



MEMORANDUM

TO: District of Columbia Board of Zoning Adjustment

FROM: Jennifer Steingasser, ^{JS} Deputy Director

DATE: June 29, 2012

SUBJECT: Setdown Report: Zoning Commission Case No. 08-34(A) for Second-Stage Approval of a Commercial Building in the South Block (Capitol Crossing)

I. SUMMARY RECOMMENDATION

Center Place Holdings LLC (the "Applicant"), on behalf of the District of Columbia through the Deputy Mayor for Planning and Economic Development, has applied for a second-stage Planned Unit Development ("Second-Stage PUD") for an office development with ground floor retail in the South Block of the Capitol Crossing project (hereinafter, the overall project is referenced as "Capitol Crossing" or "Overall Project").¹ The proposal is not inconsistent with the first-stage PUD ("First-Stage PUD") approval or the Comprehensive Plan. The Office of Planning, therefore, **recommends that the application be set down for public hearing.**

II. APPLICATION IN BRIEF

Location: All lots except 43 in Square 568; Ward 6, ANC 6C. The site is a mix of land and air rights above the Center Leg Freeway (I-395).

Applicant: Center Place Holdings, LLC, through the Office of the Deputy Mayor for Economic Development

Current Zoning: C-4 (PUD related map amendment)

Property Size: 85,364.10 square feet (South Block only)

Proposal: The Applicant proposes a 130' tall, 12-story office building with ground floor retail in the South Block of the Capitol Crossing project. On full build-out, the South Block would have a density of 8.7 FAR. The proposed building would constitute approximately 8.1 FAR or 93% of the projected South Block density.

Background: Zoning Commission ("Commission") Case No. 08-34 (2011) approved a First-Stage PUD, a consolidated PUD ("Consolidated PUD"), and a related map amendment to C-4 zoning for a three block development site to be constructed above the Center Leg Freeway.

The following elements were approved as part of the Consolidated PUD: (1) construction of the entire platform and base infrastructure; (2) the mix of uses, the height and density of each block; (3) the North Block; (4) the construction of all below-grade parking, concourse, and service levels; and (5) the proposed landscaping and streetscape design for the Overall Project.

Relief and Zoning: Pursuant to 11 DCMR Chapter 24, the Applicant requests the following relief:

¹ The overall project previously was known as "Return to L'Enfant."



1. Special exception relief for multiple penthouse structures (§ 411.3)

III. SITE AND AREA DESCRIPTION

The general boundaries of Capitol Crossing are shown in the aerial photo below. Three new blocks of development (North, Center, and South Blocks) would occupy terra firma and the air rights above the sunken I-395 freeway. The site is bounded by Massachusetts Avenue N.W. to the north, 2nd Street N.W. to the east, E Street N.W. to the south, and 3rd Street N.W. to the west.

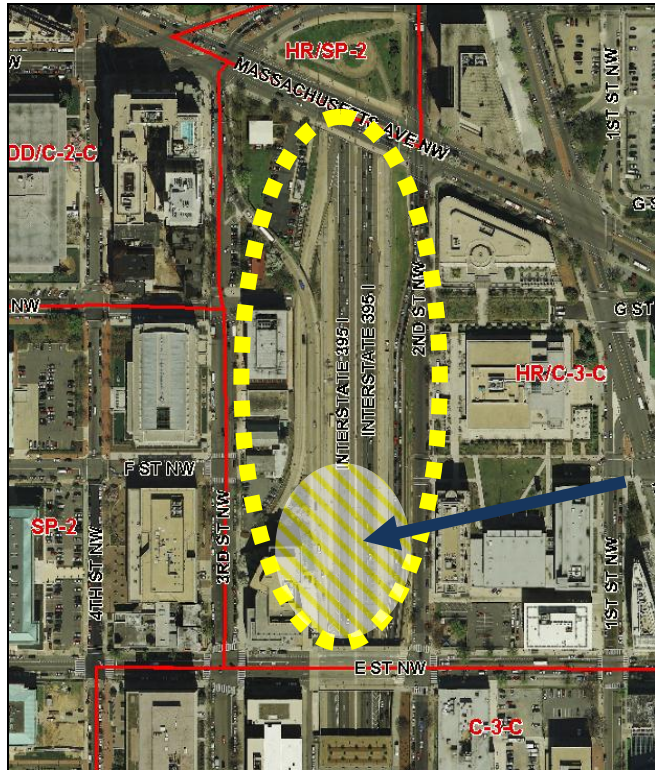


Exhibit 1: Approximate Capitol Crossing site highlighted with dashed Oval, and South Block identified with translucent oval and an arrow

