



MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: *JL for* Jennifer Steingasser, Deputy Director Development Review & Historic Preservation

DATE: February 13, 2015

SUBJECT: Extension Request – PUD Case 02-38E

Applicants	Waterfront 425 M Street, LLC and Waterfront 375 M Street, LLC
Addresses	375 and 425 M Street, S.W.
Ward / ANC	Ward 6, ANC 6D
Project Summary	The PUD includes eight buildings. Four have been completed and a fifth is under construction. The applicants request an extension of first-stage approval for two of the remaining three buildings. The third, the northeast residential building site, is part of the PUD but is owned by the District and is not included in this application.
Original Order Effective Date	January 25, 2008 (02-38A)
Original 1 st Order Expiration:	
-375 M Street	April 15, 2015 (five years after Safeway vacated the old building)
-425 M Street	January 25, 2008
Previous Extensions:	
-375 M Street	None
-425 M Street	March 8, 2013 (02-38C)
Order Expiration Dates:	
-375 M Street	April 15, 2015 (02-38A)
-425 M Street	April 15, 2015 (02-38C)
Requested Order Expiration Date:	
-375 M Street	April 15, 2017
-425 M Street	April 15, 2017

EVALUATION OF THE EXTENSION REQUEST

Section 2407.11 of the Zoning Regulations states that *“The rights granted under such an approval are conditional, and shall be exercised within the specified time limit. Unexercised rights shall lapse at the end of the specified time periods, and the zoning shall revert to pre-existing conditions, unless a request to extend the validity of the approval is granted by the Commission in accordance with the standard and process for second-stage PUD extensions set forth in §§ 2408.10 through 2408.12.”*

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Section 2408.10 allows for the extension of a PUD for “good case” shown upon the filing of a written request by the applicant before the expiration of the approval; provided that the Zoning Commission determines that the following requirements are met:

- (a) **The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond.**

The application includes a Proof of Service documenting that the application was served on all parties by the applicant on December 30, 2014.

- (b) **There is no substantial change in any of the material facts upon which the Zoning Commission based its original approval of the planned unit development that would undermine the commission’s justification for approving the original PUD.**

Zoning Regulations and Comprehensive Plan

There have been no substantial changes to the material facts of the Zoning Regulations or the Comprehensive plan material facts since the adoption of the original first-stage approval. The ongoing Southwest Small Area Plan includes this site within its boundaries, but does not include any specific recommendations for this development.

Surrounding Development

The property adjacent and to the east of 375 M Street, currently developed as a surface parking lot for the apartments on 3rd Street, S.W., is now proposed to be replaced with a 110-foot high mixed-use building with 185 apartment units, ground floor retail and below-grade parking. That building was approved as a part of a PUD (ZC 12-14/12-14A) with the knowledge that the southeast building was proposed and would complement the redevelopment that is currently taking place within the Waterfront PUD around the Waterfront Metrorail station, including the two buildings that are the subject of this application, and would not undermine the Commission’s justification for approving the original PUD.

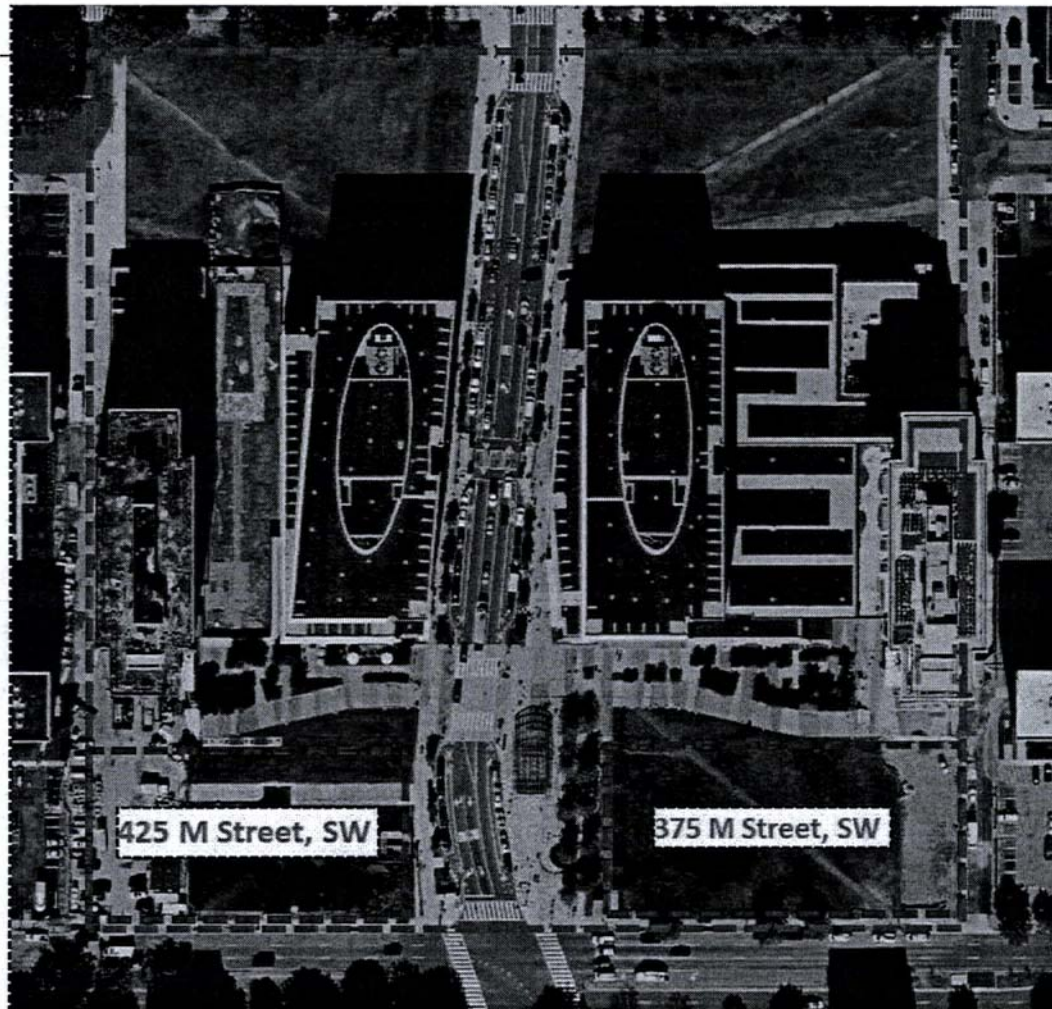
- (c) **The applicant demonstrates with substantial evidence that there is good cause for such extension, as provided in § 2408.11.**

Section 2408.11 sets out the conditions of good cause as:

- (a) An inability to obtain sufficient project financing for the planned unit development, following an applicant’s diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant’s reasonable control;
- (b) An inability to secure all required governmental agency approvals for a planned unit development by the expiration date of the planned unit development order because of delays in the governmental agency approval process that are beyond the applicant’s reasonable control; or
- (c) The existence of pending litigation or such other condition, circumstance or factor beyond the applicant’s reasonable control which renders the applicant unable to comply with the time limits of the planned unit development order.

The applicant has been unable to secure financing for the project due to an inability to secure a lead tenant for either building. Area wide increases in office vacancy rates have resulted in an increase in competition for tenants, partially the result of reduced demand from the federal government. The application includes a letter from a financing agency indicating banks are not financing office buildings, such as the two that are the subject of this application, that are not fifty to seventy percent leased.

PHOTO OF SITE



Property Quest: 2013

JS/sjm^{AICP}

Case Manager: Stephen J. Mordfin, AICP