

**SKYLAND TOWN CENTER**

By Skyland Holdings, LLC



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

December 9, 2019

## EXHIBITS

<u>Description</u>	<u>Exhibit</u>
Authorization Letter and Signature Page	A
Approved PUD Orders (Z.C. Order No. 09-03, 09-03A, 09-03B, 09-03C 09-03D, and 09-03E)	B
Notice of Intent to Surrounding Property Owners and Certificate of Notice	C
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Architectural Drawings and Elevations, and Photographs of the Property and Surrounding Area	H

## **I. Introduction**

Skyland Holdings, LLC (the “**Applicant**”) hereby submits this application (the “**Application**”) to the District of Columbia Zoning Commission (the “**Commission**”) for review and approval of a modification of significance of an approved consolidated planned unit development (“**PUD**”). The property that is the subject of this Application is located at the intersection of Naylor Road, Good Hope Road, and Alabama Avenue SE (Square 5633, Lot 22) (the “**Property**”) and has a land area of approximately 18.7 acres. The Property is located in Ward 7, with the residential neighborhoods of Hillcrest and Fairlawn located to the east and north of the Property, and the Good Hope Marketplace located to the south across Alabama Avenue.

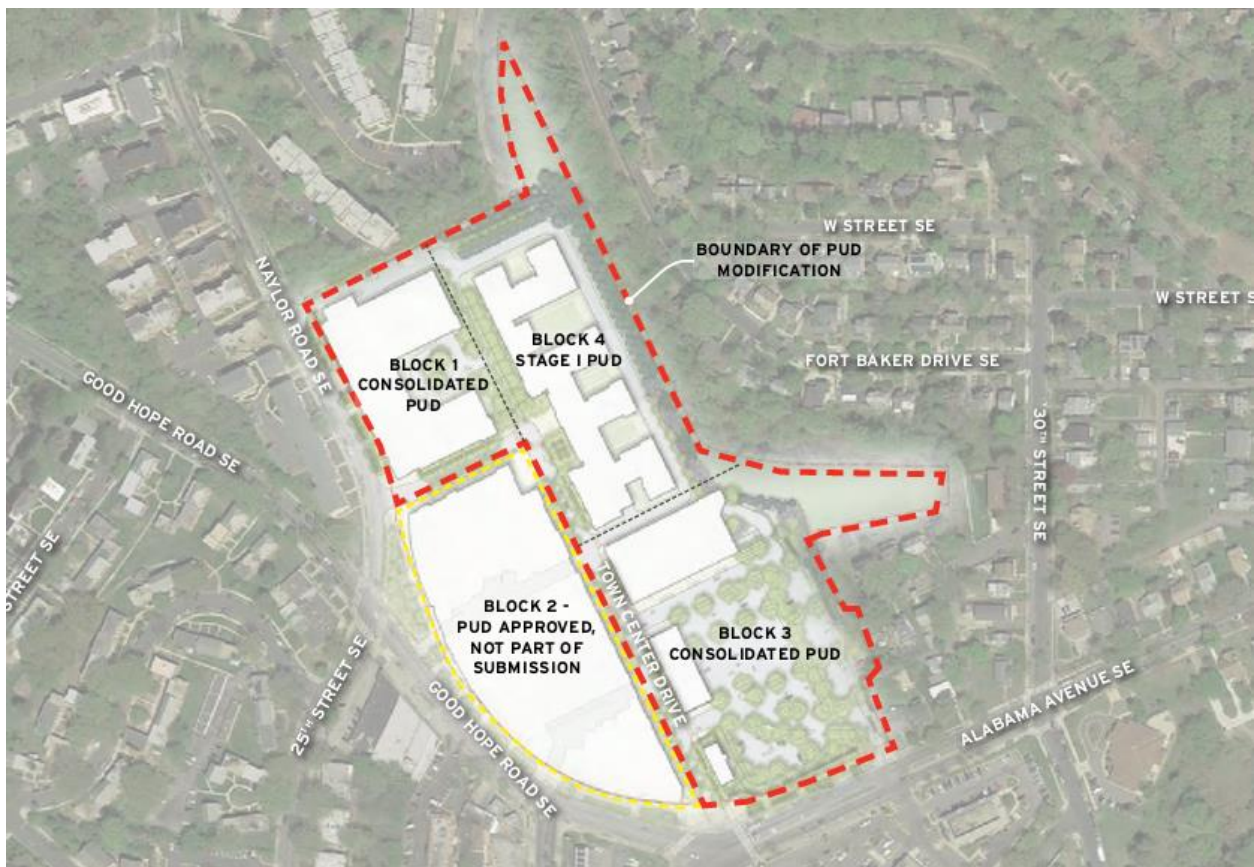
The Applicant seeks approval of modifications and refinements to the uses, site plan, and design of a portion of the original PUD, which envisioned a dynamic town center with a mix of residential and retail uses. The original PUD included five blocks to be known as the Skyland Town Center (the “**PUD Project**”). Skyland Town Center’s initial approval envisioned a true town center destination for the community to gather, shop, live, and work. Centered by Town Center Drive the PUD Project included a pedestrian-centered experience lined with retail and other ground-activating uses. The PUD Project also provided much needed housing and retail uses in a community that is not currently well-served by these uses. Finally, the PUD Project’s design invited guests, residents, and employees into the center of the Property to engage with all of the uses as a true town center.