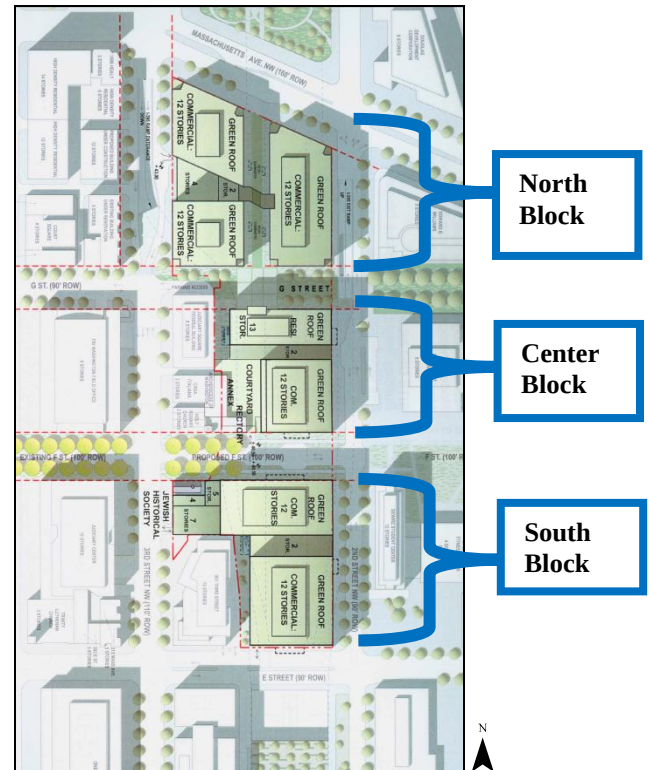


Exhibit 2: Approved site-plan (proposed development in green) per Order No. 08-34

The South Block generally borders the planned re-opening of F Street to the north, 2nd Street to the east, E Street to the south, and 3rd Street to the west. It includes 85,364 square feet of terra firma and air rights. At the southwest corner of the South Block, the site boundary arcs around an existing office building (501 3rd Street) which is not included in the project. The proposed project would be located on roughly the east half of the South Block.

Proximate to the South Block are largely office and institutional uses. Across 3rd Street to the west is a 10-story office building. To the east, across 2nd Street, is the Georgetown Law Center campus. F Street between 2nd Street and 1st Street was closed pursuant to a 2001 easement and functions primarily as campus lawn with a security gate on the eastern end. There is an agreement that this portion of F Street would be re-opened when F Street is re-established across I-395. To the south, the freeway is covered in intervals by E Street, a pedestrian plaza adjacent to the United States Tax Court, D Street, and the United States Department of Labor.

IV. PROPOSAL

The Applicant proposes to construct an office building with ground floor retail. The height, bulk, and use are generally consistent with Order No. 08-34 approval. The building would rise 130' in height and 12-stories. It would contain 693,587 square feet, which represents a 24,475 square foot decrease from the

approved size in Order No. 08-34.² While Order No. 08-34 permitted up to 9.0 FAR for the South Block as a whole, the Applicant now proposes that the total FAR for the entire South Block, including the relocated Jewish Historical Society (JHS) Synagogue and new facilities, would total 8.7 FAR. The building would contain 660,165 square feet of gross floor area of office use, 19,101 square feet for retail use, and 14,321 square feet of either office or retail uses. Order No. 08-34 requires a minimum retail amount for Capitol Crossing of 62,687 square feet, of which an estimated 20,000 square feet of the retail was allocated for the South Block.³ Should less square footage ultimately be located in the proposed building, OP surmises that additional retail must be relocated to future Capitol Crossing Second-Stage PUD projects.

