

Shops at Penn Branch

Project Update: Summer 2020

Presented to: Penn Branch Citizens Civic Association

Date: July 27, 2020



PROJECT UPDATE – SUMMER 2020

- ❖ COVID-19 Update
- ❖ Construction Update
- ❖ Retail/Office Leasing
- ❖ City-Wide Zoning Text Amendment – fast food and restaurant uses
- ❖ Branch Ave Parcel Update





COVID-19 Update:

- ❖ All tenants have re-opened except Star Pizza (see leasing section for update)
- ❖ Occupancy limits for certain tenants (e.g. Planet Fitness)
- ❖ Rent deferral agreements completed or in process for tenants impacted by shutdowns
- ❖ Individual tenants are responsible for health and safety measures within their space (e.g. cleaning, sanitizing, etc.).

Reminder from DC Department of Health:

Our Shared Responsibility. Our Special Responsibility.

PROTECT YOURSELF. PROTECT OTHERS.

- ✓ Wear a **mask**.
- ✓ Keep **6 ft** of distance from others.
- ✓ Choose your **activities** wisely.

CORONAVIRUS.DC.GOV

July 20, 2020



DC HEALTH
GOVERNMENT OF THE DISTRICT OF COLUMBIA

2020 GOVERNMENT OF THE
DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR



Construction Update:

❖ Completed Work

- Base renovation scope
- KBEC build-out
- Subway renovation

❖ Current Work in Progress:

- West wall waterproofing – addressing water intrusion into the Planet Fitness Space – Aug 2020
- Tenant Build-Out (see leasing section for further info):
 - Office of the State Superintendent of Education – Sept 2020
 - Highlands Café – Jan 2021
- Space 207 (former H&R Block) – new storefront and interior demo – Sept 2020.

❖ On the Boards:

- Landscaping; site fixtures; headache bar re-design – Q4 2020/Q1 2021
- Conversion of CVS space (see leasing section for further info) – Q1 2022.
- Conversion of lower level to parking - TBD
- Retail and Office tenant build-outs – rolling basis as leases are signed





Leasing Update – Retail

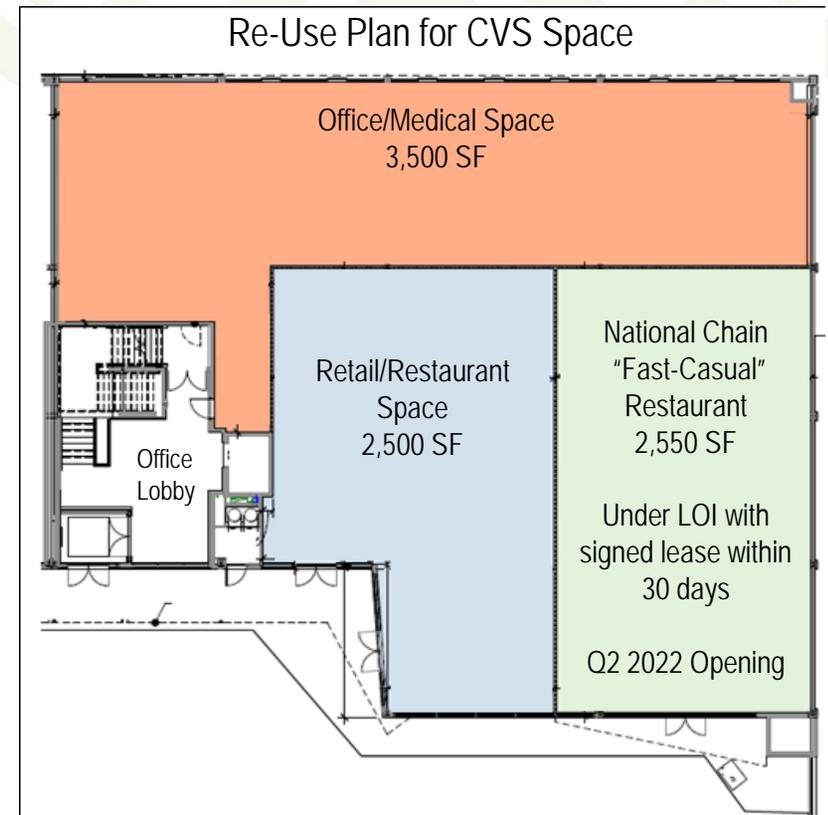
- ❖ Subway – lease extended
- ❖ Star Pizza
 - Owner is exploring sale of the business
 - Local seafood restaurant has expressed interest
- ❖ Highlands Café - lease signed



