GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING

Office of the Director

MEMORANDUM

TO: Zoning Commission

FROM: Andrew Altman
Director

DATE: December 8, 2000

SUBJECT: Application 16661- 1501 South Capitol Street, SW
Washington Real Estate Investment Trust: Electronic Equipment Facility

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APPLICATION

Application of Washington Real Estate Investment Trust, pursuant to 11 DCMR 3104.1 and 2101.1, for a special exception to establish an Electronic Equipment Facility (EEF) with parking relief in the C-M-2 District at 1501 South Capitol Street, SW., (Square 657, Lot 817)

APPLICANT'S PROPOSAL

The applicant proposes to renovate the existing warehouse for use as an EEF. The existing structure is 145,000 square feet of gross floor area and consists of three stories and a basement. It is currently leased to the Metropolitan Police Department who uses the property for vehicle and vehicle equipment maintenance and home for the mobile crime unit. The MPD will not be renewing the lease and the applicant proposes to convert the space to an EEF.

SUMMARY RECOMMENDATION

The Office of Planning recommends that this application be denied. OP believes that the proposed use of the property as an EEF will have an adverse impact on the future redevelopment of the area, for the following reasons:

> The area has been identified for redevelopment and such uses are inconsistent with the mixed-use activities proposed for the area. A consistent theme of the past planning work undertaken by the Office of Planning, which led up to the Buzzard Point Overlay currently vested on the site, was the importance of a lively, mixed-use waterfront for the city. That theme was further reinforced in the charrette recently conducted by the Office of Planning and the General Services Administration, with the assistance of the Center for New Urbanism. In fact, the consultant team member for land use/ zoning issues, Jonathan Barnett, a nationally recognized planning authority, characterized the industrial zoning which had existed on the site as a "zoning emergency", because of his concern that permitting any additional M or CM-type uses would substantially undermine the

Case No. 16661
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revitalization of the area. The proposed data hotel fits the profile of the uses about which he was concerned.

This building is three blocks from M Street, which is expected to be a major pedestrian route, and, given its Metro accessibility, a leading redevelopment corridor. A primary objective of the CR zone which was proposed for this area by the Office of Planning is to change the existing character of the area. Permitting this use would, in the opinion of the Office of Planning, extend the useful life of the warehouse use and structure beyond the point where economic forces would otherwise bring about the revitalization of the area.

The proposed use is entirely speculative. Currently, there is no *local loop* fiber (necessary to tap into the long haul fiber lines) extended this far south. There is great concern that approval of an EEF and the consequential extension of local loop fiber is this area will create pressure for a conflicting set of development proposals and revitalization plans; that the local fiber will draw other such facilities as has been seen in the NoMa area where local fiber already exists; and that the very low personnel presence and extremely high equipment use, could further undermine revitalization efforts for the area.

The Office of Planning is also concerned that this application abuts an existing residential neighborhood on the north and west. A data center here, while not likely to be objectionable to the neighborhood in terms of traffic, would not contribute to enhancing or expanding the residential character of the neighborhood, nor would it provide neighborhood serving uses or contribute to creating a demand for neighborhood serving uses.

BACKGROUND

Temporary Regulations

On October 16, 2000, the Office of Planning recommended an emergency rulemaking for the temporary regulation of electronic equipment facilities (EEFs) (a.k.a. data centers, tech hotels, telecommunications switching facilities, Internet hotels) which was adopted by the Zoning Commission.

The regulations provided for the temporary review of these facilities through the special exception process, but allowed matter-of-right development if the facilities were placed underground. The temporary regulations applied to the C-3, C-4, C-5, C-M, and M zones. EEFs were prohibited in all other zones as being contrary to the purposes of the zoning districts stated in Title 11DCMR.

The temporary regulations were designed to encourage the appropriate development, design and location of data centers in the city. It was OP's intent to protect the areas where employee-oriented technology developments have occurred and areas identified for economic revitalization. Many of the EEFs have been proposed in areas of the city that have significant long-term development potential and have been identified for economic revitalization, such as the North of Massachusetts (NoMa) area and the waterfront. These revitalization areas

encourage the location of technology firms and anticipate a mixed-use vibrant street life that makes optimal use of the Metrorail.

Electronic Equipment Facilities
Electronic Equipment Facilities are large spaces or buildings almost entirely occupied by electronic equipment for Internet and telecommunication service providers. EEFs serve as transmission hubs, or switching centers, for service providers whose computer equipment needs to be connected to major fiber optic networks. It is common for these facilities to house multiple and competing data service providers and, due to fiber availability, to cluster in a concentrated area.

