
9 least, I understood it to be referenced before,
10 that the community room would not provide any
11 financial benefit to the building or the project.

12 Q. So, that's what you think was said?

13 A. Um-hm.

14 Q. Okay. And why were you talking about a
15 bridge that was already approved by the HPRB?

16 A. Because I wished to testify about it.

17 (Laughter.)

18 MR. SPERRY: I mean, I think it's
19 relevant.

20 BY MS. BROWN:

21 Q. To the question of demolition?

22 A. To the overall design of the project.

1 Q. Which was deemed compatible by the
2 Historic Preservation Review Board.

3 A. After --

4 Q. So you're saying it's incompatible?

5 A. Yes. I'm saying if it were looked at
6 again as a whole, then there could be numerous
7 other opportunities that the Historic
8 Preservation Review Board could find adequate.

9 Q. So, you're suggesting that we review your
10 design and substitute your thought for what this
11 building should be instead of what the project is
12 before the Mayor's Agent today?

13 A. I -- yeah.

14 MS. MOLDENHAUER: I'm going to object to
15 that question. I think it's the Applicant's
16 burden to determine that the project is one of
17 special merit. And in this case, the legal
18 standard is, for special merit, requires an
19 evaluation of alternatives.

20 And this testimony is offered
21 specifically to demonstrate that there are viable
22 alternatives which were not considered by the

1 Applicant in this case.

2 MAYOR'S AGENT BYRNE: Alternatives to the
3 bridge.

4 MS. MOLDENHAUER: Alternatives to the
5 bridge, alternatives to design. I mean, I think
6 --

7 MS. BROWN: That's where I have a problem
8 because the alternatives to the bridge and design
9 are not relevant to the question of the building
10 in question for demolition.

11 MS. MOLDENHAUER: The Mayor's Agent can
12 then evaluate whether he wants to provide that
13 with great weight or not in his analysis of the
14 testimony. The testimony is in the record. And
15 you did not object to it at the time.

16 MS. BROWN: I'm asking questions.

17 MAYOR'S AGENT BYRNE: Okay.

18 BY MS. BROWN:

19 Q. You said that you testified as a
20 historian about this project?

21 A. As an architect and involved in
22 renovations.

1 Q. Okay, but not a historian?

2 A. No, that's correct. Not a historian.

3 MS. BROWN: Okay. Those are all my
4 questions.

5 MAYOR'S AGENT BYRNE: Okay.

6 I'm interested. So, part of your theory
7 or your presentation suggests that there could be
8 changes in the fenestration.

9 MR. SPERRY: Um-hm.

10 MAYOR'S AGENT BYRNE: And those would, of
11 course, raise historic preservation questions as
12 to their suitability.

13 MR. SPERRY: True. Yes. It would
14 certainly need to be reviewed by them.

15 MAYOR'S AGENT BYRNE: Yeah. Okay.
16 That's all I have. Thank you.

17 (Mr. Sperry was excused as a witness.)

18 MS. MOLDENHAUER: Steve, are we being
19 kicked out or no?

20 MR. CALLCOTT: No.

21 MS. MOLDENHAUER: No. Okay. We're good.

22 MR. CALLCOTT: No, we're fine. If

1 anybody is going to leave to go outside to the
2 bathroom, from now just let me know so I can let
3 you back in. Because that outer door is going to
4 lock.

5 (Pause.)

6 MAYOR'S AGENT BYRNE: So, are we going to
7 -- okay. There's that. Okay. So we have a
8 resume, which would be Exhibit O. And then a
9 testimony, written testimony, which would be
10 Exhibit P.

11 MS. MOLDENHAUER: I think we already had
12 an Exhibit O. It would be the slides.

13 MS. BROWN: Yeah. @

14 MAYOR'S AGENT BYRNE: Oh, sorry. You're
15 right. Yep, yep. I'm sorry. Okay. So, let's
16 keep the testimony as P, and we'll make the
17 resume Q.

18 (Hearing Exhibits P and Q were marked for
19 identification.)

20 MAYOR'S AGENT BYRNE: Okay. So, we're
21 presenting Mr. Shewchuk, is that right?

22 MR. SHEWCHUK: Shewchuk.

1 MAYOR'S AGENT BYRNE: Sorry?

2 MR. SHEWCHUK: Shewchuk.

3 MAYOR'S AGENT BYRNE: Shewchuk, Mr.

4 Shewchuk. He is being presented as an expert in
5 what?

6 MS. MOLDENHAUER: In real estate and
7 finance.

8 MAYOR'S AGENT BYRNE: Okay.

9 MR. SHEWCHUK: Should I begin?

10 MAYOR'S AGENT BYRNE: Hold on one second.
11 She's going to consider whether she's going to
12 accept that first.

13 (Pause, Ms Brown reviewed the Mr.
14 Shewchuk's resume.)

15 MS. MOLDENHAUER: Are there any
16 objections?

17 MS. BROWN: We're reviewing.

18 MS. MOLDENHAUER: Sorry.

19 (Pause.)

20 MS. BROWN: No objection.

21 MAYOR'S AGENT BYRNE: No objection.

22 Okay. Very good. So we'll accept Mr. Shewchuk

1 as an expert in real estate finance.

2 All right. Well, then you can state your
3 name for the record, again.

4 MR. SHEWCHUK: My name is Alex Shewchuk.

5 MAYOR'S AGENT BYRNE: And you may proceed
6 with your testimony.

7 Whereupon,

8 ALEX SHEWCHUK

9 was called as an expert witness and testified as
10 follows:

11 DIRECT TESTIMONY

12 MR. SHEWCHUK: Okay. Thank you very much
13 for hearing what I have to say today. I work for
14 the National Trust Community Investment
15 Corporation, a syndicator of historic and new
16 markets tax credits. I have the title of Project
17 Manager for Acquisitions, which means I conduct
18 the due diligence on real estate deals, using tax
19 credits.

20 This entails my review of sources and
21 uses, project pro formas, developer estimates,
22 market studies, appraisals, and all other

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1 information that helps to determine the value of
2 projects.

3 I was also formerly a real estate
4 developer of an office retail mixed-use product
5 in downtown Baltimore and was formerly the chief
6 financial officer of a mixed-use condominium
7 developer in Washington, D.C.

8 I was asked to speak to the arguments
9 from a financial reviewer's perspective made by
10 the developer in each of the prehearing
11 statements and the economic and fiscal impact
12 analysis.

13 Before I begin, I must say that, to be
14 fair, the best possible analysis that could be
15 made regarding this special merit claim is
16 missing altogether, and that is an analysis that
17 compares the program as it is against the program
18 as it might be were more or all of warehouse
19 retained.

20 In absence of such a program, the
21 artificial comparison is between the program and
22 the unimproved present. This is captured in the

1 Applicant's statement, and I quote, "Given all
2 the competing design criteria, it is not possible
3 to adaptively reuse this building and achieve the
4 special merit features described above."

5 I myself, as a former historic developer
6 and as an employee of an organization that sees
7 rehabilitations that integrate historic fabric
8 all the time, find that a very absolute argument.

9 There is an entire development
10 construction industry that, while using historic
11 tax credits, operates under the assumption that
12 an entire building must be preserved and that the
13 work that's done to rehabilitate must work with
14 historic authorities to find the best solution
15 within the allowable parameters. And that does
16 not include demolition.

17 I would like to challenge four crucial
18 arguments made as part of the developer's
19 application for special merit. One, that it is
20 inherently a sacrifice made in choosing
21 residential over office; two, that this project
22 is one of special merit as it constitutes a high

1 priority to the City; three, the financial
2 benefits of the project to the City are correctly
3 stated; and four, that it is not feasible to
4 integrate all or any of the historic elements of
5 that warehouse and make the project happen.

6 One, there is not necessarily an inherent
7 financial sacrifice, or I should say there is not
8 necessarily an inherent financial sacrifice made
9 in choosing residential over office. The
10 developer's economic analysis on table 6 -- and
11 you might want to have it -- economic analysis.
12 I'm going to quote that a lot.

13 On table 6 quantifies --

14 (Pause.)

15 MR. SHEWCHUK: It quantifies, and we
16 refer to this in our other testimony, an
17 opportunity cost of \$68 million in building
18 residential instead of office. The argument here
19 is that the developer would naturally have built
20 office but for the City's request.

21 In order to demonstrate the impact of
22 this sacrifice, the developer makes a number of

1 assumptions I take issue with. I think that Mr.
2 Byrne, as the Mayor's Agent, you must consider
3 carefully in taking each of these as fact.

4 The first is the assumption that an
5 office in this location would generate rents
6 equal to 900 G Street or equivalent to other
7 trophy office buildings. We have been presented
8 -- let me pause for a second. I have the two
9 confused.

10 MAYOR'S AGENT BYRNE: Oh, no. Go ahead.
11 I'm with you.

12 MR. SHEWCHUK: We have been presented two
13 ways for that office to take place. Page 31 in
14 Mr. Holzbach's rendering shows us, depending on
15 whose testimony you heard, either a 370,000-
16 square-foot or a 330,000-square-foot office
17 building. We later heard in testimony that this
18 was as a function of an entrance on H Street.

19 Unless I'm misquoting you, Mr. Callcott
20 said that the review board felt very strongly
21 that spanning over the alleys, and even more so
22 the east-west alley, was objectionable and ran

1 counter to the allowable permissions and that it
2 was incompatible.

3 So, I think that the idea that we should
4 take what would have been an office building that
5 would have spanned the east-west alley from H
6 Street to Eye Street is questionable. The other
7 alternative is the present building as it stands,
8 entering from Eye Street.

9 I believe we've seen the image of a very
10 beautiful development proposal. It is a great
11 example of integration. But, wearing my
12 developer's hat, that works perfectly for
13 residential. In order to achieve trophy office
14 status, I believe this would be a considerable
15 uphill proposition to prospective high-end office
16 tenants and is distinguishable enough from the
17 present project to make me doubt that assumption.

18 Additionally, the proposed office market
19 rents quoted in the estimate of \$68 million are
20 questionable. There's two pictures in time that
21 we could discuss. There's the picture in time
22 when this decision was supposedly under

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1 consideration in 2013. And there's the present.

2 Quoting from the response for the 2013
3 time frame, the Washington Business Journal wrote
4 in November 2013 that the District -- and I'm
5 quoting, "The District's stock of large buildings
6 with floor plates of more than 50,000 square
7 feet, have been disproportionately hit by a
8 leasing slump that has caused vacancy rates to
9 reach near-historic levels across the City,"
10 according to new research from Cushman and
11 Wakefield.