The subject building, proposed for the South Block's east side, would front three streets (F, 2nd, and G Streets). It is anticipated that the future development of the entire South Block, consisting of the proposed building and the JHS facilities, would be connected internally at or above the level of the main floor to form a single building with frontage on 3rd Street.⁴ The present application does not include the JHS component, but reserves the space for their future relocation and development. The subject proposal shows a ground floor hallway intended for a future "meaningful connection" to expected JHS buildings.⁵

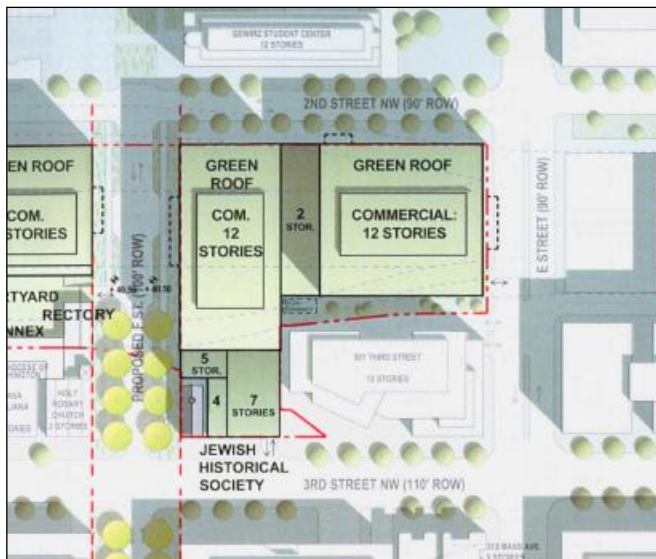


Exhibit 3: Approved Plan for the South Block site, looking east across 3rd Street NW.

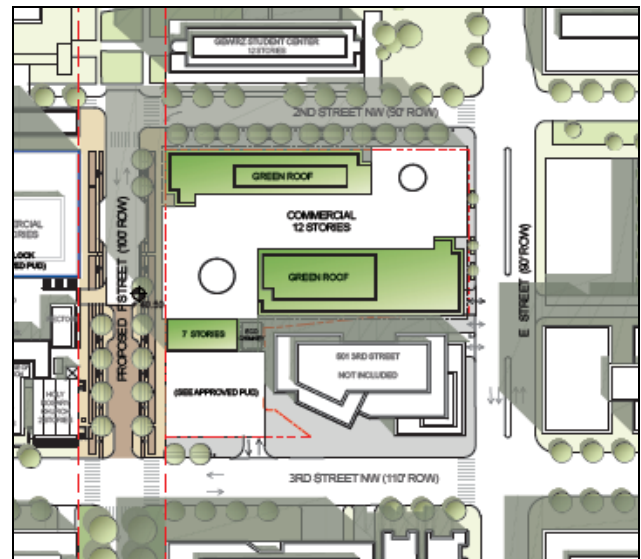


Exhibit 4: Proposed Plan for the South Block site, looking across 3rd Street NW.

The building form would be reshaped from earlier conceptual designs approved in Order No. 08-34 (as shown in Exhibit 3 and 4 above). It now would be "organized into two parallel bars with a full-height glass atrium in the center."⁶ The massing would be concentrated along 2nd and F Streets, with a step down to seven-stories on the building's west side. Entrances on E, F, and 2nd Streets would be recessed from the main street façade to further articulate the building frontages. A consequence of the massing changes is a slight increase in lot occupancy to about 92%, which exceeds the 90% lot occupancy anticipated in previously approved drawings. The building would set back from the E Street Property line by 6'10", accommodating a width of 14' between the curb and ground floor façade.⁷ Retail spaces would line the ground floor along adjacent streets. The Applicant has indicated to OP that retail ceiling heights would be

² The Applicant indicated to OP that the application incorrectly stated that the building would be approximately 713,587 square feet in size. See Applicant's June 4, 2012 submission, page 6.

³ This allocation was for the non-JHS portion of the South Block.

⁴ Order No. 34, page 10.

⁵ See Applicant's June 4, 2012 submission, drawing 5.1.

⁶ See Applicant's June 4, 2012 submission, page 6.

⁷ The 14' setback represents a commitment made by the Applicant in original project approvals. See Order No. 08-34, page 8.

a minimum of 12' in height. If achievable, OP encourages the Applicant to explore increasing ceiling heights to create more favored retail spaces.

