

Summary for Distribution to Community : 16

16.1 DEVELOPMENT TEAM MEMBERS

Baywood Hotels

Baywood Hotels is one of the fastest growing, privately owned hotel companies in the Mid-Atlantic region. Established in 1975, Baywood owns and operates over \$800 million in assets. Baywood Hotels, and its affiliate companies, employ more than 1,300 associates nationwide.

Dantes Partners (DP)

Since its inception in 2003, Dantes Partners has provided consulting expertise to various entities, helping clients vet, assemble, and coordinate design and finance teams. DP provides hands-on programming of vacant parcels to stabilizing newly constructed buildings to managing property assets. To date, DP has closed over \$220,000,000 of financing across 15 deals.

U Street Parking (USP)

USP provides a comprehensive package of services including managing and operating parking facilities, valet parking, shuttle service, consulting services, and facility management services for many different types of clients. U Street Parking currently manages an upwards of 60,000 spaces that generate over \$140 million in revenue annually to its clients.

Pettles Group/EB5 Capital

EB5 Capital raises foreign capital from investors who are seeking permanent residency in the US. These funds are invested into projects within the US in accordance with the federal EB-5 Immigrant Investor Program. EB5 Capital targets projects in areas with high unemployment. The company is focused on funding projects in major metropolitan areas throughout the US.

The Menkiti Group

The Menkiti Group is a Washington DC-based real estate services company focusing on strategic development, management, and sale of residential and commercial property. The firm has restored over 70 homes and over 40,000 SF of neighborhood-serving retail, and currently has an additional 250 units of workforce and affordable housing and 35,000 SF of neighborhood commercial under development. The company's sales team ranks in the top 1% of realtors nationwide and has helped over 500 families purchase their first home.

16.2 DEVELOPMENT VISION

Project Narrative

Our design for the development of Parcel 42 offers a building that becomes a new participant in an architecturally significant intersection and the symbol of a changing historic neighborhood. The upper floor lobby of the hotel features an outdoor terrace which provides a social venue that participates with the revitalized street life. The development will restore the original tree plans of the neighborhood and will widen the existing tree wells to decrease the amount of impervious surface along the R and Rhode Island Avenue sides. Indigenous plantings within these enlarged wells will become the home to a commissioned public art installation that will culminate in a larger focal point of a pocket park on the small triangular plot of land fronting Rhode Island Avenue.

Building Placement & Site Planning

The building is programmed with three discrete entrances on the three major streets surrounding the site. A residential entrance is created along the seventh street elevation, a hotel entrance addresses the intersection of R and 7th streets with the new library beyond, and the retail entrance is located along the short angled Rhode Island and 7th Street frontage.

Building Configuration & Active Street Frontage

The glass facade of the southern exposure of the building is shaded by a secondary skin of perforated aluminum that contributes to the sustainability goals of the building while becoming an iconic billboard for the neighborhood. The perforated screen "drape" will be manipulated to display images in tribute to the history of the Shaw neighborhood during the day while becoming transparent to the light inside the building at night.

Elevations with Description of Materials

North and South Elevations feature:

- Curtain wall system with clear anodized aluminum mullions
- Clear low insulated glazing unit with back painted spandrel glass
- Aluminum screen shading device mounted in front of the curtain wall system for solar heat gain mitigation

East and West Elevations feature:

- Curtain wall system with clear anodized aluminum mullions
- Terracotta and cementitious rainscreen panels

16.3 DEVELOPMENT PROGRAM

Hotel

102 suites | 57,209 SF

Affordable Housing

22 rooms – 100% at 50% of AMI | 22,378 SF

Retail

5,689 SF (potential for up to 3 bays)

Parking

Below grade | 74 spaces (50 spaces; 20 valet)

Allowable SF 91,896 SF

Total SF 89,915 SF

Allowable FAR 6.0

Utilized FAR 5.88

Estimated Achievable Gross Square Footage

- Lot Area: 15,316 SF
- Proposed Design: 89,915 SF

1ST FLOOR: 14,291 SF / 2ND & 3RD FLOOR: 10,516 SF / 4TH FLOOR: 9,857 SF / 5TH THROUGH 9TH FLOOR: 8,947 SF / 5.88 FAR

16.4 AFFORDABLE HOUSING BREAKDOWN

We have started by devoting more than 24% (or 22,000+ SF) of the total building square foot towards affordable housing. The 22 studio and one bedroom units located on floors two and three will be targeted to professionals whose incomes are at or below 50% of the Area Median Income. Within the building envelope we have created housing for potential hotel employees to reside. We decided to provide a much deeper level of affordability to satisfy the following: (1) express the desires of the community; (2) the District's inclusionary zoning policy; and, (3) our collective commitment to include some very low-income units. As a bonus, we plan to furnish the units with the same furniture as the hotels rooms above them.

