

**BEFORE THE  
ZONING COMMISSION  
FOR THE DISTRICT OF COLUMBIA**

**375 & 425 M STREET, SW  
EAST AND WEST M STREET BUILDINGS  
WATERFRONT STATION**

**APPLICATION FOR  
A SECOND-STAGE PUD &  
A MODIFICATION TO A FIRST-STAGE PUD**

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## **DEVELOPMENT TEAM**

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## LIST OF EXHIBITS

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## I. INTRODUCTION

This statement and attached documents are submitted by Waterfront 375 M Street, LLC and Waterfront 425 M Street, LLC (together, the "Applicant") in support of its applications to the Zoning Commission for the District of Columbia (the "Zoning Commission") for a Second-Stage planned unit development ("PUD") and a modification to an approved First-Stage PUD for 375 M Street, SW ("East M") and 425 M Street, SW ("West M") (together the "Properties"), in accordance with the Zoning Commission's approval in Z.C. Case No. 02-38A. The applications are submitted in accordance with Subtitle X, Chapter 4 and Subtitle Z of the 2016 District of Columbia Zoning Regulations, 11 DCMR ("Zoning Regulations").

As shown on the Surveyor's Plats attached hereto as Exhibit A, the Properties are comprised of Lots 825 and 826 in Square 542, which are part of Record Lot 89 in Square 542 (the "PUD Site").<sup>1</sup> The PUD Site consists of approximately 584,655 square feet of land in the "superblock" generally bounded by M, I, 3rd and 6<sup>th</sup> Streets, SW. As shown on the Zoning Map attached hereto as Exhibit B, the PUD Site is zoned C-3-C by virtue of the zoning map amendment approved in Z.C. Order No. 02-38A.<sup>2</sup> The Properties are located on the southern-most portion of the PUD Site, on the north side of M Street, SW. The Properties are separated by 4<sup>th</sup> Street, SW, which runs north-south through the middle of the PUD Site and which was constructed as part of the initial phase of the PUD. West M contains approximately 61,065 square feet of land area and East M contains approximately 46,768 square feet of land area.

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<sup>1</sup> Record Lot 89 in Square 542 has been divided into Lots 822, 825 through 834, and 872 for assessment and taxation purposes. The West M building will be developed on Lot 826 in Square 542, and the East M building will be developed on Lot 825 in Square 542.

<sup>2</sup> The C-3-C District was converted to the MU-9 District under the 2016 Zoning Regulations. A detailed description of the zoning history of the PUD Site can be found in the record for Z.C. Order No. 02-38A. No change is proposed to the approved zoning for the Properties

The Applicant proposes to modify the approved First-Stage PUD and undertake a Second-Stage PUD for the East and West M buildings by converting the primary use of both buildings from office use to residential use. Both buildings will contain street-activating retail use on the ground floor along 4<sup>th</sup> and M Streets, neighborhood-serving office use on the second floor, and residential units above. The modified PUD will maintain the approved density, height, and general setbacks that were approved in the First-Stage PUD plans (Exhibits 25, 54, 68, and 93 in Z.C. Case No. 02-38A). Both buildings will include on-site parking and loading, consistent with the amounts approved in the First-Stage PUD. With the proposed change in use of the buildings from office to residential, the modified PUD will now incorporate a significant amount of new housing and will provide affordable housing, consistent with the Comprehensive Plan, the Southwest Neighborhood Plan (the “SW Plan”), and the Mayor’s housing initiative.

Pursuant to Z.C. Order No. 02-38E, dated February 23, 2015, and effective on October 16, 2015, the Zoning Commission approved the most recent time extension for the First-Stage PUD for the East and West M buildings, such that Second-Stage PUD applications are required to be filed by April 15, 2017. On March 6, 2017, the Applicant filed an application for a two-year extension of Z.C. Order No. 02-38E, such that, if approved, Second-Stage PUD applications for the East and West M buildings would have to be filed by April 15, 2019. *See* Z.C. Case No. 02-38G. The Commission is scheduled to review Z.C. Case No. 02-38G at its April 24, 2017, public meeting. However, if the Commission approves the applications requested herein, then the Applicant will have satisfied the timeframes set forth in Z.C. Order No. 02-38E, and the extension application will be moot.

**A. Summary of the Overall Project Approved in Order No. 02-38A**

Pursuant to Z.C. Order No. 02-38A, dated November 19, 2007, and effective on January 25, 2008 (Exhibit C), the Zoning Commission approved a modification to a First-Stage PUD, a

Second-Stage PUD, and a zoning map amendment to the C-3-C District for the PUD Site. The First-Stage PUD authorized the development of eight buildings on the PUD Site with residential, office, and retail uses, significant open spaces and public space improvements, and the re-opening of 4<sup>th</sup> Street, SW. The First-Stage PUD is hereinafter referred to as the "Overall Project."

As part of Z.C. Order No. 02-38A, the Zoning Commission approved a Second-Stage PUD for the four buildings in the center of the PUD Site, their adjacent open spaces, and the re-opening of 4<sup>th</sup> Street, SW. The four buildings approved in Z.C. Order No. 02-38A included (i) the East and West 4<sup>th</sup> Street Office Buildings, which flank the east and west sides of 4<sup>th</sup> Street and contain ground floor retail, and (ii) the East and West Residential Buildings, located on the eastern and western boundaries of the PUD Site, with continuous open space connecting them to 4<sup>th</sup> Street. Construction of the East and West 4<sup>th</sup> Street Office buildings was completed in March, 2010, and construction of the East and West Residential Buildings was completed in 2013.

Pursuant to Z.C. Order No 02-38A, the northern portion of the PUD Site was approved as a First-Stage PUD to be constructed with two residential buildings known as the Northwest Building and the Northeast Building. The Northwest Building was approved as a Second-Stage PUD in 2013, pursuant to Z.C. Order No. 02-38D, and construction is being completed, with full delivery expected in early spring, 2017. The Northeast Building is owned by the District of Columbia ("District") and will be developed with a selected development partner. The District filed a PUD time extension which is currently under review in Z.C. Case No. 02-38H.

The Overall Project was approved to be developed with approximately 2,526,500 square feet of gross floor area, with an aggregate density of 4.33 floor area ratio ("FAR"). Of that, approximately 1,296,895 square feet of gross floor area (2.22 FAR) was approved for office and retail use and approximately 1,229,605 square feet of gross floor area (2.11 FAR) was approved for residential use. *See* Z.C. Order No. 02-38A, Decision No. 3. The West M building was

approved to contain a total of approximately 322,700 square feet of gross floor area devoted to office and retail use, and the East M building was approved to contain a total of approximately 339,000 square feet of gross floor area devoted to office and retail use. *See* Z.C. Order No. 02-38A, Decision No. 8 and Finding of Fact No. 44. The First-Stage PUD approved a minimum of 1,087 parking spaces for the Overall Project. *See* Z.C. Order No. 02-38A, Decision No. 9.

