

MEMORANDUM

TO: District of Columbia Zoning Commission
FROM: ^{JLS} Jennifer Steingasser, Deputy Director
 Historic Preservation and Development Review
DATE: June 7, 2019
SUBJECT: ZC 15-27A – Final Report for a Second Stage Planned Unit Development (PUD) and Modification of the First Stage PUD for Building A2 at 300 Morse Street, N.E. in Florida Avenue Market

I. SUMMARY

Grosvenor USA Limited has submitted an application for a Second Stage Planned Unit Development (PUD) and Modification of a First Stage PUD to construct a mixed-use building at 300 Morse Street, N.E. in the Florida Avenue Market. The 13-story, 130-foot high building would include retail uses on the ground floor and twelve stories of residential above. The penthouse would consist of residential units and amenity space. The proposal also includes a design for Neal Place Park, located on the east side of the building.

The Office of Planning has requested the following conditions be satisfied prior to any approval or proposed action:

1. The applicant shall demonstrate that the project will comply with the housing and affordable housing requirements approved in the First Stage PUD and memorialized in the Order.
2. The applicant shall provide a matrix listing all the benefits and amenities of the PUD and the status of their completion.
3. Shadow and sun studies assessing the impact of glazing on the park during key times of use shall be provided.
4. A detailed material sheet including manufacturer colors and a material board shall be provided.
5. A comprehensive site plan showing the location of all green space locations for the PUD shall be provided. The site plan should include active and passive recreation space as well as connections between them.

A final recommendation will be provided after a complete analysis of the requested supplemental information.

II. APPLICATION IN BRIEF

Location	300 Morse Street, N.E. Square 3587, Lot 840	Ward 5, ANC 5D
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Property Size	35,616 square feet (0.82 acres)
Applicant	Grosvenor USA Limited
Current Zoning	C-3-C PUD (vested under the 1958 Zoning Regulations)
Site Characteristics	The site is bounded by New York Avenue to the north, 4 th Street to the northeast, Morse Street to the southeast, Florida Avenue to the southwest, and the Amtrak and Metrorail lines to the west. The site is generally flat, but the north end of the site slopes up toward New York Avenue and the west side of the property slopes up toward the railroad tracks. The site is located approximately ½ mile from the NoMa-Gallaudet University Metro Station.
Existing Use of Property	The PUD site is presently improved with one-story industrial buildings used for wholesale distribution.
Proposed Use of Property	The applicant proposes to develop Building A-2, approved in the First Stage and Consolidated PUD approved in March 2017. The proposal consists of a 13-story mixed-use building with ground floor retail and twelve stories of residential.
Background	<p>The original First Stage approval (ZC Case 15-27) was approved March 27, 2017. That approval established the PUD-related zoning for the property, the site plan, the general use mix, the general massing of buildings, the maximum heights for buildings and the maximum FAR for the entire development. At the time, the Commission determined that the PUD would be not inconsistent with the Comprehensive Plan maps and text and would further the objectives of the Florida Avenue Market Small Area Plan and the Ward 5 Industrial Land Transformation Study.</p> <p>The Zoning Regulations define the second stage of a two stage PUD review as: <i>“a detailed site plan review to determine transportation management and mitigation, final building and landscape materials and compliance with the intent and purposes of the first-stage approval, and this title”</i>. (Subtitle X § 302.2 (b))</p> <p>To date, Buildings A1, B1 and C in the PUD have been approved, but construction has not commenced.</p>

III. PLAN CHANGES SINCE SETDOWN

In response to comments and requests made by OP and the Zoning Commission identified in the setdown report dated March 29, 2019, and at the public meeting held April 8, 2019, the applicant filed revised plans and a Prehearing Statement on May 28, 2019 (Exhibits 14-14H).

An Interagency Meeting was held May 28, 2019. Agencies in attendance included: DC Water, Department of Energy and Environment (DOEE), Department of Housing and Community Development (DHCD), and Department of Parks and Recreation (DPR). OP also contacted DC Public Schools (DCPS), Department of Employment Services (DOES), Fire and EMS Department, and Metropolitan Police Department (MPD) for comment, but received no response. The applicant met separately with District Department of Transportation (DDOT) to address transportation concerns.

The applicant has provided written responses in Exhibit 21 of the record. The following table summarizes the comments and responses from the Public Meeting and Interagency Meeting.

Zoning Commission / OP Comment	Applicant Response	OP Comments
<p><u>Aggregate FAR</u> The applicant should demonstrate that the aggregate FAR for the entirety of the PUD does not exceed 7.1, consistent with the Order.</p>	<p>The aggregate FAR for the entirety of the overall PUD site is 6.78, which is less than the 7.1 FAR permitted. Calculations have been provided at Exhibit 14B.</p>	<p>The requested information has been provided; the FAR complies with the limits provided in the Order.</p>
<p><u>Increased IZ</u> Study the provision of more IZ units than required by the Order.</p>	<p>The applicant has not specifically addressed the provision of IZ units above what is required.</p>	<p>At a minimum, 8% of the floor area shall be dedicated to IZ units, compliant with the Order for Zoning Commission Case No. 15-27.</p>
<p><u>Location of IZ Units</u> Review the locations of IZ units to ensure that they are not overly stacked in a portion of the building.</p> <p><u>IZ Calculation</u> The applicant should clarify the IZ square foot calculation.</p> <p>The applicant should provide clarification that the proffered affordable housing will be compliant with the ZC Order #15-27. This should include an update regarding the construction status of Buildings A1 and B, including re-configuration of IZ units.</p>	<p>The first-stage PUD for Building A2 included approximately 249,323 square feet of residential GFA. The proposed second-stage PUD for Building A2 includes approximately 259,931 square feet of residential GFA, plus approximately 4,444 square feet of floor area in the penthouse dedicated to residential units. Because the total residential GFA has increased in the second-stage PUD, the GFA devoted to IZ units has also increased at the same rate.</p> <p>The project would provide 8% of the units at 80% MFI, which is 21,447 square feet.</p> <p>IZ calculations have been provided at Exhibit 21A4 on sheet 310.</p>	<p><u>Additional information required:</u> The original order provides an affordable housing proffer for two scenarios: for-sale and for-rent. Should this building (A2) be a for-sale building then there is an increase in affordable housing in buildings A1 and B:</p> <p><i>“[i]f Building A2 is developed as for-sale housing, then the Applicant shall reduce the total affordable housing proposed for Building A2 from 11% to eight percent of Building A2’s residential gross floor area, all of which shall be dedicated to households earning up to 80% of the AMI, and shall transfer an additional 13,713 square feet of affordable housing dedicated to households earning up to 50% of the AMI in Buildings A1 and B”</i> (see Decision No. B.2).</p> <p>The developers of Buildings A1 and B (which are not a part of this</p>

