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3rd & H Street

**STATEMENT
OF THE APPLICANT
TO THE
DISTRICT OF COLUMBIA ZONING COMMISSION
FOR A
CONSOLIDATED PLANNED UNIT DEVELOPMENT
AND
ZONING MAP AMENDMENT**

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**ZONING COMMISSION
District of Columbia**

CASE NO. 06-01

EXHIBIT NO. 1

ZONING COMMISSION
District of Columbia
CASE NO.06-01
EXHIBIT NO.1

PREFACE

This statement and attached documents are submitted by Steuart Investment Company and Steuart-H Street LLC (collectively known as the "Applicant") in support of its application for consolidated approval of a planned unit development in conformity with Chapter 24 of the District of Columbia Zoning Regulations and related Zoning Map Amendment before the Zoning Commission for the District of Columbia. The subject property is located between 3rd, 4th, H and Eye Streets, N.E. The subject property consists of Lots 9, 25-31, 51-53, 800 and 821 in Square 776. The property is zoned C-2-A and is proposed to be rezoned to C-2-B as part of the H Street, N.E. Neighborhood Commercial Overlay District. The Applicant is seeking PUD approval under the C-2-B District in order to construct a mixed use development. The project site is designated by the Comprehensive Plan as mixed use with moderate density residential and low density commercial. According to the Land Use Policies Map, the property is located in a Development Opportunity Area.

As set forth below, this statement and the attached documents meet the filing requirements for a PUD application under Chapter 24 of the District of Columbia Zoning Regulations.

DEVELOPMENT TEAM

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Civil Engineers:	VIKA Suite 200 8180 Greensboro Drive McLean VA 22102
Landscape Architects	Lee and Associates 638 I Street, N.W. Washington D.C. 20001
Economic Benefits Consultant:	Bolan Smart Associates Suite 600 900 19 th Street, N.W. Washington, D.C. 20036
Traffic Consultant:	Wells & Associates, LLC Suite 600 1420 Spring Hill Road McLean, VA 22102
Land Use Counsel:	Holland & Knight LLP Suite 100 2099 Pennsylvania Avenue, N.W. Washington, D.C. 20006

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<u>Description</u>	<u>Exhibit</u>
Architectural Plans and Drawings, including: Tabulation of Development Data Existing Survey Utility Plan Sediment and Erosion Plan Estimated Quantities of Potable Water, Sanitary Sewage, and Storm Water Run-off Detailed Landscaping and Grading Plan Circulation Plan	A
Completed Zoning Commission Application Forms: PUD Application (Form 5) Map Amendment (Form 1)	B
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I. INTRODUCTION

This statement and the attached documents support the application of Steuart Investment Company and Steuart-H Street LLC (collectively the "Applicant") to the Zoning Commission for the District of Columbia (the "Commission") for the consolidated review and one-step approval of a Planned Unit Development ("PUD") and related Zoning Map Amendment. The proposed PUD contemplates the construction of a mixed use development to be located on property between 3rd, 4th, H and Eye Streets, N.E. consisting of Lots 9, 25-31, 51-53, 800 and 821 in Square 776 (the "Site" or "the Property"). The Site is currently vacant and unimproved. The Site is currently zoned C-2-A. The Site is located in the proposed H Street, N.E. Neighborhood Commercial Overlay District (the "H Street Overlay" or "the Overlay"). Pursuant to the Zoning Commission's Notice of Proposed Rulemaking in Case No. 04-27, published in the D.C. Register on November 18, 2005, the Zoning Commission proposes to rezone lots which front on H Street to the C-2-B District. The Applicant has requested the Commission to clarify in its final rulemaking action that the entire Site is to be included in the Overlay and rezoning to C-2-B. To the extent that any portion of the Site is not zoned C-2-B, the Applicant seeks an amendment to the Zoning Map to rezone that portion of the Site to the C-2-B District. The requested zoning change is fully consistent with the District of Columbia Comprehensive Plan ("Comprehensive Plan").

A. Summary of the Project

The proposed PUD contemplates the construction of a mixed use development having a combined gross floor area of approximately 306,724 square feet, and three levels of underground parking ("3rd & H Street" or the "Project"). Approximately 246,703 square feet will be residential providing between 210-250 dwelling units and 60,021 square feet will be devoted to a grocery store and neighborhood serving retail and service uses. The Project will have an approximate FAR of 5.04 and a maximum height of ninety feet with substantial setbacks at the sixty-nine foot level on all street fronts. The required parking under the Zoning Regulations is approximately 170 parking spaces. The Project will provide 376 parking spaces. Access to the parking garage and the grocery store loading dock area will be from 3rd Street. Access to the residential and other retail loading will be from 4th Street. The Applicant will request D.C. to close the alleys in the center of Square 776 as shown on the submitted plans.

B. The Applicant

Steuart Investment Company and Steuart-H Street LLC, as the current property owners, submit this PUD application for the development of the Project. Steuart Investment Company has been a Washington based business for more than one hundred years.

II. PROJECT DESCRIPTION

The Project proposes a new mixed use development. The proposed building consists of ground floor grocery store and other retail with residential use on the floors above. Underground parking will provide 376 parking spaces, sufficient to supply the commercial tenants and customers, residents and visitors with no risk of creating "overflow" parking in the nearby residential neighborhoods.

