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**MEMORANDUM**

**TO:** District of Columbia Zoning Commission

**FROM:** Jennifer Steingasser, Deputy Director *JS*

**DATE:** July 3, 2008

**SUBJECT:** Case No. 08-23 Preliminary Report for Text and Map Amendment to Remove Square 384, Lot 44 (B Parcel West) from Housing Priority Area B

**I. OP PROPOSAL AND REQUEST**

The Office of Planning (OP) petitions the Zoning Commission (the Commission) to remove Square 384, Lot 44 from the Downtown Development District's Housing Priority Area B (HPA-B). OP recommends that the Commission schedule a public hearing to amend 11DCMR Section 1706 as follows:

*1706.2 The housing requirements and incentives of this section shall be applicable only in the Housing Priority Area that is depicted in Map B included as information supplemental to the Office of Planning memorandum dated ~~June 7, 2006~~ July 3, 2008 filed in Zoning Commission Case No. 05-43 08-23, which may be viewed in the Office of Zoning, and that is described by squares in § 1706.8, provided that the transferable development rights provisions of § 1706.3 shall be applicable throughout the DD Overlay District. Map B is incorporated by reference.*

*1706.8 For the purposes of permitting and governing combined lot developments as provided by § 708, the Housing Priority Area is divided into three (3) subareas as follows:*

*(b) Housing Priority Area B, the Mount Vernon Square South area, comprises the DD/C-2-C and DD/C-3-C zoned properties that are located south of Massachusetts Avenue, including squares and parts of squares numbered 247, 283, 284, 316, 317, 342, 343, 344, 371, 372, 373, 374, 427, 428, 452, 453, 485, 486, 517, and 529, National Park Service Reservation 174, and the commercial and underdeveloped properties in square 247 with an approved plan unit development on or before January 18, 1991, for so long as the planned unit development approval remains valid;*

Squares 344, 373 and 374 have recently been consolidated as Square 374.

**II. SITE AND PROPOSAL DESCRIPTION**

The petition accords with the intentions of OP's recommendations in Case 05-43. OP had recommended the Zoning Commission (the Commission) put the District-owned Old Convention

Center (OCC) site into Housing Priority Area B. OP had requested this to implement the City Council-adopted Land Disposition Agreement (LDA) for the redevelopment of this site. The HPA-B designation enabled residential buildings on the site to achieve increased density and permitted combined lot agreements between the OCC's residential and commercial sites.

The OCC site includes all of Square 374, which has been divided into lots 44 – 47, plus federal Reservation 174. The site gross square footage is 10.16 acres, including the former rights of way of 10<sup>th</sup> and I Streets, N.W. Its net square footage is 7.24 acres (315,429 square feet) excluding former street rights of way that are to be re-opened. This includes Lot 44's 53,710 SF; Lot 45's 57,749 SF; Lot 46's 59,076 SF; and Lot 47's 144,894 SF.



**Figure 1. B Parcel (West), Old Convention Center Site and Lots in Square 374**

The site is zoned DD/C-3-C and is in HPA-B. All but Lot 45 is being developed by the Hines Company. There is no Housing Priority Area designation to the immediate north of the site. The SHOP sub-area of the DD borders the site to the south.

Lots 46 and 47 are known as the "A Parcel". Lot 44 is "B Parcel (west)", and Lot 45 is "B Parcel (east)".

While the long-term leases for the re-development of Lots 44, 46 and 47 were awarded to the Hines Companies, Lot 44's award was contingent on the District's deciding not to build a central library or other civic structure on that lot. The District has decided not to use Lot 44 and has affirmed the lot's lease award to Hines. Lot 45's long term lease and development was awarded to the Gould Company as part of a land swap to enable land assemblage for the future Convention Center Hotel site.

The inclusion of the OCC area within HPA-B allows for an increase in the maximum Floor Area Ratio (FAR) from 6.5 to 9.5, with the possibility of an additional 0.5 FAR through TDRs or bonus density provisions. It also adds a requirement for at least 3.5 FAR of residential use. This can be met on-site, through combined lot development in HPA-B, or a combination of the first two options with the construction of off-site affordable housing.

The A Parcel Lot 47 will be primarily residential, and Lot 46 will be commercial. There has been a Combined Lot Development (CLD) agreement to enable this distribution of uses. The residential requirements will be met, with 17,000 square feet of "surplus" residential area remaining available for CLD purposes.

The lessee of Lot 45, B Parcel (east) has agreed to a separate CLD committing that lot to residential uses, to help accommodate some of the Convention Center Hotel site's residential requirements.

### **III. RELATION TO Z.C. ORDER 05-43**

When OP introduced what became Case 05-43, the master plan for the OCC site showed a new central library or other civic structure and retail as a use for Square 374, lot 44. Housing was not a priority for that lot. However, given the malleability of the site plan and library plan, the District asked the Commission to include the entire OCC site within HPA-B. The City knew that after the site plan was finalized public development objectives would likely motivate OP to return to the Commission to ask that the HPA designation be removed from a portion of the site.

