

**ZONING COMMISSION CASE NO. 08-06-4
COMPREHENSIVE ZONING REGULATIONS REWRITE: ARTS AND
CULTURE**

**THE STUDIO THEATRE
TESTIMONY
BEFORE THE ZONING COMMISSION
September 18, 2008**

Thank you for the opportunity to present The Studio Theatre's views on the proposal before the Zoning Commission entitled Case No. 08-06-4 Comprehensive Zoning Regulations Rewrite: Arts and Culture.

The Studio Theatre is a pioneer in the Uptown Arts District. Founded in 1978, the Studio made its first home in the neighborhood on Rhode Island Avenue and 14th Street. It has occupied its current corner at 14th and P Street since 1987 and completed an expansion of its facility in 2004. The Studio has long been a positive force in its community and is widely acknowledged as the nucleus of the vibrant neighborhood that has begun to grow up around it in recent years.

Thus, we wholeheartedly support and share the broad goal of the Task Force and Arts and Culture Working Group to expand the arts districts in the city and to create new ones. It is a concept that works. The Studio -- its employees, artists, designers, patrons, students and neighborhood -- stands as living proof of the benefits this support brings. Your continuation of the incentives that foster active and walkable arts sectors will make the District one of the most livable and exciting cities in the nation.

We also are delighted that you plan to simplify the mechanics associated with qualifying transferable development rights. In particular, we support the transition from a complicated combined lot development (CLD) structure for qualifying and transferring bonus densities available for arts and other preferred uses to a transferable development rights (TDR) structure.

However, we have significant concerns about two specific proposals under consideration that have the potential to derail the much-needed revitalization of the 14th and U Street corridors and actually diminish the value of the Studio's property as well as that of other arts organizations in the city. These proposals are (1) to reduce available bonus density for arts and other preferred uses from a 3:1 to a 1:1 ratio and (2) to eliminate the ability to transfer density rather than use via CLD or TDR transactions. Both proposals will have immediate and harmful effects on our theatre and community.

The positive experience of The Studio Theatre and the Uptown Arts Overlay District under the existing zoning structure is a testament to this structure's effectiveness. Several years ago, when we expanded our facility, we successfully qualified 150,000 combined lot development rights. The qualification of these CLDs effectively created a vital

financial asset for the Theatre. We were able to sell a small quantity of these rights soon after they were qualified. The resulting funds contributed to our capital requirements not only to renovate the Theatre, but eventually to purchase nearby housing for visiting artists and apprentices.

We currently have two additional prospective transactions in the works to transfer approximately half of our remaining CLDs. These transactions could amount to a cash equivalent approaching one-quarter of our annual operating budget and enable us to undertake additional and necessary capital spending. This is particularly important in the current economic climate when the philanthropic support of foundations such as Fannie Mae and Freddie Mac, which have played a major role in the arts of our community, is now in doubt.

The ability to sell these CLDs to others interested in improving our neighborhood accomplishes exactly the result the Zoning Commission sought when it enacted the Arts Overlay District in the first place. You have effectively stimulated significant, privately funded artistic enhancement and economic development in our neighborhood. At the same time, with height and historic restrictions, you have protected all of us from the possibility of over-density. It is a win-win scenario, and we in the community are only beginning to realize the benefits. Your ingenious and balanced use of zoning has contributed in no small measure to the results so far. But much work remains. Significant sections of our neighborhood still have vacant or underutilized properties that are ripe for development for both arts and retail uses. We urge you to let the progress continue by not altering the currently structured incentives.

The Studio Theatre has over three decades of experience in the neighborhood. We would like to work with the Task Force and the Arts and Culture Working Group to devise more workable, less harmful alternatives to these two aspects of the proposal. We believe that Recommendations A(6) and A(8) need more work to protect the value of our property and the potential for development in our neighborhood. We all have the same goals for our city. Let us work together to realize them.

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