		application) are in the permitting process. OP has requested detailed confirmation that the affordability in A1, A2 and B is consistent with the proffer.
Funds for Habitable Penthouse The approximate contribution to the Housing Production Trust Fund for the habitable penthouse should be provided.	The approximate contribution to the affordable housing production trust fund would be \$101,805.10.	The requested information has been provided.
Ground Floor Rendering Renderings of the ground floor adjacent to Neal Place Park should be provided.	Renderings have been provided at Exhibit 21A10.	The requested information has been provided. The renderings demonstrate that the park area adjacent to the retail would be activated with café tables and outdoor seating.
Sign Plan Provide a detailed, refined sign plan, including sign locations, types, and sizes.	A signage plan depicting the locations and guidelines for retail, residential, and shared signage on the building is included as pages 401-406 in the Plans (Exhibit 21A4).	The requested information has been provided. The applicant should indicate if any larger signs are proposed at the top of the building and provide details, if applicable.
Solar Panels Study the provision of a green roof in conjunction with solar. If a green roof is not compatible, provide a detailed explanation addressing this issue.	The applicant has provided that solar panels are incompatible with perennials, taller grasses, and other plantings compatible with the proposed intensive green roof system. An intensive green roof system provides an eight-inch deep soil allowing for a greater variety of plant species and larger plant sizes, whereas an extensive green roof system provides a four-inch deep soil that can support sedum and other shorter plantings. The plantings in an intensive system would not thrive underneath solar panels or would impede the energy generation of the panels.	The requested information has been provided.
Green Roof Small areas of green roof above stair and elevator overruns, and planted canopies may not be warrantable or effective. Please confirm or discount from stormwater calculations.	The Applicant has confirmed with its civil engineer that the stormwater calculations are correct for the A2 site and will meet minimum requirements.	DOEE will review the detailed calculations as part of the building permit process.

<p><u>Number of Parking Spaces</u> The applicant should address the necessity of providing 102 more parking spaces than required. The plans indicate that approximately 100 new parking spaces have been added to the project, although the applicant has indicated that only 30 spaces have been added and others have been reallocated.</p>	<p>Building A1 and A2 are considered one building for zoning purposes and will share a garage with access on 3rd Street.</p> <p>Regarding the proposed number of parking spaces devoted to Building A2 (as compared to the number of spaces approved in the first-stage PUD), the Applicant notes that the increase is not significant when viewed in context of Building A1 and A2 as a whole.</p> <p>The first-stage PUD approved 651 residential units and 371 parking spaces in Building A, while the current proposal includes 711 residential units and 451 parking spaces for Building A. Thus, the number of parking spaces increased as a result of the increase in residential units that the parking is intended to serve.</p> <p>In addition, the Comprehensive Transportation Review (“CTR”) Report prepared for the first-stage PUD assumed a higher overall development program for Building A in terms of number of units (the CTR assumed 749 units instead of 651 units) and in terms of number of parking spaces (the CTR assumed 421 spaces instead of 371 spaces). Therefore, the total number of parking spaces currently proposed for Building A (451 spaces) is only 30 spaces more than the number assumed and studied in the CTR from the first-stage PUD (421 spaces), and therefore the original CTR results remain valid for the proposed development program.</p>	<p>In both scenarios described by the applicant, parking exceeds the minimum requirements for residential uses, and the proposed 451 parking spaces would be at a higher ratio per unit than the 371 spaces approved in the first stage PUD.</p> <p>DDOT will provide an analysis and recommendation as a separate memo.</p>
<p><u>EV Charging Stations</u> The applicant should consider providing EV charging stations.</p>	<p>As noted in the 20-day supplemental prehearing filing (Exhibit 21), the Applicant has agreed to install the conduits and infrastructure needed to provide two EV charging stations in the garage of Building A2.</p>	<p>The requested information has been provided; the requested EV charging stations would be provided.</p>
<p><u>Materials</u></p>	<p>A material sheet has been provided in Exhibit 24A4 on sheet 323.</p>	<p>The material sheet lacks specific details, such as manufacturer color</p>

<p>Additional information regarding the types of materials to be used, including material type, color, and samples, demonstrating that the proposed building materials will be of a high-quality.</p>		<p>names. The applicant should provide these details at the public hearing.</p>
<p><u>Window Details</u> Additional window details should be provided, illustrating window mullions and depth from the façade.</p>	<p>Window details have been provided in Exhibit 21A4.</p>	<p>The requested information has been provided, demonstrating that the windows would be surrounded by a thick frame, giving the appearance of being recessed from the façade and adding dimension to the elevations.</p>
<p><u>Impact of Glazing on Park</u> Shadow and sun studies should be completed to assess the impact of glazing on the park during key times of use.</p>	<p>Shadow and sun studies will be provided prior to or at the public hearing.</p>	<p>The applicant should provide the requested information at the public hearing.</p>
<p><u>Landscape Area</u> Additional information regarding the landscape area between Building A2 and the existing self-storage facility to the north should be provided.</p>	<p>The Applicant will maintain the portion of the landscaped area between Building A2 and the self-storage facility to the north that is within the Building A2 property line. A rendering of the area has been provided at Exhibit 21A2 on sheet 204.</p>	<p>The requested information has been provided.</p>
<p><u>Detailed Streetscape Plans</u> The applicant should provide detailed streetscape plans in coordination with DDOT and OP regarding the design and use of public space and its compliance with the Union Market Streetscape Guidelines.</p>	<p>Detailed streetscape plans identifying the design, use, and extent of the public space improvements surrounding Building A2 have been provided at Exhibit 21C.</p>	<p>The requested information has been provided, demonstrating that the streetscape plans would be compliant with the Union Market Streetscape Guidelines. DDOT may provide additional comments in a separate memo.</p>
<p><u>Neal Place Park Children’s’ Play Spaces</u> Given the shortage of green space in Florida Avenue Market, there is a need to optimize all park space for recreation. As such, a children’s play space should be incorporated; the proposed boulder sculpture presents an opportunity to provide an interactive climbing structure. The center of the park should be functional for recreation and not just a stormwater swale.</p>	<p>The design for Neal Place Park intentionally contrasts with and compliments the public space programming within the overall PUD site... Morse Street Plaza includes features such as terraced seating, benches and cafes, and a “Gantry” structure with a fog feature and surrounding communal seating that will animate the plaza and encourage interaction.</p> <p>The design of Neal Place Park is intended to provide smaller gathering spaces immersed in natural elements to offer a unique experience when</p>	<p>OP continues to suggest modifications to the park intended to increase its functionality, such as ensuring that the boulder sculpture is something that is interactive and can be climbed. If possible, some of the space devoted to stormwater should be flat, green space to allow more functionality.</p>

