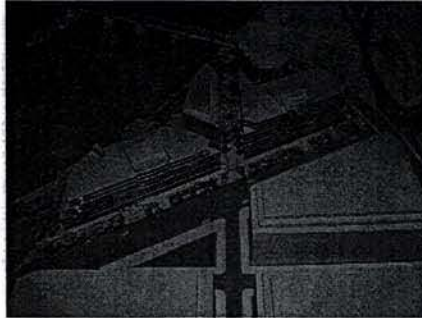
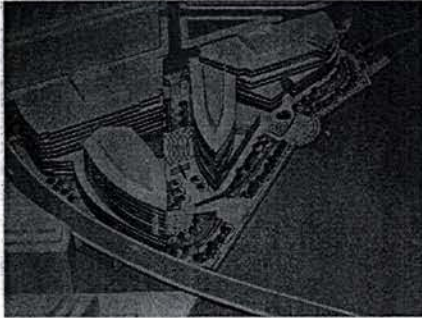


100 POTOMAC AVENUE, S.E.



BEFORE THE

ZONING COMMISSION FOR THE DISTRICT OF COLUMBIA

Zoning Commission Case Nos. 01-31TE / 98-17F / 95-16P

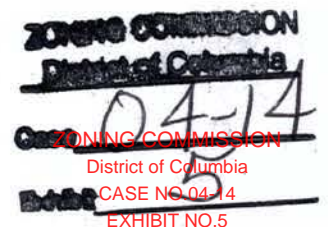
SECOND-STAGE PLANNED UNIT DEVELOPMENT APPLICATION AND MAP AMENDMENT

100 POTOMAC AVENUE, SE

FLORIDA ROCK PROPERTIES, INC.

Holland & Knight LLP
2099 Pennsylvania Avenue, NW
Suite 100
Washington, D.C. 20006

May 21, 2004



PREFACE

This statement and attached documents are submitted by Florida Rock Properties, Inc., (the "Applicant") in support of its application to the Zoning Commission for the District of Columbia for second-stage review and approval of a Planned Unit Development ("PUD") and confirmation of a change to the District of Columbia Zoning Map under Chapter 24 of the District of Columbia Zoning Regulations, 11 DCMR (February 2003), as amended ("Zoning Regulations"). The Zoning Commission extended the first-stage PUD application as Zoning Case No. 01-31 TE/98-17F/95-16P, Order No. 910-B, dated March 10, 2003, published May 23, 2003 at Vol. 50 DCR 4073 et seq.

The subject property (the "PUD Site") is located at 100 Potomac Avenue, SE (Lots 800, 801 and 802 in Square 707, Lot 809 in Square 708, Lots 807 and 808 in Square 708E and Lot 806 in Square 708S). It is bounded by Potomac Avenue, SE to the north, First Street, SE to the east, the Anacostia River to the south, and the Frederick Douglass Bridge access ramp to the south and west. The PUD Site has a total land area of approximately 253,500 square feet and is currently being used for concrete mixing and batching operations as well as for open storage of gravel and other stone aggregates. The PUD Site is currently zoned C-3-C under the first-stage order and extension thereof. If the second-stage PUD application is not approved, the PUD Site may be developed under the provisions of the CG/W-2 Zone District, which allows for mixed use development with a maximum of 4.0 FAR and building heights of sixty to seventy feet, depending upon use.

The Applicant proposes to construct a mixed use project of office, residential and hotel with ground level retail on the PUD Site (the “Project”). The Project would contain approximately 1,084,464 square feet of gross floor area. The Project would be developed as three separate buildings, but would visually appear as four buildings as the western most building is separated into two towers above the thirty-two foot elevation. The site plan for the Project affords multiple vistas through the PUD Site and creates multiple opportunities for the public to access the Anacostia River from Potomac Avenue, SE. The building height of the portion of the Project nearest the Frederick Douglass Bridge would not exceed 112 feet, with the building heights of the Project tapering down to 92 feet at the intersection of First Street and Potomac Avenue, SE, all in substantial accordance with the design guidelines incorporated into Order No. 910-B of the Zoning Commission. The FAR of the Project would not exceed 4.3, and the overall lot occupancy would not exceed 58%. A building setback from the Anacostia River of no less than seventy-five feet in depth has been established for the full length of the PUD Site along the Anacostia River.

With the guidance and intensive involvement of the D.C. Office of Planning, the Applicant, through its architectural firm of Davis Buckley, Architects and Planners, has designed a project that features high-quality architecture, and which also captures “green building” principals. The Davis Buckley firm is a member of the U.S. Green Building Council and is LEED certified.

The Project will be extensively and well landscaped and will include multiple tree-lined urban spaces, including a cascading terraces to the Anacostia River waterfront, a retail pedestrian allée, and two through building lobbies, all connecting Potomac Avenue, SE to a landscaped and terraced waterfront esplanade along the Anacostia River for the full length of the Project (the “Waterfront Esplanade”). A water taxi dock will also be installed at the water’s edge at the foot of the pedestrian allée.

In addition to the landscaped open spaces of the proposed PUD Project, the Project will offer as additional amenities the following:

1. The design, landscaping and subsequent maintenance for a period of five years of an unimproved public reservation, Reservation 247, that is located immediately to the north of the PUD Site, at the intersection of First Street, SE and Potomac Avenue, SE to U.S. National Park Service standards.
2. The design, landscaping and subsequent maintenance for a period of five years of a 10,000 square feet parcel of land at the foot of First Street, SE abutting the PUD Site, owned by the District of Columbia and fronting on the Pump House site, currently leased to the Earth Conservation Corps.
3. The development and subsequent maintenance for a period of five years of a twelve foot wide pedestrian/bicycle pathway link over

District owned lands fronting on the Anacostia River, connecting the waterfront esplanade of the proposed PUD Project with the currently developed pedestrian/bicycle pathway at the Southeast Federal Center to the east.

4. The reservation of approximately 9,600 square feet of the residential development, the equivalent of more than 15% of the additional density being requested above the density permitted in the CG/W2 Zone District, as workforce housing, with this restriction to last for a period of twenty years (in both the rental and ownership contexts).
5. The development of the PUD Project as a U.S. Green Building Council LEED certified project, including the incorporation of a low impact storm water management system.

As set forth below, this statement and the attached documents meet the filing requirements for a PUD application under Chapter 24 of the District of Columbia Zoning Regulations, under the Zoning Commission's first-stage order, and under the design guidelines made part of Zoning Commission Order No. 910-B.

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DEVELOPMENT TEAM

Owner/Applicant: Florida Rock Properties, Inc.
34 Loveton Circle, Suite 100
Sparks, MD 21152

Land Use Counsel: Holland & Knight LLP
2099 Pennsylvania Avenue, NW
Suite 100
Washington, D.C. 20006

Architect: Davis Buckley, Architects and Planners
1612 K Street, NW, Suite 900
Washington, D.C. 20006

Landscape Architect: James Urban, ASLA
915 Creek Drive
Annapolis, MD 21403

Site/Civil Engineer: Wiles Mensch Corporation
11860 Sun Rise Valley Drive, Suite 200
Reston, VA 20191

Structural Engineer: Spiegel Zamecnik & Shah
918 16th Street, NW, Suite 800
Washington, D.C. 20036

MEP Consultant: Joesph R. Loring Assoc.
1130 Connecticut Avenue, NW
Washington, D.C. 20036

Geotechnical Engineer: Schnabel Engineering, Inc.
337 Brightseat Road, Suite 107
Landover, MD 20785

Real Estate Consultant: FLGA Real Estate Group
Hamilton Court-Georgetown
1230 Thirty-First Street, N.W.
Washington, D.C. 20007

Economic Consultant: Basile Baumann Prost & Associates, Inc.
177 Defense Highway, Suite 10
Annapolis, MD 21401

**Traffic/Transportation
Consultant:**

O. R. George & Associates, Inc.
10210 Greenbelt Road
Suite 310
Lanham, MD 20706

Retail Consultant:

StreetSense
7610 Old Georgetown Road
Plaza Level
Bethesda, MD 20814

LIST OF EXHIBITS

<u>Description</u>	<u>Exhibit</u>
Architectural Plans	A
Zoning Map	B
Plat of PUD Site	C
Generalized Land Use Map	D
First-Stage Zoning Commission Order No. 850	E
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I. INTRODUCTION

This statement and attached documents are submitted by Florida Rock Properties, Inc., ("FRP" or the "Applicant") in support of its application to the Zoning Commission for the District of Columbia (the "Zoning Commission") for second-stage review and approval of a Planned Unit Development ("PUD") and a change to the District of Columbia Zoning Map under Chapter 24 of the District of Columbia Zoning Regulations, 11 DCMR (February 2003), as amended ("Zoning Regulations"). The Zoning Commission extended the first-stage PUD application as Zoning Case No. 01-31 TE/98-17F/95-16P, Order No. 910-B, dated March 10, 2003, published May 23, 2003 at Vol. 50 DCR 4073 et seq.

