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October 6, 2003

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VIA HAND DELIVERY

Zoning Commission for the
District of Columbia
441 4th Street, N.W., Suite 210S
Washington, D.C. 20001

D.C. OFFICE OF ZONING
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Re: Z.C. Case No. 03-26
P.N. Hoffman 14th & V Residential PUD

Dear Members of the Commission:

On behalf of P.N. Hoffman, Inc. (the "Applicant"), enclosed please find an original and twenty copies of the Applicant's Prehearing Statement for the consolidated review and approval of a planned unit development in Square 235 at 14th & V Streets, N.W. A check in the amount of $16,948.00 is also included to cover the cost of the associated hearing fee. We look forward to the Zoning Commission's consideration of this case.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: Carolyn Brown
Carolyn Brown

Enclosures

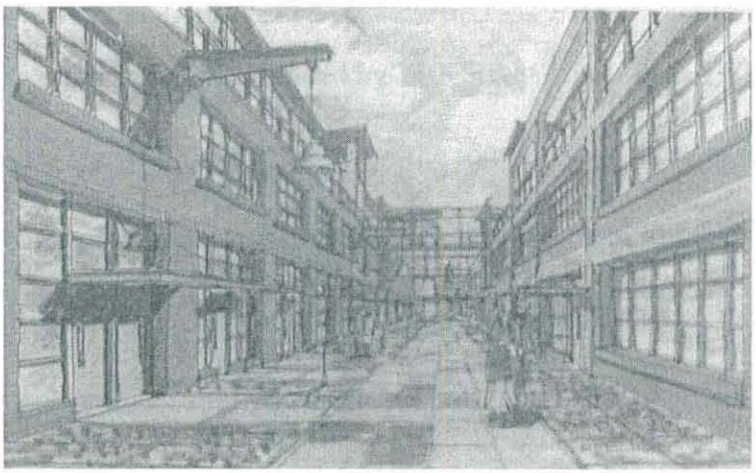
cc: Advisory Neighborhood Commission 1B
Arthur Jackson, Office of Planning
Doug Hale, WMATA
Ali Shakeri, WMATA

ZONING COMMISSION
District of Columbia
Case 03-26
Exhibit 20

ZONING COMMISSION
District of Columbia
CASE NO.03-26
EXHIBIT NO.20

BEFORE THE ZONING COMMISSION
FOR THE DISTRICT OF COLUMBIA

P.N. HOFFMAN INC.
14TH & V RESIDENTIAL



PRE-HEARING STATEMENT IN SUPPORT OF AN APPLICATION
FOR CONSOLIDATED REVIEW OF A PLANNED UNIT DEVELOPMENT
2101-25 14th Street, N.W.
Square 235
Lots 59, 60, 178, 203, 801, 815, 816, 817, 818, and 820

HOLLAND & KNIGHT LLP
2099 Pennsylvania Avenue, N.W.. #100
Washington, D.C. 20006
Norman M. Glasgow, Jr.
Mary Carolyn Brown
Counsel for the Applicant
October 6, 2003

PREFACE

P.N. Hoffman submits this pre-hearing statement and the attached documents to the Zoning Commission of the District of Columbia in support of its previously submitted application for a major new redevelopment project at 14th & V Streets in Northwest Washington. Located in Ward 1 of the city, the redevelopment site is located in Square 235, which is bounded by 13th Street on the east, 14th Street on the west, W Street on the north and V Street on the south. P.N. Hoffman, Inc., the contract purchaser of the property fronting on 14th Street and in the center of Square 235, proposes to construct a residential building with ground floor retail and below grade parking consisting of approximately 314,968 square feet of gross floor area. [1] P.N. Hoffman, Inc. seeks consolidated review and approval of a Planned Unit Development ("PUD") in order to implement this redevelopment plan.

Consisting of approximately 78,198 square feet of land area, the PUD site is "split-zoned." Lots 203, 801, 817, 178 and 820 fronting on 14th Street, N.W. and Lots 59 and 60 fronting on W Street, N.W., are located in the Arts/C-3-A District. The portion of the site located in the center of the square at Lots 815, 816 and 818 is located in the R-5-B District. Approximately 2,107 square feet of land area for the PUD site is located in a portion of the north-south alley to be closed. The western half of the alley that will revert to the PUD site consists of 1,294 square feet and is in

[1] P.N. Hoffman, Inc., has authorization to proceed with this application from the owners of the affected property.

the Arts/C-3-A District. The remaining portion of the alley to be closed is in the R-5-B District, of which 813 square feet will be apportioned to the project. P.N. Hoffman, Inc. proposes to build a mixed-use development composed of residential, including affordable housing, and retail uses, and a below-grade parking garage on two levels.

The Applicant originally filed a PUD Application Statement and supporting documents, including architectural plans and drawings, on July 21, 2003 (the "PUD Submission"). The PUD Submission set forth in detail the proposed development, project design, public benefits and project amenities, and consistency with the Comprehensive Plan and Ward 1 Plan. This Prehearing Statement supplements the PUD Submission and responds to those issues raised by the Zoning Commission and the Office of Planning (OP).