12 So again, I think there's a challenge
13 here trying to put ourselves back in the time of
14 2013, whether it was a slam-dunk that an office
15 would have taken place but for the intervention
16 of the City.

17 If you look at today, and again on some
18 level you're torn between which time frame to
19 consider, there's any number of reports that you
20 can look to today that ask the question, "Can we
21 take 900 G Street's leasing rates and say this is
22 what would happen in this building?"

1 appraisal, it estimated a four-year lease-up
2 period for a 200,000-square-foot building.

3 A vacancy rate like 11.1 percent, in
4 deference to Mr. Richard, who did say we could
5 take the analysis of \$68 million, apply a 10
6 percent vacancy rate against it, and it would be
7 \$51 million -- but an 11.1 percent vacancy rate
8 not only implies more of a challenge in the
9 lease-up and higher overall vacancy rates in the
10 operating construction, building, but also
11 potentially lower lease rates, and obviously, a
12 longer period in which to reach occupancy.

13 Finally, the use of the 4.5 percent cap
14 rate on these income streams is something that
15 can be contested. Cap rates depend on the
16 perception of the income stream, the supply-and-
17 demand factors for the acquisition of buildings,
18 and very important, the underlying interest
19 rates, which I think everybody agrees are going
20 to rise over time, and those will raise cap rates
21 and therefore suppress multiples in valuations.

22 I'm not saying that there isn't a

1 difference between the two valuations, but I
2 think it underlines the point that basing
3 valuations on what might have been achieved
4 through another product type is highly affected
5 by assumptions. That's item number one.

6 Item number two. This development, in
7 our opinion, does not realize, in quotes, "high-
8 priority benefits" for the City. The developer
9 claims that the project will, and I quote from
10 page 15 of the prehearing statement, "help
11 stimulate additional private investment in the
12 surrounding area."

13 In this argument, implicit, there is a
14 shortage of development in the area. There is a
15 development happening across the street. There's
16 a development happening behind that development.
17 627 Eye Street will do 360,000 square feet, and
18 601 Massachusetts will be the new headquarters
19 for Arnold and Porter law firm.

20 In its website, the Verizon Center, which
21 is located on the next block at 7th and H, claims
22 that since its redevelopment in 1997, there has

1 been \$8.5 billion of redevelopment in the nearby
2 area. Whether that statistic is exactly correct
3 or not, there is no shortage of private
4 investment in Chinatown.

5 The developer also claims that it has
6 specifically changed its plan to help D.C. meet
7 the goal of greater residential density. The
8 buildings of 800 6th Street to Wah Luck has 151
9 units. 757th Street, a block and a half away, is
10 203 units. It's not clear that there's a
11 specific City need, and therefore special merit
12 for residential in this day.

13 The developer has touted as part of its
14 benefit its inclusion of unrequired affordable
15 housing, nine units at 80 percent AMI. And today
16 there was the discussion of the market-rate units
17 and whether they could arguably be considered
18 workforce units.

19 Table 15 on page 16 of the analysis gives
20 insight into the residential apartments to be
21 created. The affordable units -- and I'm sorry
22 if I'm repeating some of the earlier testimony --

1 are meant to broaden access to lower income
2 earners. According to the developer's own
3 statistics, the rental rate for that 752-square-
4 foot unit will necessitate household income of
5 \$69,967.

6 The question of the apartments is not one
7 of cement. We talked about luxury, uber-luxury,
8 quasi-luxury. These are -- the question is the
9 characterization, because of the question of
10 special merit, as either affordable units or
11 workforce units. With all due respect to Mr.
12 Richard and to the idea that this is the reality
13 we live in, the question is, if the City receives
14 added benefit from the development here, were
15 units that can be of use to the people who it's
16 trying to target in its residential plans?

17 As Ms. Moldenhauer said earlier, the
18 Bureau of Labor Standards, and I can get you the
19 address for this site, has occupational
20 employment statistics. Now, I'm going to read
21 you a list of the wages, the median wages of
22 people doing the following jobs. She said some

1 of them before, so I apologize for the
2 repetition.

3 Preschool teachers, 35,000; middle school
4 teachers, 63,000; high school teachers, 59,000;
5 health care support, 31,000; security guards,
6 38,000; sales occupations, 43,000;
7 transportation, 41,000; maintenance and repair,
8 54,000; community and social services, 54,000.

9 Put aside what the occupational
10 employment statistics say --

11 MAYOR'S AGENT BYRNE: Are those national?

12 MR. SHEWCHUK: No, no, no. These are
13 Washington.

14 MAYOR'S AGENT BYRNE: Washington, D.C.

15 MR. SHEWCHUK: No, these are all run by
16 geography, and it's specific to Washington.

17 Put aside all that, look to the economic
18 and benefits and fiscal impact analysis. If the
19 developers' numbers are to be accepted as
20 correct, the program will create 138
21 nonmanagerial jobs. In their table, table 9,
22 none of the jobs created, which in the

1 construction process, other than the managers,
2 average 47,133, will earn enough money to live in
3 any of those units -- not the market, not the
4 affordable.

5 None of the non-building managers
6 supposedly hired as a result of the development
7 could live in the building, because their table
8 11 average between 29,000 and 39,000. So the
9 only two people other than the construction
10 managers who can afford to live in this building
11 that are created as a result of this proposal are
12 the two building managers whose wages are put
13 here as \$99,900.

14 I went on to the Glass Door website for
15 property management employee estimates, and they
16 say that the average salary for a Washington,
17 D.C., property manager is \$70,000. And I can
18 practically guarantee you that there assumption
19 is, there's one property manager on the site, not
20 two, making \$99,000.

21 The next piece is that the developer
22 claims, and I quote from page 11 on the

1 Item number three. The project claims
2 significant incremental financial benefits to the
3 City through increased vending by project
4 employees, increased tax revenues, additional
5 employment. We believe those are overstated.

6 On page 5 of the economic analysis, and
7 Mr. Richard actually pointed out this
8 specifically in his testimony, it notes, "Direct
9 consumer expenditures by project construction
10 employees are projected at \$12.8 million." I'll
11 say that again. "Direct consumer expenditures by
12 project construction employees"

13 He also pointed out, as was stated in the
14 submission, that only 10 percent of those workers
15 live in D.C. So, while it may be true that those
16 construction employees may spend \$12.8 million, I
17 think the argument could be made that D.C. would
18 be subsidizing the region for spending by backing
19 this, not necessarily subsidizing itself or, you
20 know, redistributing for itself.

21 On table 5 on page 7, the developer notes
22 that 139 units will be created by this

1 development. It states, and I quote, "Project
2 will generate 139 new households with aggregate
3 earning of \$17.4 million." The choice to live in
4 a development does not create earnings. It
5 merely gives the wage-earners a place to live.
6 The project cannot take credit for the earnings
7 of the people who choose to live in the
8 development. Thus, as an example, Table 5's
9 incremental income tax projections are
10 overstated.

11 Finally, the developer takes great care
12 to demonstrate the ongoing employment benefit
13 that will be generated as a result of the
14 development. Part of this is a head count and
15 wage assessment of the residential side of the
16 building. According to table 12, the 140,575-
17 square-foot residential development will support
18 16 jobs at a cost of \$725,000 per year -- 140,000
19 square feet, 16 jobs, \$725,000.

20 That is to say, \$6.94 in per-square-foot
21 costs for personnel, which fall into the
22 categories as listed of grounds, maintenance,

1 janitors, and building manager. Having run
2 buildings, a building would never efficiently
3 employ that many people at that dollars per
4 square foot as an operating.

5 As a counterpoint, in the 2012 and 2013
6 National Apartment Association Survey -- and this
7 is national, not Washington, D.C. -- of operating
8 income and expenses, salaries and personnel -- a
9 list of salaries and personnel, contract
10 services, repair and maintenance, and
11 administrative, and I also threw in management
12 fees -- obviously, that's a lot more than just
13 people costs -- are totaled at \$3.49 cents, vis a
14 vis, \$6.94.

15 And that includes the cost of external
16 contracts, cleaning supplies, anything else that
17 comes up that's not personnel. In fact, though
18 this is not Washington, D.C., specific, the
19 entire project operating costs of the building by
20 the National Apartment Association, including
21 taxes, utilities, insurance, marketing, \$6.75 to
22 \$6.84. Again, I'm not saying for a second that

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1 you can take a \$6.75 to \$6.84 and drop it on
2 Washington, D.C. But I really think that the
3 idea that this much individual income through
4 jobs in this project are going to come to
5 fruition is highly unlikely.

6 Finally, the idea of the lack of
7 feasibility or viable alternatives. I saw only
8 limited evidence that this developer considered
9 alternatives to development that did not include
10 the demolition of 616 Eye Street. Part of my job
11 as a developer and part of my job as an
12 underwriter of historic preservation development
13 projects has been to carefully analyze each
14 viable alternative to even partial demolition.

15 In this case, I cannot say that that was
16 fairly done. In my professional opinion as a
17 specialist in historic preservation financing and
18 development, I see now reason why, as Mr. Sperry
19 pointed out, a project integrating the warehouse
20 either as a whole or as a facade or as some other
21 component would not be feasible.

22 That's it.

1 MAYOR'S AGENT BYRNE: Additional
2 questions, Ms. Moldenhauer?

3 MS. MOLDENHAUER: No.

4 MAYOR'S AGENT BYRNE: Okay. Your
5 witness, Ms. Brown.

6 CROSS EXAMINATION

7 BY MS. BROWN:

8 Q. I have a couple of questions. You
9 testified that the provision of housing would not
10 be a public benefit under having a high priority
11 for the City?

12 A. The latter not the former. It's clearly
13 a benefit. It's just, when I assess and compare
14 what is actually offered -- and again, in today's
15 testimony we talked beyond the first nine units
16 into the hundred-and-thirty and how those could
17 be characterized. And when I compare that to the
18 people who I think potentially the City would be
19 choosing and trying to touch, I think there's a
20 discrepancy.

21 Q. I'm sorry. I guess I don't understand
22 your point.

1 A. Yeah.

2 Q. So, let me see if I've captured it. So,
3 the 130 units that would be market rate, in your
4 view, do not qualify as a -- housing as a high
5 priority for special merit?

6 A. Correct.

7 Q. Okay. And are you aware of other Mayor's
8 Agent decisions where it has been determined to
9 be special merit?

10 A. I am not.

11 Q. Okay. Are you familiar with the Boston
12 properties nearby building, office building that
13 has been constructed?

