

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING



Office of the Director

MEMORANDUM

TO: D. C. Zoning Commission

FROM: *ELS Dr*
Ellen McCarthy
Director

DATE: September 19, 2005

SUBJECT: Hearing Report on Zoning Commission Case Number 02-51A/01-04M/98-12M/88-32C, Modification of a Planned Unit Development located at 1616 Rhode Island Avenue (Square 182, Lot 82)

09/19/05 11:43:30

APPLICATION

Rhode Island Associates Limited Partnership, the applicant, requests Zoning Commission approval of a modification to Order No. 871-B, a previously approved Planned Unit Development (PUD) encompassing the subject property.

RECOMMENDATION

The Office of Planning recommends approval of the requested modification and acceptance of the proposed amenities package inclusive of the following conditions:

- That non-profit organization selected as recipient of \$100,000 affordable housing contribution is a housing trust fund as defined under Section 2499 of the Zoning Regulations; and
- That the public record for this case include documentation that payment of the affordable housing contribution was issued and received by the selected organization, or the D.C. Housing Trust Fund, prior to the issuance of any Building Permits.

OP also recommends that the Final Order list all environmentally sensitive measures the applicant proposes to incorporate into the proposed building, including a green roof consistent with Leadership in Energy and Environmental Design (LEED) standards.

BACKGROUND

Subject Lot 82 is one the two parcels on Square 182 within the current PUD order. These properties were subdivided from a single 32,645 square-foot lot previously developed with the Gramercy Inn (now demolished). Both lots are in the Central Employment Area, south of Rhode Island Avenue, N.E., southwest of Scott Circle, in a Central Business District (C-4) zone district and the Dupont Circle (DC) overlay zone district (please refer to Exhibit 1). Subject Lot 82 is

02-51-A/01-04M/98-12M/88-32C

15,394 square feet in size and temporarily occupied by a commercial surface parking lot. Abutting Lot 83 (1608 Rhode Island Avenue, N.W.) is 17,331 square feet in area and improved with the 176,300 square-foot University of California ("UC") building that includes office and classroom space, and 99,750 square feet of student apartments as per the approved order. Construction of the UC building was completed and the Certificate of Occupancy issued on August 22, 2001.

Surrounding development consists primarily of mid- and high-rise office and hotel uses. East of the PUD, across a ten-foot wide alley is The Courtyard by Marriott Hotel at the Rhode Island Avenue intersection with Sixteenth Street, N.W. To the west, across another 10-foot wide alley on property located at 1640 Rhode Island Avenue, is a remodeled office building occupied by the Human Rights Campaign (HRC). Both properties are zoned Special Purpose SP-2 zone district and the Dupont Circle (DC) overlay zone district. Across Rhode Island Avenue, N.W. to the northwest are Scott Circle Park and the Beacon Hotel and Corporate Quarters (formerly the Governor's House Hotel), both zoned SP-1. To the south are The Sumner School and Museum and Sumner Square office development south along M Street, N.W. across from the National Geographic Headquarters. All these properties are in a DC/C-4 zone district.

The existing PUD has been the subject of a number of Zoning Commission orders summarized in Exhibit 5. The applicant and original owner of both properties would now like to construct a 10-story office building no more than 110 feet in height, with approximately 131,000 square feet of floor area (including 7,000 square feet suitable for ground floor retail), and on-site parking for 90 vehicles in a three-level garage below-grade (with the possibility of a fourth parking level) on lot 82 instead of an inn as provided under the referenced order.

The Pre-hearing Statement dated June 21, 2005 states the proposed office building "... will contribute towards further developing the District's urban core as the center of the metropolitan region for employment and commerce ... (and) bring business opportunities to the downtown area while infilling a currently underutilized property." The Statement noted "The Project has been thoughtfully designed to complement the existing structures and properties near the site."

If this proposal is approved, the applicant plans to begin construction in summer 2006 for a period of approximately 18 months.

ANALYSIS

OP's review of this proposal considered whether it is generally consistent with intent of the Zoning Regulations, with specific PUD criteria in the Zoning Regulations, and with the Comprehensive Plan. The Zoning Commission and Office of Planning raised the following issues when this case was set down for public hearing:

- The extent of zoning relief required for this proposal;
- The need for further explanation of circumstances that have prevented successful marketing of the subject property for hotel development;
- A determination whether the proposed 2 foot 6 inch expansion of the southern alley is sufficient for anticipated traffic; and
- Clarification about how the proposed affordable housing contribution will be distributed.

Applicant responses to these issues are reflected in the following analysis.

