GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING

Office of the Director

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MEMORANDUM

TO: D.C. Board of Zoning Adjustment

FROM: Andrew Altman
Director

DATE: April 9, 2001

SUBJECT: BZA Application No. 16702, Georgetown Incinerator Project

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APPLICATION

Application of Millennium Georgetown Partners, LLC, pursuant to 11 DCMR 3103.2 for a variance from the height requirements of Subsection 930.1, and from the floor area ratio (FAR) limitation of subsection 931.1, to construct mixed-use buildings/structures of residential, hotel and commercial uses in a W-1 District at premises 3100 South Street, N.W. (Square 1189, Lot 88).

SUMMARY RECOMMENDATION

The Office of Planning recommends that the requested height and FAR variances be granted.

BACKGROUND

This application request involves an important and complex project in Georgetown that involves development of property (Lot 88) comprising an entire city block (Square 1189) on the Georgetown waterfront. Approximately 56,564 square feet of the 99,661 square foot site consists of the old District of Columbia Georgetown Incinerator property. The remaining portion of the property, which was assembled by the developer, totals 43,097 square feet.

The Georgetown Incinerator Building was constructed in 1932 as an incinerator and was used for that purpose until October 1971. After the incinerator use was discontinued, the building was used for storage for a period and was later vacant. The property was later declared surplus and offered for development. The current development process began in

BZA Case No. 16702 Exhibit No. 30

Board of Zoning Adjustment
District of Columbia
CASE NO.16702
EXHIBIT NO.30

July 1996 when the D.C. Department of Housing and Community Development (DHCD) issued a Request for Proposal (RFP) for the Incinerator Property. It is interesting to note that the Zoning Section of the RFP says, "Due to the size of the site, the developer may want to consider a planned unit development to allow greater density".

Proposals were received in September 1996 and the developer, Millennium Georgetown Partners, LLC, was selected in June 1997. The developer then worked to assemble properties west of the Incinerator property, eventually acquiring all the remaining property in the square. Refinement of the design began, with a wide variety of design reviews and community consultation, as summarized below. The District sold the Incinerator property to the developer in May 1999.

Construction began in November 1999 and involved a major excavation for below grade levels of the project, primarily for parking garage space. Construction of the below grade levels has now been completed and the development is "coming out of the ground" at the current time. The project is scheduled to be completed in April 2002.

SITE AND AREA DESCRIPTION

The "Georgetown Incinerator" project occupies all of Square 1189, bounded by South Street on the north, 31st street on the east, K Street on the south and Wisconsin Avenue on the west. The Whitehurst Freeway, which runs above the K Street right-of-way, further defines the southern boundary of the site. The project is in the waterfront area of Georgetown. Residential units will have views of the Potomac River.

The Georgetown Incinerator project is located in the Waterfront District (W-1). Section 900.4 of the Zoning Regulations states that "The purpose of the Waterfront Districts shall be to encourage a diversity of compatible land uses at various densities; including combinations of residential, offices, retail, recreational, and other miscellaneous uses." The project provides such a mix of uses.

The Georgetown Incinerator project site is shown in a mixed-use development area (medium density residential and moderate density commercial) on the Comprehensive Plan Generalized Land Use Map. The Ward 2 Plan, Section 1347.1, states "The objective for waterfront development is to realize the full potential of Ward 2 waterfront areas in terms of public access to the waterfront, recreation space, and adjacent mixed-use development. The Georgetown Incinerator project, located in Ward 2, is compatible with the Comprehensive Plan Land Use Map and the Ward 2 Waterfront Objective.

The development, as now being developed under the W-1 zoning, is a mixed-use project with 247,886 square feet of above ground space with residential, hotel, retail and entertainment (cinema) uses. The existing project includes approximately 2,700 square feet of retail space (not including the theater space), a state-of-the-art multi-screen cinema complex of 2,966 seats in 13 theaters, a Ritz Carlton hotel with 91 rooms and 22 residential condominium units. The site slopes dramatically from north to south. The high

point on South Street is approximately 25 feet above the lowest point on K Street. The mass of the project is broken into distinct elements. All of the buildings will be 40 feet in height when measured from the measuring point on South Street. The project has 345 marked parking spaces but is to be operated as a valet garage, accommodating 500-600 vehicles.