The main entrance to the residential building will be located at the center of the block on H Street. The main entrance to the grocery store will be at the corner of 3rd and H Streets. There will be separate entrances to the other retail uses on the east half of the block on H Street. The entrance to the parking garage and loading facilities for the grocery store will be located off 3rd Street.

A. Site Location and Description

1. The Site

The Site consists of Lots 9, 25-31, 51-53, 800 and 821 in Square 776. The Site is located between 3rd, 4th, H and Eye Streets, N.E.

The Site is located approximately one-third of a mile from the entrance to the Union Station Metrorail Station, and is adjacent to H Street, a major through street with three Metrobus routes. The Generalized Land Use Map of the Comprehensive Plan designates the Site as mixed use for residential and commercial, and the Policies Map designates it as a Development Opportunity Area.

The total land area of the Site is approximately 60,870 square feet (subject to survey).

2. Land Use and Zoning of Surrounding Area

3rd & H Street is prominently located at the western edge of the proposed H Street N.E. Neighborhood Commercial Overlay District (the "H Street Overlay"). The Site is currently zoned C-2-A. The Site is proposed to be rezoned to C-2-B under the H Street Overlay pursuant to the Zoning Commission's Notice of Proposed Rulemaking in Z.C. Case No. 04-27, published on November 18, 2005.

Directly to the west across 3rd Street is Senate Square, a large residential development on the site of the former Capital Children's Museum. This development is approved to a maximum height of 110 feet.

Further west of the Site, there is the H Street Overpass (a/k/a Hopscotch Bridge) and the railroad tracks leading to Union Station. Southwest of the Site across H Street, is the proposed Capitol Place mixed use project and the Station Place office project which is being built in three phases and is approved with a maximum height of 121 feet. Directly south of the site across H Street is a mix of vacant land and small structures used for retail purposes. East of the Site, across 4th Street, there is a residential area zoned R-4. Further to the east along H Street, there is a commercial corridor zoned C-2-A that is also proposed to be rezoned C-2-B as a part of the H Street Overlay. North of the Site, across the alley and Eye Street, there is a mix of residential, commercial and institutional uses. At the corner of 4th and Eye Streets is 318 Eye Street, a planned unit development project with

approximately 160,000 sq. ft., 140 residential units and a maximum building height of 65 feet.

B. Project Design

This site, situated at the western gateway to the H Street Commercial Corridor, requires a building of substantial quality and significant character consistent with the prominence of this location. The design proposed meets this challenge in several notable ways. The 3rd & H Street project will signal its gateway status through the use of expressive architectural embellishments and entrance features at this important intersection. By locating the grocery entry at this corner, with its concomitant signage, decorative canopies and activated streetscape, the significance of this corner as a corridor entry point and destination will be considerably enhanced.

Overall, the proposed building's massing and architectural character is designed to integrate sympathetically with the existing structures along H Street, as well as the residential buildings that share the same square and surrounding neighborhood.

1. Design Approach

The project design proposed here provides a number of feature that will benefit both the H Street Corridor and the surrounding residential neighborhoods. These benefits include an architectural design that is both fresh and engaging, while seeking to complement into the existing contextual setting in both form and materials. Particular attention has been paid to creating an active, urban retail streetscape, celebratory architectural forms for the corner at 3rd & H Streets and

the residential entrance on H Street, and an overall sculpting of the buildings massing in concordance with surrounding neighborhood. Likewise, great effort has been made to minimize the effects on 3rd Street, 4th Streets and the internal alley network from any features required to service the project in either its retail or residential capacity.

The building consists of an eight story, U-shaped central block, and a six story east wing extending to 4th Street. The approximate gross floor area is 306,724 sf. The project will provide three levels of below-grade parking, with one level dedicated to retail parking. The maximum building height is ninety feet (measured from the top-of-curb at the H Street center front of building), with significant setbacks on the central block above sixty-nine feet. Additional, lower setbacks are provided on the north face of the project to better address the lower building heights of adjacent structures. In addition, the east wing of the project has a maximum height of sixty-nine feet, with a significant set back above fifty-nine feet. The lower height of this wing is specifically intended to step the building's massing down in sympathy to the moderate density residential structures along 4th Street and the moderate density commercial structures to the east on H Street.

For the entire length of the H Street front, the building has been set back from the property a typical distance of four feet in order to increase the width of the sidewalk. The objective of this setback is to provide a typical (and maximum) sidewalk width of eighteen feet, but never less than fifteen feet. This additional width will significantly enhance the pedestrian experience by reducing congestion.

The building is a mixed-use structure, with ground floor retail consisting of a full service grocery store and moderate size retail bays intended for neighborhood retail establishments. The grocery will occupy a double height space in the central block of the building with a total approximate size of 62,000 square feet (including loading, mechanical service, etc.), with approximately 35,000 square feet on the ground floor and 10,000 square feet located on the mezzanine level. The neighborhood retail will occupy the base of the east wing, with wrap-around frontage onto 4th Street, and will occupy approximately 6,900 square feet on the ground floor, with the potential for an additional, approximate 2,700 square feet located on a mezzanine level. The principal retail frontage for both the grocery and the neighborhood retail is on H Street. The customer entrance for the grocery will be located at the corner of 3rd and H Streets. Retail parking is accessed through an entrance on 3rd Street, shared with the buildings residents. Loading and service for the grocery is located adjacent to the parking entrance on 3rd Street. Particular attention has been taken to design these entrances to mitigate their impact and enhance their visual appearance. Loading for the neighborhood retail is provided off the rear alley behind the east wing, with access from 4th Street.

