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IL PALAZZO

A PLANNED UNIT DEVELOPMENT

2700 16TH STREET NW, WASHINGTON DC, 20010



Pre-Hearing Statement for Consolidated Review and Approval of
a Planned Unit Development and Related Map Amendment

(Square 2578, Lot 26)

May 2011

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ZONING COMMISSION
District of Columbia

CASE NO. 11-08

EXHIBIT NO. 15

DEVELOPMENT TEAM

Applicant	Il Palazzo LLC P.O. Box 2648 Stafford, VA 22555-2648
Owner's Representative	Valor Development, LLC 5110 Ridgefield Road Suite 413 Bethesda, MD 20816
Architect	Trout Design Studio 2112 Ward Court, NW Washington, DC 20037-1209
Structural Engineer	KCE Structural Engineers, P.C. 1818 Jefferson Pl., N.W. Washington, DC 20036
Landscape Architect	A. Morton Thomas & Associates, Inc. 12750 Twinbrook Parkway Rockville, MD 20852
Traffic/Parking	A. Morton Thomas & Associates, Inc. 12750 Twinbrook Parkway Rockville, MD 20852
Parking Consultant	Gorove/Slade 1140 Connecticut Ave, NW Suite 600 Washington, DC 20036
Land Use Counsel	Goulston & Storrs, PC 1999 K Street, NW, 5 th Floor Washington, DC 20006

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PREFACE

On March 24, 2011, Il Palazzo LLC (“Applicant”) submitted an application to the Zoning Commission for consolidated review and approval of a Planned Unit Development (“PUD”) and a PUD-related Map Amendment for the property known as 2700 16th Street, NW (Square 2578, Lot 26)(“Subject Property”). The Zoning Commission reviewed the application and set it down for a public hearing at its meeting on April 25, 2011.

At the public meeting on April 25, 2011, the Commission requested additional information, including:

- Penthouse details;
- Depiction of the relationship of the Project with the rowhouses on Mozart Place;
- Graphic of potential development of northern property and its interaction with the proposed Project;
- Details of the benefits and amenities package; and
- Details regarding the employment agreement.

The Applicant addresses each of these issues in this submission and requests a public hearing be scheduled for this application.

The Subject Property is the site of the former Italian Embassy. The Applicant intends to preserve the existing historic structure and convert it to residential use. The proposed development also includes an addition to the historic building that will be dedicated entirely to residential use. While additional density is permitted along 16th Street under the Zoning Regulations, the Applicant has designed the project to focus all additional density and height at the rear of the Subject Property so that it will not detract from the historic building. The end

result is a development that retains the prominent stature of the Embassy building along 16th Street and includes a carefully designed addition to the building along the western property line. The landmark building impedes the ability to include any significant additional density in the R-5-D zoned portion of the site, which is along 16th Street, precluding the Applicant's ability to achieve even the matter of right density without the proposed PUD and PUD-related Map Amendment. The site is proximately located to multiple bus lines and the Columbia Heights Metrorail Station, making it an important site to maximize density. It is also a pivotal site along the 16th Street Corridor, which serves as a gateway to Downtown.

In order to realize the proposed design, the Applicant seeks a PUD-related Map Amendment for the western portion of the Subject Property from the R-5-B Zone District to the R-5-D Zone District. The historic resource is located on the portion of the Property that is located in the R-5-D Zone District. As described above, this limits the amount of density that can be captured. Rezoning the remainder of the Property to the same zoning designation will allow the Applicant to capture the density and height that is otherwise allowed along 16th Street on the rear of the Property. Ultimately, this juxtaposition of density and height enables the preservation of the former Embassy building.

The development will have a maximum height of 90 feet, a maximum floor area ratio ("FAR") of 2.8 (which is well within the limitations for a PUD in the R-5-B Zone District, much less the R-5-D Zone District), and a lot occupancy of 58%. The development is consistent with the existing fabric of the community and as this application demonstrates, the proposed development will convert an underutilized site to a vibrant, contributing component of the community.

This PUD application is consistent with the District of Columbia Comprehensive Plan, D.C. Law 16-300, 10A DCMR (Planning and Development) § 100 et seq. (2006) (the “Comprehensive Plan”), as well as numerous goals and policies of the District of Columbia. This Project will benefit the District by promoting many District policies, including preservation of a historic resource, adaptive reuse of an existing building, and the provision of market-rate and affordable housing.

I. INTRODUCTION

A. *Summary of Requested Action*

This pre-hearing statement supports the application of Il Palazzo LLC to the Zoning Commission for the District of Columbia (“Commission”) for consolidated review and approval of a Planned Unit Development (“PUD”) for the property known as Square 2578, Lot 26 (“Subject Property”).

The Subject Property consists of approximately 42,494 square feet of land area and is improved with a three-story building that formerly served as the Embassy of Italy. The Applicant is proposing a residential project on the Property that will consist of preserving the existing building and constructing an eight-story addition at the rear of the Property. The development will consist of approximately 110-135 residential units that will be comprised primarily of one-bedroom units but will include units ranging from efficiencies to three-bedroom units.