ZONING REQUIREMENTS

The Georgetown Incinerator Project, as now designed and approved, is being constructed in accordance with the W-1 zoning of the site, which permits an FAR of 2.5 and a height of 40 feet. The measuring point for the project is on South Street.

APPLICANT'S PROPOSAL

The developer, Millennium Georgetown Partners LLC is seeking a variance to insert an additional floor plate into the two residential buildings in the project and thereby increase the height by 10'8" above the 40 foot height limit and to increase the FAR to 2.9, or 0.4 above the permitted 2.5 FAR. The existing design has four floors of residential use above the theater space on the south side of the project. The proposed change would add a fifth floor of residential use.

The increased height and FAR requested allows better arrangement of some interior spaces, addition of six additional residential condo units, and the addition of ten parking spaces. The parking spaces can be added due to the changes of some of the interior spaces as a result of the increased FAR. However, parking spaces are below grade and not part of the FAR calculation. Total marked parking spaces would increase to 355.

Information on the impact of the variances on the uses in the project, the square footage changes and the FAR changes are shown in the following table. This table was prepared by the developer's architect at the request of the Office of Planning in order to make the changes as clear as possible. The way the additional space is arranged, and the "appearance" of the additional FAR (an additional 0.4 FAR) is somewhat unusual. In order to stay within the 2.5 FAR for the W-1 zoning, the existing design builds some voids into the building. In the revised design that is being requested, these voids are filled in and count as FAR space. This means that although the total increased FAR for the project is about 0.4, the additional FAR that will be visible as increased mass of the project is about 0.2 FAR.

As indicated in the table, most of the increased FAR is in the residential space, resulting from the additional story. The added space and FAR in the hotel and theater areas of the projects results from filling in voids and rearranging space. In order to respond to community concerns about height and views, the additional residential floor has been set back 12 to 20 feet on the Wisconsin Avenue frontage and 12 feet on the 31st street frontage.

Georgetown Incinerator Project
Uses, Square Footage and Floor Area Ratio (FAR)
Existing and Proposed Plans

	Approved Plan		Proposed Plan	
USE	# Units	FAR Area(SF)	#Units	FAR Area(SF)
RESIDENTIAL	22	**110,225**	28	**137,047**
HOTEL	91	**95,608**	91	**103,821**
RETAIL		**2,663**		**2,663**
THEATERS	2966 seats	**22,997**	2966 seats	**28,972**
PARKING *(NOT IN FAR)*		*194,887*		194,887
SERVICE		**16,393**		**16,393**
TOTAL FAR AREA		**247,886**		**288,896**
FLOOR AREA RATIO (FAR)		**2.48 FAR**		**2.89 FAR**

Note: The parking area is gross parking area that does not count in FAR area because it is below grade. All other areas listed are FAR area.

Source: This table was prepared and provided by Shalom Baranes Associates, architect for the project, at the request of the Office of Planning.

The developer indicates that a variance is being requested to help address the new burden of the cost of the theater space and from further study of the proposed project design in light of addressing the preservation requirements of the project and the excavation demands resulting from the site topography.

The need to address the cost of constructing the theater space results from the current condition of the major theater operating companies across the country. Because of overbuilding of theater spaces, and too much old-style theater spaces, many of the major theater operators are in financial difficulty, including entering into bankruptcy arrangements.

For the Georgetown Incinerator Project, the developer had selected Loews Theater Management Corporation, one of the leading theater operators in the country, to operate the theater complex in the project. The existing financial arrangement for the theater complex, which affects the financing package for the entire project, was for Loews to

contribute $20 million to the buildout of the theater space and to pay a yearly rent to the developer of $1.1 million. Loews has been involved with the design of the theater space in order to create the most up-to-date theater space possible. However, this financial situation has now changed drastically. Loews has filed for Chapter 11 bankruptcy protection and has informed the developer that they cannot pay any of the buildout cost and cannot pay any rent from the theater operation. With the theaters an integral part of the project, and with the development coming out of the ground, the developer is facing a major financing problem with the project.

