



## MEMORANDUM

**TO:** District of Columbia Zoning Commission

**FROM:** *JLS*  
Jennifer Steingasser, Deputy Director Historic Preservation Development Review

**DATE:** July 17, 2017

**SUBJECT:** **Final Report for ZC #14-07B**, Second-Stage Planned Unit Development (PUD) for 1300 4<sup>th</sup> Street NE (Square 3587, Lots 830-832 and 7014-7023)

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### **I. RECOMMENDATION**

The Office of Planning (OP) recommends **approval** of the second-stage PUD application by GG Union LP and 1250 4th St (Edens), LLC and 4th St., NE, LLC (Applicant) to permit redevelopment of the site located in Square 3587, Lots 830-832 and 7014-7023. The proposal includes a mixed-use residential and retail building with between 132 to 138 dwelling units, a total of 115 to 135 underground parking spaces and 61 to 66 bicycle spaces in a secure room in the underground parking garage. OP encourages the applicant to commit to LEED Gold, a First Source Agreement for the North Parcel and that the Applicant maximize every opportunity to provide rooftop solar.

OP recommends the following information be provided prior to the public hearing:

- A detailed calculation of the FAR for the North and South Parcels individually and collectively, and with and without the area to be used for Neal Place Extension; and
- Information about how this project is integrated into the greater Union Market parking plan.

The proposal remains generally consistent with the approved First-Stage PUD and not inconsistent with the Comprehensive Plan. Because the First-Stage PUD was approved prior to the adoption of the current ZR16 regulations, the former ZR58 regulations continue to apply to this Second-Stage application. Elements of the approval include:

- A mixed-use building of 110 feet in height and an FAR of 8.0 “across the Property”<sup>1</sup>;
- Flexibility pursuant to § 2405.5 of ZR58 from the following development standards:
  - Court width and area (§§ 776.3 and 776.4), to permit a closed court on the north side of the building that does not provide the required width or area – width of 30.33 feet and area of 1,840 square feet required; width of 12 feet and area of 336 square feet proposed; and
  - Rear yard depth (§ 774.1), to permit the rear yard on the west side to not provide the required depth – 22 feet 11 inches required; 6 feet to 8 feet 6 inches proposed.

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<sup>1</sup> The 8.0 FAR “across the property” includes the Neal Place Extension within the land area. Neal Place Extension is a public access easement that serves as the equivalent of a public street; it has been proffered and accepted as a benefit of this PUD. The ZC has historically excluded such public access easements from the land area used to calculate FAR. Neal Place Extension represents 6,000 sf of land area which translates to 48,000 sf of gross floor area at an FAR of 8.0. OP has no objection to high density at this site but wants to ensure the ZC is aware of this alternate approach to calculating FAR in this PUD.

- Flexibility to:
  - Include windows within the notches on the north and south elevations to accommodate final unit layout;
  - Remove a canopy above the ground floor retail space on the south elevation to accommodate final retail layout;
  - Vary the exterior design materials of the ground floor retail space to accommodate the preferences of individual retailers, subject to design guidelines, if the retailer does not modify the building footprint or reduce the quality of the materials used on the exterior ground floor; and
  - Provide an inclusionary unit onsite or pay into the affordable housing trust fund for the affordable housing requirement derived from the penthouse habitable space.

The Applicant also indicated that additional relief is required from the 20-foot delivery space and the 55-foot loading berth requirements.

## II. COMMISSION CONCERNS

At its January 30, 2017, public meeting, the Zoning Commission voted to set down the application for public hearing. The Applicant subsequently submitted its Pre-Hearing Statement (May 16, 2017) and Supplemental Pre-Hearing Statement (July 7, 2017), which respond to Zoning Commission comments and concerns. The Applicant should demonstrate that the project exceeds the base building code requirement with respect to environmental performance and OP encourages the applicant commit to LEED Gold Certification.