14 A. Quote me the address.

15 Q. It's -- let me see. Do I have an
16 address? 601 Mass.

17 A. Oh, yeah. Yeah.

18 Q. And are you aware of whether that is
19 fully leased or not?

20 A. I believe that is Arnold and Porter. Is
21 that the Arnold and Porter building? If it is --

22 Q. I'm asking.

1 A. Yes.

2 Q. Okay.

3 A. I think it is the Arnold and Porter
4 building.

5 Q. Okay.

6 A. And I don't know that it's fully leased.
7 I think it's doing quite well.

8 Q. And do you know whether the City Center
9 office space has been fully leased or not?

10 A. I don't know.

11 Q. Okay. And are you aware of the Gould
12 project across the street and whether or not that
13 has been leased?

14 A. I'm aware of the project. I'm not
15 familiar with whether it's been leased.

16 Q. And are you aware of the Douglas
17 Development projects that are office --

18 A. If you tell me which ones, I can tell you
19 if I'm aware.

20 Q. In the near -- in the Square 450 or 451?

21 A. No.

22 Q. Okay. So, you're not aware whether or

1 not those office buildings are fully leased and
2 whether or not that would be an indicator of
3 whether or not the market rate for office is
4 actually better than you said?

5 A. Well, I didn't put out a number anyways.
6 But I think that it is incontestable that if the
7 vacancy rates are 11 percent for the incremental
8 office building, that is a significant
9 consideration going forward.

10 And notwithstanding whether a single
11 building is fully leased, if a market measurement
12 is made as a whole, saying a vacancy rate is a
13 certain percent. And if, in my humble, opinion,
14 I question whether this would be the ideal office
15 location, going back again and steadfastly
16 looking at a trophy office building and its
17 occupancy rate, I think would be a risky
18 proposition, as an underwriter.

19 Q. And was this characterized as trophy
20 office space?

21 A. I believe it was, in fact. I could look
22 for it, but I believe it was -- you're asking

1 whether -- when the office dollars were given,
2 whether it was characterized as trophy?

3 (Pause.)

4 MR. SHEWCHUK: It will take me awhile to
5 look for it, though.

6 MAYOR'S AGENT BYRNE: Well, I mean, we'll
7 see either it was or it wasn't. So let's --

8 MS. BROWN: Yeah. Right, right. I think
9 I can save the rest of ours for rebuttal.

10 MAYOR'S AGENT BYRNE: Okay.

11 MS. MOLDENHAUER: Redirect.

12 MAYOR'S AGENT BYRNE: Yes.

13 REDIRECT EXAMINATION

14 BY MS. MOLDENHAUER:

15 Q. Ms. Brown asked you a question about some
16 other projects that had been given special merit
17 in regards to providing housing as a benefit.
18 Is it your opinion also that in this situation
19 you're evaluating almost that the housing could
20 be possibly provided while still retaining the
21 building?

22 A. Absolutely, if that alternative fit.

1 MAYOR'S AGENT BYRNE: That's it? Okay.
2 Okay. Thank you very much.

3 (Mr. Shewchuk was excused as a witness.)

4 MAYOR'S AGENT BYRNE: And is that the
5 conclusion of your witnesses?

6 MS. MOLDENHAUER: Yes. If Ms. Brown is
7 going to be providing rebuttal witnesses, I would
8 like to hold my closing until after I hear her
9 rebuttal.

10 MAYOR'S AGENT BYRNE: Of course. I'm
11 just asking about witnesses.

12 MS. MOLDENHAUER: Yes.

13 MAYOR'S AGENT BYRNE: So, do you want to
14 put any witnesses on?

15 MS. BROWN: I'm sorry. You're done with
16 your case in chief?

17 MS. MOLDENHAUER: Yes.

18 MS. BROWN: Okay. Yes. I would like to
19 call Mike Hickok. He did not testify previously.
20 His colleague had to leave, Rob Holzbach. But he
21 is an architect that I would like to address some
22 of the issues that were raised today.

1 MAYOR'S AGENT BYRNE: Okay.

2 (Cross-talk.)

3 MR. HOLZBACH: No, I have to leave in
4 five minutes.

5 MR. HICKOK: He's got to go pick up his
6 kid.

7 MS. BROWN: So, rebuttal witnesses don't
8 need to be the same ones that testified on
9 direct.

10 MS. MOLDENHAUER: My question is,
11 obviously, someone is going to all of a sudden
12 change their statements or provide different
13 opinions.

14 MS. BROWN: No. It's straight rebuttal
15 to what you presented.

16 MAYOR'S AGENT BYRNE: Yeah. He's here to
17 rebuttal. He's been here the whole time. I
18 think it's fine.

19 MS. BROWN: And you were sworn in?

20 MR. HICKOK: I was. And I brought my
21 resume.

22 MAYOR'S AGENT BYRNE: What?

1 MR. HICKOK: I think I have my resume.

2 MAYOR'S AGENT BYRNE: What?

3 MS. BROWN: No, I'm going to give it to
4 you now. We weren't sure if his testimony was
5 necessary. I think I have it.

6 (Pause.)

7 MS. BROWN: Actually, I don't have a copy
8 here in my files. So, no, I don't have his
9 resume.

10 (Cross-talk.)

11 MAYOR'S AGENT BYRNE: All right. So,
12 would you just describe briefly your background
13 and your current position, please?

14 MR. HICKOK: Yes. Yes. I'm an architect
15 registered in the District. I'm the senior
16 principal of a 95-man firm that works in
17 Georgetown. Undergraduate degree from the
18 University of Pennsylvania, graduate degree from
19 Harvard. I'm a Fellow in the AIA. Is that
20 enough?

21 MAYOR'S AGENT BYRNE: Yeah.

22 Any objection?

1 MS. MOLDENHAUER: No. That works.

2 (Laughter.)

3 MAYOR'S AGENT BYRNE: Okay. Very good.
4 All right. So, please state your full name for
5 the record, please.

6 MR. HICKOK: Michael Hickok.

7 MAYOR'S AGENT BYRNE: Okay. Proceed,
8 please.

9 Whereupon,

10 MICHAEL HICKOK

11 was called as an expert witness and testified as
12 follows:

13 DIRECT EXAMINATION

14 BY MS. BROWN:

15 Q. Mr. Hickok, you heard the testimony today
16 from Mr. Sperry about the possible alternatives
17 to retaining the existing building and working it
18 into the existing project. Could you give your
19 opinion on whether those options are really
20 feasible?

21 A. Um-hm. This is going to be complicated
22 because I'm going to need to move, potentially,

1 back and forth between our presentation and his
2 presentation.

3 One item that I want to mention about the
4 -- it's not just on that topic. Earlier, it was
5 questioned whether or not we could put the
6 loading underground, down the ramp. And I have
7 to say from a practical --

8 MS. MOLDENHAUER: I object. We're
9 talking about rebuttal. We're talking about
10 rebuttal. And now all of a sudden -- this is one
11 of my problems about switching witnesses. Now
12 we're all of a sudden jumping in to obviously new
13 testimony that's not on record.

14 MS. BROWN: No, it's not. He's rebutting
15 the offer that Mr. Sperry made about having a
16 subterranean connection, that it would be
17 convenient for loading that way.

18 MS. MOLDENHAUER: He actually just showed
19 loading switched with trash. He didn't show
20 loading on the lower side.

21 MS. BROWN: And he also talked about the
22 subterranean connection between the buildings.

1 MS. MOLDENHAUER: I don't remember --

2 MAYOR'S AGENT BYRNE: I don't recall that
3 being involved with loading. I remember him
4 saying that that was a way to avoid the bridge.

5 MR. HICKOK: He did. He did say that.

6 MS. BROWN: Yeah. He did.

7 MAYOR'S AGENT BYRNE: Okay. I'm not sure
8 what the relevance is, though.

9 MS. BROWN: Well, it's talking about the
10 feasibility of the various designs that their --
11 we're rebutting two things.

12 MAYOR'S AGENT BYRNE: Right. Yeah.

13 MS. BROWN: One, that they've objected to
14 the design of the building and the bridge and
15 whether or not it's compatible with the historic
16 districts. And they've asked you to reexamine
17 that.

18 MAYOR'S AGENT BYRNE: Right.

19 MS. BROWN: So we want to rebut that
20 point.

21 MAYOR'S AGENT BYRNE: Okay.

22 MS. BROWN: And then the second point is

1 whether or not enough alternatives have been
2 considered for the building that's being proposed
3 for demolition and alternatives to trying to
4 incorporate into this structure. And that's what
5 he's here to testify to.

6 MAYOR'S AGENT BYRNE: So that's -- I
7 don't really want to hear about the bridge,
8 frankly.

9 MS. BROWN: Okay. Okay.

10 MAYOR'S AGENT BYRNE: I'm not going to
11 focus on the bridge.

12 MS. BROWN: That's fine. We can dispense
13 with that.

14 MAYOR'S AGENT BYRNE: But I'm happy to --
15 but if you're going to testify about how it
16 relates to the retention of the warehouse, then
17 I've very much like to hear that.

18 MS. BROWN: Okay.

19 MR. HICKOK: It was stated earlier that -
20 - or it was queried earlier, "Did you study about
21 putting a loading underground?" And all I want
22 to say about that is it's unequivocally not
23 possible. You can't get a ramp down steep
24 enough, and you need a big turning radius to

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1 turns trucks underground. We'd be off our
2 property by the time we accomplished that.

3 And I can geometrically try to show you
4 that, but I'm just going to say it. And if you
5 want to rebut it, you can rebut it.

6 MAYOR'S AGENT BYRNE: Okay.

7 MR. HICKOK: So, let's start by looking
8 at -- see if I can do this -- our slide number
9 21.

10 (Pause.)

11 MR. HICKOK: It's going to take me
12 awhile; I'm sorry.

13 (Pause.)

14 MR. HICKOK: I'm getting there. Okay.
15 Very good.

16 This slide shows -- I'm almost done. Can
17 I go up to the screen?

18 MAYOR'S AGENT BYRNE: Sure.

19 (Pause.)

20 MS. MOLDENHAUER: If you use your mouse,
21 you can point with the mouse.

22 MR. HICKOK: That's never as good.

23 Okay. So you see the ramp coming down.
24 This is the turn, which is -- this ramp is going
25 down at 15 percent. This is about as steep as is
26 allowed in the District. And then you get to the

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1 bottom. You have to make this turn and another
2 turn in order to get to the drive aisle.