The PUD Project was to be anchored by a large retail tenant, anticipated to be Walmart. However, after Walmart withdrew from the PUD Project, the Applicant was forced to revisit the best way to move the PUD Project forward with a different mix of uses and tenants. Throughout

this process, the Applicant has remained committed to the development of the Skyland Town Center as a high-quality destination experience. Evidence of that commitment is the fact that the Applicant commenced construction of Block 2, a mixed use building with neighborhood serving retail and residential units, and occupancy of Block 2 is expected in late 2020.

The Applicant now comes to the Commission with its vision for the remainder of the PUD Project, including all of the Property except Block 2 (the “**Modification Property**”). As detailed below, the Applicant’s modification of significance includes:

- Revised site plan for the Modification Property as shown on Sheet G10 of the plans attached as Exhibit H (the “**Plans**”) and as shown below;



- New use mix for the Property to include a Lidl grocery store, retail and medical office uses; and

- Reversion to a first-stage approval for Block 4 to allow for a future residential building.

These proposed modifications (the “**Modification Project**”) continue the vision of creating a dynamic town center with much-needed services for the neighborhood consistent with the overall goals and plans of the PUD Project.

## **II. Background**

The Property was rezoned to the C-3-A (now known as the MU-7) Zone District pursuant to Order No. 09-03. The original PUD approved the Skyland Town Center with mixed-use retail and residential buildings, accompanying parking facilities, and townhouses on five different blocks. The original PUD Project consisted of approximately 311,000 square feet of retail and service-related uses and a large-format retail store, as well as neighborhood serving retailers. The residential component of the original PUD Project proposed creating 450-500 residential units, including a number of affordable housing units, and 20 townhouses. The original PUD Project also included significant transportation infrastructure improvements to foster safe pedestrian and vehicular interaction along the adjacent major streets (Good Hope Road, Naylor Road, and Alabama Avenue). Zoning Commission Case No. 09-03 was issued on September 10, 2010.

Subsequent to the original PUD Order, the Applicant modified the PUD twice. In 2012, the Applicant applied for a series of smaller modifications to all five blocks, focusing largely on the proposed Walmart shopping center that was located in Block 1 and on the mixed-use residential and retail building in Block 2. The Zoning Commission approved this modification in early 2014 in Order No. 09-03A. In 2017, the Applicant filed a modification of consequence for the mixed-use residential and retail building in Block 2 to reduce the above-grade parking and make other small modifications to the building plan. The Zoning Commission approved this modification of consequence in 2017 in Order No. 09-03D.

As the Applicant has sought to move forward with the PUD Project, the Zoning Commission has also granted time extensions to the approval in Orders Nos. 09-03B, 09-03C, and 09-03E, recognizing the opportunity and challenges of developing the Property. Based on these time extensions, the Applicant was required to start construction on Block 2 by September 10, 2018, which the Applicant has done. Building permits for the remaining blocks must be filed by September 10, 2020 and construction is required to start by September 10, 2021.

The PUD Project was to be anchored by Walmart, which was the large tenant located at the end of Town Center Drive. The remainder of the blocks provided a variety of residential and retail uses. When Walmart pulled out of the PUD Project in early 2016, the Applicant was left without an anchor tenant which was vital to the success of the PUD Project. The Applicant began in earnest at that time reaching out to other potential anchors and tenants, and reviewing what the ultimate, best town center project could exist at Skyland without a Walmart.

The Applicant has been working diligently with a committed leasing team since Walmart announced its departure to attract retail tenants to Skyland Town Center. The team prioritized the importance of bringing a new user – or more likely a collection of users – that would be complementary to the other uses and bring people to the Property throughout the day. The team has marketed the project at numerous International Council of Shopping Centers events over the past several years, including the Dealmaking show at National Harbor, the regional conferences in Philadelphia and New York, and the annual conference in Las Vegas, attended by over 30,000 people. As part of the marketing plan, the team has approached anchor and junior anchor tenants which included the following categories:

- Grocery
- Home improvement (*e.g. Home Depot/Lowe's*)

- Home furnishings (*e.g. Homegoods*)
- Electronics
- General merchandise
- Off-price apparel (*e.g. TJ Maxx, Ross*)
- Entertainment
- Health club
- Pet supplies

The team has also had over 50 meetings with national retailers at these various shows, and followed up by having over 25 on-site meetings with prospects. Additionally, the team has proactively called on well over 500 experienced local and regional restauranteurs and retailers for Block 2 and continues to meet interested prospects on-site. Finally, the team has also conducted a periodic and targeted emailing campaign to a database of over 10,000 people, and regularly contact experienced retail brokers who do business in the District.