Leasing Update – Retail (con’t):

- ❖ CVS
 - Short term lease extension through December 2021 to bridge CVS to planned new standalone store on adjacent laundromat site in 2022.
 - Design for conversion of the CVS space to “small shop” retail/office space underway – work to commence immediately following CVS relocation.
 - Replacement Tenants:
 - Pending lease with national fast casual tenant.
 - Strong interest from other regional/national fast casual restaurants: Smoothies, burgers, pizza, sushi, etc.
 - Strong interest from medical/dental users for office space

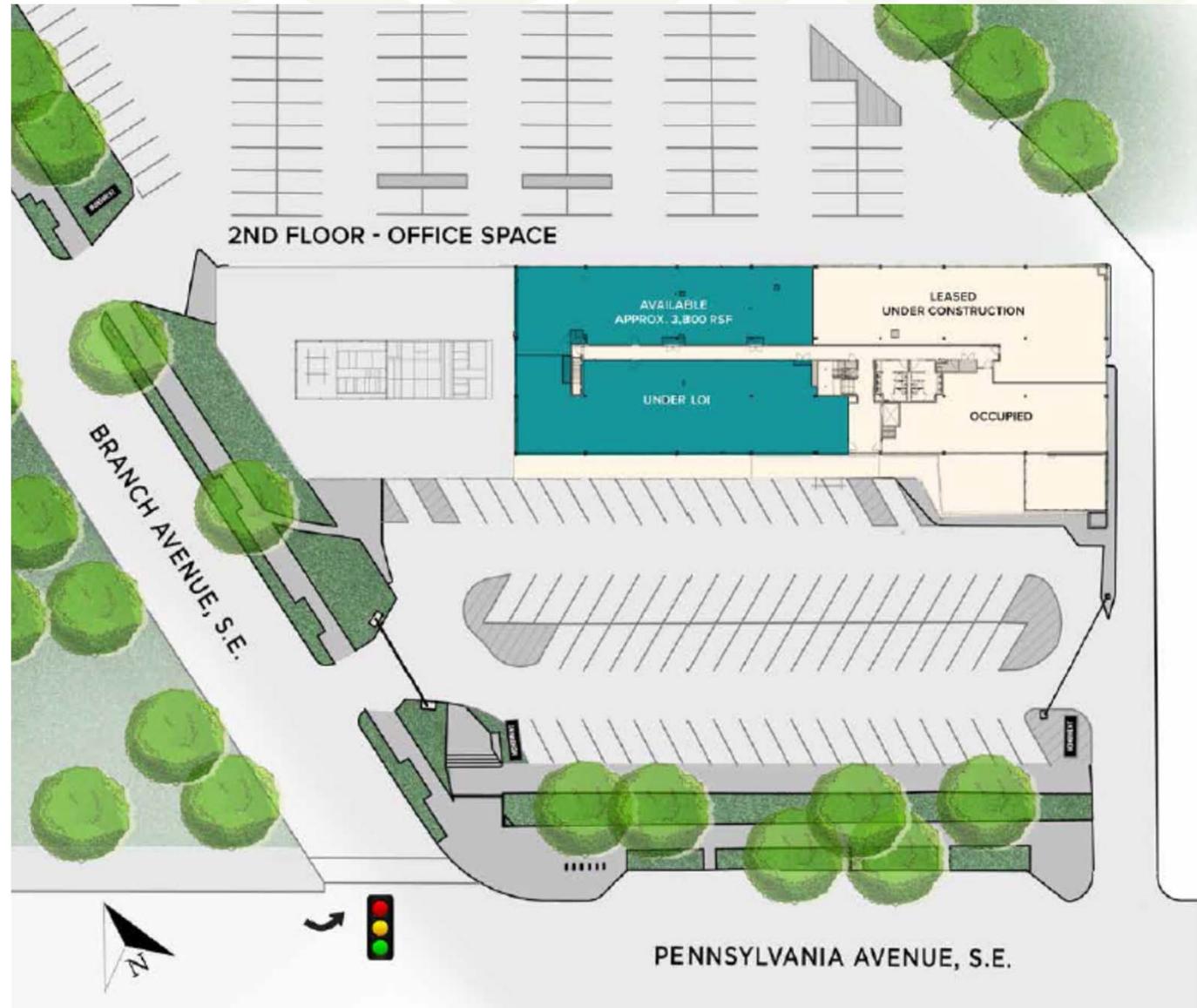
- ❖ City-Wide Zoning Text Amendment for “Fast Food Uses”
 - Zoning regs don’t differentiate between “fast casual” (e.g. Panera, Noodles & Co, Chipotle, etc.) and conventional “fast food” (e.g. McDonalds, KFC, etc.)
 - Office of Planning initiated a city-wide text amendment. Rather than fix the definitions, OP revised regs will allow “fast food” in the MU-3 zone via a “Special Exception”.
 - Final Zoning Commission approval on the text amendment expected in September.
 - Each proposed fast food use will require ANC support and approval of the BZA.
 - Penn Branch will likely have multiple tenants seek this approval.