Zoning Commission Comments	Applicant's Response <sup>2</sup>	OP Analysis
Refined streetscape improvements that conform to the draft Union Market Streetscape Guidelines	The Applicant has provided dimensioned sections for Neal Place and 4 <sup>th</sup> Street NE. See Sheets L-1 and L-2 of Exhibit 14.	The proposed streetscape improvements conform to the draft Union Market Streetscape Guidelines. The Applicant should continue to coordinate with OP and DDOT as they work through the public space approval process.
Revised building elevations, to include building canopies, that comply with the Union Market Streetscape Guidelines, as well as an enhanced ground floor elevation along the alley to the west of the proposed building	The Applicant has provided revised building elevations, including canopies and an enhanced west building elevation (Sheet A-19 of Exhibit 22).	The Applicant should confirm that the proposed building canopies on 4 <sup>th</sup> Street NE meet the projection depth (4 foot – 10 foot) and clear height (10 foot – 16 foot) recommended in the Streetscape Guidelines.
Confirmation of the proposed retail square footage	The Applicant has confirmed that the retail footprint would be approximately 12,000 square feet. See Page 4 of Exhibit 14.	N/A

<sup>2</sup> See Applicant's Pre-Hearing Statement and Supplemental Statement, dated May 16, 2017 (Exhibit 14) and July 7, 2017 (Exhibit 22), respectively.

Zoning Commission Comments	Applicant's Response <sup>2</sup>	OP Analysis
LEED and Green Area Ratio (GAR) calculations;	The Applicant is committing to attaining a minimum of 53 LEED points under LEED 2009. See Sheet Z-5 of Exhibit 14.  The project would achieve a GAR of .23, where .22 is required. See Sheet Z-1 of Exhibit 14.)	The Applicant should demonstrate that the project exceeds the base building code requirement with respect to environmental performance and commit to LEED Gold Certification.  The Applicant indicates that the GAR requirement is achieved through green roof, but calculations have not been provided. The Applicant should be prepared to provide GAR calculations at the time of building permit.
Further information on the provision of affordable units, including floorplans, unit mix, location, and conformance with the affordable requirements triggered by the proposed penthouse habitable space	The Applicant has provided additional information on the provision of affordable units. See Sheets Z-3 – Z-4 of Exhibit 14.	The Applicant has requested, and OP supports, the flexibility to either provide one unit on-site or pay in to the affordable housing trust fund to meet the requirements triggered by the penthouse habitable space. The Applicant should provide further clarification regarding how this project satisfies the IZ requirements ZC Order 14-07.
Additional bike parking in the building to meet the 48-71 bicycle parking space minimum identified in the First-Stage approval	The Applicant has proposed to provide 61 to 66 bicycle parking spaces in a secure bike room.	The proposed bike parking meets the minimum identified in the First-Stage approval.
A color and materials board should be provided for review at the Public Hearing	The Applicant will provide a color and materials board at the Public Hearing.	N/A

### III. PROJECT DESCRIPTION

- Location:** 1300 4<sup>th</sup> Street NE (Square 3587, Lots 830-832 and 7014-7023)
- Applicant/Owner:** GG Union LP and 1250 4th St (Edens), LLC and 4th St., NE, LLC
- Current Zoning:** C-3-C
- Property Size:** 16,200 square feet (0.37 acres) for the North Parcel
- Proposal:** Mixed-use residential and retail building with 132 to 138 dwelling units with habitable penthouse space.

The total Gross Floor Area (GFA) is 153,249 square feet with 141,249 square feet of residential GFA. The proposed FAR for the site (North Parcel) is 2.32. The proposed FAR is consistent with the First-Stage PUD, which permitted an FAR of 8.0 for the Consolidated PUD site. The Consolidated PUD and Related Zoning map amendment rezoned the site from C-M-1 to C-3-C.<sup>3</sup>

<sup>3</sup> See Zoning Commission Order 14-07, dated July 3, 2015.

The project would provide a total of 115-135 underground parking spaces and 61-66 bicycle spaces in a secure room in the underground parking garage.