The Subject Property is currently split-zoned with the eastern portion of the Property located in the R-5-D Zone District and the western portion of the Property located in the D/R-5-B Zone District. The Applicant is simultaneously filing a request for a PUD-related map amendment to rezone the D/R-5-B portion of the Property to the R-5-D Zone District. This will establish a uniform zone district over the entirety of the site and it will enable the Applicant to shift the density that would otherwise be permitted on the eastern portion of the Property to the western portion of the lot. Shifting the project density and height in such a manner is consistent with the preservation-related objective of limited density over and directly adjacent to the landmark. The Project will be constructed in two phases, with the conversion and preservation

of the existing building as the first phase of development and the development of the addition as the second phase.

The complete development will include approximately 110-135 residential units, approximately 60-90 below-grade parking spaces, a height of 90 feet, a FAR of 2.8, a total of 122,428 square feet of gross floor area, and a lot occupancy of 58% ("Project"). The project will include two points of vehicular access: a garage entrance from Fuller Street and a garage exit onto Mozart Place. There will be four points of pedestrian access to the building: one from 16th Street, two from Fuller Street and one from Mozart Place. Finally, loading will be accessed from Mozart Place.

B. The Applicant and Project Team

The Property is owned by Il Palazzo LLC, which is an entity affiliated with Valor Development LLC. Valor Development is a Washington, D.C. based development company focused on delivering high end residential condominium residences and mixed use properties to the immediate Washington, D.C. area. To date the company has been involved in 12 high end boutique projects in the areas of Dupont Circle, Tenleytown, Adams Morgan, and Columbia Heights. Valor is the end result of its principals' years of experience in the renovation, investment, and financing business of development projects. The company's aim is to restore underutilized and underperforming properties back to the neighborhoods of the city with a focus on delivering "Places of Distinction".

C. Project Goals and Objectives and the Benefits of Using the PUD Process

The Applicant seeks to transform an underutilized site along a major transit corridor into an active, vibrant residential development. The redevelopment of this parcel will be a boon to

the District as it complements the existing fabric of the community, infills a site along a primary gateway to Downtown D.C., bridges the gap between institutional uses lining 16th Street and the residential buildings adjacent to them, and provides an additional housing type for the community. The redevelopment of this site has even greater implications – it bridges a chasm that exists between the Columbia Heights, Mount Pleasant, Adams Morgan and U Street neighborhoods. Each of these neighborhoods has attracted significant development in recent years; however, there is a distinct lack of vitality along 16th Street to connect these neighborhoods. This development will help encourage pedestrian traffic as well as introduce additional residents to the District.

With respect to the individual site, the Applicant seeks to restore a historic resource to its former glory. The design of the residential development preserves the 16th Street façade of the Italian Embassy, as well as several of the important, grand spaces inside of the building. As described below, the Italian Embassy is an extremely significant landmark in the District and particularly along the 16th Street corridor. The existing building is an important asset for the development as it sets the standard for the design of the Project – it is the inspiration for, among other things, the generous open spaces, the spacious units, and the use of high-end materials. Typically, preserving a resource focuses on the exterior of the building; however, the Applicant is going through great lengths to preserve the grand spaces that are a key component of the property.

The PUD process makes this development possible because it provides the Applicant the flexibility it needs to establish a site plan that respects the historic nature of the Embassy building but allows additional density on the site, which will essentially finance the preservation

work associated with the historic resource. The PUD process also ensures a high quality development with significant community input.

D. Development Timetable

The Applicant intends to break ground in the Spring 2012. The total construction period is expected to last approximately 18 months.

II. THE PROPOSED PUD PROJECT

A. Site Location

The Subject Property consists of approximately 42,494 square feet of land area. The Subject Property is bounded by 16th Street, NW to the east, Mozart Place, NW to the west, Fuller Street, NW to the south and property of the Scottish Rite Temple to the north. The Property is located just south of Columbia Road. The Subject Property is currently improved with the former Italian Embassy on the eastern portion of the lot. The western portion of the lot is unimproved. The Subject Property is located in the Mount Pleasant neighborhood, but is immediately adjacent to the Columbia Heights and Adams Morgan neighborhoods. It is just north of Dupont Circle and the U Street Corridor.

The Subject Property is located in the same square as the Scottish Rite Temple and the Unification Church of Washington, D.C. It is located across Fuller Street from the Embassy of Poland and the Embassy of Lithuania, which are located a little further south on 16th Street. The Property is directly across the Street from the former site of the Embassy of Spain. The Property is located along a strip of 16th Street that is dedicated primarily to institutional uses, the majority of which have religious or government affiliations.

The site is approximately six blocks to the west of the Columbia Heights Metrorail Station located at the intersection of 14th and Irving Streets, NW. Sixteenth Street provides an

immense amount of accessibility throughout the city given the numerous bus lines that traverse that corridor.

The Property is split-zoned: the eastern portion of the Property is located in the R-5-D Zone District and the western portion is located in the R-5-B Zone District in the Diplomatic Overlay. All of the properties along 16th Street, to the north, south and east, are all located in the R-5-D Zone District. The property immediately to the north, the Scottish Rite Temple, is located entirely in the R-5-D Zone District for the entire depth of the lot between 16th Street, NW and Mozart Place, NW. The western portion of the Property is the *only* parcel in Square 2578 that is not located in the R-5-D Zone District.¹

B. Project Description

The Embassy of Italy, at 2700 16th Street, NW is a landmark listed in the DC Inventory of Historic Sites. It was designed by Warren and Wetmore, the prominent New York firm best known as the architects of Grand Central Station. The Embassy, completed in 1925, was built on land purchased from Mary Foote Henderson. Mrs. Henderson, who lived three blocks south on 16th Street, NW, spent the early decades of the twentieth century trying to transform 16th Street, NW into the Avenue of the Presidents, lined with grand residential buildings, churches, and handsome embassies. The Italian Embassy was one of several architecturally-significant, early twentieth-century embassies that contributed to the fulfillment of Mrs. Henderson's vision for the street.