All residential components of the building, with the exception of the entrance lobby and certain service areas will be located above the retail components, beginning with a partial Second Floor. The building will include between 210 and 250 units, with a current estimate of 232 units. The residential entrance lobby is located near the central H Street building front with direct access to H Street. An

additional entrance is provided for move-ins, located adjacent to the residential loading berth at the rear of the east wing. The project design provides two substantial areas for outdoor recreation for shared use by the residents, one in the Third Floor courtyard, the other on the substantial roof deck with views to the Capitol, Union Station and the monumental core.

The project also proposes to employ sustainable features where feasible. One significant sustainable component will be an integrated heat exchange system that will link the retail and residential HVAC system. By linking the two systems, excess heat captured from the mechanical systems servicing the retail tenants can be recycled through the mechanical systems for the residents, providing a source for both heating and hot water. Additional benefits of this system are the reduced load on the retail cooling towers, reduced electrical consumption, and reduced heat exchange into the ambient external air.

The building facades are designed in a style that complements and respects the adjacent buildings, particularly those with a distinct historic character. The facades on the principal street fronts of 3rd and H Streets employ a framing armature of brick and stone piers complemented with substantial glazed openings. The character of the fenestration differentiates between the retail and residential floors, allowing for a unique expression of those two uses. The design includes architectural embellishment at the 3rd and H Street corner to accentuate the significance of that location as a gateway to the commercial opportunities along H Street and beyond. A complementary embellishment is provided at the residential

entrance. The architectural character of the facades on the east wing are distinct, yet complementary to those of the main block. The differentiation reinforces the reduced massing of the wing, and helps to integrate the building into the neighboring context to the east. Material selected for the facades will be of superior quality, such as brick, stone, precast accents, aluminum windows and doors, decorate metal railing and metal frame architectural embellishments.

The design proposal also includes substantial improvements to the streetscape and adjacent alleys. These improvements will include new paving for the sidewalks, new street lighting fixtures, new and replacement tree boxes, bike racks and trash receptacles. Building walls adjacent to public alleys have been set back a sufficient distance to insure a minimum 20 foot clearance for passing traffic, when the provided setback is combined with the existing alley width.

C. Matter of Right Development Under Existing Zoning

The C-2-A District is designed to provide facilities for shopping and business needs, housing and mixed uses. 11 DCMR § 720.2. The C-2-A District permits development to medium proportions, a maximum height of 50 feet, with no limit on the number of stories, and a maximum FAR of 2.5. 11 DCMR §§ 770.1, 771.2. A mixed use commercial/residential building in the C-2-A District is permitted as a matter of right. Parking is required at a rate of one space for each additional 600 square feet of gross floor area and cellar floor area in excess of 2,000 square feet for general office use; 1 space for each additional 300 square feet of gross floor area in excess of 3,000 square feet for retail use; and 1 space for every 2 apartment house or multiple dwelling units. 11 DCMR § 2101.1. Commercial development of

approximately 91,305 square feet is permitted as a matter-of-right with additional residential development of approximately 60,870 square feet also permitted as a matter-of-right. A PUD in the C-2-A District may have a maximum height of sixty-five feet, with no limit on the number of stories, and a maximum FAR of 3.0. 11 DCMR §§ 2405.1, 2405.2.

D. Matter of Right Development Under Proposed Zoning

Under the PUD, the zoning of the entire Site would be C-2-B. The C-2-B District is designated to serve commercial and residential functions similar to the C-2-A District, but with high density residential and mixed uses. 11 DCMR § 720.6. It permits a maximum height of sixty-five feet, with no limit on the number of stories, and a maximum FAR of 3.5. 11 DCMR §§ 770.1, 770.2. Under the PUD guidelines for the C-2-B District, the maximum height is ninety feet and the maximum FAR is 6.0. 11 DCMR §§ 2405.1, 2405.2. Parking is required in the C-2-B District at a rate of one space for each additional 1800 square feet of gross floor area and cellar floor area in excess of 2,000 square feet for general office use; 1 space for each additional 750 square feet of gross floor area in excess of 3,000 square feet for retail use; and 1 space for every 3 apartment house or multiple dwelling units. 11 DCMR § 2101.1.

Commercial development of approximately 91,305 square feet is permitted as a matter-of-right under C-2-B. Additional residential development of approximately 121,740 square feet is also permitted as a matter-of-right. If the Site were developed entirely with residential development, approximately 213,045 square feet

would be permitted as a matter-of-right on the Site under the proposed C-2-B zoning.