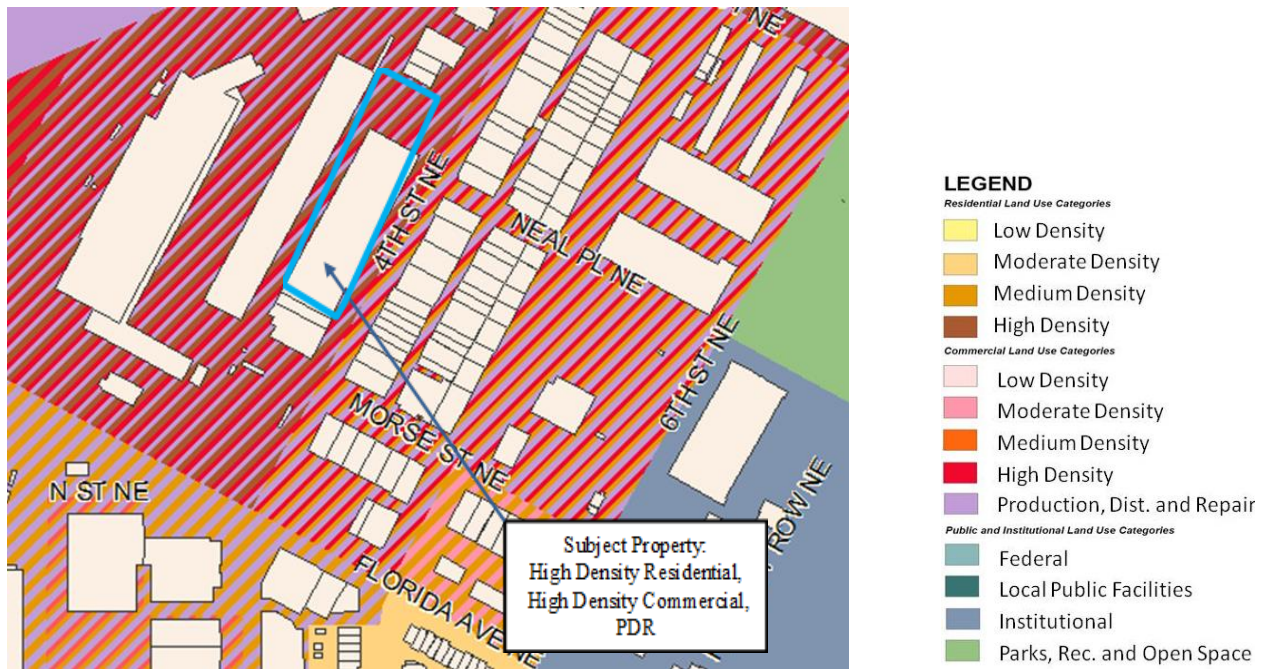
The Applicant has proposed the following changes to the project since set down:

- Massing along the east elevation (4<sup>th</sup> Street NE) is now symmetrical with bay projections at the north and south end;
- Massing along the west elevation (alley) is similarly articulated, but without bay projections;
- There is a reduction in the overall width of the building in the east-west direction;
- All penthouse setbacks are now conforming;
- Balconies have been removed;
- Unit count has been reduced to 132 to 138 units from a range of 132 to 150 at setdown;
- Lights are shown over the Neal Place connection.

