

Testimony of Scott Pannick, President, Metropolis Development Company

Before the Zoning Commission

RE Residential Recreation Space Zoning Commission Case No. 05-02

I am the founder and President of Metropolis Development Company, a leading Washington, DC based condominium development company.

Metropolis develops high quality condominiums in fairly dense urban areas of the city – principally along 14th Street corridor in C3A, C2B & CR zones

Over the past several years, Metropolis has sought four variances from the Residential Recreation Space requirements of 20% in these zones. While BZA has provided this relief, the need to undertake the BZA process to confirm this reduction is a burden in both time and money

The OP "set down" report indicated that the residential recreation space requirements were adopted in the 1970s and that they "did not receive much discussion at the time." Whatever the reasons for the adoption of the RRS requirements in the 1970s, they are an unnecessary and unreasonable requirement in today's housing environment. High quality projects today in dense urban areas are no longer the housing of last resort, but instead are the housing choice by a wide variety of people, including singles, couples, urban professionals and many more. Those residents make their housing choices based on the amenities these buildings provide. And, the marketplace makes it clear to us that they would prefer that we spend our marginal dollars on upgraded bathrooms and kitchens rather than public roof decks or party rooms. If the residents

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were to prefer shared Recreation Spaces, they would let us know by asking for these amenities.

Our company, as well as others like us, continue to provide some amount of Residential Recreation Spaces in our applications to BZA. Frankly, even this space is provided as a concession to the process. I believe that most developers in these buildings would prefer to see these requirements reduced to zero. And we take that position because we believe that our buyers would prefer to see the requirements reduced to zero.

We thought OP's comments on the adverse financial, social and other impacts of the RRS requirements on such buyers were insightful. To quote from the OP report. "(S)uch space can be a financial drain on residents of the building, since construction and maintenance of this space adds to the cost of each unit through sales costs, condo fees and rental fees, and can limit opportunities for neighborhood interaction and the successful establishment of local businesses."]

Finally, notwithstanding a thorough, comprehensive and well-written report by OP, we were a bit baffled by the Office of Planning's recommendation which frankly seems to run directly contrary to the underlying report. As this issue has developed over the past many months, we have heard virtual unanimity from all quarters, including the public to the idea of substantially reducing or eliminating these requirements. Yet the OP recommendation is that this outcome be tabled for at least a year

We advise the commission to take action on this matter consistent with the opinion of a wide sector of the public and professional communities and eliminate these requirements. To not do so places a continuing burden on the residential development business which has gained momentum in this city for the first time in many years. If a

further hearing and a new notice of public hearing are necessary to accomplish the elimination of RRS requirements, I urge you to undertake such actions as soon as possible

Thank you for your attention to this matter.