**B. Prior Extensions Approved for the East M and West M Buildings**

Pursuant to Z.C. Order No. 02-38A, the First-Stage approval was to be valid for a period of five years from the effective date of that Order, such that a Second-Stage application was required to be filed by January 25, 2013, for the West M building. *See* Z.C. Order No. 02-38A, Decision No. 29. The timeframe for filing a Second-Stage application for the East M building was separate and based upon the date that the then-existing Safeway grocery store on the PUD Site vacated its premises, which occurred on April 15, 2010. Accordingly, the Second-Stage application for the East M building was required to be filed by April 15, 2015.

Pursuant to Z.C. Order No. 02-38C (Exhibit D), the Commission approved a two-year extension for the First-Stage PUD for the West M building, such that a Second-Stage application was required to be filed by January 15, 2015. Pursuant to Z.C. Order No. 02-38E (Exhibit E), the Commission approved a two-year extension for the First-Stage PUD for both the East and West M buildings, which required that Second-Stage applications for both buildings must be filed by April 15, 2017.

As stated above, on March 6, 2017, the Applicant filed an application for a two-year extension of the First-Stage PUD for the East and West M buildings, since their approval expires on April 15, 2017. If the Zoning Commission approves the Second-Stage PUD and the PUD Modification requested herein, then the Applicant will have satisfied the PUD requirement to submit a second-stage PUD by April 15, 2017, as required by ZC Order No. 02-38E.



**C. Summary of Modification to First-Stage PUD Application**

As shown on the Architectural Plans and Elevations (Exhibit F), the Applicant seeks approval to modify the approved First-Stage PUD for the East and West M buildings by converting the primary use of both buildings from office use to residential use, with street-activating retail on the ground floor and neighborhood-serving office use on the second floor. The proposed change in use is due to the high office vacancy rates in the District, which have prevented the Applicant from preleasing the East and West M buildings with an office tenant, which is a prerequisite to obtaining financing. Moreover, there is a high demand for housing and affordable housing in the District and within the Southwest submarket specifically.

The First-Stage PUD modification includes development of approximately 605 new residential units in the East and West M buildings combined (plus or minus 5%), which will advance the Mayor's housing policy and coincide with recommendations set forth in the Comprehensive Plan and the SW Plan. The Applicant will dedicate a minimum of 8% of the residential gross floor area in both the East and West M buildings to households earning up to 60% of the Medium Family Income ("MFI"). This level of affordability is consistent with the recently-approved Inclusionary Zoning ("IZ") regulations that will go into effect in June, 2017, and is greater than the level of affordability required by the current IZ regulations. The Applicant will dedicate two of the proposed IZ units in each building (four total) as 3-bedroom units dedicated to households earning up to 60% of the MFI, which will create new family-sized affordable housing. Under the approved PUD for the East and West M buildings, no affordable housing would have been provided at all. Moreover, the Applicant has already satisfied the amount of affordable housing required for the overall PUD, as set forth in Decision No. 18 of Z.C. Order No. 02-38A. Accordingly, this proposed affordable housing increases the amount of affordable housing for the overall PUD and for the District as a whole.

As shown on the architectural plans and elevations (Exhibit F), the architectural design for the East and West M buildings has been revised to accommodate residential use, incorporate effective urban design strategies, engage the surrounding public spaces, and support the unique town-center environment created by the Overall Project. The proposed mix of uses and architectural design for the East and West M buildings will benefit the community, enliven the streetscape, and provide additional services for residents, employees, and visitors who live and work in the neighborhood.

**D. Summary of Second-Stage PUD Application**

The Applicant seeks approval of a Second-Stage PUD for the East and West M buildings. The Second-Stage PUD maintains the approved density, height, and general setbacks that were approved in the First-Stage PUD and replaces the approved office use with residential use. The modified design for the buildings incorporates an approximately 37-foot podium/street wall to maximize space for the first- and second-floor office and retail uses and reinforce the rhythm and vibrancy of the adjacent public spaces. The buildings incorporate new internal courtyards and outdoor areas for residential use and reorient the parking and loading entrances from M Street to the north-south private drives on the far sides of the buildings (the “Private Drives”) in order to reduce potential pedestrian/vehicle conflicts.

**E. The Applicant**

Applicant is Waterfront 375 M Street, LLC and Waterfront 425 M Street, LLC, whose members are affiliates of Forest City Washington, Vornado/Charles E. Smith, and Bresler & Reiner, Inc. Bresler & Reiner developed the original Waterside Mall under a long-term ground lease from the Redevelopment Land Agency. Forest City Washington and Vornado/Charles E. Smith are the co-developers of the project, and Forest City Washington is the managing member of the entity that owns each Waterfront 375 M Street, LLC and Waterfront 425 M Street, LLC.

Waterfront Associates, LLC was the original applicant for the First-Stage PUD. Waterfront 375 M Street, LLC and Waterfront 425 M Street, LLC, the current Applicants, were formed to take title to and is the owner of each respective property.

## **II. DISTRICT'S VISION FOR THE SOUTHWEST NEIGHBORHOOD AND PUD SITE**

The proposed applications for a Second-Stage PUD and a modification to the First-Stage PUD are based on the District's visions and recommendations for the Southwest neighborhood and the PUD Site in particular, as set forth in the Comprehensive Plan and SW Plan.<sup>3</sup> Published in July, 2015, the SW Plan is a Small Area Plan designed to shape the future of its "Planning Area," which extends from South Capitol Street, west to Maine Avenue SW, and from P Street SW, north to the I-395 Freeway. The SW Plan reflects community aspirations, District-wide goals, and market opportunities, and is intended to enhance parks and public spaces, improve pedestrian and street connections, bolster retail, integrate community amenities, enhance transportation choices, and accommodate and guide the direction of future growth in the Southwest neighborhood. *See* SW Plan, p. 2.

The SW Plan was developed to provide "detailed direction for the development of city blocks, corridors, parks and neighborhoods, providing supplemental guidance to the Comprehensive Plan." *Id.* at 17. While the Comprehensive Plan establishes "broad policy goals for the entire city, Small Area Plans (SAP) address planning needs and goals at the neighborhood level to supplement the Comprehensive Plan." *Id.* The SW Plan acknowledges that a "significant amount of change has happened to the areas surrounding the core of the Southwest neighborhood

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<sup>3</sup> The Comprehensive Plan requires zoning to be "interpreted in conjunction with... approved Small Area Plans" 10A DCMR § 266.1(d), and the Zoning Regulations further require consistency with "other adopted public policies and active programs related to the subject site." *See* Subtitle X § 304.4. Small area policies appear in "separately bound Small Area Plans for particular neighborhoods and business districts. As specified in the city's municipal code, Small Area Plans provide supplemental guidance to the Comprehensive Plan and are not part of the legislatively adopted document." 10A DCMR § 104.2

since the adoption of the Comprehensive Plan in 2006,” such that the SW Plan is a “timely and necessary supplement to the Comprehensive Plan.” *Id.* at 13, 17. Thus, in developing modifications for the First-Stage PUD, and in proposing residential use for the East and West M buildings, the Applicant took into careful consideration the visions and goals set forth in the SW Plan.

