

April 7, 2005

Statement on behalf of Steuart Investment Company
Zoning Commission Case No. 04-27

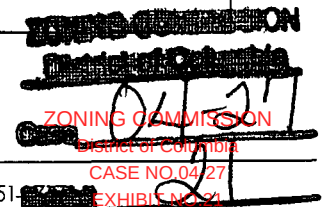
The Steuart Investment Company ("Steuart") is the owner of property located at the northeast corner of the intersection of 3rd and H Streets, N.E., consisting of Lot 53 in Square 776. The property is rectangular in shape, having frontage of approximately 157 feet on H Street and approximately 228 feet on 3rd Street and containing approximately 35,844 square feet of land area. The property comprises approximately one-third of the Square bounded by 3rd, 4th, H and I Streets. The property is presently vacant but remains under lease to BP/Amoco for use as a gasoline service station. The property is presently vacant, but remains under lease to BP/Amoco for use as a gasoline service station. Steuart is in the process of terminating its lease with BP/Amoco, to regain control of the property, eliminate the potential for future gasoline service station use and develop the property for other community-serving uses.

Steuart also is in the process of acquiring thirteen lots owned by BP Products North America, Inc., which are located across a public alley to the east of Steuart's lot. The BP lots total 19,244 square feet in land area and have roughly 160 feet of frontage on H Street and eight-five feet of frontage on 4th Street. These lots had been proposed for gasoline service station use but are currently vacant. If the intervening alleys between BP's and Steuart's properties are closed, the total site controlled by Steuart would be approximately 60,750 square feet.

The property is presently zoned C-2-A. In the comprehensive rezoning of 1958, the H Street frontage to a depth of ninety feet was zoned C-2 (which became C-2-A in 1967) and the remainder of the property was zoned C-M-1. The C-M-1 property was changed to C-2-A as part of the consideration of the Union Station area rezoning in 1997 (Case No. 95-4, Order No. 821, August 4, 1997, effective September 26, 1997).

The changes proposed in the subject application would rezone the north side of the 300 block of H Street (Square 776) from C-2-A to C-2-B. The salient differences between the two zones is set forth in the following table:

	C-2-A	C-2-B
Fast food restaurant and food delivery service	Special exception	Matter-of-right
Maximum permitted height	50 feet	65 feet
Maximum permitted total FAR	2.5	3.5
Maximum permitted nonresidential FAR	1.5	1.5



Maximum permitted percentage of lot occupancy for residential uses	60%	80%
Residential recreation space	20%	15%
Residential parking requirement	Minimum of 1 space for each 2 dwelling units	Minimum of 1 space for each 3 dwelling units
Retail or service parking requirement	In excess of 3,000 sf, 1 space for each 300 sf of gross and cellar floor area	In excess of 3,000 sf, 1 space for each 750 sf of gross floor area

The zoning amendments further propose to include the subject property within the controls of the H Street Northeast Neighborhood Commercial Overlay District. The site would be subject to certain of the overall controls of the overlay (discussed further below) and would also be within the Housing Sub-District (proposed new §1321), which would limit the nonresidential floor area ratio to 0.5. This reduces the permitted commercial density by sixty-seven percent.

The Overlay District controls also do the following:

- Allow residential uses on the ground floor;
- Require approval from the Board of Zoning Adjustment for uses otherwise permitted as a matter-of-right including accessory parking spaces located offsite from the principal use; fast food restaurant; food delivery service; funeral home, expansion of gasoline service station, and parking garage,
- Prohibit additional uses including automobile and truck sales, car wash; boat or marine sales, outdoor storage and commercial parking lots;
- Prohibit a driveway leading to required parking spaces or loading berths on H Street; and
- Require approval from the Board of Zoning Adjustment for construction of any new building on a lot of 6,000 square feet or more.

The effect of the Overlay controls is to seriously curtail the ability to construct a new commercial development on the Steuart property. That property is unique and strategically located for several reasons:

- It is by far the largest undeveloped site in the H street corridor from 2nd Street to 15th Street;
- It is the only site which is deep enough to accommodate the footprint for a single major retailer, such as a grocery store,

- It is located close to the major business and employment generators at the east end of the corridor (Union Station, Station Place and the future air rights development adjacent to the H Street Overpass); and
- Access to the site, both pedestrian and vehicular, is not constrained or limited by the Overpass itself

The "Top Priority" of "Revival – The H Street NE Strategic Development Plan" is to revitalize and transform H Street into a vibrant commercial corridor. The strategies of the plan focus on integrating new development into the fabric of the existing buildings, but there are few bona fide opportunities to put a single large retailer into a new or existing building. Just as in any retail mall situation, the H Street corridor needs anchors to attract shoppers to the area who will then patronize the other nearby businesses.

The Steuart property offers one of the best opportunities in the entire corridor to locate an anchor store, such as a grocery store, but such an opportunity cannot be realized with only 0.5 FAR of commercial density. Steuart has had discussions with potential grocery store tenants who are interested in the site. However, the proposed 0.5 FAR would limit commercial development on the assembled site to approximately 30,000 square feet. The commercial limits would greatly compromise the design and development of retail stores, in general, and specifically could eliminate the opportunity for a grocery store.

Steuart supports the proposal to rezone its property to C-2-B but requests that the Commission not impose a limitation of 0.5 FAR for nonresidential uses on its property. Steuart would prefer that it not lose any of the commercial development potential now permitted, which is 1.5 FAR or 53,766 square feet of gross floor area on the Steuart property (or ±90,112 square feet including the BP-owned property and intervening alleys in an assemblage). Steuart has no objection to the requirement for design review by the BZA. Since BZA review and approval would be required for its property, Steuart requests that the Office of Planning amend the Large Tract Review rules to exempt the project from a further duplicate review under that process.