3 There are the elevators, our elevators
4 that serve the building above in our design.
5 What we don't have here is the dotted line of the
6 five-story building, which I think basically goes
7 back to that wall and along this line, more or
8 less. I just want to establish where that is.

9 It has been suggested that -- I have no
10 idea how to find this. Let me find --

11 (Pause.)

12 MR. HICKOK: I'm going to go to his
13 second example first. Here.

14 MAYOR'S AGENT BYRNE: Um-hm. Okay.

15 MR. HICKOK: It has been suggested that
16 the elevators could be moved south on the site in
17 such a position that you could serve two-sided,
18 one side to the corridor level and one side to
19 the taller apartment level, if everyone
20 understand that.

21 By the way, this blue portion here would
22 also be demo'd and would be built down at the
23 elevation of the first-bedroom, at this one-
24 bedroom unit so that this floor and this piece
25 are not at the same height. I just want that
26 known, too.

1 So, now if we go back then, to -- so
2 recognize the position of this. Recognize it in
3 relationship to the back of this, and let's go
4 back to our plan. By my estimation, without
5 having a scale, it would put the elevators right
6 in the middle of our drive aisle.

7 I know of no other way to configure this
8 garage. We could, conceivably, pull the drive
9 lane all the way out to the edge, and we would
10 lose this entire line of traffic, and where the
11 elevators would be, and we would pick up -- we
12 would have remaining, you know, those four
13 spaces. And it would be an extremely complicated
14 garage configuration.

15 MAYOR'S AGENT BYRNE: So what you're
16 saying is you'd miss the parking spaces that are
17 on the south wall?

18 MR. HICKOK: Well, yes. At a minimum.

19 MAYOR'S AGENT BYRNE: At a minimum?

20 MR. HICKOK: At a minimum. And we'd have
21 to see about making the rest of the turns. And
22 that would happen on every floor. It's not just
23 the first time.

24 MAYOR'S AGENT BYRNE: On the three
25 floors?

26 MR. HICKOK: Yeah. The elevator would go

1 down, serves all floors -- well, is it two or
2 three?

3 MALE VOICE: Three.

4 MAYOR'S AGENT BYRNE: Three.

5 MR. HICKOK: Serves three floors, so
6 we've got the same condition on all three floors.
7 So that's one issue about relocating the
8 elevator.

9 MS. BROWN: Can I interrupt?

10 MR. HICKOK: Please.

11 BY MS. BROWN:

12 Q. And ask you, what would happen to the
13 service areas on this first level down?

14 A. These service areas over here?

15 Q. If you had to --

16 A. They would have to find another -- they
17 would have to find another home because they're
18 in the sweep that would be required for the drive
19 aisle. If we could get the drive aisle on this
20 wall, they would be in the sweep.

21 MAYOR'S AGENT BYRNE: You said "sweep"?

22 MR. HICKOK: Yes.

23 MAYOR'S AGENT BYRNE: Okay. Thank you.

24 MR. HICKOK: The curve of the turn.

1 So that location is somewhat problematic.

2 The other concern that I have with this
3 particular configuration, I don't know -- well,
4 the building has a continuous perimeter beam,
5 poured-in-place concrete. In any configuration
6 where you piece that wall, because the floor
7 levels are so out of alignment -- and I could go
8 back to my section if that would be helpful.

9 But the floor elevations are so out of
10 alignment that when you -- you can't just -- to
11 get headroom, you're going to wind up having to
12 take out that whole piece of beam where you pass
13 under it.

14 I want to find that section. Let me find
15 that section. I think that would be more
16 helpful. Sorry.

17 (Pause.)

18 MR. HICKOK: I believe in his section --
19 that will be easier.

20 (Pause.)

21 MR. HICKOK: Here we go. Okay. There.

22 Where -- here, there's the dotted line of

1 the volume of the five-story building. There is,
2 under each of these floors, a beam which spans to
3 here, another beam which spans to here, another
4 beam which spans to here, and so forth.

5 In order to accomplish this, that
6 perimeter beam would, by necessity, need to be
7 cut and, presumably, moved in some manner that
8 I'm unaware of to another location. But it
9 wouldn't serve its same purpose. At this point,
10 that perimeter beam, which runs all along under
11 here, is carrying the weight of the exterior skin
12 and carrying the load of the interior bays.

13 So, as that beam is cut, it is unclear to
14 me how one would go back, short of putting in a
15 major -- another column down through the
16 building, down through the historic building into
17 the foundation. Put in another column and then
18 add new beams at the appropriate elevation.

19 The structure -- hang on one second.

20 (Pause.)

21 MR. HICKOK: This brings me to a concern
22 about the structural integrity of the building.

1 The report that you asked for earlier that we
2 didn't have, the structural report from SKA has
3 now been emailed to me. And there's pieces of
4 this I'd like to read into the record if I can.

5 MS. MOLDENHAUER: I object. One, this is
6 beyond the scope of rebuttal. And two, he's
7 trying to read into the record a document that I
8 don't know what it is. And, too, he's indicating
9 -- I just don't know what he's referring to.

10 MAYOR'S AGENT BYRNE: So, you don't know
11 about the SKA report? I thought --

12 MS. MOLDENHAUER: Is this the SKA report
13 or is this a new report that you just got?

14 MR. HICKOK: No. This is the SKA report
15 dated August 21st, 2013. It's the report that
16 you referred to earlier.

17 MS. BROWN: Yes.

18 MS. MOLDENHAUER: Okay. I understand.

19 MAYOR'S AGENT BYRNE: And is it in the
20 record?

21 MS. BROWN: Apparently, it is in the HPRB
22 record that should have been all forwarded to and

1 included in the Mayor's Agent's record. Yeah.

2 MS. MOLDENHAUER: I don't believe it's
3 part of the record to date.

4 MAYOR'S AGENT BYRNE: Yeah.

5 MS. MOLDENHAUER: So --

6 MR. HICKOK: But it's been referred to.

7 MAYOR'S AGENT BYRNE: Well, we ought to
8 have it in the record, it seems to me, one way or
9 another.

10 MS. BROWN: Yes.

11 MAYOR'S AGENT BYRNE: Because the
12 question of structural security of the building
13 is important.

14 MS. BROWN: Yes.

15 MR. HICKOK: Okay. It's short. I can
16 read the whole thing in or I can read the --

17 MS. MOLDENHAUER: I mean, I would just --
18 sorry. Go ahead with the rebuttal, the question.
19 There was actually -- this report was rebutted at
20 HPRB. And they did not pursue a structural
21 argument, HPRB, after the rebuttal. And SKA did
22 not actually attend HPRB's hearing. So if this

1 is entered in, we also would like to enter in the
2 DCPL structural engineering report that was
3 presented, as well.

4 MAYOR'S AGENT BYRNE: Okay. Well, this
5 is awkward, of course, because part of the
6 argument that your witnesses have made is that
7 this thing can be reconfigured. And it seems to
8 me perfectly fair to him to say that the building
9 will fall down if you do that. And so, the
10 engineering report -- it may or may not be true,
11 but the engineering reports are relevant to the
12 issues of whether the alternatives are physically
13 feasible or not.

14 MS. BROWN: Yeah. There was directly
15 testimony from your witnesses about the SKA
16 report.

17 MS. BRAY: No, no, not from ours.

18 MS. MOLDENHAUER: No, no. I asked your
19 witnesses if it -- why the SKA report didn't have
20 any specific structural information about this
21 building.

22 MS. BROWN: I heard testimony from your

1 witnesses that mentioned "SKA report."

2 MS. BRAY: No. It was our cross
3 examination of your witnesses.

4 MAYOR'S AGENT BYRNE: Yeah. I think
5 that's right. It was your cross examination.

6 MS. MOLDENHAUER: Our cross examination.

7 MAYOR'S AGENT BYRNE: You're the one who
8 brought it up in your questions.

9 MS. MOLDENHAUER: I brought it up in your
10 cross, if this is rebuttal of my witnesses, I
11 don't know how this comes in.

12 MAYOR'S AGENT BYRNE: But then, it seems
13 to me relevant to hear testimony about the
14 effects of making the kind of changes that your
15 witness suggested would be capable of saving the
16 building.

17 MS. MOLDENHAUER: But then my argument
18 would be then this should have been brought up on
19 their case in chief in regards to bringing an
20 expert here that I could cross examine rather
21 than reading from a document where I can't cross
22 examine this structural engineer. And that was

1 not part of the record.

2 One of our arguments is that they have
3 not met their burden. And to bring in a report
4 where an architect is reading from it and I can't
5 cross examine that expert I believe is a
6 substantial --

7 MAYOR'S AGENT BYRNE: What do you suggest
8 we do then about the structural -- about whether
9 the suggestion made by your witness is
10 structurally feasible or not?

11 MS. MOLDENHAUER: I would then object.
12 And if we want to continue this to another day
13 and they want to bring in their SKA report and we
14 bring in our, you know, witness in regards to
15 identifying additional information, I would be
16 fine with it. I know that's obviously elongating
17 this process.

18 But I don't believe that reading hearsay
19 from a document where I can't cross examine would
20 be appropriate.

21 MS. BROWN: Number one, it's not hearsay.
22 We're in administrative proceeding. Number two,

1 it goes directly to the question that was
2 testified to by Kevin Sperry about the
3 possibility of doing these other issues to the
4 building and whether -- and it's rebutting that
5 testimony.

6 MAYOR'S AGENT BYRNE: Yeah. It seems to
7 me highly relevant and sounds like you're also
8 quite familiar with the document. So it doesn't
9 seem to me you're being disadvantaged by the fact
10 that it's not in front of us. I wish it was. It
11 would be better if it was.

12 But I think, let's have the testimony and
13 then let's see whether, at the end of that, there
14 are outstanding issues that seem to be
15 prejudicial to you to not have a chance to
16 provide some kind of cross examination or
17 additional evidence. And then we can consider
18 whether we need to do something about it.

19 MS. MOLDENHAUER: Or potential rebuttal.

20 MAYOR'S AGENT BYRNE: Or potential
21 rebuttal. But let's see what we have here and
22 then figure out where we're going from there.

1 So, please proceed.

2 MR. HICKOK: Okay. Thank you.

3 This was written to Terry Fortune at
4 Monument Realty. "Dear Terry: You have asked
5 for an assessment of the structural condition of
6 the alley building at the rear of 616" --

7 (Cross-talk.)