Previous Approvals:

The Georgetown Incinerator project has undergone an intensive process of agency reviews and community consultation (see attached list provided by the applicant).

Large Tract Review

The Office of Planning undertook a **Large Tract Review** of the Georgetown Incinerator project beginning in March 1998 (completed June 1998). That review concluded that the redevelopment of the Georgetown Incinerator site would provide an immediate benefit to the surrounding neighborhood and to the city as a whole. The report noted that the incinerator portion of the site had been vacant since the early 1970s and had become an eyesore, creating a perception that the adjacent portion of K Street was unsafe during evening hours. The report noted that the development would bring new activity to the area and would generate new tax revenues. The Office of Planning recommended approval of the project.

D.C Department of Housing and Community Development Design Review Board

The initial design of the project was reviewed and approved by the **Architectural Review Panel** of the Department of Housing and Community Development. Further design review and refinement has been done through the Old Georgetown Board and The Commission of Fine Arts, as noted below.

Historic Preservation Review

The site is within the Georgetown Historic District and three small buildings on the site are designated landmarks. The Incinerator Building is a contributing building in the Historic District. The development is therefore subject to **historic preservation and design review** by the Old Georgetown Board of The Commission of Fine Arts. The Commission of Fine Arts approved the concept design on January 21, 1999, with suggestions for further study of some elements. The project architect presented revisions to the Old Georgetown Board on five occasions (June 3, July 1, September 2, November 4 and December 2, 1999). Working drawings were presented to the Old Georgetown Board at three public meetings (February 3, April 6 and June 1, 2000). The Old Georgetown Board reported to the Commission of Fine Arts in a report of June 15, 2000

and recommended approval of the project (i.e. no objection to issuance of a building permit). The Commission of Fine Arts recommended approval of the project on June 15, 2000.

The developer went to the Old Georgetown Board with the proposed design changes related to the variance request on March 1, 2001 and to the Commission of Fine Arts on March 14. The developer returned to the Old Georgetown Board on April 5 with revisions to respond to community requests for design refinements related to the variance request. These revisions involved setbacks of the added residential floor along Wisconsin Avenue and 31st Street frontages. The Old Georgetown Board recommended against adding the additional residential floor. The Commission of Fine Arts will consider the matter on March 19.

ANALYSIS

The Georgetown Incinerator Project is an important project for the city and for Georgetown, especially the waterfront area. It is complex project due to the topography, location, the mix of uses and the preservation requirements.

Section 3103.2

Section 3103.2 provides three standards for a variance.

The property is unique by reason of its exceptional narrowness, shallowness, shape, topography or other extraordinary or exceptional situation or condition.

By reason of the aforementioned unique or exceptional condition of the property, the strict application of the Zoning Regulations will result in peculiar and exceptional practical difficulties or to exceptional and undue hardship upon the owner of the property.

The property as fully assembled is a full city square, rectangular in shape. The site has steep topography, with a change of elevation of approximately 25 feet from South Street on the north side of the project to K Street on the south side of the project. The major impact on development of the site was the historic preservation requirement of retaining and respecting the Incinerator Building, including the dramatic smokestack, retaining historic buildings (the Brickyard Hill House, the Red House and 3133 Copperthwaite Lane) and providing open space around the historic buildings. The three small historic buildings were moved off site and will be relocated on the site, some in slightly different locations, when the construction is completed.

The result of retaining the historic buildings and providing open space around them is that this combined space requires a large area, approximately 33 percent of the total site area, primarily on the north side of the site. A view corridor for the Incinerator Building and smokestack extends through the site to the south and provides a view over the

Whitehurst Freeway to the Potomac River. To deal with the site constraints, the design places the hotel in two buildings to the east and west of the incinerator building, which serves as the lobby for the hotel. The residential units are placed on the south side of the site in two buildings, flanking the view corridor to the Incinerator Building. The two residential buildings occupy approximately 25 percent of the site. The theater complex is located at the K Street level, with the theater complex entrance from K Street on the same axis as the view corridor to the Incinerator Building from the river. The retail space is at various locations along K Street. The attached site plan and elevations indicate the overall design.

