

MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: *JL for* Jennifer Steingasser, Deputy Director

DATE: January 11, 2016

SUBJECT: **Public Hearing Report** for ZC #11-03C, Wharf Parcel 1 and Market Square
Second Stage Planned Unit Development

I. SUMMARY RECOMMENDATION

Hoffman-Struever Waterfront, LLC, has submitted an application for a Second Stage Planned Unit Development (PUD) to construct a mixed use building on Parcel 1 of the Wharf. The building would include retail uses on the ground floor and offices above, with a proposed restaurant or similar use at the penthouse level. The application also includes a design for the Market Square adjacent to Parcel 1, and the Market Shed within the square. The proposal is not inconsistent with the first stage PUD approval, the Comprehensive Plan, or the Zoning Regulations. The Office of Planning (OP), therefore, can recommend approval of the application.

II. APPLICATION-IN-BRIEF

Location: 1100 Maine Avenue, SW, adjacent to the Fish Market and across from Banneker Overlook

Ward and ANC: Ward 6, ANC 6D

Applicant: Hoffman-Struever Waterfront, LLC, dba Hoffman-Madison Waterfront

PUD-Related Zoning: C-3-C

Property Size: 32,229 sf (Parcel 1) + 25,320 sf (Market Square) = 57,549 sf total

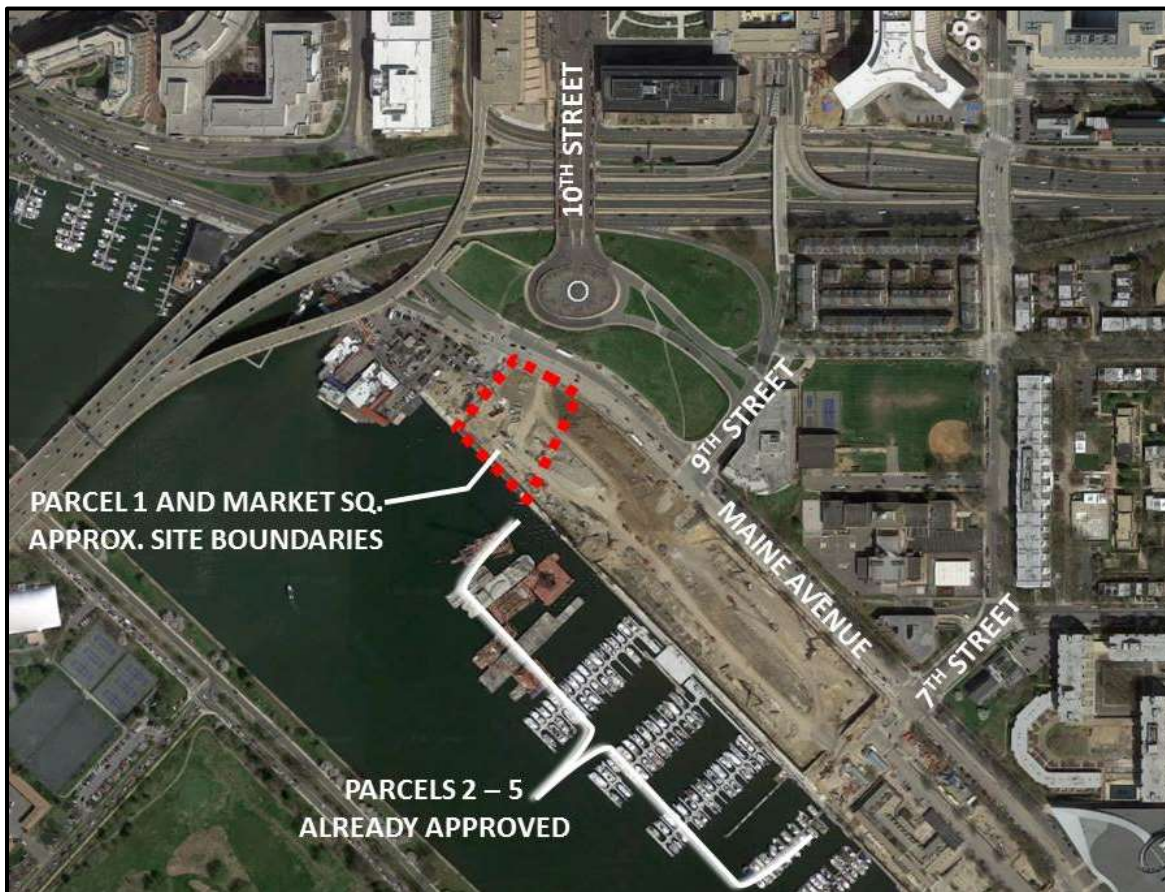
Proposal: The applicant proposes a design for a mixed use building at Parcel 1, the Market Shed building, and for Market Square itself, all at the northern end of the Wharf development.