Current Zoning Regulations

Before approval of Final Order No. 638, the subject property was zoned SP-2. In 1989, this zoning district limited the maximum floor area ratio (FAR) to 6.0, the non-residential FAR to 3.5 and lot occupancy percentage of 80%. To allow a proposed mixed-use development that included more than 3.5 FAR of retail, office and commercial uses, the original PUD application requested the change to the current C-4 zone district.

C-4 is a high-density commercial and mixed-use zone district. The subject lot is larger than the minimum 15,000 square feet required for a PUD in this zone district. Per Sections 770.4, 771.2, 771.5 and 772.1 of the Zoning Regulations, respectively, the maximum height allowed is 130 feet because Rhode Island Avenue is over 110 feet wide; the maximum allowable FAR is 8.5 or 10; and the maximum lot occupancy percentage is 100%. The Pre-hearing Statement also indicates that this project will be consistent with parking, rear yard, off-street loading, and penthouse setback requirements.

Regarding evaluation criteria under Section 2400 of the Zoning Regulations, the modified proposal for lot 82 would provide the following amenities and benefits:

Summary of Public Benefits

Final action on the PUD amendment proposal should be based on the public benefits that would accrue to the District in general and the Dupont Circle area in particular. Since this development is a phase of the overall PUD, OP's review indicates that the companion projects would primarily provide the following public amenities and benefits.

- Urban design: The proposed design is unique yet sympathetic to the neighboring Courtyard by Marriott and HRC buildings and "... exhibits all the characteristics of exemplary urban design and architecture." The Office of Planning encouraged the applicant to slightly increase the overall building height so the ceiling height of the potential ground floor area would be more attractive for retail use; however the applicant has retained a design that continues the cornice line of the adjacent buildings. OP is comfortable with this choice in part because of the distance between the site and the bustling Connecticut Avenue commercial corridor. The proposed floor-to-floor height of 13 feet 4 inches appears adequate for a restaurant, the more likely retail use at this location.

The proposal would provide a landscaped seating area in front of the building in public space that would complement the revitalized Beacon Hotel streetscape and Scott Circle Park across Rhode Island Avenue, N.W., subject to approval by the D.C. Public Space Committee.

- Employment and training opportunities: The Pre-hearing Statement includes a signed First Source Agreement with the District of Columbia Department of Employment Services, and a signed Memorandum of Understanding with the Minority Business Opportunity Commission to cover the development phase on this project.

- Economic land utilization and site planning: The Statements notes “This Project makes effective use of an underutilized parcel of land by filling in a gap in the urban streetscape. ... Furthermore, the building will allow for an interesting and striking structure to improve the setting of the HRC and University (UC) buildings.” For example, the northern wall of the HRC building forms an angle with Rhode Island Avenue that would allow pedestrians traveling northeast to view the front and side of the proposed building. The proposed architectural design continues the glass curtain wall along the northern side of the intervening alley so not to disrupt the visual continuity of the streetscape. The proposed building entrance actually aligns with the referenced northern façade of the HRC building.

As a result of this attention to detail, the proposed building will tie the entire block face into a cohesive and interesting series of façades, and provide the potential for an active ground floor level.

- Housing: The housing linkage requirement has been satisfied on Lot 83 by the UC building that includes 99,750 square feet (5.76 FAR) for residential uses (equal to 3.05 FAR on the original PUD lot). In addition, the applicant proposed to contribute \$100,000 for the development of affordable housing, preferably to an organization actively involved in constructing such housing opportunities. To insure the timeliness of this contribution and that an appropriate organization is the recipient, OP recommends PUD approval include conditions requiring that:
 - The selected non-profit organization is a housing trust fund as defined under Section 2499 of the Zoning Regulations; and
 - The public record for this case include documentation that payment of the \$100,000 contribution was issued and received by the selected organization or the D.C. Housing Trust Fund prior to the issuance of any Building Permits.

OP recommends that the contribution be made and documented prior to the issuance of a building permit for the office building.

- Environmental benefits: The surrounding street infrastructure appears to have adequate capacity to handle utility and traffic needs, and anticipated storm-water run-off. If approved, proposed public space landscape and seating improvements would enhance existing green and open spaces without disrupting pedestrian flow. After discussions with OP, the applicant agreed to incorporate a “green roof” in the building design consistent with LEED standards, and to consider incorporating other environmentally sensitive measures. OP requested the applicant to provide a summary of all selected measures by the public hearing to be incorporated into the application prior to the Commission taking proposed action.

