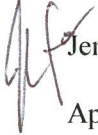




MEMORANDUM

TO: District of Columbia Zoning Commission

FROM:  Jennifer Steingasser, Deputy Director

DATE: April 4, 2014

SUBJECT: Zoning Commission Case No. 14-04: **Setdown Report** for a Consolidated Planned Unit Development at 21st and K Streets NW

I. SUMMARY RECOMMENDATION

Professional Associates (“Associates”) and the International Finance Corporation (“IFC”) (collectively, the “Applicant”) have submitted an application for a consolidated Planned Unit Development (PUD) to construct a building addition at Square 74, Lots 49, 832, and 840. The addition would result in the construction of 11-stories of new office space and retail at the southwest intersection of 21st and K Streets NW. The proposal is not inconsistent with the Comprehensive Plan and, as such, the Office of Planning (OP) recommends that the PUD be **setdown for public hearing**.

OP will continue to work with the Applicant to clarify the following items prior to a public hearing:

- Roof structure and tower design
- Maintenance of a “meaningful connection”
- Housing Linkage calculation
- Benefits and amenities proffer
- Rationale for retaining a separate curb cut entrance to underground parking

II. APPLICATION IN BRIEF

Location: The location of the new development is at the southwest corner of 21st and K Streets NW (Square 74, Lots 832 and 840); 2100 K Street NW; Ward 2, ANC 2A.

Applicant(s): Professional Associates and the Internal Finance Corporation¹

Current Zoning: C-3-C

Property Size: Overall site: Square 74, Lots 49, 832, and 840 (the entire square), consisting of 83,201 square feet of land area (hereinafter, the “Property”)²
Development site: Square 74, Lots 832 and 840, comprising approximately 11,111 square feet of land area (hereinafter, the “Development Site”)

Proposal: The Applicant proposes a PUD to accommodate a commercial building addition. An existing detached 9-story building would be replaced with a new 11-story, 130' tall office expansion to the abutting IFC building. The addition would be 153,756 square feet in area (a net increase of about 89,031 square feet), including 4,000 square feet of ground floor and mezzanine retail space. Forty-eight vehicle parking spaces and 12 bicycle spaces would be provided across four underground levels. The expansion also

¹ IFC owns Lot 49, and Associates owns Lots 832 and 840. IFC is a member of the World Bank Group.

² The subject Property will be combined into a single lot of record.



would be constructed above an existing 20' wide private alley easement that would continue to provide loading access.

The project is described as an expansion of the IFC building for zoning purposes, and the application notes that the IFC will lease the space for a minimum period of 40 years. Consequently, the project “will align its floors with the existing headquarters building where possible, providing for seamless horizontal expansion.”³ But the building also is designed to function independently with “the standalone lobby entrance as well as separate parking and loading facilities.”⁴

