

April 3, 2026

Via IZIS

Anthony J. Hood, Chairperson
District of Columbia Zoning Commission
441 4th Street, NW, Suite 200-S
Washington, DC 20001

Re: Z.C. Case No. 20-28: Application for Two-Year Time Extension of the Approved Design Review in Square 743, Lot 856 (the “**Property**”)

Dear Chairperson Hood and Members of the Commission:

FC 110 N ST SE, LLC, on behalf of the United States General Services Administration (the “**Applicant**”¹), hereby requests a two-year time extension of the Design Review approval to construct a new mixed-use office building with ground floor retail uses and below-grade parking on Parcel F in The Yards (the “**Project**”). The Project was approved pursuant to Z.C. Case No. 20-28, effective May 21, 2021 (the “**Order**”). After satisfying the permit vesting deadline for the Project, the Applicant requested and obtained an initial two-year extension to commence construction of the Project until May 21, 2026, pursuant to Z.C. Case No. 20-28A (the “**Initial Extension Order**”).

With this application, the Applicant requests a further two-year extension of the construction commencement date under the Order until May 21, 2028, pursuant to Subtitle Z § 705.2, and a waiver of the limitation on the number of time extensions that may be requested for an approved Design Review in Subtitle Z § 705.4, pursuant to the Commission’s authority under Subtitle Z § 101.9. The requested relief will allow additional time for the Applicant to secure the necessary financing to continue the substantial investment in The Yards made by the Applicant and its affiliates. As discussed in more detail below, the Applicant meets all the applicable standards for the extension request and waiver.

¹ The Applicant is an affiliate of Brookfield Properties, an operator and developer of real estate investments with more than 80 million square feet across all sectors in active development around the globe.

An authorization letter for this Application is attached as *Exhibit A*, a copy of the Order is attached as *Exhibit B-1*, and a copy of the Initial Extension Order is attached as *Exhibit B-2*. A \$3,773.90 payment for this Application is being provided under separate cover.

I. Project Background

The Project is located in the western portion of The Yards in southeast Washington, DC, and is bounded by Quander Street, S.E., to the north, Yards Place, S.E., to the east, N Street, S.E., to the south, and First Street, S.E., to the west. Development in The Yards is governed by the Southeast Federal Center Master Plan (the “**Master Plan**”), and the master developer, which is an affiliate of the Applicant, is responsible for implementing the Master Plan’s vision that The Yards be a mixed-use neighborhood. Since the Initial Extension Order, one additional building has been completed, which brings the total number of completed buildings in The Yards to thirteen, including seven apartment buildings, one residential condominium, one office building, one hotel, and three retail buildings, two of which have second-story office space. The master developer also worked closely with Living Classrooms on its Design Review application for its new facility on Parcel P3 in the southeastern portion of The Yards, which the Commission voted to approve earlier this year in Z.C. Case No. 25-17. A summary of the status of development in The Yards is attached as *Exhibit C*.

The Order granted Design Review approval under the Southeast Federal Center (“**SEFC**”) Zone, and associated special exception relief, for the construction of the Project on Parcel F in The Yards: a mixed-use office building with a maximum height of 130 feet, approximately 290,261 square feet of gross floor area, and approximately 7,210 square feet of habitable penthouse space. The Applicant has worked diligently to advance the development of the Project since even before the Order was issued. For example, the Applicant filed the building permit application in April 2021 (B2106452), one month prior to the issuance of the Order. The Applicant also filed a companion permit for excavation work in September 2021 (SH210075). Under the Order, construction on the Project was originally required to commence by May 21, 2024; however, the Commission approved a two-year extension in the Initial Extension Order such that construction on the Project must commence by May 21, 2026.

II. The Commission Should Grant the Requested Time Extension

A. Standards of Review of Time Extension Request

The standards for a time extension are enumerated in Subtitle Z § 705.2 of the Zoning Regulations. The Commission is authorized to extend a Design Review provided that:

- (a) *The extension request is served on all parties to the application by the applicant and all parties are allowed thirty (30) days to respond;*

- (b) *There is no substantial change in any of the material facts upon which the Commission based its original approval of the application that would undermine the Commission’s justification for approving the original application; and*
- (c) *The applicant demonstrates with substantial evidence one (1) or more of the following criteria:*
- (1) *An inability to obtain sufficient project financing for the development, following an applicant’s diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant’s reasonable control;*
 - (2) *An inability to secure all required governmental agency approvals for a development by the expiration date of the order because of delays in the governmental agency approval process that are beyond the applicant’s reasonable control; or*
 - (3) *The existence of pending litigation or such other condition, circumstance, or factor beyond the applicant’s reasonable control that renders the applicant unable to comply with the time limits of the order.*

In addition to the foregoing standard, Subtitle Z § 705.4 limits the number of time extension requests that may be requested for an approved Design Review to one. Pursuant to Subtitle Z § 101.9, the Commission may waive, for good cause shown, any of the rules set forth in Subtitle Z if doing so will not prejudice the rights of any party and is not otherwise prohibited by law. Accordingly, the Applicant requests that the Commission waive Subtitle Z § 705.4 and grant the request for an additional time extension.