In response, the applicant provided a checklist of environmentally sensitive measures that will be implemented and considered for this project (refer to Exhibit 4). OP recommends adding the list of measures to be implemented to the Final Order.

- Transportation impacts: This proposal would intensify employment opportunities along major bus routes and near the Dupont Circle Metro rail station (served by the Red Line) located three blocks to the northwest. A number of metrobus lines traveling in all directions also serve the PUD site. Final Order No. 871 required the provision of 57 on-site parking spaces for the inn. The modified proposal would provide a minimum of 90 parking spaces for the office building in an underground garage accessed from Rhode Island Avenue. The total parking would be 25% more than the approximately 72 spaces required under the Zoning Regulations or 67% more if the applicant constructs a fourth parking level and 120 parking spaces. The loading and delivery area would also be located and accessed from the 20-foot wide alley along the southern lot boundary.

As noted before, the western alley extending from Rhode Island Avenue is 10 feet wide. This proposal would reduce the planned dedication of private property to widen this alley from 11 feet (to increase the total travel lane to 21 feet) to 2.5 feet that would widen the total travel lane to 12.5 feet. The Department of Public Works (DDOT) was asked to comment on the different impact of the office building on the adjacent road network particularly with regard to the sufficiency of the proposed alley widening.

- Use of special value to the District: The applicant is continuing discussions with Advisory Neighborhood Commission (ANC) 2B about additional amenities.

The Zoning Commission specifically asked what circumstances have prevented development of a hotel on Lot 82. In their response (refer to Exhibit 3) and further discussions with OP, the applicant recounts specific efforts made prior to submission of the HRC proposal, and generalized marketing since the most recent PUD extension. They indicate that this location is seen as a marginal one particularly with two other transient locations in the immediate vicinity, and that its size, shape and location make it unsuitable for residential development. Time and again, the response to suggestions about hotel development are that the site is more appropriate for a principal office use.

They also note that a number of recent hotel developments received some form of public subsidy such as tax increment financing which is not an option for this site. The applicant therefore has concluded that office, and not hotel, development is more appropriate for Lot 82 given its limitation, location and the results of past marketing efforts. While OP would prefer additional accommodations to expand the supply of hotel rooms in the Downtown, OP also believes that after 26 years since the original PUD was approved, it is appropriate to move forward to develop the site and replace the "temporary" surface parking lot with a permanent land use.

Compliance with the Comprehensive Plan:

The Generalized Land Use Map designates the subject property as "High Density", characterized as "The business and retail heart of the District ..." that "includes a mix of employment, retail, office, cultural and entertainment centers." The proposal also furthers several Comprehensive Plan themes:

- Section 101, Major Themes of the Comprehensive Plan, include:

“... (b) Increasing the quantity and quality of employment opportunities in the District;

- As defined in Section 1107.6, “The Central Employment Area (where the subject properties are located) is the business and retail heart of the District and the metropolitan area.” Of particular note is the following description of this area:

“(a) The Central Employment Area is the employment, retail, office, cultural, entertainment center, the tourist center of the District and the metropolitan area, and the center of local government;

(b) Office use, in terms of square footage, is the largest commercial use in the Central Employment Area; ...

In additional, Section 104.1, “Developing a Living Downtown”, explains that “The Mayor’s Downtown Committee worked for over a year to develop policies to strengthen (the District’s) Downtown as the region’s retail and cultural center, ... *to increase the number of jobs* for District residents,...

- The Declaration of Major Policies includes:

“200.9 Expansion of the District’s preeminent role as the location for corporate and other headquarters, including the vast network of membership organizations representing business, labor, professional, social, and religious associations throughout the United States, is another priority.”

- Section 1108.1, Policies in Support of the Commercial Areas Objectives, includes:

“(a) Promote appropriate commercial development, including centers for retail and office uses, to serve the needs of the economy of the District and its neighborhoods, to provide a focus for expansion of housing and employment that the District will have to accommodate in the future because of its urban center role within the region, and to expand employment opportunities in the region for District residents: ...”

The proposed office building furthers these themes by providing a new center for office and possible ground floor retail uses, thus increasing the number of employment opportunities within the Central Employment Area of the District. Based on this information, OP concludes this PUD proposal is not inconsistent with Comprehensive Plan, and supports specific economic development and employment goals identified in the Plan.

Conclusion

Section 2403.10 states “a project may qualify for approval by being particularly strong in only one or a few of the categories in §2403.9, but must be acceptable in all preferred categories and

superior in many.” Based on this assessment, the benefits and amenities associated with the proposed modification exceed the degree of zoning relief requested. The primary public benefits and amenities include urban design and landscaping, the contribution to affordable housing, efficient and economical use of land, site planning and effective and safe vehicular and pedestrian access.