The Applicant is seeking second-stage PUD approval and rezoning of the subject property to the C-3-C District in order to construct a mixed use project of office, residential, hotel and retail uses, containing approximately 1,084,464 square feet of space. The requested zoning is fully consistent with the District of Columbia Comprehensive Plan ("Comprehensive Plan"), including the land use element and the proposed Capitol Gateway zoning in the immediate area, as well as the first-stage PUD approval as set forth in Order No. 850, and the design guidelines made part of Zoning Commission Order No. 910-B (the "Design Guidelines").

A. Summary of Project

The PUD project will contain approximately 1,084,464 square feet of space devoted to office, residential, hotel and retail uses (the "Project"). The Project shall

be developed as three separate buildings, situated to create multiple vistas and opportunities to access the Anacostia River from Potomac Avenue, SE. The maximum building height of the portion of the Project nearest the Frederick Douglass Bridge will not exceed 112 feet, with the building heights tapering down to 92 feet at the intersection of First Street, SE, and Potomac Avenue, SE, all in substantial accordance with the Design Guidelines. The FAR of the Project shall not exceed 4.3, and the overall lot occupancy shall not exceed 58%.

With the guidance and intensive involvement of the D.C. Office of Planning, the Applicant, through its architectural firm of Davis Buckley, Architects and Planners, has designed a project that features high-quality architecture, and which also captures “green building” principals. The Davis Buckley firm is a member of the U.S. Green Building Council and is LEED certified.

The Project will be extensively and well landscaped and will include multiple tree-lined urban spaces, including a cascading staircase down to the Anacostia River waterfront, a retail pedestrian alleé, and two through building lobbies, all connecting Potomac Avenue, SE to a landscaped and terraced Waterfront Esplanade along the Anacostia River for the full length of the Project, providing both pedestrian and biking opportunities. A water taxi dock will also be installed at the water’s edge at the terminus of the alleé. The landscaped and terraced esplanade along the Anacostia River waterfront (the “Waterfront Esplanade”) will be no less than seventy-five feet in depth off of the riverside face of the bulkhead on the Anacostia River waterfront. The Project is intended to serve as a major catalyst

for new development in the area and will play a critical role in the redevelopment of the Southeast waterfront.

B. Site Location and Description

The PUD Site is located at 100 Potomac Avenue, SE bounded by Potomac Avenue along its northwestern edge, First Street, SE and the Anacostia River to the east and the Frederick Douglass Bridge and its approaches to the south and southwest in Ward 6 of Southeast Washington, D.C. The PUD Site consists of approximately 253,500 square feet of land in Squares 707 (Lots 800, 801 and 802), 708 (Lot 809), 708E (Lots 807 and 808) and 708S (Lot 806), as shown on the plat attached as Exhibit C (the “PUD Site”). The PUD Site is the largest single privately owned water-way frontage on the Anacostia River. The PUD Site has approximately 827 linear feet fronting the Anacostia River and slopes downward from Potomac Avenue to the Anacostia River shoreline. The elevated Frederick Douglass Bridge sits immediately over the southwestern boundary of the PUD Site, rising to a height of fifty-five feet and creating a barrier to Buzzard Point.

The PUD Site is currently occupied by Virginia Concrete, a tenant of the Applicant. Virginia Concrete conducts concrete mixing and batching operations on the PUD site and a portion of the PUD Site is used for the open storage of gravel and other stone aggregates used in these operations. The aggregate materials are brought to the PUD Site from the lower Potomac River by barge, with the concrete product leaving the PUD Site by concrete mixing trucks over Potomac Avenue and other adjacent streets at an average of 340 trips per day.

C. The Applicant

The Applicant, Florida Rock Properties, Inc. ("FRP"), has owned the PUD Site for more than twenty five years. FRP is a full service Maryland real estate development company specializing in land acquisition, construction, and property management. FRP is a wholly-owned subsidiary of Patriot Transportation Holding, Inc., headquartered in Jacksonville, Florida, engaged through its subsidiaries in the transportation and real estate businesses. Patriot is a publicly-held corporation trading on the NASDAQ exchange (symbol-PATR). Nearby developments by the Applicant include Lakeside Business Park in Harford County, Maryland and Hillside Business Park in Anne Arundel County, Maryland. The PUD Project would be the Applicant's first development in the District of Columbia.

**II.
PROCEDURAL HISTORY**

A. First-Stage PUD Proceedings

In the first-stage PUD application process, which included four public hearings, the Zoning Commission conducted an extensive review of the PUD Site for use as a PUD, evaluating the character, scale, mix and design of the uses proposed, and the compatibility of the proposed development with the District Elements of the Comprehensive Plan and the Ward Plan for Ward 6. The Zoning Commission concluded that:

- the proposed development was compatible with District-wide and neighborhood goals, plans and programs.
- the proposed development was consistent with the Comprehensive Plan of the National Capital because it will produce a "gateway" for the

Capitol Gateway/Buzzard Point area, act as a pioneer and catalyst for mixed-use redevelopment of the area, strengthen the distinguishing physical waterfront qualities of the area, and increase employment opportunities.

- the proposed development was consistent with the purposes of the Zoning Act and the Zoning Map of the District of Columbia, which include stabilizing land values and improving mixed use areas.

Thus, the Zoning Commission approved the first-stage application and map amendment for a Zone District change to C-3-C, subject to the Applicant submitting detailed guidelines, conditions and standards, set forth in Zoning Commission Order No. 850 ("Order No. 850"). The Project's consistency with Order No. 850 is set forth in Exhibit F.

B. Second-Stage Approval

By Order No. 910, dated November 8, 1999, the Zoning Commission granted second-stage approval for the PUD. The approval allowed approximately 1.5 million square feet of commercial development in two buildings constructed above a single below-grade, off-street parking facility (the "Approved PUD"). The buildings were to be of varying heights, with the highest building at 130 feet located closest to the Bridge and with buildings of 110 feet in height oriented toward First Street. The Approved PUD contained ground level retail and service commercial in those portions of the project fronting on Potomac Avenue and on the Anacostia River. The Approved PUD included a waterfront esplanade and two independent waterfront food pavilions and a public, outdoor performance space. The Approved PUD maximized open space, occupying only fifty-eight percent of the PUD Site.

Landscaped gateways for public access to the waterfront from Potomac Avenue were provided at Half and First Streets.

The Applicant also committed to a development program for a nearby square (Square 664E), west of the Frederick Douglass Bridge at the terminus of South Capitol Street. That square, containing approximately 90,000 square feet of land area, was to be developed with approximately 253,000 square feet of residential development, a park of approximately 40,000 square feet at the foot of South Capitol Street, and facilities for a non-profit organization, the Earth Conservation Corps.

C. Requests for Extensions of First- and Second-Stage PUD Approvals

On November 9, 2001, the Applicant timely filed a request for extension of the second-stage PUD approval. This request was the first extension request made by the Applicant. If not made, the second-stage approval granted by Order No. 910 would have expired on November 26, 2001.

On May 13, 2002, the Zoning Commission reviewed the Applicant's time extension request, as well as a report from the District of Columbia Office of Planning ("OP"). The OP report noted numerous changes in the environs of the PUD Site as well as changes in District of Columbia planning policy that had occurred since the initial approval of the PUD. In OP's opinion, those changes necessitated that modifications to the program of the Approved PUD be made if the project was to be developed. Notwithstanding the changes, however, OP recommended approval of the Applicant's extension request, having reached an

understanding with the Applicant that the Applicant would work with OP to adjust the project's program to address those changes.

The Commission took note of the changes highlighted in the OP report, including the recently approved proposed text and related map amendment for the Capitol Gateway Overlay District (See Proposed Rulemaking, attached as Exhibit H). The Commission expressed concern that if a time extension to the second-stage approval was granted, the Applicant would then have the opportunity to construct the Approved PUD in the face of what the Commission perceived as conflicts with the direction of the District's planning efforts. In light of those factors, the Commission voted to deny the Applicant's request for a time extension of the approval of the PUD.

The Applicant requested that the Commission give further consideration to its time extension request, offering to refrain from seeking permits to construct the Approved PUD for one year while agreeing to work with OP to identify acceptable modifications to the program of the Approved PUD. The Commission declined to give further consideration to the Applicant's extension request.