EEFs have unique development and operating standards including close proximity to fiber optic lines, large floor plates with wide column spacing and tall ceilings, dry fire safety systems, minimum window exposure, high security, high and uninterrupted energy demands, low number of employees, low parking, loading and delivery demands, and 24 hour operations.

Other Cities Surveyed
OP contacted several cities across the country[1] in an effort to survey their experiences with data centers and the impact data centers have had on their cities. San Jose and Los Angeles reported that data centers could result in "dead zones" due to low employee presence, high security designs and minimal street orientation. They also reported that data centers can cause a steep increase in rental rates leaving smaller and start up firms competing for lower cost space. However, almost all cities agreed that these facilities could also make economical reuse of old and existing warehouses.

San Jose is considering a proposed ordinance that would require a conditional use permit (similar to our special exception review) for data centers in all zones where they would be permitted. LA and Portland are also considering addressing the facilities as a unique land use and zoning classification but have not yet proposed final regulations.

OP was concerned that the uncontrolled development of actual and speculative data centers could forestall redevelopment efforts and have an adverse impact on the future redevelopment of the areas. Therefore, OP recommended a special exception review be provided for these facilities on an emergency basis while final regulations were prepared.

SPECIAL EXCEPTION REQUEST
In making a special exception request, the applicant must show that the proposed use will not have an adverse impact on the surrounding area. The temporary EEF regulations require that the applicant show "... that the proposed use will not, as a consequence of its design, operation, low employee presence, or proximity to other EEFs, preclude future revitalization of the neighborhood, reduce the potential for vibrant streetscapes, deplete street life, or inhibit pedestrian or vehicular movement."

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[1] San Jose, San Francisco, Los Angeles, Santa Clara County, Portland, OR, Seattle, Dallas, Chicago, Boston, Annapolis, Loudoun County, VA.

The emergency regulations also provide guidance to the Commission in determining adverse impacts. They state:

> In evaluating whether an EEF will have any of the adverse impacts described in 745.2, the Commission shall consider, in addition to other relevant factors, the adverse impact of:
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> (a) The absence of retail uses or of a design capable of accommodating retail uses in the future;
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> (b) The presence of security or other elements in the design that could impair street life and pedestrian flow;
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> (c) The disruption of existing or the elimination of officially proposed pedestrian or vehicular routes; and
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> (d) The inability of the EEF to be adapted in the future for permitted uses.

The temporary regulations further provide guidance in terms of considering the location of the facility relative to Metrorail stations and any positive economic benefits that may arise from an EEF. The regulations state the following:

> The Commission in weighing the potentially adverse factors delineated in 745.3 (a) through (d) shall consider the economic development potential of the area in which the EEF is proposed to be established and shall give greater negative weight to these factors if the EEF is to be located in proximity to an existing or proposed Metro Station or on a pedestrian corridor.
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> The Commission may give positive weight to any economic benefits that the proposed EEF will have on adjacent properties, including the potential for increased business activity within the neighborhood, if that activity will foster economic development.
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> The Zoning Commission may impose requirements pertaining to design, appearance, landscaping, parking and other such requirements as it deems necessary to protect adjacent property and to achieve an active, safe and vibrant street life.

SITE AND AREA DESCRIPTION

The site is located at the southwest quadrant of the city. It sits immediately west of the ramp serving the Douglas Memorial Bridge, which obscures the visibility of the western building façade. The surrounding neighborhood to the north and west contains residential row houses. The neighborhood to the south and east is developed as used as industrial uses. The industrial nature of the area brings heavy truck traffic and the use of the site involves, by its very nature, significant traffic. The property has frontage on South Capitol, Half and P Streets, SW. It comprises more than half of Square 657. There are several warehouses on the eastern side of South Capitol Street.

The area is near existing long haul fiber but the applicant reported that there is currently no local loop fiber existing along this potion of South Capitol Street. Industry representatives report that local loop fiber is necessary to tap into the long haul lines.

ZONING AND RELIEF REQUESTED

The property is zoned BP/CR, under zoning vested on the site. The applicant feels that this zoning is not applicable, and self-certified that the zoning is C-M-2, Commercial-Light Manufacturing. CR zoning permits primarily office and residential uses. The C-M-2 zoning classification permits as a matter-of-right commercial uses, moving and hauling terminal, research lab, incinerator, motorcycle repair, dry cleaning facility, public utility pumping station, repair garage, storage, light manufacturing, temporary detention or correctional institution. Special Exception relief is required for massage establishments, intermediate materials recycling facilities and EEFs.

The applicant is requesting special exception relief for an EEF pursuant to an in accordance with the emergency regulations adopted October 16, 2000 and the special exception criteria established for this use.