Distinctive building features include a horizontal solar shade on the building's roof, which connects to a vertical trellis extending down to second level pedestrian canopies. The shade, trellis, and canopies would protrude no more than 4' from the building façade and likely require public space approval along 2nd and F Streets. From the 2nd to 12th floors along the F, 2nd, and G Street facades, laminated glass fins would "project[] from the face of the wall at various angles."⁸ OP encourages the Applicant to provide additional perspective views of the building's north and west frontages. OP also recommends that the Applicant address the at-risk nature of some windows that abut a loading berth of a neighboring property along the building's west side.

An extensive green roof of varying depths would be provided, as well as paved pathways and seating on the rooftop. Roof structures would uniformly rise to 18'6" in height.

Centralized parking and loading features already were approved for the entire Capitol Crossing project in Order No. 08-34. The underground facility would be constructed contemporaneously with the platform and is part of the base infrastructure. To accommodate the full scope of the three block development, 1,146 vehicle parking spaces and a loading strategy of 1 berth @ 55', 8 berths @ 30', 1 platform @ 200', 8 platforms @ 100', and 4 service spaces @ 20' deep would be provided.⁹ Parking would be accessed from 3rd Street on the North and South Blocks, and the below-grade loading facility would be accessed from E Street. As part of the subject proposal, the Applicant proposes to shift the loading entrance approximately 30' to the west along E Street for "better coordination of the ramp with the below-grade facilities."¹⁰ OP will coordinate with DDOT and the Applicant to review the revised entrance location.

As approved pursuant to Order No. 08-34, an eco-chimney location is shown on the application's site plan.¹¹ The function of the eco-chimneys is to "maximize filtration of air containing automotive exhaust from below-grade parking facilities and service corridor."¹² OP encourages the Applicant to provide more information concerning the height and appearance of the South Block eco-chimney.

V. ZONING

Order No. 08-34 approved a zoning related map amendment to C-4 for the entire Capitol Crossing proposal. A comparison between C-4 PUD standards, Order No. 08-34 approval, and the proposed project is shown below. Parking and loading features were already approved for the project as a whole.

SOUTH BLOCK	C-4 PUD	Approved per 08-34	Proposed
Height	130 ft. max.	130 ft.	130 ft.
FAR	11.0 max.	9.0 (768,276 sq. ft.)	8.71 (743,801 sq. ft.)
Lot Occupancy	100% max.	90%	92.4%
Uses	Office, retail allowed	Office, retail	Office, retail

OP will continue to work with the Applicant to clarify two specific issues related to the proposed building's compliance with the 1910 Height Act:

⁸ Applicant's June 4, 2012 submission, page 7.

⁹ Order No. 08-34 permitted one fewer 55' loading berth and one fewer 200 square foot platform than required under the zoning regulations.

¹⁰ Applicant's June 4, 2012 submission, page 8.

¹¹ See Applicant's June 4, 2012 submission, drawing 1.2.

¹² Order No. 08-34, page 8.

- The Applicant has informed OP that to date no discussion has occurred between the Applicant and the Zoning Administrator to confirm that the proposed solar shade complies with the 1910 Height Act. The Applicant describes the solar shade as “vertical tower elements” that are 15' in height above the building’s roof and extend 4' from the building face. While OP has no objection to the solar canopy in concept, OP encourages the Applicant to provide further assurance of the validity of this building feature.
- Pursuant to Order No. 08-34, the South Block “is entitled to a maximum height of 130 feet under the 1910 Height Act and the C-4 Zone District.”¹³ However, the proposed height is dependent upon South Block components being “connected internally at or above the level of the main floor to form a single building with frontage on 3rd Street.”¹⁴ Application Drawing 5.1 shows an intention to link a ground floor corridor to future JHS buildings. The Applicant has indicated that there is an agreement with JHS requiring the JHS building to attach to the proposed connection with a door leading into a common area in the JHS building. OP is not aware of the timing of the JHS relocation and development. The Applicant also indicated to OP that the South Block is in the process of being subdivided into a single record lot. As a result, the Applicant contends, in the absence of the JHS buildings, the subject building actually would front on 3rd Street should it be built first. OP recommends that the Applicant further address how 130' is achievable in the absence of a contemporaneous and integrated JHS development.

