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Jacques B. DePuy

September 13, 2011

Mr. Anthony J. Hood
Chairman
Zoning Commission of the District of Columbia
One Judiciary Square
441 4th Street, N.W.
Suite 210 - South
Washington, D.C. 20001

RECEIVED
D.C. OFFICE OF ZONING
2011 SEP 13 PM 3:05

Re: Z.C. Case No. 03-30A; 734 First Street, SW (Lot 830, Square 643) ("Property")

Dear Chairman Hood and Members of the Commission:

This firm represents Square 643 Associates LLC, owner of the Property and Applicant for a Planned Unit Development (PUD) that was approved in September, 2005 and subsequently extended in 2007 and 2009. As the Commission may recall, the Property is located immediately north of the former Randall School site on H Street, SW and immediately west of the Randall ball fields and recreation center. (See aerial photograph of the Property in Exhibit "A" and the former Randall School in Exhibit "B".)

For the reasons set forth below, the Applicant has voluntarily decided to allow the existing PUD to lapse, effective September 15, 2011. The Applicant plans to file a new PUD at a later date.

The Currently Approved PUD is no Longer Feasible

The currently approved PUD is no longer feasible due to significant changes in circumstances. For over six years, the Applicant has diligently and proactively attempted to identify interested users and develop the Property pursuant to the approved PUD. As a result of extensive marketing efforts with knowledgeable real estate professionals, it is clear that the economics of the project approved by the PUD are not viable. Among other constraints, the PUD limits office use to "non-profit" organizations, limits the hours of operation and limits the number of employees, all of which have proven in the marketplace to be unduly restrictive and impossible to satisfy. Further, the restricted density of the Project and the height limitations have proven to be untenable and failed to attract interested tenants or joint ventures.

ZONING COMMISSION
District of Columbia
ZONING COMMISSION
District of Columbia
CASE NO. 03-30A
EXHIBIT NO. 8



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More importantly, restrictions imposed on this project in 2005 by the PUD provisions have been eclipsed and rendered outdated because higher densities and mixed uses were subsequently approved for the Randall School PUD, which is directly across H Street from the Property. This section of H Street SW dead-ends into the Randall Recreation Center. There are only three property owners located on this dead end street, whose properties comprise over 12 acres: the Applicant, the District, and the Randall School owners.

Significant Changes in Circumstances Call for a New PUD Approach

Since 2003, when this PUD was initially conceived, significant changes have occurred which call for a new, dynamic PUD effort for the Property. These include the following:

1. The D.C. Council authorized the sale of the adjacent Randall School site to the Corcoran Gallery of Art. This approved C-3-C zoned PUD is over ten times the size of the Applicant's currently approved Project. The magnitude of the Randall School project dwarfs the Applicant's Project and has a profound effect on the immediate neighborhood and the viability of the Applicant's Project.
2. The Great Recession of 2007-2009 significantly and adversely affected the local and national economies. Consequently, the Randall School Project became a casualty, the developer of the Randall School site withdrew from the proposed project with the Corcoran Gallery of Art and it failed. Thereupon, the uncertainty over the future of the Randall School property adversely affected the immediate neighborhood, including the Applicant's Property.
3. The Corcoran Gallery of Art subsequently sold the Randall School property to a well-regarded new joint venture team in 2010. The new joint venture purchaser of the Randall School site is expected to submit a PUD application to the Zoning Commission in early 2012 for a significantly revised project, which is expected to include a boutique hotel, a contemporary art museum, residential and other uses. Renowned architect Bing Thom will design the Project.
4. Federal ownership of Randall Fields was recently transferred to District ownership, introducing the possibility of redevelopment or improvement of this strategic 8+ acre land tract.
5. The U.S. Marine Corps (USMC) initiated a Community Integrated Master Plan process. The USMC included the immediate area of the Property in the delineated zone for some of its space needs.
6. In 2010, the Architect of the Capitol agreed with the USMC that its needs for office, child development and other uses could be included in the USMC Request for Information.



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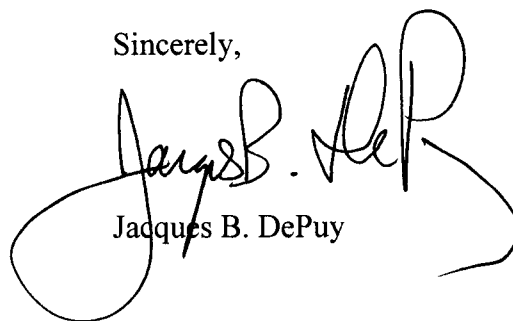
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7. Other federal agencies have expressed a need for space in the immediate vicinity of the Property.
8. The years of uncertainty surrounding the development of the Randall School property seem to be coming to an end. As proof, galleries, museums and other arts related entities have begun to express interest in the potential of a newly configured PUD for the Property due to its direct proximity to the planned contemporary art museum within the newly conceived Randall School PUD project.
9. The needs of various federal agencies and other users for large blocks of space in the immediate vicinity of the Property provide opportunities for redevelopment of the Property in a manner different from the initial plan approved by the PUD.