As described below, the Second-Stage PUD and the modification to the First-Stage PUD are fully consistent with the District’s goals for the Southwest neighborhood and the PUD Site in particular.

### **III. MODIFICATION TO THE FIRST-STAGE PUD**

The Applicant seeks approval to modify the First-Stage PUD for the East and West M buildings. If approved, the Applicant would convert the primary use of both buildings from office use to residential use, with retail use on the ground floor and neighborhood-serving office use on the second floor. The First-Stage PUD approval included over 660,000 square feet of primarily office use in the East and West M buildings combined. The Applicant proposes to provide approximately 581,110 square feet of residential use in the East and West M buildings combined, with a total of approximately 41,870 square feet of retail use and a total of approximately 38,110 square feet of office use.

Conversion of the East and West M buildings to residential use is fully consistent with the District’s vision for the PUD Site. The SW Plan states that the amount of office space planned for the PUD Site “may be difficult to lease,” and that the Applicant should “have the flexibility to request a modification to the approved Planned Unit Development to incorporate residential uses within the buildings.” *Id.* at 52. This finding was based on a market analysis that the District undertook to better understand the dynamics of the real estate market and the demand for future

housing, office and retail uses in the neighborhood. *See id.* at 11, 22.<sup>4</sup> The market analysis revealed “a strong market for residential development, a small market for increased retail, and little to no market for office space.” *Id.* at 60. In applying the real estate market to the approved office use for the East and West M buildings, the SW Plan found that “[o]ne incongruity between projected future land use needs and proposed supply is office space.” *Id.* at 52. Thus, as described below, the Applicant’s proposal to convert the East and West M buildings to residential use is fully consistent with the District’s expectation for the Properties and appropriately addresses the realistic market demand for new development in the Southwest neighborhood.

**A. The Proposed Residential Use is Appropriate for the Properties**

The vision for the Southwest neighborhood, as expressed by the SW Plan, is a thriving town center, with 4<sup>th</sup> Street, SW being the “commercial heart of the community, with a range of neighborhood-serving retail options, an active street atmosphere, and a high-quality public realm.” *Id.* at 7. The modified PUD will achieve this vision by developing the East and West M buildings primarily with residential use, combining retail and office uses on the first and second levels to generate a dynamic and vibrant public realm.

Development of the SW Plan involved a community planning process that was shaped by neighborhood leadership through Advisory Neighborhood Commissions (“ANCs”) and representatives from civic organizations, homeowner and tenant associations, community groups, and businesses. The community engagement process included community-wide meetings, ANC meetings, focus groups, and other public presentations that involved neighborhood residents. *Id.* at 3. Results from these meetings indicated that “[c]ommunity residents want to see affordable

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<sup>4</sup> The market analysis was conducted to assess neighborhood demographics, real estate conditions and trends, infrastructure and planned development projects to better understand potential opportunities and limitations for real estate development in the Southwest Planning Area. The SW Plan’s market analysis offers findings to inform policy, design and development recommendations for the Southwest neighborhood. *Id.* at 47.

housing preserved and new units created. They also want new housing developments to offer varied products, especially units sized for families.” SW Plan, p. 4. Focus groups had similar results, indicating the importance of “affordable housing, family-sized units in new development, and a mix of housing types.” *Id.* at 72. Based on this feedback, the SW Plan prioritizes the development of affordable units through PUDs and Inclusionary Zoning incentives. *See id.*

The market analysis conducted as part of the SW Plan resulted in findings that are consistent with the desires expressed by the community. The market analysis found that “the demand for housing and other community amenities is strong,” and that the “neighborhood housing market is anticipated to continue to be strong and absorb a significant number of units in the near and long term.” *Id.* at 12, 48. Indeed, the market analysis determined that there is “likely to be an increase in housing demand in the Planning Area for most income brackets and family types” (*id.* at 49) and that growing the population on and around 4<sup>th</sup> Street will strengthen the market position and the overall vitality of the town center. *Id.* at 101.

In response to these findings, the SW Plan establishes an overall housing goal to “maintain a mix of affordable and market-rate residential units that better serve community needs.” *Id.* at 75. Specific goals include: (i) retaining the existing mix of subsidized housing units in the area by establishing targets that exceed current IZ thresholds for future development in future PUDs, and (ii) as part of the community benefits package through the PUD process for new construction, prioritize affordable units above the IZ requirement, or fewer affordable units that are larger in size (e.g. three bedrooms) to better serve families. *Id.* at 75. In discussing the PUD Site specifically, the SW Plan provides that “[a]dditional residential density to be built along these blocks will improve the customer base and foot traffic in the area.” *Id.* at 114.

It is within this context that the Applicant proposes to develop the East and West M buildings with primarily residential use. The East M building will contain approximately 298,030

square feet of residential use, comprised of approximately 309 residential units. The West M building will contain approximately 283,080 square feet of residential use, comprised of approximately 296 residential units. Both buildings will include studio, 1-, 2-, and 3-bedroom units, allowing for a variety of unit types to support a diverse population and advance the District's priority of providing housing and affordable housing for families. The buildings will contain resident amenity spaces, outdoor courtyards, appropriate on-site vehicular and bicycle parking, and loading facilities. The buildings' retail and office uses on the first and second levels will also improve the customer base and increase foot traffic in the area, thus fostering the "town center" environment envisioned for the PUD Site.

Moreover, a minimum of 8% of the residential gross floor area in both the East and West M buildings will be dedicated to households earning up to 60% of the MFI. This level of affordability meets the recently-approved IZ regulations that will go into effect in June, 2017, and will be provided whereas under the approved PUD for the East and West M buildings, no affordable housing would be provided at all. Moreover, two of the proposed IZ units in each building (four total) will be 3-bedroom IZ units dedicated to households earning up to 60% of the MFI.

Based on the foregoing, the proposed PUD modification addresses the community's priority for developing more housing and affordable housing in the area, and is consistent with the market analysis that anticipates an increased housing demand in the Southwest neighborhood.

**B. The Proposed Ground Floor Retail Use is Appropriate for the Properties**

One of the key opportunities expressed by neighborhood residents during the planning process for the SW Plan was the need for additional and enhanced neighborhood-serving retail, including "a full range of neighborhood-serving retail amenities and businesses." *Id.* at 4.

Residents in the Planning Area wanted to see “more local-serving retail such as restaurants, coffee shops, bars, a hardware store, a laundromat, a hair salon, a bank and a bakery.” *Id.* at 50.