For the foregoing reasons, the Applicant satisfies the requisite standards for the Commission to approve this request for a further two-year extension of the Order and corresponding waiver.

B. Time Extension Request and Applicant’s Satisfaction of the Standards for Granting Time Extension

The Applicant requests a two-year extension of the construction commencement date under the Order until May 21, 2028. The Applicant also requests a waiver, pursuant to Subtitle Z § 101.9, of the limitation on the number of time extensions that may be requested for an approved Design Review. Since the approval of the Order, the Applicant has invested substantial time and resources to secure financing and forge ahead with the development of the Project. Despite its diligent efforts, the Applicant has faced the continued challenges predominating the market for new

development, including severe difficulties in securing financing for new construction and decreased demand for office space, thus necessitating this extension request.

As discussed in detail below and in the affidavit attached as *Exhibit D* (the “Affidavit”), the Applicant meets all the standards for the requested time extension and waiver.

1. Service on Parties

This request is being served on Advisory Neighborhood Commission (“ANC”) 8F, as the “affected ANC” and only party to the Application.² The Applicant asks that the Commission not place this request on its meeting agenda until after the 30-day notice period has lapsed.

2. No Substantial Change of Material Facts

There has been no substantial change in any material facts that would undermine the basis for the Commission’s approval of the Order. Furthermore, there have been no changes to the Zoning Regulations, the Comprehensive Plan, or the Master Plan for The Yards that would adversely impact the material facts upon which the Commission based its original approval. The Project remains consistent with the design and program approved by the Commission in the Order.

3. Good Cause Shown

The Commission has good cause to waive Subtitle Z § 705.4 and grant the requested two-year extension due to economic and market conditions beyond the Applicant’s reasonable control. The market conditions that necessitated the Initial Extension Order have not improved and, despite the Applicant’s good faith efforts, the combination of a decreased demand for office space and a restrictive financing climate results in market conditions adverse to new construction for commercial office development without substantial leasing in place.

Demand for office space has not increased since the Initial Extension Order was approved, and recent Federal government actions focused on downsizing the Federal footprint in the Washington, DC area are creating additional pressure on the market. This decreased demand is a direct impediment to the Applicant obtaining the necessary financing to proceed with the Project since lenders generally require that expected cash flow from a leased space will adequately offset the debt.

Gross leasing activity for office buildings in DC dropped 21% between Q4 2024 and Q4 2025, including a 14% decrease in *new* leasing activity.³ Office vacancy rates continued rising

² ANC 6D was the original “affected ANC,” but, due to a redistricting, the affected ANC is now ANC 8F.

³ Cushman & Wakefield, “[Q4 2025 Washington, DC Office Marketbeat](#)” at 1 (Jan. 14, 2026).

through the end of 2025, reaching 22.8% (which is a 170 basis point increase from 2024).⁴ In its February 2026 Revenue Estimate, the Office of DC’s Chief Financial Officer explained that the Federal government actions “may exacerbate existing oversupply conditions and place additional downward pressure on commercial property values and leasing activity.”⁵

Macroeconomic conditions are also a barrier to the Applicant obtaining financing. Although the Federal Reserve recently began modest rate cuts, it recently announced that it will not be cutting interest rates further until inflation is back to 2%.⁶ This decision will keep credit conditions tight and borrowing costs elevated for the foreseeable future.

Despite these persistent and continuing difficulties, the Applicant has nonetheless undertaken diligent efforts to secure office tenants for the Project and obtain the necessary financing to commence construction. To date, the Applicant has invested over \$6 million towards the development of the Project, which includes persistent leasing efforts such as engaging an experienced broker, launching an extensive and sustained national leasing campaign, and hosting recurring on-site events and tours. These efforts have been complicated by specific conditions in The Yards that are also outside of the Applicant’s control. Namely, there is increased office vacancy in the Ballpark area, including both new construction as well as the re-leasing of recently completed projects, which substantially hampers the ability to execute preleasing on a significant scale. In recent years, previously occupied space has been returned and offered for sublease or direct lease. This, combined with new office space delivered to the market, has created heightened competition among landlords for a more limited pool of tenants, placing downward pressure on absorption rates and extending lease-up timelines. As a result of this confluence of external factors, the Applicant and its affiliates have had increasing difficulty securing anchor tenants or achieving meaningful preleasing commitments, particularly for large blocks of space.

The Applicant remains committed to completing construction on the Project and realizing the vision for The Yards as a whole, as demonstrated by the significant financial investment and persistent efforts summarized above and in the Affidavit. The micro- and macro-economic challenges currently facing DC necessitate additional time for the Applicant to obtain financing and realize the Project’s completion. Accordingly, there is good cause for extending the Design Review approval.

The Commission’s waiver of the limitation on the number of time extensions that may be requested for an approved Design Review will not prejudice the rights of any party nor is such

⁴ Id. at 2.

⁵ Letter from Glen M. Lee, Chief Financial Officer of the District of Columbia, to Muriel Bowser, Mayor of the District of Columbia, and Phil Mendelson, Chairman of the Council of the District of Columbia, “[February 2026 Revenue Estimates](#)” at 9 (Feb. 27, 2026).

⁶ Federal Reserve, “[Federal Reserve issues FOMC statement](#)” (Jan. 28, 2026)

