

SULLIVAN & BARROS, LLP

Real Estate | Zoning | Business Law

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February 18, 2014

By E-Mail Submission

Lloyd Jordan, Chairman
Board of Zoning Adjustment
441 4th Street, NW
Suite 210S
Washington, DC 20001
bzasubmissions@dc.gov

Re: Post-hearing submission for BZA Application No. 18701, NW; 1247 E Street, SE

Dear Chairman Jordan and Members of the Board:

Please find attached hereto a post-hearing submission from the Applicant's architect. This submission provides detail on the type and amount of work necessary to convert the commercial space at 1247 E Street, SE, to residential use. The conversion presents an undue hardship not only because of the economic cost of conversion, but also due to historic preservation concerns and zoning concerns (the addition of a fifth residential unit would require variance relief from the minimum lot restrictions of the R-4 zone). We trust this information is responsive to the Board's request for additional information on the undue hardship. Please let me know if you require any additional information.

Clarification of the Requested Use.

The Applicant is requesting that the proposed use be categorized as restaurant use, subject to whatever restrictions the Applicant has proposed, the ANC has suggested, or the Board requires. The Applicant does request one exception to be included as a condition: that any proposed use be permitted the ability to have patrons pay for their food or drink prior to consuming same. Such a situation, by itself, according to the Zoning Regulation, would put the proposed use into the category of fast food restaurant. Since the proposed use will not be a fast food restaurant and will more closely resemble a prepared food shop, café, or restaurant, the Applicant believes that the proposed use is best categorized as restaurant with this one exception, and the Applicant requests leave of the Board to so amend its variance request.

Sincerely,



Martin P. Sullivan

Enclosure

cc: Office of Planning, Stephen Mordfin
ANC 6B, Nichole Opkins

BOARD OF ZONING ADJUSTMENT
District of Columbia
CASE NO. 18701
EXHIBIT NO. 36

RECEIVED
D.C. OFFICE OF ZONING
2014 FEB 18 PM 2:30

February 18, 2014

1247 ESE LLC/ Hatem Hatem
1616 19th Street NW Apt. 1
Washington DC 20009

Re: 1247 E Street, SE Renovations

Mr. Hatem:

As requested, I have inspected the property (the "Property") and improvements (the "Building") located at 1247 E Street, SE for the purpose of preparing an estimate for the conversion of the existing commercial space on the ground level & cellar level (the "Premises") into a residential apartment unit. The following analysis considers both architectural (A) and financial (B) aspects of converting the Premises into a single apartment unit, using either the ground level exclusively, or the ground level and cellar level together.

A. Architectural Assessment:

A.1 Cellar Space Not Reasonably Adaptable to Residential Use:

The conversion of the cellar space to a residential use is logistically difficult. The first level of the Building was built at grade, and is on the adjacent property lines, which provides no above-grade windows for the cellar level. There are two (abandoned) areaways, which were previously used as a ventilation shaft and for goods delivery, that theoretically could be adapted to provide minimal light and perhaps egress requirements for cellar space, however neither would provide actual views to the exterior. Because of the large square footage of the cellar level, more than one space would be required to have windows, meaning excavation would be needed to provide light-wells of adequate size in order to provide for reasonable light and ventilation to the exterior. As the property is built on the property line, such excavation would need to occur in the public space. Such work would certainly impact the character of this contributing building, and would most likely be restricted or denied by the Historic Preservation Office.

A.2 Conversion to Residential Requires Zoning Relief:

The Property is currently legally nonconforming as to minimum lot area, because it already has four (4) apartment units. The R-4 district requires that conversions to apartment house use, or expansions of pre-1958 apartment houses, must provide 900 square feet of land area for each residential unit. Because the Property has a land area of 3,514 square feet, it does not meet the minimum lot area requirement to provide a 5th apartment unit (4,500 square feet).

Therefore, the conversion of the first floor space to residential use is not permitted as a matter-of-right and would require BZA variance relief from the minimum lot area restrictions of 11 DCMR § 401.3.

A.3 Limitations on the Ability to Convert, Regardless of Cost:

The Building is a contributing structure in the Capitol Hill Historic District, and as such is subject to significant limitations on the ability to alter the exterior of the ground floor space. The large retail show windows on both street frontages must remain as they are, combined with the fact the floor level is on grade leads to privacy concerns that will have an impact on the desirability and value of the space as a residential use. Furthermore, as addressed above, the desirability of cellar level space without above-grade windows as living space is minimal, regardless of location or condition.