While searching diligently for an anchor tenant, the Applicant decided to move the PUD Project forward and realize the vision of the Skyland Town Center with the construction of Block 2. Block 2 consists of a 534,880 square foot building including almost 84,000 square feet of retail, 263 residential units, and 447 parking spaces. As noted above, Block 2 is expected to be ready for occupancy in late 2020. Of Block 2's 84,000 square feet of retail, approximately 10,000 square feet has been leased. The Applicant continues to proactively market Block 2 for retail tenants and looks forward to the ground-floor retail being fully leased up. Without an anchor tenant, the PUD Project has faced difficulty attracting a critical mass of retail tenants. However, the Applicant believes that the proposed Modification Project, as detailed below, will further the strength of not only Block 2 but of the entire PUD Project

In addition to being close to completion for Block 2 of the PUD Project, the Applicant has already implemented several of the PUD Project's benefits and amenities. A large benefit of the PUD Project is the transportation infrastructure improvements in the adjacent public space, many of which have been completed. Site work improvements, both on-site and off-site, started in earnest in July of 2015. Off-site improvements completed to date include installation of a new water line that runs under Alabama Avenue, Good Hope Road, and Naylor Road, stormwater inlets, and sanitary laterals. In addition, PEPCO and telecommunication companies have relocated their above-ground infrastructure to allow for the improvements at the five intersections that will serve the PUD Project. Traffic controls and fixtures have been replaced, the right-turn lane at Good Hope and Naylor Roads constructed, and new vehicular and pedestrian striping has been installed in several locations. On-site improvements have focused on the construction of Town Center Drive, SE, which is the main road that runs through the Property. Utilities installations, including a stormwater vault, storm lines and inlets, new gas and sanitary mains, and an electrical and telecommunications duct bank were completed by the end of 2017.

The PUD Project also includes significant community contributions as part of the benefits and amenities package, many of which have already been effectuated. A huge success of the Applicant team has been working with the Skyland Workforce Center to provide job training and employment opportunities to residents of Southeast DC. The Workforce Center has provided the following services to the community:

- 4,316 individuals have completed intake at the Center, including 2,663 Ward 8 residents and 784 Ward 7 residents.



- 536 people have been placed in jobs in the five years since the Workforce Center opened, including 55 this year.
- In 2019 to date, 1,077 individuals have visited the Workforce Center to participate in programs, use the computer lab, attend a one-day workshop, and receive auxiliary services such as free faxing and copying.
- To date, the Applicant has contributed \$615,267 in funding to the Workforce Center.

In addition to the Workforce Center, the Applicant has made the following contributions:

- Financial Support to Schools: \$175,500
- Sponsorship of Local Community Events and Programs: \$57,100
- Anacostia and Francis Gregory Libraries: \$25,000
- Pocket Park at 25<sup>th</sup> & Naylor Road: \$50,000

The total contributions (valued at over \$922,000) show the strong, positive impact the PUD Project has already had on the community.

### **III. Summary of PUD Modification**

Excitingly, after over three years of constant effort, the Applicant has secured a new grocery anchor tenant for Skyland Town Center. Lidl's first District store at Skyland Town Center was announced by the Mayor and the Applicant at the International Council of Shopping Centers annual conference in Las Vegas earlier this year. That announcement was met with much excitement not only at the conference, but more importantly within the community around Skyland Town Center. The community is desperately underserved by grocery stores, and Lidl's commitment to quality products at a low price is an ideal match for this neighborhood. Lidl began in Europe and has been operating in the United States since 2017. The Lidl furthers the

goals of the District, specifically the East End Grocery Incentive Act of 2018, encouraging additional grocery stores in Wards 7 and 8.

Anchored by the Lidl, the Applicant has thoughtfully refined the site plan for the Modification Project consistent with the initial town center design. The Modification Project is still centered around Town Center Drive, providing a street-activated pedestrian experience and central thoroughfare through the Property with significant ground-floor retail. The Modification Project also includes the important addition of medical office use, which brings another use not readily available to residents of Wards 7 and 8 to the Property. Finally, the Modification Project includes a request for first-stage PUD approval of Block 4 of the site for a future residential building.

A. Modification to the Site Plan and Uses

The revised site plan includes four new blocks, with Block 2 already under construction. Block 3 will be developed with three single-story retail buildings, the largest being the Lidl. In addition to Lidl, Block 3 will include a coffee shop and other in-line retail opportunities. Consistent with the Town Center concept, Block 3 will also consist of a surface parking lot with 201 parking spaces and a drive-through lane for the coffee shop. The orientation and layout of the Lidl store and the surface parking lot was a mandatory requirement of the Lidl deal. The Applicant's design team believes that it has thoughtfully and carefully meshed these requirements with the underlying goals and design of the traditional town center.

Block 1 will consist of a medical office building and associated structured parking (the "MOB"). The Applicant has hired Cushman & Wakefield to represent the site and is marketing it to providers such as George Washington University Health System, Unity, MedStar, Trinity School of Nursing, Kaiser Permanente, and Johns Hopkins University Health System. The MOB

will provide much-needed medical services for the community around Skyland at a centralized, easy-access site. It is also positioned to serve physicians practicing at nearby United Medical Center.

Block 4 is proposed to be a residential building, which will be fully designed in the future in accordance with the two-step PUD application process. The District recently issued a Mayoral Order encouraging the creation of additional housing throughout the City. The Mayor signed the order in May of 2019 establishing the goal of creating 36,000 new housing units by 2025. However, given the current focus on leasing up the residential units of Block 2 at the Property, the Applicant anticipates market demand will be better served by a staggered introduction of residential units. Therefore, the Applicant requests first-stage approval for Block 4 and the Applicant will return to the Commission within five years for second-stage approval of the residential building.