The market analysis conducted for the SW Plan also found that although the retail market is somewhat limited in scale and opportunity in the Southwest neighborhood, it can be bolstered through branding and tenant attraction, growth in the residential population, and the increased recognition that nearby entertainment destinations will generate higher retail demand. *Id.* The redevelopment of the Wharf is expected to bring a wide variety of retail uses to the area that will “generate enough pedestrian traffic at the Waterfront Metrorail station to allow for additional local-serving retail at that location.” *Id.* Specifically, a demand for between 11 and 20 additional stores within the Planning Area is anticipated by 2023, totaling between 75,000 and 110,000 square feet of retail. *Id.* at 51. Thus, successful retail development on 4<sup>th</sup> Street, SW will be able to promote the corridor as the area’s retail main street, better serve the community, and provide a pedestrian-oriented gateway from the Waterfront Metrorail station to the Wharf. *Id.* at 50.

The development of the Wharf and the Capitol Riverfront/Navy Yard is expected to create strong attractors of people and potential retail demand. While those areas are more focused on regional retail and entertainment, creating good wayfinding and the use of public art and well-designed buildings and landscaping, particularly at the corner of 4<sup>th</sup> th and M Street, SW will tap into the energy created by those developments. *Id.* at 101. Moreover, these adjacent new developments will strengthen the market for retail along the 4<sup>th</sup> Street town center generally, permitting the neighborhood to attract additional local retailers without compromising the existence of a 4<sup>th</sup> Street commercial core that most directly serves the Southwest neighborhood. *Id.* at 101.

Based on these findings, the SW Plan recommends that retail on 4<sup>th</sup> Street, SW should focus on a diverse array of neighborhood-serving shopping, services, and dining. *Id.* High-rise



structures should include “vibrant ground floor uses and street level design that promote pedestrian oriented usage, particularly on M Street [and] 4<sup>th</sup> Street” (*id.* at 83) and “key corner parcels [should] serve as anchors and create a vibrant mix of neighborhood town center uses along 4<sup>th</sup> Street, SW.” *Id.* at 7. M Street should “serve as a landscaped, urban boulevard with contextual new development,” and “retail will be best served clustered on 4<sup>th</sup> Street and along the M Street corridors that intersect it.” *Id.* at 103; *see also id.* at 101 stating that “[t]his block-long stretch has the potential to serve... ground floor retail space along both sides of 4<sup>th</sup> Street and spilling onto the corner of M Street.” Moreover, as part of the town-center vision, the SW Plan recommends a “robust and proactive marketing strategy... to attract, incentivize and/or incubate neighborhood-serving retailers on/near 4<sup>th</sup> Street.” *Id.* at 52.<sup>5</sup>

Based on these ideals, the Applicant proposes to provide a total of approximately 41,870 square feet of ground floor retail use in the East and West M buildings combined. Pursuant to Z.C. Order No, 02-38A, Finding of Fact No. 90(c) and Condition No. 14, the Applicant has already committed to use best commercially reasonable efforts to provide opportunities for local and small businesses to occupy 12,500 of retail space in the overall PUD. Furthermore, pursuant to Z.C. Order No, 02-38A, Condition No. 13, the Applicant committed to targeting “neighborhood-serving

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<sup>5</sup> The SW Plan includes the following specific recommendations to create a Town Center:

TC.1 Create a robust and proactive marketing strategy to create awareness about retail, entertainment and cultural opportunities in the Southwest neighborhood. Use this strategy to attract, incentivize and/or incubate neighborhood-serving retailers on/near 4th Street and potentially on South Capitol Street.

TC.2 Promote a cohesive and concentrated retail cluster along 4th Street through the development of retail-appropriate spaces, coherent storefront design, signage, streetscape and street furniture as well as management of the retail mix and marketing.

TC.3 Pursue a neighborhood-focused retail attraction and retention strategy that provides an array of locally-serving shopping, services and dining to residents and the daytime office worker population. In new retail development consider allowing for different formats and sizes of spaces so that a variety of retail tenants, including small businesses, may lease space. (103)

retail and service uses, including, but not limited to, uses such as restaurants, coffee shops, flower shops, video stores, grocery stores, drug stores, banks, electronic stores, bakeries, dry cleaners, and other similar types of uses.” .

Consistent with the approved First-Stage PUD and the SW Plan’s recommendations, the modified PUD will include neighborhood-serving retail use on the ground level along the 4<sup>th</sup> and M Street facades of the East and West M buildings. The retail use will turn the buildings’ corners so that pedestrians are drawn from 4<sup>th</sup> Street onto M Street and vice-versa, creating a consistent and highly activated streetscape experience. Furthermore, retail use in the East M Building will line the Metro plaza, and a proposed set back of the building will allow the retail uses to spill out to activate the plaza. Overall, the proposed amount and placement of retail use in the East and West M buildings will promote pedestrian activity, enliven the street, and create an enhanced sense of place and town center environment.

The Applicant will continue to use its best commercially-reasonable efforts to provide opportunities for local and small businesses to operate within the East and West M buildings and will target neighborhood-serving retail and service uses. To do so, the Applicant will execute a retail marketing study during construction of the East and West M buildings, which will help determine the types of retail and service uses best suited for the Properties.

**C. The Proposed Amount of Office Space is Appropriate for the Properties**

As noted above, the SW Plan specifically acknowledges the weak office market in the Southwest neighborhood and encourages the conversion of the East and West M buildings to residential use. The SW Plan states that the “Planning Area’s office market is weak,” and that the previously-constructed East and West 4<sup>th</sup> Street Office Buildings on the PUD Site “did not establish a private sector office market in the Planning Area.” *Id.* at 52. “New office construction in the Capitol Riverfront neighborhood to the east is marked by high vacancies and lease rates that

are too low to justify new construction,” and upcoming office supply at the Wharf and Capitol Riverfront will “make developing office space in the Planning Area a difficult proposition over the next 10 to 20 years.” *Id.* Therefore, based on the market conditions, development of the Properties with office use “could prove less viable in the near term than residential developments with ground floor retail.” *Id.* The SW Plan therefore concludes that the Applicant “should have the flexibility to request a modification to the approved Planned Unit Development to incorporate residential uses within the buildings.” *Id.*

As detailed in the Applicant’s extension request pending in ZC Case No. 02-38G, the Applicant has been unable to secure financing to develop the East and West M buildings as office buildings, primarily because it has been unable to secure an office tenant. This has resulted because the tenant demand for office space is severely limited in this area and there are high vacancy rates in both the Southwest submarket (approximately 13% vacancy rate as of the end of the fourth quarter of 2016) and in the neighboring Capitol Riverfront/Southeast submarket (approximately 23% vacancy rate as of the end of the fourth quarter of 2016).