On December 2, 2002, the Applicant filed with the Commission a motion for reconsideration of the Commission's action to deny the time extension as contained in Order NO. 910-A. In the motion, the Applicant asserted that the Commission had erred in denying the time extension, but also put forth a set of design guidelines, developed in consultation with OP, which would constrain any modifications to the Approved PUD submitted to the Commission for second-stage

review. The design guidelines materially changed the proposed program for the project, reducing the maximum heights of buildings, reducing the permitted density, increasing the width of the Waterfront Esplanade along the Anacostia River waterfront, and introducing additional access to the waterfront from Potomac Avenue, thus effectively reducing the perceived massing of the project. Additionally, the Applicant proposed to change the project from one containing retail and office uses only to one containing a mix of residential, hotel, office, and retail/commercial uses. The OP filed a report with the Commission supporting the Applicant's request.

At its January 13, 2003, monthly meeting, the Zoning Commission voted not to reconsider its previous denial of the time extension for the second-stage approval of the PUD but agreed to reconsider its previous denial of a time extension related to the first-stage approval of the PUD. During the Commission's consideration of the motion, the Commission noted its continued discomfort with the height permitted under the proposed design guidelines offer by the Applicant; the Commission indicated that lesser heights of buildings were preferable. On February 14, 2003, the Applicant submitted to the Commission a revision to the proposed design guidelines which proposed lesser heights of buildings and attendant changes in gross floor area calculations.

On February 24, 2003, the Commission voted to grant a time extension of the first-stage approval of the PUD for a period of one year, subject to and as modified by the OP-endorsed revised design guidelines. As is set forth below, the application

for second-stage PUD review and approval presents a project and amenity package which is in compliance with the intent and purposes of the Zoning Regulations, Order No. 850 and the revised Design Guidelines made part of Order No. 910-B.

D. Development of Second-Stage PUD Application Within the Parameters of the Design Guidelines

With the approval of Order No. 910-B extending the first-stage approval of the PUD Project and the Design Guidelines incorporated therein, the Applicant proceeded to develop and then work intensively with the District of Columbia Office of Planning to refine the concept and design of the Project to reflect the intents and purposes of the Design Guidelines as well as the subsequently released Anacostia Waterfront Initiative Plan later described in this Application. The Applicant's team of architects and consultants met almost monthly with staff of the Office of Planning and others to work on adjustments and refinements to the site plan, building massing and architecture of the Project, building upon the Design Guideline parameters and comments of individual members of the Zoning Commission concerning the proposed Project, gleaned from the Commission's public records. This effort clearly reflects the Applicant's desire to develop a project that speaks to both the South Capitol Street revitalization desires and near Southeast planning efforts of the District and other interested parties. To that end, the Applicant has actively participated in development of the Anacostia Waterfront Initiative Plan, and the South Capitol Gateway and Corridor Improvement Study, as well as other studies of that Corridor.

During this period, the Applicant also coordinated with the office of Ward 6 Councilmember Sharon Ambrose, in whose Ward the PUD Site is located. Councilmember Ambrose continues to strongly support the Project in its revised configuration and concept.

III. ZONING, LAND USE AND DEVELOPMENT ISSUES

A. Zoning History of PUD Site and Surrounding Area

At the time of the comprehensive rezoning of the District in 1958, the PUD Site and the area immediately to the east, south and west were designated in the M Zone District. The M Zone District and the companion zone district, the C-M-2 Zone District, were also mapped in the surrounding area.

Recognizing the need for re-evaluating the permitted and desired land uses for this area, the Zoning Commission has held numerous hearings on and issued, as of August 2, 2002, a proposed rulemaking for rezoning and the establishment of the Capitol Gateway Overlay to be applied to the Buzzard Point and Capitol Gateway areas. The proposed rulemaking has not yet become final. A copy of the proposed rulemaking is attached hereto as Exhibit H. One of the purposes of this Overlay, along with the related rezoning, is to assure development of the area with a mixture of residential and commercial uses of a suitable height, bulk and design of buildings. In addition, the Overlay is designed to encourage a variety of support and visitor-related uses, such as retail, service, entertainment, cultural and hotel or inn uses. In addition to restrictions on use, FAR, and height, many of the

properties included within the Capital Gateway Overlay will be subject to an additional development review process. Under this proposed rezoning, the PUD Site and nearby properties will be rezoned to CG/W-2. The area to the west will be rezoned CG/CR.

B. Development and Planning Goals for PUD Site and Surrounding Area

The PUD Site is located in an area that is on the verge of significant revitalization and growth as a result of the Anacostia Waterfront Initiative and the redevelopment of the Southeast Federal Center. As illustrated in Exhibit D, the Generalized Land Use Map of the Comprehensive Plan designates the PUD Site and surrounding area as mixed use for medium-high density commercial, production and technical employment, and high density residential land uses. The Comprehensive Plan also designates the PUD Site as a Development Opportunity Area.

The Zoning Commission recently approved a zoning map and overlay application for the Southeast Federal Center (“SEFC”), which is a forty-two acre tract lying to the east of the PUD Site. The SEFC Overlay and rezoning is intended to provide for the development of a vibrant, urban, mixed-use, waterfront neighborhood, offering a combination of uses that will attract residents, office workers and visitors from across the District and beyond. The SEFC Overlay seeks to encourage high-density residential development with a pedestrian-oriented streetscape and to encourage a variety of support and visitor-related uses, such as retail, service, entertainment, cultural, and hotel or inn uses.

In a separate case from the SEFC Overlay, the Zoning Commission has approved the first major development in the SEFC area: the Department of Transportation (“DOT”) headquarters complex. The DOT project comprises approximately eleven acres in the northern portion of the SEFC and includes the dedication and construction of roadways necessary to provide access to development within the SEFC. This project includes office and retail uses as well as extensive landscaping and outdoor amenities, as is set forth in Zoning Commission Order No. 03-05.

Furthermore, the District of Columbia Water and Sewer Authority (“WASA”) currently has an application for special exception approval under the provisions of the proposed Capitol Gateway Overlay District (“CG Overlay”), filed as Zoning Commission Case No. 4-07. WASA is proposing upgrades to its two adjacent sewage pumping facilities along with site and landscape improvements as well as an addition to its Main Pumping Station. This project is in the initial stages of review. If approved, the modifications and addition should be consistent with the intent of the Anacostia Waterfront Initiative that new development or alterations to current buildings must be undertaken with the intent to improve the Anacostia watershed environment, which can only serve to benefit the Project.

C. Anacostia Waterfront Initiative

The Anacostia Waterfront Initiative (“AWI”) envisions an energized waterfront that will unify diverse areas with one of the District’s greatest natural assets, the Anacostia River. The AWI seeks to revitalize neighborhoods, enhance

and protect parks, improve water quality and increase access to waterfront destinations. The District believes that the recovery of the Anacostia River waterfront will help to reunite the capital city economically, physically and socially.

The vision of the AWI is of a clean and vibrant waterfront with parks, recreation uses and urban waterfront settings – places for people to meet, relax, encounter nature and experience the heritage of the waterfront neighborhoods. The AWI also seeks to ensure that the social and economic benefits derived from a revitalized waterfront are shared by those neighborhoods and people living along the Anacostia River for whom the river has been distant and out of reach.

As is set forth in this PUD application, the Project promotes and furthers the AWI goals for the Anacostia River waterfront. In addition, the Project will serve as a catalyst to spur future development along the Waterfront to enable the visions of the AWI to be fulfilled.

D. Matter-of-Right Development Under Existing Zoning

The PUD Site is currently zoned C-3-C pursuant to the first-stage PUD approval. If the PUD Site was subject to the CG/W-2 zone, the CG/W-2 zone permits development to a height of sixty feet (seventy feet with discretionary bonuses) and a FAR of 4.0. One hundred percent lot occupancy is permitted for non-residential development, and seventy-five percent lot occupancy is permitted for residential development. For commercial development, parking is required at a rate of one space for each additional 1,800 square feet of gross floor area in excess of 2,000 square feet. For residential development, parking is required at a rate of one

space for each three dwelling units. For retail development, parking is required at a rate of one space per 750 square feet in excess of 3,000 square feet, and for hotel use, parking is required at the rate of one space for each two rooms plus one space for each 150 square feet of the largest function room space.

E. Matter-of-Right Development Under Proposed Zoning

Under the first-stage PUD approval and this second-stage application, the zoning of the PUD Site would continue to be zoned C-3-C. The C-3-C District is a major business and employment center that permits medium-high density development for employment and mixed uses. The uses permitted as a matter-of-right include office buildings, residential buildings, and retail establishments. The C-3-C Zone District permits matter-of-right development to a height of ninety feet and a FAR of 6.5. The PUD guidelines for the C-3-C Zone District permit a height of 130 feet and a FAR of 8.0. Despite the additional FAR that is permitted for a PUD under the C-3-C District, the Applicant proposes to develop a structure with a maximum FAR of 4.3, which is lower than that permitted as a matter-of-right in the C-3-C District and is in compliance with both the first-stage approval and the Design Guidelines.