B. Architectural Design

The Plans show the town-center style architecture for the Modification Project in complete detail. Further, the architectural design is consistent with Block 2 approved by the Commission and under construction. With the Modification Project, upon completion the Property will have a Floor Area Ratio (“FAR”) of 1.63, a lot occupancy of 46.8%, and a total of 1,276 parking spaces. The total number of parking spaces will be less than the previously approved PUD Project, which allowed 1,406 parking spaces.

Block 3

In Block 3, the Lidl will be approximately 28,954 square feet in size and will be situated adjacent to Town Center Drive. The Lidl will be designed as a model Lidl grocery store with an inviting, open façade and easy access for customers. The Lidl building will be constructed with

brick, spandrel panels, and split-face concrete masonry units. In addition to the Lidl, the coffee shop will include approximately 2,483 square feet of space and the in-line retail building will include approximately 9,792 square feet of space. The in-line retail building's architecture pulls from the character and language of Block 2 by using similar architectural motifs and masonry materials. The design creates a mercantile pavilion, with four corner towers that make this one-story building more substantial in nature, extending the street wall and filling in the final piece of Town Center Drive. The Block 3 buildings will be no taller than 30 feet in height. The three retail buildings together will create a prominent retail corner of the Town Center complementing the residential-serving nature of the area. Block 3's juxtaposition across from the mixed-use Block 2 development will highlight the Alabama Avenue entry point to the Town Center as a community destination.

Between Lidl and Alabama Avenue SE will be a surface parking lot with associated landscaping consistent with a traditional town center and which satisfies all zoning requirements for a surface parking lot. The parking lot will include approximately 201 parking spaces. This traditional plan will provide ease of access to the Lidl and is consistent with the grocer's site layout requirements, which is a mandatory component for Lidl's commitment to the Property. In the future, the Applicant anticipates that a portion of the surface parking lot could become a development parcel. Until that time, the Applicant is including a well-landscaped buffer between the parking area and Alabama Avenue to create an appropriate street view for those traveling along the thoroughfare. The drive-through lane to the coffee shop winds across the edge of this parking area providing ample queuing area and ease of access for the coffee shop as well. The green buffer around all of Block 3 will also connect to the significant landscaping around all perimeters of the Property, forming a welcoming, green streetscape.

## Block 1

Block 1's MOB will create a visual entrance to Skyland Town Center from Good Hope Road and Naylor Road. The corner's prominence at this entrance point to the Property will provide a focus point for the community and a place-making opportunity for the Applicant. The building is situated to fit into this corner of the Property while providing a green, open courtyard on the interior side. The MOB will have two main entrances on the first floor. The Naylor Road lobby will be the main pedestrian entry, while the main vehicular entry will be the opposite lobby accessed from Town Center Drive. The two lobbies will be connected and will provide access to the upper levels.

The MOB will be four stories and up to 60 feet in height. The MOB will consist of approximately 131,344 square feet on four floors with an adjacent parking garage. The façade of the MOB includes a combination of brick and ground faced concrete masonry units at the base and composite aluminum panels, and glass on the façade.

The adjacent parking structure will be six levels and 52.5 feet in height, providing approximately 465 spaces. Along the Naylor Road frontage, the ground floor of the parking structure will provide a continuation of the MOB streetscape, including a decorative base and aluminum storefront windows to create an active streetscape appearance. The parking structure on the upper floors has been setback 24 feet from the property line and the parking spaces will be screened with a finish consistent with a building façade, as shown on Sheet A215 of the Plans. Additionally, the top deck of the structured parking will provide 12,710 square feet of solar panels.

## Block 4

Block 4 will include a building up to 60 feet in height, approximately 312,230 square feet in size, and including approximately 252 multifamily residential units, and 7,140 square feet of ground-floor retail. The ground floor retail will continue the street activation along Town Center Drive. The building will also contain approximately 157 parking spaces in a partially below-grade garage. The final architectural design for Block 4 will be submitted as part of its second-stage PUD.

## Sustainability Measures

A comprehensive sustainability strategy has been developed that encompasses both the buildings and the Property. A tree preservation area of approximately 1.35 acres will reduce potential erosion and provide a healthy ecosystem buffer on the edge of the Property abutting Fort Baker Drive. New landscaping within the Town Center including a Ginkgo Bosque and regimented rows of London Plane trees provide a strong, cohesive landscape framework on internal streets. Similarly, durable streetscape details and furnishings create a sense of unity in the new Town Center. A public plaza at the visual terminus of Town Center Drive will create a significant public open space that will be a focus of casual and programmed public activity, and be animated by the diverse uses of the three mixed-use blocks that abut it. The Modification Project will meet the site's GAR requirement through the use of plantings, landscaped areas, tree preservation, bioretention areas, raingardens and other landscape elements.

The retail buildings on Block 3 will comply with the requirements of the 2013 District of Columbia Green Construction Code and be designed to a LEED Silver standard, either through LEED for Retail or LEED Core and Shell.

Block 1's MOB will be designed with a focus on sustainability and wellness with a goal of achieving LEED Silver in the LEED Core and Shell v4 rating system. Key sustainability features include the 12,710 square feet of solar panels on the garage roof as well. Additionally, to enhance the Modification Project's commitment to sustainable design the parking garage for the MOB will be designed to achieve the Green Business Certification Inc.'s "Parksmart" certification. Parksmart is the world's only voluntary certification program that defines, measures, and recognizes high-performing, sustainable garages. Parksmart certification recognizes parking structures that reduce their environmental impact, increase their energy efficiency and performance, manage parking spaces efficiently, encourage alternative mobility options, and strengthen community relationships. As a new and innovative program there are roughly twenty Parksmart projects currently certified in the United States, and the MOB garage would be one of only a few in our region and the first pioneer project east of the Anacostia River.

C. Site Circulation

The Property, including the transportation infrastructure improvements already completed, provides a circulation design that is focused on pedestrian safety, ease of access, and high-quality design. There are five points of entrance to Skyland Town Center, with the prominent entrance being access to Town Center Drive off of Alabama Avenue at the center of the Property. There is an entrance further to the north on Alabama Avenue providing access to Block 3, and Block 2 provides access off of Naylor Road. Between Block 1 and Block 2 off of Naylor Road is a main access drive that connects to Town Center Drive providing ease of access to the MOB drop-off area. Finally, there is an access point at the west end of the Property from Naylor Road providing access to the MOB garage and Block 4.

These multiple access points allow the Modification Project to minimize conflicts among pedestrians, cyclists, and vehicles. Cyclists can access the Property from Alabama Avenue, Good Hope Road, and Naylor Road, all three of which are designated on-street signed routes around the site. Town Center Drive will also serve as a cycling facility facilitating circulation with posted low-speeds and shared-road signage that provides connectivity from the adjacent roadways to the Skyland Town Center destinations. Pedestrians have easy access from Town Center Drive off of Alabama Avenue and off of Naylor Road with improved sidewalks at the Property. Further, the Modification Project's loading operations are sensitive to the District's vision zero goals. Lidl's grocery loading operations are limited to one to two trucks per day who will utilize Town Center Drive. Block 2 loading will be encouraged off of Good Hope Road. Both Block 1 and Block 4's loading will be accessed from the far access point on Naylor Road, further eliminating pedestrian conflicts. Details of the Property's circulation plan are shown on Sheets G12-G15 of the Plans.

D. Adjustments to Areas of Flexibility

The Modification Project requires the following areas of flexibility which the Commission is authorized to grant pursuant to 11-X DCMR § 303.1:

Drive-Through Queuing Lane

11-C DCMR § 716 requires that no queuing lane be located within 20 feet of a street lot line. However, due to the required configuration of the Lidl parcel, the drive for the coffee shop must be located along the edge of the parking lot. Therefore, the queuing lane is within 20 feet of the Alabama Avenue street lot line for a small portion as shown on Sheet G13 of the Plans.

However, this flexibility will not create a detriment to the overall site design as the Applicant



will ensure the landscaped buffer between the queuing lane and Alabama Avenue is highly designed and provides a visual screen to the queuing area.

### Parking

11-C DCMR § 710.2(b)(2) restricts surface parking spaces from being located in a building's "front yard." Here, given that the Property has multiple street frontages, it is possible that the Lidl's surface parking lot in Block 3 could be deemed a "side yard" and therefore the surface parking complies with this provision. However, to the extent the Zoning Commission finds that, based on the intent of the Regulations, the proposed surface parking lot in Block 3 is located within the Lidl's front yard, the Applicant requests flexibility from this provision. As discussed, this surface parking location is a requirement for the Lidl deal and the parking lot is being designed and screened to minimize visual impacts along Alabama Avenue.

### Loading

The Applicant also requests flexibility from the loading requirements for Block 3. All of the Block 3 retail together would require three 30-foot loading berths and one delivery space. Instead, the Applicant is proposing one 55-foot loading berth adjacent to the Lidl, which is sufficient to service Lidl's delivery needs. Due to the small size of the coffee shop and the in-line retail store, the Applicant does not anticipate sizable loading spaces for either of these buildings. Instead, the Applicant expects smaller deliveries can be accommodated in the adjacent parking area.

### Roof Structure Setback

11-C DCMR § 1502.1 requires that roof structures be set back from the edge of the roof on which they are located. While most of the buildings in the Modification comply with the setback requirements, the solar panels on the MOB garage do not. The solar panels line the edge

of the top level of the MOB garage as shown on Sheet A206 of the Plans and serve a dual purpose – in addition to collecting renewable energy, the panels also serve as cover for parking spaces below. In order to cover parking spaces and minimize conflicts with the parking drive aisles on this top level, the solar panels need to be located along the outside edge of the MOB garage roof. Because these are not set back, the Applicant requests flexibility from the requirements for the solar panels to maximize the Modification Project’s renewable energy.