E. Tabulation of Development Data

	C-2-B Matter of Right	C-2-B PUD Guidelines	Project
Minimum Area	None	15,000 s.f.	60,870 s.f.
Gross Floor Area	264,250 s.f. (maximum)	453,000 s.f. (maximum)	306,724 (approx.)
TOTAL FAR	3.5	6.0	5.04 (approx.)
Height	65 ft	90 ft	90 ft.
Lot Occupancy	80%	80%	82% (at 2 nd floor level) 68% (at 3 rd floor level)
Rear Yard	15	15	45 (from center line 3 rd Street)
Side Yard	None	None	None
Parking	170 spaces	170 spaces	376 spaces

The estimated quantity of potable water, sanitary sewage and storm water run-off is included in the plans attached hereto as Exhibit A. Storm water runoff will be reduced by the development's sustainable design and storm water management.

F. Flexibility Under the PUD Guidelines

The PUD process was created to allow greater flexibility in planning and design than may be possible under conventional zoning procedures.

The Roof Structure regulations prohibit multiple roof structures, require a roof structure to be set back a distance equal to its height, and have walls of equal height. The Applicant requests relief from these requirements. Separate mechanical penthouses are proposed in order to provide more efficient distribution of mechanical systems and to reduce the mass of the structures on the roof. Due to the narrowness of the building wings and the requirements of the mechanical

systems, some of the penthouses are not able to meet the required setback and are located in multiple structures. As well, in an effort to reduce their visibility, some of the roof structures do not have walls of equal height. As stated herein, the requested relief from the roof structure regulations is appropriate.

The Applicant requests relief from the residential recreation space requirement. Section 773.3 requires that an area equal to fifteen percent of the residential gross floor area to be dedicated to recreation space. The Project proposes to provide an area equal to approximately ten percent of residential gross floor area for recreation space, totaling approximately 23,647 square feet. Additional space of approximately 4,885 square feet, equal to approximately two percent of residential gross floor area, will be devoted to private outdoor terraces.

The Applicant also requests relief from the lot occupancy requirements. Section 772.1 allows a maximum lot occupancy of 80% for a building with a residential use in the C-2-B District. The residential use of the proposed building begins on the second level with only 16,906 square feet of residential space, but the building at this level occupies approximately 82% of the lot. The third level, where the residential use is more substantial (40,570 sq. ft.), has a lot occupancy of only 68%. The amount that the second level exceeds the lot occupancy (2%) is *de minimis*, and the third level where the main residential use begins, is well below the maximum lot occupancy.

III.
**THE PROJECT MEETS THE STANDARDS OF THE ZONING
REGULATIONS AND PUD REQUIREMENTS**

A. PUD Process is Appropriate Mechanism for the Project

The PUD process is the appropriate mechanism for guiding the development of the Site. By doing so, the Applicant consolidates the review of the Project within the purview of the Zoning Commission while at the same time providing opportunities for input from various agencies and the community. The Applicant has engaged the community, the ANC, the Department of Transportation, and the Office of Planning in productive discussions regarding the Project. Through the PUD process, all of these interested parties will have further opportunities for participation to fulfill the District's planning objectives for this area. Thus, the use of the PUD process gives the community and District agencies an opportunity to work with the Applicant to ensure a well-planned development. Furthermore, the PUD will lock in the Applicant's commitments and ensure that the approved development with public benefits and project amenities will be completed for the area.

B. PUD Requirements Under Chapter 24 of the Zoning Regulations

1. Area Requirements Under Section 2401.1(c)

The land area of the Site is approximately 60,870 square feet, which exceeds the minimum area requirement of 15,000 square feet for a PUD in the C-2-B District. 11 DCMR § 2401.1(c).

2. Height and FAR Requirements Under Sections 2405.1 and 2405.2

The Project has been evaluated under the PUD guidelines for the C-2-B District. As noted above, a PUD in the C-2-B District permits development of approximately 365,220 square feet of gross floor area devoted to residential use on the Site, or 6.0 FAR. The Project will have an FAR of 5.04 with approximately 306,724 square feet of gross floor area (1.18 FAR or 71,515 square feet of commercial and 3.86 FAR or 235,209 square feet of residential) and will be constructed to a maximum height of ninety feet with substantial setbacks at the sixty-nine foot level. The maximum permitted height for a PUD in the C-2-B District is ninety feet.

3. Impacts of the Project Under Section 2403.3

The Project will have a positive impact on surrounding area and will not have an unacceptable impact on the operation of city services and facilities. In fact, 3rd & H Street will have a positive impact on the immediate area. The Project constitutes appropriate commercial and residential development in an area designated by the Comprehensive Plan as a Development Opportunity Area.

3rd & H Street will bring additional housing stock, retail development and a grocery store to this developing area of H Street. Additionally, there will be a financial benefit to the District as shown by the report of Economic Analysis Report submitted as Exhibit F.

The design complements the moderate density commercial to the east of the Site and the step down in height of the building is the appropriate scale for the residential neighborhood across 4th Street and across the alley to the north,

particularly considering the large setback from those residences and the open courtyards that are planned for the interior of the Site.

The Project is not expected to have a significant impact on traffic as indicated in the Transportation Impact Study prepared by Wells & Associates, LLC (the “Transportation Study”) and submitted as Exhibit E.

Moreover, the Project will not have an adverse impact on light and air. As stated above, 3rd & H Street incorporates large open courtyards at the interior of the Site and includes reduced height for the portions of the building near the residential community to the north and east. The building has been set back four feet from the property line on H Street to provide an expanded pedestrian environment along the entire length of the block.

Finally, the District’s existing water and sewer services are adequate to serve this facility.

