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March 11, 2016

VIA ELECTRONIC SUBMISSION AND HAND DELIVERY

Anthony Hood, Chairperson
D.C. Zoning Commission
441 4th Street NW, Suite 210
Washington, DC 20001

Re: **ZONING COMMISSION CASE NO. 08-30C - Application of 25 M Street Holdings, LLC[1] ("Applicant") for Modification of an Approved Design in the Capital Gateway Overlay District – Supplemental Statement of the Applicant**

Dear Chairman Hood and Members of the Commission:

This Supplemental Statement of the Applicant provides the Zoning Commission with updated plans, materials, and information regarding the proposed modification to the office building to be located at 25 M Street, SE, which was previously approved by the Zoning Commission in Case Nos. 08-30 and 08-30A. The Applicant also requests permission and waiver to supplement its request for flexibility to include a special exception, pursuant to Section 411.11, from the penthouse setback requirements of Section 411.18(c)(5) which requires a 1:1 setback from walls that abut an open court. An updated application form, fee calculator form, and payment of the filing fee for the additional special exception relief is included with this submission.

A. Proposed Modifications to the Approved Office Building along M Street, SE

As discussed in the Applicant's initial statement, this application proposes modifications to the office building to be located along M Street, SE between Half Street and Van Streets. The goal of these modifications is to better respond to current office market demand and further refine and enhance the architectural treatment of the building. The modifications depicted in the attached Exhibit A respond to the office market's demand for more column free spaces and more natural light flowing into the interior offices. The distance between the interior core of the building and the exterior windows will be reduced from 62 feet to 45 feet. The ground floor

[1] 25 M Street Holdings, LLC is the owner of Lot 873 in Square 700, which has frontage along M Street, SE between Van and Half Streets, SE and includes the northern portion of Square 700.

lobby space has been slightly altered and new outdoor terraces at the third, fourth and ninth levels of the building along Half Street, SE and M Street, SE have been introduced into the building. No changes are proposed to the height of the building, which remains 110 feet.

All of these changes result in a decrease in the amount of office space gross floor area of approximately 23,030 square feet. It is rare that a developer will propose a reduction in the amount of approved gross floor area in a building, especially for an office building. However, the Applicant in this case believes that this new design is a significant and necessary change that will result in a higher quality building and allow this portion of the project to move forward in an expeditious manner.

The proposed modifications still allow for a strong three story presence at the corner of Half Street, SE and M Street, SE to allow the building to "hold" that important corner. The ground floor retail spaces will have a floor-to-floor height of up to 20 feet and the second floor will have a floor-to-floor height of up to 15 feet, which will allow for retail or office uses on the second floor. The new outdoor terraces will help further the vitality and dynamism of the building which is created by the active retail spaces at the street level. The exterior materials of the building continue to be of a very high quality and reflect a uniqueness that has not been previously constructed along M Street. The proposed signage at the northeast corner of the building has been brought closer to the pedestrian level and will be two stories tall, while additional signage along Half Street and at the entrance to the Via from Half Street, SE has been included to further accentuate the entrance into the Via.

In addition, the Applicant has removed the previously approved third level of below-grade parking for this site. This will result in the provision of 157 parking spaces for the office and retail uses. The Zoning Regulations require 149 parking spaces for these proposed uses.

The proposed building also includes modifications to the previously approved architectural embellishment on the roof. The Applicant believes that the new architectural embellishments are an important and integral component of the composition of the building and convey a much lighter feel and a significantly reduced scale compared to the previous embellishment. The length of the previous embellishment has been reduced by over 30% and the overall mass of the embellishment has been diminished by eliminating the fully covered portion of the trellis structure, reducing the heft of the supporting members, and removing the glass portion along M Street above the roof. The proposed embellishment is the continuation of the modern metal element that interrupts the brick façade along both M and Half Streets and will be a defining architectural element at the entrance to Half Street. The area below the embellishment will be an exterior landscaped terrace.

B. Continued Satisfaction of CG Overlay Standards and Previous Relief from Sections 1604.3, 1607.2, and 1607.3

The modifications to the office building are entirely consistent with the intent of the CG Overlay and the original approvals of this project. These changes do not create any new areas of relief needed from the requirements of Chapter 16 of the Zoning Regulations. In regard to the proposed office building, the Zoning Commission previously granted relief from: Section 1604.3 (setback requirements along M Street, SE); Section 1607.2 (setback requirements along Half Street); and Section 1607.3 (which required 75% of the gross floor area of the ground floor shall be devoted to preferred uses).