It is based on these findings and recommendations in the SW Plan and the Applicant’s difficulty in securing office tenants for the Properties that the Applicant proposes to reduce the amount of office use in the East and West M buildings to a total of approximately 38,110 square feet. This amount of office space will fully satisfy the realistic demand for office use in the Southwest neighborhood. While there is virtually no demand from major office tenants that can occupy an entire building, there is a high demand for neighborhood-serving office users. As set forth in the Tenant Demand Study prepared by Meany & Oliver, a real estate brokerage, consulting, and investment firm (Exhibit G), although “large private sector tenants would prefer not to be in residential buildings, service oriented tenants such as doctors, lawyers, financial advisors and personal service providers often locate in these buildings. The buildings provide them easy access

to potential customers and may shorten their commute times if they rent or own units within the building or surrounding neighborhood.” *See* Tenant Demand Study, p. 2. Based on these findings, the Applicant’s proposal to reduce the total amount of office space in the East and West M buildings to approximately 38,110 square feet is supported by the current market demand and is consistent with the SW Plan’s realistic assessment of the potential uses for the Properties.

This type of neighborhood-serving office use is also consistent with the Generalized Land Use Map’s designation of the Property as an Enhanced/New Multi-Neighborhood Center. Neighborhood Commercial Centers are defined as areas that “meet the day-to-day needs of residents and workers in the adjacent neighborhoods. Their service area is usually less than one mile. Typical uses include convenience stores, sundries, small food markets, supermarkets, branch banks, restaurants, and basic services such as dry cleaners, hair cutting, and child care. Office space for small businesses, such as local real estate and insurance offices, doctors and dentists, and similar uses, also may be found in such locations.” 10A DCMR § 223.15. Similarly, multi-neighborhood centers “contain many of the same activities as neighborhood centers but in greater depth and variety. Their service area is typically one to three miles. These centers are generally found at major intersections and along key transit routes. These centers might include supermarkets, general merchandise stores, drug stores, restaurants, specialty shops, apparel stores, and a variety of service-oriented businesses. These centers also may include office space for small businesses, although their primary function remains retail trade.” 10A DCMR § 223.17. The type of neighborhood-serving office use proposed for the Properties will help to achieve the goals of the Enhanced/New Multi-Neighborhood Center and will fully satisfy the realistic demand of office use in the Southwest neighborhood.

**D. The Modified PUD is Consistent with the SW Plan's Town Center Vision**

The SW Plan envisions 4<sup>th</sup> Street, SW as becoming a “thriving town center and commercial heart of the community, with a range of neighborhood-serving retail options, and active street atmosphere, a high quality public realm, quality new development, and easily accessible transit.” SW Plan, p. 7. The stated goals to achieve the town center vision include (i) establish a strategic marketing approach to attract a unique and tailored retail mix to promote 4<sup>th</sup> Street as Southwest’s neighborhood main street; (ii) promote key corner parcels to serve as anchors and create a vibrant mix of neighborhood town center uses along 4<sup>th</sup> Street, SW; and (iii) celebrate 4<sup>th</sup> Street’s envisioned vibrancy as a neighborhood main street through temporary urbanism practices and through the burgeoning local arts movement and the city’s creative economy.” *Id.*

The modified PUD incorporates a variety of strategies and design improvements to achieve the SW Plan’s vision for creating a town center within the PUD Site. First, in order to establish a strategic marketing approach for 4<sup>th</sup> Street, the Applicant will execute a retail marketing study during construction of the East and West M buildings, which will help determine the types of retail and service uses best suited for the Properties. The Applicant has discussed this approach with the ANC, which agrees that a market study will help attract the unique and tailored mix of retail uses for the PUD Site.

Second, the modified PUD will promote the key corner parcels. Development of the East and West M buildings at the intersection of 4<sup>th</sup> and M Streets will enable the Properties to serve as anchors for the PUD Site with a vibrant mix of uses for the neighborhood. For example, the ground floor at the corner of the East M building encourages street activation of the Metro plaza by incorporating matching hardscape materials and patterns, landscaped beds, possible café seating, and a relocated Capital Bikeshare station directly adjacent to the Metro entrance. The building’s residential lobby is emphasized with special paving and bicycle racks are positioned within the

landscaped beds in convenient locations. Consistent with the First-Stage PUD approval, the ground floor of the building along M Street is set back three feet to create wider sidewalks with street trees to provide clear and safe circulation and retail activation while still maintaining the urban street wall.

For the West M building, the ground floor design minimizes disturbance along 4<sup>th</sup> Street to maintain the newly planted street trees and streetscape improvements. The northeast portion of the West M property expands on the existing colored concrete design of the east-west pedestrian walkway. Seating nooks and bicycle racks will be located within the landscaped beds. The wide pedestrian sidewalk along M Street will be extended from the East M property with street trees, landscaping, and significant retail activation. Overall, these design techniques and active retail uses will promote they key corner parcels as anchors for the town center and create a vibrant mix of neighborhood-serving uses along 4<sup>th</sup> Street.

Third, the modified PUD helps to establish 4<sup>th</sup> Street's envisioned vibrancy as a neighborhood main street through creative urbanism practices and by celebrating the local economy. The proposed public spaces, landscaping, street furniture, and gathering spaces for the Properties will enhance the retail energy, sidewalk activation, and overall neighborhood main street environment within and around the PUD Site. Moreover, the Applicant will work with small and local businesses to ensure that the neighborhood continues to be served by local retailers and service providers.

The SW Plan also provides that “[r]etail energy, sidewalk activation, and new trees will enhance the already strong public realm that features mature trees, landscaping, street furniture, and gathering places.” *Id.* at 103. The SW Plan encourages the development of publically visible landscaped perimeters, internal green or amenity spaces, and landscaped setbacks appropriate to the streetscape, particularly for high-rise structures. *Id.* at 82. The SW Plan also promotes the use

of innovative sustainable design strategies and building standards to create a high performing environment that encourages healthy living, energy efficiency, and storm water management. *Id.* These strategies include street tree planting and landscaping to serve the dual purposes of providing natural beauty and updating storm water management techniques.

The SW Plan further provides that the Southwest neighborhood can support model private development that provides attractive, high performing landscaping, internal recreational and open spaces for residents, bicycle and shared vehicle parking, and environmentally conscious construction. *Id.* at 89.<sup>6</sup> For the PUD Site specifically, the SW Plan recommends a “cohesive and concentrated retail cluster along 4<sup>th</sup> Street through the development of retail-appropriate spaces, coherent storefront design, signage, streetscape and street furniture.” *Id.* at 103. As stated above, and in response to these recommendations, the modified PUD incorporates a variety of well-designed public spaces, landscaping, and streetscape elements to enhance the retail energy, sidewalk activation, and overall town-center environment for the PUD Site.