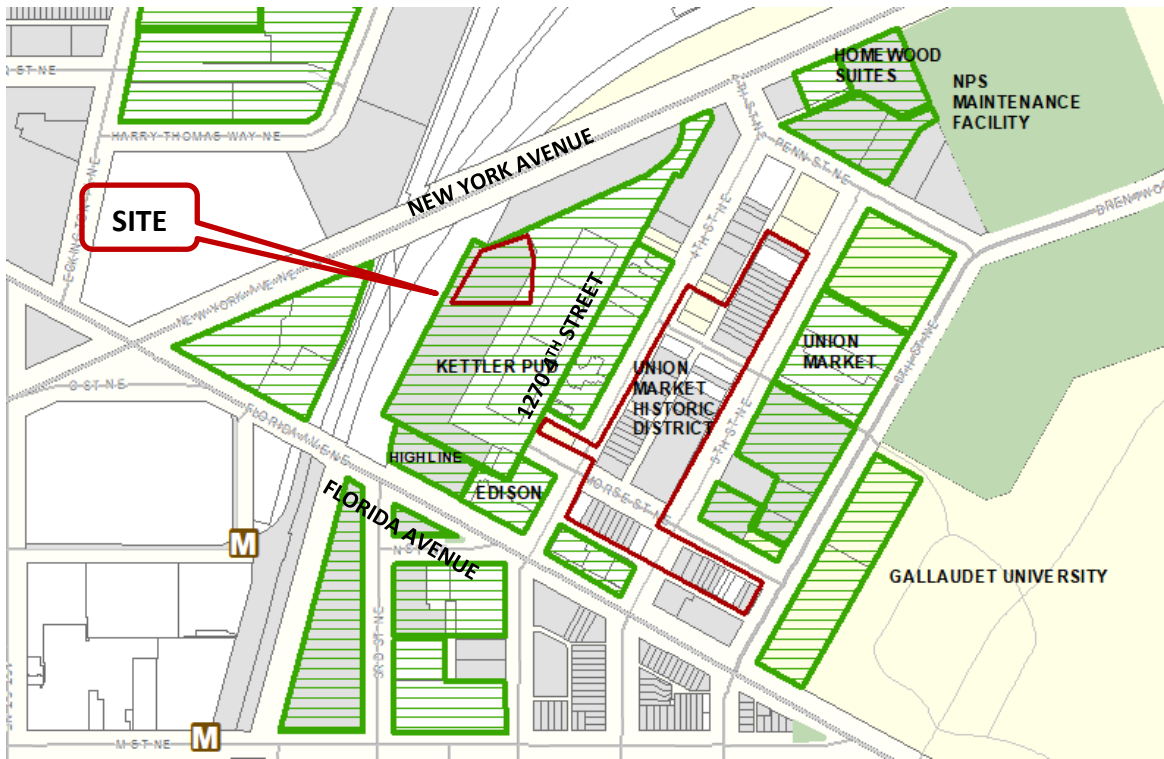
	<p>compared to the Morse Street Plaza. Although smaller in size, Neal Place Park also includes a variety of elements to engage the public, such as natural boulders of different shapes and sizes; café, garden, and sidewalk seating; interesting paving patterns; a bridge inspired by the nearby Great Falls Trail; canopy trees; and a variety of garden areas. Neal Place Park is bounded by ambient lighting on Building A2 as well as feature lighting located at various points within the park to light the park and ensure that it feels like a safe and welcoming environment.</p> <p>...the Applicant has minimized to the greatest extent possible the areas devoted to stormwater management and bioretention within Neal Place Park. The bioretention areas that are proposed are critical to meeting the overall stormwater management requirements for Building A2...</p>	
<p><u>Water Feature</u> A water feature should be provided in Neal Place Park.</p>	<p>A water feature has not been included in the proposed design, as the design has significantly improved and advanced since the first stage PUD was approved. The plaza and seating in the first stage PUD lacked a unifying concept and needed a central focal point such as a water feature to carry the design. However, the new concept is grounded in regional geographies and designed as a lush, natural, and intimate environment that attracts the public through dynamic pavement design, immersive planting, and welcoming seating areas that spill over the Building A2 property line and into the public space.</p> <p>The design for Neal Place Park intentionally contrasts with and compliments the public space programming within the overall PUD site... The design of Neal Place Park is intended to provide smaller gathering</p>	<p>The applicant has demonstrated that a water feature would challenge the stormwater management system. In response, OP has suggested modifications to the park to ensure that it would be more functional, such as ensuring that the boulder sculpture is something that is interactive and can be climbed. If possible, some of the space devoted to stormwater should be flat, green space to allow more functionality.</p>