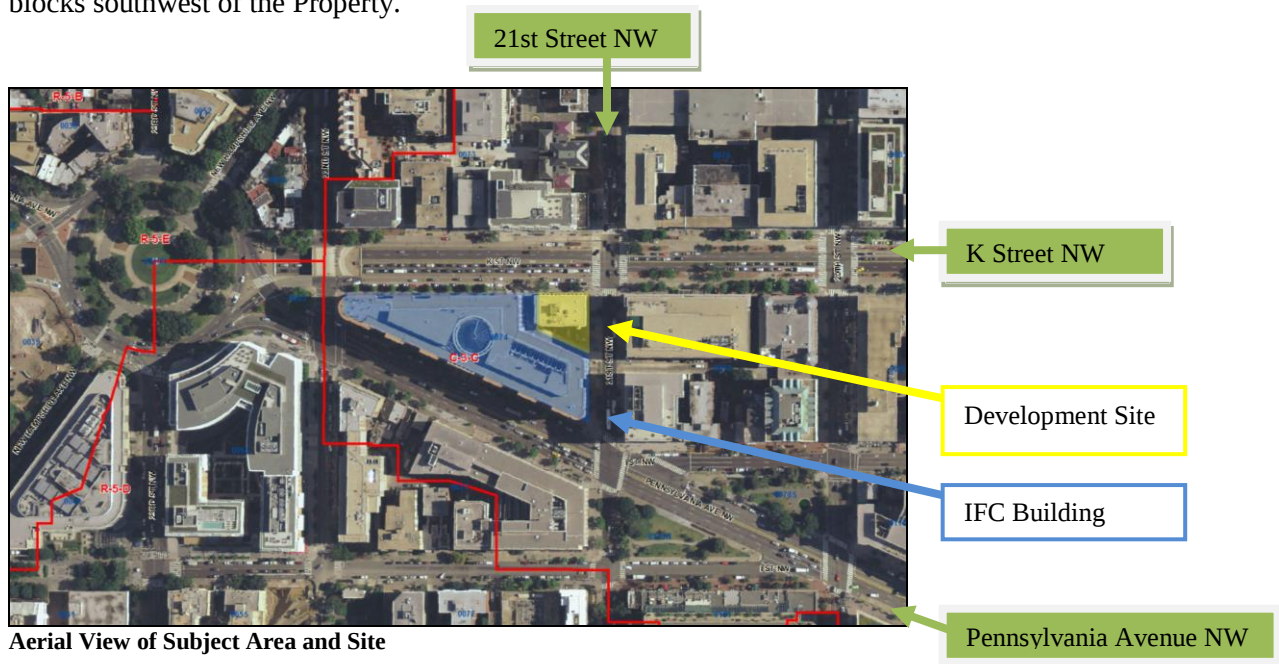
Relief and Zoning: No zoning relief has been requested.

III. SITE DESCRIPTION

The Property consists of the entirety of Square 74, which is bordered by Pennsylvania Avenue to the south, K Street to the north, and 21st Street to the east. Most of the subject square is occupied by the IFC headquarters, a 718,424 square foot and 130' tall building. IFC has a principal entrance on Pennsylvania Avenue and underground parking accessed from 21st Street and K Street. A 9-story free-standing building is located on the Development Site at the square's northeast corner and is separated from the IFC by a private alley easement.⁵ An existing curb cut along 21st Street leads to 3-levels of underground parking at the Development Site building.

IV. AREA DESCRIPTION

To the immediate north and east of the Development Site, across K Street and 21st Streets respectively, are predominately high density office buildings.⁶ More broadly, the area consists of intensive office development, a range of residential building types, and The George Washington University campus. A block to the west of the Property is Washington Circle, and the Foggy Bottom Metro Station is approximately three blocks southwest of the Property.



³ Application, page 3.

⁴ Application, page viii.

⁵ “Declaration of Covenants (Alley Closing)”, 1990. A portion of the private alley is located on Lot 49 and a portion on Lot 840.

⁶ An exception is a small two-story commercial building is located at the northwest corner of K and 21st Streets.

V. PROJECT DESCRIPTION

The Applicant proposes an 11-story commercial addition supplanting an existing 9-story detached office building at the southwest corner of K and 21st Streets. The addition would be 153,756 square feet in size, including 4,000 square feet of retail, and total 1.85 of the total Property FAR. The project would yield a net increase of 89,031 square feet in the square. The Property's overall floor area ratio would rise to 10.48 FAR. The FAR would be achieved through the following mechanisms: § 1709.21 (allows 10.0 FAR with transfer of development rights (TDRs)) and § 1709.24 (allows 10.5 FAR for approved PUDs in a receiving zone where 130' heights are achievable).⁷

Building design features include double height retail and lobby space and alternating glass fin and horizontal terracotta baguettes façade patterns. The roof design includes a prominent triangular tower embellishment.