Background: The Zoning Commission approved a First Stage PUD for the entire Wharf project on October 17, 2011. That approval established the PUD-related zoning for the property, the site plan, the general use mix, the general

massing of buildings, the maximum heights for buildings and the maximum FAR for the entire development.

The Zoning Regulations describe a Second Stage PUD as a detailed review that examines the architecture of the proposed buildings, uses within the buildings, design of open spaces, site circulation, site infrastructure and compliance with the intent and purposes of the PUD process, the Regulations and the First Stage PUD. (§§ 2402.2(b), 2406.12 and 2408)

III. SITE AND AREA DESCRIPTION



Wharf Parcel 1 – 2015 Aerial Photo

The Wharf project site is generally bounded on the north by the fish market, on the northeast by Maine Avenue, and on the west by the proposed extent of the piers of the new development. To the south the Wharf extends approximately to N Street. The northern half of the Wharf site, from 7th Street north to the Fish Market, was excavated and construction has begun on the parking garage that will be underneath Parcels 1 through 5. Utility work has also been done in Maine Avenue. Maine Avenue and 7th, 9th and M Streets provide auto access to the site. The Waterfront and L'Enfant Plaza metro stations are within walking distance of the property.

The subject site for the current application is Parcel 1 of the Wharf along with the Market Square, which is immediately adjacent to the Fish Market. The Fish Market is not part of the PUD. Parcels 2 through 5, along with most of the project's piers and open spaces, have already received Second Stage approval in cases 11-03A and 11-03B. Parcel 2, immediately south of Parcel 1, would include two apartment towers above retail and above a large entertainment and concert venue. The loading functions of Parcel 2 would use the alley adjacent to Parcel 1.

As approved in 11-03A, the wharf itself would be a multi-modal transportation spine connecting the entire project and connecting to the fish market. It would be open to pedestrians, bicycles and auto traffic, though the auto traffic is expected to be minimal, and for special events the wharf can be closed to cars completely. The wharf would also provide room for formal outdoor seating for restaurants as well as informal outdoor space for visitors. Maine Avenue would have improved pedestrian and bicycle amenities and significant landscaping, as well as space for outdoor retail activities. A new signalized intersection has been constructed at Maine Avenue and Market Square to allow easier pedestrian and vehicular movement in the immediate vicinity, including into the fish market. Across Maine Avenue from Parcel 1 is Banneker Overlook, the terminus of the L'Enfant / 10th Street promenade. Currently pedestrian access from Maine Avenue to the Overlook is highly circuitous via paved sidewalks, but the hillside is often traversed via a worn path. A semi-permanent stair and ADA ramp is contemplated by various stakeholders and its construction was included as a proffer of the First Stage PUD for the Wharf. OP views the construction of the semi-permanent stair and ramp as an essential amenity commitment of the original PUD and expects the applicant to fulfill the proffer for its construction. A permanent grand staircase would be constructed if the Banneker Overlook site is ever redeveloped for a museum, memorial or other use.

IV. PROJECT DESCRIPTION AND ANALYSIS

The basic parameters of the proposed development are as follows:

	Parcel 1	Market Square / Market Shed
Land Area (sf)	32,744	26,400
Height	130' 10 stories plus a 16' foot tall occupiable penthouse (18'6" for portions of the mechanical)	14' – 21' 1 story
Building Area (sf)		
Retail	12,491 (21,880*)	1,690
Office	244,521 (235,132*)	0
Total	257,012 7.8 FAR	1,690 0.1 FAR

	Parcel 1	Market Square / Market Shed
Land Area (sf)	32,744	26,400
Height	130' 10 stories plus a 16' foot tall occupiable penthouse (18'6" for portions of the mechanical)	14' – 21' 1 story
Penthouse	10,899 (habitable) <u>4,082 (mechanical)</u> 14,981 (total) 0.33 FAR for habitable space	n/a

* Option with second floor retail on the north side of the building.