¹ The Zoning Commission requested more information regarding development potential of the northern property in order to determine its compatibility with the Project. Attached as Exhibit A are two alternatives for development of the Scottish Rite parcel. The first demonstrates possible development if an addition is constructed on the existing building and the second depicts potential development if the rear of the property is subdivided and developed independently of the Scottish Rite. The Applicant's proposal is consistent with both possibilities.

The design of the imposing three-story Italian Renaissance Revival embassy, which is clad with limestone and topped with a terra cotta tile hipped roof, is the perfect expression of national identity. The bold stylistic details are concentrated mainly around the front entrance and at the first and second story window. One-story flat-roofed wings extend from the back of the building, forming a partially enclosed courtyard. A two-story, L-shaped chancery addition was constructed in the 1930s. It fronts on Fuller Street, NW and its north-south wing forms the fourth side of the courtyard behind the embassy. The chancery wing is finished with stucco and also has a terra cotta tile roof. Its design, however, is stylistically simpler than the main block of the building, consistent with its more utilitarian use. The garage on the property does not contribute to the significance of this landmark.

As shown on the architectural plans, elevations, and drawings attached as Exhibit A, the Applicant plans to renovate the former Italian Embassy building and to construct an eight story addition on the rear of the Property. The addition will be connected to the historic resource via an above-grade corridor to the north of the building.² The development will be dedicated entirely to residential use and will include approximately 60-90 spaces of below-grade parking.

The development will include 110-135 residential units, including approximately five affordable units, the majority of which will be two-bedroom family units, will be reserved for households with an annual income no greater than 80% of the Annual Median Income. Despite the proposed rezoning to the R-5-D Zone District, the zoning parameters of the Project are very modest. It will consist of 122,428 square feet of gross floor area, or a 2.8 floor area ratio ("FAR")(well within what is permitted for a PUD in the R-5-B Zone District, much less one

² The corridor provides access to the entirety of both the addition and the historic resource, but as noted by the Historic Preservation Office, it does not overwhelm or undermine the integrity of the landmark building.

located in the R-5-D Zone District). The building will have a lot occupancy of 58% and a rear yard of 80 feet.³ A chart detailing the zoning tabulations of the site is provided below in Section C.

Vehicular access to the development will be from both Fuller Street and Mozart Place. The garage entrance will be accessed via a right-hand turn from Fuller Street, a one-way roadway with westbound traffic. Vehicles will exit the garage with a right-hand turn onto Mozart Place, another one-way roadway with northbound traffic. Loading will be accessed via Mozart Place. Pedestrians can access the site from four different locations: one entrance on 16th Street, two entrances from Fuller Street and one entrance from Mozart Place. There are three existing curb cuts on the Property that the Applicant proposes to retain.⁴ The Applicant is proposing one additional curb cut to allow for garage traffic to exit onto Mozart Place and to accommodate loading.

The design of the project can be broken into two components: the existing building and the addition to the rear. The addition consists of an eight story, L-shaped tower with a shorter five-story component at the corner of Mozart Place and Fuller Street. The intentional stepping down of the building responds to the scale of the apartment building directly and diagonally across Fuller Street and townhouses across Mozart Place from the development. The addition utilizes a masonry façade with punched, operable windows. The Applicant will provide an example of the materials at the public hearing for this application.

³ The building front, for zoning purposes, is on Mozart Place. Accordingly, pursuant to Section 404.2 of the Zoning Regulations, the rear yard can be measured from the centerline of 16th Street, which is 160 feet wide.

⁴ The Historic Preservation Review Board noted that the two curb cuts along 16th Street contribute to the historic quality of the building by emphasizing the grand entrance of the structure. Accordingly, the Applicant intends to retain both of those curb cuts.

The Applicant is also incorporating a number of sustainable features throughout the building's design. One primary "green" feature of the development is the amount of green space included in the Project. The building will only occupy 58% of the lot, leaving a considerable amount of area for passive recreation and landscaping.

The Applicant has been working with the Historic Preservation Office ("HPO") in ensuring the design is consistent with the goals and objectives of the Historic Preservation Act. The Historic Preservation Review Board approved the overall conceptual design for the new construction on the site and directed the Applicant to continue to coordinate with HPO in the further refinement of the building design. In its report, the HPO noted that the proposal "addresses and successfully resolves the height and massing concerns raised by the earlier design." The Applicant will continue to consult with the HPO as it continues to refine its plans during the PUD process. It will secure final approval from HPO after the PUD process is completed; accordingly, it requests the flexibility to incorporate comments from the HPRB into the building design as necessary.

C. Development Parameters

The proposed development is very modest when compared to the matter-of-right development parameters for the site. The Applicant is seeking a PUD-related map amendment to the R-5-D Zone District for the western portion of the Property largely because the portion of the Property that is already zoned R-5-D cannot accommodate additional density or height because of the historic resource. The map amendment will provide the flexibility necessary to shift density and height that would otherwise be permitted along 16th Street to the rear of the site.⁵

⁵ Again, it is important to note that the property immediately to the north, the Scottish Rite Temple, is located entirely in the R-5-D Zone District. Accordingly, the proposed rezoning will make the Property consistent the zoning designation of the Scottish Rite Temple.