#### **IV. COMPREHENSIVE PLAN**

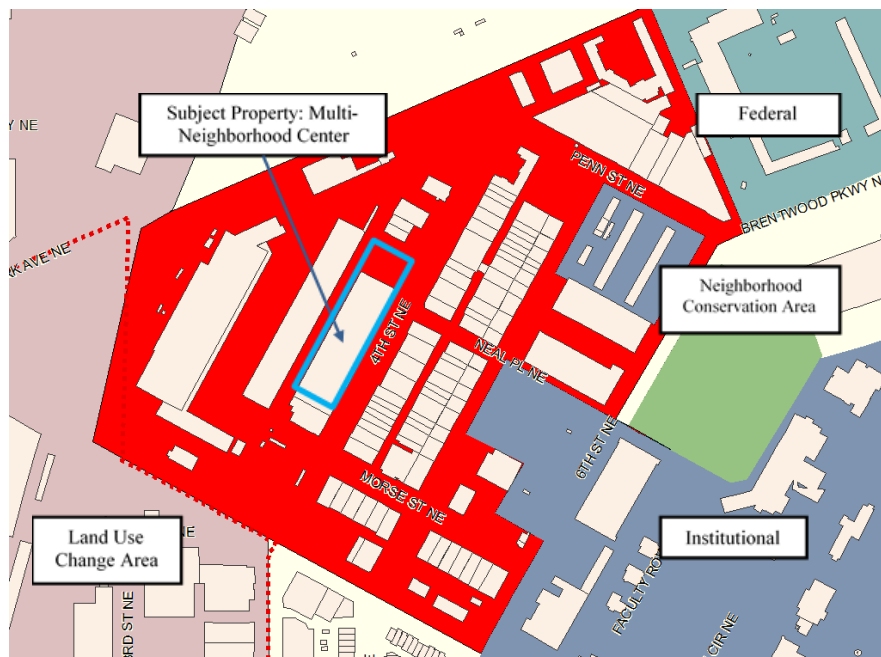
The property is within the Florida Avenue Market small area plan (FAM) approved by Council in 2006. The FAM states that the maximum height and density could be achievable through a PUD. The small area plan envisions Fourth Street as the commercial center of the Market, with wide streets to accommodate high volumes of traffic and wide sidewalks for ample pedestrian circulation. The FAM calls for the area to include a variety of building heights. The proposed project would provide a transition from the lower scale structures and uses of the Florida Avenue Market area to the higher density uses of NOMA. Significantly, the extension of Neal Place is an important piece of the grid network identified within the FAM.

The Future Land Use Map (FLUM) shows this site as suitable for a mix of Production, Distribution and Repair (PDR), High Density Commercial and High Density Residential uses. PDR areas are those characterized by manufacturing, warehousing, wholesale and distribution centers, transportation services and food services, among other uses. High Density Commercial areas are characterized by office and mixed office/retail buildings greater than eight stories in height. High Density Residential areas are appropriate for apartment buildings of eight stories or more.



**Figure 1: Comprehensive Plan Future Land Use Map**

The Comprehensive Plan Generalized Policy Map describes the entire Florida Avenue Market area, including the subject site, as a Multi-Neighborhood Center. Multi-Neighborhood Centers serve the day-to-day needs of residents and workers, but with a greater depth and variety than Neighborhood Centers. They have a service area of up to three miles and are generally found at major intersections or along transit routes. While their primary function is retail trade, Multi-Neighborhood Centers can include some office and mixed-use infill is encouraged.



**Figure 2: Comprehensive Generalized Plan Policy Map**

The proposal is not inconsistent with the Future Land Use and Policy Map designations. A full review of the proposal against Comprehensive Plan policy statements is provided in the OP setdown report at Exhibit 12.

The proposal is also consistent with the goals of the Florida Avenue Market Small Area Plan, and the NOMA Vision Plan and Development Strategy. The Applicant should demonstrate how the project furthers the goals of the Ward 5 Works Industrial Land Study

## V. ZONING

In the First-Stage PUD, the Commission approved a PUD-related map amendment from C-M-1 to C-3-C, which is a high-density mixed-use zone and is not inconsistent with the Comprehensive Plan. Project parameters, as provided with the application, are listed below.

Item	C-M-1 MOR	C-3-C PUD Required	C-3-C PUD Proposed	Relief
Minimum lot area	N/A	15,000 sf	51,000 sf – South parcel 16,200 sf – North parcel	Conforming
FAR	3.0	8.0	5.68 – South parcel 2.32 – North parcel 8.0 - Total	Conforming
Height	40'	110' maximum	110'	Conforming
Number of Units		N/A	415-510 units – South parcel 132-138 units – North parcel	Conforming
Square Footage	153,000 sf	408,000 sf	South parcel residential- 355,309 sf commercial-29,042 sf North parcel residential-141,249 sf commercial-12,000 sf <b>Total-537,600 sf</b>	Conforming
Affordable Housing		N/A	28,425 sf – South parcel 11,300 sf – North parcel (9,394 proposed) <b>39,725 sf – Total</b>	Conforming
Parking		South parcel 35 retail 104-128 res. North parcel 12 retail 33-50 res. 184-225 total	South parcel 400-550 total  North parcel 80-200 total Total 480-750 total	Conforming
Bike Parking		South parcel 9 – retail 138-170 – res. 147-179 – total North parcel 4 – retail 44-67 – res. 48-71 – total	South parcel 147-179 – total  North parcel 115 - 135 – total	Conforming