16 : Summary for Distribution to Community

Design provided by OPX, pllc (www.opxglobal.com)



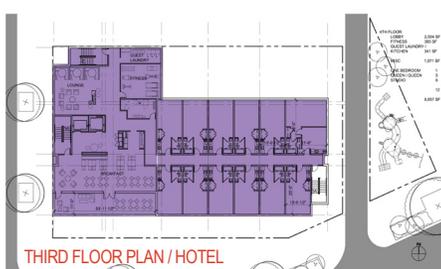
PARKING LEVEL FLOOR PLAN



FIRST FLOOR PLAN / LOBBY AND RETAIL



RESIDENTIAL FLOOR PLAN



THIRD FLOOR PLAN / HOTEL



BUILDING PLACEMENT & SITE PLANNING



MASSING DIAGRAM



MASSING DIAGRAM

- RETAIL
- HOTEL
- RESIDENTIAL
- POOL DECK
- PARKING/LOADING

Amount and Percentage of Square Footage Devoted to Affordable Housing

Square footage - 22,378
 Percentage of total project - 24%
 Number of units - 22

- 6 efficiencies
- 16 one bedrooms

One of the challenges Principian Ventures faces is maximizing the number of affordable units in a limited footprint. Our strategy is to maximize the number of units to provide the largest number of units possible to potential workers on the site. As a result, we have not included larger family sized units. The team believes that these units exist in a number of

nearby properties and those needs may be better served at those projects.

Income levels

50% of AMI

Rent Projections

- \$797 net of utility allowance - efficiencies
- \$858 net of utility allowance - one bedrooms

Marketing, Operations and Administration of Affordable Units

In keeping with our commitment to excellence in asset and property management, we have partnered with the Washington Property Management to operate, maintain and ensure compliance in accordance with industry standards and fair housing laws and regulations.

Affordability Covenant

The housing units offered in the Principian Ventures proposal will be offered at rates deemed affordable by the U.S. Department of Housing and Urban Development in perpetuity.