On this basis, OP determined that this proposal meets the standards for PUD approval under the Zoning Regulations.

COMMUNITY COMMENT

The applicant held several meetings with representatives of ANC 2B. The applicant reported that the ANC voted to recommend against the PUD modification during a meeting on September 14, 2005 because they felt the amenities were insufficient and have concerns about possible traffic impacts during peak travel times. To date, OP has not seen the final ANC resolution.

AGENCY COMMENT

Copies of the application were forwarded to the Metropolitan Police and Fire Departments, Department of Public Works, DDOT, and Department of Housing and Community Development (DHCD).

Neither the Police or Fire and EMS Departments (refer to Exhibit 3) raised any objections. No other agency comments have been received.

RECOMMENDATION

The Office of Planning recommends approval of the requested modification and acceptance of the proposed amenities package inclusive of the following conditions:

- That non-profit organization selected as recipient of \$100,000 affordable housing contribution is a housing trust fund as defined under Section 2499 of the Zoning Regulations; and
- That the public record for this case include documentation that payment of the affordable housing contribution was issued and received by the selected organization, or the D.C. Housing Trust Fund, prior to the issuance of any Building Permits.

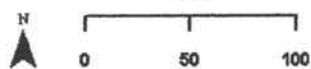
OP also recommends that the applicant detail all environmentally sensitive measures proposed for the building, including a green roof consistent with Leadership in Energy and Environmental Design (LEED) standards prior to proposed action by the Zoning Commission.

Attachments:	Exhibit 1	Aerial Map with Zoning
	Exhibit 2	Letter from Garrett Pries, Gould Property Company to Arthur Jackson, D.C. Office of Planning dated August 31, 2005
	Exhibit 3	Memorandum from Richard Fleming, Acting Fire Marshall to Arthur Jackson dated August 31, 2005
	Exhibit 4	Letter from Garrett Pries to Arthur Jackson dated September 13, 2005
	Exhibit 5	Brief History of Associated Zoning Activity

EMc/afj



Z.C. Application No. 02-51A/01-04M/98-12M/88-32C
1616 Rhode Island Avenue, N.W.



★ ★ ★ Government of the
 District of Columbia
 Anthony A. Williams, Mayor

Office of Planning ~ April 21, 2005

This map was created for planning
 purposes from a variety of sources.
 It is neither a survey nor a legal document.
 Information provided by other agencies
 should be verified with them where appropriate.
 Oblique imagery ©2003 Pictometry International

LEGEND

- Property Squares
- Street Centerlines
- Zoning Districts

GOULD PROPERTY COMPANY

1725 DESALES STREET, N.W.
SUITE 900
WASHINGTON, D.C. 20036

TEL (202) 467-6740
FAX (202) 331-9122

Writer's Direct Dial: (202) 467-6736

August 31, 2005

Arthur Jackson
Development Review Specialist
District of Columbia
Office of Planning
801 North Capitol Street, N.E.
Washington, DC 20001

**Re: Case No. 02-51A (Rhode Island Associates LP – Modification to PUD)
Considerations and Efforts Regarding Hotel Development**

Dear Mr. Jackson:

Per your request, and following up on questions and comments posed by members of the Zoning Commission during your May 2005 presentation, I am providing you with this update regarding our considerations and efforts made over the past 24 months to advance the development of our property on Rhode Island Avenue (Square 182, Lot 82).

As a quick summary, the lot is subject to a PUD that provides for commercial-hotel use and residential use. The site has had a fairly tough history and the original PUD called for a mixed-use project with mostly office space and two floors of residential space. We have proposed that the PUD be modified to essentially revert back to reflect the intention of the original PUD and accommodate commercial-office use with residential use. Our request is based on our experience that leads us to believe that commercial-office use is a more appropriate long-term use for this site.

Our belief is based in part upon the fact that two groups have previously attempted to finance and develop the site with a hotel but have failed. Based on these prior difficulties, combined with additional reasons outlined below, we have no reason to believe we would fare any differently with hotel development.

In 1989, with a particular opportunity in hand (with UCAL), and in an effort to move development forward (when the office market was in recession), the site was bifurcated and one half of the lot was sold to UCAL with the balance to be sold/developed as a hotel. Unfortunately, the sale of the remaining portion of the site and development of the proposed hotel did not go forward as initially planned (and subsequently as discussed further below). Subsequent efforts (previously detailed to you) did not produce qualified parties interested in our site for hotel use.