As set forth below, this Prehearing Statement, along with the original PUD Submission, meets the filing requirements for an application for a PUD under Chapters 24 and 30 of the District of Columbia Zoning Regulations.

DEVELOPMENT TEAM

Applicant:	P.N. Hoffman, Inc. 4725 Wisconsin Avenue, NW Suite 200 Washington, D.C.
Owners:	Square 235 LP Helen G. Marx/Kathryn G. Rozansky *et al.* George Galich *et al.* 5600 Wisconsin Avenue, Apartment 1004 Chevy Chase, MD 20815 Washington Metropolitan Area Transit Authority 600 5th Street NW Washington, D.C. 20001
Architect:	SK&I Architectural Design Group, LLC 7735 Old Georgetown Road, Suite 1000 Bethesda, MD 20814
Civil Engineers:	Wiles, Mensch Corporation 11860 Sunrise Valley Reston, VA, 703-715-8797
Traffic Consultant:	Wells & Associates, LLC 1420 Spring Hill Road, Suite 600 McLean, VA 22102
Land Use Counsel:	Holland & Knight LLP 2099 Pennsylvania Avenue, N.W., Suite 100 Washington, D.C. 20006

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CERTIFICATION OF COMPLIANCE WITH SECTION 3013 OF THE ZONING REGULATIONS

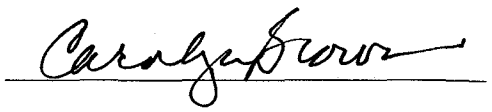
The Applicant hereby certifies that this application, twenty copies of which were filed with the Zoning Commission on May 27, 2003, complies with the provisions of Section 3013 of the Zoning Regulations as set forth below, that the application is complete.

Subsection	Description	Page
3013.1(a)	Information Requested by Commission	Prehearing Statement
3013.1(b)	List of Witnesses	Exhibit D
3013.1(c)	Summary of Testimony of Applicant's Witnesses and Reports for Record: Monty Hoffman, P.N. Hoffman, Inc. Sami Kirkdil, SK&I Architects Marty Wells, Wells & Associates, Traffic Engineer Eric Smart, Bolan Smart Assoc., Economic Analysts Steven E. Sher, Holland & Knight LLP, Land Planner	Exhibit E
3013.1(d)	Additional Information	Submitted herewith or with PUD Application
3013.1(e)	Reduced Plans	Submitted separately
3013.1(f)	List of Maps, Plans or other Documents Readily Available Which Will Be Offered Into Evidence	Exhibit F
3013.1(g)	Estimated Time Required for Presentation of Applicant's Case	Exhibit D
3013.6(a)	List of Names and Addresses of All Property Owners Within 200 Feet of the Subject Property	Exhibit G
3013.6(b)	List of Names and Addresses of Each Person having a Lease with the Owner for All or Part of Any Building Located on the Property Involved in the Application	Exhibit H

The undersigned HEREBY CERTIFIES that all of the requirements of Section 3013 of the Zoning Regulations have been complied with. In accordance with Section 3013.8, this application will not be modified less than twenty days prior to the public hearing.

Respectfully Submitted,

HOLLAND & KNIGHT LLP

By: 

LIST OF EXHIBITS

Description	Exhibit
Architectural Plans and Drawings	A (submitted separately)
Addendum to the Report of Wells & Associates	B
OCC Opinion on Reconciling HPRB and ZC Reviews	C
List of Witnesses and Estimated Time Required for Presentation of Applicant's Case	D
Outlines of Witness Testimony	E
List of Maps, Plans or Other Documents Readily Available That Will Be Offered into Evidence	F
List of Names and Addresses of All Owners of Property Within 200 Feet of the Subject Property	G
List of Names and Addresses of All Persons Having a Lease with the Owners of the Subject Property	H

I.
INTRODUCTION

This prehearing statement and attached documents (the "Prehearing Statement") support the application of P.N. Hoffman, Inc. (the "Applicant" or "PN Hoffman") to the Zoning Commission of the District of Columbia for preliminary and consolidated review and approval of a Planned Unit Development ("PUD"). The application is filed on behalf of the owners of the property, Square 235 LP, George Galich, Helen Galich Marx, Kathryn Galich Rozansky, and the Washington Metropolitan Area Transit Authority ("WMATA"), all of whom have authorized PN Hoffman to file the application and Prehearing Statement.[2] The Applicant proposes to build a mixed-use development composed of residential, retail and commercial uses, with below-grade parking. The properties that are the subject of the application are Lots 59, 60, 203, 801, 815, 816, 817, 818, 178, 820, in addition to a portion of a public alley to be closed in Square 235.

The Applicant originally filed with the Zoning Commission a PUD application and supporting documents on July 21, 2003 (the "PUD Application"). The PUD Application set forth in detail the proposed development, project design, public benefits and project amenities, and consistency with the Comprehensive and Ward 1 Plan. This Prehearing Statement supplements the PUD Application and responds to

[2] Lot 59 is owned by Helen G. Marx and Kathryn G. Rozansky; Lot 60 is owned by Square 235, LP; Lots 201, 203, 815, 816, 817, 818 and 820 are owned by George Galich, Helen G. Marx, Kathryn G. Rozansky; Lots 178 and 801 are owned by WMATA.

those issues raised by the Zoning Commission when it set the case for hearing, and issues raised by the Office of Planning ("OP") in its report recommending that a hearing be scheduled.