In the two years since Order 05-43 was published the District has gained a clearer understanding of what additional uses are needed in the vicinity of the OCC site and Mt. Vernon Square:

- More hotel rooms must be developed to serve the Convention Center, especially since the room-count for the planned convention center hotel has had to be reduced;
- Downtown needs significantly more retail – and possibly a new department store -- in order to complement the draw of the Gallery Place area.
- A new or substantially renovated central library is needed.

These are the re-calibrated priorities that led the Mayor to affirm the Hines Company's long-term lease on the previously uncommitted B Parcel (west), in order to construct a hotel atop additional retail space.



**Figure 2. OCC Site Master Plan**

#### **IV. ANALYSIS OF THE PROPOSAL'S IMPACT ON THE DOWNTOWN DEVELOPMENT DISTRICT AND THE ZONING REGULATIONS.**

The 400 room hotel would complement the planned Convention Center Hotel, and would serve a different market niche. The 100,000 square feet of additional retail would combine with the 250,000 square feet of retail already planned for the Old Convention Center site to form a significant retail destination 2 blocks from Gallery Place. The central library alternatives now include thorough renovation of the existing library, or rehabilitation and expansion of the old Carnegie Library at Mt. Vernon Square.

Removing B Parcel (west) from HPA B would not significantly impact the overall mix of residential and other uses on the OCC site.

On Lots 46 and 47, there will be at least 674 units of market rate and affordable housing, two office buildings, and 250,000 square feet of retail space. The planned 800,864 gross square feet (gsf) of residential space includes 132,462 gsf of affordable housing. A Parcel's minimum 3.5 residential FAR requirement is lowered to 3.08 with 11 DCMR Section 1706.5's affordable housing reduction. The residential uses on the A Parcel will meet this requirement and generate a 17,000 square foot surplus over the minimum residential requirement.

#### **IV. COMPREHENSIVE PLAN**

##### **A. Future Land Use Map**

The site is shown as suitable for a mix of high density residential and commercial.

##### **B. Written Elements**

Order No. 681 for Zoning Commission Case No. 89-25 was heavily based on the objectives of the then-operative 1986 Comprehensive Plan for the District of Columbia 1986 Comprehensive Plan. The Commission's Order noted that 10 DCMR, Section 982 established policies in support of the Downtown zoning and other use controls objectives by including the following (emphasis added):

*(5) Provide that the Zoning Regulations of the District of Columbia applicable to the retail core and other areas of Downtown where retail uses are to be concentrated should implement the desired objective by requiring that a portion of the building space devoted to retail use, and by including standards for frontages; and*

*(6) Use the opportunity of public development sites, such as urban renewal sites, WMATA joint development sites, University of the District of Columbia Site, and PADC sites, to implement key objectives and policies of the Downtown Element, especially with respect to Downtown land use and design.*

The current (2006) Comprehensive Plan reiterates and expands on many policies in the previous Comprehensive Plan.

*Policy CW-1.1.8: Promote Central Washington Retail*

*Develop and promote Central Washington as a regional retail destination. Particular emphasis should be placed on sustaining a concentrated regional shopping area at...:*

*c. The Old Convention Center site.*

- The B Parcel development of 100,000 square feet of retail space will increase by 40% the amount that had already been planned on the Old Convention site. The total would jump from 250,000 to 350,000.

*Policy CW-2.1.9 Old Convention Center Redevelopment directly promotes the site as a regional retail destination that links Gallery Place to the traditional Retail Core”.*

- The current Comprehensive Plan also emphasizes locating hotels on the Old Convention Center site.

*Policy CW-1.1.10: Central Washington Hotels and Hospitality Services*

*Encourage the development of additional hotels in Central Washington, especially in the areas around the new Convention Center and Gallery Place... Hotels generate jobs for District residents and revenues for the general fund and should be granted incentives when necessary.*

- The Lot 44 (B Parcel west) development will include a 400-room high end hotel to complement the more moderately priced 1,100 room Convention Center headquarters hotel. It will be located 1 ½ blocks from the Convention Center and 3 blocks from Gallery Place.

At the policy level, the 2006 Comprehensive Plan repeats and augments its predecessors focus on public development sites. Policy CW-1.1.12: Leveraging Public Development Sites incorporates the exact working of Section 982 (6) above and adds: *These sites should be viewed as a portfolio of assets that must be strategically managed to meet the long term needs of the District.* Action CW-1.1.D refers to the Old Convention Center site as a “catalytic” site with the potential to significantly shape the future of Central Washington.

## **X. SUMMARY AND RECOMMENDATION**

OP concludes that the amount of residential use on the OCC site would not be in conflict with the Zoning Regulations or Order 05-43 with the removal of Lot 44 from HPA-B. When the designation was applied, the site’s uses and redevelopment objectives had not been finalized. The HPA-B designation was intended to make available another tool to respond to a changeable set of circumstances, both on the site and in the immediate vicinity. That tool is no longer useful on a portion of this site. OP recommends that the Zoning Commission amend the description of HPA-B and its accompanying graphic as described in Section 1 of this report to remove Lot 44 from HPA-B. The site will continue to be regulated by the existing DD/C-3-C zoning district

JLS/slc

s.cochran – case manager