Future revitalization of the neighborhood and
Potential for vibrant streetscapes and street life

The building is an existing warehouse and is currently used by the MPD for vehicle and vehicle equipment maintenance and as the home of the mobile crime unit. The proposed renovations include a renovation of the building but do not change the essentially industrial character of the building. No retail is provided, nor does it appear possible to accommodate retail in the building. The industrial appearance of the property will be improved by the removal of the tall chain link fence surrounding the parking lot, painting of the entire façade, removal of window air conditioning units and replacement of all windows. The building will have internal security that will not be present from the street or sidewalks.

In addition to the building improvements, the applicant has stated its intention to provide landscaping along the street and parking lot. The rendering shows street trees and shrubbery to be placed symmetrically around the portions of the property that are adjacent to the residential areas.

While the proposal will improve the external appearance of the property, the proposed use will have little impact on the revitalization of the adjoining properties or neighborhood. It will provide a low impact use that will appear as an empty street block along South Capitol Street and against the existing residential neighborhood. OP is greatly concerned that the extension of local loop fiber to this area will result in pressure to convert other buildings to such a use, creating an area of very low street activity.

This area is different from the NoMa area because it does not have the offices, business and governmental uses that exist in NoMa. NoMa, however, already has the existing local loop fiber infrastructure and a more established, albeit not to the full potential, office, business and mixed-use environment. OP is concerned about the potential clustering of these facilities in a second area of the city identified for revitalization prior to any other mix of uses in the area.

Pedestrian and Vehicular Movement

The removal of overflow parking along the public space of P and Half Streets should increase the convenience and safety of pedestrian movement. The removal of the chain link fence with

barbed wire cap will also improve the pedestrian experience along the street. Most EEF proposals indicate that the loading requirements are quite low. After the initial construction and delivery of equipment, few trips are anticipated that will use the loading facilities. The proposal will not impede the flow of pedestrians and vehicles.

Retail uses or Future Retail Accommodation
The building was originally constructed as an industrial warehouse in an industrial zone and was not intended to accommodate retail uses. The improvements included in the renovation will update the building to current building code standards by upgraded electrical service but there is no intention nor any apparent ability to use the building for other than industrial purposes.

The unique location of the property relative to the elevated bridge ramp and existing heavy industrial uses make retail an unlikely use for the structure in the near future. OP is concerned that the proposed use could have an adverse impact on the overall area and revitalization efforts taking place in Buzzards Point through the creation of a large, low-activity space.

Parking
The applicant is requesting relief from the parking requirements established for the EEFs through the emergency regulations. The site currently has an on-site parking lot on the western side of the property. The existing lot provides 29 parking spaces. The regulations require an EEF of this size provide 80 spaces. The existing situation reflects the original development. The applicant is requesting special exception relief based on pre-existing conditions. OP does not believe the requested parking relief will have an adverse impact on the neighborhood.

COMPREHENSIVE PLAN

The Comprehensive Plan Generalized Land Use Map designates the property as a mixed used area of Production and Technical Employment, High Density Commercial and Medium-High Density Residential. This mixed-use identification indicates that the area is appropriate for a combination of the three land uses. The mixed use identification includes both existing commercial and industrial areas and "areas proposed for significant land use changes." The properties to the north and west of the property are identified as medium density residential.

The property is in the Buzzards Point area and has been identified for revitalization. The property sits in a transitional location between residential and industrial uses.

COMMUNITY COMMENTS

The applicant presented the proposal to ANC at the December 11, 2000 meeting. The ANC voted to oppose the proposal.

RECOMMENDATION

The Office of Planning recommends that this application be denied. OP believes that the proposed use of the property as an EEF will have an adverse impact on the future redevelopment of the area, for the following reasons:

> The area has been identified for redevelopment and such uses are inconsistent with the expected mixed-use activities proposed for the area. Currently, there is no *local loop*

fiber (necessary to tap into the long haul fiber lines) extended this far south. There is concern that approval of an EEF in this area will create a conflict between development proposals and the Buzzards Point revitalization plan and that the very low personnel presence and extremely high equipment use, will not support revitalization efforts for the area.

OP distinguishes this application from the other applications in NoMa. The District has established a policy of promoting the creation of a technology district in NoMA. While OP does not wish to see a large percentage of NoMA converted to data centers, it does see the creation of some centers as complimentary to the other technology uses it hopes to attract. In the waterfront area, however, OP has strongly supported the establishment of a mixed-use, residential and commercial area. OP believes this proposal would result in an empty street, which would be contrary to the redevelopment plans for the Buzzard Point area. OP also sees this use as one which would prolong an inappropriate industrial character for this site, beyond the point at which economic forces would otherwise prompt its redevelopment. OP also does not see this use as one which is complimentary to the residential area to the north and west.

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