II.
ISSUES AND QUESTIONS RAISED BY THE ZONING COMMISSION

A. Rationale for Five Percent Density Increase under PUD Provisions.

1. Overview.

Under section 2405.3, the Commission may authorize an increase of no more than five percent in the maximum floor area ratio ("FAR"), provided that the increase is essential to the successful functioning of the project. As set forth in its PUD Application, the Applicant proposes to increase the total FAR of project by five percent or 14,998 square feet, thereby providing a total gross floor area of approximately 314,968 square feet. Approximately 0.3 FAR of the total project, or 24,000 square feet, will be devoted to retail uses. The remainder of the project is devoted exclusively to residential uses.

At its meeting to schedule this case for hearing, the Commission requested additional information on the need for the five percent increase in project density. As discussed in greater detail below, the confluence of several extraordinary costs associated with the project, not normally encountered in a matter-of-right project, make the increased FAR, and the additional income generated by the increase, essential to the successful functioning of the project. These costs include the

cantilevered construction over the Metro tunnel and easement areas, the inclusion of $1.1 million in affordable housing, high quality design constraints imposed by historic preservation considerations, and remediation of an environmentally contaminated site.

The additional income generated by the five percent density increase will only help begin to offset the $3.1 million in extraordinary costs associated with the cantilevered construction and the affordable housing package. Other extraordinary costs associated with the project, such as environmental remediation, and other public benefits and amenities will be absorbed by the Applicant.

2. Metro Tunnel and Easement Areas.

Perhaps the most serious and difficult development constraints on the site are the Metro tunnel and easement areas, which preclude standard excavation, sheeting and shoring, and structural systems for the new building. In order to cantilever and construct over this area, the Applicant must spend an additional $2 million in structural engineering costs.[3] These costs result from construction requirements instituted by the Washington Metropolitan Area Transit Authority ("WMATA"). They include an internal location survey of the tunnels; installation of crack monitors and routine monitoring during non-revenue hours; soil removal and compaction analysis and monitoring; use of more expensive sheeting, shoring and excavation

[3]In its PUD statement, the Applicant estimated these costs to be in the range of $1.5 million to $2.5 million. Further analysis of the scope of work indicates that $2 million is the reasonable estimate for construction budget purposes.

methods; drilled piers between and around the Metro tunnel; transfer girders to span the tunnel; and other exceptional costs not associated with standard construction methods.

3. Affordable Housing.

The five percent increase density is also necessary to help offset the costs associated with the provision of affordable housing on the site. Approximately 35 to 50% of the additional gross floor area, or approximately 5,250 to 7,500 square feet, will be included in the project at a value of $1.1 million. The Applicant worked closely with the community to determine an appropriate mix of income-levels and unit sizes for the affordable housing. After presenting several scenarios, the options were narrowed to two: (i) seven units at 750 square feet of space each for households earning no more than $32,000 a year; or (ii) ten units at 750 square feet of space for a households earning no more than $50,000 a year.

The Applicant is continuing to work with the community to select a final option, and will work with the District to establish monitoring and enforcement mechanisms. In addition to set income levels, potential purchasers must meet certain other criteria to be eligible for the affordable housing. For example, a buyer must purchase the unit as his or her primary residence, commit to a continuous owner occupancy, qualify for the necessary home mortgage and pay the required down payment. The units would be restricted to the affordable housing limitations for a select period of time before they could be resold at a market rate. Supplemental

information on the monitoring and enforcement mechanisms will be provided to the Commission prior to the PUD hearing.

4. Additional Density is Essential to the Successful Functioning of the Building.

The additional density is essential to help offset the extraordinary costs of the Metro tunnel constraints and the inclusion of affordable housing on the project. It also allows for the successful functioning of the project as a whole and the creation of a unique urban design reminiscent of residential mews in London and other European cities.

The Applicant's request for a five percent increase in density is consistent with other Zoning Commission approvals where the increase was essential to the successful functioning of the building. For example, in Zoning Commission Order No. 831 for the Kennedy-Warren PUD, the Commission found that a 4.9% increase in the allowable FAR (from 6.0 to 6.29 FAR in the R-5-E District) was appropriate given the unusual site, which included an existing historic building, and in order to meet the housing objectives of the city. (See Z.C. Order No 831, December 17, 1997, at 66.) Similarly, the five percent increase in this PUD application is appropriate given the unusual site, which is split-zoned and includes existing historic buildings that must be adapted to new residential use, and to meet the housing objectives for the city.