Time Extension/Modification of Condition No. 17 of Order No. 09-03

As noted above, Condition No. 17 of Zoning Commission Order No. 09-03 requires that building permits for the construction of the buildings that are now located on Blocks 1, 3 and 4 must be filed by September 10, 2020. Consistent with this Modification of Significance application and the Zoning Commission’s review of the Modification Project, the Applicant requests that Condition No. 17 be amended as follows:

- A building permit for the construction of the buildings on Block 3 shall be filed within one year of the Zoning Commission’s approval of the Modification Project and construction will start within two years Zoning Commission’s approval of the Modification Project;
- A building permit for the construction of the building on Block 1 shall be filed within two years of the Zoning Commission’s approval of the Modification Project and construction will start within three years Zoning Commission’s approval of the Modification Project; and
- A second-stage PUD application for the development of the mixed-use building on Block 4 shall be filed with the Zoning Commission within five years of the Zoning Commission’s approval of the Modification Project.

#### **IV. Compliance with Requirements of the Zoning Regulations**

The PUD Project was approved under the 1958 Zoning Regulations, as amended. As set forth in 11-A DCMR § 102.4, the Modification Project is processed under the procedural requirements of the 2016 Zoning Regulations, and the substantive requirements of the 2016 Zoning Regulations apply to the requested changes.

The portion of the Modification Property reverting to a first-stage PUD should be reviewed in accordance with the first-stage PUD standards. For the remainder of the Modification Property, the modification of significance should meet the requirements for and be processed akin to a second-stage PUD. 11-Z DCMR § 704.3; *see also* 11-X DCMR § 302.1 (outlining scope of first- and second-stage PUD applications). The review of the modification is “limited to impact of the modification on the subject of the original application.” 11-Z DCMR § 704.4. Section 704.4 also notes an intent by the Commission to not “revisit its original decision” in a PUD modification. As set forth below, the Modification Project satisfies the requirements of the Zoning Regulations for review and approval of a modification of significance to a PUD.

##### **A. Filing Requirements**

Attached as Exhibit E is a certificate of compliance with the filing requirements for a PUD, which are the procedural requirements for this modification of significance.

##### **B. Evaluation Standards**

As discussed above, the evaluation of a modification of significance is generally limited to the impact of the modification on the original PUD. Here, the Modification Project refines the overall site plan and uses, but does not materially impact the planning, amenities, benefits and impacts that formed the basis of the Commission’s prior determination that the PUD Project

complied with the overall PUD evaluation standards. The Modification Project does not significantly change the uses the Commission previously approved, as follows<sup>1</sup>:

- Residential Use: The PUD Project approved 540,063 square feet of residential use for a total of 450-500 units, and the Modification Project will provide 540,480 square feet of residential use for a total of 515 units.
- Retail Use: The PUD Project approved 341,671 square feet of retail, and the Modification Project will provide 153,349 square feet of retail.
- Medical Office Use: The PUD Project did not include Medical Office use, and the Modification Project will provide 131,344 square feet of medical office use.

Therefore, the Modification Project continues to comply with the evaluation standards as outlined in Orders Nos. 09-03, 09-03A, and 09-03D, which authorized the PUD Project, including:

- The determination that the impacts of the PUD on the surrounding area and city services and facilities are favorable, capable of being mitigated, or acceptable given the quality of public benefits;
- The conclusion that specific public benefits and project amenities proposed as a part of the PUD are adequate and balancing of the relative value of the public benefits and project amenities offered, the degree of development incentives requested, and the potential adverse effects of the PUD; and
- The consistency of the PUD with the Comprehensive Plan and other adopted policies.

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<sup>1</sup> The total use square footages are aggregated over the entire Property, as the Zoning Regulations calculate FAR in a PUD on a site-wide basis. 11-X DCMR § 303.2.

The impact of the use and site plan modifications shown in the Plans on the Commission's earlier approval are addressed in detail below.

1. *Project Impacts on the Surrounding Area*

The Commission previously concluded that the PUD Project would have favorable impacts on transportation, economic development, environmental protection, affordable housing, and public safety, and accordingly the impact of the PUD Project on the surrounding area and the operation of city services was acceptable given the quality of public benefits in the PUD Project. The location, mix and size of uses as well as the amount and location of parking and loading facilities in the Modification Project all remain generally consistent with the PUD Project. Accordingly, the Commission's conclusion that the impact of the Project is acceptable remains intact.

As the Modification Project's uses remain largely consistent with the PUD Project, the anticipated traffic impact is minimal and expected to be absorbed by the transportation improvements already in place or under construction. Furthermore, the reduction in total parking spaces provided at the Town Center is expected to further encourage and promote non-vehicular modes of transportation, thereby minimizing impact on the surrounding transportation network. Additional analysis to quantify the Modification Project's traffic impact and determine if additional mitigation is required will be provided in the Modification Project's Comprehensive Transportation Review (CTR) to be submitted to and reviewed by DDOT in advance of the public hearing associated with this Application.

2. *Public Benefits and Project Amenities*

Generally, the Modification Project continues to propose the same public benefits and amenities proffered in the PUD Project, which the Commission determined were acceptable

benefits and amenities that are not inconsistent with the Comprehensive Plan and are otherwise superior benefits related to affordable housing, urban design, landscaping and open space, site planning, job training and employment opportunities, transportation measures, environmental benefits, and uses of special value to the neighborhood and District as a whole. As part of the Modification Project, the Applicant proposes to adjust some of the benefits to accurately reflect the final mix of uses.