As presented, the new office space would be considered an addition for zoning purposes, with plans indicating that floors would be internally connected to the IFC building from the second level and above.⁸ Similarly, garage levels would be interconnected beginning on the second level and below.⁹ But the new office space also would be designed to allow the independent operation of the addition with a standalone lobby entrance as well as separately accessible parking and loading facilities.

The addition would hold 48 vehicular parking spaces and a minimum of 12 bicycle spaces within four underground parking levels. The addition also would be constructed above an existing alley easement, which would provide at-grade access to a 12'x30' loading berth, a 100 square foot platform, and a 10'x20' delivery space within the new development.

VI. ZONING

The site is zoned C-3-C. The following table is a comparison of what is required/allowed, what exists, and what is proposed for certain development features in a C-3-C PUD in the New Downtown Receiving Zone:

	Required or Allowed C-3-C PUD / Receiving Zone	Existing (IFC site, Lot 49)	Existing (Development site: Lot 832 only)	Required or Allowed (Addition, for entire site: Lots 49, 832, & 840)	Proposed (Addition, for entire site, Lots 49, 832, & 840) ¹⁰	Total	Deviation
Lot area	15,000 min.	72,090	9,958	-	83,201	83,201	Conforms
Height	130' max.	130' (11 stories)	90' (9 stories)	130' max.	130'	130'	Conforms
Building sq. ft.	-	718,424.5	64,725	155,188 max.	153,756	872,181	Conforms
FAR	10.5 max.	9.97	6.5	1.87 max.	1.85	10.48	Conforms
Parking	In excess of 2,000 sq. ft., 1 for each additional 1,800 sq. ft. of gfa	331 (299 min. required)	62	None required	48	379	Conforms
Loading	3 berths @ 30' deep	3 @ 12'x30' 3 @ 100 sq.	None	None required	1 @ 12'x30' 1 @ 100 sq. ft.	4 @ 12'x30'	Conforms

⁷ See Applicant, Exhibit A, page 4. The application outlines already acquired TDRs.

⁸ See Application, pages 20-21.

⁹ See Application, page 22.

¹⁰ Includes an private alley easement tax lot (Lot 840) measuring 1,153 square feet. The application also indicates that "Above the ground floor, the Project will extend over the private alley onto the IFC Headquarters parcel approximately 20 feet to the west and approximately 10 feet to the south of the Development Parcel." See Application page 1, footnote 1. Additionally, if the Development Site was calculated independently (rather than as an addition) for zoning purposes, the project likely would exceed permitted height (due to a change in measuring point) and FAR standards and be non-compliant for parking and loading.

	3 platforms @ 100 sq. ft. 1 service/delivery deep space @ 120' (min.)	ft. 1 @ 10'x20'			1 @ 10'x20'	4 @ 100 sq. ft. 2 @ 10'x20'	
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Although the addition could operate independently of the IFC building in the future, the Applicant indicates that a “meaningful connection” would be maintained between the IFC building and addition for zoning purposes. Following setdown, OP would continue to work with the Applicant to better illustrate or define the commitment.

VII. FLEXIBILITY

No relief from specific zoning regulations is requested. The Applicant requests the following flexibility¹¹:

- Retail
The Applicant requests that if the mezzanine space, after reasonable efforts, is not leased for retail within two years after the issuance of a certificate of occupancy for the project, that it be permitted to convert to any other use permitted in the C-3-C zone.¹² The Applicant indicates that about three quarters of the proposed retail square footage (~3,000 sq. ft.) would be located on the mezzanine level.
- Design
The Applicant also requests customary design flexibility to “modify interior components; vary final selection of exterior materials within the color ranges and materials types as proposed; vary final streetscape design and materials; make minor refinements to exterior details and dimensions; vary the layout, dimensions, and configuration of the parking garage; vary the retail entrances; vary building and tenant signage; vary the location and arrangement of green roof; vary the roof terrace door locations; and reduce the final height of the roof structure.” OP encourages the Applicant to further refine the requested design flexibility prior to a public hearing.

