



Summary of PBCCA Call with Anthony Startt of Jair Lynch Development Partners

August 15, 2020

Dear Penn Branch community,

We hope this note finds you and your families well. Although we have not been able to gather as a community over the last several months due to the pandemic, the Penn Branch Citizens Civic Association (PBCCA) leadership team has been busy working toward our community goals, including helping attract neighborhood-serving businesses to the Shops at Penn Branch. Before sharing some updates along those lines, we want to reiterate that our first concern is for the safety and health of our community, and if you need information and resources related to COVID-19, please visit <http://dc.coronavirus.gov> for the latest. If you do not find what you need, please do not hesitate to reach us at info@pennbranchdc.org. A special thank-you to PBCCA's Correspondence Secretary for coordinating the meeting with Jair Lynch.

On Monday, July 27, 2020, PBCCA leaders met virtually with a representative from Jair Lynch Development Partners, the owners of the Shops at Penn Branch. During the meeting, we shared the good news that PBCCA and its partner community associations along the Pennsylvania Avenue SE corridor had secured \$450k from the DC Government to establish a Main Street organization and update the Pennsylvania Avenue SE Corridor Small Area Plan. The Jair Lynch team was excited to hear about these successes, which will help us revitalize the corridor to serve our long-time residents.

The Jair Lynch representative provided the attached update for the community and shared the below details, including on construction and leasing. The highlights include:

- Highlands Café aims to open next to Planet Fitness in early 2021
- CVS plans to build a freestanding store in place of the laundromat and move over by December 2021
- Nationally-renowned fast-casual restaurant will take-over part of the space CVS vacates

We expect more news in the weeks ahead and will pass updates on as we get them. Here are all of the details:

COVID-19:

- Many of the businesses were shut down for a significant period and have only recently started to reopen.
- All, except for Star Pizza, have reopened but many have limitations on their occupancy.
- Jair Lynch wants to ensure businesses survive and is pursuing rent deferrals.
- Most importantly, businesses are reminding patrons to wear masks and use social distancing.

Construction:

- The current work is focused on waterproofing to fix the leak on the wall within Planet Fitness.
- Waterproofing should finish in the next 30 days.
- Remainder of their near-term construction will focus on building-out tenant office spaces and updating vacant retail spaces.

Leasing:

- **Office:**
 - Office of the State Superintendent of Education is building out space for approximately 25 employees who work on their Strong Start program.
 - KBEC Group is already resident in the office spaces, and they administer several community-based programs for the DC Government, including on job training.
 - A Medical services group is in final discussions to sign a lease, and more details will come out if/when they do.
- **Retail:**
 - Highlands Café has signed a lease for the space next to Planet Fitness and build-out will begin once permits are secured, with a target opening of January 2021.
 - CVS has signed a ground lease with the laundromat owners to build a freestanding store at the corner of Pennsylvania Avenue and Carpenter Street SE:
 - CVS will remain in the Shops at Penn Branch through December 2021, when they hope to complete the new building.
 - Once CVS vacates, the space will be divided and Jair Lynch is close to being able to announce that a national fast-casual restaurant plans to move into one of the spaces.

Zoning:

- The city is working on a fix to an unintended zoning issue that is affecting citywide properties. The issue is that there is no current zoning distinction between traditional fast food restaurants and fast-casual restaurants.
- Impacts to the Shops at Penn Branch:
 - The Zoning Commission will take a final vote to draw a distinction between the two on September 15. This will allow fast-casual restaurants to come to the appropriate Advisory Neighborhood Commission and the Board of Zoning Adjustment to be approved in developments like the Shops at Penn Branch that are zoned to prevent typical fast food chains from being included.

- Fast-casual restaurant aiming to backfill CVS would be the first test of this process for the Shops at Penn Branch, and they would likely come to the ANC for approval this fall. The special allowance would leave intact neighborhood setback requirements and the drive-through prohibition.

Parcel 2/Rear Parking Lot development:

- Jair Lynch is still weighing several options and have not made a decision on which to pursue.
- They are leaning toward a building with ground-floor retail and above-ground office space to meet demand from medical and health organizations.
- Other options in consideration: For-Sale townhomes and For-Rent apartments with all or some at full market rate.
- Jair Lynch continues to look for potential large office and commercial tenants.

Grocery store:

- Jair Lynch continues to check-in with prospects, but still hear concerns that the available space is not on Pennsylvania Avenue.
- Jair Lynch is aware of the current DC Government call for applications for the Neighborhood Prosperity Fund (**NPF**) grants (developers can ask for up to \$3 million) to help attract key services, but Jair Lynch is not in a position to apply without a grocery tenant lined-up.
- Jair Lynch is willing to look at other incentive options with the DC Government if/when a grocery option develops.
- Jair Lynch is open to hosting a farmer's market or other community-driven efforts on the shopping center grounds.

If you have questions or comments, please feel free to reach us at info@pennbranchdc.org. We hope to invite a representative from Jair Lynch Development Partners to provide a community update virtually later this fall.

Thank you,

The PBCCA Board