The development will be within the parameters for a matter-of-right development in the R-5-D Zone District. Even further, with the exception of height, the development will be within the parameters for a PUD in the R-5-B Zone District. As the table below demonstrates, the Applicant is not pursuing a PUD in this instance to secure additional density so much as it seeks to secure additional height.

Zoning Requirement	R-5-B Matter of Right	R-5-D Matter of Right	R-5-D PUD	Proposed
Height	50 feet	90 feet	90 feet	89 feet
Floor Area Ratio	1.8 (2.16 with IZ)	3.5 (4.2 with IZ)	4.5	2.8
Lot Occupancy	60%	75%	75%	58%
Rear Yard	29 feet	29 feet	29 feet	80 feet
Side Yard	None required	None required	None required	None provided
Parking	55-68 spaces	37-45 spaces	37-45 spaces	60-90
Loading	None (Section 2200.5)	None (Section 2200.5)	None (Section 2200.5)	Loading Area, as depicted on plans

D. Flexibility Under the PUD Guidelines

The PUD process was created to allow greater flexibility in planning and design than is possible under conventional zoning procedures. The PUD regulations specifically allow the Zoning Commission to approve any zoning relief that would otherwise require approval of the Board of Zoning Adjustment. In this case, the Applicant requests relief from the court and roof structure requirements of the Zoning Regulations.

1. PUD-Related Flexibility from the Zoning Regulations

Courts. The proposed design results in a series of courts, some of which do not meet zoning standards. Accordingly, the Applicant seeks relief from the court requirements to accommodate the proposed site plan. Despite the nonconformity of the courts, the Property is dedicating a significant portion of the site to passive recreation space so there is no detrimental impact from the inability to comply with the court requirements.

Roof Structures. As shown on the Roof Plan, the Project's roof structure gradually slopes upward in order to satisfy the overall 1:1 setback from exterior walls that is required under the Height Act and the Zoning Regulations. In doing so, however, it does not comply with the requirement of Section 411.5 that all enclosing walls from the roof level be of equal height.

The Commission requested more information on the roof structure, including a section, which is attached as Exhibit A. The proposed penthouse relates to the design of the historic resource as well as the adjacent residential uses, particularly the rowhouses on Mozart Place. The slanted roof of the penthouse provides a softer aesthetic that is not as prominent as the "typical" penthouse, which is important given the context of the building. The softer aesthetic of the proposed penthouse is apparent when compared with what is otherwise permitted, as depicted in the attached exhibit regarding potential development on the site north of the Property, attached as Exhibit A. Though the proposed penthouse is not "typical", there is precedent for the design throughout the city, including 2000 K Street, NW.

III. PLANNING ANALYSIS

A. Land Use Impact

As detailed below, the proposed PUD project is fully consistent with the goals and policies of the Comprehensive Plan for the District of Columbia. The Project is an appropriate massing for a development along such a major transportation corridor and within walking distance of numerous Metrobus lines and a Metrorail Station. The massing balances the development's transit-oriented location with the fact that it includes a significant historic resource. The proposed development respects the historic landmark and is thoughtfully designed so as to preserve the prominence of the Embassy building.

As mentioned above, the development of the Property will transform an underutilized site along a primary gateway to Downtown D.C. into an active residential project that contributes to the aesthetic of 16th Street.

Pursuant to the Zoning Commission's request, attached as Exhibit A is a depiction of the relationship between the Project and the rowhouses on Mozart Place. The Project steps down to five stories as it faces the rowhouses, minimizing its impact on those properties. This is evident in the attached rendering, as well as the attached shadow studies, which confirm that the Project will not have a detrimental effect on the light and area of those homes.

B. Zoning Impact

The proposed Zoning Map Amendment can be granted without adversely affecting nearby and adjacent zone districts or properties. The proposed R-5-D Zone District is consistent with transit-oriented development categories on the Generalized Land Use Map of the Comprehensive Plan. Further, the R-5-D Zone District is appropriate given that it is the zoning designation for nearly half of the Property. It is also the zoning designation for the remainder of

Square 2578. The property adjacent to the PUD site is the same depth as the Subject Property and it is located entirely in the R-5-D Zone District. It seems to be an anomaly that the rear of the Subject Property is not also located in the R-5-D Zone District.

Nevertheless, the design steps down to five stories at the corner of Fuller Street and Mozart Place to respond to a lower density rowhouses and apartment building across from the PUD site. The PUD design considers its greater context in the community. The design, density, and height of the Project are appropriate given the location along a heavily trafficked vehicular corridor, among a series of institutional uses along 16th Street, and among a series of multi-family buildings to the west and south of the Project. The site is also proximately located to the commercial uses of Adams Morgan, further confirming the appropriateness of the proposed height and density.

C. Environmental Impact

No adverse environmental impact will result from the construction of the Project. The proposed renovation and addition will incorporate a series of sustainable features that will minimize the impact of the development. Specifically, the Project will integrate multiple low-impact development features to manage stormwater runoff, and incorporate state-of-the-art cooling systems to reduce air handling energy requirements.

D. Facilities Impact

The Project will not have an adverse impact on the public facilities on which it will rely on for service. This Property is located in a high density neighborhood and the addition of approximately 110-135 residential units will not burden these services.