4. Not Inconsistent with Comprehensive Plan Under Section 2403.4

As discussed at length below in Section IV, the Project is not inconsistent with the Comprehensive Plan.

C. Public Benefits and Project Amenities

The PUD guidelines require the Zoning Commission to evaluate specific public benefits and project amenities of a proposed project. Public benefits are defined as “superior features of a proposed planned unit development that benefit the surrounding neighborhood or the public in general to a significantly greater extent than would likely result from development of the site under the matter of right provisions of this title.” 11 DCMR § 2403.6. “A project amenity is one type of

public benefit, specifically a functional or aesthetic feature of the proposed development, that adds to the attractiveness, convenience or comfort of the project for occupants and immediate neighbors.” 11 DCMR § 2403.7. Furthermore, in deciding a PUD application, the Zoning Commission is required to “judge, balance and reconcile the relative value of the project amenities and public benefits offered, the degree of development incentives requested, and any potential adverse effects according to the specific circumstances of the case.” 11 DCMR § 2403.8.

In the present case, the Applicant is requesting approval of approximately 306,724 sq. ft. of development or 5.04 FAR. Development equal to approximately 213,045 square feet is permitted as a matter of right on the Site under the C-2-B District. The maximum gross floor area under the C-2-B PUD Guidelines is 365,220 square feet.

Public benefits and project amenities may be exhibited in a variety of ways and may overlap with furthering the policies and goals of the Comprehensive Plan. In the present case, the location of new mixed use development in the H Street area as well as the proposed on-site amenities provide significant benefit to the neighborhood and the District as a whole and satisfy the requirements of Chapter 24.

1. Urban Design, Architecture, Landscaping and Open Space
(Section 2403.9(a))

The Applicant has presented an exceptional and appropriate architectural design for the Project. The project design provides a number of features that will benefit both the H Street Corridor and the surrounding residential neighborhoods.

These benefits include an architectural design that is both fresh and engaging, while seeking to complement into the existing contextual setting in both form and materials. Particular attention has been paid to creating an active, urban retail streetscape, celebratory architectural forms for the corner at 3rd & H Streets and the residential entrance on H Street, and an overall sculpting of the buildings massing in concordance with surrounding neighborhood. For the entire length of the H Street front, the building has been set back from the property a typical distance of four feet in order to increase the width of the sidewalk. This additional width will significantly enhance the pedestrian experience by reducing congestion and allowing for more open space.

The building facades are designed in a style that complements and respects the adjacent buildings, particularly those with a distinct historic character. The facades on the principal street fronts of 3rd and H Streets employ a framing armature of brick and stone piers complemented with substantial glazed openings. The character of the fenestration differentiates between the retail and residential floors, allowing for a unique expression of those two uses. The design includes architectural embellishment at the 3rd and H Street corner to accentuate the significance of that location as a gateway to the commercial opportunities along H Street and beyond. The design proposal also includes substantial improvements to the streetscape and adjacent alleys. These improvements will include new paving for the sidewalks, new street lighting fixtures, new and replacement tree boxes, bike racks and trash receptacles.

2. Site Planning and Efficient Economical Land Utilization
(Section 2403.9(b))

3rd & H Street is designed such that its primary bulk is on H Street, away from the nearby residential community. The building design provides relief to the adjacent neighborhood by having the building transition from a maximum of ninety feet down to approximately sixty-nine feet. This reduction in height will serve to minimize any potential adverse impacts resulting from the height on the adjacent residential community. The Applicant also proposes significant improvements to 3rd, 4th and H Streets, as well as improvements to the remaining alley system in Square 776. In particular, the Applicant is setting the building back from its property line along the alley. Thus, the alley is effectively widened and in most areas, the available passageway is more than doubled due to the setback of the building. In addition, the Applicant proposes setting the building back four feet from H Street to allow for a wider sidewalk and easier pedestrian passage.

3. Transportation Features (Section 2403.9(c))

The Project offers several transportation management measures and is an excellent example of "Smart Growth." First, 3rd & H Street is located along three bus routes and is less than one-third of a mile from the Union Station Metrorail Station. 3rd & H Street's location next to Union Station provides significant opportunities for public transportation use with Metrorail, Metrobus and local and regional trains all serving Union Station. This proximity will result in a significant proportion of site trips being made by mass transit or other non-passenger car modes. Second, 3rd & H Street will include a three level parking garage which will

accommodate approximately 376 cars. This number of parking spaces is more than that required by the Zoning Regulations and will adequately accommodate market parking demands. Third, the eastern branch of the Metropolitan Branch Trail, which connects Union Station and Takoma Park and provides access to Capitol Hill, is only 2 blocks to the west. Finally, the Transportation Study, submitted as Exhibit E, concluded that the Project would not significantly change the projected future intersection levels of service. The Project will not adversely impact the traffic situation for the area.

4. Special Value to the Neighborhood (Section 2403.9(i))

This Project adds special value to the surrounding neighborhood by bringing a grocery store and appropriate retail development that will serve the community. Grocery stores are needed within the city and benefit the community.

