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### REPORT TO THE ZONING COMMISSION

# CASE NO. 02-38A WATERFRONT

# STEVEN E. SHER, DIRECTOR OF ZONING AND LAND USE SERVICES HOLLAND & KNIGHT LLP

**JUNE 7, 2007** 

- I. Introduction
- II. Nature of applications
  - A. Modification of an approved first stage planned unit development (entire property)
  - B. Final review of planned unit development (central portion of the property)
  - C. Map amendment from C-3-B to C-3-C for the central portion of the property (the four corners are already zoned C-3-C under the preliminary approval)
- III. Comparison between approved PUD and proposed modification
  - A. Statistical comparison

	Approved Project	Proposed Project	Changes
Uses	Residential, office,	Residential, office,	None
	retail	retail	
Distribution of uses	East M Street: office	East M Street: office	None
	West M Street: office	West M Street: office	None
	East Tower: office	East Tower: residential	Office to residential
	West Tower: office	West Tower: residential	Office to residential
	Northeast: office	Northeast: residential	Office to residential ZONING COMMIS

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	Northwest:	Northwest:	Possible
	residential	residential/office	office
Overall	130 feet (existing	130 feet (existing	None
maximum	East and West	East and West	
height	Towers	towers)	
Other heights	East and West M	East and West M	2 foot
	Street: 112 feet	Street: 114 feet	increase
	East and West 4 <sup>th</sup>	East and West 4 <sup>th</sup>	15 foot
	Street: 79 feet	Street: 94 feet	increase
	Northeast: 112 feet	Northeast: 114 feet	2 foot
			increase
	Northwest: 112 feet	Northwest: 114 feet	2 foot
			increase
Overall	4.33 FAR (2,526,500	4.33 FAR (2,526,500	None
density	sf of GFA)	sf of GFA)	
Density by	Residential: 0.69	Residential: 2.11	Increase of
use	FAR (minimum of	FAR (minimum of	829,605 sf
	400,000 sf of GFA)	1,229,605 sf of GFA)	of GFA
	Retail: 0.13 FAR	Retail: 0.19 FAR	Increase of
	(minimum of 75,000	(minimum of 110,000	35,000+ sf
	sf of GFA, including	sf of GFA plus	of GFA
	grocery store)	grocery store)	
	Office: 3.51 FAR	Office: 2.03 FAR	Decrease of
	(2,126,500 sf of	(1,296,895 sf of	829,605 sf
<u> </u>	GFA)	GFA)	of GFA
Lot	65%	63%	Decrease of
occupancy	0.00	D1 1 1 1	2%
Phasing	Office and retail use	Phase 1 includes	Initial
	built first, up to 1.57	438,000 sf of	residential
	million sf	residential and	moved to
	300 000 -C - C	619,900 sf of	front of
	200,000 sf of	commercial	schedule
	residential in	(including 32,000 sf	
	Northwest	of retail and 55,000 sf	
		of grocery)	,

Additional 250,000 sf	Phase 2 includes	
of office	remaining residential	
	(791,605 sf), 15,295	
Additional 200,000 sf	sf of retail and	
of residential in	322,785 square feet	
Northwest	of commercial in	
	West M Street	
Remaining office		
	Phase 3 includes	
	remaining 339,815 sf	
	of commercial in East	
	M Street	

#### B. Increase in amenities and benefits

- 1. 829,605 square feet of additional residential development
- 2. 160,000 square feet of affordable housing
  - a) If rented, affordable to households making no more than 50% of Area Median Income (AMI)
  - b) If sold, affordable to households making between 50% and 120% of AMI, with the average to be no more than 80% of AMI
- 3. 35,000 square feet of additional ground floor streetfront retail development
- 4. Commitment to 55,000 square foot grocery store with timing dependant upon an agreement with Safeway
- 5. Expanded open space public plazas adjacent to the Metro entrance increased from 25,000 square feet to 50,000 square feet
- 6. Inclusion of sustainable design elements

## IV. Rezoning

# A. Existing zoning

- 1. C-3-C for the Northeast and Northwest buildings
- 2. C-3-C for the East and West M Street buildings
- 3. C-3-B for the East and West Towers