Accommodating the difference in topography and the historic preservation/open space area yields a design that provides a workable arrangement of hotel, residential, cinema and retail space, with parking below, entered from K Street. At this stage of construction, the basic design is set. In addition, the Whitehurst Freeway is located above K Street on which the theater space fronts. It is not practical to change the theater space to another use. The practical solution to addressing the cost problem of providing the theater space is to add additional residential units in an additional story of residential space. The developer has done this by proposing to add an additional floor of residential space in the two residential buildings, thereby increasing the height of the project 10 feet, 8 inches above the 40 foot height allowed in the W-1 District. The additional FAR also permits improved space design of some spaces in the hotel and theaters areas of the project. Rearrangement of spaces allows addition of 10 parking spaces.

The variance will not cause substantial detriment to the public good and will not impair the intent, purpose and integrity of the zone plan as embodied in the Zoning Regulations and Map.

The Office of Planning does not believe the requested variance will cause substantial detriment to public good. The main issue that has been raised is the added height of 10" 8" of the residential buildings along K Street. In response, the developer has set back the additional residential floor along the Wisconsin Avenue and 31st Street frontages. In fact, there are some positive aspects that are gained, namely the ability to finance the fitting out and operation of the theaters and the addition of additional residential space. The increase in height of 10 feet, 8 inches takes place only on the two residential buildings on the south side of the project. The increased height has limited effect in general when viewed from the north because the view of the residential buildings is generally blocked by the hotel buildings and the Incinerator Building. As indicated below, ANC 2-E and the Citizens Association of Georgetown expressed concern about the views of the additional height, especially along Wisconsin Avenue and 31st Street on the west and east sides of the project. In response, the developer revised the design to set back the height of the additional story on the residential buildings facing these two streets.

At present, the development has an overall bulk of 2.48 FAR. The added floor and some changes in the internal configuration of the hotel space will raise the overall FAR to 2.89.

Because about half of this FAR space results from internal changes, only about half of the added FAR will actually be visible.

The District government has seen the Georgetown Incinerator Project as being important in adding more activity to the Georgetown waterfront area through the mix of uses provided (residential, hotel, retail and theater). The theater use is especially important in generating activity in the area. The parking also serves the theater uses and other uses in the area. Although not directly linked, provision of this parking has been seen as allowing replacement of the parking lot south of K Street on the Georgetown waterfront. More activity in the waterfront area could encourage opening other existing parking in the waterfront area and could help relieve evening parking pressures in residential areas north of M Street.

In view of the overall design of the project, including the design changes made and approved to address community concerns, the Office of Planning believes the additional height and bulk can be granted without impairing the intent, purpose and integrity of the zone plan as embodied in the Zoning Regulations and Map.

COMMUNITY COMMENTS

The Incinerator Project has been the subject of long-term community engagement, with community participation in various reviews.

The developer presented the variance proposal to ANC-2E at its meeting on February 27, 2001. ANC-2E supported the requested height and FAR variances. ANC-2E noted its concern about the added massing of the revised project and urged the Commission of Fine Arts and the Old Georgetown Board to consider requiring revisions of height and sight lines, especially along Wisconsin Avenue and 31st Street. As previously noted, the developer has set back the proposed additional residential floor on Wisconsin Avenue and 31st Street.

OTHER AGENCY COMMENTS

The D.C. Department of Housing and Community Development (DHCD) has been involved with the project since 1996, when DHCD offered the surplus District land (Incinerator Site) for development. As noted previously, the selected developer then enlarged the site. In a March 7, 2001 letter to the BZA, DHCD strongly supported the variance request (Exhibit 23). The DHCD letter emphasizes the importance of the movie theater complex and the need to add the extra floor of residential units in order to maintain the viability of the project.