IV. ENVIRONMENTAL ANALYSIS

A. *Water Demand*

The Project will consist of approximately 122,500 square feet of development and a preliminary estimate for the average daily demand for water is 270 gallons per minute. This demand can be met by the existing District water system. The proposed connection for fire water supply will be made within the existing distribution system and will be coordinated with DC Water.

B. *Sanitary Sewer Demand*

The average daily demand on the sanitary sewer system for the building is preliminarily estimated to be 1,650 drainage fixture units. The proposed connection for the sanitary sewer line will be made with the existing distribution system and will be coordinated with DC Water.

C. *Storm Water Management*

The Project's storm water run-off will be accommodated by a storm water management system in compliance with standards set by the District Department of the Environment ("DDOE"). The proposed systems will be designed, constructed and maintained in accordance with standards set by the DDOE. Storm water run-off from the roofs of both the existing and proposed building will be directed to a quantity and quality control facility, which will meet the requirements for stormwater management in a combined service area.

D. *Solid Waste Services*

Solid waste will be collected by the District of Columbia from covered receptacles for appropriate disposal.

E. *Electrical Service*

Electricity for the Project will be provided by the Potomac Electric Company in accordance with its usual general terms and conditions of service. All electrical systems will be designed to comply with the District of Columbia Energy Code.

F. Energy Conservation

The Project will be constructed in full compliance with Article 24 (Energy Conservation) of the District of Columbia Code. Conformance to code standards will minimize the amounts of energy needed for heat, ventilation, hot water, electrical distribution and lighting systems contained in the building.

G. Erosion Control

During excavation and construction, erosion on the Project site will be controlled in accordance with District of Columbia Law.

V. PUD EVALUATION STANDARDS

A. Public Benefits and Project Amenities

Section 2403.9 provides categories of public benefits and project amenities for review by the Zoning Commission. The objective of the PUD process is to encourage high-quality development that provides public benefits and project amenities by allowing applications greater flexibility in planning and design than may be possible under matter-of-right zoning. This application will achieve the goals of the PUD process by implementing benefits and amenities such as exemplary design and planning, streetscape improvements and enhancements to the public space, vehicular and pedestrian improvements and transportation demand management measures, environmental benefits, provision of special uses such as ground floor retail uses, and historic preservation.

1. Urban Design, Architecture, and Landscaping

Section 2403.9(a) lists urban design, architecture, and landscaping as categories of public benefits and project amenities for a PUD. As shown on the attached detailed plans, elevations, and renderings, the proposed Project exhibits many characteristics of exemplary urban design, including the preservation of a landmark building, use of high-quality materials, sustainable landscape and hardscape improvements and other “green” features, clear separation of pedestrian and vehicular entrances and circulation patterns.

2. Site Planning, and Efficient and Economical Land Utilization

Pursuant to Section 2403.9(b) of the Zoning Regulations, “site planning and efficient and economical land utilization” are public benefits and project amenities to be evaluated by the Zoning Commission. The existing site is poorly utilized and fails to fully capitalize on the site’s location along a major transit corridor and within blocks of a Metrorail station. The proposed Project provides a far more efficient utilization of this strategic transit-oriented site, and appropriately focuses height and density at the rear of the Subject Property so as not to detract from the historic resource.

3. Effective and Safe Vehicular and Pedestrian Access and Transportation Management Measures

The Zoning Regulations, pursuant to Section 2403.9(c), state that “effective and safe vehicular and pedestrian access” can be considered public benefits and project amenities of a PUD. The Applicant is proposing a simple circulation plan for the Project, which will diminish vehicular and pedestrian conflicts. All vehicular traffic will enter the parking garage from Fuller Street and, similarly, all vehicular traffic will exit the garage from a single exit onto Mozart Place.

A. Morton Thomas and Associates prepared a Transportation Impact Study for the Project. Based on its findings, the Project is contextually appropriate and will not exacerbate existing conditions. In fact, the analysis concludes that only half of the residents will use their personal vehicle for travel to and from work. Accordingly, the Project will have a limited effect on the road network during peak times. The traffic analysis is attached as Exhibit D.

4. Environmental Benefits

Section 2403.9(h) states that environmental benefits are considered to be public benefits and project amenities of a PUD. As described above, the Project will provide a number of sustainable improvements to the site. Specifically, the Project will integrate multiple low-impact development features to manage stormwater runoff, and incorporate state-of-the-art cooling systems to reduce air handling energy requirements.

5. Uses of Special Value

Section 2403.9(i) provides that uses of special value to the neighborhood or District of Columbia as a whole are benefits and amenities of a PUD. Here, the Applicant is providing the following uses of special value:

- Preservation of a historic resource: the Applicant is preserving the Italian Embassy, an important landmark along the 16th Street corridor. One of the primary features of the landmark that the Applicant is proposing to preserve are the important interior spaces that could otherwise be eliminated and converted into multiple units. Instead, the Applicant is incorporating them as common areas to be enjoyed by tenants and the public. The preservation of the landmark dictates the design and parameters of the remainder of the Project and while undoubtedly an asset to the development, it imposes limitations on the development parameters of the Property.