Parcel 1

The development on Parcel 1 would consist of a 130 foot tall office building with significant ground floor retail. The second floor of the building would have some mechanical space, office-related amenity space, and office or retail space facing Market Square. Floors 3 through 10 would be entirely office. The applicant has requested flexibility to include a special exception use in a portion of the penthouse level, including a restaurant, bar or cocktail lounge, or a matter-of-right C-3-C use such as office or retail.

The body of the building would generally form a “V” shape, with a slightly offset core to allow a continuous lobby running from Maine Avenue through to the water-side of the building, transitioning from two to three stories. The walkway at the second story crossing over the lobby would have a transparent glass railing and would allow some views through the building. Ground floor retail uses would face Market Square, and would also face the water on the southeast side of the lobby. Loading and parking access and back of house spaces would fill out the ground floor.

OP had previously requested that the applicant study ways to provide an active use east of the Maine Avenue lobby entrance, where the ground floor plan had shown a blank streetscape occupied by a trash room and fire control room. The applicant examined the floor plan and concluded that it would not be possible to truly activate that part of the streetscape, but proposes now to relocate the fire control room and construct a cascading water feature that could provide visual interest in that location.

The applicant has requested flexibility to use either, or both, terra cotta or aluminum panels for the framing around windows in the body of the building. The materials would be identical in color. Please refer to sheets 1.30 – 1.37 of Exhibit 19B. OP does not object to this flexibility in the use of the materials.

Market Square and Market Shed

The Market Square is the northernmost section of the Wharf PUD and provides access and a transition to the adjacent fish market. A new operational traffic signal on Maine Avenue marks

the location of Market Square, and the intersection will help pedestrians and vehicles more safely navigate this portion of the waterfront. Vehicles could enter into the square and either turn into the fish market or circle back around toward Maine Avenue. Visitors travelling by car to the fish market would also be able to park in the Wharf's parking garage and exit on the northwest side of Parcel 1 directly into Market Square via an elevator and stair lobby.

The Market Shed would sit within the square and house one or two retail users. The shed is bifurcated by a passage that would allow pedestrian movement from the elevator and stair lobby in the Parcel 1 building through to the fish market. The shed uses the "butterfly" roof line seen in other pavilion buildings throughout the wharf.

The design of the wharf itself adjacent to Parcel 1 was largely approved with application 11-03A, and those same materials and design would continue along the entire western face of Parcel 1. The applicant has already received a building permit for construction of that part of the wharf. At Market Square, the materials would change from stone to asphalt block, as described on Sheets 2.1 and 2.2 of the plan set (Exhibit 19B). The change in materials would signal the change from the more finished environment of the Wharf to the more active, wholesale or even gritty nature of the fish market.

V. COMPREHENSIVE PLAN

The Commission found during its review of the first stage PUD that the Wharf project is not inconsistent with the Comprehensive Plan. OP finds that the current second stage PUD application is generally consistent with the first stage as approved and does not detract from project's correlation with the tenets of the Plan.

The proposal would further a number of the Plan's Guiding Principles and major policies from Plan elements such as the Land Use; Transportation; Economic Development; Urban Design; and Lower Anacostia Waterfront / Near Southwest Area Elements. The application is also not inconsistent with the Plan's Generalized Land Use Map or the Future Land Use Map. The proposal is also consistent with the Development Plan & Anacostia Waterfront Initiative Vision for the Southwest Waterfront (the SWW Plan). For a complete analysis of the project against relevant planning policies, please refer to the Office of Planning Setdown Report, Attachment 1 (Exhibit 10).

VI. ZONING

In the first stage PUD, the Commission approved PUD-related zoning of C-3-C for the northern portion of the project, including Parcel 1. Also in the first stage PUD, the Commission granted zoning flexibility for the exact mix of uses, within certain ranges. The current proposal is consistent with the approved zoning as well as the uses approved in the first stage PUD.