Beginning about four to five years ago, Rhode Island Associates Limited Partnership reluctantly marketed the site for sale. The property was contracted for by Human Rights Campaign ("HRC") which had wanted to build an office building. Rather than closing on the site, Human Rights Campaign assigned and transferred the purchase contract to a hotel developer who in turn, failed to close on the site. After a lengthy feasibility period (which included time for HRC's application for a modification of the existing PUD to commercial-office use), the partnership regained control of the site.

Since the HRC sale failed to close, the partnership has made a firm decision not to sell the site but to focus on development of the most appropriate and feasible long-term use of the site.

Because the partnership does not intend to sell the building after completion, the ongoing feasibility and financial viability of the development is equally, if not more, important than short-term opportunities which usually come with significant financial risk. We view development of a hotel at the site as marginally feasible with very substantial market and financial risk. While the hotel market in Washington, DC is attractive, at the moment, the markets for hotel rooms and hotel investments are often fleeting and we are extremely wary of attempting to do what other qualified developers have been unable to do in the past.

We have looked at the various development alternatives and, as you know, came to the conclusion that development of an office building is the most appropriate long-term use at our site.

Our conclusion is based on a variety of findings including:

1. Attempts to finance and develop a hotel have failed twice before;
2. Our experiences with hotel financing, development and ownership have proven that market demand for hotels is highly cyclical in nature. Capital for hotel development and long-term financing is extraordinarily sensitive to site specific considerations. In this regard, our site is far less competitive than other available sites that have garnered more interest from hotel companies (the "flags") and capital sources including TIF financing from the District (see below for further discussion). A major "flag" is critical in obtaining cost effective construction and permanent financing. The major flags, i.e., Marriott, Hilton, are already well represented in the submarket;
3. Our own investment judgment based on feedback from the real estate investment community including other developers, investment/sale brokers, mortgage brokers and associates of ours. As one of the few remaining parcels of vacant land in the CBD, the site is well known to the

real estate community. However, interest in the site for hotel development has, and is, thin at best. Please consider the following:

Gould Property Company owns other substantial parcels of land in downtown Washington that are also ready for development. We are constantly "in the market", either soliciting interest in our sites by potential partners and lenders or by speaking or meeting with investors and/or developers who call upon us with unsolicited offers for our sites.

We have and continue to receive little (or no) unsolicited interest in our site along Rhode Island Avenue for hotel development. In addition, various attorneys, including Phil Feola, who represent us on our downtown properties (and are highly involved with many other investors and developers), regularly mention the Rhode Island Avenue site to potential partners/developers and the feed back we receive via our associates including Phil is neutral to negative with regard to hotel development at the site, especially relative to other available sites, including those that we own.

In direct contrast, interest in our sites in the East End, including for potential hotel use, is much, much higher. Given the fact that the Gould family (along with its partners in this deal) will be funding all of the equity for any development, we have to trust our own judgment with regard to both short and long term feasibility.

4. Basic market factors including the fact that over 200 hotel rooms have been added in the immediate vicinity: 60 new rooms directly across the street at the Beacon, 156 rooms on the same block at the Courtyard by Marriott. All of these rooms were brought to market through renovation or marginal building additions at considerably lower unit development cost than what it would take to develop a brand new hotel at our site (yet all would have similar room rates).
5. The fact that the City, along the Convention Center Authority, is pushing for development of a 1,200 to 1,500-room hotel just down the street along Massachusetts Avenue on a site we own. It is illogical for us to bear the risk (and time/delay) associated with more than one hotel when both would be less than a two-minute taxi ride apart. Furthermore, given the fact that the real economic driver for the hospitality industry is the new convention center, our site along Rhode Island Avenue is considered to be far inferior to sites which are closer to the convention center and can be developed into hotels.

Lastly, with your help, we have looked at other recently developed hotels in downtown Washington, D.C. (brand new, built from the ground up hotels). The results of our review reinforce our judgment about the actual financial viability of hotel development in downtown Washington, DC: the majority of the recently delivered hotels have received a substantial investment from the public sector whether in the form of TIF financing, tax incentives, substantial zoning relief and/or local and federal tax credits.

Our list and information is not fully complete but should give you a very good sense of how the following hotels have been able to be financed and built. The short and long term outlook of these hotels, as well as others that are planned (which is speculative at best) remain to be seen.