	<p>spaces immersed in natural elements to offer a unique experience when compared to the Morse Street Plaza.</p> <p>The stormwater management system for Building A2 also prevents the applicant from incorporating a water feature into Neal Place Park. Building A2 includes extensive stormwater management elements at the penthouse level, 3rd floor, and ground floor at Neal Place Park. Because the stormwater retention treats gray water captured from the building and the hardscape areas in Neal Place Park, the system is incompatible with a clean-water fountain system that would be needed for a water features.</p>	
<p>Green Spaces A comprehensive site plan showing the location of all green space locations for the PUD should be provided. The plan should include active and passive recreation space as well as connections between them.</p>	<p>Sheet L1.05 of the approved consolidated and first-stage PUD plans showing the landscape plan elements for Morse Street Plaza located at the intersection of Buildings A1, B, and C1 has been provided at Exhibit 21B.</p> <p>A plan showing the green space locations within the overall PUD site will be provided prior to or at the public hearing.</p>	<p>The plan does not show all of the green spaces proposed in the First and Second Stage PUDs. A cohesive plan demonstrating the geographical relationship between parks and green spaces and illustrating their intended purposes should be provided prior to the public hearing.</p>
<p>DC Water Coordination The applicant should demonstrate that there has been continued coordination with DC Water regarding the easement requested by the Agency.</p>	<p>DC Water has issued a DC Water Certificate of Approval for the overall PUD site, issued January 7, 2019 confirming that all requirements have been met for water and sewer availability on the PUD Site. In addition, the Easement Agreement and Declaration of Covenants and Restrictions has been provided. The Easement Agreement governs DC Water’s ability to provide water and/or sewer service to the overall PUD site.</p>	<p>The requested information has been provided, demonstrating that DC Water has approved the easement.</p>
<p>DC Water Maintenance Vehicles An explanation regarding how DC Water maintenance vehicles exit the narrow easement should be provided.</p>	<p>A copy of the DC Water easement was included in the 20-day supplemental prehearing filing (see Exhibit 21F). The easement grants DC Water the “right of pedestrian and vehicular ingress and egress in, on, under, over, to a minimum height of 25 feet above the finished</p>	<p>The requested information has been provided, demonstrating that DC Water reviewed the easement for its accessibility.</p>

	grade, and across the full width and length of the Easement Area” (see sec. 1). It also grants DC Water the right to access the portions of the Subject Property adjoining the Easement Area to the extent reasonably necessary for Authority to perform such work” (see sec. 4). A description and site plan showing the Easement Area are included as Exhibits B and C of the easement at Exhibit 21F. The easement was signed by David L. Gadis, General Manager and CEO of DC Water, and has been recorded in the land records. An Easement Agreement approved by DC Water has been provided at Exhibit 21F.	
Gantry Feature Additional information on the gantry feature approved with the Stage 1 PUD should be provided, including clearance for maintenance vehicles.	The DC Water Easement Agreement includes terms ensuring that access to the Easement area by DC Water is provided.	The requested information has been provided. The Easement Agreement ensures that clearance for maintenance vehicles would be provided.
Existing Railroad Siding Will the proposed building impact the existing railroad siding?	The building will not impact the existing railroad siding.	The requested information has been provided.
An update regarding the TIF for infrastructure should be provided.	The entire PUD site, including the Building A2 site, is outside of the TIF boundaries. All of the infrastructure is being paid for by the developers of the PUD.	The requested information has been provided. The PUD is not included in the TIF boundaries.

IV. SITE AND AREA DESCRIPTION

The project site is located in the Florida Avenue Market, which is an approximately 40-acre area located north of Florida Avenue, south of New York Avenue, and east of Sixth Street. Specifically, the project site is at the north end of Florida Avenue Market, at the terminus of Third Street and Neal Place, on the north side of Third Street. North of the site is self-storage facility and New York Avenue. To the west, are Metro and Amtrak railroad tracks. To the east are existing warehouses. The Union Market Historic District is located east of the site, generally consisting of two-story warehouses located between 4th and 5th Streets. The site is generally flat, but the north end of the site slopes up toward the railroad tracks. The site is located approximately ½ mile from the NoMa-Gallaudet University Metro Station.



Several properties in the Market Area have received PUD approvals, as shown in the map above. To date, the Highline and Edison on Florida Avenue have been completed and 1270 4th Street is nearing completion. None of the sites included in this PUD are currently under construction.

V. PROJECT DESCRIPTION AND ANALYSIS

Building A2 would consist of a 130-foot high residential building with ground floor retail. Two levels of below grade parking with 165 parking spaces would be provided and accessed by a shared curb cut with Building A1 on 3rd Street. Loading would also be shared with Building A1. A habitable penthouse would be provided, including residential units, residential amenity, and outdoor amenity space. Solar panels would be located on top of the penthouse.

The building would form a ‘T’ shape with the longest section facing New York Avenue. The façade of the building would have two distinct designs. The façade overlooking Neal Place Park, or the pearl façade, consists of mostly glass. The shell façade, which surrounds the building outside of the park would consist of masonry and glazing. Overall, the building façade is a contemporary interpretation of industrial materials, consistent with the Union Market aesthetic.

Neal Place Park would be located at the interior façade of the building, providing a focal point down Neal Place. The park is intended to contrast with other green space provided within the PUD designed for large amounts of people by providing a smaller gathering space immersed in natural elements. Natural boulders would be located along the west side of the park, near the building, and an active retail edge with café seating would be located along the southern portion of the park. Much of the interior space of the park would be used to accommodate stormwater management elements. OP and DPR have strongly encouraged the applicant to ensure that the functionality of the park is optimized by dedicating

the least amount of space possible to stormwater management, and to include interactive elements, such as a climbable boulder sculpture. OP and DPR have also requested that the applicant provide shadow and sun studies of the park to assess the impact of glazing on the park during key times of use.

The ground floor would be activated with retail and outdoor seating along the south side of Neal Place Park. The west portion of the park would abut the residential use, including the lobby entrance and a hallway that provides access to bicycle parking and the mail room. The applicant has provided renderings of the ground floor illustrating the activation and the feature wall that would illuminate the west portion of the park at Exhibit 21A3. The feature wall would use metal or wood and light to create an interesting visual element.

VI. COMPREHENSIVE PLAN AND PUBLIC POLICIES

The Commission found during its review of the first stage PUD that the project is not inconsistent with the Comprehensive Plan. OP finds that the current second stage PUD application is generally consistent with the first stage as approved and does not detract from the project’s correlation with the tenets of the Plan.

The proposal would further a number of the Plan’s Guiding Principles and major polices from Plan elements, including: Land Use; Transportation; Economic Development; Housing; Urban Design; and Upper Northeast Area Element. The application is also not inconsistent with the Plan’s Generalized Land Use Map or the Future Land Use Map. The proposal is also consistent with the Florida Avenue Small Area Plan and the Ward 5 Industrial Land Transformation Study. For a complete analysis of the project against relevant planning policies, please refer to the Office of Planning Setdown Report for Zoning Commission Case No. 15-27, dated April 18, 2016 at Exhibit 15 in the record for that case.

