

**MEMORANDUM**

TO: District of Columbia Zoning Commission

FROM: Jennifer Steingasser, Deputy Director Development Review & Historic Preservation

DATE: November 3, 2014

SUBJECT: Extension Request No. 3 – PUD Case 03-12S / 03-13S Capper-Carrollsborg
250 M Street, SE – Office Building in Square 769

RECOMMENDATION

The Office of Planning (OP) recommends the Commission **approve** the third requested two-year extension for this element of the Capper-Carrollsborg PUD.

Applicant:	Square 769, LLC & District of Columbia Housing Authority
Address:	250 M St., SE (Square 769, Lots 18, 20 and 21)
Ward / ANC	Ward 6, ANC 6D
Project Summary:	130' high, 234,182 GSF office building, with first floor retail and 150 garage parking spaces. Part of 33-acre Hope VI project in near-southeast
Order Effective Date:	Original Second Stage Order effective September 26, 2008.
Previous Extension:	Two
Order Expiration Date:	September 26, 2014
Requested Extension Period	2 years



Figure 1. Site of Future 250 M Street, SE office building

The PUD's long-delayed community center appears to be moving ahead, but the progress on the overall PUD has slowed, particularly buildings approved for primarily office space and for residential buildings that would have a significant mix of incomes. The former have had difficulty finding prospective tenants and the latter have had difficulty securing private construction financing. Given this, OP recommends that the applicant provide an update on the overall PUD status, including projections for delivery of the remaining affordable housing units without compromising the commitment to a mix of incomes in future residential buildings, as part of upcoming applicant filings for the January 8, 2015 modification and extension hearing on Zoning Commission cases 03-12Q/-3-12Q and 03-12R/03-13R.

EVALUATION OF THIS EXTENSION REQUEST

Section 2408 10 allows for the extension of a PUD for “good cause” shown upon the filing of a written request by the applicant before the expiration of the approval, provided that the Zoning Commission determines that the following requirements are met

- (a) The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond.**

The application was submitted to the Zoning Commission on September 25, 2014 and has been in the public record since filing

- (b) There is no substantial change in any of the material facts upon which the Zoning Commission based its original approval of the planned unit development that would undermine the commission’s justification for approving the original PUD.**

Zoning Regulations:

There has been no substantial change to the Zoning Regulations that would affect the approved project.

Comprehensive Plan:

There has been no substantial change to the Comprehensive Plan that would affect the approved project.

Surrounding Development:

There has been no substantial change to surrounding development that would undermine the original justification for the approval of the project

- (c) The applicant demonstrates with substantial evidence that there is good cause for such extension, as provided in § 2408.11.**

The applicant meets the good cause conditions in §§ 2408 11(a) and (b)

§ 2408.11 (a) “An inability to obtain sufficient project financing for the planned unit development, following an applicant’s diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant’s reasonable control ”

§ 2408 11 (b) “The existence of pending litigation or such other condition, circumstance or factor beyond the applicant’s reasonable control which renders the applicant unable to comply with the time limits of the planned unit development order”

The application includes a summary of the efforts the applicant has undertaken to market the project with written and web materials, meetings, and industry promotional conventions The summary is supported by a September 17, 2014 letter from Michael Stevens, the president of the Capitol Riverfront BID, a September 24, 2014 letter from W Christopher Smith, Chairman and CEO of William C Smith + Co Clare J McCabe, Senior Vice President of William C Smith + Co., and a September 23, 2014 letter from Edward Wolyneec, Executive Vice President of William C Smith + Co that summarizes the pre-leasing efforts and the several promising pre-lease expressions of interest that have not reached conclusion

Section 2408 11 (b) “ An inability to secure all required governmental agency approvals for a PUD by the expiration date of the PUD order because of delays in the governmental agency approval process that are beyond the applicant’s reasonable control,” *is not applicable*

ANC 6D voted unanimously on October 26, 2014 to recommend approval of the extension request

JS/slc

Case Manager Stephen Cochran