<u>Newly Built Hotel</u>	<u>Incentive / Public Subsidy Provided</u>
Hotel Monaco	Developed with a very favorable GSA land lease; the GSA /land owner effectively subsidized the development)
Mandarin Oriental	Received a \$45.0 million TIF
Embassy Suites	Received an \$11.0 million TIF
Ritz-Carlton Georgetown	Is effectively an "annex" of the larger Ritz Carlton on 23 rd Street which carries most of the "back of house" space/cost.
Hotel @ 12 th & K	Receiving New Market Tax Credits

Finally, the convention center headquarters hotel, if built, will be as a result of a massive public subsidy comprised of a mix of incentives which might include: public financing (i.e. government sponsored tax-exempt bonds), TIF financing/notes, tax abatement, public provision of very costly infrastructure, subsidized land value etc.

There are a couple of other hotels such as the Hampton Inn which succeeded in part due to favorable zoning relief and the Residence Inn Capitol which was able to take advantage of extraordinarily inexpensive market for TDRs which allowed them to reduce their land cost.

The above list hopefully demonstrates that the "hot" Washington, DC hotel market has, in fact, been supported at least in part, by economic incentives provided by the District itself. With a fickle national economy, and a hotel market that can evaporate with another major political event, we believe the risk associated with hotel development on our site on Rhode Island Avenue is too much for us, or other long term investors, to bear given the known limitations of the site (location, small size, little interest by investors, etc.)

Letter to Arthur Jackson
August 31, 2005
Page 5 of 5

In the end, we want to contribute to the vitality of the neighborhood by adding a building that will succeed now and for the long term and we believe an office building will do so.

Given the foregoing considerations, it is our hope that the Office of Planning and the Zoning Commission recognize the limitations of our site and concur with our request that the zoning revert back to predominately commercial-office use as called for in the original PUD.

Thank you for your attention on this item. Please do not hesitate to call with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett M. Preis". The signature is fluid and cursive, with the first name "Garrett" being more prominent and the last name "Preis" following in a similar style.

Garrett M. Preis

cc: Phil Feola
Kingdon Gould, Jr.
Kingdon Gould, III

GOVERNMENT OF THE DISTRICT OF COLUMBIA
FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT
WASHINGTON, D.C. 20001



MEMORANDUM

TO: Arthur Jackson
Development Review Specialist
Office of Planning

FROM: Richard Fleming *RF*
Acting Fire Marshal

DATE: August 31, 2005

SUBJECT: Zoning Commission Case No. 02-51A

The D.C. Fire and EMS Department has reviewed the above request for the modification of a Planned Unit Development (PUD) located at 1616 Rhode Island Avenue, N.E., Square 183, Lot 82. The applicant proposes to construct a 10-story office building, at least 106 feet in height, with approximately 131,000 square feet of floor area, and on-site parking for 120 vehicles in a below grade garage on Lot 82.

Based on plans submitted and an on-site visit to the property, we have no objection to this request provided the development has acceptable fire department access, that new construction comply with the current Fire and Building Codes, along with the 2000 International Fire Code and Title 12/DCMR.

Please contact Captain Sneed during the planning phase for additional input. He may be reached at 202-727-3292.

GOULD PROPERTY COMPANY

1725 DESALES STREET, N.W.
SUITE 900
WASHINGTON, D.C. 20036

TEL (202) 467-6740
FAX (202) 331-9122

Writer's Direct Dial: (202) 467-6736

September 13, 2005

Arthur Jackson
Development Review Specialist
District of Columbia
Office of Planning
801 North Capitol Street, N.E.
Washington, DC 20001

Re: 1616 Rhode Island Avenue, "Green" Building Items

Dear Mr. Jackson:

Following up on our discussions about environmentally friendly building considerations at 1616 Rhode Island Avenue, I have prepared the attached list of green factors we would include in our project. The factors are taken from the LEED's Project Checklist and this letter supersedes my August 31, 2005 memo.

Per our earlier meetings we have agreed to a green roof. The following items are included in addition to the green roof and include the "Required" items by LEED's. Based on this list we would qualify for the equivalent of 11-21 points depending on how many factors we include and how efficient a base building we produce.

While we have identified the above items on the LEED's checklist, we are not willing to pursue certification as the cost to "prove" compliance is upwards of \$100,000. This LEED's related list has been created in response to your inquiry solely for the purpose of reference.