SUMMARY AND RECOMMENDATION

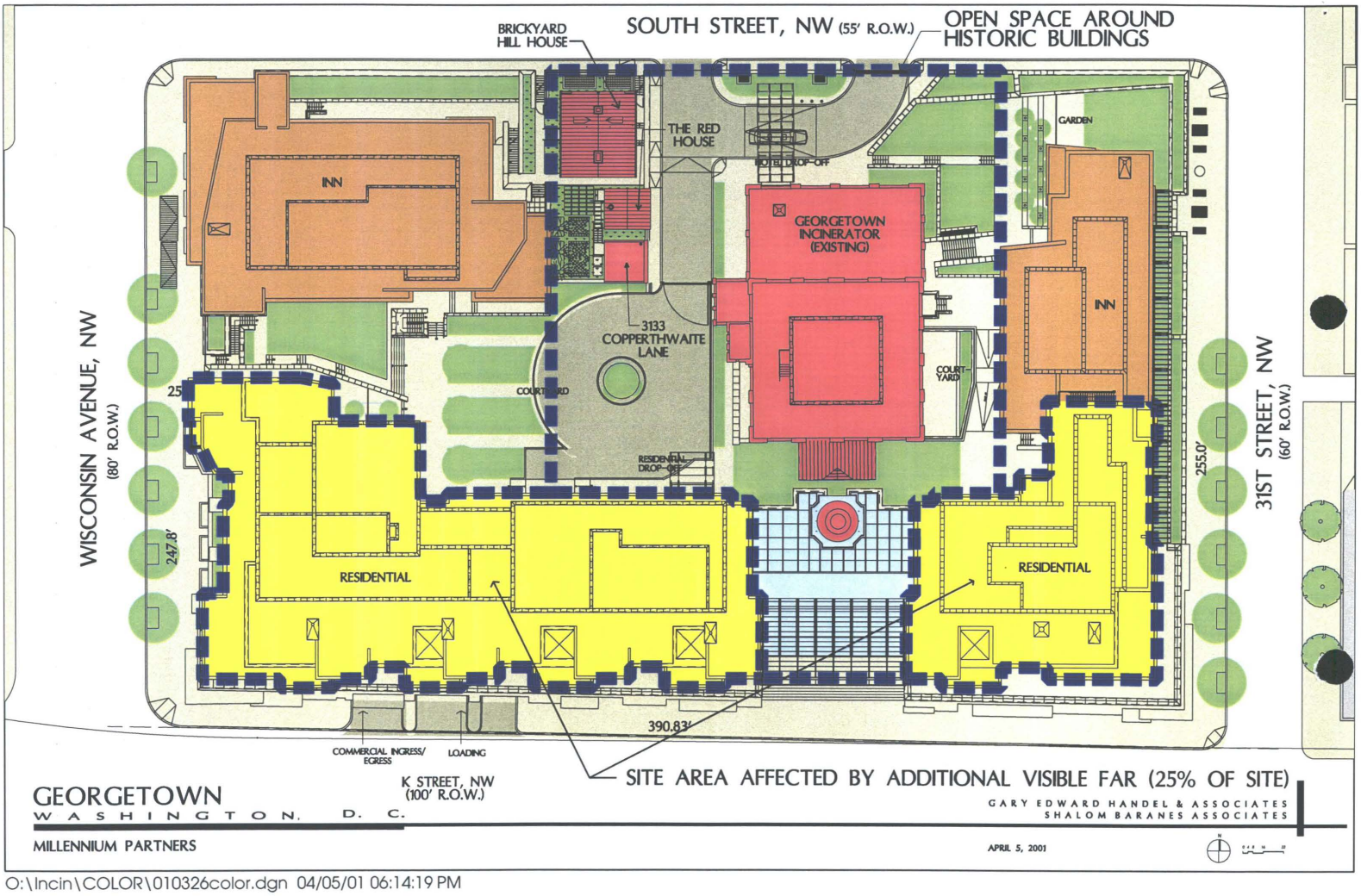
The Office of Planning believes that the Georgetown Incinerator Project is an important project for Georgetown, adding activity to the waterfront with new housing units, hotel

rooms and almost 3,000 theater seats. The variances requested contribute to the viability of the overall project in general, and to the theater element in particular, and result in adding additional residential space (six units).

The Office of Planning thereby recommends that the Board of Zoning Adjustment **APPROVE** the requested height and FAR variance for the Georgetown Incinerator Project.