The current second stage application requests flexibility from the specific zoning regulations listed below. A summary of each area of relief is given below.

1. Penthouse Requirements (§ 411)

The application requests flexibility for:

- Setbacks – The penthouse wall on the side of the building facing the Washington Channel is directly above the exterior wall of the 10th floor, and therefore has a zero setback. On the western wall of the building, a “notch” in the building face renders the corresponding portion of the penthouse wall non-compliant with the 1-to-1 setback. While the penthouse is above 130 feet in height, the façades in question do not face public streets, and the Zoning Administrator has determined that their reduced setback would not violate the Height Act. The Commission, therefore, can grant zoning flexibility to allow their construction. OP has no objection to the proposed design. The reduced setbacks would not impair the light or air available to users of the subject building or nearby buildings, nor impair the visual integrity of the design.
- Enclosing walls with multiple heights – The design proposes a height of 16’ for the proposed habitable portion of penthouse, and a mix of 16’ and 18’6” for the mechanical space. Please refer to Sheets 1.27 – 1.29 of Exhibit 19B. OP does not object to the proposed design. The minor variation in heights would minimize the bulk of the penthouse structure. Note that the application no longer seeks flexibility to extend penthouse heights up to 20’ as originally requested.
- Habitable space – The application requests the ability to provide a bar, restaurant, lounge or a matter-of-right use at the penthouse level. In the event that a bar or restaurant-type tenant is secured for the space, that use would be compatible with the entertainment aspect of the Wharf. The applicant has committed to low light levels directed toward the floor of the penthouse terrace and building walls, and not outward, in order to minimize potential light spill to the adjacent Parcel 2 residential building (Exhibit 13A, Tab A, #6). A matter-of-right use, such as office or retail, would have little to no impact on its surroundings. OP does not object to the requested flexibility.

2. Loading Requirements (§ 2201)

The application requests flexibility from loading requirements for the project as shown in the table below.

Facility Type	Required	Provided
55 Foot Berths	0	0
30 Foot Berths	3	2
20 Foot Delivery Spaces	1	0
100 sf Loading Platforms	3	One 250 sf loading platform
200 sf Loading Platforms	0	

The submitted traffic study states that the loading facilities proposed would be sufficient for the anticipated demand (Exhibit 19A, page 8). The application also now proposes a loading management plan that would include a building loading manager to schedule and coordinate operations, limitations on idling, and limited hours for loading. In general OP does not object to relief from loading, provided the applicant justifies the reduction in size or number of facilities and commits to loading management techniques such as limited loading hours and a loading coordinator for the building. The written statement indicates that the forthcoming traffic study will analyze the loading needs of the building.

3. Other Minor Flexibility

The application also requests other minor flexibility that is often included as part of PUD applications. This includes the ability to vary interior components; vary the exact selection of exterior materials; vary landscaping materials; and make minor refinements to exterior details. If the application is approved, OP will work with OAG to craft language for the Order that allows necessary flexibility for the developers while also assuring the project is built largely and substantially as shown in the plans approved by the Commission, and built to a high quality of design as expected in the PUD process.

VII. PURPOSE AND EVALUATION STANDARDS OF A PUD

The purpose and standards for Planned Unit Developments are outlined in Chapter 24 of the Regulations. 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). The impacts of the proposed design of Parcel 1, Market Square and Market Shed would be acceptable with the fulfillment of the proffered amenities in the first stage PUD, including the temporary stairs and ramp to Banneker Overlook. The design in total would create an attractive gateway to the Wharf, as well as to the adjacent fish market, and could fulfill District policy objectives of drawing tourists away from the National Mall and environs. As of this writing no comments have been received from other government agencies, so OP cannot make a definitive conclusion as to other impacts to the operations of city services and facilities.

VIII. PUBLIC BENEFITS AND AMENITIES

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, and must be superior in many. 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).