VIII. PUD EVALUATION STANDARDS AND PUBLIC BENEFITS AND PROJECT AMENITIES

The purpose and standards for Planned Unit Developments are outlined in 11 DCMR, Chapter 24. Section 2400.1 states that a PUD is “designed to encourage high quality developments that provide public benefits.” In order to maximize the use of the site consistent with the Zoning Regulations, and be compatible with the surrounding community, the application requests that the proposal be reviewed as a consolidated PUD. This will allow the use of the flexibility stated in § 2400.2:

The overall goal is to permit flexibility of development and other incentives, such as increased building height and density; provided, that the project offers a commendable number or quality of public benefits and that it protects and advances the public health, safety, welfare, and convenience.

The application does not request any zoning change or additional height, although the Applicant is requesting .48 additional FAR (40,009 square foot increase) per § 1709.24. The C-3-C zone permits the proposed commercial and retail uses.

¹¹ See § 2405.7.

¹² Application, page 7.

The PUD standards further provide 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.”¹³

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.” 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 the typical development of the type proposed...” (§ 2403.12). The application has offered the following amenities and benefits as an offset to the additional development gained through the application process:

1. *Urban design, architecture, landscaping or creation or preservation of open space* – The height and massing generally is appropriate for the site, reflecting its location in an intensively developed commercial area. The overall exterior design concept is described in the application as expressing a “complementary but purposeful contrast to the existing [IFC] building.”¹⁴ While some IFC façade elements are referenced in the new addition, such as the pattern of the IFC building’s bay widths and terracotta screen color, the prominence of glass produces a notable deviation. The addition also would include a double height retail and lobby space which should foster a more active street level experience. OP does note that streetscape design shows an extension of security features, such as bollards, that presently encircle the IFC building. Such features would be reviewed as part of a separate public space process.

Concerning one of the building’s most striking features – the tower embellishment – the application indicates an intention to celebrate the prominent corner location. The tower shape is meant to evoke the angle of the southern edge of the IFC building and adjacent Pennsylvania Avenue. OP is supportive of the creative tower design, especially as viewed from 21st Street. Nonetheless, OP encourages the Applicant to further study the less dynamic appearance of the tower’s K Street façade. And although no roof structure relief is requested, OP suggests that the Applicant further examine whether an opportunity exists to reduce the mechanical enclosure volume.

Additionally, the Applicant indicates that existing Pepco vaults, which already are located in public space, are being relocated adjacent to the building yet would still be located in public space. OP suggests that the Applicant further address why the Pepco vaults cannot be located in private space.

2. *Site planning, and efficient and economical land utilization* – The proposal would more intensively reuse a site located within close proximity to a Metro station and several Metrobus lines.
3. *Transportation features* – The new commercial space would be constructed above a 20' wide existing private alley easement, which runs one-way from 21st Street to K Street. There would be a minimum vertical clearance of 14'. The alley would continue to provide access to loading facilities. Underground parking to the addition would be accessed from an existing curb cut on 21st Street, which would be narrowed (from 24.5' to 20') and shifted 2' further to the north. OP suggests that the Applicant provide further justification for retaining this curb cut, rather than providing access to parking from the existing private alley or the curb cut to the existing IFC building. Forty-eight vehicular parking spaces and a minimum of 12 (internal) and 8 (external) bicycle spaces would be provided. OP notes that the Applicant has participated in traffic study scoping meetings with DDOT, and OP recommends that the Applicant submit a transportation demand management plan for the project prior to any public hearing.