8 MR. HICKOK: What do you want to do?

9 MS. MOLDENHAUER: I'm trying to hear.
10 Sorry. Go ahead.

11 MR. HICKOK: Who do you want to hear?

12 MS. MOLDENHAUER: I'm trying to hear you.

13 MR. HICKOK: Oh, okay.

14 "You've asked for an assessment of the
15 structural of the alley building at the rear of
16 616 Eye Street, Northwest. I made a sight
17 inspection of the building this morning. My
18 conclusions are set forth below.

19 "The structure in question attached at
20 its north side of the row house at 616 Eye,
21 Northwest, was constructed in 1922 as a
22 warehouse. It has a concrete structural system.

1 It is five stories tall and one basement. The
2 alley elevation is brick. The sides of the
3 building -- at the side elevation, the concrete
4 frame is in-filled with terra cotta block. Both
5 elevations were probably originally parged.

6 "Alterations have occurred to the first
7 floor on the alley and to the east elevation.
8 The structure consists of reinforced concrete
9 columns, beams, and floors. At the southeast
10 corner of the building, there's a large full-
11 height freight elevator. The only intersecting
12 stair in the building is located --
13 interconnecting stair in the building is located
14 at the narrow shaft just north of the elevator
15 shaft. Small storage cells with metal doors
16 cover the whole fifth floor.

17 "The building appears to have been vacant
18 for a long time. It is open to the weather, it
19 is exhibiting detrimental effects of that
20 condition. There are signs of over-stress in the
21 floor structure. Consistent on every floor,
22 there are significant cracks at the midpoint of

1 most beams.

2 "The concrete parging on the east side of
3 the building is not watertight. The thin and
4 missing concrete has exposed parts of the main
5 beams to water infiltration, causing
6 deterioration of the reinforcing steel. This
7 condition is mostly visible at the second and
8 fourth floors.

9 "At the southeast corner of the building,
10 the terra cotta east wall has shifted outward and
11 separated from the supporting columns. Also,
12 near that corner there are a number of plates and
13 tie-bolts on the east wall, reflecting a past
14 effort to remedy the aforementioned damage.

15 "In the basement, there's four or five
16 feet of standing water in the elevator pit. In
17 our experience, visible deterioration is but a
18 small portion of the overall damage in a building
19 such as this. Further invasive forensic
20 investigation would, in all certainty, uncover
21 significantly more serious and widespread damage.

22 "In conclusion, the structural condition

1 of the building is best described as poor. The
2 building is no longer suited to its original
3 function, due to the infiltration of weather and
4 moisture and cannot be occupied in its current
5 condition. Given the widespread structural
6 damage, remediation to the existing structural
7 deficiencies is impractical and may not be
8 financially viable.

9 "Lastly, the structure is deficient in
10 regards to current code standards, most notably
11 its ability to resist lateral forces and seismic
12 activity. Updating the building to meet such
13 life-safety conditions would require significant
14 alteration or replacement of the existing
15 structural system."

16 MS. MOLDENHAUER: I'm going to renew my
17 objection after trying to find the document.
18 That was a letter, not a report, the two-page
19 letter that was dated August 21st, 2013.

20 The report that was actually made part of
21 the HPRB submission was dated May 12th, 2015, and
22 is this report right here. I have not seen that.

1 That is not part of the record. And the last
2 sentence of that report indicates that there is
3 financial viability, and so far the Applicant has
4 not pled whether this is an economic hardship
5 case or made that argument. They've only made an
6 argument of special merit.

7 MS. BROWN: And I don't know that I need
8 to respond. But it doesn't matter whether it was
9 the SKA report or a letter to Mr. Terry Fortune
10 at Monument. It still goes to the issue of
11 rebutting the question of whether or not this
12 building can be saved and the condition of it.

13 MAYOR'S AGENT BYRNE: But I think if it's
14 a letter she hasn't seen before, that does bother
15 me. Because -- and it wasn't -- and the
16 allegation it was not in the HPRB record either.

17 MS. BROWN: I mean, he could testify to
18 this directly.

19 MAYOR'S AGENT BYRNE: Yeah. Well, I
20 suppose he could.

21 MS. BROWN: On rebuttal, so --

22 MAYOR'S AGENT BYRNE: I think the

1 question -- the question is, I guess -- so let's
2 bracket this for a second. The question, I
3 guess, really is, based upon the consultation
4 that you, as a supervising architect, has done,
5 what your assessment is of the physical
6 feasibility of the proposals that their architect
7 put forward.

8 And you could say that you're basing it
9 on engineering report you've received, in
10 general. I suppose that that's --

11 MR. HICKOK: And I can base it on
12 personal experience.

13 I can't speak -- I can't speak to the
14 technical feasibility of restoring this at some
15 cost. You can do anything. What I'm saying is
16 that, conceptually, when you take a building
17 which has a deep beam around the perimeter and
18 you begin to cut that beam in places where you
19 have no means that I could see to replace that
20 beam, it's a dicey, at best, structural
21 situation.

22 I have worked on buildings of this era.

1 These buildings were very early poured-in-place
2 concrete with rebar. Not in this building, but
3 in other buildings that I have experience with,
4 they were so unsophisticated about the technology
5 that we found bundles of rebar not even
6 distributed, just dumped into the bottom of the
7 form and poured.

8 Concrete from this era was not as
9 sophisticated as it is today. Therefore, its
10 flexibility, your ability to manipulate it, your
11 ability to put a bolt in it and have the bolt
12 hold -- all of that is very questionable.

13 It also brings to mind then the
14 questionable -- in my mind, the questionable
15 likelihood of being able to move a building such
16 as this. Buildings -- in a way, if this building
17 were three bays wide instead of one, it would be
18 easier because there's more lateral stability
19 than if you have one single vertical bay.

20 Now, can you bracket it? Can you put
21 metal on it? Can you make it absolutely stiff
22 and move it? I'm sure you can. But the danger

1 of how much damage would be done in that process
2 is also dicey. There's no guarantees that this
3 building would be easy to move. No building is
4 easy to move.

5 Furthermore, if you went the other way
6 and said, "Okay, we're going to leave it in
7 place," the fact that it has a basement -- the
8 basement then protrudes right over the ramp.
9 Right behind where our elevator bank is today
10 would be the basement of this building.

11 Presumably, therefore, we would be asked
12 -- we would be allowed to remove that portion of
13 the basement. Fine. But then you've got to put
14 back substantially deep beams to carry the load
15 of the five-story now brick building above. We
16 know that under our smaller buildings here, the
17 two alley buildings, we have beams that are, I
18 think, 30 inches deep carrying those buildings.
19 I'm presuming then that the beam that would be
20 required to carry the five-story building would
21 be deeper, say, 36 inches deep.

22 The complication there is that we have to

1 get this ramp under that beam. And we're already
2 at 15 percent. So it is a substantial task to
3 try to figure out how we would either preserve
4 the basement -- simply not possible. You could
5 not get a ramp down in any configuration.

6 We've studied -- she has asked
7 repeatedly, "Did you study? Did you study? Did
8 you study?" And we have studied dozens of
9 different ramp configurations from every point of
10 access to this building, even from Eye Street
11 itself.

12 MAYOR'S AGENT BYRNE: So, is it your
13 testimony then that your architecture team has
14 studied the physical and financial feasibility of
15 retaining the building and trying to incorporate
16 it through various different configurations of
17 the building?

18 MR. HICKOK: No. I can't tell you that
19 we have done purposeful studies.

20 MAYOR'S AGENT BYRNE: Okay.

21 MR. HICKOK: We didn't study, "Can this
22 building be moved?"

1 MAYOR'S AGENT BYRNE: Or can it be, not
2 moved, but incorporated in a way with various
3 sorts of changes to its rear and that sort of
4 thing?

5 MR. HICKOK: No.

6 MAYOR'S AGENT BYRNE: Okay.

7 MR. HICKOK: But I have further comments
8 on the study that was done.

9 MAYOR'S AGENT BYRNE: Which study?

10 MR. HICKOK: I'd like to go back to --

11 MAYOR'S AGENT BYRNE: Oh, his study.
12 Okay. So let's deal, though, then with the
13 letter. I'm going to exclude the letter from the
14 record because I think it did go outside. But I
15 think that the testimony that you gave is
16 perfectly appropriate in rebuttal of what their
17 architect said. Okay. Okay.

18 Then you can proceed.

19 MR. HICKOK: Under the partial demolition
20 scheme, as I've said before, it appears, and I'm
21 guessing, it looks like a third of the floor
22 plan, a third of the floor, more or less -- maybe

1 it's a quarter -- winds up being demo'd. Okay.
2 You have to replace that structure with
3 something.

4 MAYOR'S AGENT BYRNE: Right.

5 MR. HICKOK: Let's then go to the
6 exterior. So on the exterior, presuming -- I'm
7 not going to bring the picture up. But we all
8 know there's just single, not even residential
9 scale -- there are single windows in the middle
10 of the facade on each floor. Presumably, one
11 would need to add additional windows in order to
12 make those units even remotely marketable.

13 I can't speak for HPO or HPRB, but if I
14 were to guess, I would guess that maybe they
15 would allow you to put two flanking windows,
16 maybe. So, what occurs to me when I think of
17 this is that, okay. We have demo'd a third of
18 the floor area. We have added back structural
19 steel or whatever it takes in order to fix that.
20 We have added new windows to the outside.
21 Where's the historic integrity of this building?
22 In order to make it work, even under the

1 alternate schemes that have been proposed, it
2 seems to me, you know, you can save the patient
3 but you cut off both arms and both legs.

4 MAYOR'S AGENT BYRNE: Okay.

5 Do you have any more questions?

6 MS. BROWN: I'll just double-check to
7 see.

8 (Pause.)

9 MS. BROWN: No. I think that's it.

10 MAYOR'S AGENT BYRNE: Yes.

11 MS. MOLDENHAUER: Redirect, thank you.

12 CROSS EXAMINATION

13 BY MS. MOLDENHAUER:

14 Q. I'll start kind of from your last comment
15 -- actually, from a combination of your last
16 comment and your first comment. Your first
17 comment was, working it into the design. And I
18 think that that's one of my questions.

19 If you had been tasked with the goal of,
20 "Preserve this building," would you have been
21 able to come up with a design that would have
22 been able to work within the design?

