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Memorandum

To: the D C Zoning Commissioners

RE: ZC # 14-13, Regarding Regulations proposed for the Governance of Roof Penthouses

From: Robert O. Carr: Vice – Chairman of Development at Carr Properties

CC: Office of Planning, Oliver T Carr III, CEO; Carr Properties Development team

Date: November 4, 2014

I am responsible for running the Development group at Carr Properties with my colleague Austen Holderness Carr Properties today is the owner of the Washington Post site, which has approx. 900,000 s.f of potential development rights Since larger parcels are more able to manage the logistics of utilizing Penthouse space for alternative uses, we are a firm very much currently involved in analyzing the opportunities which greater Penthouse use may offer. I also have a terrible bad back, which prevents me from personally attending your evening zoning hearing, so I have prepared this memorandum in advance of the hearing in an effort to express our best thoughts on the matter

I also should mention that I am a 41 year veteran of development work in Washington's downtown, and have had the privilege of overseeing the development of 29 major projects in Downtown over the course of my career, more than any other single individual (to my knowledge.) So I hope that you will see my testimony as that of an Expert in these matters

Please find my comments below.

INTRODUCTION – We appreciate the opportunity presented by Congress' action to modify the 1910 Height Act so as to permit better utilization of the city's penthouse areas. It appears that we now have the potential to increase penthouse heights from 18'6" to 20', the opportunity to increase penthouse size maybe from about 45% of roof occupancy to a maximum of maybe 65% (due to required setbacks) and to an increase in penthouse FAR from 0 37 to maybe 0 55. While any increase is positive, I would ask the Commissioners, when considering these matters, to be mindful of the terribly small amount of change we are dealing with here, and be as generous as you possibly can be in permitting added height and density, as well as the design flexibility to interpret these changes architecturally My view is that, with these small numbers at stake, developers will likely elect to simply implement these changes as approved in the base case, and rarely apply to BZA for relief (Why confuse a pre-lease prospect with the time uncertainty of a self-imposed schedule delay of an unknown amount?)

COMMENTS:

1. Analysis of Development Projects – In recent Carr projects, the use of the full penthouse potential has been greater than the averages noted here 1700 NY Ave 's Penthouse was 43% of the roof area. 901 K's penthouse was 41% of the roof area. There is demand for ancillary roof uses such as bathrooms, ancillary service kitchens, roof lobby and reception areas, and pre-

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5 Connected or Unconnected Penthouses – Again, requiring all structures to be connected, in our minds, is pushing designers in exactly the wrong direction Let forms follow the new functions permitted. If there is no functional need to join those uses, why require it? In no case would there ever be an exception or violation of the total height of 20' and the 1/1 setback Requiring that theoretical box to actually be built may give us the same boring roofline we have today Let's do better

6. Charging an associated land cost for newly occupied spaces on the roof, through linkage requirements – I find this to be questionable Why tax the development community, or create new obstacles, to our performing a service that the City wants to see happen? The real solution to the housing problem is utilizing the enormous growth in the permanent tax base that the development community has built through its work and investment. Why make our investing more difficult?

   I would also offer a distinction in the two different cases that will occur

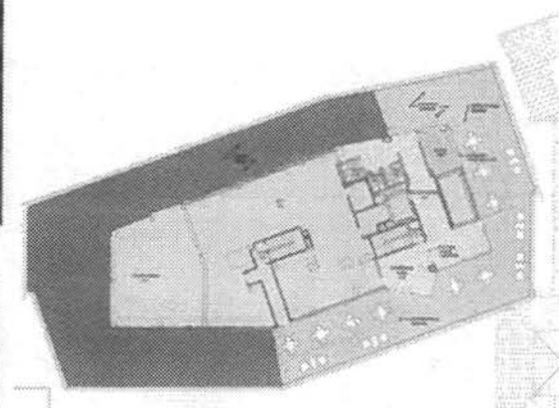
   A. Charging for new occupiable density above the current 0 37 FAR permitted today – As actual analysis has shown, due to setback restrictions, the actual incremental increase in usable FAR above 0 37 is very small Maybe an additional 1,000 to 3,000 s.f of greater Penthouse size would now be allowed on a typical building I would ask that you simply exempt a growth in size under 3,000 s f The legal fees from longer zoning memos and lender reports alone will generate significant additional costs The funds to be raised here are not large And this will be a built-in disincentive to developers to try to think of inventive new applications Inertia may simply prevail