B. Exclusion of Warehouse Garage Space from FAR Calculations.

Based on the comments received from the Zoning Commission at its September 8, 2003 meeting, the Applicant proposes to suspend at this time its request for a waiver of section 402.5 to exclude the parking areas in the warehouse buildings from the FAR calculations. The Applicant will seek approval from the Historic Preservation Review Board ("HPRB") to alter the street level facades of the warehouse buildings so that at least 50% of the perimeter wall is open pursuant to section 402.5. The Applicant expects to have a decision from HPRB prior to the Zoning Commission hearing on this PUD, which is anticipated to take place sometime in December 2003. If the revised scheme is approved by HPRB, the Applicant will submit the revised drawings to the Zoning Commission at least 20 days prior to the hearing, in compliance with section 3013.8 of the Zoning Regulations. Only in the event that HPRB denies the requested alteration will the Applicant proceed with its waiver request under the rationale set forth in the PUD Application. At that time, the Applicant will also provide the Commission with a more detailed explanation of the waiver request, including an analysis of why it believes that a map amendment is unnecessary.

C. Environmental Remediation as a Public Benefits

The Commission questioned whether the environmental remediation to be performed at the site should be considered a public benefit of the PUD when such remediation work must be done with any development at the site.

A similar issue was raised before the Commission during the Kennedy-Warren PUD wherein the applicant claimed housing as a public benefit even though the project was located in a residential district. Opponents to the project challenged this contention, noting that the applicant should not get credit for providing the only use permitted in the R-5-E District. Both the Office of Planning and the Zoning Commission thought otherwise. OP noted, and the Commission concurred, that the provision of housing should be considered a public benefit because an owner has the option to leave his property vacant and cannot be required to build housing. OP further stated that the PUD regulations specifically identified housing as public benefit. *See* Z.C. Order No. 831 at 13 and 17.

By analogy, the environmental remediation to be conducted at this PUD site should also be considered a public benefit because the property owners have the option to leave their property vacant and they cannot be required to perform the environmental remediation unless development occurs. Moreover, the PUD regulations specifically identify environmental benefits as a public benefit that is to be encouraged. *See* 11 DCMR § 2403.9(h). Thus, the remediation work to be conducted at the PUD site, at a cost of approximately $1 million to $1.5 million to the Applicant, constitutes an important additional public benefit of this project.

D. Traffic Impacts of North-South Alley

The Commission requested further explanation of the traffic impacts of the proposed development on the existing and expanded north-south alley. The

Commission specifically questioned the effects at the northern end where the alley would remain twelve feet wide, and whether the alley should be expanded to thirty feet wide under the provisions of section 2507.2 of the Zoning Regulations.

Because neither the Applicant nor the owners of the PUD property control or own the private land on either side of the north alley, there is no opportunity for the Applicant to widen that portion of the alley. Thus, the northern end would continue to operate as it does today, with only a modest increase in inbound traffic to the interior of the square. As shown in Figure 9 of the Traffic Analysis submitted as part of the PUD Application on July 21, 2003, and as indicated in the supplemental letter from Wells & Associates attached as Exhibit B, it is anticipated that residents and retail patrons of the PUD will access the site from V Street because of its expanded width and enhanced traffic circulation features. Thru traffic to the north will be discouraged by special paving that will also serve as a traffic calming and safety measure for east-west pedestrian access from 14th Street to the warehouses.

The only vehicle operators likely to access the site from W Street are those residents parking in the 25 spaces at the north warehouse. These residents will have access to W Street from both north-south alleys in the square. Ingress and egress to W Street is less favorable than V Street access; therefore, it is expected that these residents will use the V Street access point. V Street is also more favorable for egress purposes because it is a one-way street to the west, which will provide more direct access to 14th Street, the major north-south thoroughfare. Thus, based on the Traffic

Analysis and supplemental letter attached hereto, the PUD project will not have any significant traffic impacts on northern portion of the north-south alley at W Street.

With respect to section 2507.2, this provision only applies to one-family dwellings on an alley lot, which is defined as a lot facing or abutting an alley and at no point facing or abutting a street. Because the PUD site will be subdivided into one lot of record with frontage on 14th Street, this section is inapplicable to the PUD project. Accordingly, the width of the alleys abutting the warehouses do not need to be increased to 30 feet.

E. DDOT Comments on Reduced Retail Parking and Loading Berth Waiver.

The Applicant is continuing its discussions with DDOT regarding the PUD and related alley closing. While DDOT has not taken an official position, in preliminary meetings with the Applicant, DDOT indicated its approval of the waivers from certain parking and loading requirements. The waivers request to reduce the number of retail parking spaces from 70 to 50, to provide two 30-foot loading berths in lieu of the one 55-foot loading berth, and to provide two 100-square foot loading platforms in lieu of one 200-square foot platform. The Applicant expects that DDOT will provide its report to the Commission expressing its views at least ten days in advance of the hearing, in compliance with section 3012.3 of the Zoning Regulations.

F. Cardozo-Shaw Neighborhood Association Membership

The Zoning Commission requested clarification on which residents would be eligible for the one-year paid membership in the Cardozo-Shaw Neighborhood

Association. The Applicant has committed to pay the one-year membership when it sells the condominiums to the initial purchasers of the units. Because the Applicant will not be involved in the resale of any units, it will not be able to pay for the membership of subsequent owners.