Item	C-M-1 MOR	C-3-C PUD Required	C-3-C PUD Proposed	Relief
Rooftop Structures		1 per core 20' height 1:1 setback	1 per core (2 total) 20' max (variable height) 1:1 setback	Conforming
Lot Occupancy		100%	100%	Conforming
Rear Yard	2.5"/ft. 12 ft. min.	22 ft. 11 in.	6 ft. 8.5 in.	<b>Requested</b>
Closed Court		CC-1: 30.33 ft./1,840 sf	CC-1: 12 ft./336 sf	<b>Requested</b>
Open Court		OC: 30.33 ft.	OC: 50 ft.	Conforming
Loading	Residential: 1-55 ft. berth 1-20 ft. space 1-200 sf platform  Retail: 1-30 ft. berth 1-100 sf platform	Residential: 1-55 ft. berth 1-20 ft. space 1-200 sf platform 1-20 ft. delivery  Grocery: 1-30 ft. berth 1-100 sf platform 1-20 ft. delivery  Retail: 1-30 ft. berth 1-100 sf platform 1-20 ft. delivery	Residential: 2-30 ft. berths – South parcel 1-30 ft. berth – North parcel 1-200 sf platform – North & South parcels  Retail: 2-30 ft. berths – South parcel 1-30 ft. berth – North parcel 1-100 sf platform – North & South parcels	One 30 ft. berth proposed for North Parcel; relief requested for 20-foot delivery space and the 55-foot loading berth requirements

## VI. FLEXIBILITY

The proposal requires flexibility from the Zoning Regulations as detailed below.

- Court width and area (§§ 776.3 and 776.4), to permit a closed court on the north side of the building that does not provide the required width or area – width of 30.33 feet and area of 1,840 square feet required; width of 12 feet and area of 336 square feet proposed;
- Rear yard depth (§ 774.1), to permit the rear yard on the west side to not provided the required depth – 22 feet 11 inches required; 6 feet to 8 feet 6 inches proposed; and
- The 20-foot delivery space requirement and the 55-foot loading berth requirement.

The Applicant also requests other minor flexibility that is often included as part of PUD applications. This includes the ability to vary final window placement within niches, and to modify ground level canopies and exterior material finishes to accommodate retail tenants.

## VII. PUBLIC BENEFITS AND AMENITIES

In its review of a PUD application, § 2403.8 states that “*the Commission shall judge, balance, and reconcile the relative value of the project amenities and public benefits offered, the degree of development incentives requested, and any potential adverse effects according to the specific*



*circumstances of the case.*” Section 2403.9 states that “Public benefits and project amenities of the proposed PUD may be exhibited and documented in any of the following categories.” The benefits and amenities for the project were accepted by the Zoning Commission as part of the First-Stage approval (case 14-07). Some of the benefits and amenities were identified specific to either the South Parcel or the North Parcel.

**(a) *Urban design, architecture, landscaping, or creation or preservation of open spaces;***

Exemplary Architecture – The Applicant indicates that the proposed development features exemplary architectural design and high quality materials that will enhance and celebrate the industrial characteristics of the Union Market District. The north building will feature brick and glass facades with a primarily glass façade at the ground level retail storefronts.

**(b) *Site planning, and efficient and economical land utilization;***

Site Planning and Efficient Land Utilization – The proposed project will replace a low-density development with a high density mixed-use project that better utilizes the property, as anticipated by the FAM small area plan. The Neal Place extension will expand the street grid, completing an important connection for future development in the western portion of the Market.