**IV.
DESCRIPTION OF THE PROJECT**

A. Project Design

The Project incorporates a mix of uses, including office, residential, hotel and retail, in a three building project containing approximately 1,084,464 square feet of gross floor area, or approximately 4.28 FAR. This density is within that permitted

under the Design Guidelines. The Project has a lot occupancy of approximately 58% and incorporates important, direct pedestrian access points from Potomac Avenue, and the near Southeast community, to the Anacostia River Waterfront. Consistent with the Design Guidelines, the Project has been configured as three separate buildings at grade, but offers at various elevations above grade multiple view corridors and vistas to create a permeability to the proposed development, including vistas looking southward through the Project to the Anacostia River waterfront. To the east end of the PUD Site at the intersection of Potomac Avenue and First Street is an office building with ground floor retail opportunities (the “East Office Building”). Due west of the East Office Building and adjacent to the Frederick Douglass Bridge is a building consisting of an office tower (the “West Office Building”) and a hotel (the “Hotel Building”). The West Office Building contains ground floor retail opportunities as well. The Hotel Building component of this building fronts on and overlooks the Anacostia River waterfront. Southwest of the East Office Building and west of the Hotel Building is a residential tower (the “Residential Building”), which also has frontage on the Anacostia River waterfront and provides some retail space opportunities on the ground floor.

1. Massing and Building Organization

The design of the Project recognizes the importance of the PUD Site as a gateway to the Nation’s Capital. Conceived as a multifaceted building complex whose form has been molded by its site and context, the resultant design responds to the site in a dynamic and meaningful way. The open entry portal to the complex

is defined by the East and West Office Buildings on each sides of the visual extension of Half Street. These two buildings – with the East Office Building having a maximum height of 92 feet and the West Office having a maximum height of 112 feet – frame the vista to the Anacostia River waterfront and the distant hillocks beyond.

Beyond the Office Buildings, towards the Anacostia River waterfront, are the Hotel and Residential Buildings with maximum heights of 112 feet and 102 feet respectively. Although the Project is comprised of only three separate buildings at grade, the West Office Building and Hotel Building read as two separate buildings above a building connection that rises only thirty-two feet above the buildings' measuring point. Thus, the Project appears at higher elevations to consist of four separate structures.

The slight increase in building heights of each of the buildings of the Project proposed. While this height increase exceeds slightly that provided for in the Design Guidelines, the increase is specifically attributable to recommended adjustments to the height in the ground floor retail areas of the Project, made both by the Applicant's retail consultant, StreetSense, and by the D.C. Office of Planning. Each had recommended that the buildings incorporate fourteen foot clear floor to finished ceiling heights in the retail spaces to allow these spaces to be more flexible and attractive to retailers over time in order to better compete for tenants in the retail environment.

The total gross floor area of the Project is approximately 1,084,464 square feet, or approximately 4.28 FAR. Of that total, 642,394 square feet of gross floor area are allocated to commercial uses, of which approximately 39,498 square feet of gross floor area, amounting to 36,000 square feet of net useable ground floor area, is devoted to retail uses. This amount of dedicated retail space in the Project represents 50% of the net useable ground floor area of the Project. The total residential gross floor area is approximately 442,070 square feet, with approximately 248,300 square feet of that amount being devoted to hotel use and approximately 193,770 square feet of gross floor area being devoted to residential use (equaling about 160 apartment units).

2. Architectural Design of Buildings

The architectural expression of the various façades of each building is intended to evoke the imagery of the existing waterfront complexes in the area, in particular the very simple industrial aesthetic of the Anacostia River waterfront. At the lower levels, in accord with the Design Guidelines of the Zoning Order, the articulation "...of a single, tall story..." has been made to "...create the effect of a 'plinth' or base..." to the buildings. Ceiling heights in the retail areas provide a fourteen foot clear height. A random ashlar fieldstone watertable course on the bottom of the columns and wall areas reflects an element of historic waterfront architecture expressed in a modern idiom. The mid-section of the building walls are predominantly a punched brick masonry expression with glass accent areas at the corners.

Each of the East and West Office Buildings use different variations of punched window patterns to achieve a differentiation between the two buildings while maintaining a resemblance between the two. At the tops of the Office Buildings, the upper floors open up visually with larger openings affording more glass to these areas. At the East Office Building, the fenestration is a larger version of the similar elements below. At the West Office Building, the top two floors are articulated more as a series of glass pavilions atop the vertical bays defined below. In both buildings, areas of curtainwall glass with coated aluminum framing are utilized to define special areas of the facades for architectural emphasis. On the riverfront elevation of the East Office Building, the fenestration becomes more open above the base, expressing the desire to open the office areas to the river view.

As a way to create a more varied skyline and massing along Potomac Avenue, a screen wall, surrounding a roof area intended for rooftop antennae and equal in height to the mechanical penthouses, has been pulled forward toward Potomac Avenue. This element also focuses architectural emphasis in the bays that define the main entry, strengthening the architectural expression of the building.

At the Residential and Hotel Buildings, the façades achieve a delicate balance between a punched and a frame expression in brick for the mid-section areas. At the base, the “tall single story” expression of the base has been carefully proportioned to be in scale with other façade areas. As with the Office Buildings, a random ashlar fieldstone is used as a watertable course at the base of the column and wall areas. Also, like the Office Buildings, a fourteen foot clear ceiling height

has been planned for the retail areas. At the top, a slightly taller floor-to-ceiling height creates a subtle crown to the building in concert with the coated architectural concrete parapet. In both the Residential and Hotel Buildings, balconies with glass railings have been carved into the basic form of the buildings to maximize views for the guests and the residents and to add depth to the façade.

3. Extension of Half Street and Pedestrian Allée

The buildings of the Project frame the extension of Half Street, which provides pedestrian access from Potomac Avenue to the Waterfront Esplanade. Just east of the Half Street portal, the Project includes a pedestrian-oriented allée with ground floor retail spaces in the East Office Building and the Residential Building flanking the walkway. This allée provides not only an important direct access for pedestrians to the Anacostia River waterfront beyond, but also provides a substantial vista to the Anacostia River waterfront from Potomac Avenue, SE. The massing of the East Office Building and the Residential Building steps down toward the Waterfront Esplanade, imparting a pedestrian friendly character to the space, creating a sense of openness, and visually fore-shortening the distance to the water.

The view shed area of Half Street extended is treated as a continuation of the anticipated Half Street Streetscape north of the Project that terminates in a highly finished urban plaza. This portion of Half Street will provide pedestrian and limited vehicular access to the Project and the Anacostia River waterfront beyond. The vehicular access of the view shed area of Half Street within the Project will be restricted solely for pick-ups and drop-offs at the front entrances of each of the

Hotel and Residential Buildings. This plaza area will be paved in decorative interlocking pavers in multiple colors with stone accents and a focal sculptural element. Between the end of the Half Street vehicular way and the sloping terraces that lead down to the Waterfront Esplanade, a fountain element will serve as a visual terminus and focal point while providing a filtering element for the storm water that falls on that area of the PUD Site. The terraced areas leading to the Waterfront Esplanade provide areas for outdoor dining for the Hotel and the retail areas as well as for passive recreation activities.

4. Waterfront Esplanade

A primary feature of the Project is the Waterfront Esplanade, which has a minimum width of seventy-five feet and extends for the full length of the Project along the Anacostia River waterfront. Along the Waterfront Esplanade, landscaping has been interwoven with the concrete paved walkways and the asphalt bike path that connects the Esplanade with other portions of the Anacostia Riverwalk and Trail. Along the Waterfront Esplanade, the curving walls, evocative of the river's ebb and flow, provide a sense of terracing down to the river's edge that is naturalistic in form. Small defined areas of trees with occasional benches echo the rhythm of the interwoven paths, contrasting solid surfaces against naturalistic open planting spaces.

Along the Waterfront Esplanade, the building height is held low for the most part, stepping up toward Potomac Avenue, except where the massing is brought up higher for architectural effect to add variety and transition in form and interest to

the façade. Such an element is the “pinnacle like” element on the riverfront facade of the East Office Building that resolves the geometry of the south and east side terracing while providing a focal counterpoint that marks the location of the public access to the parking garage below. This element projects out, providing dramatic views up and down the Anacostia River for the offices; its architectural expression recalls waterfront activities from another time. A water taxi dock at the belvedere along the Waterfront Esplanade at the terminus of the pedestrian alleé will also be provided.