Sincerely,



Garrett M. Preis

cc: Phil Feola
Kingdon Gould, III

PROJECT CHECKLIST

<u>Item</u>	<u>Will do</u>	<u>Will Consider</u>
Sustainable Sites		
Erosion & Sedimentation Control	X	
Site Selection	X	
Development Density	X	
Alternative Transportation, <i>Public Transportation Access</i>	X	
Alternative Transportation, <i>Bicycle Storage & Changing Rooms</i>	X	
Stormwater Management, <i>Rate and Quantity</i>	X	
Stormwater Management, <i>Treatment</i>	X	
Heat Island Effect, <i>Roof</i>	X	
Tenant Design & Construction Guidelines		X
Water Efficiency		
Water Efficient Landscaping, <i>Reduce by 50%</i>	X	
Water Use Reduction, <i>20% Reduction</i>		X
Energy and Atmosphere		
Minimum Energy Performance	X	
CFC Reduction in HVAC&R Equipment	X	
Optimize Energy Performance		X
Ozone Depletion		X
Green Power		X

<u>Item</u>	<u>Will do</u>	<u>Will Consider</u>
Materials & Resources		
Storage & Collections of Recyclables	X	
Construction Waste Management, <i>Divert 50%</i>	X	
Local/Regional Materials, <i>20% Manufactured Locally</i>	X	
Certified Wood		X
Indoor Environmental Quality		
Minimum IAQ Performance	X	
Environmental Tobacco Smoke (ETS) Control	X	
Carbon Dioxide (CO ₂) Monitoring	X	
Low-Emitting Materials, <i>Adhesive & Sealants</i>	X	
Low-Emitting Materials, <i>Paints and Coatings</i>	X	
Low-Emitting Materials, <i>Carpet</i>	X	
Low-Emitting Materials, <i>Composite Wood</i>	X	
Indoor Chemical & Pollutant Source Control	X	
Daylight & Views, <i>Views for 90% of Spaces</i>	X	

A Brief History of Associated Zoning Activity

- Final Order #638 became effective on December 15, 1989. The original approved PUD would have redeveloped the original lot with the a single building with a maximum 8.5 FAR: no more that 6.90 FAR devoted to retail/commercial uses; and at least 1.64 FAR devoted to residential uses. Retail uses would occupy at least 9,000 square feet of the ground floor, commercial space would be provided on floors 1 through 8, and 48-52 rental apartment dwellings would be on floors ninth and tenth. The building height was limited to 106 feet and the lot occupancy was not to exceed 93%. A minimum of 125 parking spaces would have been provided on-site for the retail/commercial uses as well as one space of each apartment (a total of 173-177 spaces). Amenities approved with this project included:
 1. The provision of approximately 52 units of rental housing in the Downtown.
 2. Replacing the vacant and deteriorating Gramercy Inn with a mixed-use residential and commercial development that is compatible with area land uses and zoning (note that the total planned FAR was to be 8.5).
 3. A project with compatible architectural features and landscaping.
 4. A development that would generate approximately \$1.2 million in annual real estate tax revenue and other tax revenues (sales, employment, etc.).
 5. Temporary construction jobs, up to 48 full-time and 70 part-time employment opportunities in the retail component, six full-time and twelve part-time employment opportunities in the commercial component and seven opportunities in the residential component.
 6. Signing a First Source Agreement to encourage employment of workers residing in the District.
 7. Signing a Memorandum of Understanding with the Minority Business Opportunity Commission so that opportunities for minority business involvement would be provided in all phases of this development.
 8. Contributing \$150,000 to help fund the renovation of the John W. Ross Elementary School at 1730 R Street, N.W.

This Order also required construction had to begin within three years of its effective date (or by December 15, 1992).

- Within ten days of this approval, the applicant requested the Zoning Commission to reconsider conditions approved with the previous Order concerning the required number of apartment units and on-site parking spaces. After consideration of the applicant's request, the Zoning Commission:
 1. increased the number of apartment units on two floors to 56;
 2. adopted alternative plans for UC underground parking;
 3. granted the authority to vary the arrangement of underground parking; and
 4. required that a covenant be recorded that "shall bind the owner and all successors to construct and use the property in accordance with this Order"; and any subsequent amendments approved by the Zoning Commission.

Final Order No. 638-A became effective on March 9, 1990. The Commission also made these revisions valid for two years after that date.

- Final Order No. 638-B became effective on June 26, 1992, thereby extending Final Order Nos. 638 and 638-A for two years until March 9, 1994.
- On August 1, 1994, a public hearing was held on Zoning Commission Case No. 93-13M/88-32C. The applicant requested: to be allowed to construct a commercial parking facility on the subject property as an interim use for a period, not to exceed three years; and for the Commission to reconsider of previous conditions. The Zoning Commission approved the interim use of site as a parking lot; the associated site and landscaping plans; and allowed the applicant the flexibility to make minor changes to the lot.