Based on the foregoing, the design of the East and West M buildings with retail concentrated on 4<sup>th</sup> and M Streets, neighborhood-serving office use above, coherent storefront designs, and pedestrian-oriented streetscapes, will create an vibrant street atmosphere in a high-quality public realm. Public spaces surrounding the Properties will include active landscaping, street furniture, and gathering spaces, thus further activating the sidewalk and drawing people to

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<sup>6</sup> The SW Plan includes the following specific recommendations regarding sustainability and open space:

GO.8 Increase the tree canopy in the Southwest Planning Area from 25 percent to 37 percent with the addition of trees in all new developments, streetscape improvements and potentially at existing parks, such as Lansburgh. The creation of larger setbacks for new developments may allow for more tree planting opportunities. Ensure that any diseased trees are removed and replaced at appropriate times.

GO.11 Reduce stormwater runoff by transforming key areas of existing impervious surfaces to pervious materials and encouraging bioretention and landscaping.

GO.13 Maximize open spaces, vegetation and sustainable practices in new developments achieved through Planned Unit Developments (PUDs). (Also see Design Guidelines on pages 81-83).

the PUD Site from the adjacent Metro station. These elements collectively embody the town center environment envisioned by the District in the SW Plan and the Generalized Land Use Map's designation of the site as an Enhanced/New Multi-Neighborhood Center.

#### **IV. SECOND-STAGE PUD**

The Applicant seeks approval for a Second-Stage PUD for the East and West M buildings based on the modification to the First-Stage PUD. The Second-Stage PUD maintains the approved density, height, and setbacks, as approved for the East and West M buildings in the First-Stage PUD.

##### **A. Design of East M and West M Buildings**

As shown on the Architectural Plans and Elevations (Exhibit F), the East M building contains approximately 338,620 square feet of gross floor area. Of that, approximately 21,930 square feet of gross floor area will be devoted to retail use on the ground floor and approximately 18,660 square feet of gross floor area devoted to office use on the second floor. Floors 2-12 will contain approximately 298,030 square feet of gross floor area devoted to residential use, resulting in 309 residential dwelling units (plus or minus 5%). The maximum height of building of the East M building is 127 feet, with 45-foot setbacks above the second floor on the east side of the building as approved in the First-Stage PUD.

The West M building will contain approximately 322,470 square feet of gross floor area. Of that, approximately 19,940 square feet of gross floor area will be devoted to retail use on the ground floor and approximately 19,450 square feet of gross floor area devoted to office use on the second floor. Floors 2-12 will contain approximately 283,080 square feet of gross floor area devoted to residential use, resulting in 296 residential dwelling units (plus or minus 5%). The maximum height of building of the West M building is 127 feet, with a 45-foot setback above the second floor on the west side of the building as approved in the First-Stage PUD.



The ground floor of each building is devoted to retail use fronting M Street and 4<sup>th</sup> Street and residential amenities and service uses, such as the resident lounge, mail room, leasing and management offices, along the east-west plazas to the north of the buildings (the “East-West Plazas”). Along the Metro plaza on 4<sup>th</sup> Street, the East M building’s base is setback to extend the open space of the plaza and create vibrant outdoor space for retail to engage with and activate the plaza.

The primary residential entrance for the East M building is located at the building’s northwest corner on the Metro plaza, with a secondary residential entrance located off of the East-West Plaza to the north. The primary residential entrance takes the form of a two-story glass structure that anchors the plaza’s northern end and helps to activate the adjacent open space.

The primary residential entrance for the West M building is located at the building’s northwest corner facing 4<sup>th</sup> Street, directly across the street from the Metro plaza. A secondary residential entrance is located off of the East-West Plaza to the north. The primary residential entrance is carved out below the main volume of the building above to provide a covered entry that is accented by a canopy extending north to the property line and east above the 4<sup>th</sup> Street sidewalk.

Retail entries are located along both the M and 4<sup>th</sup> Street façades, with the retail facades maximizing glazing heights and widths to allow for deep interior views. On the East M building, retail entrances will be identified by a metal canopy with signage suspended from soffits above while on the West M building, each retail entrance has a metal canopy with freestanding letters indicating the name of the retailer above the canopy. On both buildings, stone and brick masonry piers reflecting the building’s structural bays and infill metal accent panels are used in complementary ways to break down the length of the retail frontage, to create a pedestrian scale and to maximize transparency.

The second floor of each building is comprised of office space along M and 4<sup>th</sup> Streets and residential units facing the East-West Plaza to the north and the north-south Private Drives on the far sides of both buildings. The office use will be accessed by a designated lobby located on M Street for each building. The lobby will provide public access to the office uses above and to the below-grade parking garage.

The second floor also includes an interior closed courtyard, with access provided to individual terraces for units facing the courtyard and to a communal outdoor recreation space for the building's office users. The third floor of each building is comprised entirely of residential units, with an outdoor dog run located on the far sides of the buildings adjacent to the Private Drives.

Above the third floor, each of the buildings opens up as a C-shaped tower that faces M Street. A south-facing courtyard is located at this fourth level, with access provided to individual terraces for units facing the courtyard and to a communal outdoor recreation space for building residents. The courtyard is elevated above the three-level podium of retail, office, and residential uses, which creates a pedestrian-scale street wall with vibrant retail storefronts that maximize transparency.

On each building, the penthouse will contain penthouse habitable space devoted to communal recreation space for building residents and adjacent outdoor recreation space will be provided, including a pool. The penthouse on each building has a maximum height of 20 feet for the elevator override and screen walls around mechanical equipment, with the penthouse habitable space having a maximum height of 13 feet.

The design of each building is contemporary in style and relates to the evolving architectural character of the Southwest neighborhood. Building façades are designed to be compatible with, but distinctive from, the façades of each other as well as from the other buildings

in Waterfront Station (i.e., the 4<sup>th</sup> Street Office Buildings and the nearby Northwest residential building). Each façade responds to its adjacent context, solar orientation, and potential view corridors. Doing so maximizes maximize daylight into the units, enhances views, and controls against heat gain.

The buildings' primary exterior materials are stone and brick masonry, with infill metal panels on the retail and office levels and primarily masonry on the upper residential floors. On the East M building, punched windows/window wall and glass balcony rails are used throughout. Material colors for the façades along the M Street "street wall" and the 4<sup>th</sup> Street Metro plaza will complement, but be distinctive from, the masonry color of the residential tower above. On the West M building, residential facades will be composed primarily of stone and cementitious rainscreen façade panels with infill metal panel and window wall and glass balcony rails

**B. Circulation, Parking and Loading**

The East and West M buildings will each contain two levels of below-grade parking, containing 198 spaces and 165 spaces respectively, for a total of 363 parking spaces in the two buildings. Access to the garages has been relocated from M Street (as approved in the First-Stage PUD) to the 30-foot Private Drives on the far sides of the buildings. Relocating the parking entrances results in the removal of two proposed curb cuts on M Street, which reduces the potential for pedestrian/vehicle conflict and enhances the pedestrian experience along M Street.

Each building includes two 30-foot berths and one 20-foot service/delivery space, shared among the retail, office, and residential uses. Access to the loading facilities is also provided from the Private Drives, with the loading facilities located to the north of the parking garage entrances to avoid vehicular conflict with loading trucks.

