GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING
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Office of the Director

MEMORANDUM

TO: D.C. Zoning Commission

FROM: Andrew Altman
Director

DATE: October 16, 2000

SUBJECT: Report for **Emergency Rulemaking of Zoning Text Amendments Regarding Electronic Equipment Facilities** by Adding a Definition, and Permitting Them Only in the C-3, C-4, C-5, all C-M and M Zone Districts by Special Exception and Prohibiting Their Use in All Other Zones; initiated by the Office of Planning.

RECOMMENDATION

The Office of Planning recommends that the Zoning Commission pass an emergency rulemaking for text amendments to 11 DCMR that will guide the development of Electronic Equipment Facilities and that the amendments do the following:

- Prohibit EEFs in all Residential, Special Purpose, Mixed Use, C-1 and C-2 zones as being contrary to the purpose of the zones as stated in the zoning regulations (11DCMR),
- Allow EEFs as a matter of right in the C-5 district only when located 100 percent below ground floor level to preserve the intent of the zone as stated in §760 of 11DCMR,
- Allow EEFs as a matter of right in the C-3, C-4, C-M and M districts only when located 100 percent below ground floor level, and
- Allow EEFs by special exception in the C-3, C-4, C-M and M districts when not located 100 percent below ground floor level.

PURPOSE

BZA
Case No. 16664
Exhibit No. 9

Board of Zoning Adjustment
District of Columbia
CASE NO.16664
EXHIBIT NO.9

The purpose of this report is to initiate emergency legislation that will provide quick guidance and review procedures for Electronic Equipment Facilities (EEF) also referred to as telco hotels, Internet hotels, carrier hotels and cyber hotels. The Office of Planning has become aware of several EEFs that are being proposed as speculative developments. Several of these represent vast amounts of square footage and are proposed in areas of the city where their development may deplete the neighborhood of a vibrant street life and minimize the development potential of locations near Metro Stations.

The adoption of emergency legislation will allow for the initiation of discussion of the important land use requirements and implications of EEFs. It will also allow time to organize a roundtable to receive community and business input on the development of EEF regulations. As a result, specific text amendments will be brought forward to the Zoning Commission for formal review and adoption.

Interest in the development of EEFs is intensifying and they can be developed very quickly. The Office of Planning believes a concentration of EEFs could have adverse impacts and be contrary to the city's Comprehensive Plan in some areas while in other areas of the city, they may further the city's economic development goals.

The purpose of proposed zoning text amendment is to provide regulations that will define and guide the development of Electronic Equipment Facilities (EEF). The Office of Planning recognizes that these are important components of an emerging technology economy. The questions are where are these facilities most appropriately located, what are the appropriate guidelines to ensure compatibility with the character of the areas within which they locate and what is an appropriate review process to ensure such compatibility.

The purpose of the Electronic Equipment Facility regulations will be to:

(a) Identify areas where facilities are encouraged and where they are discouraged;

(b) Encourage the proper placement, concentration and scale of electronic equipment facilities;

(c) Encourage a scale of development that will be compatible with the goals and objectives of the Comprehensive Plan including commercial and industrial development, expansion of employment opportunities, support for public transportation, safe and efficient conditions for pedestrians, public safety, the efficient use of land and active ground floor uses;

(d) Encourage a scale of development that will not overwhelm and deplete the vitality of commercial and industrial areas, especially those areas identified for redevelopment.

(c) Ensure appropriate design of the facilities including façade treatment that are compatible with the neighborhood character.

The Office of Planning believes that EEFs are an integral part of the technology industry's geography and their location in the city is encouraged. However, due to the unusual land use and architectural implications of EEFs, OP also recognizes that there are several areas in the city where an abundance of such facilities could result in unwanted effects, such as "dead zone" streetscapes, low pedestrian activity and an under-utilization of the Metrorail system. The city has limited resources in the form of Metrorial stations and a concentration of EEFs within a close proximity of a station would not optimize the use of this resource due to the low employee and visitor presence.

The city's major fiber-optic trunk lines are reported to run along the Southeast freeway and the existing railroad corridors in the northeastern industrial areas such as New York Avenue and northward along the CSX lines. OP recognizes that technology firms may gravitate toward these fiber optic lines. The staff recommends that a zoning text amendment be sculpted that will guide the development of these facilities into the industrial New York corridor and limit their presence in areas where mixed and active street level uses are encouraged, such as NoMa, the waterfront and downtown. They should also be discouraged immediately adjacent to Metrorail stations where maximized development is encouraged.

BACKGROUND

Electronic Equipment Facilities (EEFs) 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 to cluster together in one concentrated area.