WEST ELEVATION

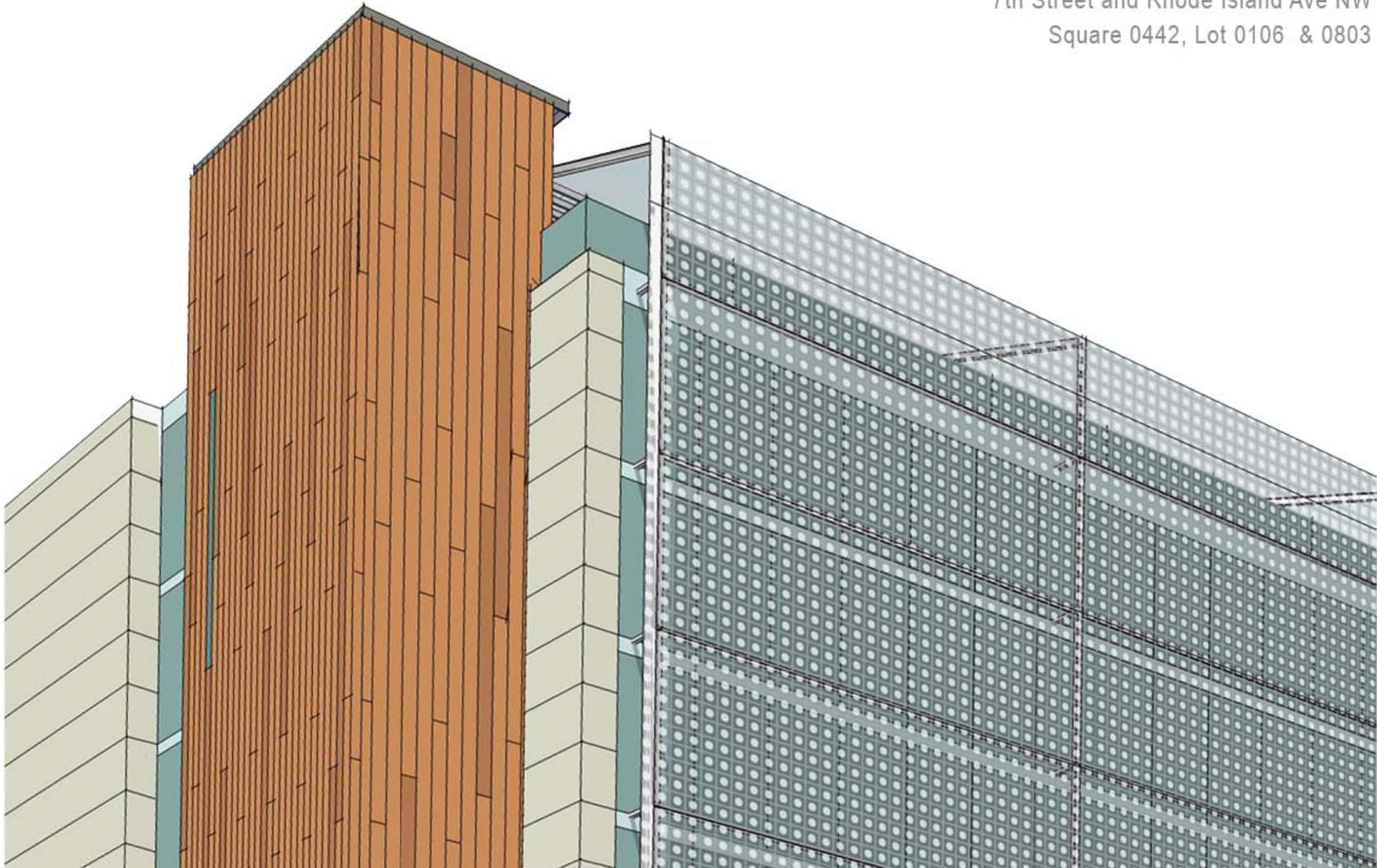


EAST ELEVATION



PARCEL 42

7th Street and Rhode Island Ave NW
Square 0442, Lot 0106 & 0803



DEVELOPMENT TEAM

PARCEL 42

7th Street & Rhode Island Avenue, NW



principian ventures

- Lead Partners: **Baywood Hotels**
- Co-Developer: **Dantes Partners**
- Equity Investor: **Baywood Hotels**
- Debt Financing: **Pettles Group/EB5 Capital**
- Project Architect: **OPX**
- Parking: **U-Street Parking**
- Retail Management: **The Menkiti Group**
- Retail Tenant: **Milk & Honey**



GUIDING PRINCIPLE

Transformation of Fallow Parcel to Vibrant Gateway

The Challenge – How to Create a Program That Delivers:

1. High Quality Architecture
2. Economic Viability & Development
3. Mixed Income Housing
4. Neighborhood Serving Retail
5. Parking
6. Transit Oriented Development

The Solution – Forgo the Predictable and Blend the Unexpected:

1. Hotel: Economic Development & Design
2. Affordable Housing: Pathway to Employment & Housing
3. Retail: Fresh New Small Business & Jobs
4. Parking: Long Standing Community Based Business
5. Not sacrificing any community request
6. **NO SUBSIDY FROM THE DISTRICT GOVERNMENT!**

TEAM QUALIFICATIONS

Collectively our team has accomplished the following:

- Transformed Communities Through Thoughtful and Patient Approach to Real Estate and Economic Development, Design, and Financial Investment.
- Delivered **62** Hotels; in business since 1975
 - \$800M in assets
- Financed & Developed **511** Affordable Housing Units
- Manage Over **65,000** Parking Spaces in Major Airports
- Developed Over **200K** Sqft of Neighborhood Commercial and Workforce Housing Units
- Invested over **\$675MM** in Washington DC Real Estate Projects
- Designed and Delivered the First LEED Certified Hotel in North America

700 R Street

fresh organic

SUMMARY OF USE

PARCEL 42

7th Street & Rhode Island Avenue, NW

- Parking:** 74 spaces (54 and 20 valet)
- Retail:** 5,689 SF (first floor)
- Hotel:** 102 hotel rooms: 54,592 SF (floors fourth to ninth)
- Affordable Housing:** 22 affordable units @ 50% of AMI
3 efficiencies @ \$797 per month
19 one-bedrooms @ 858 per month
Representing 24% of FAR
- Total SF:** 89,915
- Height:** 90 ft. (nine stories)
- Management:** One ownership/different managers for each component

700 R Street

fresh organic



DEVELOPMENT PLAN: JOB CREATION

7th Street & Rhode Island Avenue, NW

ECONOMIC DEVELOPMENT

- **60-75 Jobs**
- Partner With Community Based Organizations
- Priority for Shaw Residents
- Opportunities for Individuals With High School Diplomas

Hotel
41 Jobs
Avg Wage:
\$15/HR

Grocer
15 Jobs
Avg Wage:
\$10 - \$32/HR

Parking
5 Jobs
Avg Wage:
\$8 - \$10/HR

Construction
300-400 Jobs
Avg Salary:
\$47,000



Property Mgt
1 -2 Jobs
Avg Wage:
\$15 - \$20/HR

Career Path

Applicants



Entry Level



DEVELOPMENT PLAN: AFFORDABLE HOUSING

7th Street & Rhode Island Avenue, NW

AFFORDABLE HOUSING

- 22 Affordable Housing Units
 - 19 1 BDs and 3 Studios
- Affordable at 50% of AMI
 - Rents Will Range Between \$797 - \$958/Month



