

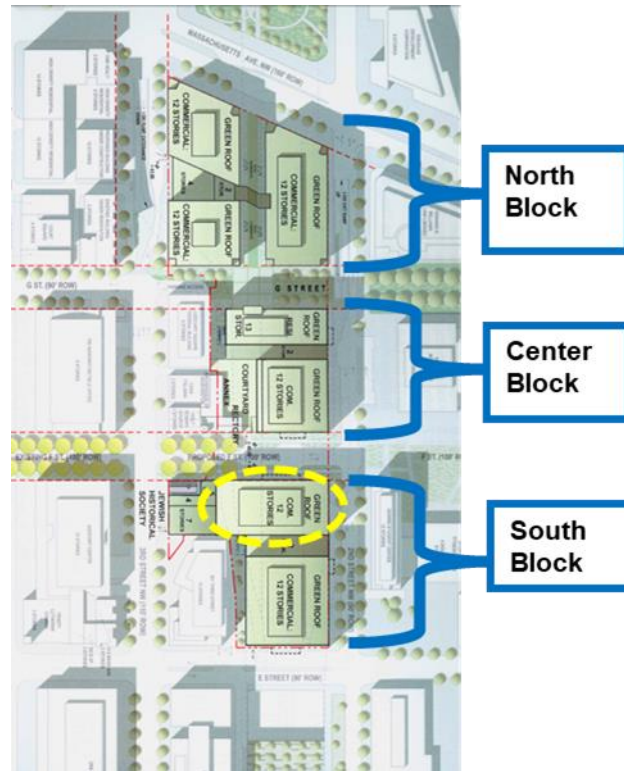
CORRECTED MEMORANDUM

TO: District of Columbia Zoning Commission
FROM: *JL* Joel Lawson, Associate Director Development Review
DATE: May 15, 2025
SUBJECT: ZC #08-34N – First Extension Request for Second Stage PUD Approval 08-34A, Capitol Crossing South Block

I. BACKGROUND

The Office of Planning (OP) recommends **approval** of the requested two year time extension.

Address	Capitol Crossing South Block Office Building, between F and G Streets NW, on the south side of 2 nd Street NW
Applicant	Capitol Crossing V, LLC
Legal Description	Square 568, Lots 865
Ward/ANC	Ward 6 / ANC 6E.
Zoning	D-4, high density mixed use
Existing ZC Order	ZC 08-34, Stage One approval, effective July 1, 2011 for a mixed-use development on this approximately three block site south of Massachusetts Avenue NW, over top of a portion of the sunken I-395 freeway. ZC 08-34A, Second Stage PUD Approval for an office building on the south side of 2 nd Street NW, effective March 1, 2013 ZC 08-34F, Minor Modification for design related changes, effective August 5, 2016
Order Expiration Date	As noted in the applicant filings, the second-stage PUD for the South Block was valid for a period of two (2) years from <i>the date of completion of the platform and base infrastructure</i> approved in Z.C. Order No. 08-34. The Zoning Administrator subsequently confirmed that the date of issuance of the DDOT Substantial Completion Letter for the platform and base infrastructure would be the basis for this, and this letter was issued August 28, 2023 As such, the Applicant is required to submit a building permit application for the Office Building no later than August 28, 2025 and must start construction no later than August 28, 2027.
Extension Request	Two year extension, such that a building permit application must be filed by August 28, 2027, and construction must begin by August 28, 2029.



II. EVALUATION OF THE EXTENSION REQUEST

Subtitle Z, § 705.2

The extension of a PUD is allowed for “good cause” shown upon the filing of a written request by the applicant before the expiration of the approval, provided that the Zoning Commission determines that the following requirements are met:

- (a) **The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond.**

The application submitted to the Zoning Commission is dated April 14, 2025 and has been in the public record since filing. The application contains a statement that it was served on ANC 6E, within which the site is currently located, as well as ANCs 2C and 6C within which the site was also partially located at the time of original approval.

- (b) **There is no substantial change in any of the material facts upon which the Zoning Commission based its original approval of the planned unit development that would undermine the Commission’s justification for approving the original PUD.**

Zoning Regulations

Since the time of the original Stage 2 approval, the Zoning Commission adopted the new ZR-16 Zoning Regulations, and Zoning Commission Orders 18-16 (zone names) and 19-27 (zoning regulation reorganization). The name of the zone has changed from C-4 to D-4, but it remains a high-density mixed-use zoning allowing the approved office use as part of this PUD.

Comprehensive Plan

Since the time of the approval of the original Stage 2 PUD in 2016, Council adopted the 2021 Comprehensive Plan, which included significant changes to the maps and policy statements. In this case neither the Future Land Use Map designation of High Density Commercial, nor the Generalized Policy Map designation of “Central Washington” changed, and the site was not located within a Future Planning Analysis Area or Resilience Focus Area.

The OP report and applicant filings for the original 08-34A case included a full review of the proposal against the Comprehensive Plan, noting that the proposed development would be not inconsistent with the Comprehensive Plan policy direction.

Surrounding Development

Some development in the general neighborhood has been approved (notably on the adjacent GW Law campus) since the approval of the original case. However, there has been no new development which would significantly impact the Zoning Commission’s original approval.

(c) The applicant demonstrates with substantial evidence one (1) or more of the following criteria:

- (1) An inability to obtain sufficient project financing for the planned unit development, following an applicant’s diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant’s reasonable control;

The application notes that the applicant has continued to construct improvements within the PUD boundaries, including completion of the street network and utility infrastructure, construction of office buildings with ground floor retail and the open-air pedestrian way, the new rectory and annex buildings for the Holy Rosary Church, and relocation of the historic Adas Israel Synagogue building and construction for the new facilities to support the Lillian and Albert Small Jewish Museum of the Jewish Historical Society of Greater Washington.

The applicant states that they have not been able to move forward with this office development due to financial constraints resulting from changes in economic and market conditions beyond their control, including factors such as ongoing impacts to the housing construction market resulting from the Covid-19 pandemic including the office vacancy rate, construction costs, labor and supply chain issues, inflation, rising interest rates, and a weak lending market, even though much of the necessary infrastructure, including construction of the podium itself, is complete.

III. ANC COMMENTS

At Exhibit 5 is a memo from ANC 6E indicating support for the requested extension: