

2001 Pennsylvania Avenue, NW

By The George Washington University



APPLICATION TO THE DISTRICT OF COLUMBIA ZONING COMMISSION FOR
REVIEW AND APPROVAL OF A MODIFICATION WITH HEARING TO AN
APPROVED PLANNED UNIT DEVELOPMENT

Square 78, Lot 853

September 16, 2025

ZONING COMMISSION
District of Columbia
CASE NO. 87-23A
EXHIBIT NO. 3

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	SITE AND AREA DESCRIPTION	2
A.	Property Location and Current Use	2
B.	Surrounding Area and Background Regarding Approved PUD	3
III.	PROPOSED PUD MODIFICATION	5
A.	Project Description.....	5
B.	Development Parameters	9
C.	Flexibility Requested	10
D.	Outreach Efforts	12
IV.	THE MODIFIED PUD CONTINUES TO MEET THE STANDARDS AND REQUIREMENTS FOR PUD APPROVAL	12
A.	Consistency with Prior PUD Approval	14
B.	The Proposed PUD Modification is Not Inconsistent with the Comprehensive Plan and Other Relevant Public Policies	15
C.	The Proposed PUD Modification Does Not Result in Unacceptable Impacts on the Surrounding Area, the Environment, or in the Operation of District Services or Facilities	16
D.	The Proposed PUD Modification Continues to Provide the Previously Approved Specific Public Benefits and Satisfies the Evaluation and Balancing Criteria	17
V.	CONCLUSION.....	19

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EXHIBITS

Architectural Plans and Materials	A
Appendix of Prior Zoning Commission Orders	B
Agent Authorization Letters and Application Form	C
Certificate of Notice, Notice of Intent to File a Zoning Application	D
Certificate of Compliance with Subtitles X and Z of the Zoning Regulations	E
List of Property Owners within 200 Feet of the Subject Property	F
List of Publicly Available Maps and Information	G
Comprehensive Plan and Racial Equity Analysis	H
Retail Vacancy Map	I
Surveyor's Plat	J

I. INTRODUCTION

The George Washington University (the “**Applicant**” or “**University**”) hereby submits this application (the “**Application**”) to the District of Columbia Zoning Commission (the “**Commission**”) for review and approval of a modification to the Planned Unit Development (the “**PUD**”) approved in Z.C. Order No. 563 (the “**Order**”).¹ Copies of the PUD orders are attached as Exhibit B. The property that is the subject of the application is located at 2001 Pennsylvania Avenue, NW (Square 78, Lot 853) (the “**Property**”). The Applicant seeks modification of the PUD to (i) authorize university use as a permitted use in a portion of the ground floor and the upper stories, and (ii) authorize building identification signage (the “**Project**” or “**Modification**”).

As described in more detail below, the proposed university use will allow the University to immediately repurpose the vacant spaces within the Building (as hereinafter defined). It is no secret that downtown D.C. is suffering from numerous vacancies and an associated economic downturn. As shown in the Retail Vacancy Map, attached as Exhibit I, there is over 130,000 square feet of vacant retail within two blocks of the Property. The new university use will provide an immediate street-activating use as an alternative to the existing retail and office vacancies in the submarket and provide a customer base to support the surrounding retail in the neighborhood. The nature of the proposed university use, including its hours of operation and minimal noise levels, mimics the existing office use on the upper floors and will not have any adverse impacts on the surrounding area. Rather, the university use will reactivate this important downtown Property and contribute to the creative re-visioning of a vibrant D.C.

¹ The PUD was modified in Z.C. Order No. 563-A which approved a minor modification to authorize partial enclosure of the arcade in front of the Pepperdine Building (as hereinafter defined) to allow for the expansion of a restaurant within that building.

The proposed signage is appropriate in the context of this prominent downtown corner and emulates nearby upper-story signage of similarly situated buildings. The PUD predates the Commission's current practice of evaluating signage as part of the "approved plans." Recognizing this new norm, the University requests modification of the approved plans to accommodate the University's proposed building identification signage.