G. Historic Preservation

At its September 8th meeting, the Zoning Commission questioned the propriety of allowing decisions of the HPRB to direct the Commission's consideration of zoning issues. For example, because HPRB approved the design for the broken barrel vault roof of the warehouse buildings, the question is whether the Commission's deliberations on any necessary roof structure relief must be constrained to comply with HPRB approval.

This issue was addressed in a opinion issued by the Office of Corporation Counsel ("OCC") in 1979. There, the Office of Zoning requested an interpretation from OCC on (i) whether the zoning review of a PUD should precede the historic preservation review of the project; and (ii) which action should take priority if two different designs or sets of plans were approved by the Zoning Commission and the Mayor's Agent under D.C. Law 2-144. The OCC concluded that historic preservation review should precede Zoning Commission review to avoid several practical difficulties in the review process. OCC recognized that it would be unduly burdensome to an applicant who received approval from the Zoning Commission for a PUD, but approval for only a smaller building from the Mayor's Agent but one

which still required zoning relief. In that instance, the applicant would be forced to return to the Zoning Commission for a modification, at the expense of considerable time and money to the applicant. OCC identified the conceptual design review process under the preservation law as the appropriate way to avoid this conflict.

With respect to the second question, OCC concluded that the Mayor's Agent has final authority over the design of new construction in historic districts and that his decision supersedes the authority of the Zoning Commission. OCC noted that because the Mayor's Agent has specific authority over design review, that authority takes precedent over the Zoning Commission's more general design review authority. In making its determination, the OCC relied on the accepted principle of statutory construction that a specific law concerning the same subject matter prevails over a more general provision. A copy of the OCC opinion is attached as Exhibit C.

III.
CLARIFICATION OF FLEXIBILITY REQUESTED UNDER PUD GUIDELINES

Since its initial PUD submission, the Applicant has restudied its design and refined the areas of flexibility it is requesting under the PUD guidelines. The areas of flexibility requested are set forth below.

A. Loading Berth Requirements

Under section 2201.2 of the Zoning Regulations, because ninety-two percent of the building will be occupied by residential uses, the building does not require

loading facilities for the retail uses. The residential portion of the building generates the following loading requirements:

TYPE	REQUIRED	PROVIDED
Loading Berth(s)	1 @ 55'-0"	2 @ 30'-0"
Loading Platform(s)	1 @ 200 s.f.	2 @ 100 s.f.
Service Space(s)	1 @ 20'-0"	1 @ 20'-0"

The Applicant proposes to provide two 30-foot loading berths and in lieu of one 55-foot loading berth required under the regulations, and two 100 square-foot loading platforms instead of one at 200 square feet. Based on the initial analysis in the traffic study prepared by Wells and Associates submitted with the PUD Application and the supplemental letter attached as Exhibit B hereto, these minor deviations can be granted without detriment to the purpose and intent of the Zoning Regulations.

Because the units in the proposed PUD are modest in size, averaging approximately 880 square feet each, and are marketed primarily to first-time home buyers with one or two persons per household, the traffic engineer has concluded that such households will generate a need for only smaller trucks or transport vehicles. This conclusion is supported by a survey of area condominium projects ranging from 58 to 300 units. The results of that survey indicated that none of the surveyed sites provide a 55-foot loading berth for residential use and that the arrival of a large tractor-trailer is a rare occurrence. Moreover, telephone surveys with truck rental facilities confirm that a 14- or 15-foot van or small truck is most frequently

used for moving purposes. Consequently, a waiver of the 55-foot loading berth requirement will not adversely affect the loading and traffic operations of the PUD.

The request to provide two 100 square-foot loading platforms in lieu of one 200 square-foot platform is also acceptable from a traffic analysis standpoint. The purpose of dividing the one platform into two is to conveniently serve both the north and south residential towers, which have separate elevator cores. Consequently, the two loading platforms in lieu of one platform would adequately serve the PUD project.

B. Retail Parking

The Applicant proposes to provide 50 spaces for the retail component of the project in lieu of the 70 spaces otherwise required under the regulations. The Zoning Commission may reduce the amount of required parking spaces depending on the uses and the location of the project, pursuant to its authority under section 2405.6 of the PUD regulations. Based on the formula set forth in section 2101.1 of the Zoning Regulations for retail or service establishments in the C-3-A District, the proposed project should provide a minimum of 70 parking space for the retail uses on the site. The reduction to 50 spaces is merited because, as noted in the Wells & Associates traffic report dated June 2, 2003, the retail uses intended for the site are neighborhood oriented services that rely on pedestrian activity generated by adjacent buildings and uses. The proximity to public transportation also reduces the need for the required

number of parking spaces. Thus, the provision of 50 parking spaces dedicated to the retail uses is appropriate and will not adversely affect traffic in the surrounding area.

C. Parking Garage Less Than Twelve Feet from Center Line of Alley

Section 2301.2(b)(1) of the Zoning Regulations allows an accessory parking garage to be located within the main building provided that, if the entrance fronts on an alley, the entrance must be set back at least twelve feet from the center line of the alley. The twenty-five spaces proposed for the north warehouse building will not meet this standard and the Applicant therefore requests flexibility from this provision.