5. Parking, Loading, and Circulation

The primary, visual entrance to the Project is located at the intersection of Half Street and Potomac Avenue. Pedestrian access points to the East and West Office Buildings are found mid-block along Potomac Avenue. These mid-block entrances also provide through-lobbies from Potomac Avenue to the outdoor pedestrian accessways to the Waterfront Esplanade at the east end of the Project, and to the Hotel and the Waterfront Esplanade beyond at the west end of the Project. The pedestrian entrances for the Hotel and Residential Buildings are located along and off of the extension of Half Street.

Along Potomac Avenue, street trees and landscaped “park” areas give focus to the building entrances and help to soften the paved areas required for the parking and loading service drive areas. At the eastern end of Potomac Avenue, a semi-circular lay-by provides a drop-off for public access to the esplanade and other

public spaces as well as the western end of the path that provides pedestrian and bicycle linkage to the SEFC.

The Project includes three below-grade levels of parking, designed to the more restrictive requirements of W-2, notwithstanding the PUD Site's zoning under the first-stage order as C-3-C. The below-grade parking facility would accommodate a total of 1,087 parking spaces allocated as follows: 683 spaces for the office and retail uses, 251 spaces for the residential building, and 153 spaces for the hotel. The parking garage can be accessed from one of two entrances along Potomac Avenue: one at the northwestern corner of the Project and the other to the southeast fronting Potomac Avenue. Bicycle parking, amounting to twenty spaces, is provided totaling five percent of required parking. Bicycle spaces are located in both the east and west office buildings as well as the residential building. All are in close proximity to the ground floor retail areas of the Project.

Notwithstanding the underlying zoning of the PUD Site as C-3-C, the Applicant is proposing loading facilities that would satisfy the more restrictive requirements of W-2 Zone District requirements and are accessed at-grade off Potomac Avenue as shown on the plans. Thirteen offstreet loading berths of varying sizes and dimensions including four service delivery spaces at twenty feet deep are provided.

B. Tabulation of Development Data

Zoning Factors	C-3-C Zone District (with a PUD)	Capital Gateway/W-2 Development		Previously Approved PUD Development	Design Guidelines (Order No. 910-B)	PUD Project
		<i>Theoretically Allowable or Required</i>	<i>Developable on PUD Site</i>			
Site Area (in square feet)	253, 500	253,500	253,500	253,500	253,500	253,500
Percentage of Lot Occupancy	100% (100%)	100% (for non-residential development) and 75% (for residential development)	58.19% ¹	58%	None set forth	Not to exceed 58%
No. of Bldgs.	No requirement	No requirement	No requirement	2	A minimum of 3	3 (but visually appearing as 4)
Height of Building(s)	90 feet (130 feet)	60 Feet ² 70 ft. with approved bonuse(s)	60 Feet ² 70 ft. with approved bonuse(s)	East Bldg.— 110 Feet West Bldg.— 130 Feet	East of Half Street – 90 and 100 feet West of Half Street – 110 feet	East of Half Street – 92 and 102 feet ³ West of Half Street – 112 feet ³
Gross Floor Area (in square feet)	1,647,750 (2,028,000)	1,014,000 (507,000 square feet of commercial; 507,000 square feet of residential)	655,500 (507,000 square feet of commercial; 148,500 square feet of residential)	1,521,000 (All commercial, of which at least 21,750 GSF to be retail) (253,000 GSF residential required @ Square 664)	1,115,400 (maximum of 625,000 square feet of commercial; minimum of 440,000 square feet of W-2 qualified residential, with no less than 160 units being non-transient)	1,084,464 (of which 642,394 square feet is commercial, including 39,498 square feet [amounting to 36,000 square feet of net usable area] dedicated for retail uses, and of which 442,070 square feet is dedicated to W-2 qualified

¹ Potomac Avenue site area less a 75' waterfront setback (22,750SF, 9% of the site area), the Half Street view corridor (40,500SF, 16% of the site area), the First Street view corridor (27,850SF, 11% of the site area), and the Frederick Douglass Bridge right of way (14,900SF, 6% of the site area).

² At this height of building limitation, and with the application of other CG/W-2 Overlay requirements, the permitted development of 4.00 FAR cannot be achieved on the PUD Site.

³ Adjusted from that specified in the Design Guidelines to reflect the need to increase the floor to finished ceiling heights of the retail spaces in the buildings by two feet.

Zoning Factors	C-3-C Zone District (with a PUD)	Capital Gateway/W-2 Development		Previously Approved PUD Development	Design Guidelines (Order No. 910-B)	PUD Project
						residential of which 193,770 square feet is dedicated for residential uses (approximately 160 units) and 243,300 square feet is committed to hotel uses)
FAR	6.00 FAR (8.0 FAR)	4.00 FAR typically, with commercial development limited to 2.0 commercial; add'l FAR in a 1 to 1 commercial to residential ratio up to a total of approx. 5.0 for residential over 2.0 FAR	2.58 FAR (2.0 FAR of commercial; .59 FAR of residential)	6.00 FAR	4.4 FAR	4.28 FAR
Setback from Anacostia River Waterfront		At least 75' standard; 50' w/ special exception	At least 75'	At least 50' require; 58' to 85' plus 1 plaza, as designed		No less than 75' from the riverside face of the bulkhead and averaging approximately 97'
Outdoor Corridors between Potomac Ave and Anacostia River Waterfront		None required		1	2	2
Parking	1 space for each 1,800 GFA in excess of 2,000 square feet	At least 540 spaces (450 spaces for commercial use; and 90 spaces for residential use)	Not known	1495 (1/1,000 GSF)	None specified	1,087 parking spaces in three below-grade levels (683 spaces for commercial/retail uses; 153 spaces for hotel use; and 251 spaces for residential use)

C. Flexibility Under the PUD Guidelines

The Project complies fully with the Zoning Regulations for the C-3-C District. Therefore, the Applicant does not request any flexibility from the requirements of the C-3-C zone.

**V.
CONSISTENCY WITH FIRST-STAGE
PUD APPROVAL AND DESIGN
GUIDELINES IN ORDER NO. 910-B**

A. First-Stage PUD Approval

This second-stage application meets the requirements of Order NO. 910B and the Design Guidelines captured therein, as well as the applicable conditions and standards of the Zoning Commission's first-stage approval, Order No. 850, as set forth below. An analysis of the Project reviewed by each provision of Commission's decision in Order No. 850 is attached hereto as Exhibit F.

B. Consistency With the Design Guidelines Made Part of Order No. 910-B

This second-stage application is consistent with the Design Guidelines made part of the Zoning Commission's extension of time for the first-stage approval, in Order No. 910-B. A copy of Order No. 910-B is attached as Exhibit G. The Design Guidelines set forth requirements in the following areas: site planning; perimeter setbacks and build-to requirements; mid-block points of public access to the Anacostia River waterfront; building height, bulk restrictions, and design objectives; development program requirements; and project amenities. The Project

complies with all of these requirements, with one adjustment that has been made to accommodate for market-driven height requirements for retail space. Specifically, the maximum heights set forth in the Design Guidelines are 110 feet, 100 feet, and 90 feet respectively for the West Office and Hotel Building, the Residential Building, and the East Office Building. In order to attract the most desirable retail tenants for this emerging area, the retail spaces have been given a fourteen foot clear height; thus, increasing the maximum heights to 112, 102, and 92 feet respectively. StreetSense, a multi-disciplinary real estate consulting company specializing in retail development, has opined that in order to assure long-term flexibility and viability of the retail space, the retail space of the Project must have a minimum 14'-0" floor to ceiling height to meet current market parameters for successful retail space. A copy of the StreetSense letter is attached as Exhibit I. This requires that a consistent two feet be added to the 12'-0" floor to ceiling height proposed in the Design Guidelines, thus effecting, but justifying, the overall building height increase requested in this Application for the Project. It is the Applicant's understanding that OP supports this proposed modification to the Design Guidelines and its building height ramifications.

VI.
THE PROJECT MEETS THE STANDARDS OF THE ZONING
REGULATIONS AND PUD REQUIREMENTS

A. PUD Requirements Under Chapter 24 of the Zoning Regulations

1. Area Requirements Under Section 2402.1(c)

The PUD Site area is approximately 253,500 square feet in land area, which exceeds the minimum area requirement of 15,000 square feet for this PUD. 11 DCMR §2401.1(c).