The proposed signage serves several purposes. First, signage aids in wayfinding and assists out-of-town visitors in navigating the city. Second, signage accentuates architectural features and helps draw visual interest upwards. This building has a remarkable roofline with projecting towers that the signage will highlight. Third, illuminated signage, as the University proposes, serves an important role downtown. With the James Monroe Park directly across from the Property and the current vacancies within the Building, this downtown corner is dark. The proposed lighted signage will enhance pedestrian comfort in the evenings. Finally, signage contributes to a neighborhood's sense of identity. The Property is located in the Golden Triangle Business Improvement District ("**Golden Triangle**" or "**BID**") which is evolving from a pure commercial office area into a mixed-use neighborhood with a mix of daytime and evening activity. The University and the BID are working together to create the Penn West Equity and Innovation District, with the goal of evolving this area beyond "office only" and into an "urban cluster" of tech startups, entrepreneurs, incubators, and other businesses. The proposed signage will contribute to the neighborhood's symbiotic identity as an academic and commercial hub.

II. SITE AND AREA DESCRIPTION

A. Property Location and Current Use

The Property is located within the Golden Triangle BID near the West End and Foggy Bottom neighborhoods at the northwest corner of 20th Street, NW and I Street, NW, across the

street from James Monroe Park. To the west of the Property is an 8-story building occupied by Pepperdine University (the “**Pepperdine Building**”). To the west of the Pepperdine Building are two historic structures known as the Monroe House and the Macfeely House (collectively, the “**Arts Club Building**”). The PUD included both the Pepperdine Building and the Arts Club Building along with the Property (the “**Overall PUD Site**”).

The Property consists of approximately 14,450 square feet of land area and is located in the D-5 Zone District. It is currently improved with an 11-story mixed-use building with office and ground-floor retail uses (the “**Building**”), though significant portions of the office and retail space are vacant, which is reflective of the continuing challenged state for the District’s downtown business districts. As shown on page 0.02 of the plans attached as Exhibit A (the “**Plans**”), the western portion of the ground-floor retail is occupied by a coffee shop. The larger retail space on the eastern side of the building, formerly occupied by a branch of a large national bank, is currently vacant.

B. Surrounding Area and Background Regarding Approved PUD

Pursuant to the Order, the Zoning Commission approved construction of an 11-story mixed-use building with office and ground-floor retail uses on the Property, which was completed in 1990. The PUD process provided the flexibility needed to achieve the Building’s height and allowed for the aggregation of floor area ratio (“**FAR**”) across the PUD site to transfer density to the Property.² Pursuant to the Order, the Commission approved a mix of office use and ground-floor retail use and a maximum FAR of 10.48 for the Building. The Order approved a transfer of

² The PUD also granted flexibility from the rear yard requirements for the Property, but such flexibility is no longer needed because the Property and the property to the north at 2000 K Street NW are now part of a single record lot that fronts on three streets and no longer requires a rear yard. See Subtitle I, Section 205.2(b).

37,000 square feet of gross floor area (“GFA”) from Lot 846 and 2,500 square feet of GFA from Lot 37.

The surrounding area consists of office buildings, hotels, and restaurants alongside embassies and other institutional uses, such as the University. The Property sits between two major thoroughfares – K Street, NW and Pennsylvania Avenue, NW – both of which are home to a number of law firms, non-profit organizations, medical and other office buildings, many with ground-floor retail. The Farragut North and Foggy Bottom Metrorail Stations are each located approximately a quarter mile to the east and west, respectively, from the Property.

Over the past five years, the downtown landscape has changed dramatically. Unprecedented office vacancy levels have reached 22.6% in the second quarter of 2025.³ In addition, much of the office space on the market is effectively “unleasable.” Per new data released by CBRE, approximately 5.6 million square feet of “zombie” space currently marketed cannot transact due to maturing loans or cash flow issues.⁴ Converting much of this office space to other productive uses is critical to the health and safety of downtown D.C.

Another consequence of this significant vacancy rate is a pinched customer base for the surrounding retail that relies on office foot traffic. As shown on the Retail Vacancy Map, attached as Exhibit I, based on CoStar data, there is more than 130,000 square feet of vacant retail space within two blocks of the Property. This retail space has been vacant for an average of 41 months. The Project serves twin goals that will counteract this serious downward trend – first, reducing and reusing the vacant retail space for other productive uses will activate the streetscape, and second, supporting the remaining retail in the vicinity of the Property with renewed foot traffic

³ Philippa Maister, *Federal Lease Cancellations Push DC Office Vacancy to New High*, GLOBEST. (July 7, 2025), <https://www.globest.com/2025/07/07/federal-lease-cancellations-push-dc-office-vacancy-to-new-high/>.

⁴ Emily Wishingrad, *Dozens of ‘Zombie’ Buildings Dragging Down D.C.’s Office Market*, BISNOW (July 7, 2025), <https://www.bisnow.com/washington-dc/news/office/dc-has-59m-sf-of-zombie-office-space-130045>.

from both the ground-level and upper-story university uses within the Building. The Project offers a transformative solution for a partially vacant downtown office and retail building. As described in more detail below, this use will activate the prominent street corner and offer a new supply of patrons to the surrounding retail.

III. PROPOSED PUD MODIFICATION

A. Project Description

The Property is located in the Golden Triangle and the western end of the Central Business District, across Pennsylvania Avenue from the University's Foggy Bottom Campus. The University acquired the Property in late 2024. The majority of the Property is currently leased to non-University tenants which, like other commercial office properties in University-controlled investment properties, provides important non-enrollment driven revenue to fund the University's academic mission.

In the near-term, the University intends to use the remaining vacant office space within the Property for administrative offices, which will allow the University to reduce its reliance on third-party leased space.⁵ The University also plans to convert the vacant former Bank of America space on the ground floor of the building into an active university use such as a career center. The University is evaluating its long-term potential uses of the Property but anticipates a mix of predominantly administrative use with some academic and other student-facing uses.

To effectuate these proposed uses, the University requests modification to the PUD to authorize university use as a permitted use on all floors of the building. The University plans to retain the portion of the ground floor currently occupied by the coffee shop as retail and convert

⁵ This can be accomplished under the current PUD, as office use by a university is still considered "office" use under the Zoning Regulations (just as a university bookstore is still considered "retail" use under the Zoning Regulations). *See West End Citizens Association v. District of Columbia Zoning Commission*, 320 A.3d 1034, 1040 (D.C. 2024).

the vacant former bank space into active university use.⁶ The University also requests approval to install building identification signage at both the ground floor and upper stories of the building. The Property is located just outside the boundaries of the historic Foggy Bottom campus. The signage will indicate the University's presence downtown and also balance out the existing nearby corporate signage to more accurately reflect the mix of corporate and academic uses within the Golden Triangle.

1. Use Modification

Condition 2 of the Order limits the use of the Building to office and retail uses, with a requirement for retail use on the ground floor of the Building. As discussed above, the University seeks approval to add university use as a permitted use for both the ground floor and upper stories of the Building. This will allow the University to immediately repurpose the vacant spaces within the Building, including both the former bank space on the ground floor and unused upper-story office space. Other tenants will remain in accordance with their lease provisions, including the ground-floor coffee shop.

College or university use is permitted as a matter-of-right in the underlying D-5 Zone. 11-I DCMR § 302.1; 11-U DCMR § 515.1. Accordingly, the proposed use is consistent with the District's planning vision for this area. Notwithstanding this fact, Condition 2 of the PUD limits the permitted uses in the Building to office and retail use only, which limits the potential university use of the vacant spaces to only university office or, in the case of the ground floor, university retail uses. Therefore, the University seeks to modify the PUD to explicitly permit a broader range of university uses on all floors. This will allow the University to use space within the building for

⁶ The University's agreement to keep the western portion of the ground floor designated as retail is a result of the extensive community dialogue in which the University has engaged prior to filing this Application, as described in more detail below.

swing space, including academic and student-facing uses that do not otherwise fit into the “office” use group. Similarly, this will allow the University to occupy the ground-floor space immediately with an active university use that will help activate this prominent corner and create an alternative source of activity other than office workers to support the adjacent downtown business area.

The proposed inclusion of university use as a permitted use is consistent with the intent of the Zoning Regulations and prior Zoning Commission precedent. The Commission approved Georgetown University’s adaptive reuse of a commercial office building at 111 Massachusetts through a modification *without* hearing process, in large part because the university use was already allowed in the underlying zone. See Z.C. Case No. 80-07D (2021). Allowing university use is also consistent with the District’s current planning and economic development efforts, which are focused on adaptively reusing and activating vacant space in downtown business districts. Indeed, leveraging universities as an additional economic and demand driver is a repeated foundational underpinning of the Mayor’s Downtown Action Plan.⁷ The Plan expressly calls for expanding the presence of local universities downtown to accommodate their growth needs in large part because the universities will find “creative uses for vacant space and new sources of activity.”⁸

In fact, a good number of universities, both local and non-local, have acquired and / or repurposed office buildings in the District for university use in recent years. Set forth below is a list of some of these office to university conversions:

- 1771 N Street, NW – University of Southern California
- 111 Massachusetts Ave, NW – Georgetown University
- 500 First Street, NW – Georgetown University
- 1800 I Street, NW – Arizona State University
- 600 19th Street, NW – George Washington University

⁷ Downtown Action Plan (June 2024), p. 11, 25, 62, 111, available at file:///C:/Users/shee2802/Downloads/DowntownActionPlan_Report2024.pdf.

⁸ *Id.* at 62.

Universities and other non-office / non-residential users are also repurposing non-residential buildings in and adjacent to the downtown core. For example, two buildings at 1619 Massachusetts Avenue, NW and 1740 Massachusetts Avenue, NW, formerly occupied by Johns Hopkins University, have been acquired and converted for use by Indiana University and by the Republic of Poland as a consolidated chancery, respectively. Given the surplus of vacant office space, university use is an alternative that mirrors office use and will generate activity to support the surrounding businesses.

2. Signage Modification

The PUD predates the Commission's current expectations for signage as an element of the "approved plans" and did not include a signage plan, and for years signage has been added to buildings within the PUD site without further approval. However, out of an abundance of caution and recognizing the Commission's current practices regarding signage, the University requests modification of the approved plans to accommodate the University's proposed building identification signage.

The proposed building identification signage includes an upper-story sign as well signage on the lower base of the building on both I Street and 20th Street, and a replacement parking garage sign on 20th Street, as shown on the Plans. The upper-story signage will be backlit for visibility at night. The signage serves identification purposes as it indicates the University's presence on this downtown corner. The Property is located north of Pennsylvania Avenue, beyond the traditional boundaries of the campus. The signage gestures to the academic uses that coexist in this business district, signaling the synergetic character of the Golden Triangle BID neighborhood.

The proposed signage—including its size and lighting—is appropriate given the Property’s location within the downtown business district and at an important corner. Indeed, the Commission approved similar signage for the PUD located a block west (and also facing the same square) in Z.C. Case No. 06-11O/06-12O. The proposed upper-story sign will thus complement the WilmerHale sign at 2100 Penn (also backlit) and the Pepperdine University sign on the adjacent building, reflecting the mix of corporate and academic uses characteristic of this part of the downtown business district. Lighted signage is ubiquitous within the Golden Triangle, as shown on the precedent images included at pages 3.00 – 3.01 of the Plans. In addition, in response to comments from both the Office of Planning and neighborhood stakeholders, the proposed signage has been scaled down to fit within the architectural context of the Building, positioned within the mid-building vertical element and mirroring the signage at the base of the Building. The signage is therefore consistent with the language of the Building and will draw visual interest from passersby upward to appreciate the Building’s unique roofline.

Importantly, the proposed signage will not create adverse impacts on surrounding and nearby property, as the Property is not in close proximity to any residential buildings. The illumination will be a soft backlighting that provides a subtle alternative to frontlit signage. The Building’s roofline is currently dark and hidden. Due to its lack of signage, the projecting towers are practically invisible at night with visual interest drawn to other buildings, such as the WilmerHale and Pepperdine signs. Illuminated signage and other lit architectural elements are a hallmark of a thriving city and adds to a sense of vibrancy downtown.

B. Development Parameters

The Property is located in the D-5 Zone District. According to the Order, the PUD contains approximately 151,600 square feet of gross floor area, including approximately 6,800 square feet

of ground-floor retail space. The Building has a height of approximately 124.16 feet and the lot occupancy is 100%. The PUD required no less than 83 below-grade parking spaces. The Building currently has 84 spaces. Although bicycle parking was not required by the Zoning Regulations at the time of the PUD, the Building provides 22 long-term and six short-term bicycle parking spaces, to be retained. The Building contains three loading berths and two service/delivery spaces, meeting the current requirements for all contemplated uses of the Building.

As described above, the University plans to operate the Building with the same or similar uses. The existing ground-floor coffee shop will remain. The University will convert the former ground-floor bank space to university use, such as potentially a career center. The upper stories of the Building will remain office use, albeit university administrative office. However, the University would like to preserve the flexibility to convert the upper stories to more student-facing university use in the future. Accordingly, out of an abundance of caution, the University has analyzed the Project's compliance with the Zoning Regulations in light of its potential academic use of the Building in the future. The zoning tabulation chart on page 0.01 of the Plans therefore includes the current requirements for retail for the coffee shop space and office and university use for the remainder of the Building.⁹

C. Flexibility Requested

As part of the PUD process, the Zoning Commission has discretion to grant flexibility from certain development standards. 11-X DCMR §§ 303.1 and 303.11. After consultation with the

⁹ With respect to the vehicle parking requirement, Subtitle C § 705 requires additional parking only when a new use requires more parking than the prior use. The PUD required 83 spaces, exceeding the current parking requirement for the mix of retail and office uses by approximately 44 spaces. The university parking requirement is based on the number of teachers and classroom seats. Because the University plans to use the Building for administrative office use for the foreseeable future, these numbers are not knowable at this time. Should the University convert the space to academic or campus life university use in the future, the University will verify that the Building remains compliant with the parking regulations at that time.

District Department of Transportation (“DDOT”), the Applicant requests flexibility from the number and location of short-term bicycle parking spaces. The existing 22 long-term and six short-term bicycle parking spaces predate the current size and layout requirements and are vested. The University will provide an additional 18 long-term and 30 short-term spaces for a total of 40 long-term and 36 short-term bike parking spaces. As shown on the zoning tabulation sheet at page 0.01 of the Plans, for the entirety of the building excluding the coffee shop, office use would require 55 long-term and four short-term spaces and university use would require 20 long-term and 62 short-term spaces. The Applicant has reduced the number of vehicle spaces by two spaces to accommodate the additional long-term bike parking.

Due to the number of existing structures located within the public space surrounding the Property, including a new 18-rack Capital Bikeshare station, there is simply not sufficient space to accommodate the required 62 short-term bike parking spaces for university use. In addition to the Capital Bikeshare station, there is a bus shelter abutting the southwest corner of the Property, a public art installation, a requirement of the PUD, in the public space in front of the Building’s entrance, and multiple tree boxes. Therefore, the amount of public space surrounding the building and within 120 feet of the entrance that could accommodate the required 62 short-term bike parking spaces is severely limited. Notwithstanding the foregoing conditions, the University has found space for 36 short-term spaces surrounding the Property. As described above, the University’s current planned use of the Building is office use and these 36 short-term spaces more than meet the minimum requirement four short-term space requirement for office use.

The short-term bike parking space requirement for university use is exponentially higher than any other use. The rationale for this higher requirement is the anticipated number of students theoretically attending classes at a building with university use. Here, the University plans

administrative office use of the Property in the near term and merely wishes to preserve the flexibility to pivot to more academic-facing uses in the future, such as academic offices or campus life uses. This Property is unique in that it is located outside of the boundaries of the University's campus and, for the most part, is not planned for student-facing uses. Accordingly, the typical need for more short-term bike parking spaces does not attach here.

In addition to the requested zoning flexibility, the Applicant will identify proposed design flexibility in a supplemental submission.

D. Outreach Efforts

The University has engaged extensively with the community prior to filing this Modification. The University presented the Application to ANC 2A at a regularly scheduled monthly meeting on July 16, 2025, to ANC 2C on June 10, 2025, and to the Campus Plan Advisory Committee (“**CPAC**”) on June 16, 2025. The University also met with the Office of Planning (“**OP**”) on April 25, 2025. In addition, the Applicant has discussed the Application with the West End Citizens Association (“**WECA**”).

The University has also met with the Building's neighbors. Both Pepperdine University, its immediate neighbor to the west and a party to the PUD, and Spear Street Capital, the owner of 2000 K Street NW immediately to the north, are supportive of the Application. The University has also met with and had numerous exchanges with another nearby property owner, the Arts Club of Washington (the “**Arts Club**”), which is another party to the PUD.

The University takes its community engagement seriously and had numerous conversations with various stakeholders to gather as much initial feedback as possible prior to filing the Application. In response to this feedback, the University has made a number of revisions to its plans for the Building. For one, after hearing concerns regarding the size of the proposed upper-story sign, the University revised its plans, reducing the size by nearly half and adjusting its location to better fit within the architecture of the Building. For another, in response to concerns raised by both ANCs regarding the ground-floor retail, the University agreed to keep the retail space currently occupied by a coffee shop as designated retail space. Finally, with respect to the Arts Club, the University has agreed to its request to make evening parking spaces available to members of the Arts Club earlier in the evenings, beginning at 5:30 p.m. The University plans to continue discussions with all stakeholders throughout the PUD process and looks forward to working together with the community to create the best version of the Project.¹⁰

IV. THE MODIFIED PUD CONTINUES TO MEET THE STANDARDS AND REQUIREMENTS FOR PUD APPROVAL

The Commission previously reviewed and approved the PUD and, after a thorough review, including a meaningful negotiation with the Office of Planning for the benefits package, the Commission concluded that:

- The PUD is compatible with city-wide goals, plans and programs, and sensitive to environmental protection and energy conservation; (Z.C. Order No. 563, COL 4.)
- The PUD includes sufficient public benefits and amenities beyond what could be obtained under matter-of-right development of the site; (*Id.*, FOF 52.)
- The PUD is not inconsistent with the Comprehensive Plan; (*Id.*, COL 5.)

¹⁰ After an initial in-person meeting, the Arts Club declined invitations to meet again and instead asked that any further correspondence be in writing. Despite the University's strong preference to engage in a dialogue with the Arts Club on its issues and concerns, the University has agreed to the Arts Club's request to limit further communication to written correspondence. The University has provided the Arts Club with a written response to all of the issues that it raised, many of which were unrelated to the Modification.

- The PUD would not have an adverse affect on the surrounding community, but would enhance the neighborhood and ensure neighborhood stability; (*Id.*, COL 7.)
- The PUD carries out the purpose of the Zoning Regulations to encourage the development of well-planned residential, *institutional*, commercial and mixed-use development which will offer a variety of building types with more attractive and efficient overall planning and design, not achievable under matter-of-right development; and (*Id.*, COL 2.) (emphasis added).
- The PUD would promote orderly development in conformity with the zone plan, as embodied in the Zoning Regulations and Zoning Map. (*Id.*, COL 8.)

Therefore, the Commission previously concluded that the PUD satisfied the relevant requirements. *See* 11-X DCMR §§ 304.3 and 304.4. Pursuant to Subtitle Z § 704.4, the review of the modification is “limited to impact of the modification on the subject of the original application” and it is intended that the Commission not “revisit its original decision” in a PUD modification. As described further below, the Modification continues to satisfy the criteria by which the Commission must evaluate a PUD.