1 A. How can I answer that? I have no idea.

2 I have no idea.

3 Q. Would it have been plausible?

4 A. I have no idea.

5 Q. Were you ever asked?

6 A. No.

7 Q. Okay. So you were never asked to even
8 come up, start with working this into a design.

9 If you were to have -- if you were to
10 reassess some of the size of the building and put
11 holes on the side, one of your concerns was that
12 you're cutting off the arms and the legs. Would
13 there be other plausible ways to provide light
14 and air into the side of the building without
15 puncturing or hurting the sides, the facade?

16 A. The front facade?

17 Q. The front facade.

18 A. I know of no other way to bring light and
19 air in without putting windows.

20 Q. On the side. I'm talking about, you can
21 put windows in the side of the building.

22 A. The long side.

1 Q. The long side.

2 A. The long side has building built up
3 against it. Will have units and so forth built
4 up against it.

5 Q. I'm saying, did you ever look at a
6 possibility of doing recesses on either side of
7 it?

8 A. No.

9 Q. Of course, no. Okay. One of the
10 questions, it sounds like you were talking also
11 about the challenge of the structure into the
12 cellar, into the loading area. Is that -- do you
13 see that as one of the larger issues in regards
14 to how the structure goes into the cellar in the
15 loading bay?

16 A. This building, any building built in the
17 District in many ways is parking driven. You
18 have to be able to bring the parking garage up in
19 a rational way, which means you have to get the
20 ramp down. And in more cases than not, it's the
21 ramp that's the limiting factor.

22 Q. Um-hm. But in the District, we do have

1 exemptions for historic buildings. So, because
2 this is a project with historically contributing
3 buildings, there would be no parking requirement.

4 MS. BROWN: She is stating something --

5 MS. MOLDENHAUER: I'm asking a question,
6 if he knows as an architect whether there's a --

7 MS. BROWN: She's stating it, though, as
8 a fact. I mean, it's the premise --

9 MS. MOLDENHAUER: He can answer yes or
10 not.

11 MAYOR'S AGENT BYRNE: Okay. You didn't
12 state it as a question.

13 MS. BROWN: You know, I think it's a
14 problem.

15 MAYOR'S AGENT BYRNE: But I will treat it
16 as a question, and you can answer it.

17 MS. BROWN: But my objection is that the
18 premise may not be correct to the question. So
19 answering it yes or no does not get to the
20 question that was asked. I mean, do you --

21 BY MS. MOLDENHAUER:

22 Q. Do historic structures have parking

1 exemptions?

2 A. Some get them. Some don't. Not all
3 historic structures automatically get parking
4 exemptions.

5 Q. But they are available?

6 A. Some do, some don't.

7 Q. As an architect, have you ever applied or
8 worked with an applicant to obtain a parking
9 variance?

10 A. Sure.

11 Q. And given the location of this building
12 and its proximity a block from the Metro, in your
13 opinion do you think it would be possible to --

14 MS. BROWN: I'm going to object to this
15 now. We're now varying into zoning issues as
16 opposed to dealing with his direct testimony
17 about the --

18 (Cross-talk.)

19 MAYOR'S AGENT BYRNE: I'm going to allow
20 it. Go ahead.

21 MR. HICKOK: Okay.

22 MAYOR'S AGENT BYRNE: I think it's

1 relevant.

2 MR. HICKOK: State the question.

3 BY MS. MOLDENHAUER:

4 Q. Due to the fact that the site is a block
5 from the Metro and you have historic buildings,
6 is this something that you either personally have
7 seen in regards to other cases, maybe, that
8 you've taken on? Or is it something that you
9 think you would be able to work with an applicant
10 to pursue a case for a variance?

11 A. I think it's not my call.

12 Q. If you were -- you talked about kind of
13 the alternate designs of having to move the
14 loading bay and how that would create a problem
15 with the turning radius. Actually, if we can go
16 back to that slide, that would be helpful.

17 (Pause.)

18 BY MS. MOLDENHAUER:

19 Q. Perfect. You had indicated that the
20 swing, that you would have to swing in this
21 direction.

22 A. Um-hm.

1 Q. That would -- you said -- have you
2 specifically studied that scenario?

3 A. In this building?

4 Q. Yes.

5 A. No.

6 Q. No.

7 A. But there are things -- you know, there
8 are things you don't have to study. There are
9 things that you know because you've been doing
10 this for 25 years. And I know that the only
11 alternative, if these elevators are out here, the
12 only possible way is to bring this down and
13 around to the outside. I mean --

14 Q. And by doing that, you're still able to
15 then provide parking; you might just be providing
16 less parking?

17 A. Substantially less parking. In my view,
18 my belief is this entire row goes away on two
19 floors. And then you have to ask, what are you
20 building all this for?

21 Q. And you -- that's based on a 15-foot-
22 degree incline for the loading?

1 A. I can't swear to that. But I asked Rob
2 before he left, and he thought it was a 15-
3 percent slope.

4 Q. And did you evaluate it based on maybe a
5 belief in doing it 18? There are projects in the
6 District that have 18?

7 A. You could do. But I can tell you that if
8 I had -- if I had to get under a three-foot beam
9 on this location, or I'm sorry, it would be on
10 this location, that's carrying the building
11 above, I could not get under that. It would
12 probably take a 25-degree slope.

13 Q. You indicated that, hypothetically, there
14 might be problems with cutting the back
15 structural beams of the existing warehouse and
16 then having to redistribute the load; is that
17 correct? Am I calling that --

18 A. Right. It's not hypothetical. There
19 would be -- you would have to replace those beams
20 in some way. And it would be difficult.

21 Q. My question is, have you studied that as
22 an alternative with a structural engineer and

1 determined what the Delta would be from a
2 financial perspective for Monument?

3 A. No.

4 Q. You talked about the challenge with
5 possibly moving the structure and the fact that
6 it's not a two-bay structure. Again, have you
7 studied that with an engineer and determined what
8 the financial Delta would be for Monument to do
9 that?

10 A. No.

11 Q. If you were to possibly partially
12 demolish, would you not have to deal with the
13 beams or cut the beams?

14 A. It depends on what -- how -- what
15 portions you were choosing to demo.

16 MS. MOLDENHAUER: Okay. No other
17 questions.

18 MAYOR'S AGENT BYRNE: Okay.

19 MS. BROWN: Could I just ask a clarifying
20 question?

21 REDIRECT EXAMINATION

22 BY MS. BROWN:

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1 Q. You were here for the slide presentation.

2 A. Um-hm.

3 Q. And you saw that he did show alternatives
4 to trying to save the building and what it did to
5 the program, correct?

6 A. Right. You're talking about the other --
7 the other scheme?

8 Q. I'm talking about --

9 MAYOR'S AGENT BYRNE: Mr. Sperry's.

10 BY MS. BROWN:

11 Q. -- the presentation, the slide
12 presentation that your firm put together today.

13 A. Oh, right. The other studies that Rob
14 did. Yes.

15 Q. Okay. And just a clarifying question.
16 What is the 25-percent slope mean?

17 A. Well, you can't do it. I mean, it's way
18 -- it exceeds any industry standard for a parking
19 garage. Fifteen is pushing it. Eighteen is way
20 out on the edge. Right?

21 (Laughter.)

22 MR. HICKOK: One would likely -- I can't

1 even believe I'd get argument on that.

2 MS. BROWN: All right. Those are my
3 questions.

4 MS. MOLDENHAUER: Speed ramp. But it's
5 been --

6 MAYOR'S AGENT BYRNE: All right. All
7 right. Thank you very much, Mr. Hickok.

8 MS. BROWN: I'd like to recall Anne
9 Adams, please.

10 MAYOR'S AGENT BYRNE: Sure.

11 (Pause.)

12 MS. BROWN: Do you want to go with the
13 witness?

14 MAYOR'S AGENT BYRNE: Yes, please.

15 (Laughter.)

16 MS. BROWN: I'm sorry. I'm sorry.

17 (Cross-talk and laughter.)

18 MS. BROWN: Sorry.

19 MAYOR'S AGENT BYRNE: It's been a long
20 day.

21 MS. BROWN: Oh, dear. Yeah.

22 I'm sorry. I'm going to start with a

1 question for you.

2 Whereupon,

3 ANN ADAMS

4 was recalled as an expert witness and testified
5 as follows:

6 FURTHER DIRECT EXAMINATION

7 BY MS. BROWN:

8 Q. You heard today or just now Mr. Hickok's
9 testimony regarding the amount of change that
10 would require to try to do the, Mr. Sperry's
11 suggestion and the level of intervention that
12 that would require and the amount of historic
13 fabric that would be compromised.

14 In your professional opinion, is the
15 value of this building worth such intervention to
16 try to save it?

17 A. No.

18 Q. Why not?

19 A. I have to look -- let me organize my
20 thoughts here. I have to look at this
21 holistically in the context of the entire
22 project. The compromises to that building, which

1 will lessen its integrity, perhaps totally undo
2 it, depending on how much you have to do to it.
3 Compared to -- that building is not worth
4 compromising a project that will provide
5 significant preservation benefits to nine other
6 buildings, the streetscape, the alley-scape, and
7 the general understanding of the historic
8 district.

9 The one building is not worth it. I
10 think it's much more important to go for the goal
11 here. We can get a lot of positive preservation
12 benefits here.

13 You know, you can do anything with time
14 and money. And the question is, is it worth it?
15 And I don't believe that building is worth
16 possibly jeopardizing the positive aspects of
17 this project that we've been talking about today.

18 Q. You heard other testimony today about --
19 from Ms. Hughes. I'm wondering if you could
20 respond to it.

21 A. This building, we've heard lots of
22 interesting history on this building. And it's

1 interesting. It expands our understanding of the
2 building, of the alley, of the historic district.
3 It is perhaps significant.

4 But it doesn't change the -- the building
5 is a contributing building, and it has this
6 interesting history. And it in no way precludes
7 the process that we're going through right now,
8 which is to allow the Mayor's Agent to make a
9 determination is the demolition of that building
10 can be approved as either consistent with the
11 purposes of the Act or because it's necessary to
12 construct a project of special merit.

13 This process is the safety valve for our
14 preservation law. And certainly, other buildings
15 that I believe have more interesting histories
16 have come through this process and been partially
17 or fully demolished for good reason. And that's
18 why we're here today.

19 It's all -- it all contributes to the
20 understanding of the District. And that's a good
21 thing. Its loss will not cause the District to
22 lose its integrity or fall apart or prevent the

1 incorporation of that information into our
2 understanding of the currently designated or
3 expanded boundary of the historic district.