AA/jf

Attachments



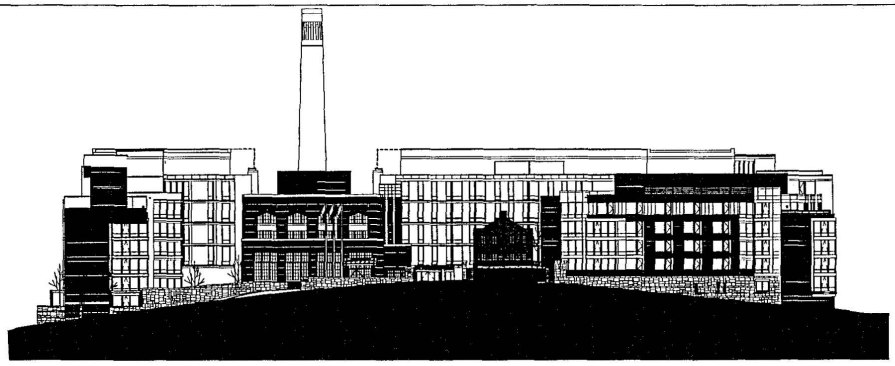
GEORGETOWN
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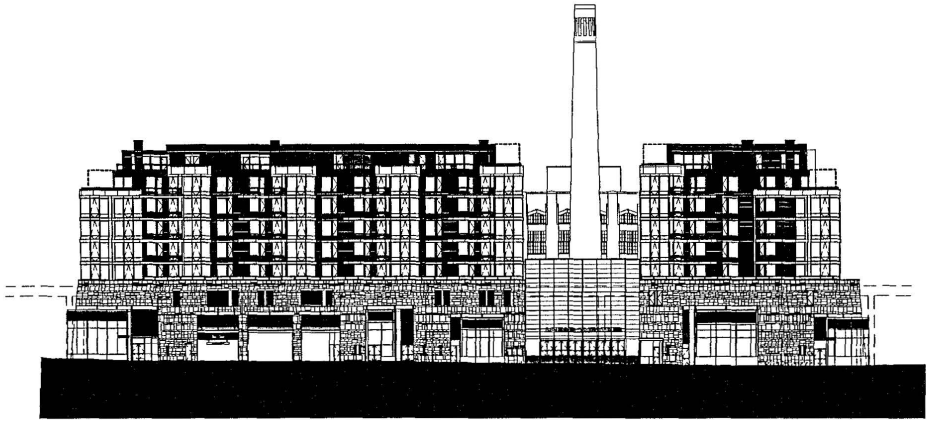
GARY EDWARD HANDEL & ASSOCIATES
SHALOM BARANES ASSOCIATES

MILLENNIUM PARTNERS

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GEORGETOWN INCINERATOR

WASHINGTON , D. C.

MILLENNIUM PARTNERS OF WASHINGTON, D.C. INC.

MARCH 28, 2001

GARY EDWARD HANDEL & ASSOCIATES
SHALOM BARANES ASSOCIATES

Georgetown Incinerator
Public Reviews/Approvals

DHCD	January 1996 - award
CONTROL BOARD	July 1996 - review and approval of contract
NCPC	September 1997 - referral to Advisory Council December 4, 1997 – Report
ACHP	November 1997 - review of Memorandum of Agreement
OGB	May 21, 1998 – OGB Report to CFA July 1998 – Raze permits September 1998 – Conceptual Review January 1999 – Conceptual Review January 21, 1999 – OGB Report to CFA April 1999 – Move & store permit review for historic landmarks May 1999 - December 2000 - monthly reviews April 5, 2001 – Revised Proposal
CFA	February 19, 1998 – Filed for review March 19, 1998 – Presentation to CFA May 21, 1998 – Revised conceptual review June 22, 1998 – CFA Report July 1999-December 2000 - monthly reviews February 1, 2001 – Revised proposal March 15, 2001 - Referral back to OGB
Large Tract Review	February 19, 1998 – Filed application June 17, 1998 -- OP report
ANC	April 28, 1998 – Subdivision December 1, 1998 – Conceptual design January 1998-December 2000 - monthly status February 27, 2001 – Revised proposal
Council/Alley Closing	May 14, 1998 (hearing)
CAG	May 11, 1998 – Presentation to CAG
HPRB	June 25, 1998 – hearing
Mayor's Agent	August 13, 1998 – Hearing November 18, 1998 – Order issued