Subsequent to Zoning Commission action, Final Order No. 638-C took effect on June 26, 1992; thereby extending Final Order Nos. 638, 638-A and 638-B for three more years until March 9, 1997 (the Certificate of Occupancy for the interim parking use would also expire).

- In a letter dated September 28, 1994, the applicant requested that the Commission reconsider the three-year limitation on the interim parking use and the related Certificate of Occupancy (CO).

Subsequent to Zoning Commission action, Final Order No. 638-D took effect on March 71, 1995, extending the maximum duration of the interim use by six months to September 9, 1997. However, the duration of the PUD was not changed.

- On July 25, 1997, Final Order No. 638-E became effective, thereby: extending Final Orders No. 638, 638-A, 638-B and 638-C for two years; and extending Final Order No. 638-D (related to the interim parking use) for eighteen months; and causing all these orders to expire on March 9, 1999.
- On December 14, 1998, Zoning Commission Application 98-12M was approved to amend the referenced PUD (and subsequent extensions). Final Order No. 638-F authorized divided the allowable FAR between two lots and two buildings (a maximum 8.5 FAR for a "UC" building on lot 83 and 7.9 FAR for an inn on lot 82); and the reduction in the overall maximum allowable FAR from 8.5 to 8.2 (maximum 5.15 FAR of non-residential uses including academic/office/extended stay uses and minimum 3.05 FAR of residential uses).

The University of California (UC) building consists of 11 floors, an 8.5 FAR and a total floor area of 147,305 square feet, of which 99,750 square feet (5.76 FAR) will be for residential uses and 47,555 square feet (2.24 FAR) for other uses. Fifty-seven parking spaces would be provided in a two-level underground garage.

The proposed Homestead Village inn was to consist of first floor ancillary services and 220 units on 11 floors, totaling 121,000 square feet (7.9 FAR). Fifty-seven parking spaces would have been provided in another underground garage. The building lot occupancy was not to exceed 93%.

Additional amenities and benefits approved with this amendment included:

1. Overall development to 8.2 FAR on the combined acreage of both sites:
 - a. The UC development on lot 83 would not exceed an 8.5 FAR
 - b. The inn development on lot 82 would not exceed 7.9 FAR.
 - c. Overall, 3.05 FAR would be for residential uses and 5.15 FAR for academic/office/extended day uses.
2. A development that would generate annual tax revenue of \$1.5 million:
3. The maximum height was not to exceed 106 feet.
4. The UC building was set back from the east property line by five feet to widen the adjacent public alley to fifteen feet, and the proposed inn would set back from its western property line eleven feet to widen the adjacent alley to 21 feet.
5. Temporary construction jobs, up to 48 full-time and 70 part-time employment opportunities in the retail component, six full-time and twelve part-time employment opportunities in the commercial component and seven opportunities in the residential component.
6. Establishment of a mentoring program between the UC and Ross Elementary School (or a substitute facility agreeable to the UC and Advisory Neighborhood Commission 2B) before the issuance of a Certificate of Occupancy for the UC building (the obligation is limited to lot 83).
7. Additional contributions of: \$10,000 to the Dupont Citizens Association for the completion of the Dupont Circle Resource Center by Rhode Island Associates Limited Partnership (the applicant for this amendment) prior to the first to occur of: the issuance of a building permit for the inn; or the issuance of a building permit for the UC building; \$25,000 donation by Homestead Villages, Inc. (developer of the inn) to the National Parks Service for improvements to Dupont Circle Park (this obligation is assigned to subject lot).

It was noted that three amenities and benefits required under Final Order No. 638 had been provided: a \$150,000 donation to the District of Columbia Board of Education; First Source Agreement with the Department of Employment Services; and Memorandum of Understanding with the Minority Business Opportunity Commission (MBOC) to involve minority establishments (in the University of California project).

The Final Order also required that construction begin within two years of its effective date (or by December 3, 2000). The Certificate of Occupancy for the UC building was issued in September 2002.

- Final Order No 871-A became effective on October 12, 2001, extending Order No. 638-F until December 31, 2002 in response to a petition from the Human Rights Campaign (HRC) that initially requested modification of the approved PUD to allow construction of an office building instead of an inn. The HRC instead decided to renovate and occupy the adjoining building located at 1640 Rhode Island Avenue, N.W.
- Final Order No. 871-B became effective on September 5, 2003, extending Order No. 638-F until April 14, 2005.