The first stage PUD included a number of benefits, including urban design, affordable housing, workforce housing, the creation of a BID, First Source Employment and CBE agreements, funding for a workforce intermediary program, coordinating apprenticeships with the construction contractor, setting aside space for local or unique retailers, and environmental design. As part of the first stage PUD, the Commission required that the applicant prepare a benefits implementation chart with each subsequent second stage PUD. That chart is shown at Exhibit 2E, and benefits are also briefly described beginning on page 16 of Exhibit 2. The benefits proffered with the current application are consistent with the first stage approval, and are described briefly below. While some of the benefits are not specific to Parcel 1 (affordable housing, for example), the benefits listed for ZC #11-03 would still apply to this Stage 2 PUD application.

1. Affordable and Workforce Housing

Although no housing is proposed for Parcel 1, phase 1 of the Wharf and the entire Wharf project would provide significant levels of income-restricted housing. Affordable housing is being provided on various parcels within the Wharf, consistent with the first stage PUD approval. The project will provide a total of 160,000 square feet of affordable housing on Parcels 1 through 10, plus IZ housing at Parcel 11. In addition, an estimated 140,000 square feet of workforce housing could be provided throughout the project.

2. Environmental Design

Exhibit 2E indicates that the building on Parcel 1 will achieve a LEED Gold Core and Shell (CS) equivalent. The applicant had previously committed that the entire Wharf development would achieve LEED Gold Neighborhood Development (ND) standards. These standards are consistent with the first stage approval.

3. Business Improvement District

The original PUD discussed the potential for a business improvement district, and the Southwest BID has since begun operations, with the assistance of this applicant. The project association specifically for the Wharf will be responsible for maintenance of private roadways, alleys, bicycle paths, promenades, sidewalks, piers, parks, and signage within the Wharf development, as well as event programming. According to the applicant it will be functional prior to the first building opening on site. The developer will create the association, and it will eventually be funded by assessments to each use in the project.

4. CBE and First Source Employment Agreements and Related Actions

As noted in the first stage PUD, the applicant has entered into a CBE agreement with the Department of Small and Local Business Development (DSLBD), which requires 35% participation by CBE firms in the project development costs. The applicant has already begun, with the help of DSLBD, to employ CBE firms for construction activities. In response to OP requests, the applicant has provided updates on its efforts to meet and exceed the goals. That summary can be found at Exhibit 13A, Response to OP's Comments #6.

The applicant also committed to reserve 20% of the retail space in the SWW project for unique or local retailers, although the application does not describe whether any of the unique or local retail space would be located at Parcel 1 or the Market Shed.

The applicant has also committed to help fund a workforce intermediary program (WIP) with a total contribution of \$1,000,000. According to Exhibit 13A the full amount has been paid by the applicant, and the applicant is working closely with the Department of Employment Services (DOES) on workforce training and making the WIP fully operational.

5. Other Benefits

In addition to the above-referenced benefits, other benefits have begun to be implemented or will be implemented during construction of the second stage PUD, including the urban design of the project, improvements to Maine Avenue, reservation of private property along Maine Avenue for additional public space, reconstruction of the seawall, construction of temporary dock facilities including utility connections, and the inclusion of approximately 1,450 bicycle parking spaces.

In response to OP's request, the applicant has provided an update on the status of the temporary stair and ramp leading from Maine Avenue to Banneker Overlook (Exhibit 13A). OP views the construction of the semi-permanent stair and ramp as an essential amenity commitment of the original PUD and expects the applicant to fulfill the proffer for its construction. The stair will also be a key to the ultimate success of the Wharf project.

IX. AGENCY COMMENTS

As of this writing OP has received no comments from government agencies.

X. COMMUNITY COMMENTS

The site is located in ANC 6D. As of this writing neither the ANC or community members have contacted OP, but the applicant maintains a dialogue with the ANC and conducts regular Development Advisory Group meetings to keep the community up to date on progress and respond to questions.

XI. SUMMARY OF OP COMMENTS

The applicant has addressed all of OP's previous comments and questions. OP supports the overall design for Parcel 1, Market Square and the Market Shed, and feels they will contribute positively to pedestrian activity and the overall vitality and mix of uses of the Wharf. The proposal is in conformance with the First Stage PUD and is not inconsistent with the Comprehensive Plan. OP, therefore, can recommend approval of the application.

JS/mrj