A. Consistency with Prior PUD Approval

The Modification is consistent with the goals of the original PUD and continues to satisfy the PUD criteria. Architecturally, the sign will respect the pair of cornices at the ninth and eleventh floor lines which were intended to directly relate to the cornices of the Hotel Lombardy building at 2019 Pennsylvania Avenue, NW. Z.C. Order No. 563, FOF 21. Second, the flexibility for university use will further the PUD’s goal to “enhance the neighborhood and ensure neighborhood stability.” *Id.*, COL 7. The Building as it stands today, partially vacant and underutilized, no longer enhances the neighborhood and instead destabilizes the neighborhood. The Modification revises the mix of uses provided by the PUD to better meet current market demands. Whereas office and retail uses were in demand when the PUD was approved back in 1988, our current economy, with

a dramatic surplus of vacant office and retail space downtown, requires adjustment to ensure the continued benefits of the PUD. Therefore, the Modification is an appropriate evolution of the PUD that improves its benefits and amenities package to better fit into the context of today's economic environment.

B. The Proposed PUD Modification is Not Inconsistent with the Comprehensive Plan and Other Relevant Public Policies

The Project is not inconsistent with the Comprehensive Plan (“**Comp Plan**” or “**Plan**”). Attached hereto as Exhibit H, is an analysis of the Project's consistency with the Comp Plan, including when viewed through a racial equity lens. Pursuant to Subtitle Z § 704.4, the scope of a modification with hearing is limited to the impact of the modification on the subject of the original application and does not permit the Commission to revisit its original decision. Accordingly, the analysis provided in Exhibit H focuses on the scope of the proposed modifications. As described in Exhibit H, the Project advances a number of Comp Plan policies, summarized below:

- Central Washington Element: The Central Washington Element promotes attracting non-office uses, including educational uses, to create a vibrant downtown neighborhood. 10-A DCMR § 1608.4. The Element also focuses on improving signage in an effort to attract tourists downtown. §§ 1607.3, 1608.21. The proposed university use and signage will enhance the neighborhood's identity as an educational center.
- Land Use Element: The Land Use Element notes the importance of institutional uses to the District's economy, landscape, and history. § 317.4. The Central Employment Area (“**CEA**”), where the Property is located, should focus on continued reinvestment. The University's adaptive reuse of a partially vacant building in an important location downtown will support surrounding businesses and help transform the District's core into a “lively, connected urban center.” § 305.1.
- Urban Design Element: The Urban Design Element encourages design along the District's main thoroughfares to reinforce the identity of the District and to make a strong visual impact. §§ 906.3, 906.9. “Universal wayfinding” should showcase the character of various neighborhoods. § 911.7. In addition, the Element encourages interesting roof lines. The proposed signage serves a dual purpose of both navigation and identity. The Property is located on an important corner in between

two main thoroughfares and the signage will help define the community by its academic character. The proposed signage will also draw visual interest towards the Building's unique roof line.

- Economic Development Element: The Economic Development Element notes that the University is one of the top two largest private employers in the District. § 710.1. As a core industry, university use “facilitates future growth that strengthens the District’s competitive advantage.” § 703.2. With a 22.6% office vacancy rate in the District so far this year, the Project will help support the District economically by filling a partially vacant Building in an important location downtown with renewed activity that will support the surrounding businesses.
- Educational Facilities Element: The Educational Facilities Element encourages universities to commit to high-quality architecture and the adaptive reuse of historic buildings. § 1213.3. The Element also encourages universities to connect students with local communities. The University continues to be a strong community partner in the neighborhood, as demonstrated by its substantial community engagement prior to this filing. The University will revitalize the corner and adaptively reuse vacant space.

As demonstrated above, the University, as a core industry in the District’s economic landscape, will contribute to a thriving downtown center through its adaptive reuse of this partially vacant building and the signage that is both contextually appropriate and helps to define the Golden Triangle BID as an intellectual center.

C. The Proposed PUD Modification Does Not Result in Unacceptable Impacts on the Surrounding Area, the Environment, or in the Operation of District Services or Facilities

The Project does not result in any unacceptable impacts. The proposed university use resembles the prior office use in terms of its hours of operation and noise levels and therefore will have similar impacts. The increase in pedestrian activity is anticipated to be comparable to originally intended activity levels for the office and retail uses. The proposed signage will likewise have no unacceptable impacts. The signage is similar to other upper story signage in the area in terms of size and illumination. There are no residential buildings in close proximity to the Building; therefore, the nighttime illumination will not be perceived except by passersby.