4 And actually, when you look at the three
5 alley buildings in relation to that north-south
6 through alley, which is unusual and important,
7 the alley buildings that are being proposed are
8 being saved and rehab'd. One of them was
9 actually on that alley. They're both visible
10 from that alley.

11 And 616 rear is the most distant. It
12 doesn't front on that alley. And it's the least
13 part of that significance of the alley of the
14 three buildings. So there's an argument for the
15 others.

16 Q. Is there -- we've heard talk today about
17 the McMillan Reservoir project and the ability --
18 the relative significance of the underground
19 cells and the visibility of this building,
20 whether that's really the governing factor for
21 consideration.

22 MS. MOLDENHAUER: I'm going to object.

1 We didn't testify to any of this. So I don't
2 know exactly where you're going. It sounds like
3 it's beyond the scope of rebuttal.

4 (Pause.)

5 MS. BROWN: I concede that point.

6 (Laughter.)

7 MAYOR'S AGENT BYRNE: It's getting late
8 in the day.

9 (Laughter.)

10 MS. BRAY: That doesn't happen often.

11 MAYOR'S AGENT BYRNE: No, it doesn't.

12 (Laughter.)

13 MS. ADAMS: Do you want to rephrase the
14 question?

15 MS. BROWN: Yes, I do.

16 MAYOR'S AGENT BYRNE: I expect she will.

17 BY MS. BROWN:

18 Q. If you could compare the relative
19 significance of this building to other projects
20 of special merit where demolition has been
21 approved, where does this fall?

22 A. Oh, interesting. I personally would put

1 it low on the list. But all of these things have
2 to be assessed individually and in the context of
3 the project proposed. But Palais Royale, a
4 significant building. I think more significant,
5 Rhodes Tavern, even in its compromised state had
6 significant history.

7 I mean, there's also a question of
8 whether we're talking about a whole building or a
9 facade. And -- yeah. The interesting history of
10 this building, to me, is just less important,
11 because it doesn't ever go away, even if the
12 building is not there, the history remains, than
13 the visual aspect of other buildings on the site.
14 And I may not have answered your question, but --

15 MS. BROWN: Okay. No, it's good enough.
16 I think that's all unless you had something else
17 that you wanted to offer in rebuttal.

18 MS. ADAMS: I do. I read part of a
19 finding of a Mayor's Agent Sheehy on the Hecht
20 Company, the first Hecht Company project, this
21 morning. And it occurred to me that I think this
22 is actually something worth talking about.

1 First, this order is on a project that
2 essentially was a facade project except for the
3 Hecht Company building. The applicant sought
4 approval on the basis of consistency with the
5 purposes of the Act. The D.C. Preservation
6 League supported that. The Committee of 100
7 opposed it. The project was approved. This was
8 in 1994.

9 Fast-forward two years to 1996.

10 MS. MOLDENHAUER: Again, it's late and I
11 don't know the question. But I think this is
12 again beyond the scope of the rebuttal.

13 MS. BRAY: It sounds like argument,
14 actually.

15 MS. MOLDENHAUER: Yeah.

16 MAYOR'S AGENT BYRNE: Um-hm. I think so.

17 MS. BROWN: Do you have a specific
18 element of that that goes to the question of the
19 relative significance of buildings and
20 demolition?

21 MS. ADAMS: It doesn't go to that. It
22 goes to consistency or special merit. And

1 basically, add housing to the second project,
2 it's the same -- I mean, the same project, second
3 time around with housing, it was done to avoid a
4 lawsuit. And everybody supported it as special
5 merit, with the addition of housing.

6 MAYOR'S AGENT BYRNE: Okay. Well, I'll
7 look at the Hecht Company case.

8 MS. ADAMS: Yeah. It's an interesting
9 case.

10 MS. BROWN: Okay. Any other points?

11 MS. ADAMS: No. I think that's all.

12 MS. BROWN: Okay. I'm sorry. I have no
13 other questions.

14 FURTHER CROSS EXAMINATION

15 BY MS. MOLDENHAUER:

16 Q. I'm just trying to understand your
17 position here because it seems, I think, very
18 concerning. Are you testifying that you can,
19 under the special merit test, you can demo one
20 building if you are preserving and saving others?

21 A. I believe that it is -- the test is a
22 consideration of the relative value of the

1 retention of one building, in this case 616 R,
2 compared to a much more substantial benefit of
3 restoration of facades and rehabilitation of
4 facades, adaptive reuse of buildings -- all of
5 the preservation benefits that affect nine
6 contributing buildings and the streetscape and
7 the alley-scape and the historic district as a
8 whole in a much greater way that 616 R
9 contributes.

10 It is a relative -- it's a balancing
11 test, and it's a relative question, a question of
12 relativity.

13 Q. You said earlier, you said
14 "jeopardizing." Aren't you applying an economic
15 hardship argument, saying that -- and not special
16 merit?

17 A. I think the technical problems presented
18 by the -- I'm not talking as a structural
19 engineer, but just looking at this and listening
20 to the testimony, the challenges of saving this
21 building, 616 R, has a real potential to
22 compromise this project. And I think it would be

1 a real lost opportunity if this project didn't
2 happen for the sake of this one building.

3 MAYOR'S AGENT BYRNE: Well, what makes
4 you think that the project wouldn't happen?

5 MS. ADAMS: I don't know if it has to
6 stay there. I don't know what would happen. But
7 I can see all of the technical problems here.

8 MAYOR'S AGENT BYRNE: Um-hm. Okay.

9 MS. ADAMS: The building is in the wrong
10 place. And to work around it will result in
11 significant alteration, and it might even be
12 demolition under the Act at that point, and we'd
13 be right back before you.

14 BY MS. MOLDENHAUER:

15 Q. You indicated that, you know, preserving
16 this building is not worth the adaptive reuse,
17 potentially. But you were referencing issues of
18 the physical appearance. Are you considering at
19 all the massing of the alleys and the way that
20 this contributes to the massing of the alley
21 structures?

22 A. The alley -- this particular alley has

1 buildings that are one-story, two-stories, three-
2 stories with two freight elevators and towers,
3 this. There is a variety. I don't think because
4 this is the tallest of the buildings that that
5 makes it necessarily any more special than
6 anything else. It's still going to have variety
7 among the contributing buildings.

8 Q. But losing the variety of a one, two,
9 five versus a one, two -- you don't find --

10 A. I do not believe that that specific issue
11 is an overriding issue.

12 Q. You then also talked about how you valued
13 the corner building on the alley more than the
14 internal building and on the total side. I
15 actually live in Capitol Hill in an alley
16 structure, and I guess my question is, having
17 done alley survey looking at buildings, wouldn't
18 you say from a historical point of view that the
19 edge of an alley is not always as relevant, but
20 rather from even Ted's testimony that the
21 interior living nature and the culture and the
22 use of what the interior feeling and massing of

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1 the building is more critical from a historic
2 preservation and a historic perspective?

3 A. My comment was in response to testimony
4 relating to the significance of the north-south
5 through alley, which is, I believe, more
6 important, relatively speaking, than the east-
7 west alley, which is not a through alley.

8 And to me, buildings that sit on that --
9 a building that sits on that alley and is visible
10 in both directions along that alley is -- has
11 potentially more -- more of an impact on
12 understanding that alley than a building that's
13 not on it. So it was response to something --

14 Q. Did you consider at all the character of
15 not the through alley, but the alley lifestyle,
16 the alley character that lives within a closed
17 portion of the alley and how that building
18 contributed to that character and use?

19 A. I don't believe that building is
20 necessary to retain a sense of the alley and its
21 historic evolution.

22 MS. MOLDENHAUER: No other questions.

1 MAYOR'S AGENT BYRNE: Okay. All right.

2 (Ms. Adams was excused as a witness.)

3 MS. BROWN: I'm sorry to do this, but one
4 more. I'd like to call Mr. Salpini back for a
5 very quick couple of questions.

6 MAYOR'S AGENT BYRNE: Okay.

7 Whereupon

8 MR. SALPINI

9 was recalled as an expert witness and testified
10 as follows:

11 MR. SALPINI I wanted to tell you it's a
12 pleasure to come back.

13 (Laughter.)

14 MAYOR'S AGENT BYRNE: It would be less of
15 a pleasure to come back next week, though.

16 MR. SALPINI: Yes, you're right.

17 FURTHER DIRECT EXAMINATION

18 BY MS. BROWN:

19 Q. Mr. Salpini, did you study the
20 alternatives to saving the building when you were
21 looking to redevelop this site?

22 A. Yeah. Just to clarify, the architect

1 presented the results of the study, the efforts
2 that we asked them to undertake to retain the
3 alley building.

4 We wanted nothing to do with being before
5 you today, and we definitely invested some time
6 and effort through the architect to try and
7 explore ways to retain that building. The
8 conclusion that we came to with the input of the
9 architect we shared with you earlier today.

10 We don't benefit by elongating this
11 process. It takes resources, it takes time, it
12 takes money. We obviously, through the HPRB
13 process, spent a lot of both. And we didn't want
14 to be here if we could possibly have avoided it.

15 And I think I just want to also take the
16 opportunity to remind everyone that I believe
17 even HPO staff today commented with their view
18 about the difficulty of actually incorporating
19 and retaining this building into a workable
20 facade.

21 MS. MOLDENHAUER: I would object, because
22 that was actually prior to our testimony as to

1 the plausibility. And there had been nothing
2 presented at that point other than what the
3 Applicant has presented when he testified.

4 MAYOR'S AGENT BYRNE: I didn't follow
5 what you said.

6 MS. MOLDENHAUER: When Steve testified,
7 it was before our opposition case.

8 MAYOR'S AGENT BYRNE: Oh. So in other
9 words, he shouldn't be -- because it's not
10 rebuttal to your case.

11 MS. MOLDENHAUER: No, no, no. I'm also
12 saying that when Steve testified, he had not
13 heard the possibility of other alternatives. He
14 testified before our witness presented his
15 options.

16 MAYOR'S AGENT BYRNE: Oh. Oh, I know.
17 But I expect he's heard alternatives before. But
18 I take your point.

19 MS. BROWN: That's it. Thank you.

20 MAYOR'S AGENT BYRNE: Okay. Yours.

21 FURTHER CROSS EXAMINATION

22 BY MS. MOLDENHAUER:

1 Q. You indicated that you had preferred to
2 maintain the building. But we've heard on direct
3 testimony from Ms. Adams that she was retained in
4 2012 and that she was asked to review what
5 buildings could be demolished, as her first --

6 MS. BROWN: I object to the question
7 because that is not what she said.

8 MS. MOLDENHAUER: You can go back and
9 read the record. I'd actually like to go back.
10 Can we go back and see what she stated?