Moreover, the space is quite large, at approximately 970 SF on the ground level, and 940 SF on the basement level, for an approximate combined 1910 SF, which is a very large and unorthodox space for a two-level residential space in this area.

Such square footage rivals if not exceeds that of most single family homes in the area, most of which provide additional amenities, such as above-grade bedrooms, private rear yards and off-street parking, which this unit would not be able to provide, thus making it a much less desirable property in the case of a 2 level renovation.

B. Financial Assessment:

B.1 Current Situation:

The Premises consists of a ground level and lower level ("cellar") space within a larger structure comprised of 4 residential apartment units. The Premises is currently vacant.

I understand the previous tenant was a non-profit organization that used the Premises for a commercial office use, that all previous uses were non residential, and that the space was designed as a store per original permit plans. As such, the infrastructure and amenities that would befit a residential use are not present. There are no other demising walls present, and much of the utilities and structure of the space is exposed.

As noted above, for various reasons, the cellar space is not readily adaptable to a residential use, but for the purposes of this exercise I have drawn up a program and cost analysis for a 2-level and 1-level residential unit. This is represented at the end of this document (Appendix 1 & 2).

B.2 2 Level Renovation:

B.2.1 Scope of Work:

A 2 level conversion (ground level and cellar) will lead to a 3 bedrooms/ 2.5 baths unit, with a total area of 1910 SF.

The scope includes a turn-key solution, including all of the following necessary improvements:

- all new plumbing, including trenching of existing slab for new drain locations
- all new electrical wiring and fixtures, including heavy up and/or upgraded panel, and recessed lighting throughout

- all new mechanical systems, including ductwork and forced air furnace/cooling equipment
- all new perimeter walls and ceilings to be insulated up to current codes
- all new wood windows to meet current energy code and historic district requirements
- additional windows and window wells to provide natural light to the cellar
- new hardwood flooring throughout
- gypsum board walls and ceilings throughout
- solid wood paint-grade doors, molding and baseboard throughout
- solid hardwood cabinetry, stone countertops, and stainless steel mid-grade appliances
- EXCLUDES exterior landscaping/hardscaping.

B.2.2 2 Level Renovation Budget:

The budget estimate is assessed using 2 costing methodologies: A cost per SF approach and a cost by Trade approach.

B.2.2.1 Cost per Square Foot Approach:

I have designed and built many residential renovations in Washington DC, in historic districts, and in existing structures that were originally built around the turn of the 20th Century, such as this building. While prices can range greatly depending on the level of finish requested by the client, as a general rule of thumb renovations of this nature, where we begin with a shell and install all new plumbing, electrical, and HVAC systems that meet current code, and all new finishes, tend to cost in the range of \$150 to \$225 per square foot in hard construction costs.

As detailed in Appendix 1, the budget for this 2-level renovation is likely to range between \$286,500 and \$429,750 or an average of \$358,125.

B.2.2.2 Cost by Trade Approach:

The scope of work is broken down between the different trades necessary to complete this renovation, and each trade is priced separately.

As detailed in Appendix 1, the budget for this 2- level renovation is estimated at \$330,420.

B.3 1 Level Renovation:

B.3.1 Scope of work:

A renovation of the ground level only will lead to a 2 bedrooms/ 2 baths unit, with a total area of 970 SF. Under this configuration, the existing cellar will be used for storage or go unutilized.

This scope includes a turn-key solution, including all of the following necessary improvements:

- new stairway between the first floor space and the cellar (and closing existing stairway)
- all new plumbing
- all new electrical wiring and fixtures, including heavy up and/or upgraded panel, and recessed lighting throughout
- all new mechanical systems, including ductwork and forced air furnace/cooling equipment
- all new perimeter walls and ceilings to be insulated up to current codes

- all new wood windows to meet current energy code and historic district requirements
- new hardwood flooring throughout
- gypsum board walls and ceilings throughout
- solid wood paint-grade doors, molding and baseboard throughout
- solid hardwood cabinetry, stone countertops, and stainless steel mid-grade appliances
- EXCLUDES exterior landscaping/hardscaping.