2. Height and FAR Requirements Under Sections 2405.1 and 2405.2

The Project has been evaluated under the various zone designations, including the C-3-C District, the C-3-C District with a PUD and the proposed CG/W-2 District, as is set forth in the Tabulation of Development Data above. As indicated in the Tabulation of Development Data above, the Project is below the height and FAR as permitted by the C-3-C District with a PUD. The Project does not propose to take advantage of the greater FAR permitted under C-3-C zoning however, looking instead solely to the Design Guidelines and the CG/W-2 Zone District for guidance. For instance when compared to the proposed CG/W-2 zoning, the Project proposes less than 0.3 FAR of additional density and more than 0.1 FAR below that provided for in the Design Guidelines. The proposed density is more than 1.5 FAR below that provide in the first-stage approval and the Approved PUD. With regard to building height, heights are less than that previously approved by the Zoning Commission in the both the first-stage approval and the Approved PUD that has lapsed, and are in substantial compliance with the Design Guidelines.

3. Impacts of Project Under Section 2403.3

The Project will have a positive impact on the surrounding area, as it will serve as a major catalyst for the revitalization of the Anacostia River waterfront. With three major pedestrian links from Potomac Avenue to the Waterfront, the Project serves to connect the near Southeast community to the Anacostia River. The Project will serve as a highly visible anchor for development on the east side of the Frederick Douglass Bridge. Along with the DOT Headquarters building and the WASA development, it will serve to spur further redevelopment of the portion of the Anacostia River waterfront in the near Southeast.

Furthermore, the Project will provide an economic boost to the District of Columbia generally. The degree of positive impact on the near Southeast area and the District as a whole could be substantial. Basile Baumann Prost & Associates, Inc. has been engaged as the Applicant's consultant in this regard. As indicated in Exhibit K, the economic consultant's initial assessment indicates that this Project will create significant short-term positive economic benefits during construction. Upon completion, the Project will create significant continued, annual, sustained economic contributions in terms of the jobs and payrolls of persons working in the Project, the economic activity from retail sales and hotel visits, and the benefits of the new residents and their income and expenditures within the District. Significant tax revenues will also be created from the real property values of the Project, the sales and hotel tax revenues, the income tax and retail sales generated

by area residents, and the economic spin-off benefits of a major high-quality mixed-use development project.

With regard to transportation and traffic impacts, initial analysis indicates that the Project will have no unacceptable impact on traffic or the transportation infrastructure. The traffic impact study is being prepared by O.R. George & Associates will be provided to the Zoning Commission as soon as it is available.

Finally, the Applicant believes that the Project will have no adverse impact on the District's existing infrastructure as is detailed in Exhibit O.

4. Not Inconsistent with Comprehensive Plan Under Section 2403.4

As discussed at length below, the Project is not inconsistent with the Comprehensive Plan.

B. Public Benefits and Project Amenities

The PUD provisions of the Zoning Regulations require the Zoning Commission to evaluate specific public benefits and project amenities of a proposed project. Public benefits are defined as "superior features of a proposed planned unit development that benefit the surrounding neighborhood or the public in general to a significantly greater extent than would likely result from development of the site under the matter of right provisions of this title." 11 DCMR §2403.6. "A project amenity is one type of public benefit, specifically a functional or aesthetic feature of the proposed development, that adds to the attractiveness, convenience or comfort of the project for occupants and immediate neighbors." 11 DCMR §2403.7. Furthermore, in deciding a PUD application, the Zoning Commission is required to

“judge, balance and reconcile the relative value of amenities and public benefits offered, the degree of development incentives requested, and any potential adverse effects according to the specific circumstances of the case.” 11 DCMR §2403.8.

Public benefits and project amenities may be exhibited in a variety of ways and may overlap with furthering the policies and goals of the Comprehensive Plan. In the present case, the high quality, mixed-use development along the Anacostia River waterfront provides significant public benefits to the area and the District as a whole. Furthermore, the Applicant requests no development flexibility from the provisions of a PUD in the C-3-C District. To the extent that the additional height and FAR as compared to the CG/W-2 zone is considered development flexibility, the proffered public benefits and project amenities clearly satisfy the balancing test as required in Section 2403.8.

The PUD project proposes the following public benefits and project amenities:

1. Urban Design and Architecture and Landscaping (Section 2403.9(a))

The Project presents a unique opportunity to provide a significant development that will serve as a catalyst for the redevelopment of the Anacostia River waterfront. The architectural design, as described in detail above, reflects the importance of the PUD Site as the gateway to the Nation’s Capital and as an initial development for the revitalization of the Anacostia River waterfront. By providing direct pedestrian access to the Anacostia River Waterfront from Potomac Avenue, the Project essentially unites the near Southeast directly with and links it to the

Anacostia River waterfront. Furthermore, the Project acknowledges its adjacency to the Frederick Douglass Bridge by incorporating a finished building façade on the portion that fronts the Bridge.

2. Landscaping (Section 2403.9(a))

The PUD Project will be extensively and well landscaped, creating a portal to the Anacostia River from Potomac Avenue and points north and east of the PUD Site. The Project includes a tree-lined visual extension of Half Street with cascading terraces leading to the Anacostia River waterfront. Additionally, a pedestrian alleé and two through building lobbies link Potomac Avenue to the Waterfront Esplanade fronting on the Anacostia River. Finally a landscaped entry way to the Waterfront Esplanade is readily available at the foot of First Street at the east end of the Project. The landscaped and terraced Waterfront Esplanade will be no less than seventy-five feet in depth off the face of the bulkhead along the Anacostia River waterfront. The visual extension of Half Street, the pedestrian alleé and the First Street entry are designed to draw attention to the Anacostia River waterfront. These important open spaces and accessways accessible by the public create a green ribbon for people to move to the Anacostia River waterfront.

Furthermore, the Applicant has agreed to design and landscape Reservation 247, located at the intersection of First Street and Potomac Avenue across from the PUD Site, to no less than National Park Service standards. This Reservation, though designated, was never developed as a "park" and is currently in disrepair and badly in need of renovation. The Reservation presently serves as a storage site

for Jersey barriers. The creation of this park will include sidewalks, curbs, and gutters surrounding the park. The landscaping of this area is of a sustainable garden design utilizing indigenous plant species that require a minimum of watering. The proposed design also includes an internal, elevated walkway that allows the areas on either side of the walkway to connect for optimum bio-filtration of storm water. To ensure that the Reservation is properly maintained, the Applicant has agreed to maintain the Reservation for a period of five years following completion of its installation. The Applicant will work closely with the District on the logistics of implementation of this proffered amenity.

Similarly, the Applicant has agreed to design and landscape a parcel of land at the foot of First Street abutting the PUD Site. This land area contains approximately 10,000 square feet and is owned by the District of Columbia, fronting on the Pump House site, which is currently leased to Earth Conservation Corps (ECC). This area is to be designed consistent with the provisions of the District's leasing arrangements with ECC and landscaped with walkways and plantings similar to those proposed for Reservation 247. To ensure that this area is properly maintained, the Applicant has agreed to maintain this area for a period of five years following completion of its installation. The Applicant will work closely with the District, as the land owner and ECC as the tenant, on the logistics of implementation of this proffered amenity.

3. Environmental Features (Section 2403.9(h))

The Applicant has agreed to develop the Project as an environmentally “green” structure, with the goal of being able to achieve a U.S. Green Building Council LEED certification. The LEED (Leadership in Energy and Environmental Design) Green Building Rating System is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. LEED was created, among other reasons, to define “green building” by establishing a common standard of measurement, promoting integrated, whole-building design practices, and recognizing environmental leadership in the building industry. Based on well-founded scientific standards, LEED emphasizes state of the art strategies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. This Project incorporates many state of the art environmental features, as described in detail in Exhibit J.

4. Residential Units for Workforce Housing (Section 2403.9(i))

The Applicant has agreed to reserve approximately 9,600 square feet of gross floor area of the residential development (which present equates to approximately eight units) for workforce housing. Workforce housing shall mean housing available to families making eighty percent of Median Family Income within the District of Columbia and paying twenty percent of the family’s household income for rent or housing ownership costs. This restriction is intended to apply in a rental housing context as well as in an ownership context, if the Residential Building becomes subject to a condominium or cooperative regime. This restriction will be in place for

a period of twenty years from the date that the first unit in the Residential Building is occupied.

5. Development of Pedestrian/Bicycle Pathway (Section 2403.9(i))

The Applicant has agreed to develop a twelve foot wide pedestrian/bicycle pathway link over District-owned lands, including those of the WASA, on the Anacostia River to connect the Waterfront Esplanade to the future pedestrian/bicycle pathway along the waterfront of the SEFC, all as part of the Anacostia Riverwalk and Trail. This pathway link will be constructed of asphalt, a material recommended for bike surfaces, to provide visual relief to the pavement, and absorption of solar radiation. The Applicant will work closely with the District, including WASA, on the logistics of implementation of this proffered amenity. The Applicant has agreed to maintain this pathway link for a period of five years following completion of its installation.