- Provision of two-bedroom affordable units: The Applicant is providing 5 affordable units with this luxury development. Four of the units will be two-bedroom units. The Applicant understands that providing affordable housing is not an amenity in and of itself, but the provision of two-bedroom units is. Two bedroom units are not common in this community and they will accommodate families with children who may attend neighborhood schools. These units will be available to households making no more than 80% of the Area Median Income. They will remain affordable for the life of the development.
- Employment Agreement: The Applicant has agreed to enter into an Employment Agreement with the community, which provides for the hiring of 12 members from the community as well as a jobs training program. Unlike a First Source Agreement, this agreement requires a firm commitment rather than “good faith efforts.” The Applicant entered this agreement at the request of the ANC to ensure that community members would directly benefit from the Project. The rationale for the binding commitment is that this agreement will guarantee a definitive number of jobs for the community and a commitment to provide a jobs training program whereas the First Source program only requires a good faith effort to do as much.
- The Applicant has reached out to the ANC for input in finalizing the PUD amenities package. The ANC has provided a series of items that the Applicant is considering and will work with the ANC in creating the final package. The Applicant is meeting with the ANC at its June meeting, at which point it plans to finalize the PUD amenities.

6. Historic Preservation

According to Section 2403.9(d), the preservation of historic buildings or places is considered to be a benefit and amenity of the PUD process. As mentioned throughout this statement, the Applicant is preserving a historic Embassy building. It is an example of the adaptive reuse of an existing structure, which effectuates the vitalization of an underutilized lot, promotes green design principles and enhances the 16th Street corridor.

7. Comprehensive Plan

According to Section 2403.9(j), public benefits and project amenities include “other ways in which the proposed planned development substantially advances the major themes and other policies and objectives of any of the elements of the Comprehensive Plan.” As described in greater detail in Section VII, the PUD is consistent with and furthers many goals and policies of the Comprehensive Plan.

VI. COMPLIANCE WITH THE COMPREHENSIVE PLAN

The proposed PUD is consistent with and fosters numerous goals and policies in the Comprehensive Plan.

The purposes of the District elements of the Comprehensive Plan for the National Capital are to: (1) Define the requirements and aspirations of District residents, and accordingly influence social, economic, and physical development; (2) Guide executive and legislative decisions on matters affecting the District and its citizens; (3) Promote economic growth and jobs for District residents; (4) Guide private and public development in order to achieve District and community goals; (5) Maintain and enhance the natural and architectural assets of the District; and (6) Assist in the conservation, stabilization, and improvement of each neighborhood and community in the District.

D.C. Code § 1-301.62 (2006). The proposed project significantly advances these purposes by adaptively reusing an existing building, preserving an historic landmark, and infusing life into an underutilized site.

A. *Land Use Maps*

The Property is located in the Moderate Density Residential land use category on both the Future Land Use map. The Framework Element provides guidelines for using the Future Land Use Map. This Element states that the Future Land Use map should be interpreted “broadly” and that zoning for an area should be guided by the Future Land Use Map interpreted in conjunction with the text of the Plan. The Element also clearly provides that density and height gained through the Planned Unit Development process as bonuses that may exceed the typical ranges cited for each land use category. Despite the Property’s designation as appropriate for moderate density residential development under the Future Land Use Map, by the Plan’s own terms, it should be used only as guidance and not as a definitive source for appropriate uses. In this case, it is significant that the property immediately adjacent to the Property is located in the R-5-D Zone District and it shares the same Comprehensive Plan designation.

B. *Land Use Element*

The Plan cites the importance of transit-oriented development and the redevelopment of underutilized properties. The project is consistent with the following policies:

- ***Policy LU-1.2.7: Protecting Existing Assets on Large Sites:*** Identify and protect existing assets such as historic buildings, historic site plan elements, important vistas, and major landscape elements as large sites are redeveloped.
- ***Policy LU-1.3.2: Development Around Metrorail Stations:*** Concentrate redevelopment efforts on those Metrorail station areas which offer the greatest opportunities for infill development and growth, particularly stations in areas with weak market demand, or with large amounts of vacant or poorly utilized land in the vicinity of the station entrance. Ensure that development above and around such stations emphasizes land uses and building forms which minimize the necessity of automobile use and maximize transit ridership while reflecting the design capacity of each station and respecting the character and needs of the surrounding areas.
- ***Policy LU-2.1.1: Variety of Neighborhood Types:*** Maintain a variety of residential neighborhood types in the District, ranging from low-density, single family neighborhoods to high-density, multi-family mixed use neighborhoods. The positive elements that create the identity and character of each neighborhood should be preserved and enhanced in the future.

- **Policy LU-2.1.3: Conserving, Enhancing, and Revitalizing Neighborhoods:** Recognize the importance of balancing goals to increase the housing supply and expand neighborhood commerce with parallel goals to protect neighborhood character, preserve historic resources, and restore the environment. The overarching goal to “create successful neighborhoods” in all parts of the city requires an emphasis on conservation in some neighborhoods and revitalization in others.
- **Policy LU-2.1.4: Rehabilitation Before Demolition:** In redeveloping areas characterized by vacant, abandoned, and underutilized older buildings, generally encourage rehabilitation and adaptive reuse of existing buildings rather than demolition.
- **Policy LU-2.2.4: Neighborhood Beautification:** Encourage projects which improve the visual quality of the District’s neighborhoods, including landscaping and tree planting, façade improvement, anti-litter campaigns, graffiti removal, improvement or removal of abandoned buildings, street and sidewalk repair, and park improvements.