Housing and Affordable Housing: Block 2 has already provided benefits to the District of housing and affordable housing, and Block 4 will provide additional housing and affordable housing as part of the Modification Project. Consistent with the PUD Project, all housing provided will include 20% of the residential units being reserved for households earning up to 80% of the Median Family Income (“**MFI**”) and an additional 10% of the units reserved for households earning up to 120% of the MFI.

Uses of Special Value: The Applicant remains committed to the monetary contributions required under the initial PUD Project Order – Condition No. 2(a), (b), and (d)-(g), including (a) \$200,000 for local school support; (b) \$35,000 for sponsorship of local community events and programs, which the Applicant has already exceeded; (d) \$500,000 for the local retailer build out subsidy; (e) \$50,000 for the Anacostia and Francis Gregory libraries; (f) \$50,000 for pocket park improvements, which the Applicant has already satisfied; and (g) \$75,000 for job training, which the Applicant has already significantly exceeded as detailed above. However, because the Modification Project will no longer include for-sale housing, the Applicant proposes to modify Condition No. 2(h) and reallocate the \$75,000 for homebuying and homeownership classes to the job training program. In addition, the Applicant has also been able to fund draws timely thereby eliminating the need for a Contractor Loan Fund in Condition No. 2(c), therefore the Applicant

proposes to reallocation the \$300,000 for the Contractor Loan fund to the Skyland Workforce Center/job training which includes construction job training.

As detailed above, the Applicant has provided over \$600,000 in funding for job training, well in excess of the \$75,000 originally committed for that purpose.

Revenue for the District: The PUD Project will continue to provide a significant number of new households and retail space that will contribute to the District's tax base.

Employment and Training Opportunities: As detailed above, the Applicant has already provided a significant benefit in job training and employment opportunities through the Skyland Workforce Center, which the Modification Project will continue to do. The Applicant has also committed to entering into a First Source Agreement and a Certified Business Enterprise Utilization Agreement for the PUD Project, as detailed in Conditions 9 and 10 of the original Order.

Transportation Infrastructure: The Modification Project continues to include substantial transportation infrastructure improvements, including (a) a new signalized intersection at Naylor Road and Town Center Drive, (b) pavement restriping on Naylor Road to increase capacity, (c) intersection improvements in the general Property vicinity, and (d) the creation of high-visibility pedestrian crosswalks at intersections adjacent to the Property. As detailed above, the Applicant has already completed many of these improvements, including construction of Town Center Drive, replacement of traffic control fixtures, and the improved pedestrian striping.

3. *Consistency with the Comprehensive Plan, the General Purpose and Intent of the Zoning Regulations, and the Approved PUD*

The Modification Project continues to be consistent with the Comprehensive Plan and with other adopted public policies related to the Property. The Property is in the Moderate Density Commercial category on the Future Land Use Map and the Multi-Neighborhood Center

on the Generalized Policy Map. The Modification Project remains consistent with these designations. The Modification Project continues to further the Skyland revitalization goals while providing housing and retail development and appropriate buffering all called for in the Far Northeast and Southeast Area Element of the Comprehensive Plan. Further, the Modification Project remains consistent with the Land Use, Housing, and Transportation Elements as initially analyzed by the Commission. Specifically, the Modification Project highlights consistency with the following goals of the Comprehensive Plan:

**Policy ED-2.2.6 Grocery Stores and Supermarkets:** Promote the development of new grocery stores and supermarkets, particularly in neighborhoods where residents currently travel long distances for food and other shopping services. Because such uses inherently require greater depth and lot area than is present in many commercial districts, adjustments to current zoning standards to accommodate these uses should be considered. § 708.10

**FNS 2.7 Skyland:** Skyland Shopping Center occupies 16 acres at the intersection of Naylor Road, Good Hope Road, and Alabama Road SE. When it was initially developed in the 1940s, the 170,000 square foot complex of free-standing retail buildings was one of the first auto-oriented shopping centers in Washington. Along with the adjacent 95,000 square foot Good Hope Marketplace, it is the principal commercial center serving the southern part of Far Northeast and Southeast. Plans to renovate and modernize Skyland have been evolving for many years. The center has not adapted to changing trends in retailing, and is not fully meeting the needs of the more than 80,000 residents who live in its primary market area. Its redevelopment as a “Town Center” with more than 275,000 square feet of leasable space is being pursued by the National Capital Revitalization Commission. § 1717.1

Reinvestment in Skyland is an important part of the District’s efforts to provide better shopping options for neighborhoods east of the Anacostia River, reduce the loss of retail dollars to the suburbs, and make the East of the River area more attractive to existing and future residents. To be most effective, planned improvements should be part of a broader strategy to enhance the Alabama/Good Hope area as a focal point for surrounding neighborhoods such as Hillcrest and Fairlawn, and to upgrade the Naylor Road corridor as a gateway to Far Northeast and Southeast and Historic Anacostia. § 1717.2