VI. FLEXIBILITY

Pursuant to Order No. 08-34, the project already was granted flexibility as it relates to the loading required for a project located in a C-4 district. The overall project will provide 1 berth @ 55', 8 berths @ 30', 1 platform @ 200', 8 platforms @ 100', and 4 service spaces @ 20' deep, all within a centralized below-grade loading facility serving Capitol Crossing as a whole.¹⁵ This represents one fewer 55' loading berth than required.

The Applicant requests the following additional relief from the Zoning Regulations¹⁶:

- Multiple Roof Structures (§ 411.3)
The Applicant requests approval for multiple roof structures rather than a required single enclosure. The Applicant indicates that the roof structures must be separated as a result of the unique design of the central atrium bisecting the building. The Applicant indicates that the structures would be setback 1:1 as required at a uniform height of 18'6".

The Applicant has further requested relief related to the phasing and timing of construction of the proposed building. The Applicant requests that “upon approval of the Second-Stage PUD for the South Block, a building permit application must be submitted within two years of the completion of the construction of the platform and base infrastructure and the construction must commence within four years to that date.”¹⁷ Such phasing would synchronize the timing with Condition No. 27 of the 08-34 Order for the North Block development. OP has no objection to this flexibility request.

In addition, the Applicant has requested flexibility in the areas of design, material, streetscape, and retail entrances as provided on page 13 of the application. OP has no objection to these typical flexibility requests.

¹³ Order No. 08-34, page 10.

¹⁴ Id.

¹⁵ Order No. 08-34, pages 16 & 29.

¹⁶ See § 2405.7.

¹⁷ Applicant’s June 4, 2012 submission, page 12.

VII. PUD PURPOSE, STANDARDS, AND BENEFITS AND AMENITIES

The purpose and evaluation standards for PUDs are outlined in 11 DCMR, Chapter 24. The PUD process is “designed to encourage high quality developments that provide public benefits.” Through the flexibility of the PUD process, a development that provides amenity to the surrounding neighborhood can be achieved. The Applicant is requesting approval of a Second-Stage PUD. The PUD standards state that the “impact of the project on the surrounding area and upon the operations of city services and facilities shall not be unacceptable, but shall instead be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project.” (§ 2403.3).

Sections 2403.5 – 2403.13 of the Zoning Regulations discuss the definition and evaluation of public benefits and amenities. In its review of a PUD application, § 2403.8 states that “the Commission shall judge, balance, and reconcile the relative value of the project amenities and public benefits offered, the degree of development incentives requested, and any potential adverse effects according to the specific circumstances of the case.” Sections 2403.9 and 2403.10 state that a project must be acceptable in all the listed proffer categories. To assist in the evaluation, the applicant is required to describe amenities and benefits, and to “show how the public benefits offered are superior in quality and quantity to typical development of the type proposed...” (§ 2403.12).

As provided in Conditions 79(a) – (i) in Order No. 08-34, benefits and amenities for the overall project already were proffered as part of the initial approval. Benefits included the construction of a platform and F and G Streets, environmentally friendly design, affordable housing, historic preservation for the historic JHS synagogue, re-construction of the Holy Rosary Church Annex and Rectory, space for technology incubators, the creation of new open spaces, transportation management measures, and employment and training opportunities, among others.¹⁸ The Applicant does not propose any changes to the previously approved benefits and amenities package. The subject proposal furthers earlier approvals in areas such as those highlighted below:

1. *Environmental benefits* – The Applicant proposes a LEED Platinum certification for the core and shell of the building. The Applicant has submitted a LEED Scorecard with the application.¹⁹ The project also includes sustainable features such as solar shading devices and an extensive green roof spanning an estimated 33,969 square feet.
2. *Employment and training opportunities* – As part of the initial project approval, the Applicant already has entered into a First Source Employment Agreement under which the Applicant will fill 51% of all new jobs resulting from the construction of the project with District residents, and will fill 67% of all new apprenticeship positions with District Residents. In addition, Certified Business Enterprises will represent 20% of the developer’s equity and development participation in the project, and the Applicant will contract with Certified Business Enterprises for at least 35% of the contract dollar volume of the project.²⁰
3. *Transportation management measures* – The overall project will incorporate centralized below-grade loading and parking facilities with limited curb cuts to minimize impacts on pedestrians and vehicles. The Applicant will provide a Transportation Management Program for office tenants.²¹
4. *Urban Design, Landscaping and Creation of Open Spaces* – The proposal would further link neighborhoods in the District that historically have been separated by a vast freeway canyon. The project includes ground floor retail along existing and newly created streetscapes which could enliven the public realm. The building would be set-back from the F Street property line in order to create 14’ of

¹⁸ Order No. 08-34, pages 16-19 (conditions 79(a) – (i)).