VII. ZONING

ZC Order 15-27 approved the First Stage PUD and PUD related map amendment for the C-3-C zone on the property and specified that the project and subsequent Second Stage applications be in accordance with the First Stage PUD. Subsequent to the First Stage PUD approval, the applicant has refined the details for Building A2, which has resulted in changes to what was approved in the First Stage PUD. As a result, the applicant has requested modification to the Order to accommodate these changes. The proposed changes would remain within the parameters of the C-3-C zone.

The table below shows a comparison of the development parameters approved for Building A2 at First Stage, the proposed modifications and the standards of the C-3-C/PUD.

Building A-2	C-3-C/PUD Standards	Approved Stage 1	Proposed Stage 2
Lot Area	15,000 sq.ft. min.	35,616 sq.ft.	35, 616 sq. ft.
Height (ft.)	130 ft. max.	130 ft.	130 ft.
Residential Units	--	198 units	260 units
Penthouse Height	20 ft. max.	Details not provided	20 ft.

Building A-2	C-3-C/PUD Standards	Approved Stage 1	Proposed Stage 2
Penthouse Setbacks	Distance equal to its height from front, rear and side building walls.	Details not provided	20 ft.
Habitable Penthouse	--	3,500 sq. ft. devoted to communal residential space	4,572 sq. ft. devoted to residential units 1,028 sq. ft. devoted to communal residential amenity space flexibility requested to provide IZ unit on-site or contribute to the housing production trust fund
FAR	8.0	7.13	7.88
Residential:	284,928 sq. ft. max. or	249,323 sq. ft.	260,108 sq. ft. proposed modification
Non-Residential:	284,928 sq. ft. max.	4,570 sq. ft.	6,587 sq. ft. proposed modification
Residential Units	--	198 units	260 units (31% increase) proposed modification
Inclusionary Zoning (for-sale housing)	20,794 sq. ft. @ 80% AMI (based on 259,931 sq. ft. of residential)	19,946 sq. ft. @ 80% AMI (based on 249,323 sq. ft. of residential)	21,447 sq. ft. @ 80% AMI (based on 260,108 sq. ft. of residential and including 7,977 sq. ft. habitable penthouse)
Lot Occupancy	100 % max.	77.8 % (overall PUD)	60.85% (Building A2 only)
Rear Yard	27.08 ft. min.	18.5 ft. (approved flexibility)	23.25 ft. no new flexibility required
Side Yard	None required	0 ft.	0 ft.
Parking	62 spaces min.	63 spaces	165 spaces
Bicycle Parking	Residential: Long term: 66 spaces min. Short term: 10 spaces min. Retail: Long term: 0 spaces min. Short term: 2 spaces min.	160 spaces	Residential: Long term: 135 spaces Short term: 13 spaces Retail: Long term: 0 spaces Short term: 2 spaces

Building A-2	C-3-C/PUD Standards	Approved Stage 1	Proposed Stage 2
Loading	Multifamily > 50 units 1 berth @ 55 ft. 1 platform @ 200 sf. 1 delivery space @ 20 ft. Office & Retail (8,000 sf+): 1 berth @ 30 ft. 1 platform @ 100 sf 1 delivery space @ 20 ft.	1 berth @ 30 ft. 1 delivery space @ 20 ft. 3 platforms @ 100 ft.	2 berths @ 30 ft. 1 delivery space @ 20 ft. 3 platforms @ 100 ft. (provided in Building A1) no new flexibility required
Green Area Ratio	0.2 min.	Details not provided	0.205
Green Building	--	LEED Gold	LEED Gold
Neal Place Park	--	<u>Decision No. B.14</u> : 75% completion prior to COO for Building A2, and 100% completion within 120 days after issuance of COO for Building A2. <u>Decision No. B.15</u> : 100% completion prior to issuance of COO for Building C2 or D.	90% complete prior to COO for Building A2, and 100% completion within 120 days after issuance of COO for Building A2. proposed modification to remove Decision No. B.15 so that COO for Buildings C2 and D is not tied to completion of park

VIII. FLEXIBILITY

In the First Stage PUD, the Commission approved PUD-related zoning of C-3-C for the entirety of the PUD. Also in the First Stage PUD, the Commission granted zoning flexibility for the exact mix of uses, within certain ranges. The current proposal is consistent with the approved zoning as well as the uses approved in the First Stage PUD.

The current second stage application requests flexibility from the specific zoning regulations listed below. A summary of each area of relief is given below.

1. Rear Yard; Approved in First Stage PUD

The applicant requested flexibility to provide a reduced rear yard in the First Stage PUD. A rear yard of 27.08 feet is required for Building A2, and the Zoning Commission approved flexibility to allow a rear yard of 18.5 feet. In the current application, a rear yard of 23.25 feet is proposed, which is greater than the rear yard originally requested.

2. Loading; Approved in First Stage PUD

The applicant requested flexibility to provide one 30-foot loading berth in the Stage 1 PUD, where one 55-foot berth and one 30-foot berth are required. The Zoning Commission approved the requested

flexibility. In the current application, two 30-foot berths are proposed, which exceeds the original proposal. No additional flexibility is requested.

3. Building Lot Control; Approved in First Stage PUD

The applicant requested flexibility from the requirement to provide open space in front of entrances equivalent to the required rear depth in the Stage 1 PUD. The Zoning Commission approved the requested flexibility and no modifications are proposed in the current application.

4. Provision of on-site IZ unit or contribution to Housing Production Trust Fund; New Flexibility

The applicant has requested new flexibility regarding the habitable penthouse and the provision of an IZ unit on-site or a contribution to the Housing Production Trust Fund. The First Stage PUD did not include habitable penthouse space. The applicant has indicated that the estimated contribution to the trust fund would be approximately \$101,805.10. OP does not oppose the requested relief.

IX. PURPOSE AND EVALUATION STANDARDS OF A PUD

The purpose and standards for Planned Unit Developments are outlined in 11 DCMR, Subtitle X Section 300 which states, “*The purpose of the planned unit development (PUD) process is to provide for higher quality development through flexibility in building controls, including building height and density, provided that the project offers a commendable number or quality of meaningful public benefits and that it protects and advances the public health, safety, welfare, and convenience, and is not inconsistent with the Comprehensive Plan.*”

The applicant is requesting approval of a second stage PUD. The PUD standards state that the project should not result in unacceptable “impacts on the surrounding area or on the operation 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” (X § 304.4). The impacts of the proposed design of Building A2 would be acceptable with the fulfillment of the proffered amenities in the first stage PUD, including the construction of Neal Place Park. The design in total would create additional housing and affordable housing in a Metro-accessible location and create green space in an area that presently has very little.