The Project is consistent with the land use element as it is renovating an underutilized structure on an underutilized site and returning it to contributing part of the community. The development will provide additional housing options for residents of the District and it is improving property that is proximately located to both a Metrorail station and several bus lines.

C. *Housing*

The Project furthers several of the Housing policies of the Comprehensive Plan as well:

- **Policy H-1.1.1: Private Sector Support:** Encourage the private sector to provide new housing to meet the needs of present and future District residents at locations consistent with District land use policies and objectives.
- **Policy H-1.1.5: Housing Quality:** Require the design of affordable housing to meet the same high-quality architectural standards required of market-rate housing. Regardless of its affordability level, new or renovated housing should be indistinguishable from market rate housing in its exterior appearance and should address the need for open space and recreational amenities, and respect the design integrity of adjacent properties and the surrounding neighborhood.
- **Policy H-1.2.1: Affordable Housing Production as a Civic Priority:** Establish the production of housing for low and moderate income households as a major civic priority, to be supported through public programs that stimulate affordable housing production and rehabilitation throughout the city.
- **Policy H-1.2.3: Mixed Income Housing:** Focus investment strategies and affordable housing programs to distribute mixed income housing more equitably across the entire city, taking steps to avoid further concentration of poverty within areas of the city that already have substantial affordable housing.

- ***Policy H-1.3.1: Housing for Families:*** Provide a larger number of housing units for families with children by encouraging new and retaining existing single family homes, duplexes, rowhouses, and three- and four-bedroom apartments.
- ***Policy H-4.1.1: Integration of Special Needs Housing:*** Integrate special needs housing units throughout the city rather than segregating them into neighborhoods that already have high concentrations of such housing.
- ***Policy H-4.2.2: Housing Choice for Seniors:*** Provide a wide variety of affordable housing choices for the District's seniors, taking into account the income range and health care needs of this population. Recognize the coming growth in the senior population so that the production and rehabilitation of publicly-assisted senior housing becomes a major governmental priority.

The Project is providing luxury residential housing along a critical transportation corridor in the District. The units will be spacious with a significant amount of corresponding green space on the lot. The Project will offer primarily one bedroom and two bedroom units; however, it will provide the option of studios as well as three bedroom units. There will be a mix of units available to families as well as single people. Further, the Project will dedicate four of its two-bedroom units to affordable housing. This will enable families to live in the Mount Pleasant neighborhood, an area that has become increasingly unaffordable for many. Per the Advisory Neighborhood Commission's request, the Applicant will also reserve at least one unit for a program that enables Seniors to "age in place." This further underscores that the development will truly serve a varied demographic, much in keeping with District policy.

D. Environmental Protection Element

The development is consistent with the following environmental policies:

Policy E-1.1.3: Landscaping: Encourage the use of landscaping to beautify the city, enhance streets and public spaces, reduce stormwater runoff, and create a stronger sense of character and identity.

Policy E-3.1.1: Maximizing Permeable Surfaces: Encourage the use of permeable materials for parking lots, driveways, walkways, and other paved surfaces as a way to absorb stormwater and reduce urban runoff.

Policy E-3.1.2: Using Landscaping and Green Roofs to Reduce Runoff: Promote an increase in tree planting and landscaping to reduce stormwater runoff, including the expanded use of green roofs in new construction and adaptive reuse, and the application of tree and landscaping standards for parking lots and other large paved surfaces.

The development adaptively reuses an existing building, which greatly minimizes the impact of the development. Further, the site plan was developed so as to incorporate significant amounts of green space. The Project only occupies 58% of the Property, which provides a significant amount of green space for landscaping and passive recreation.

E. Urban Design

The development is thoughtfully designed to incorporate elements of the existing building as the surrounding community. It is of an appropriate scale and use and promotes several urban design policies of the District:

- ***Policy UD-1.3.7: Neighborhood Connectivity:*** Improve the physical connections between neighborhoods and nearby waterfronts. Where feasible, extend the existing city grid into large waterfront sites to better connect nearby developed areas to the shoreline.
- ***Policy UD-1.4.1: Avenues/Boulevards and Urban Form:*** Use Washington's major venues/boulevards as a way to reinforce the form and identity of the city, connect its neighborhoods, and improve its aesthetic and visual character. Focus improvement efforts on avenues/ boulevards in emerging neighborhoods, particularly those that provide important gateways or view corridors within the city.
- ***Policy UD-1.4.3: Avenue/Boulevard Vistas and View Corridors:*** Protect views and view corridors along avenues/boulevards, particularly along streets that terminate at important civic monuments or that frame distant landmarks. Vistas along such streets should be accentuated by creating more well-defined street walls, improving landscaping, and requiring the highest architectural quality as development takes place.
- ***Policy UD-2.2.7: Infill Development:*** Regardless of neighborhood identity, avoid overpowering contrasts of scale, height and density as infill development occurs.
- ***Policy UD-2.2.2: Areas of Strong Architectural Character:*** Preserve the architectural continuity and design integrity of historic districts and other areas of strong architectural character. New development within such areas does not need to replicate prevailing architectural styles exactly but should be complementary in form, height, and bulk.

The Project will respond appropriately to the existing institutional and residential uses surrounding the site. It will balance the varying uses, densities, and design of these structures, and at the same time, preserve the integrity of the historic resource.