According to the Urban Land Institute "Most telco hotels are in downtown areas because telco firms want their expensive equipment located near a city's main fiber optic network. The firms move in together because although they compete for customers, joining together saves them money." Many of the smaller firms "...find it too costly to lay their own fiber optic cable...so if a company can tap a competitor's line more cheaply, it often does...now thousands of other firms want to tap into original lines and they can do that in carrier hotels."[1]

The space requirements for an individual company within an EEF can be very small, often no more than an eight-foot by eight-foot by twelve-foot cabinet, thus allowing an EEF to house dozens of companies. Both real estate developers and telecommunication service providers

[1] "Telco Hotels", Urban Land May 2000

are developing the EEF market. A single service provider may construct an EEF for their sole use or a property developer may construct a building "on spec" for multiple tenants. The buildings can be renovated or constructed very quickly and inexpensively due to the very minimal requirements for interior finish and the lack exterior detail. Fees paid by tenants are high, making these very attractive to potential developers.

Accessory Uses

In addition to the primary use as transmission hubs, accessory uses of an EEF include an office for maintenance personnel, back-up power generation and fuel storage. There is typically no retail or customer service activities associated with an EEF and the only employees at the site are equipment maintenance personnel, usually in extremely small number per square foot in relation to other commercial uses.

Development Standards

Electronic Equipment Facilities have unique development and operating standards. These standards include immediate proximity to fiber optic lines, large floor plates with wide column spacing, tall ceilings and strong floors, 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. In brief, an EEF is a huge computer site with very few people, high security and minimum parking.

COMPREHENSIVE PLAN COMPLIANCE:

The unique nature of the Electronic Equipment Facility can have significant adverse impacts on urban design, street vitality and economic development of surrounding areas. These negative impacts may include, but are not limited to, excessive massing of buildings with no street orientation, fenestration or street vitality, restriction of pedestrian traffic, the absence of people resulting in a "ghost town" effect, minimal secondary economic impact, little or no utilization of public transportation, and low employment opportunities. The uncontrolled effects of EEFs could be contrary to the following Major Themes of the Comprehensive Plan:

§103 Increasing the Quantity and Quality of Employment Opportunities in the District

An EEF has very few employees on site. The employees are typically equipment maintenance personnel and although the site is serviced 24 hours a day, it may have as few as 5 employees per 100,000 square feet of floor space.

§104 Developing a Living Downtown

The Downtown land use objective is to create a mix of uses that will ensure an active and productive downtown at different times of the day and night. The technological isolation of Electronic Equipment Facilities and the large amount of floor area that they utilize are not consistent with this objective. There are few employees and no customers. The growing security requirements related to these facilities also prohibit people from freely moving in or around the site.

§105 Preserving and Promoting Cultural and Natural Amenities

The urban design and streetscape elements of an EEF site can be uninviting and stark due to their high security demands. Pedestrians are often restricted from the site and the building is designed with limited fenestration, no street orientation and large expanses of solid walls. These design elements are not consistent with the goal of keeping the city an "historic, majestic and beautiful capital."

§109 Reaffirming and Strengthening the District's Role as the Economic Hub of the National Capital Region 109.1 (b), 109.2 (a) (b)

This major theme of the Comprehensive Plan stresses the need to make maximum use of the District's location at the center of the region's Metrorail system, highway system and communication networks. The EEFs clearly utilize the communication networks but need to be balanced against the extremely low utilization of the Metrorail system.

This is particularly significant given the indications of strong interest in location in the North Capitol/New York Avenue area. The proposed New York Avenue Metro station represents a substantial public investment. The value of which will be negated if large numbers of EEFs locate in the vicinity The staff believes that the proper placement and use of EEFs can minimize the under-utilization of the public transit system while accommodating the needs of the communication networks.

CONCLUSION

The Office of Planning believes that Electronic Equipment Facilities can be an important part of the city's economic and industrial revitalization. High technology companies are welcome in the city and their location is cited as an objective of the Comprehensive Plan. OP recognizes that certain areas of the city can offer a competitive advantage for new technology based firms and EEFs can be part of that growth. OP feels also that, in too large a concentration, they could be contrary to revitalization efforts and therefore recommends additional requirements for areas where a vital, mixed-use street life is encouraged, such as NoMa, the waterfront and downtown.

The Office of Planning will proceed to host discussions with local industry representatives to discuss the options and impacts of regulating EEFs. It is hoped that these meetings will yield

specific language that will guide the development and location of EEFs in a manner that respects the needs of the telecommunication industry and the efforts of the city to foster a vibrant and vital commercial community.

RECOMMENDATION:

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