X. PUBLIC BENEFITS AND AMENITIES

Subtitle X § 305.5 f the Zoning Regulations discuss the definition and evaluation of public benefits and amenities. A project may qualify for approval by being particularly strong in only one (1) or a few of the categories..., but must be acceptable in all proffered categories and superior in many (Subtitle X § 305.12).

The First Stage PUD included a number of benefits, including housing and affordable housing, social services/facilities, environmental benefits, open space, maker space, transportation benefits, and employment benefits. OP has requested that the applicant provide a benefits implementation chart demonstrating the status of their completion.

1. Housing and Affordable Housing

The proposal consists of 260,108 square feet of residential use, yielding approximately 260 units. 21,447 square feet would be dedicated to affordable housing at 80% AMI. OP has requested additional detail on the allocation of affordable housing units to confirm compliance with the order.

2. Environmental Benefits

The project would be certified at the LEED Gold level. Points would be gained for developing on a site with access to public transportation, water efficiency, optimizing energy performance, and indoor environmental quality.

3. Open Space

Neal Place Park, a 12,000 square foot urban park located at the terminus of Neal Place and 3rd Street, will be constructed with Building A2. The park will include additional seating and outdoor dining intended to draw in pedestrians walking from Union Market and other retail in the Market Area.

4. Maker Space

Although maker space will not be provided with Building A2, the overall PUD will be required to provide a total of 4,500 square feet of maker space within other buildings, consistent with the first stage PUD approval.

5. Transportation Benefits

The overall PUD includes elements designed to promote effective and safe vehicular and pedestrian movement, including reconnecting the street grid by extending Morse Street, adding a new section of 3rd Street, connecting Neal Place into 3rd Street, and allowing for two-way vehicular circulation connecting Morse Street to 3rd Street to Neal Place. Streetscape along these streets will include paving, curbs, gutters, sidewalks, landscaping, lighting, and other pedestrian amenities, all in accordance with DDOT standards. Indoor bicycle parking will be located in each building and a bicycle connection to the New York Avenue Rails to Trails bicycle path will be completed. A Capital Bikeshare station will be installed at Morse Street, south of Building C1.

A new traffic signal will be installed at the intersection of 4th Street and Morse Street and traffic cameras will be installed at the intersections of New York Avenue and 4th Street and Florida Avenue and 5th Street.

6. First Source Employment Agreement

The applicant is required to submit a First Source Employment Agreement for each building to the Department of Consumer and Regulatory Affairs (DCRA). The applicant should provide an update to the Zoning Commission regarding this benefit.

XI. AGENCY REFERRALS

OP anticipates a report from Department of Transportation (DDOT) will be filed under separate cover.

OP coordinated an Interagency Meeting that occurred May 28, 2019. Several Agencies were in attendance, including DC Water, DOEE, DHCD and DPR. OP provided the comments made by each

Agency to the applicant for response, which the applicant has submitted directly to OP and has been incorporated in this report.

XII. COMMUNITY COMMENTS

At its regularly scheduled meeting on November 13, 2018, ANC 5D voted unanimously to recommend approval of the Second Stage PUD. A letter has submitted to the record at Exhibit 3.

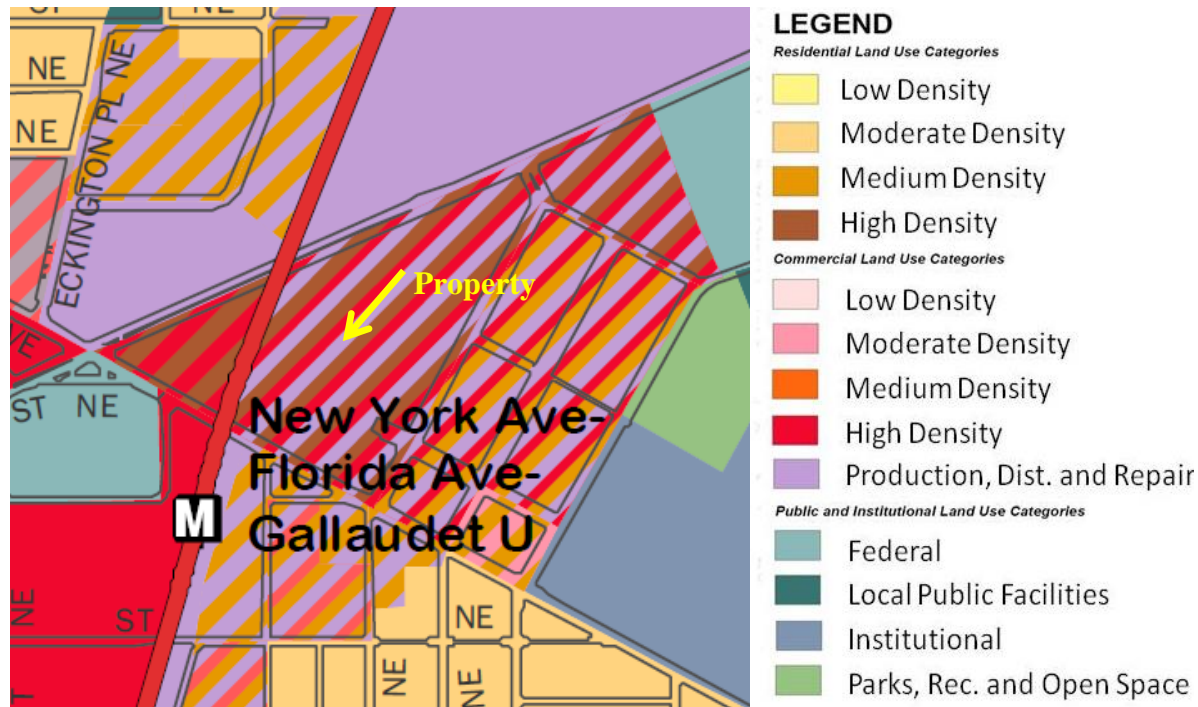
JS/be
Case Manager, Brandice Elliott

APPENDIX 1: COMPREHENSIVE PLAN ANALYSIS

The proposed PUD must be determined by the Zoning Commission to be not inconsistent with the Comprehensive Plan and with other adopted public policies (§ 2403.4). The map amendment also should not be inconsistent with the Comprehensive Plan and other adopted policies.