1. Relief from Setback Requirements along M Street, SE (Section 1604.3)

Section 1604.3 requires the streetwall of each new building shall be setback for its entire height and frontage along M Street not less than 15 feet measured from the face of the adjacent curb along M Street. The modified building continues to provide a 15 foot setback from the streetwall of the building to the face of the curb along M Street at the ground floor of the building. The modified building continues to propose a projection into this 15 foot setback area above the ground floor for the portion of the façade which is located above the office lobby entrance.

The Zoning Commission previously noted that the granting of this relief:

> [w]ill not have an adverse impact on the streetscape. The required setback is provided at the ground floor to allow for wide sidewalks to promote the pedestrian experience. Pedestrians will be able to patronize the retail spaces with ease, but will also be able to experience the punctuations the proposed projection creates along the streetscape. . . . The projection occurs above twenty feet and helps create the dynamic streetscape that the CG overlay regulations intended to create." (See ZC Order No. 08-30, p.16).

All of the same reasons and rationale for the proposed projection into the 15 foot setback area along M Street are applicable in this modification application. Therefore, the Applicant requests that the Zoning Commission continue to grant this relief for the modified project.

2. Relief from Setback Requirements along Half Street, SE (Section 1607.2)

Section 1607.2 requires a building to step-back a minimum of 20 feet along Half Street above a height of 65 feet. In Zoning Commission Case No. 08-30, the project architects noted that the purpose of this requirement was to encourage buildings with articulated facades rather than a uniform streetwall to help ensure a pedestrian environment. The approved project included projections and recessions throughout the building wall, starting at ground level to enhance the pedestrian experience and to create interesting focal points along Half Street. The Zoning Commission determined that granting relief from the Half Street setbacks is not detrimental to the public good, that the projections will not diminish views of surrounding landmarks and will not have a negative effect on the light and air for neighboring uses, and the building will create a more exciting and interactive experience for pedestrians along Half and M Streets. (See ZC Order No. 08-30, p. 15)

The proposed modifications to the approved building actually reduce the amount of building area which is located in the required Half Street setback. As shown on page A9 of Exhibit A, almost all of the 23,030 square feet of office space that has been removed from the building was located in this Half Street setback area, above the 2nd floor of the building. Any impact on neighboring uses or buildings as a result of the previous relief has been reduced. Importantly, this removal of office gross floor area does not diminish the exciting and interactive experience of the building along Half Street which was noted in Zoning Commission Order No. 08-30. For these reasons, the Applicant requests that the Zoning Commission continue to grant the project relief from the Half Street setback requirements.

3. Relief from the Ground Floor Preferred Retail Requirements (Section 1607.3)

Section 1607.3 requires that each new building devote at least 75% of the gross floor area of the ground floor to retail, service, entertainment or art uses. In Zoning Commission Case Nos.08-30 and 08-30A, the Applicant stated that the provision of separate lobbies for the residential and office uses resulted in a total of 68% of the ground floor being reserved for preferred uses. The Zoning Commission approved the request for relief from Section 1607.3, noting that the Applicant was providing as much retail space as possible in the project and that granting the relief would not be substantially detrimental to the public good or impair the intent, purpose, and integrity of the Zone Plan.

The modifications proposed for the office building portion of this project result in preferred uses occupying 72% of the ground floor for this portion of the building. The Applicant requests that the Zoning Commission continue to grant this requested relief, as the Applicant continues to maximize the amount of retail space on the ground floor of the building, and granting the de minimus relief (from 75% to 72%) from this requirement will not be substantially detrimental to the public good or impair the intent, purpose, and integrity of the Zone Plan.

C. Requested Special Exception Relief for Penthouse Setback Along the Via

The Applicant intends to take full advantage of the recently adopted penthouse regulations to create dynamic and exciting new spaces on the roof of the building. As depicted on p. A19 of Exhibit A, these spaces include an event space to be used for group and individual break-out meeting spaces, a tenant lounge, as well as a fitness center and associated locker rooms. The creation of this habitable space will result in a significant contribution to the Affordable Housing Production Trust Fund. In addition to the new interior space, the roof level will include exterior spaces that will provide recreational, work, and social spaces that will be integrated into the planting and green roof areas.

While the proposed penthouse will be setback at a 1:1 ratio from the walls that border M Street, Van Street, and Half Street, the penthouse structure will be setback from the wall that borders the Via at a ratio of 1/2:1 (the penthouse structure will be setback approximately 8 feet from the wall bordering the Via and it is 16 feet tall). The recently adopted Section 411.18(c)(5) requires a 1:1 penthouse setback from walls that border open courts, which the Via creates.