Since the approval of the PUD Project, the DC Council has revised the Framework Element of the Comprehensive Plan. The revised Framework Element focuses heavily on equity, noting “Equity exists where all people share equal rights, access, choice, opportunities, and



outcomes . . . [that] is achieved by targeted actions and investments to meet residents where they are, to create equitable opportunities.” The Modification Project showcases the commitment to equity the Skyland Town Center will provide. In addition to housing, the Modification Project will provide access and opportunity to uses otherwise unavailable to many Ward 7 and 8 residents – grocery and medical office. The Framework Element explicitly calls for reducing things such as “food deserts,” while simultaneously acknowledging that places with a “lack of services, amenities and assets, such as . . . grocery stores . . . discourages investment . . . [which] represent[s] missed opportunities for the District to grow inclusively.” The Applicant’s determined effort to anchor the Town Center with a grocery store and add medical office uses furthers these exact principles of the new Framework Element.

The addition of medical office use also furthers many specific goals of the Comprehensive Plan not addressed in the original PUD Project:

**Policy ED-2.1.6: Local-Serving Office Space** Encourage the development of small local-serving offices within neighborhood commercial districts throughout the city to provide relatively affordable locations for small businesses and local services (such as real estate and insurance offices, accountants, consultants, and medical offices). § 707.11

**Policy CSF-2.1.1: Primary and Emergency Care** Ensure that high quality, affordable primary health centers are available and accessible to all District residents. Emergency medical facilities should be geographically distributed so that all residents have safe, convenient access to such services. New or rehabilitated health care facilities should be developed in medically underserved and/or high poverty neighborhoods, and in areas with high populations of senior citizens, the physically disabled, the homeless, and others with unmet health care needs. § 1106.12

**Policy CSF-2.1.2: Public-Private Partnerships** Develop public-private partnerships to build and operate a strong, cohesive network of community health centers in areas with few providers or health programs. § 1106.13

**Policy CSF-2.1.6: Health Care Planning** Improve the coordination of health care facility planning with planning for other community services and facilities, and with broader land use and transportation planning efforts in the city. Coordinate city population and demographic forecasts with health care providers to ensure that their plans are responsive to anticipated growth and socio-economic changes. § 1106.17

**Policy FNS-1.1.3: Directing Growth** Concentrate employment growth in Far Northeast and Southeast, including office and retail development, around the Deanwood, Minnesota Avenue and Benning Road Metrorail station areas, at the Skyland Shopping Center, and along the Nannie Helen Burroughs Avenue, Minnesota Avenue, Benning Road, and Pennsylvania Avenue SE “Great Streets” corridors. Provide improved pedestrian, bus, and automobile access to these areas, and improve their visual and urban design qualities. These areas should be safe, inviting, pedestrian-oriented places. § 1708.4

**Policy FNS-1.2.7: Health Care Facilities** Provide additional facilities to meet the mental and physical health needs of Far Northeast and Southeast residents, including primary care facilities, youth development centers, family counseling, drug abuse and alcohol treatment facilities. Such facilities are vital to reduce crime and promote positive youth development. Specific plans for new social service and health facilities should be developed through needs assessments, agency master plans, strategic plans, and the city’s public facility planning process. All plans should be prepared in collaboration with the community, with input from local ANCs and civic associations, residents and businesses, and local community development corporations and non-profit service providers. § 1709.7

**Policy FNS-2.7.1: Skyland Revitalization** Revitalize Skyland Shopping Center as an essential, dynamic community scale retail center. Together with the Good Hope Marketplace, these two centers should function as the primary business district for adjacent neighborhoods, providing a diverse array of quality goods and services for area residents. § 1717.3

The Modification Project continues to satisfy these policies. Moreover, the addition of medical office space creates the opportunity for community-serving and locally needed health care facilities noted in the Policies highlighted above making the overall use mix for Skyland more diverse than initially proposed.

The Modification Project also continues to be consistent with the intent and purpose of the Zoning Regulations, and the goals of the PUD process, including in particular the overall massing, development envelope, policy objectives, character and appropriateness of the PUD Project.

**V. Community Dialogue**

Skyland Holdings has been active in the community, ensuring that construction and PUD Project concerns and questions are addressed. Community-wide construction update meetings have been held at the Skyland Workforce Center since 2016. These meetings provide an opportunity for residents to hear about construction updates, any proposed traffic impacts, and provide a forum for any other PUD Project-related questions to be asked. In addition, the Applicant has presented multiple project updates to several of the civic associations and to ANC 7B and ANC 8B over the years. Most recently, the Applicant presented the Modification Project to ANC 7B on July 18, 2019. Lastly, weekly construction update emails are sent out, providing another forum for community members to reach out to the Applicant with questions and concerns.

**VI. Conclusion**

For the foregoing reasons, the Applicant submits that the enclosed application meets the standards of Chapter 3 of Subtitle X and Chapter 7 of Subtitle Z of the Zoning Regulations. Accordingly, the Applicant respectfully requests that the Zoning Commission set the PUD application down for a public hearing at the earliest possible date.

Respectfully submitted,

GOULSTON & STORRS, PC

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Paul Tummonds

Meghan Hottel-Cox

Date: December 9, 2019