6. Water Taxi Dock (Section 2403.9(i))

The Applicant has agreed to install a water taxi dock at the belvedere along the Waterfront Esplanade at the foot of the allée, as reflected on the Project Plans filed with this Application.

7. First Source Employment Opportunities (Section 2403.9(j))

As an additional public benefit and in order to further the policies established in Mayor's Order No. 83-265 and D.C. Law 5-93, the Applicant has entered into a First Source Employment Agreement with the Department of Employment Services (DOES). Under this Agreement, the Applicant is required to use DOES as its first

source to fill all new jobs created as a result of Zoning Case No. 95-16P. In addition, at least fifty-one percent of the newly created jobs must be filled by D.C. residents and at least fifty-one percent of the apprentices and trainees must be District residents. The Applicant is also renewing its offering of a supplemental program related to job opportunities that was first presented and incorporated into the Approved PUD (the "Supplemental Program"). A copy of each of the executed First Source Employment Agreement and the Supplemental Program is attached as Exhibit L.

8. Local, Small or Disadvantaged Business Opportunities (Section 2403.9(j))

Likewise, as another public benefit and in order to further the policies established in D.C. Law 1-95, D.C. Code Section 1-1-1141 *et seq.* (1987 Ed. as amended), the Applicant will commit to make a bona fide effort to utilize Local, Small or Disadvantaged Business Enterprises ("LSDBE") certified by the D.C. Local Business Opportunity Commission ("LBOC") in order to achieve, at a minimum, the goal of thirty-five percent participation in the contracted development costs in connection with design, development, construction, maintenance and security of the Project. A copy of the executed Memorandum of Understanding is attached as Exhibit M.

VII.
COMPLIANCE WITH
COMPREHENSIVE PLAN

The Project advances the purposes of the Comprehensive Plan, is consistent with the Generalized Land Use Map, and furthers and complies with the major themes and elements for the District and Ward 6 in the Comprehensive Plan.

A. Purposes of the Comprehensive Plan

The purposes of the Comprehensive Plan are six-fold:

(1) Define the requirements and aspirations of District residents, and accordingly influence social, economic and physical development; (2) Guide executive and legislative decisions on matters affecting the District and its citizens; (3) Promote economic growth and jobs for District residents; (4) Guide private and public development in order to achieve District and community goals; (5) Maintain and enhance the natural and architectural assets of the District; and (6) Assist in conservation, stabilization, and improvement of each neighborhood and community in the District.

D.C. Code §1-245(b).

The Project significantly advances these purposes by stimulating economic development in the Capitol Gateway area in accordance with the District's planning goals. These goals will be achieved through rehabilitation, promoting economic growth, increasing employment opportunities for District residents, enhancing the beauty and utility of the Anacostia River waterfront area, and helping to improve and stabilize the South Capitol Street Corridor.

B. Generalized Land Use Map

The Generalized Land Use Map designates the PUD Site and surrounding area as mixed use for medium-high density commercial land use, production and technical employment, and high density residential. The Comprehensive Plan also designates the area as a development opportunity area. The PUD Site is located within the Central Employment Area.

C. Compliance with Major Themes of the Comprehensive Plan

The Project is consistent with many of the Comprehensive Plan's major themes as follows:

1. Respecting and Improving the Physical Character of the District

The PUD process will ensure the development of an exceptional design that will spur revitalization of the Capitol Gateway area and fulfill the vision of the AWI as well as significantly contribute to and enhance the appearance of the South Capitol Street Corridor, one of the City's major gateways. The Project's design is intended to reflect the character of the District's Waterfront, while creating significant urban, environmentally sensitive open spaces, landscaped with indigenous plantings and other site amenities such as walkways, seating areas, lighting and signage.

2. Preserving and Promoting Cultural and Natural Amenities

The redevelopment of the PUD Site – the largest private property site located along the Anacostia River waterfront – is an essential element of the revitalization of the Anacostia River waterfront. Accordingly, the Project has been designed to

enhance the Anacostia River waterfront experience. It is also intended to enhance the prominence of the South Capitol Street gateway into the District.

3. Reaffirming and Strengthening District's Role as the Economic Hub of the National Capital Region

The Comprehensive Plan encourages making maximum use of the District's location at the center of the region's radial metrorail and commuter rail systems. 10 DCMR §109.1(b). The Project takes advantage of this transportation asset by its close proximity to the Green Line's Navy Yard Metro Station, which is located three blocks north of the PUD Site at M and First Streets, SE.

4. Increasing the District's Share of Regional Employment Opportunity and Necessary Economic Growth

The expansion of the quantity of employment opportunities is a central theme of the Comprehensive Plan. 10 DCMR §103.1. The Project furthers the District's goal of establishing more jobs, as this facility will create approximately 642,394 square feet of new commercial space of both office and retail character. As discussed above, a key goal of this PUD application is to enable the Applicant to attract a large scale Federal agency or other commercial user to the District by providing an adequate size office/retail complex at a unique waterfront/gateway location in close proximity to Capitol Hill and the Central Business District. Given the PUD Site's natural waterfront and location attributes, it is the Applicant's belief that the density envelope proposed will enable the District to compete with the surrounding jurisdictions for the top tier of large scale office uses, or to attract a major federal tenant to this pioneering location where the benefits of that

development will have a greater impact for the District than a traditional downtown location.

The Applicant has entered into a First Source Employment Agreement with the District's Department of Employment Services to make employment opportunities available to residents of the District generally and of Ward 6 in particular.

D. Compliance with Major Elements of the Comprehensive Plan

The Project furthers the objectives and policies of many of the Comprehensive Plan's major elements as follows:

1. Economic Development Element

The Economic Development element establishes those policies that provide the necessary framework for the expansion and enhancement of economic development activities. The purpose is to build upon the District's role as the National Capital and the economic center of the national capital region. 10 DCMR § 2001(a).

The Economic Development element recognizes that the District is the unchallenged center of Federal government activities, with sixty percent of all Federal jobs in the region being located in the District as of 1990. 10 DCMR § 200.2. A goal of this Project is to provide space for a possible Federal tenant or other large-scale commercial tenant. The PUD Site's location near the Southeast Federal Center, including the new DOT Headquarters, and the Navy Yard makes this location ideal for Federal tenants or government contractors.

Furthermore, an important goal of the District is to stimulate renewed economic vitality and job generation Downtown but also to encourage additional development, economic diversification and job generation in portions of the Central Employment Area outside Downtown. 10 DCMR §205.1. The Project's location in the Central Employment Area, but outside of the Downtown area, makes it an ideal location to further this goal with mixed use, commercial, retail and residential uses.

The Economic Development element places a high priority on development and implementation of policies and strategies that generate new and productive uses of currently underused commercial and industrially zoned lands. The PUD Site has historically been included in the M zone district and currently houses concrete mixing and batching operations as well as open storage of gravel and other stone aggregates. The conversion of the PUD Site from industrial uses to the proposed mixed-use development will serve to further this goal.

The Economic Development recognizes the importance of the generation of sufficient tax revenues to fund the District's budget is a top government priority. The Project will generate economic benefits for the District, both during construction and upon completion of the Project, as discussed in the initial report by Basile Baumann Prost & Associates, Inc., attached as Exhibit K. This report indicates that significant tax revenues will also likely be created from the real property values of the Project, the sales and hotel tax revenues, the income tax and retail sales generated by area residents, and the economic spin-off benefits of a major high-quality mixed-use development project.

2. Housing Element

A central theme of the Housing Element is that the District must stimulate a wider range of housing choices and strategies through the preservation of sound older stock and the production of new units for a wide variety of household types. 10 DCMR § 300.2. The Project's inclusion of a minimum of 160 new housing units in an area designated for high density residential uses furthers this goal.

Furthermore, the Housing Element states that it is the District's goal to "facilitate the availability of adequate, affordable housing to meet the needs of the current and future residents. The private sector should be involved." 10 DCMR 300.1. The Project's amenity related to workforce housing furthers the goal of providing affordable housing.

3. Environmental Protection Element

The Project furthers the Environmental Protection element of the Comprehensive Plan, which include protecting the environment of the District, resisting threats to its overall quality, and maintaining and enhancing its positive features. 10 DCMR §401.1. As an amenity in the Project, the Applicant has agreed to design the Project to be able to achieve a LEED certification for the Project, incorporating numerous green features in the Project. The Project also incorporates low impact storm water management. In addition to these environmental features, the Project will fulfill the vision of the AWI, which will serve to rehabilitate and preserve important natural environs of the District. Finally, the Applicant will

comply with all District and Federal environmental regulations as necessary through the permit process.