The warehouse buildings are existing non-conforming structures containing non-conforming commercial uses. The proposed PUD will return the buildings to conforming residential uses with accessory parking, and many of the other nonconforming structure elements will be eliminated by creating street frontage on 14th Street for these interior lots. However, the north building will be unable to comply with the provision of section 2301.2(b)(1). Instead of the parking entrances being located twelve feet from the center line of the alley, the entrance will be located five feet from the center of the alley.

Relief with this section of the regulations is necessitated by the unusual constraints on the site. Under normal circumstances, a developer could demolish the warehouse buildings and construct a project that complies with alley setback requirement. However, because the buildings are historic and must be retained, that

option is not available to the Applicant. Thus, in order to provide parking for residents of the north warehouse building, access to the spaces can only be provided from the existing ten-foot alley. Because there will be no living spaces on the garage level, the narrower access from the alley will not adversely affect the residential portion of warehouse buildings with respect to light or air. Flexibility from this provision is therefore appropriate and can be granted without any detriment to the intent and purpose of the Zoning Regulations.

D. Roof Structure Requirements

In its initial PUD submission, the Applicant requested flexibility to exceed the density limitation of 0.37 FAR for roof structures in the R-5-B District. Since that time, the Applicant has refined its design so that the roof structure is well within the prescribed 0.37 FAR. Thus, relief from this provision is no longer required.

The Applicant continues to seek a waiver from section 411.3 of the Zoning Regulations, which requires all penthouses and mechanical equipment to be placed in one enclosure. Additionally, the Applicant seeks flexibility from section 411.5, which provides that enclosures walls must be of equal height. The Applicant seeks to deviate from these requirements by providing roof structures of unequal height and three separate penthouses for the 14th Street portion of the building and the two renovated warehouses at the interior of the lot. The purpose of the number and varying heights of the roof structures is to the reduce the apparent mass and height of the building and create a more appropriate design, consistent with the approval of the

HPRB. The broken barrel vault that spans the two warehouses was called out by the HPRB staff as an extremely successful and compatible architectural element of the project. Because of this unusual roof design, the existing historic structures on site, and the historic preservation design review requirements, the Applicant is unable to meet the strict requirements of these provisions.

E. Residential Recreation Space

The Applicant continues to seek flexibility to provide approximately 21,032 square feet of residential recreation space, or twelve percent of the gross floor area devoted to residential use, rather than the required fifteen percent. The unique constraints on the site dictated by the Metrorail tunnel and easement, as well as the existing historic buildings on-site make it difficult to provide the minimum required amount while also providing the other project benefits and amenities. Accordingly, the applicant requests a minor deviation from this requirement.

Because of the ample opportunities within the neighborhood for other passive and active recreation, this minor deviation requested will not compromise the intent of this requirement. Directly to the south of the project site is the Harrison Recreation Center, consisting of several ball fields, basketball courts, playgrounds and other recreational activities, such as table tennis, bumper pool, arts and crafts, and games. Additionally, the 14th & U arts corridor offers unique recreational activities not found in other segments of the city.

F. Street Frontage Requirements

The Applicant also continues to seek flexibility from section 1903.3 of the Uptown Arts Overlay District provisions. That section requires that each new building that fronts on a pedestrian street shall be designed and built so that not less than 75% of the streetwall, to a height of not less than fifteen feet, shall be constructed to the property line. The PUD project will be built so that only 66% of the streetwall is constructed to the property line due to limitations of the property. First, because of the Metrorail tunnel and easement that cross the property at the southern end of the site, the Applicant cannot build any footings or columns to the property line, thus precluding construction of the streetwall to the property line at this end of the building. Additionally, in order to create access to the interior of the site, a 26-foot wide pedestrian gallery was created at the 14th Street elevation. As a result of this site constraint and special design feature of the building, the Applicant is unable to meet the 75% streetwall requirement and thus requests flexibility from this provision of the Uptown Arts Overlay District. In all other respects, the project will comply with this requirement.

G. FAR Calculations for Parking Areas

Based on the comments received from the Zoning Commission at its September 8, 2003, meeting, the Applicant intends to withdraw its request for a waiver of section 402.5 to exclude the parking areas in the warehouse building from the FAR calculations, if permitted by the HPRB. The Applicant will seek approval

from the HPRB to alter the street level facades of the warehouse buildings so that at least fifty percent of the perimeter wall is open pursuant to section 402.5. The Applicant expects to have a decision from HPRB prior to the Zoning Commission hearing on this PUD, which is anticipated to take place sometime in December 2003. If the revised scheme is approved by HPRB, the Applicant will submit revised drawings to the Zoning Commission at least twenty days in advance of the hearing, in compliance with section 3013.8 of the Zoning Regulations. Only in the event the HPRB denies the requested alteration will the Applicant proceed with its waiver request under the rationale set forth in the PUD Application. At that time, the Applicant will also provide the Commission with a more detailed explanation of the waiver request, including an analysis of why it believes that a map amendment is unnecessary. The only purpose of the waiver is to permit retention of additional historic fabric.