5. Employment and Training Opportunities (Section 2403.9(e))

3rd & H Street promotes residential, retail and commercial development at an appropriate location that will add to the economy of the District as well as provide expanded employment opportunities for District residents. The submitted Economic Impact Analysis projects that the equivalent of 176 full time jobs will be located at 3rd & H Street with an estimated annual District based payroll of \$5,000,000. Moreover, the development will stimulate economic activity in an area targeted for further revitalization and in accordance with the Comprehensive Plan and its objectives. See Economic Impact Analysis attached hereto as Exhibit F.

As an additional public benefit and in order to further the policies established in Mayor's Order No. 83-265 and D.C. Law 5-93, the Applicant will work with the

Department of Employment Services (DOES) to execute a First Source Employment Agreement in order to achieve the goal of utilizing District residents for at least fifty-one percent of the jobs created by 3rd & H Street. The Applicant's consultants will use DOES as its first source for recruitment, referral and placement of new hires for employees whose jobs are created by 3rd & H Street. Likewise, as another public benefit and in order to further the policies established in D.C. Law 1-95, D.C. Code Section 1-1-1141 *et seq.* (1987 Ed. as amended), the Applicant will commit to make a bona fide effort to utilize Local, Small or Disadvantaged Business Enterprises ("LSDBE") certified by the D.C. Local Business Opportunity Commission ("LBOC") in order to achieve, at a minimum, the goal of thirty-five percent participation in the contracted development costs in connection with design, development, construction, maintenance and security of 3rd & H Street. The Applicant will use the Department of Human Rights and Local Business Development, including the LBOC's Directory of Certified Business Enterprises, as the primary referral sources for LSBDEs.

5. Housing (Section 2403.9(f))

This Project will create additional housing stock as encouraged by the City. Approximately forty-eight percent of the units will be one bedroom units, approximately twenty-two percent of the units will be one bedroom and den units, approximately twenty-eight percent of the units will be two bedroom units and approximately two percent of the units will be two bedroom and den units. The Project will comply with current policies by providing approximately ten percent of

the increase in gross floor area as housing units affordable to households making no more than eighty percent of the area median income.

6. Other Public Benefits and Project Amenities (Section 2403.9(j))

The Project provides for economic development in an area designated as a Development Opportunity area. The Applicant's proposal to locate a major mixed use development with a major grocery store will give a much needed boost to the economic development of the area, as shown by the Economic Impact Analysis submitted as Exhibit F.

The Applicant will submit and agree to abide by a Construction Management Plan with the community in an effort to minimize any potential adverse impacts resulting from the construction of the Project. The Construction Management Plan will address issues such as pre-construction surveys, construction site management, construction site cleanliness, work hours, traffic and parking, and complaint procedures and communication.

**IV.
COMPLIANCE WITH COMPREHENSIVE PLAN**

The proposed PUD is consistent with and, in fact, fosters the goals and policies stated in the elements of the District of Columbia Comprehensive Plan, [D.C. Law 5-76, 10 DCMR (Planning and Development) § 100 et seq. (1984)].

The purposes of the District of Columbia Comprehensive Plan Act are to:

- (1) Define the requirements and aspirations of District residents, and accordingly influence social, economic and physical development;
- (2) Guide executive and legislative decisions and matters affecting the District and its citizens;
- (3) Promote economic growth in jobs for District residents;
- (4) Guide private and public development in

order to achieve. District and community goals; (5) Maintain and enhance the natural and architectural assets of the District; and (6) Assist in conservation stabilization and improvement of each neighborhood and community in the District.

[D.C. Code §1-245(b) (1994 Supp).]

The Project significantly advances these purposes by promoting the social and economic development of District residents through the provision of quality commercial retail and residential development, achieving the community goal of adequate parking, promoting economic growth for the District and its residents, increasing employment opportunities in the District, and stabilizing and improving the H Street vicinity.

A. Compliance with Major Themes.

Among the major themes advanced under the Comprehensive Plan ("Plan") is the goal of respecting and improving the physical character of the District. The Applicant's proposal is consistent with this theme through the development of an exceptional design that will significantly enhance the prominence of the H Street corridor and improve the appearance of the vicinity as a whole.

The Comprehensive Plan encourages making maximum use of the District's location at the center of the region's radial Metrorail and commuter rail systems. See 10 DCMR §109.1(b). The Project takes advantage of this asset by its location along major Metro bus routes and its proximity to the Union Station Metrorail Station with local and regional train service.

The Comprehensive Plan also encourages the active involvement and input of local communities. The Applicant has worked with the Office of Planning, the local

ANC and others in an effort to gather community input on the project and modify the design of the Project to address community concerns. The Applicant will continue to work with the community to address any identified issues with respect to the Project.

The Project advances the purposes of the Comprehensive Plan, is consistent with the Generalized Land Use Map, and furthers and complies with the major themes and elements for the District and Ward 6 in the Comprehensive Plan.

B. Compliance with Major Elements.

The Comprehensive Plan contains eleven major elements. The Project furthers the objectives and policies of several of these elements as follows:

1. Economic Development Element

According to the Economic Development element of the Comprehensive Plan, the objective of economic development outside of the Central Employment Area is to create and expand economic activity and employment centers. 10 DCMR 206.1 In support of such objective, it is a policy to support appropriate development of the H Street, N.E. corridor. 10 DCMR 206.2(b) This Project brings appropriate commercial and retail development to the H Street area.