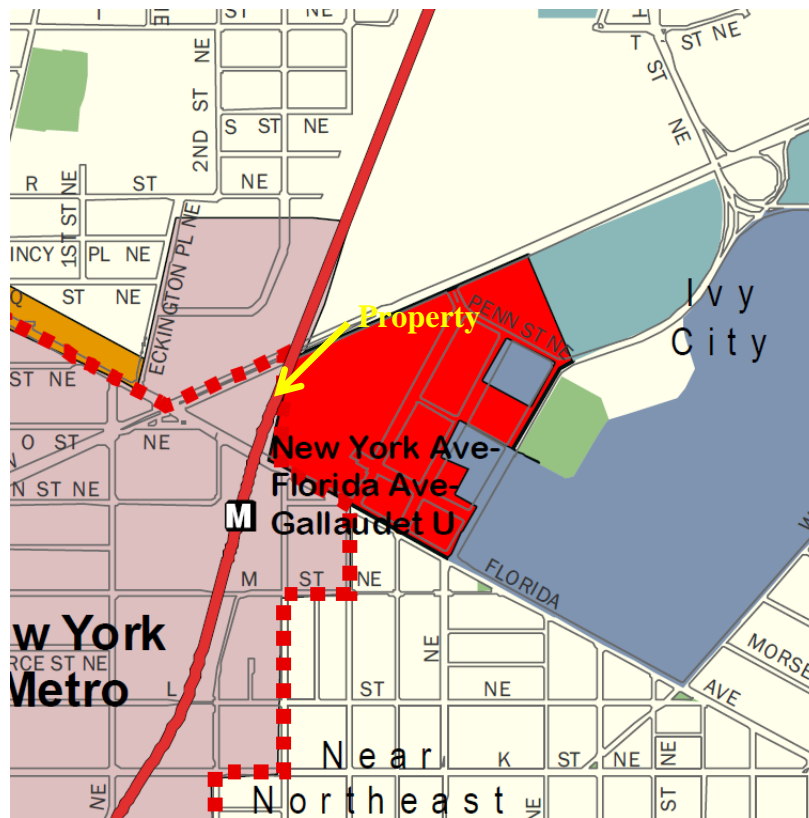
A. Future Land Use Map

The Future Land Use Map designation for the Property is striped for mixed use High-Density Commercial, High-Density Residential and Production, Distribution and Repair.



B. General Policy Map

The Generalized Policy Map designates the Property as part of a “Multi-Neighborhood Center” which is to meet the day-to-day needs of residents and workers in the adjacent neighborhoods in terms of both depth and variety. The service areas of Multi-Neighborhood Centers are typically one (1) to three (3) 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. 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. (Comprehensive Plan, §§ 223.4 and 223.5)



C. Comprehensive Plan Policies

The Property is located in the Upper Northeast Area of the Comprehensive Plan. There are several policies within the Upper Northeast Area Element, as well as policies in the Citywide Framework (primarily the Land Use Element), which encourage a mix of uses in the Florida Avenue Market/Capital City Market Area, high-density development and well-designed open space and public realm.

More specifically, the Property is located within the Florida Avenue Market Area Study (2009), a small area plan adopted by City Council, which includes general guidance for the immediate area, as well as site-specific guidance.

Finally, the area is included in the “Ward 5 Works: Ward Five Industrial Land Transformation Study” area. The ways in which this study is applicable to the Property is detailed below.

Ultimately, a map amendment-related PUD development facilitated by the regulations of the C-3-C zone would help achieve the applicable policies. Please note bold text was added for emphasis.

Upper Northeast Area Element (“UNE”):

- **Planning and Development Priority e.:** “Retail choices in Upper Northeast need to be expanded... Many of the commercial areas in Upper Northeast are dominated by used car lots, carry-outs, liquor stores, automotive uses and other activities that are not conducive to neighborhood shopping... **Florida Avenue and the areas around the Metro stations have the potential to become pedestrian-oriented**”

shopping districts. The Florida Avenue Market also has the potential to become a more vital shopping district, serving not only as a wholesale venue but also as a retail center for Ivy City, Trinidad, Eckington and nearby neighborhoods. (§2407.2)

- **Planning and Development Priority h:** “Upper Northeast did not experience the kind of large-scale development experienced elsewhere in the city between 2000 and 2005, but that is likely to change in the next few years. **Proposals to redevelop the Capital City Market as ‘new town’ are being discussed...Growth and development must be carefully managed to avoid negative impacts, and should be leveraged to provide benefits for the community wherever possible.** (§2407.2)
- **UNE-1.1.8: Untapped Economic Development Potential:** Recognize the **significant potential** of the area’s commercially and industrially-zoned lands, particularly along the New York Avenue corridor...and **around the Capital City Market, to generate jobs, provide new shopping opportunities, enhance existing businesses, create new business ownership opportunities, and promote the economic well-being of the Upper Northeast community.** The uses, height and bulk permitted under the existing M and C-M-1 zones are expected to remain for the foreseeable future. (§2408.9)
- **UNE-1.2.1: Streetscape Improvements:** “**Improve the visual quality of streets** in Upper Northeast, especially along...Florida Avenue...Landscaping, street tree planting, street lighting, and other improvements should **make these streets more attractive community gateways.**” (§2409.1)
- **UNE-2.1.2: Capital City Market:** “**Redevelop the Capital City Market into a regional destination that may include residential, dining, entertainment, office, hotel and wholesale food uses...**” (§2411.6)
- **UNE-2.1.4: Northeast Gateway Urban Design Improvements:** “**Improve the image and appearance of the Northeast Gateway area by creating landscaped gateways into the community, creating new parks and open spaces, upgrading key streets** as specified in the Northeast Gateway Revitalization Strategy, **and improving conditions for pedestrians along Florida Avenue and other neighborhood streets.**” (§2411.8)
- **Action UNE-2.1.A: Capital City Market:** “**Develop and implement plans for the revitalization and development of the Capital City Market into a mixed use residential and commercial destination.** Redevelopment plans for the site shall be achieved through a collaborative process that involves the landowners and tenants, the project developers, the District government, and the community.” (§2411.9)

Citywide Guiding Principles:

- **Land Use (“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 station in areas...with large amounts of vacant or poorly utilized land in the vicinity of the station entrance... (§306.11)
- **LU-1.3.3: Design To Encourage Transit Use:** “**Require architectural and site planning improvements around Metrorail stations that support pedestrian and bicycle access to the stations** and enhance the safety, comfort and convenience of passengers walking to the station or transferring to and from local buses. **These improvements should include lighting, signage, landscaping and security measures...** (§306.13)
- **LU-3.1.4 Rezoning of Industrial Areas:** “**Allow the rezoning of industrial land for non-industrial purposes only when the land can no longer viably support industrial or PDS activities or is located**

such that industry cannot co-exist adequately with adjacent existing uses. Examples **include land in the immediate vicinity of Metrorail stations...** (§314.10)

- **Housing-1.1.4: Mixed Use Development: Promote mixed use development, including housing, on commercially zoned land**, particularly in neighborhood commercial centers, along Mains Street mixed use corridors, and **around appropriate Metrorail stations.** (§503.5)
- **PROS-4.3.2: Plazas in Commercial Districts: Encourage the development of outdoor plazas** around Metro station entrances, in neighborhood business districts, around civic buildings, and **in other areas with high volumes of pedestrian activity. Use the planned unit development process to promote such spaces for public benefit and to encourage tree planting, public art, sculpture, seating areas, and other amenities within such spaces.** (§819.4)
- **Urban Design-1.4.1: Avenues/Boulevards and Urban Form:** Use Washington’s major avenues/boulevards as a way to reinforce the form and identity of the city, connect its neighborhoods, and improve its aesthetic and visual character. **Focus improvement efforts on avenues/boulevards in emerging neighborhoods**, particularly those that provide important gateways or view corridors within the city. (§906.4)
- **UD-2.3.4: Design Context for Planning Large Sites: Ensure that urban design plans for large sites consider not only the site itself, but the broader context presented by surrounding neighborhoods.** Recognize that the development of large sites has ripple effects that extend beyond their borders, including effects on the design or transportation systems and public facilities nearby. (§911.6)

D. Florida Avenue Market Study

The Florida Avenue Market Study (“FAMS”) was completed by the Office of Planning in March 2009 as a result of several catalysts which included development pressure within and around the NOMA-Gallaudet (New York Avenue) Metro Station, guidance from the Comprehensive Plan, the New Town at Capital City Market Revitalization Development and Public/Private Partnership Emergency Act of 2006, the Northeast Gateway Revitalization Strategy, and the Gallaudet University Campus Plan. It was adopted by City Council and is a small-area plan. Within the FAMS, is a “Development Framework.” The purpose of the FAMS “Development Framework” is to provide opportunities, guidance and direction for developers and property owners as they propose redevelopment solutions of the ~40 acre area (p.6). It defines a redevelopment vision which includes a recognition of the “grittiness” of the wholesale, ethnic market retail niche in its current state, as well as its turn-of-the-century historic Capital Market past; future development as a mixed-use neighborhood with a focus on retail and food-related retail; inclusion of historic market structures that are to remain; new bustling and alluring ground floor uses; pedestrian and bicycle connections to the NOMA-Gallaudet (New York Avenue) Metro station and to the Metropolitan Branch Trail; and finally an improved public realm of streets, sidewalks, open spaces, plazas and gathering places. The following includes general guidance for the redevelopment Property, which is primarily taken from the Development Framework section of FAMS (p.49-76):

- Zoning and Intensity Plan (Figure 6.01) p. 57: Designated as “High Density,” which corresponds to development of 90’ in height and an FAR of 6.5 as a matter-of-right; or 130’ in height and an 8.0 FAR in a PUD/TDR scenario.

- “To fulfill the public real and sense of place vision for the Study Area, it is essential that **street-activating or pedestrian-enlivening activities are featured in the ground floors** of development or **within public space of key streets such as...Morse Street...and Neal Place...**” (p.54)
- “Sense of Place: **Utilize design techniques in new construction to enhance the sense of place and pedestrian character of the FAMS.**” (p.58)
- “Open Space: Include **amenities in open space** for users, such as benches, water fountains, etc...**Create defensible open space that is well-lit, with clear sightlines from multiple points in and near the market...Ensure accessibility for a wide range of users**—both physically accessibility and obvious visual cues will ensure people know the space is public...Utilize and enhanced streetscape as part of the open space system.” (p.58)
- “Public Realm: **Create a pedestrian-friendly environment with clear pathways throughout the market...**Improve sidewalk conditions...**encourage active ground-floor uses** (such as restaurants and retail) along expected pedestrian routes...” (p. 59)
- “Transportation: **Increase pedestrian connectivity to/from the New York Avenue Metro Station...**Reestablish a more complete street grid in the study area...” (p.59)

E. “Ward 5 Works: Ward 5 Industrial Land Transformation Study”

Through mayoral executive order in 2013, a task force was established to create a strategy for the modernization and adaptive use of industrial land in Ward 5. The resultant study strives to do the following: guide the development of existing industrial land into cutting-edge and sustainable production, distribution and repair industry that diversifies the District economy; recommend the preservation of industrial lands; serve as a hub for low-barrier employment and job-training; allow for cheaper land costs; complement and enhance the integrity of neighborhoods; and provide opportunities for arts, recreation and other community amenities, as well as creative start-up maker businesses.

The Property is within the 1,030 acre “Ward 5 Works” study area, and is specifically within the area named the ‘New York Avenue South’ area. While the proposed map amendment-related PUD would preclude future light industrial uses on the Property, the “Ward 5 Works” study acknowledges the FAMS and the market’s revived food distribution and production role, the fast-growth rate of the District, and market pressures for development by Metro that have resulted in zoning map changes that allow for residential uses and a mix of uses that do not otherwise allow for industrial uses (p.20-22). It also states: “In some ways, this area [FAM] is already sustaining PDR growth—particularly among food industries based in the FAM, though this zone also features several blighted and underperforming properties as well...sites in this zone feature somewhat better vehicular pedestrian connectivity as...Florida Avenue connect[s] to the broader city. This area still requires improved pedestrian and transit access to meet its potential as a PDR hub.” (p.49). In terms of request and its acknowledgement of the Ward 5 Works study, the proposed ground-floor retail uses provide an opportunity for certain creative, start-up maker uses that complement the food-focused retail of Union Market.