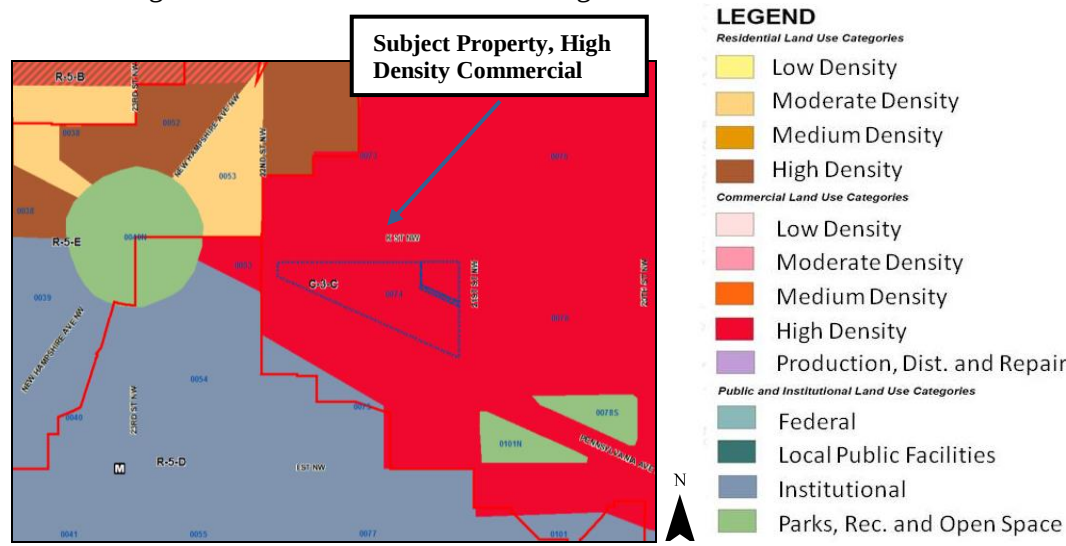
¹³ Section 2403.3.

¹⁴ Application, page 6.

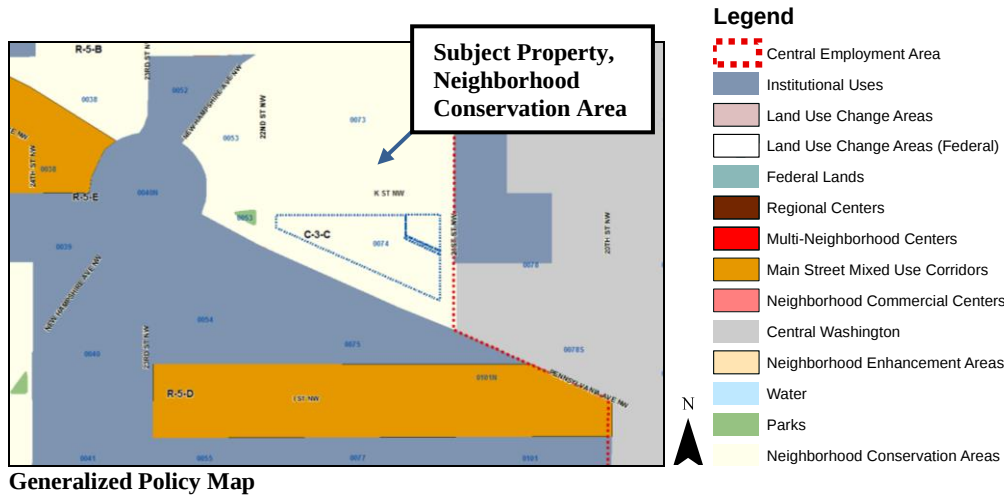
4. *Environmental benefits* – The application proposes LEED Gold Certification for the project. A LEED checklist was included in the application, Exhibit A, page 38. Other environmental features include an estimated 4,900 square feet of green roof and underground cistern allowing for the capture of 1.2" of rainfall. Although the application indicates that the addition would not be subject to the Green Area Ratio (GAR), the project nevertheless intends to meet the requirement for .20 GAR on the Development Site.
5. *Employment and training opportunities* – OP requests that the Applicant address the project's commitment to First Source Employment and CBE Agreements.
6. *Housing and affordable housing* – The Applicant has indicated that, due to the increase in commercial square footage beyond the matter of right limit, a payment would be made to the Housing Production Trust Fund (HPTF) per § 2404. OP requests that the Applicant provide details regarding the anticipated payment amount prior to a public hearing. OP also notes that the payment to the HPTF would be a public benefit, but would not be considered a proffer because it would be a requirement of the project.
7. *Uses of special value to the neighborhood or the District of Columbia as a whole* – The Applicant proposes the following additional public amenities / benefits:
 - Street level enhancements: The project would improve the activity at street level with retail and public space improvements. However, OP questions the overall value due to the proposal's retention of what appears to be a potentially redundant curb cut as well as the extension of security bollards in public space.
 - Other Benefits/Amenities: The Applicant continues to consult with ANC 2A and other neighborhood organizations to advance an additional benefits / amenities proffer. Should the project be setdown, OP will work with the Applicant to develop this project component.