F. Historic Preservation

One of the primary assets of this Project is its preservation of the Italian Embassy. The Applicant's proposal to preserve this building is consistent with Historic Preservation policies of the Comprehensive Plan:

- **Policy HP-2.4.1: Rehabilitation of Historic Structures:** Promote appropriate preservation of historic buildings through an effective design review process. Apply design guidelines without stifling creativity, and strive for an appropriate balance between restoration and adaptation as suitable for the particular historic environment.
- **Policy HP-2.4.2: Adaptation of Historic Properties for Current Use:** Maintain historic properties in their original use to the greatest extent possible. If this is no longer feasible, encourage appropriate adaptive uses consistent with the character of the property.
- **Policy HP-2.4.3: Compatible Development:** Preserve the important historic features of the District while permitting compatible new infill development. Within historic districts, preserve the established form of development as evidenced by lot coverage limitations, yard requirements open space, and other standards that contribute to the character and attractiveness of those areas. Ensure that new construction, repair, maintenance, and improvements are in scale with and respect historic context through sensitive siting and design and the appropriate use of materials and architectural detail.
- **Policy HP-2.4.4: Suitability to the Historic Context:** Apply design standards in a manner that accounts for different levels of historic significance and different types of historic environments. Encourage restoration of historic landmarks while allowing enhancements of equivalent design quality, provided such enhancements do not damage the landmark. Exercise greater restraint in residential historic districts and areas with a clear prevailing development pattern or architectural style. Allow greater flexibility where the inherent character of historic properties can accommodate greater intervention or more dramatic new design, for example, in non-residential areas and in areas without a significant design pattern.
- **Policy HP-2.4.5: Protecting Historic Building Integrity:** Protect historic buildings from demolition whenever possible, and protect the integrity of whole buildings. Discourage treatments like facadism or relocation of historic buildings, allowing them only when there is no feasible alternative for preservation, and only after a finding that the treatment is necessary in the public interest. Waivers or administrative flexibility should be provided in the application of building and related codes to permit maximum preservation and protection of historic resources while ensuring the health and safety of the public.

The Historic Preservation Review Board noted that the Project successfully responds to the existing developments adjacent to the Property. It further supports the development with respect to the relationship between the addition and the historic resource. The design respects the significance of the Embassy building yet it is architecturally significant in its own right. The cohesion of both elements of the Project create a presence along 16th Street that will only strengthen this historic corridor. Even further, the Applicant is doing more than preserving the exterior spaces. It recognizes that the interior spaces also contribute to the historic integrity of the landmark and it is keeping those grand rooms intact and it is making them available to be enjoyed by residents and the public.

G. Area Element

The Property is a part of the Mid-City Area Element. The development is consistent with the following policies of the Area Element:

- **Policy MC-1.1.1: Neighborhood Conservation:** Retain and reinforce the historic character of Mid-City neighborhoods, particularly its row houses, older apartment houses, historic districts, and walkable neighborhood shopping districts. The area's rich architectural heritage and cultural history should be protected and enhanced.
- **Policy MC-1.1.2: Directing Growth:** Stimulate high-quality transit-oriented development around the Columbia Heights, Shaw/Howard University, and U St./African American Civil War Memorial/Cardozo Metrorail station areas, as well as along the Georgia Avenue corridor and the North Capitol Street/Florida Avenue business district. Opportunities for new mixed income housing, neighborhood retail, local-serving offices, and community services should be supported in these areas, as shown on the Comprehensive Plan Policy Map and Future Land Use Map.
- **Policy MC-1.1.7: Protection of Affordable Housing:** Strive to retain the character of Mid-City as a mixed income community by protecting the area's existing stock of affordable housing units and promoting the construction of new affordable units.

The Project will provide residential housing that will be available to households of different income levels. It will integrate affordable units with market rate units. It will also

make units available to families, seniors, and single individuals. It will be a true mix of residents, much like District policy intends.

VII. CONCLUSION

For the foregoing reasons, the Applicant submits that the pending applications meet the standards Chapter 24 of the Zoning Regulations; are consistent with the purposes and intent of the Zoning Regulations and Map; will enhance the health, welfare, safety, and convenience of the citizens of the District of Columbia; satisfy the requirements for approval of the included applications; provide significant public benefits; and advance important goals and policies of the District of Columbia. Therefore, the PUD application and the PUD-related Map Amendment should be approved and adopted by the Zoning Commission.

Accordingly, the Applicant respectfully requests that the Zoning Commission schedule the application for a public hearing for the earliest possible date.

Respectfully submitted,

GOULSTON & STORRS, PC



Allison C. Prince



Christine A. Roddy

Date: May 26, 2011

Certificate of Service

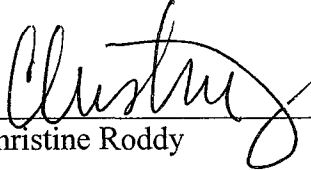
I hereby certify that a copy of the foregoing document has been sent by hand delivery or first class mail to the following addresses on May 26, 2011:

Jennifer Steingasser
Karen Thomas
Office of Planning
1100 4th Street, SW
Suite E-650
Washington, DC 200024

ANC 1C
P.O. Box 21009
Kalorama Station Washington, D.C. 20009

Karina Ricks
Jeff Jennings
District Department of Transportation
2000 14th Street, NW
Washington, DC 20009

Steve Lanning
Commissioner 1C06
1736 Columbia Road NW #101
Washington, D.C. 20009


Christine Roddy