B.3.2 1 Level Renovation Budget:

B.3.2.1 Cost per Square Foot Approach:

As detailed in Appendix 2, the budget for this 1-level renovation is likely to range between \$145,500 and \$218,500 or an average of \$181,875

B.3.2.2 Cost by Trade approach:

As detailed in Appendix 2, the budget for this 1-level renovation is estimated at \$181,640

Conclusion

The existing commercial space at 1247 E Street SE will have to overcome several hurdles to become a residential space, including zoning, historic, and practical concerns:

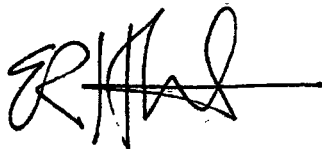
- The square footage allows for a reasonably sized ground-floor unit, although historic guidelines would make alteration of existing windows to meet privacy concerns difficult.
- Utilizing both the ground and cellar levels would provide for a much larger unit, however egress and daylighting issues at the cellar level would have to be resolved through alteration of the façade, which is likely to pose problems with historic guidelines. In any case, the end product will be at a disadvantage to similar sized single family houses in the area that provide for additional amenities.

On the other hand, a café use will be a good fit given the original architectural intent of the space.

The financial result of my analysis is summarized in the table below:

	Ground Level	Ground and Cellar
Cost/ SF Approach (AVR)	\$181,875	\$358,125
Cost by Trade Approach	\$181,640	\$330,420

If I can be of further assistance in this matter, please do not hesitate to contact me.



Erik Hoffland, AIA, NCARB. Principal
DC Registration: ARC101250

Location: 1247 E ST SE

BZA Case 18701

Appendix 1: 2-level Residential

GROUND LEVEL	SF	CELLAR LEVEL	SF
Living Room	300	Master Bedroom	250
Dining Room	200	Master Bathroom	80
Kitchen	200	Master Closet	50
Study/Den	150	Bedroom 2	180
Entry/Storage	50	Bedroom 3	180
Half Bath	30	Hall Bathroom	50
Circulation	40	Laundry	30
		Utility/Mechanical	30
		Storage	40
		Circulation	50
SubTotal Ground	970	SubTotal Cellar	940

TOTAL APT 1910

COST METHOD: BY TRADE	Amount	Notes
Design and permitting	\$ 12,000	
Demolition	\$ 20,000	includes digging window wells; opening new windows; changes to concrete slabs for bathrooms and debris removal
Framing and partitions		
Walls	\$ 25,000	
Ceilings	\$ 7,500	includes both basement and 1st floor ceiling
Doors and Hardware	\$ 5,500	
HVAC	\$ 30,000	no ducting exists at this point; includes gas line for furnace
Electrical		
Interiors	\$ 45,000	
Meter relocation	\$ 30,000	Pepco:25K; 5K to relocate supply lines inside basement
Plumbing	\$ 37,500	2.5 bathrooms @\$12.5k each (includes plumbing and fixtures) + Misc other including W/D
Kitchen	\$ 25,000	Cabinets; Equipment; gas line
Flooring	\$ 22,920	1910 sqft @ \$12/sqft
Painting	\$ 20,000	
Exterior	\$ 50,000	includes Masonry; windows and doors both levels
TOTAL	\$ 330,420	

COST METHOD: BY AREA / SF

Unit Cost to adapt a shell space to livable space		Total cost	
Min/ sqft	\$ 150	Total (Min)	\$ 286,500
Max/ sqft	\$ 225	Total (Max)	\$ 429,750
Total (Average of Min & Max)		\$ 358,125	

Location: 1247 E ST SE

BZA Case 18701

Appendix 2: 1-level Residential

GROUND LEVEL	SF
Living Room	200
Dining Room	150
Kitchen	120
Bedroom 1	180
Bedroom 2	150
Bathroom 1	50
Bathroom 2	50
Entry/Storage	30
Circulation	40

TOTAL APT 970

COST METHOD: BY TRADE	Amount	Notes
Design and permitting	\$ 8,000	
Demolition	\$ 5,000	
Framing and partitions		
Walls	\$ 15,000	
Ceilings	\$ 4,000	includes 1st floor ceiling
Doors and Hardware	\$ 3,000	
HVAC	\$ 20,000	no ducting exists at this point; includes gas line for furnace
Electrical		
Interiors	\$ 30,000	
Meter relocation	-	not required since meters in basement
Plumbing	\$ 30,000	2 bathrooms @\$12.5k each (includes plumbing and fixtures) + Misc other including W/D
Kitchen	\$ 20,000	Cabinets; Equipment; gas line
Flooring	\$ 11,640	970 sqft @ \$12/sqft
Painting	\$ 10,000	
Exterior	\$ 25,000	includes Masonry; windows and doors both levels
TOTAL	\$ 181,640	

COST METHOD: BY AREA /SF			
Unit Cost to adapt a shell space to livable space		Total cost	
Min/ sqft	\$ 150	Total (Min)	\$ 145,500
Max/ sqft	\$ 225	Total (Max)	\$ 218,250
Total (Average of Min & Max)		\$ 181,875	