H. Construction Phasing

The Applicant is seeking flexibility to construct the project in phases due to the unusual shape of the site, the care required in protecting the historic warehouse structures, and to provide the least amount of disruption to nearby property owners. Phased construction will also better facilitate construction financing to ensure successful completion of the entire project.

Depending on the timing of the PUD and building permit approval process, the Applicant intends to begin sheeting, shoring, and excavation of the 14th Street

parcel approximately December 2004. Phase I construction would proceed from April 2005 to February 2007 and encompass the alley closing, the construction of the underground garage, and the construction of the south residential tower and its associated retail space. Pre-sales for Phase II would begin while this stage of construction is ongoing.

Phase II construction would proceed from March 2006 to August 2007 and include the north tower and associated retail. Finally, renovation of the existing warehouses and associated new construction will be undertaken in Phase III between January 2007 and February 2008. To the extent any relief is necessary, the Applicant request flexibility to construct this project in the above-described phases.

I. Court Width Provisions

The Applicant also seeks a minor deviation from the court width provisions of the Zoning Regulations. Under section 776.3, where a court is provided for a building or portion of a building devoted to residential uses, at any elevation in the court, the width of court shall be a minimum of four inches per foot of vertical. A court located at the western portion of the pedestrian gallery as it leads to 14th Street does not meet this provision. Based on the height of the building at that elevation, the court width should be 31.66 feet, whereas a width of 26 feet is provided. A second court located in the alley area to be closed at V Street likewise does not meet the required width provisions. Based on the height of the building at that elevation, the width of the

second court should be 24.33 feet, whereas a width of 14 feet is provided. Thus, the Applicant seeks a modest decrease in the width requirement of 5.66 feet.

IV.
PROJECT BENEFITS AND AMENITIES

A. Overview

The Zoning Regulations require the Zoning Commission to "judge, balance and reconcile the relative value of the project amenities and public benefits offered, the degree of incentives requested, and any potential adverse effects according to the specific circumstances of the case." 11 DCMR § 2403.8. The benefits and amenities include:

- Housing – approximately 291,000 square feet
- Affordable Housing – $1.1 Million Subsidy
- Urban Design, Architecture, Landscaping and Open Space
  - Redevelopment of vacant lots
  - Unique urban space with pedestrian gallery
  - Utilization of 14th & U Main Street Initiative design guidelines
- Historic Preservation
  - Adaptive reuse of abandoned warehouses as residences
  - Incorporation of industrial design into new construction
- Transportation Features
  - Transit-Oriented Development
  - Zip Car/Flex Car (2-4 spaces)
  - Circulation Enhancements
- Provision of residential parking in excess of requirements
- Uses of Special Value to the Neighborhood
  - Neighborhood serving retail
  - 14th & U Main Street Initiative Contribution of $50,000
  - Cardozo Shaw Neighborhood Association one-year membership
- Environmental Remediation
- Employment and Training Opportunities
  - Creation of 226 temporary and 63 permanent jobs

These benefits and amenities are balanced against the flexibility to increase the project density by five percent, reduce the amount of retail parking and residential recreation space, provide separate roof structures, flexibility from the Arts Overlay street frontage requirements and the ability to phase construction.

The Applicant provides additional information on specific project amenities and public benefits as follows:

B. Housing and Affordable Housing.

The single largest benefit of the proposed PUD is the provision of housing. In fulfillment of the Mayor's Housing Initiative to bring 100,000 residents to the city over the next ten years, the project will provide approximately 280 units and homeownership opportunities, thereby expanding the tax base of the city which is critical to its economic and social stability, as well as providing opportunities for affordable housing. The Applicant proposes to provide $1.1 million toward affordable housing on site. The affordable housing unit mix will be determined in consultation with the Advisory Neighborhood Commission.

C. Urban Design, Architecture, Landscaping and Open Space

The high quality of design in the development of the architecture for the project exceeds that of most matter of right projects. The innovative conversion of industrial space to residential use, the use of a pedestrian arcade and landscaping to draw life into the interior of the square, the application of the 14th Street corridor streetscape design guidelines, and the establishment of neighborhood-oriented service

retail uses are significant contributions to the urban landscape and complement the character of the 14th and U Street corridor.

D. Historic Preservation

The design of the PUD project provides for the adaptive reuse of the historic warehouses at the interior of the square and creates a design that is compatible with and complements the surrounding Greater U Street Historic District. The exceptional quality has been assured through the design review process of the HPRB, which recommended approval of the height and massing of the project in concept at its June 26, 2003, meeting. The design details received a positive staff recommendation and the Applicant will continue with design refinements in consultation with the HPRB and its staff.

E. Transportation Features

The proposed PUD fulfills the goals of a Transit-Oriented Development, "a land use strategy to accommodate new growth, strengthen neighborhoods, expand choices and opportunities by capitalizing on bus and rail assets to stimulate and support vibrant, compact, diverse and accessible neighborhoods centers within an easy walk of transit." *See* Mayor's Task Force on Transit Oriented Development, 2002. The project combines both housing and neighborhood-serving retail uses within the heart of the 14th & U Street corridor to promote a vibrant urban community. Through Metrorail and Metrobus service, and pedestrian-friendly streetscapes, it is connected to other major destination points throughout the city,

thereby reducing daily reliance on the automobile. The design of the project promotes walking and activity that deters crime. The pedestrian gallery is a particular feature of the PUD integrates quality design into the surrounding streetscape to reflect one unified, attractive environment.