Leasing Update – Office

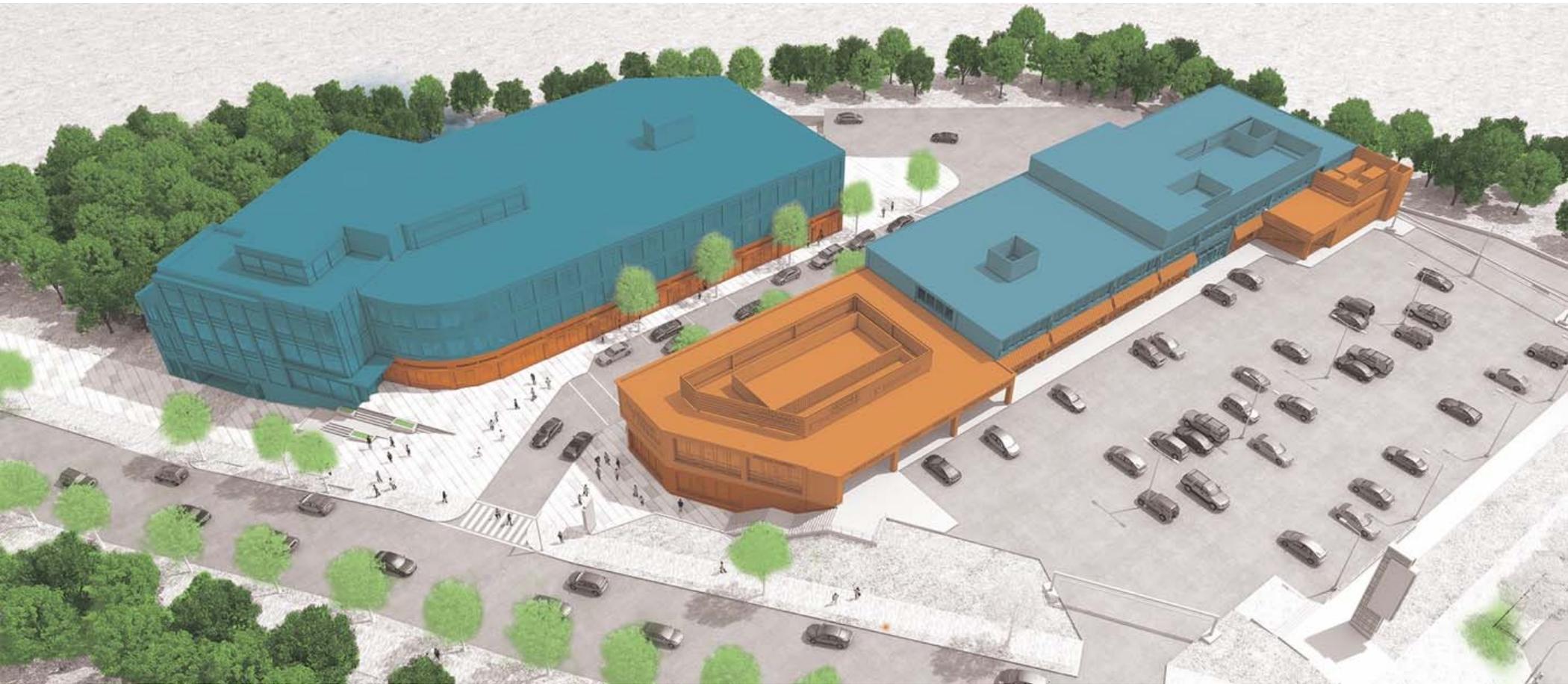
- ❖ KBEC – Occupied 12/2019
- ❖ OSSE – under construction. Sept 2020 occupancy
- ❖ LOI executed with primary care provider. Lease expected within 30 days



Branch Ave Parcel Update

- ❖ Continuing to investigate multiple development opportunities:
 - Office and Medical
 - Multi-family residential
 - Retail
 - Mixed - Use





Branch Ave

Competing/Exploring how to increase population to attract additional retailers. (1) Homeownership with for-sale townhomes, (2) affordable/workforce housing, (3) office