¹⁹ See Applicant’s June 4, 2012 submission, drawing 1.5.

²⁰ See Order No. 08-34, page 19 (Condition (i)).

²¹ The Transportation Management Program can be found in the Applicant’s Supplement Report to the Transportation Impact Analysis (Tab 4) of the Supplemental Prehearing Submission (ZC Case No. 08-34).

sidewalk width. The streetscape design for the overall development site was approved as part of the Consolidated PUD in Order No. 08-34, but the Applicant indicates that some additional planters have been added to F and E Street designs.

IX. COMPREHENSIVE PLAN

The Commission found during its review of the First-Stage PUD that the Capitol Crossing project is not inconsistent with the Comprehensive Plan ("Comp Plan"). OP finds that the Second-Stage PUD application is consistent with earlier approvals and does not detract from the project's relation to major tenets of the Comp Plan. The proposal would further a number of the Comp Plan's policies including:

Policy Central Washington (CW)-2.5.6: I-395 Air Rights Development

"Pursue development of the air rights over I-395 between E Street NW and Massachusetts Avenue NW, including the restoration of the streets rights-of-way along F and G Streets. Mixed land uses, including housing, offices, ground floor retail, and parkland, should be encouraged in this area. Air rights development should be sensitive to adjacent areas and should preserve important views."

Policy LU-1.1.1: Sustaining a Strong City Center

"Provide for the continued vitality of Central Washington as a thriving business, government, retail, financial, hospitality, cultural, and residential center. Promote continued reinvestment in central city buildings, infrastructure, and public spaces; continued preservation and restoration of historic resources; and continued efforts to create safe, attractive, and pedestrian-friendly environments."

Policy LU-1.2.2: Mix of Uses on Large Sites

"Ensure that the mix of new uses on large redeveloped sites is compatible with adjacent uses and provides benefits to surrounding neighborhoods and to the city as a whole. The particular mix of uses on any given site should be generally indicated on the Comprehensive Plan Future Land Use Map and more fully described in the Comprehensive Plan Area Elements. Zoning on such sites should be compatible with adjacent uses."

Policy LU-1.4.1: Infill Development

"Encourage infill development on vacant land within the city, particularly in areas where there are vacant lots that create 'gaps' in the urban fabric and detract from the character of a commercial or residential street. Such development should complement the established character of the area and should not create sharp changes in the physical development pattern."

Policy T-2.4.1: Pedestrian Network

"Develop, maintain, and improve pedestrian facilities. Improve the city's sidewalk system to form a network that links residents across the city."

Policy E-3.2.1: Support for Green Building

"Encourage the use of green building methods in new construction and rehabilitation projects, and develop green building methods for operation and maintenance activities."

Policy UD-1.1.2: Reinforcing the L'Enfant and McMillan Plans

"Respect and reinforce the L'Enfant and McMillan Plans to maintain the District's unique, historic and grand character. This policy should be achieved through a variety of urban design measures, including appropriate building placement, view protection, enhancement of L'Enfant Plan reservations (green spaces), limits on street and alley closings (see Figure 9.3), and the siting of new monuments and memorials in locations of visual prominence. Restore as appropriate and where possible, previously closed streets and alleys, and obstructed vistas and viewsheds."

X. AGENCY REFFERALS

Subsequent to setdown for a public hearing, the application would be referred to the following District government agencies for review and comment:

- Department of the Environment (DDOE);
- Department of Transportation (DDOT);
- Department of Employment Services (DOES);
- Department of Parks and Recreation (DPR);
- Department of Public Works (DPW);
- Fire and Emergency Medical Services Department (FEMS);
- Metropolitan Police Department (MPD); and
- DC Water.

JS/pg

Case Manager: Paul Goldstein