**C. Streetscape and Landscape**

The 4<sup>th</sup> Street streetscape design for the East and West M buildings was designed, approved, and constructed as part of the dedication and construction of the 4<sup>th</sup> Street right-of-way. Trees and paving were particularly important elements used to join the new 4<sup>th</sup> Street segment with the existing streetscapes to the north and south of the PUD Site, as well as to the new streetscapes within the PUD Site. A band of special paving adjacent to the granite curb provides tree protection and a parking courtesy zone in this location.

The landscape and public space features for the East and West M buildings has been designed to integrate seamlessly with the existing surrounding public spaces and to improve the current condition. For both buildings, special paving will be added to the residential entrances to highlight their presence against the adjacent public space. New sidewalks and streetscape improvements will be provided along both building facades on M Street in accordance with DDOT standards. Improvements on M Street include new street trees, landscape beds, bicycle racks, scored concrete paving and permeable, and special paving at the buildings' edges.

The East M building encourages street activation of the Metro plaza by incorporating new hardscaping and landscaping, an area for café seating, and the relocated Capital Bikeshare station. Along the north side of the building is new significant new landscaping, colored concrete to match the existing pavement, and short-term bike parking. The West M building provides minimal improvements along 4<sup>th</sup> Street, but expands on the colored concrete and landscaping to the north of the building to blend into the existing pedestrian walkway. Public seating and short-term bicycle parking is also conveniently placed in this location.

**D. Sustainable Design Elements**

The Applicant will incorporate a variety of sustainable design features into the East and West M buildings, including storm water management techniques, green roofs, permeable

surfaces, and erosion and sediment control techniques. The East and West M buildings will both be designed to meet USGBC LEED v4 for Building Design and Construction Silver rating level, which is generally considered equivalent to the sustainability level required for USGBC LEED Gold rating level under LEED 2009 for New Construction. Each building will also comply with the Green Area Ratio requirements of the Zoning Regulations. A detailed list of the sustainable design features is set forth in the LEED Scorecard included with the architectural drawings.

**E. Flexibility Under PUD Guidelines**

The PUD process was created to allow greater flexibility in planning and design than may be possible under conventional zoning procedures. In this application, the Applicant is able to comply with all aspects of the Zoning Regulations for the C-3-C/MU-9 District.

The Applicant has made every effort to provide a level of detail that conveys the architectural significance of the East and West M buildings and that does not require flexibility from the requirements of the Zoning Regulations. Nonetheless, some flexibility is necessary to address potential issues that arise during construction and other issues that cannot be anticipated at this time. Thus, the Applicant requests flexibility in the following areas:

1. To provide a range in the number of residential units of plus or minus 5%;
2. To vary the location and design of all interior components, including partitions, structural slabs, doors, hallways, columns, stairways, atria and mechanical rooms, provided that the variations do not change the exterior configuration of the building;
3. To make refinements to the garage configuration, including layout, parking spaces and other elements, so long as the total minimum number of parking spaces is provided as set forth in Z.C. Order No. 02-38A;
4. To vary the final selection of the exterior materials within the color ranges and material types as proposed, based on availability at the time of construction;
5. To vary the location, attributes and general design of the streetscape within public space to comply with the requirements of and the approval by the District Department of Transportation Public Space Division;

6. To locate retail entrances in accordance with the needs of the retail tenants and to vary the façades as necessary;
7. To make refinements to exterior materials, details and dimensions, including belt courses, sills, bases, cornices, railings, roof, skylight, architectural embellishments and trim, window mullions and spacing, or any other changes to comply with the District of Columbia Building Code or that are necessary to obtain a final building permit or any other applicable approvals;
8. To vary the types of uses designated as “retail” use on the Architectural Plans and Elevations to include the following use categories: (i) Retail (11-B DCMR § 200.2(cc)); (ii) Services, General (11-B DCMR § 200.2(dd)); (iii) Services, Financial (11-B DCMR § 200.2(ee)); and (iv) Eating and Drinking Establishments (11-B DCMR § 200.2(j));
9. To vary the types of uses designated as “office” use on the Architectural Plans and Elevations to include the following use categories: (i) Office (11-B DCMR § 200.2(x)); (ii) Institutional, General (11-B DCMR § 200.2(q)); (iii) Medical Care (11-B DCMR § 200.2(p)); (iv) Daytime Care (11-B DCMR § 200.2(i)); and (v) Services, Financial (11-B DCMR § 200.2(ee));
10. To vary the font, message, logo, and color of the proposed signage, provided that the maximum overall dimensions and signage materials do not change from those shown on the approved plans.

**F. Tabulation of Development Data**

The Tabulation of Development Data for the Second-Stage PUD is located on Sheets 3-4 of the Architectural Plans and Elevations (Exhibit F).

**V. THE PROJECT MEETS THE STANDARDS OF THE ZONING REGULATIONS AND THE PUD REQUIREMENTS**

**A. Area Requirements Under Subtitle X § 301.1**

Subtitle X § 301.1 provides that the minimum land area included within the PUD must be 15,000 square feet. West M contains approximately 61,065 square feet of land area and East M contains approximately 46,768 square feet of land area. The Properties are part of the overall PUD Site which contains approximately 584,655 square feet of land area. Both the land area of the Properties and the PUD Site exceed the minimum area requirement of 15,000 square feet for this PUD.

**B. Height and FAR Requirements Under Subtitle X §§ 303.3, 303.4 and 303.7**

Subtitle X § 303 and Subtitle G § 402.1 and 403.1 provide that the maximum height for a PUD in the MU-9 District is 130 feet, with a maximum residential density of 9.36 FAR and a maximum non-residential density of 8.71 FAR. The First-Stage PUD approved a maximum height of 127 feet for the East and West M Buildings, which the modified PUD will maintain, and a maximum of 4.33 FAR for the PUD Site, with approximately 322,700 square feet allocated to the West M building and approximately 339,000 square feet allocated to the East M building. The Applicant proposes to slightly reduce the approved density for both the East and West M buildings to approximately 321,570 square feet for the West M building and approximately 338,550 square feet for the East M building.

**C. Not Inconsistent with Comprehensive Plan Under Subtitle X § 304.4(a)**

Subtitle X § 304.4(a) provides that the Zoning Commission shall find that proposed developments are not inconsistent with the Comprehensive Plan and with other adopted public policies and active programs related to the subject site. In Z.C. Case No. 02-38A, the Commission found that the Overall Project, including the development of the East and West M buildings, is not inconsistent with the Comprehensive Plan because it advances the purposes of the Comprehensive Plan, is consistent with the Future Land Use Map, complies with the guiding principles in the Comprehensive Plan, and furthers a number of the major elements of the Comprehensive Plan. *See* Z.C. Order No. 02-38A, Findings of Fact Nos. 98-108.