4. Transportation Element

The basic philosophy of the District's Transportation element is that by providing for the efficient movement of people and goods within the District and its metropolitan area, the District's transportation network can play a key role in the District's effort to maintain and enhance its function as the economic and cultural hub of the Washington Metropolitan Area. 10 DCMR §500.2. The Project will take advantage of its relative proximity to the Navy Yards-M Street Metrorail station located three blocks north of the PUD Site. Residents, tenants and hotel guests can use Metro to access the Project and other destinations in the region.

Additionally, the Project will include parking in excess of that required by the Zoning Regulations, by including a three-level below-grade parking garage which will contain 1,087 parking spaces (683 parking spaces for commercial and retail uses, 153 parking spaces for the hotel use, and 251 parking spaces for the residential use). Furthermore, the Applicant will institute a Transportation Management Program to ensure optimum use of alternative transportation modes.

5. Urban Design Element

The Urban Design Element states that it is the District's goal to "promote the protection, enhancement and enjoyment of the natural environs and to promote a built environment that serves as a complement to the natural environment,

provides visual orientation, enhances the District's aesthetic qualities, emphasizes neighborhood identities, and is functionally efficient." 10 DCMR §701.1.

The Project has been designed to enhance the physical character of the area, including an architectural design that is intended to symbolize a major gateway to the District by creating an appropriate assemblage of buildings with a great deal of attention paid to the open spaces between the buildings and along the waterfront, and, the landscape design and the provision of other site amenities. 10 DCMR §708.2(a). Furthermore, the visual extension of Half Street and the multiple pedestrian access points further the design's important goal of connecting the community to the Anacostia River waterfront. The Project's scale is sensitive to the recognized patterns of development in the area. 10 DCMR §710.2(e).

6. Land Use Element

According to the Land Use Element, the objective for commercial land is to promote the vitality of the District's commercial areas and to provide for continued growth and vitality of the District's economy and its employment base. 10 DCMR §1105.1. The Project provides the continued growth and vitality that the District needs for this area while increasing the employment base for District residents.

The Land Use element also states that the District's waterfronts and shorelines are great natural assets which may be conserved and protected but which also represent exciting opportunities for the District's future development. The Project provides an important opportunity to spur revitalization of the Anacostia River waterfront. Specifically, the Project is linked in many ways to the

Waterfront. The Project includes a tree-lined urban "street" leading to an urban plaza with cascading terraces down to the Anacostia River waterfront, a pedestrian alleé, and two through building lobbies, which all serve to connect Potomac Avenue – and the near Southeast community – to a Waterfront Esplanade running the length of the Project. These planning strategies help set the stage for future development to the Anacostia River waterfront.

The Land Use element designates the PUD Site as a development opportunity area. Development Opportunity Areas are areas that offer opportunities to accommodate new growth and development. 10 DCMR § 1118.3. The Project provides an exceptional development opportunity in bringing new businesses, jobs, employees, residents and hotel guests to the area.

E. Compliance with Ward 6 Elements of the Comprehensive Plan

The Project fulfills and furthers the specific objectives for this area, as set forth in the Comprehensive Plan for Ward 6.

1. Ward 6 Economic Development Element

The Ward 6 Economic Development element of the Comprehensive Plan states that the ward offers an abundance of economic opportunity within its commercial areas. 10 DCMR § 1700.1. An objective for Ward 6 is to encourage a range of commercial services through appropriate development of commercial areas. 10 DCMR § 1701.1(a).

2. Ward 6 Housing Element

One of the Ward 6 Housing objectives is to stimulate production of the new housing in the ward and to provide housing opportunities to accommodate and allow for residential growth and stability according to area needs. 10 DCMR § 1705.1(b). A policy in support of this objective is to stimulate private investment in housing in Ward 6. 10 DCMR § 1706.1(c).

3. Ward 6 Environmental Protection Element

According to the Comprehensive Plan, environmental protection is an issue that has become increasingly important for Ward 6. 10 DCMR § 1708.1. An objective for Ward 6 is improve and maintain the watercourse for multiple uses, including recreation. 10 DCMR 1709.1.

4. Ward 6 Transportation Element

The Ward 6 Transportation Element objectives include providing an adequately balanced circulation system for traffic and supporting the optimum use of mass transit. 10 DCMR §1713.1(a, d). Primary ingress and egress to the Project from Potomac Avenue promotes the optimal circulation of traffic, and the five pedestrian access points to the Anacostia River waterfront provides for safe, convenient movement of people while minimizing pedestrian-vehicle conflicts. 10 DCMR §§1713.1(a, c), 1714.1(c). Likewise, the Project's proximity to the Navy Yard Metrorail station provides an important opportunity for the optimum use of mass transit. 10 DCMR §§ 1713.1(d), 1714.1(b).

Moreover, the Project's creation of 1,087 parking spaces in a three-level below-grade parking structure will adequately accommodate the Project's demand for parking. In fact, the Project proposes parking spaces in excess of what is required under the Zoning Regulations.

This element also recommends providing improved pedestrian and vehicular access to Anacostia Park recreation areas. 10 DCMR § 1715.1(r). The Project creates three pedestrian ways from Potomac Avenue to the Anacostia River waterfront. Additionally, the Project includes the development and continuation of the Anacostia Riverwalk and Trail, both on the PUD Site and on the adjacent property to the east, providing a linkage to the Anacostia River trail system in accordance with 10 DCMR § 1713.1(b).

5. Ward 6 Urban Design Element

The Ward 6 Urban Design Element encourages a high quality of architecture consistent with the styles and characteristics of buildings in Ward 6. 10 DCMR §1721.1(c). As discussed above, the Project has been designed to take full advantage of its proximity to the Anacostia River waterfront and to complement the scale and use of future development in the Capitol Gateway area. The Project also serves to spearhead the revitalization of this area and create the gateway to the Anacostia River waterfront.

This element's objective is to ensure that new development that occurs in Ward 6 complements and translates land uses into compatible, physical settings and preserves and enhances the outstanding qualities of the natural park areas. 10

DCMR § 1721.1(b). Furthermore, policies in support of this element include providing streetscape improvements, trees, signs, lights and other such elements to enhance the environment of the ward as well as continuing to improve the design and upkeep of public spaces, including streets, sidewalks, small open spaces and large formal squares. 10 DCMR §§ 1722.1(d), 1722.1(e).

VIII. AREAS OF FLEXIBILITY

The Applicant has made every effort to provide a level of detail that conveys the architectural significance of the Project and that does not require flexibility from the requirements of the Zoning Regulations. Nonetheless, some flexibility is necessary to address the needs of potential future tenants and other issues that cannot be anticipated at this time.

The Applicant requests flexibility in the following areas:

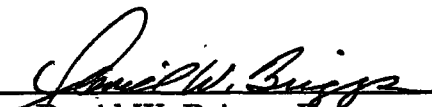
1. To vary the location and design of all interior components, including partitions, structural slabs, doors, hallways, columns, stairways, atria and mechanical rooms, provided that the variations do not change the exterior configuration of the building;
2. To vary the final selection of the exterior materials within the color ranges and material types as proposed, based on availability at the time of construction;
3. To locate retail entrances in accordance with the needs of the retail Tenants; and
4. To make refinements to exterior materials, details and dimensions, including belt courses, sills, bases, cornices, railings, roof, skylight, architectural embellishments and trim, or any other changes to comply with the District of Columbia Building Code or that are necessary to obtain a final building permit or any other applicable approvals.


IX.
CONCLUSION

For the foregoing reasons, the Applicant submits that the PUD plan meets the standards of Chapter 24 of the Zoning Regulations; is consistent with the purposes and intent of the Zoning Regulations and Zoning Map; is consistent with the first-stage approval in Order No. 850; is in substantial compliance with the Design Guidelines set forth in Order No. 910-B; is consistent with the land use objectives of the District of Columbia; will enhance the health, welfare, safety and convenience of the citizens of the District of Columbia; satisfies the requirements for approval of a second-stage PUD; provides significant public benefits and project amenities; advances important goals and policies of the District of Columbia and, therefore, should be adopted by the Zoning Commission. Accordingly, the Applicant requests that the Zoning Commission approve the PUD application and confirm zoning of the PUD Site as C-3-C.

Respectfully submitted,

HOLLAND & KNIGHT LLP
2099 Pennsylvania Avenue, NW, Suite 100
Washington, D.C. 20006
(202) 828-5001

By: 
David W. Briggs, Esq.

By: 
Christy M. Shiker, Esq.