Next Steps

Based on the foregoing, the Applicant has chosen to allow the approved PUD to lapse, effective September 15, 2011. The Applicant looks forward to presenting an entirely new and economically viable project to the Southwest community, the Office of Planning and thereafter to the Zoning Commission, at a future date. The Applicant is currently in the process of indentifying a renowned architectural firm to lead the design effort for this special Project, which will strive to relate to the newly conceived Randall School PUD and the Master Plan for the US Capitol Complex. The Applicant also will continue its demonstrated efforts of collaboration with the owners of the Randall School project and the District.

Sincerely,



Jacques B. DePuy

Enclosures

cc: Councilmember Tommy Wells
Ms. Harriet Tregoning, Director, Office of Planning
Ron McBee, Chair, ANC 6
(All copies by electronic mail w/encls.)

EXHIBIT “A”

AERIAL PHOTO

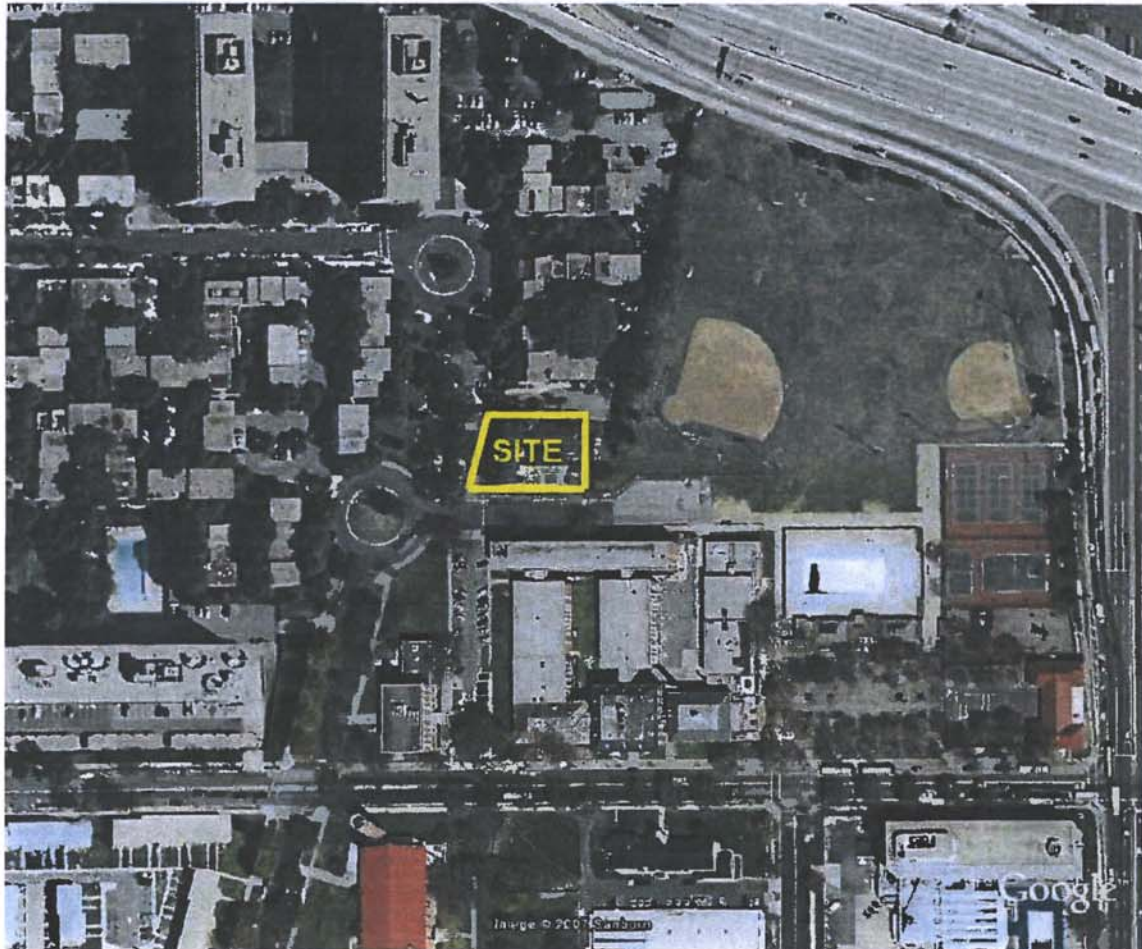
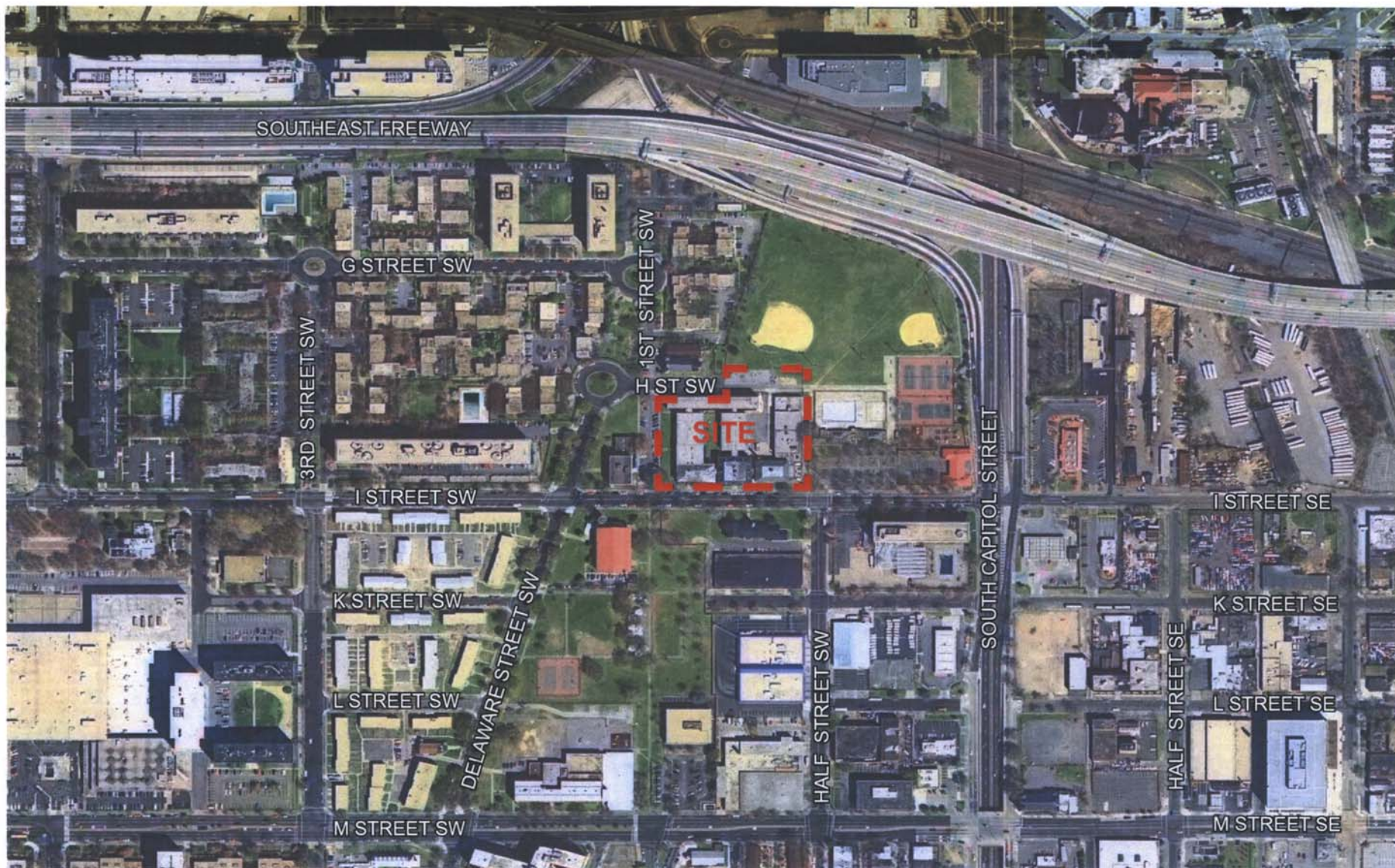


EXHIBIT “B”



THE RANDALL SCHOOL

WASHINGTON, D.C. | FEBRUARY 22, 2007 | HPRB SUBMISSION | copyright, ©2007 sba, PC

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NOT TO SCALE

shalom baranes associates | architects

AERIAL VIEW OF SITE