An additional policy of this element is to enhance the environmental quality of areas of significant development through guidelines related to access and egress, setbacks, landscaping, lighting, facades and structural relationship to adjacent buildings. 10 DCMR 204.2(c) The Project continues a sense of place in the H Street area and is sensitive to the nearby residential communities, acknowledging their low rise nature by a decrease in height of the proposed building. 3rd & H Street

also proposes significant improvements to the surrounding streetscapes and will enhance the overall environmental quality of the area.

2. Environmental Protection Element.

It is the goal of the District to “protect the environment, to resist threats to its overall quality, and to act to maintain and enhance its positive features in the interest of residents, workers and visitors....” 10 DCMR § 401.1.

The Applicant will comply with all the applicable rules and regulations of the District to promote energy conservation, improve air quality and protect the natural environment. The project proposes to employ sustainable features where feasible. One significant sustainable component will be an integrated heat exchange system that will link the retail and residential HVAC system. By linking the two systems, excess heat captured from the mechanical systems servicing the retail tenants can be recycled through the mechanical systems for the residents, providing a source for both heating and hot water. Additional benefits of this system are the reduced load on the retail cooling towers, reduced electrical consumption, and reduced heat exchange into the ambient external air.

3. Housing Element

The general objectives for housing are to stimulate production of new and rehabilitated housing to meet all levels of need and demand and to provide incentives for the types of housing needed at desired locations. 10 DCMR §302.1

Policies in support of these objectives are:

- to encourage the private sector to provide new housing to meet the needs of present and future District residents at locations consistent with District land-use policies and objectives (See 10 DCMR §302.2(a));
- to designate, as residential development opportunity areas, sites where significant housing development can occur and encourage multi-unit housing development near selected metrorail stations, at locations adjacent to Downtown, and adjacent to proposed employment centers and office areas (See 10 DCMR §302.2(d)).

The Project is consistent with the objectives and policies of this element. 3rd & H Street will provide approximately 210-250 new housing units in an area designated by the Comprehensive Plan as a Development Opportunity Area and designated by the H Street N.E. Strategic Development Plan as a housing sub-district. Approximately 10% of the increased floor area will be Affordable Housing Units. 3rd & H Street is located approximately one-third of a mile from the Union Station Metrorail Station.

4. Transportation Element.

It is the goal of the District to “[p]romote the increased use of mass transit, in the District and the region.” 10 DCMR § 503.2(c).

Development of the Project at the present Site along major Metrobus routes and within close proximity to Union Station Metro Station will promote and stimulate the use of existing mass transit service.

A basic philosophy of the District’s Transportation element is to provide for the efficient movement of people and goods within the District and its metropolitan area. 10 DCMR § 500.2. The policies established in support of the general transportation objectives include supporting land use arrangements that simplify and economize transportation services. 10 DCMR § 502.1(a). The location of the Project along major Metrobus routes and near Union Station Metrorail station furthers this goal.

5. Urban Design Element.

The policy...in support of the urban design objective is to enhance the physical image and symbolic qualities of the District that establish its character as an urban center and the nation’s Capital. 10 DCMR 702.2.

The proposed PUD will enhance the quality of the area through superior design elements that respect the special character of this prominent commercial corridor.

It is the goal of the District to “encourage new development within areas of strong architectural

character to contribute to the physical identity and character of the area.” 10 DCMR 710.2(d).

The Project proposes a distinguished design that provides a rich and vibrant texture to this prominent gateway and enhances the vibrancy of this commercial corridor.

The Urban Design element states that it is the District’s goal to “promote the protection, enhancement and enjoyment of the natural environs and to promote a built environment that serves as a complement to the natural environment, provides visual orientation, enhances the District’s aesthetic qualities, emphasizes neighborhood identities, and is functionally efficient.” 10 DCMR § 701.1.

The Project has been designed to enhance the physical character of the area and complement the materials, height, scale and massing of the moderate density commercial area to the east along H Street and the moderate density residential community to the east and north. 10 DCMR § 708.2. As previously stated, the Project’s height steps down significantly – from ninety feet to approximately 69 feet to better fit with the nearby residential community. In this regard, the Project’s massing and scale are sensitive to the established patterns of development in the area. 10 DCMR §710.2(e).

The streetscape objective of this element is to establish a clear classification of streets and sidewalks that is functionally efficient and visually coherent, enhances the pedestrian environment, and provides for the orderly movement of goods and services. 10 DCMR § 709.1. The Project proposes significant enhancements to the streetscape along 3rd Street, 4th Street, H Street. Of particular

note, the proposed building will be set back 4 feet from the property line along H Street to provide a wider passageway and better pedestrian environment.

6. Land Use Element.

It is the goal of the District to "promote appropriate commercial development, including centers for retail and office uses, to serve the needs of the economy of the District and its neighborhoods...." 10 DCMR § 1108.1(a).

The Project responds to this goal by providing mixed use development with a superior design that will foster the continued growth of the District's economy and employment base while providing additional residential stock for its citizens. The Project is located within a Development Opportunity Area. These areas offer opportunities to accommodate new growth and development. See 10 DCMR § 1118.3.

7. Generalized Land Use Maps.

The Comprehensive Plan Generalized Land Use Map depicts the Site as located in a mixed use category. The Generalized Land Use Policies Map depicts the Site as located in a Development Opportunity area. The proposed PUD is consistent with the Generalized Land Use Maps.