The Power of Principian Venture's Program is:



700 R Street
Affordable

fresh organic

PARCEL 42

VIEWS



Ariel View

VIEWS

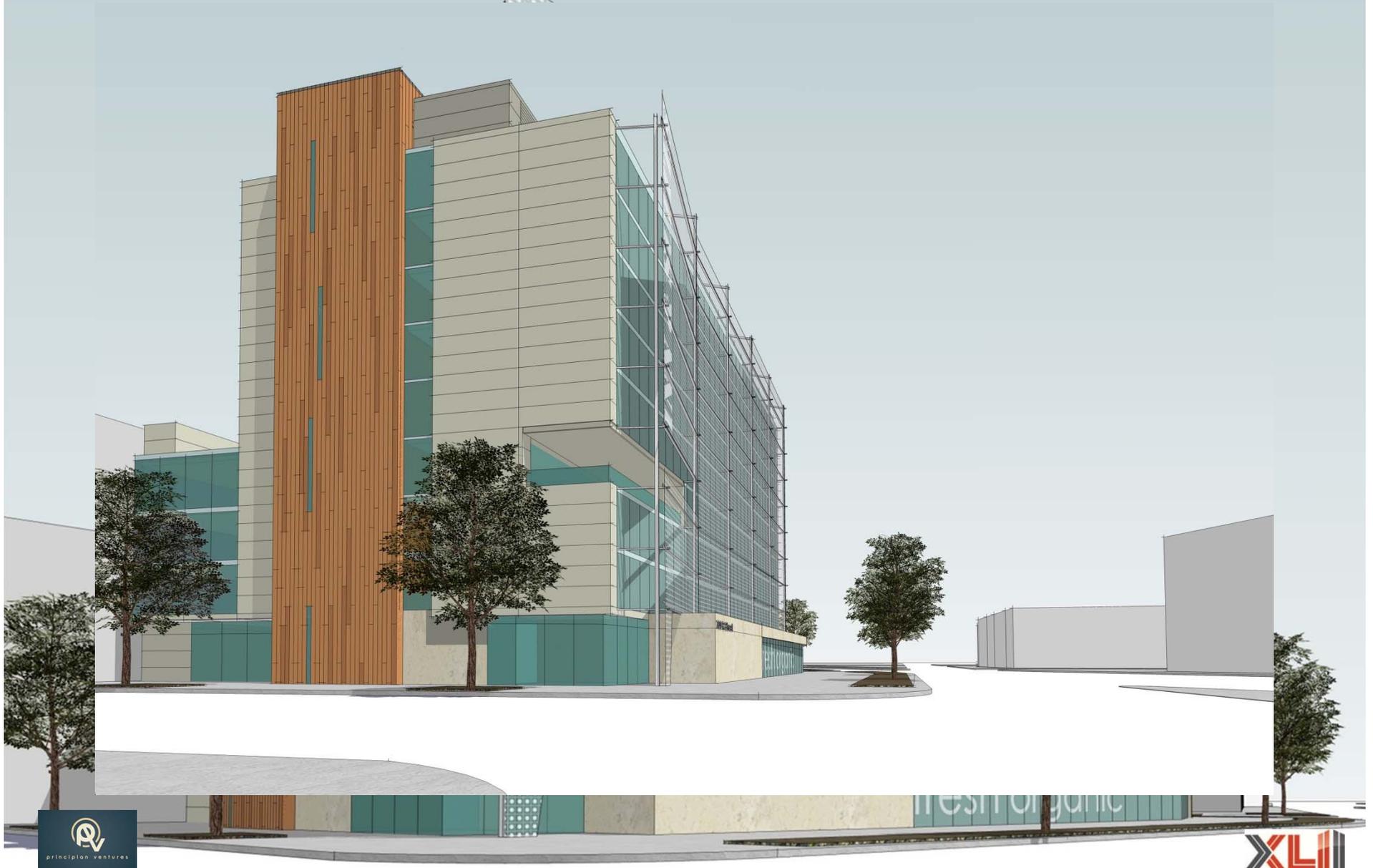


View looking toward Rhode Island



PARCEL 42

RESIDENTIAL ENTRANCE



DEVELOPMENT PLAN: COMMUNITY BENEFITS

- ✓ Economic Development (60 – 75 Jobs; >80% Long-Term)
 - Internships For Students From Hospitality High To Create a Long-Term Career Path
 - Taxes: sales, hotel, property, franchise, employment, parking
- ✓ Affordable Housing (22 Units)
- ✓ World Class Design
- ✓ Innovative and Compelling Retail Concept
- ✓ Parking (w/Valet)
- ✓ Community Playground on empty lot