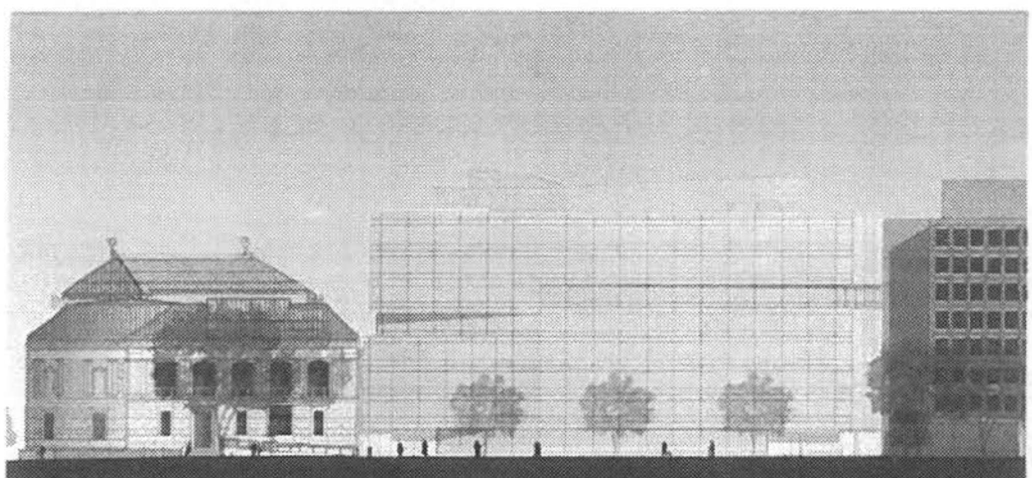
   B Utilizing portions of the currently permitted 0.37 FAR differently, by moving mechanical equipment to the basement – initial study of this opportunity reveals that implementing such a relocation comes with very substantial costs. Equipment would generally have to be located on the highest basement level, the B-1, so piping and ducts are near to the spaces to be heated or cooled. All B-1 space now produces income Displacing storage, for example, would displace a rent of about $12/s f $12.00 capped at 5 5% is worth $218 per s f So a latent market land cost will already be realized. Further, construction would be much more expensive. B-1 spaces that may typically be 12' tall will need to be built, in different areas, to heights of 16' to 18' The cubic area of that floor will grow dramatically, with associated extra costs of concrete, re-bar steel, excavation, as well as the costs of time extensions from digging a deeper hole Much greater air flow to the garage will also be required, as equipment needs to be cooled, and exhaust fumes expelled.

   Total new costs/and value losses per s f will be incurred, in my opinion, above today's FAR values Developers will have to spend that amount to simply make space available.

   As an alternative, however, to the suggestions in Paragraph 6 above, I would have no objection to the adoption of OP's recommendations for addressing the issue as a reasonable comprise as set forth in Numbers 12 and 13 of its report to the Commission

   Thank you, Commissioners, for your kind indulgence in considering these thoughts. We all in the Development community appreciate your service





function areas for a rooftop event, in addition to the historical penthouse uses, in projects of scale

2. Permitted Height – 20' is desirable If some penthouse equipment remains on the roof, substantial height is still needed to clear certain pieces – chillers-14'; generators – 16'- as well as piping in the ceiling above And if more roof space is taken by penthouses, green roofs, at the least, would be placed on top of the penthouses, which can be done within the 20' height.
3. Permitted size – Given the retention of the 1/1 setback rule, there is no need for an area limit Edge setbacks from 16' to 20' restrict the potential total penthouse size to numbers at a maximum of approximately .55 FAR in most buildings I personally would also argue that more space is better for the City than less
4. Vertical walls and Uneven Heights – Our recent experience at the Corcoran office building/1700 NY Ave was very telling for us. CFA was very interested in limiting the Penthouse profile when viewed from the Mall, and ultimately was quite pleased by a collection of various heights (driven by the uses below), angled sides, and interesting architectural profiles which varied dramatically from that of a rigid box See attached images They found the diversity very pleasing, and also allowed the penthouse walls to be incorporated as extensions of the building walls themselves, forming a more dramatic skyline, and architectural statement when viewed from the street Please allow for maximum design flexibility here. On very large projects multiple uses may be considered for the rooftop – restaurants; meeting places; beautiful free-span hotel function rooms. The variety of roof forms, and materials used, can provide wonderful new enclosed spaces of very high quality, potentially completely hiding from sight the dull, metal or precast boxes we are used to seeing.