D. The Proposed PUD Modification Continues to Provide the Previously Approved Specific Public Benefits and Satisfies the Evaluation and Balancing Criteria

Pursuant to the Order, the Commission approved a set of benefits and amenities for the PUD, including substantial financial contributions from the owner of the Property to the Arts Club of Washington for the historic upkeep of the Arts Club Building and to support the Arts Club programming. Per the conditions of the PUD, the owner of the Property entered into a lease with the Arts Club pursuant to which the Property owner would make payments escalating annually. The lease is ongoing and the University continues to make payments to the Arts Club, currently set at \$186,000 per year. The lease term is 99 years with two additional 99-year renewals. The funds paid to the Arts Club pursuant to the lease were to be used to maintain and preserve the historic Arts Club Building and to expand the Arts Club's programs for the benefit of the community at large. The Zoning Administrator was tasked with determining whether the funds have been expended as required by the Order through an evaluation of an annual report from the Arts Club.¹¹

In addition to the lease payments, the PUD benefits package included the following additional financial contributions paid by the owner of the Property:

- \$100,000 to the Arts Club for façade preservation.
- \$50,000 to the Ellington Fund to expand services and supplies for students at the Duke Ellington School of the Arts.
- \$25,000 to fund a program under which the Arts Club would provide for use of the Club's facilities by community groups.
- \$25,000 for improvements to Public Reservation No. 29 and a commitment to maintain the reservation for five years.
- \$15,000 for a design study for the long-term improvement of the two Public Reservations bounding Pennsylvania Avenue, NW between 20th and 21st Streets, NW.
- An amount equal to 1% of the actual construction costs of the Building for installation of public art in the immediate vicinity of the Overall PUD Site.

¹¹ The University is not aware of any recent annual reports from the Arts Club and did not receive a response to its request for copies of such reports.

The issuance of permits and certificates of occupancy for the Building constitute *prima facie* evidence that all benefits were provided as required under the Order. Indeed, the lease payments to the Arts Club alone far exceed the current market value for such density under the current Downtown density credit program. The Building could be built today by-right with density credits for a one-time payment of approximately \$474,000 - \$592,500.¹² The total amount of financial benefits implemented through the PUD since its approval in 1988 has exceeded several million dollars and continues to grow through continued lease payments. The PUD also required that the Property offer the below-grade garage for general parking and use best efforts to provide free or reduced price parking in the Building for members of the Arts Club on evenings and weekends. The Property owner also implemented a First Source Agreement and Memorandum of Understanding with the Minority Business Opportunity Commission.

Altogether, the PUD provided a remarkable package of public benefits and amenities. The Modification does not request any additional development incentives or impose additional impacts; all it requests is flexibility to allow a matter-of-right use in the underlying high-density commercial zone and proposed signage that matches the signage of nearby buildings. Therefore, no additional public benefits are required to maintain the PUD balancing. Nevertheless, the Project *does* provide a significant benefit to the community which is transformation of a partially vacant building into a vibrant corner downtown with a renewed customer base to help sustain the existing nearby retail and hopefully lead to new retail to fill the numerous vacancies. Whereas retail uses were considered a benefit at the time of the PUD in 1988, there is currently over 130,000 square feet of vacant retail within two blocks of the Property. Additional retail space that is likely to

¹² The PUD transferred approximately 39,500 square feet of density to the Property. We calculated the estimated price range based on a historical density credit rate of \$12/square foot - \$15/square foot.

remain vacant is no longer a community benefit. Rather, the university use will refresh the Property and bring together the two major populations of this community – students and businesses.

V. CONCLUSION

For the foregoing reasons, this Application complies with the standards of the Zoning Regulations applicable to approval of a modification with hearing of an approved PUD; is not inconsistent with the Comprehensive Plan and other adopted public policies; and continues to provide public benefits. The Applicant requests that the Commission set this Application down for a public hearing at its earliest convenience.

Respectfully submitted,
GOULSTON & STORRS PC

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David M. Avitabile

/s/ Lee S. Templin
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