**(c) *Effective and safe vehicular and pedestrian access, transportation management measures, connections to public transit service, and other measures to mitigate adverse traffic impacts;***

Street Network Improvements – The First-Stage PUD established various vehicular access and circulation improvements and the Applicant continues its commitment to the following improvements:

- The existing roadway configuration will be modified as part of the overall development to ensure improved porosity through the site and the overall Union Market area.
- The extension of Neal Place will be completed between 4<sup>th</sup> Street and the private alley as part of the South Parcel development, to the Applicant obtaining the C of O for the North Parcel building.
- The Applicant shall demonstrate that it has contributed 100% of the design, engineering, and construction costs to the reconfiguration of 4<sup>th</sup> Street NE to eliminate head-in parking and convert the street to two-way traffic.
- The private alley will include pedestrian circulation space, a two-way cycle track, and a two-way drivable surface with a minimum width of 24 feet. The reconstructed alley will be used to access parking and loading facilities and to provide multi-modal accessibility.

Transportation Demand Management Plan – The Applicant has proposed a Transportation Demand Management (TDM) Plan (See page 16 of Exhibit 19) that proposed the following:

- Designation of a TDM coordinator for the building, who is responsible for organizing and marketing the TDM plan and who will act as a point of contact with DDOT.



- Information sharing, including website links to commuterconnections.com, goDCgo.com, and other transportation services on developer and property management websites.
- Installation of an electronic transit information screen with the North Parcel residential lobby containing information related to local transportation alternatives.
- Parking costs would be unbundled from the price of leasing an apartment.
- Parking would be priced at market rate at minimum, defined as the average cost for parking in a 0.25 mile radius from the site.
- TDM materials would be provided to new residents in the Residential Welcome Package.
- Long-term and short-term bicycle parking would be provided.

Parking and Loading Management Plan – As contemplated by the First-Stage approval, residential and retail parking access for the North Parcel would utilize the same ramp and entrance as the South Parcel garage. The North and South Parcel garages would be connected below-grade under Neal Place.

#### Pending TIF

The First-Stage approval requested that the Applicant submit a parking study with the Second-Stage PUD for the North Parcel (Finding of Fact 41, page 8 of ZC Order 14-07). The Applicant's Comprehensive Transportation Review (Exhibit 19 case 14-07B) states that it addresses the proposed parking supply by narrowing the proposed range of spaces provided from 80 to 200 to 115 to 135. A full understanding of the greater Union Market parking needs is critical, as new legislation (B22-0382) was introduced to the DC Council on July 10, 2017, requesting Tax Increment Financing (TIF) for Union Market. The legislation contemplates \$36 million to be issued as a TIF bond to fund necessary retail parking pools in the TIF area.

The Applicant has proposed a Loading Management Plan (See Page 11 of Exhibit 19).

#### **(e) *Employment and training opportunities;***

First Source Agreement – Exhibit 31F for the case record 14-07 includes an application to enter into a First Source Agreement with the District of Columbia Department of Employment Services for the South Parcel (1270 4<sup>th</sup> Street, NE); but does not include the North Parcel covered by this case. OP strongly supports a similar First Source Agreement for the North Parcel.

#### **(f) *Housing and affordable housing;***

Housing and Affordable Housing – The proposed development would provide housing where residential uses are not currently permitted, as well as affordable housing. The First-Stage approval indicated that a total of approximately 39,724 square feet devoted to affordable housing with 7,946 square feet dedicated to households earning up to 50% of the Area Median Income (AMI) and the remaining 31,778 square feet dedicated to households earning up to 80% AMI would be required. The Applicant proposed that all

the 50% AMI units be in the South Parcel building, which meant that 2,260 square feet of the North Parcel's IZ requirements would be set-aside in the South Parcel building.

Finding of Fact 50 of ZC Order 14-07 stated that North Parcel would have a minimum set aside of approximately 11,298 square feet, which is greater than the 8,918 square feet proposed. The Applicant has indicated that the reduced square footage reflects a smaller development program and that Condition B.18.a of ZC Order 14-07 did not contemplate an IZ contribution greater than the base requirement.