C. Compliance with Major Elements of the Ward 6 Plan

1. Ward 6 Economic Development

An objective of this element is to encourage a range of commercial services and facilities for Ward 6 residents through appropriate development of commercial areas when needed and to upgrade commercial areas such as H Street, N.E. 10 DCMR § 1701.1(a). It is a policy to ensure that the redevelopment of the

commercial corridors, such as H Street, N.E., include a large percentage of neighborhood-serving commercial uses. 10 DCMR § 1702 (c).

3rd & H Street provides commercial and retail development, including a grocery store, to serve the surrounding neighborhood while upgrading the H Street commercial area.

2. Ward 6 Housing

A policy of this element is to stimulate private investment in housing in Ward 6 and expand home ownership opportunities. 10 DCMR § 1706.1(c) 3rd & H Street will provide 210-250 new dwelling units to the area, a portion of which will be affordable housing.

3. Ward 6 Transportation

An objective of this element is to provide an adequate balanced circulation system, properly related to residential, commercial/retail, and other land uses, which will enhance the aesthetic and environmental characteristics along streets in the Ward 6 area as well as to minimize traffic congestion. 10 DCMR § 1713.1(a) The Project complies with this element.

4. Ward 6 Urban Design Element

This element encourages high quality architecture consistent with the styles and characteristics of buildings in Ward 6 (10 DCMR 1721.1(c)) and is meant to ensure that redeveloped and new structures in Ward 6 commercial corridors strengthen the urban design image of those areas and relate to adjacent residential neighborhoods (10 DCMR § 1722.1(a)). It also encourages development that provides streetscape improvements, trees, signs, lights and other such elements to

enhance the environment in Ward 6. 10 DCMR § 1722.1(d) A policy of this element is to continue to improve the design and upkeep of public spaces, including streets, sidewalks, small open spaces and large formal squares in Ward 6. 10 DCMR § 1722.1(e)

3rd & H Street has been designed to enhance the physical character of the area and complement the materials, height, scale and massing of the nearby moderate density commercial uses and the established moderate density residential community to the east. The Applicant proposes significant landscaping and streetscape improvements to 3rd, 4th, and H Streets, as well as improvements to the alley system in the center of Square 776.

5. Ward 6 Land Use Element

The Land Use Element for Ward 6 recognizes that the H Street Corridor is still rebuilding from the disturbances of 1968 and encourages more business development in the area. See 10 DCMR § 1732.7. This Project proposes appropriate commercial and retail development in this area.

D. Compliance With H Street N.E. Strategic Development Plan

The H Street NE Strategic Development Plan calls for H Street to become a living corridor with new housing units providing needed support to the corridor retail elements as well as additional "eyes and feet on the street" to improve safety, security, and retail viability. The area from 2nd Street, N.E. to 7th Street, N.E. is designated as the Urban Living subdistrict. Its proximity to transit and potential for infill development makes it suitable for primarily residential development. The Plan calls for housing at a higher density with architecture that appropriately

marks the entrance to the H Street community. This vision encourages necessary rezoning to optimize proximity to transit, create density to support proposed retail development and permit larger in-fill residential or mixed-use buildings. The Project is consistent with the H Street Plan.

V. AREAS OF FLEXIBILITY

The Applicant has made every effort to provide a level of detail that conveys the significance and appropriateness of the Project's design for this location while at the same time provide a design that does not require flexibility from the requirements of the Zoning Regulations. Nonetheless, some flexibility is necessary that cannot be anticipated at this time.

The Applicant requests flexibility in the following areas:

1. To vary the location and design of all interior components, including partitions, structural slabs, doors, hallways, columns, stairways, and mechanical rooms, provided that the variations do not change the exterior configuration of the building;
2. To vary location and arrangement of parking spaces.
3. To vary the final selection of the exterior materials within the color ranges and material types as proposed, based on availability at the time of construction without reducing the quality of the materials; and to make minor refinements to exterior details and dimensions, including curtainwall mullions and spandrels, window frames, glass types, belt courses, sills, bases, cornices, railings and trim, or any other changes to comply with the District of Columbia Building Code or that are otherwise necessary to obtain a final building permit.

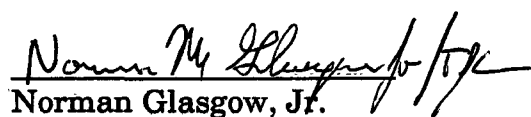
VI. CONCLUSION

For the foregoing reasons, the Applicant submits that the PUD plan meets the standards of Chapter 24 of the Zoning Regulations; is consistent with the

purposes and intent of the Zoning Regulations and Zoning Map; is consistent with the land use objectives of the District of Columbia; will enhance the health, welfare, safety and convenience of the citizens of the District of Columbia; is consistent with the H Street Plan; satisfies the requirements for approval of a consolidated PUD; provides significant public benefits and project amenities; advances important goals and policies of the District of Columbia and, therefore, should be adopted by the Zoning Commission. Accordingly, the Applicant requests that the Zoning Commission approve the PUD application with relief from the roof structure regulations and the residential recreation space requirements and the concurrent change in zoning to C-2-B.

Respectfully submitted,

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