11 MAYOR'S AGENT BYRNE: To which portion?

12 MS. MOLDENHAUER: It was Ms. Adams's
13 testimony --

14 MAYOR'S AGENT BYRNE: First testimony.

15 MS. MOLDENHAUER: First testimony. It
16 seems like one of her first redirect questions.

17 MAYOR'S AGENT BYRNE: You mean earlier in
18 the day?

19 MS. MOLDENHAUER: Yeah.

20 MAYOR'S AGENT BYRNE: Well, I think it
21 had to do with whether they were contributing
22 buildings or not. Is that fair?

1 (Pause, discussion was held about the
2 difficulty of reading back the record.)

3 MAYOR'S AGENT BYRNE: Okay. So, can you
4 rephrase the question?

5 (Pause.)

6 MS. MOLDENHAUER: No. That's fine.

7 BY MS. MOLDENHAUER:

8 Q. You had indicated that you would have
9 preferred not to demolish the structure. But
10 when Hickok testified that they were never asked
11 to look at design scenarios for preserving the
12 buildings --

13 A. Okay. I'll try and restate my response
14 to that. I think the testimony from Rob earlier
15 today where he presented the studies would
16 indicate that we had asked them to evaluate
17 whether or not they could incorporate that
18 building and retain it in the project design.
19 And as a result of those efforts to investigate
20 it, we determined that we were unable to feasibly
21 incorporate it into the project.

22 Q. And I guess my question is, there's two

1 different aspects. One is, incorporate a
2 building into the existing design -- yes, that's
3 what you've shown. But my question is, when I
4 asked Mr. Hickok -- and I'm confused as to your
5 testimony -- whether they'd ever been asked to
6 design a project incorporating it, they indicated
7 that they hadn't. And so --

8 A. Can you try your question again? Because
9 maybe I'm missing that.

10 MAYOR'S AGENT BYRNE: So, Mr. Hickok, you
11 asked him about whether he could have windows on
12 the side, for example, and sort of not use that
13 space for the new building? I think that's the
14 kind of thing you're talking about?

15 BY MS. MOLDENHAUER:

16 Q. We're just -- any alternative design that
17 would have been on the premise of preserving it.
18 And so, the question is, you're stating that
19 you've been trying to work the building into your
20 current design. But did you ever try to create a
21 design that preserved the building?

22 A. I would presume, from our standpoint,

1 that that would be one and the same. We would
2 not be trying through design to isolate the
3 building and keep it in place. We would try and
4 make it part of a greater whole. By leaving it
5 isolated like that, we were unable just trying to
6 think about that. We were unable to make any
7 sense out of just leaving it isolated and trying
8 to build all around it.

9 But the idea was if we could retain it
10 and incorporate it into the design, that's what
11 we asked them to study.

12 MS. MOLDENHAUER: No other questions.

13 MAYOR'S AGENT BYRNE: Okay.

14 (Mr. Salpini was excused as a witness.)

15 MS. BROWN: No more witnesses.

16 MAYOR'S AGENT BYRNE: Okay. So, would
17 you like to make some closing arguments? Or
18 would you like to submit something in writing --

19 MS. BROWN: Yeah. I think we'd probably
20 submit and spare everybody.

21 (Laughter.)

22 MAYOR'S AGENT BYRNE: -- after you've had

1 a chance to take a shower and freshen up?

2 (Laughter.)

3 MS. BROWN: Yes.

4 MAYOR'S AGENT BYRNE: So, that's fine.

5 And that way you can also look at the transcript
6 and sort of see. So, we could do what we
7 sometimes do. I think -- so in general, I think
8 this is a case in which proposed findings of
9 fact, conclusions of law would be helpful because
10 there are -- I think it would help me in
11 understanding exactly where the factual disjoint
12 is between the parties a little bit more clearly
13 perhaps.

14 But I want to invite you as well to have
15 a section in there in which you just make an
16 argument for your position, to go.

17 And let me just make some comments to
18 sort of try to narrow this a little bit. I mean,
19 this is plainly a terrific project in the sense
20 that it is very much the kind of urban
21 development in this area that, in so many ways,
22 makes sense.

1 But is it a project of special merit? I
2 find that a difficult question. You know, I
3 would point especially the elements that strike
4 me as arguably amounting to special merit are
5 what you might call the architectural land-use
6 elements that provide so much preservation of
7 buildings on the street.

8 And I think the conformity with the
9 Comprehensive Plan and the zoning for the area is
10 also significant, but I have a question in my
11 mind about how significant. And I also have a
12 question as to how significant the nine units of
13 80 percent AMI housing are. I'm not saying
14 they're not; I'm just saying I'm uncertain about
15 that.

16 I don't find the economic arguments
17 compelling one way or another, because, you know,
18 again any development downtown would have many of
19 these benefits. And I'm not sure that they're
20 special. And if I'm missing something there, I'd
21 ask you to explain why they're special.

22 And so then, a lot of the discussion has

1 been about the question of necessity, which is
2 part of the element. And I would say that, on
3 the one hand, it's been said in a number of cases
4 that the necessity is the necessity to build the
5 project of special merit. It's not necessity
6 standing alone.

7 So it's not entirely divorced from the
8 good project that they're putting forward. But
9 it really is a question as to whether they've
10 studied enough and looked deeply enough into
11 whether they can incorporate this building into a
12 project that is close to the -- either, not
13 exactly, but close to the project that they're
14 doing. I think that's the way it makes the most
15 sense to think of the necessity issue.

16 Okay. So I offer that. I mean, all
17 that, I'm subject to further argument. I just
18 wanted to share with you some of my thinking to
19 try to help you to focus what I would find most
20 helpful in your submissions. Okay.

21 So then, typically we say two weeks from
22 when the transcript is prepared. It seems to me

1 in this case three weeks may be better. Does
2 that sound right? Is that enough time?

3 (Ms. Brown and Ms. Moldenhauer nodded in
4 agreement.)

5 MAYOR'S AGENT BYRNE: Okay. Let's say
6 three weeks from the time that the transcript is
7 sent to the parties. Okay?

8 MS. MOLDENHAUER: Brian, what's the
9 typical time frame?

10 THE COURT REPORTER: Ten business days.

11 MAYOR'S AGENT BYRNE: Okay. Is there
12 anything else to wrap up today?

13 MS. BROWN: No, sir.

14 MAYOR'S AGENT BYRNE: Okay. Well, thank
15 everybody for their patience and their endurance.
16 It's very interesting. It raises lots of
17 interesting questions, and I appreciate the
18 quality of the evidence today. Thank you.

19 MS. MOLDENHAUER: Sorry. I just want to
20 clarify. You're not keeping the record open for
21 any additional evidence?

22 MAYOR'S AGENT BYRNE: Correct. Only if

1 people ask about -- we only do that if people ask
2 and say that there's something they want to
3 submit.

4 I guess there's a question about the
5 original engineering report that's been discussed
6 so often. And I guess I would like that report
7 in the record.

8 MS. MOLDENHAUER: Yeah. As I say, if we
9 can -- since there's additional structural issues
10 that were brought up, if we can rebut those with
11 additional evidence and supplement that, that
12 would be --

13 MAYOR'S AGENT BYRNE: You said you had a
14 -- there was DCPL report that went to the HPRB?

15 (Cross-talk.)

16 MS. MILLER: There was not a report
17 prepared. However, there was a structural
18 engineer toured the building after we had
19 initially seen some information from Monument.
20 And they testified. Is that Tadjer-Cohen? They
21 testified --

22 (Cross-talk.)

1 MAYOR'S AGENT BYRNE: Okay. So I have
2 that. I have the transcript of the HPRB. So.

3 MS. MILLER: But zoning talked about how
4 what we proposed was not structurally something
5 that could be done. And so, if our structural
6 engineer could look at that.

7 MS. BROWN: And I would object to that
8 because, you know, rebuttal, surrebuttal,
9 everything is supposed to be done here.

10 MS. MOLDENHAUER: Well, we could provide
11 it, you know, within -- you could provide that
12 within 15 days, business days from now. And then
13 they could rebut that in their written
14 submission. And notwithstanding, you were going
15 to --

16 MS. BROWN: I mean, if it's in the
17 record, the Tadjer-Cohen report, we can see it in
18 the transcript --

19 MS. MOLDENHAUER: But it's not talking
20 about the --

21 MS. BROWN: Testimony. I think it is.

22 MS. MOLDENHAUER: I mean, I think the

1 issue that you have in regards to necessity and
2 feasibility, and I think there are some issues of
3 alternatives. And I think it would be helpful to
4 have that as a reference.

5 MAYOR'S AGENT BYRNE: Well, it would have
6 been helpful if -- I mean, suppose the critique
7 Ms. Brown would make is that, as the
8 architectural witness made the suggestions,
9 perhaps you should have had an engineer testify
10 that they were feasible.

11 MS. MOLDENHAUER: But Ms. Brown did not
12 put an engineer on her witness list, and then all
13 of a sudden we ended up reading letters into the
14 evidence from a structural engineer --

15 MAYOR'S AGENT BYRNE: Well, I didn't let
16 the letter go into evidence.

17 MR. HICKOK: If you going to allow
18 Tadjer-Cohen to comment on the feasibility of the
19 design, then we have to have someone comment on
20 the infeasibility of the design.

21 MAYOR'S AGENT BYRNE: I know. I think
22 that's right. So I think we won't go there.

1 We'll all have to rely on the testimony in the
2 HPRB report. I think, you know, the issue of
3 allowing --

4 MS. MOLDENHAUER: In the transcript?

5 MAYOR'S AGENT BYRNE: In the transcript.

6 MS. MOLDENHAUER: Okay. Thank you.

7 MAYOR'S AGENT BYRNE: But allowing this
8 report in makes sense because it was before the
9 HPRB. And the testimony given there would have
10 taken it into account. Okay?

11 MS. MOLDENHAUER: Okay. Then we can
12 incorporate the transcript testimony?

13 MAYOR'S AGENT BYRNE: Yeah. That's fine.
14 Okay?

15 MS. MOLDENHAUER: Thank you very much.

16 MS. BRAY: Thank you.

17 MAYOR'S AGENT BYRNE: Thank you,
18 everybody.

19 (Whereupon, at 6:27 p.m., the proceedings
20 concluded.)

21

22