- 4. C-3-B for the East and West M Street buildings
- B. Proposed zoning: C-3-C for the entire site
- C. Change from C-3-B to C-3-C
  - 1. Uses: no change
  - 2. Height:
    - a) Matter-of-right increases by 20 feet (70 to 90)
    - b) PUD increases by 40 feet (90 to 130)
  - 3. Floor Area Ratio
    - a) Matter-of-right increases by:
      - (1) 1.5 overall (5.0 to 6.5)
      - (2) 2.5 commercial (4.0 to 6.5)
    - b) PUD increases by:
      - (1) 2.5 overall (5.5 to 8.0)
      - (2) 3.5 commercial (4.5 to 8.0)
  - 4. Actual proposal
    - a) Height 94 feet for East and West 4<sup>th</sup> Street buildings (15 feet more than in approved PUD but below height of all other buildings)
    - b) Floor area ratio -4.33 (below 5.0 FAR matter-of-right for the existing zoning and no change from the approved PUD)
  - 5. Reason for change
    - a) Reallocation and consolidation of office space into four buildings (from seven) requires increase in number of floors and height of East and West M Street buildings
    - b) Increase in height also allows additional ground level open space

c) Extra four feet (above 90 feet) is to accommodate sixteen foot floor-to-floor height for ground floor retail with 8', 6" clear ceiling height on the office floors

# V. Consistency with the Comprehensive Plan

- A. Original application was judged against the 1998 Plan
- B. District adopted new local elements in 2006 (Comprehensive Plan Amendment Act of 2006, D.C. Law 16-300, effective March 8, 2007)
- C. Framework element guiding principles
  - 1. Managing growth and change
    - a) "Change in the District is both inevitable and desirable. The key is to manage change in ways that protect the positive aspects of life in the city and reduce negatives such as poverty, crime, and homelessness." (§2.3, ¶217.1)
    - b) "Diversity also means maintaining and enhancing the District's mix of housing types. Housing should be developed for households of different sizes, including growing families as well as singles and couples." (§2.3, ¶217.3)
    - c) "The District needs both residential and non-residential growth to survive. Non-residential growth benefits residents by creating jobs and opportunities for les affluent households to increase their income." (§2.3, ¶217.4)
    - d) "Redevelopment and infill opportunities along corridors and near transit stations will be an important component of reinvigorating and enhancing our neighborhoods. Development on such sites must not compromise the integrity of stable neighborhoods and must be designed to respect the broader community context. Adequate infrastructure capacity should be ensured as growth occurs." (§2.3, ¶217.6)
    - e) "Growth in the District benefits not only District residents, but the region as well. By accommodating a larger number of jobs and residents, we can create the critical mass needed to support new services, sustain public transit, and improve regional environmental quality." (§2.3, ¶217.7)

## 2. Creating successful neighborhoods

- a) "The residential character of neighborhoods must be protected, maintained and improved. Many District neighborhoods posses' social, economic, historic, and physical qualities that make them unique and desirable places in which to live. These qualities can lead to development and redevelopment pressures that threaten the very qualities that make the neighborhoods attractive. These pressures must be controlled through zoning and other means to ensure that neighborhood character is preserved and enhanced." (§2.3, ¶218.1)
- b) "Many neighborhoods include commercial and institutional uses that contribute to their character. Neighborhood businesses, retail districts, schools, park and recreational facilities, houses of worship, and other public facilities all make our communities more livable. These uses provide strong centers that reinforce neighborhood identity and provided destinations and services for residents. That too must be protected and stabilized." (§2.3, ¶218.2)
- c) "The preservation of existing affordable housing and the production of new affordable housing both are essential to avoid deepening of racial and economic divides in the city. Affordable renter- and owner-occupied housing production and preservation is central to the idea of growing more inclusively." (§2.3, ¶218.3)

## D. Framework element – the Land Use Maps

- 1. The Generalized Policy Map purpose "is to categorize how different parts of the District may change between 2005 and 2025" (§2.4, ¶223) (see excerpt, following)
- 2. Includes subject property in Land Use Change Area designated as an Enhanced/New Multi-Neighborhood Center, described as follows:

"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. 223.17

Mixed-use infill development at these centers should be encouraged to provide new retail and service uses, and additional housing and job opportunities. Transit improvements to these centers are also desirable." 223.18

- 3. The Future Land Use Map includes property in mixed-use high density residential/high density commercial category
  - a) High density residential:

"This designation is used to define neighborhoods and corridors where high-rise (8 stories or more) apartment buildings are the predominant use." (§2.4.2, ¶224.9)

b) High density commercial:

"This designation is used to define the central employment district of the city and other major office employment centers on the downtown perimeter. It is characterized by office and mixed office/retail buildings greater than eight stories in height, although many lower scale buildings (including historic buildings) are interspersed. The corresponding zone districts are generally C-2-C, C-3-C, C-4, and C-5, although other districts may apply." (§2.4.2, ¶224.14)

- 4. Maps are intended to provide generalized guides for development and conservation decisions (§2.4.2, ¶224.24)
  - a) Future Land Use Map is generalized depiction of intended uses in the 20 year horizon
  - b) Zoning is guided by the Future Land Use, Map, interpreted in conjunction with the text of the Plan, including citywide elements, area elements and approved small area plans

#### E. Land Use element

1. Overall goal:

"Ensure the efficient use of land resources to meet long-term neighborhood, city-wide, and regional needs; to help foster other District goals, to protect the health, safety, and welfare of District residents and businesses; to sustain, restore, or improve the character and stability of neighborhoods in all parts of the city; and to effectively balance the competing demands for land to support the many activities that take place within District boundaries." (¶302.1)

- 2. Policies and Actions Transit-Oriented and Corridor Development
  - a) "Fully capitalizing on the investment made in Metrorail requires better use of land around transit stations and along transit corridors. While many of the District's 40 Metrorail stations epitomize the concept of a "transit village," with pedestrian-oriented commercial and residential development of varying scales, others do not. Some stations continue to be surrounded by large surface parking lots and auto-oriented commercial uses." (¶306.2)
  - b) "Much of the city's planning during the last five years has focused on making better use of transit station areas. ... One objective of these initiatives has been to strengthen transit stations as neighborhood centers and attract new investment to struggling business districts. Another important objective has to been to accommodate the growth of the city in a way that minimizes the number and length of auto trips generated, and to reduce household expense on transportation by providing options for "car-free" (or one car) living." (¶306.3)
  - c) Principles in the management of land around Metrorail stations:
    - (1) A preference for mixed residential and commercial uses rather than single purpose uses, particularly a preference for housing above ground floor retail uses;
    - (2) A preference for diverse housing types, including both market-rate and affordable units;
    - (3) A preference for attractive, pedestrian-friendly design and a de-emphasis on auto-oriented uses and surface parking; and
    - (4) Provision of well-designed, well-programmed, and well-maintained public open spaces. (¶306.4)
  - d) "Station area development policies must respond to the unique needs of each community and the unique setting of each station." (¶306.5)
  - e) "To avoid adverse effects on low and moderate density neighborhoods, most transit-oriented development should be accommodated on commercially zoned land." (¶306.8)

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## f) Policies

(1) Policy LU-1.3.1 Stations Areas as Neighborhood Centers

"Encourage the development of Metro stations as anchors for economic and civic development in locations that currently lack adequate neighborhood shopping opportunities and employment. The establishment and growth of mixed use centers at Metrorail stations should be supported as a way to reduce automobile congestion, improve air quality, increase jobs, provide a range of retail goods and services, provide civic gathering places, and capitalize on the development and public transportation opportunities which the stations provide." (¶306.10)

(2) Policy LU-1.3.2 Development Around Metrorail Stations

"Concentrate redevelopment efforts on those Metrorail station areas which offer the greatest opportunities for infill development and growth, particularly stations in areas with weak market demand, or with large amounts of vacant or poorly utilized land in the vicinity of the station entrance. Ensure that development above and around such stations emphasizes land uses and building forms which minimize the necessity of automobile use and maximize transit ridership while reflecting the design capacity of each station and respecting the character and needs of the surrounding areas." (¶306.11)

#### VI. Conclusions

- A. Project is not inconsistent with the Comprehensive Plan
- B. Modification is significant improvement over original approved project in meeting city objectives
- C. Second stage application is consistent with the thrust of project as modified
- D. Substantial public benefits which accrue to the District from the project, especially in the area of housing, affordable housing, retail and open space, far outweigh the development incentives received by the project
- E. PUD allows the Zoning Commission to condition approval to what is specifically proposed, without allowing more density or uncontrolled development
- F. Project should be approved