The modification to the First-Stage PUD and the Second-Stage PUD proposed herein are also not inconsistent with the Comprehensive Plan or with the SW Plan, as described in detail earlier in this statement and in the Comprehensive Plan Analysis (Exhibit H). Copies of the Future Land Use Map and Generalized Policy Map showing the PUD Site are attached hereto as Exhibits I and J, respectively.

**D. Impacts of Project Under Subtitle X § 304.4(b)**

Subtitle X § 304.4(b) provides that the Zoning Commission shall find that proposed developments do not result in unacceptable project impacts on the surrounding area or on the provision of city services and facilities but instead shall be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project. In Z.C. Order No. 02-38A, the Commission found that the Overall Project, including development of the Properties, will have a positive impact on the city, especially given the reopening of 4<sup>th</sup> Street and the creation of a town center. In addition, the Commission found that the Overall Project will provide an economic boost to the Southwest neighborhood and the District of Columbia as a whole. *See* Z.C. Order No. 02-38A, Finding of Fact No. 97. The Commission concluded that there would be no adverse impacts created by the PUD that cannot be mitigated by the conditions set forth in Z.C. Order N. 02-38A. *Id.* at Finding of Fact No. 96. The Second-Stage PUD and the modified First-Stage PUD will continue to advance the priorities approved in the First-Stage PUD and will not create any new adverse impacts.

**E. Public Benefits and Project Amenities Under Subtitle X § 304.4(c)**

Subtitle X § 304.4(c) provides that the Zoning Commission shall find that proposed developments include specific public benefits and project amenities that are not inconsistent with the Comprehensive Plan or with other adopted public policies and active programs related to the subject site. The First-Stage PUD included a number of significant public benefits and project amenities, which are described in detail in Z.C. Order No. 02-38A, FF No. 89(a)-(f) and FF Nos. 90(a)-(h). The significant majority of these benefits and amenities have already been delivered or are in the process of being delivered, including the following:

- The Re-opening of 4th Street, SW, as a dedicated public right-of-way to break down the super block previously in place, to restore the street grid, improve traffic flow and serve as a neighborhood town center;



- Construction of 895 residential units, with approximately 11.8% being affordable;
- Construction of more than 90,000 square feet of retail space, with more than 10,000 square feet provided for small and local retail users;
- Delivery of the significantly expanded and upgraded 55,000 square foot Safeway grocery store;
- Maintenance of the Safeway, CVS Pharmacy, and Bank of America on-site throughout the initial construction;
- Delivery of over 50,000 square feet of public open space; and
- Construction and maintenance of the public park property to the north of the PUD Site.

The Applicant will implement the previously-approved public benefits and amenities applicable to East and West M buildings during the development of those buildings, which include accomplishing major urban design benefits and improvements (FF No. 89(c)); creating and improving the town center (FF No. 89(d)); adding more retail and service uses on the PUD Site (FF No. 89(f)); incorporating sustainable design features (FF No. 90 (d)); introducing elements of the Transportation Management Plan (FF No. 90(g)); and providing employment and training opportunities (FF No. 90(h)). Accordingly, the Commission's previous finding that the relative value of the public benefits and project amenities is sufficient given the degree of development incentives requested should not change. *See* Z.C. Order No. 02-38A, FF No. 91.

The Applicant also proposes the following additional and continuing public benefits and project amenities as part of the Second-Stage PUD application for the East and West M buildings:

1. Housing and Affordable Housing (Subtitle X § 305.5(f) and (g)). The Applicant will develop new housing and affordable housing consistent with the goals of the Zoning Regulations, the Comprehensive Plan, and the Mayor's housing initiative. The approved First-Stage PUD for the Properties did not include any housing or affordable housing; the Applicant herein proposes to convert the majority of the East and West M buildings to residential use, with a minimum of 8% of the residential gross floor area in each building being devoted to households earning

up to 60% of the MFI. In addition, the Applicant will set aside a minimum of two affordable units in each building, with each having three bedrooms in order to provide affordable housing for families.

2. Employment and Training Opportunities (Subtitle X § 305.5(h)). For construction of the East and West M buildings, the Applicant will (i) enter into a First Source Employment Agreement, in order to promote and encourage the hiring of District residents (Exhibit K); and (ii) enter into a Certified Business Enterprise Agreement, in order to utilize local, small, and disadvantaged businesses (Exhibit L).
3. Environmental Benefits (11 DCMR § 2403.9(h)). The Applicant will design the East and West M buildings to include no fewer than the minimum number of points necessary to achieve LEED v4 Silver.
4. Other Public Benefits and Project Amenities that Advance the Major Themes and Policies of the Comprehensive Plan (11 DCMR § 2403.9(r)). The amount of retail space proposed for the East and West M buildings will exceed the minimum amount of neighborhood-serving retail and service uses required under the First-Stage PUD approval for the overall PUD Site. *See* Z.C. Order No. 02-38A, Decision No. 13. The East and West M buildings will include a total of approximately 41,870 square feet of gross floor area devoted to retail uses, which results in almost 132,000 square feet of retail for the overall PUD Site, not including the proposed retail in the Northeast Building. This amount of retail use will advance the major themes and policies of the Comprehensive Plan and the SW Plan for creating a vibrant and walkable town center at the PUD Site.

## **VII. COMMUNITY OUTREACH**

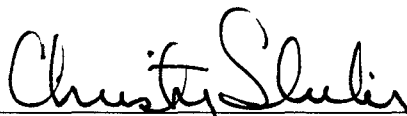
Pursuant to Subtitle Z § 300.7, the Applicant mailed a Notice of Intent to file the subject applications to the owners of all property within 200 feet of the perimeter of the Properties and to ANC 6D on October 28, 2016. Since then, the Applicant has met multiple times with individual ANC 6D commissioners and also presented to the full ANC at its February 13, 2017, public meeting. In addition, in late 2016, the Applicant met with the president of the Southwest Neighborhood Assembly (“SWNA”) to discuss the proposed PUD modification and the Second Stage PUD applications. The Applicant looks forward to continuing to work with the ANC, SWNA, and other community stakeholders as the application process moves forward.

## VIII. CONCLUSION

For the foregoing reasons, the Applicant submits that the application meets the standards of Subtitle X, Chapter 3 of the Zoning Regulations; is consistent with the purposes and intent of the Zoning Regulations and Zoning Map; is consistent with the land use objectives, goals, and policies of the District of Columbia; will enhance the health, welfare, safety and convenience of the citizens of the District of Columbia; satisfies the requirements for approval of a Second-Stage PUD and a modification to an approved First-Stage PUD; provides significant public benefits and project amenities; and therefore should be adopted by the Zoning Commission. Accordingly, the Applicant requests that the Zoning Commission approve the applications herein for a Second-Stage PUD and a Modification to the First-Stage PUD for the Properties.

Respectfully submitted,

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