The Applicant has provided the following IZ breakdown for the North Parcel based on a reduced total residential GFA of 111,471 square feet.

Residential Unit Type	GFA & Percentage of Total	Units	Income Type	Affordable Control Period	Affordable Unit Type
Total GFA	111,471 sq. ft. 100%	131			
Market Rate	102,553 sq. ft. 92%	122	N/A		
IZ Total	8,918 sq. ft. 8%		Mixed	Duration of Project	
IZ Units (80%)	7,134 sq. ft. <sup>4</sup>	9	80% AMI	Duration of Project	
IZ Units (50%)	2,260 sq. ft. <sup>5</sup>		50% AMI		
<b>PENTHOUSE HABITABLE SPACE</b>					
Net Residential Area of PH	4,863 sq. ft.				
IZ Units (50%)	389 sq. ft.	1 <sup>6</sup>	50% AMI	Duration of Project	

It would be beneficial for the Applicant to provide further information regarding how the IZ requirement, as outlined in Condition B.3 of ZC Order 14-07, is being met for the overall PUD site, including the North and South Parcel buildings.

The proposed unit mix for the North Parcel building is as follows. At the March 2017, interagency meeting, DHCD indicated a preference for more, larger units.

Unit Type	Total No. of Units	Percentage of Total Units
Studio	27	21%
1 Bedroom	59	45%
2 Bedroom	45	34%
Total	131	100%

<sup>4</sup> Balance of the base building IZ requirement (8,918 sq. ft. – 7,134 sq. ft. = 2,260 sq. ft. to be provided at 50% AMI) was transferred to the South Building per terms of the First-Stage PUD.

<sup>5</sup> Balance of the base building IZ requirement (8,918 sq. ft. – 7,134 sq. ft. = 2,260 sq. ft. to be provided at 50% AMI) was transferred to the South Building per terms of the First-Stage PUD.

<sup>6</sup> The Applicant requests flexibility to either provide an inclusionary unit at 50% AMI or pay into the Affordable Housing Trust Fund for the affordable housing requirement derived from the penthouse habitable space.

**(h) Environmental benefits;**

**LEED** – The Applicant agreed to achieve a minimum of 53 points under the LEED-2009 system and to obtain Silver Certification. DOEE has requested that the Applicant demonstrate how the proposed project would exceed the base building code. At setdown, the Commission also requested that the Applicant evaluate LEED Gold Certification.

**Solar** – DOEE also has requested that the Applicant maximize every opportunity to provide rooftop solar.

**(i) Uses of special value to the neighborhood or the District of Columbia as a whole**

**Street-Engaging Retail Offerings** – The proposed development would include approximately 12,000 square feet of ground floor retail space that is intended to activate the public realm and germinate other development in the vicinity. The high ceiling heights will provide an attractive façade, while the storefronts, outdoor cafes and other features will enhance the pedestrian experience.

**(j) Other public benefits and project amenities**

The Applicant has not proposed other public benefits and project amenities at this time.

Amenity package evaluation is partially based on an assessment of the additional development gained through the PUD application process. In this case, the PUD-related map amendment to C-3-C would realize a gain in height of 70 feet, from 40 feet to 110 feet, and an increase in FAR of 5.0, from 3.0 to 8.0 (or approximately 336,000 square feet).

## VIII. AGENCY REFERRALS

Comments were requested from:

- District Department of Housing and Community Development (DHCD);
- District Department of Energy and Environment (DOEE);
- District Department of Transportation (DDOT);
- DC Fire and Emergency Management Services (FEMS);
- DC Water; and
- District Department of Public Works.

Since this case was set down on January 30, 2017, OP has continued to work with the Applicant and other District agencies to obtain additional information and to address concerns noted by the Zoning Commission.

OP held an interagency meeting on March 9, 2017, at which DDOT, DHCD, OSSE, and DC Water provided comment. Written comments were received from DOEE on March 7, 2017.

**IX. PUBLIC COMMENTS**

On December 13, 2016, at a duly noticed and regularly scheduled meeting, ANC5D voted 5-0-1 to support the project.

JS/emv