In order to ensure adequate off-street parking for residents of the 280 units, the project will provide approximately 200 parking spaces. Fifty of those spaces will be located at the ground level of the renovated warehouse buildings. Additionally, two to four of the residential parking spaces will be reserved for a "ZipCar" or "FlexCar", car-sharing programs for residents. These programs allow neighbors to use cars on an hourly basis at an average cost of $8-$10 an hour (including gas, insurance, and parking), based on the size of vehicle rented.

The 24,000 square feet of retail space generates a total requirement of 70 parking spaces, whereas only 50 spaces are provided. However, because the ample public transportation serving the site, the retail portion of the project is entitled to a 35 percent reduction, using the Standards of Institute of Transportation Engineering rates. Further, the retail uses are intended to serve the immediate neighborhood, further reducing the demand for retail parking. Under the reduction rate, only 46 spaces would be required. Thus, the provision of 50 retail parking spaces is more than adequate to serve the site.

The traffic circulation will also be improved through the widening of the north-south alley abutting the project. Currently only 12 feet wide, the southern

portion of the alley will be closed and a public easement granted to widen the alley to 20 feet. This enhancement will allow two-way traffic to comfortably access the parking and loading entrances to the 14th Street building and the renovated warehouse parking spaces.

F. Uses of Special Value to the Neighborhood

The Applicant will make an annual contribution of $10,000 for the next five years to the 14th and U Main Street Initiative, a program developed under the guidance of the National Trust for Historic Preservation's National Main Street Center. The National Main Street Center is full-service commercial district revitalization organization used by communities throughout the country to revitalize their traditional commercial districts. The 14th & U Main Street Initiative was one of five communities designated as a DC Main Street in April 2002. The program provides five years of comprehensive technical and financial assistance for neighborhood business districts to implement revitalization programs for their older and traditional neighborhoods, allowing citizens to help manage retail investment growth.

One of the main purposes of this $50,000 contribution is to help to create an employment program to replace the cleaning maintenance program that until 1999 was provided by the "Ready, Willing, and Able," a jobs program for homeless men and women in the community. This program is seen as a first step in one of the employment strategies developed by the Workforce Development Subcommittee of

the 14th & U Main Street Initiative. The Applicant has already donated its first annual $10,000 contribution. The remaining annual contributions will be made as part of the approved PUD project.

The Applicant will also incorporate the design guidelines of the 14th & U Main Street Initiative to ensure a comprehensive and cohesive approach to revitalization in the area, consistent with the character of the Greater U Street historic district.

Additionally, all new residents will receive a one-year paid membership in the Cardozo-Shaw Neighborhood Association, further strengthening the ties of this development with the community.

G. Environmental Benefits

Finally, construction on the site will prompt the remediation of the several environmental contaminants in the soils from the numerous industrial uses on the property, including laundry and car repair services. The anticipated cost of this remediation work is approximately $1 million to $1.5 million and thus constitutes a significant public benefit to the community.

H. Economic Benefits

The proposed PUD project is anticipated to have significant economic benefits for the city, as set forth in the economic analysis prepared by Bolan Smart Associates and submitted as part of the PUD Application. The proposed project has the probability of addition in excess of $2.5 million in combined new direct and annual

property transfer related taxes for the District of Columbia. This is a major enhancement over the minimal property tax generated by the unimproved and less than fully developed parcels. In addition, other anticipated benefits of the project include significant neighborhood consumer spending, enhanced surrounding property values, and the addition of community jobs. The PUD project is expected to create approximately 226 temporary construction jobs during a twenty-four month period, and approximately 63 direct residential and retail related jobs.

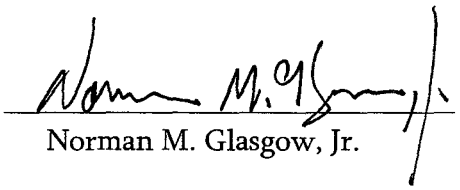
IV.
CONCLUSION

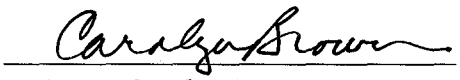
For the reasons stated above, P.N. Hoffman, Inc., on behalf of the property owners, submits that the PUD meets the standards of Chapter 24 of the Zoning Regulations and is consistent with the purposes and intent of the Zoning Regulations and Zoning Map. Furthermore, the project is consistent with the land use objectives of the District of Columbia, will revitalize the economic, residential and social fabric of the community and, therefore, satisfies the requirements for PUD approval. Finally, the project provides significant public benefits and amenities and furthers the goals and policies of the District of Columbia. Accordingly, P.N. Hoffman, Inc. requests that the Zoning Commission approve the PUD application.

[Signature page follows]

Respectfully submitted:

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