Section 411.11 of the Zoning Regulations authorizes the Board of Zoning Adjustment (in this case the Zoning Commission, pursuant to Section 1610.7) to approve the location of a penthouse that does not meet the setback requirements upon a showing of operating difficulties, size of building lot or other conditions relating to the building or surrounding area that would make full compliance unduly restrictive, prohibitively costly, or unreasonable. In addition, the Applicant must show that the intent and purpose of the penthouse regulations will not be materially impaired by the structure; and that light and air of adjacent buildings will not be affected adversely.

The proposed penthouse structure (which will include habitable space, communal recreation space, and mechanical space) has been designed to help achieve the goals of the Capitol Gateway Overlay District by creating spaces that foster a work/play lifestyle and further enhance the mix of uses provided in this building and the surrounding area. The creation of an appropriately sized fitness center and locker room area is unduly restricted by the new requirement to setback a penthouse from an open court by a ratio of 1:1. As shown on page A29 of Exhibit A, the ½:1 setback provided from the Via is sufficient to prevent any visual appearance of the penthouse from the ground level when standing anywhere in the surrounding area, including in the Via, or Van and Half Streets across from the project at the entrance to the Via. There are no other structures that are immediately adjacent to this building, as the building proposed in ZC Case No. 08-30B is located on the other side of the 30 foot wide Via. Therefore, the granting of this relief will not materially impair the intent and purpose of the new penthouse regulations and the light and air of adjacent buildings will not be impacted.

D. Community Input

The Applicant has made presentations to the ANC 6D Single Member District Commissioner for this site and to the ANC 6D Executive Committee. The Applicant will be making a formal presentation at the regularly scheduled ANC 6D Public Meeting on March 14, 2016. The Applicant is not aware of any concerns or issues that ANC 6D has with the proposed modification application.

E. Vehicular Access, Transportation Demand Management Plan, and Loading Management Plan

Representatives of the Applicant have had discussions with representatives of DDOT regarding the proposed vehicular entrances to the loading dock and parking garage from Van Street, SE. DDOT requested that the Applicant provide information as to why the proposed curb cuts could not be separated by at least 24 feet, rather than the 6 feet proposed by the Applicant. The Applicant noted that several factors require the clustering of the curb cuts, including: the prohibition of curb cuts on M and Half Streets and the lack of public alley access to the site; building code requirements related to the location of the garage exhaust vents; and the desire of the Applicant to create active and vibrant retail spaces along Van Street adjacent to the Via and closer to the intersection of M Street and Van Street. The Applicant also noted that if it is required by DDOT to re-locate the curb cuts so that they are 24 feet apart, it would result in the loss of approximately 1,500 square feet of ground floor retail space and approximately 10 parking spaces. The loss of these additional parking spaces would require the Applicant to excavate the third parking level. The construction of a third parking level will trigger significant additional costs related to remediation of environmental issues and water removal.

The Applicant is proposing Transportation Demand Management (TDM) and Loading Management Plans that are similar to the plans that have been proposed and adopted by the other projects in the immediate area that will also be utilizing Van Street for vehicular access. The proposed TDM and Loading Management Plans are discussed in a Technical Memorandum prepared by Gorove/Slade Associates which is attached as Exhibit B.

F. List of Witnesses

The Applicant expects to present testimony from two witnesses:

1) Adam Gooch, Representative of the Applicant; and

2) William Hellmuth – Architect; CEO/President/Director of Design, HOK.

G. Exhibits in Support of the Application

Exhibit A – Updated Plans and Materials

Exhibit B – Proposed TDM and Loading Management Plans

Exhibit C - Resume of William Hellmuth, proposed expert witness in architecture

Conclusion

The proposed modifications to the office building, with ground-floor retail uses, are consistent with the Commission's approval in Zoning Commission Case Nos. 08-30 and 08-30A of creating a place-setting mixed-use project and have no impact on the previous relief that the Zoning Commission granted for this project. In fact, the degree of relief requested from the Half Street setbacks and the requirement for ground floor preferred uses has been reduced. The proposed penthouse setback from the Via at a ratio of ½:1 will not affect adversely the light and air of adjacent buildings, and will not be seen from the ground. Approval of the proposed modifications will not substantially impair the intent, purpose or integrity of the Zoning Regulations or the Zoning Map and will allow the Applicant to move forward with the construction of this building as soon as possible.

We look forward to the Zoning Commission's review and approval of this modification application at the public hearing on March 31, 2016.

Sincerely yours,

Paul Tummonds

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CERTIFICATE OF SERVICE

I hereby certify that on March 11, 2016, a copy of the attached letter and enclosures were served electronically or by U.S. Mail on the following:

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