IX. COMPREHENSIVE PLAN

The Future Land Use Map recommends the subject site for high density commercial land use. The existing C-3-C zoning is consistent with the land use designation.



Comprehensive Plan Future Land Use Map



The Generalized Policy Map identifies the subject property as a neighborhood conservation area, which stresses that new development should be compatible with the area.¹⁵ The project would further policy and action statements contained in the Land Use, Environment, Economic Development, and Housing elements of the Comp Plan. The following Comp Plan policies and actions provide guidance:

ED-1.1 Stabilizing and Diversifying Our Economic Base

The District is also a center of international business. The foreign missions and offices of global economic organizations such as the World Bank Group and the IMF represent a major economic sector in their own right with a cumulative direct economic impact in the region of over a billion dollars, and much more in terms of contracting. More importantly, the concentration of missions and institutions makes the District a unique place to conduct business for companies engaging in international investment or transactions. 703.3.

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. 306.11.

Policy LU-2.4.1: Promotion of Commercial Centers

Promote the vitality of the District's commercial centers and provide for the continued growth of commercial land uses to meet the needs of District residents, expand employment opportunities for District residents, and sustain the city's role as the center of the metropolitan area. Commercial centers should be inviting and attractive places, and should support social interaction and ease of access for nearby residents. 312.5.

Policy ED-2.1.5: Infill and Renovation

¹⁵ The Comp Plan provides that the Generalized Policy Map "highlights areas where more detailed policies are necessary, both within the Comprehensive Plan and in follow-up plans" to manage the designated policy direction. Additionally, the Map should be used to guide land use decision-making in conjunction with the Comprehensive Plan text, the Future Land Use Map, and other Comprehensive Plan maps. See Comp Plan, page 2-28. "Neighborhood conservation areas" are areas intended to conserve and enhanced established neighborhoods. The diversity of land uses and building types in these areas should be maintained and new development and alterations should be compatible within the existing scale and architectural character of each area.

Support the continued growth of the office sector through infill and renovation within established commercial districts to more efficiently use available space while providing additional opportunities for new space. 707.10.

Policy E-3.1.2: Using Landscaping and Green Roofs to Reduce Runoff

Promote an increase in tree planning 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. 613.3.

H-1.2: Ensuring Housing Affordability

“...The District also has been pursuing regulatory measures that require affordable housing in new development. For many years, the city has had a policy requiring developers seeking commercial density bonuses to provide affordable housing or pay into the Housing Production Trust Fund... The foundation for these actions was created by the previous comprehensive Plan and is carried forward in this Element.” 504.5.

X. AGENCY REFERRALS

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

- Department of Housing and Community Development (DHCD);
- District Department of Transportation (DDOT);
- District Department of the Environment (DDOE);
- Department of Employment Services (DOES);
- DC Water;
- Department of Public Works (DPW)
- Metropolitan Police Department (MPD); and
- Fire and Emergency Medical Services Department (FEMS).

JS/pg
Case Manager, Paul Goldstein