

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING



Memorandum

TO: District of Columbia Zoning Commission

FROM: Jennifer Steingasser, Deputy Director

DATE: February 25, 2008

SUBJECT: Final Report - ZC #07-26 (1400 7th Street, NW- O Street Market)
PUD and Related Map Amendment

APPLICATION

The applicant, O Street Roadside, LLC, proposes the rehabilitation of the historic O Street Market at 7th and O Streets NW, including the construction of a mixed use development consisting of housing, a hotel, grocery store and other retail uses. The proposal is being reviewed as a consolidated Planned Unit Development (PUD) and related map amendment to accommodate the redevelopment of the site. The property is within the C-2-A District and a map amendment to the C-3-C District is proposed.

UPDATE

On February 20, 2008, OP met with the applicant to discuss its February 15, 2008 submission. OP expressed concerns regarding the unanticipated revisions in the height and roof structure and requested the applicant to:

1. Provide as an alternative, architectural drawings for a building with a 90' height and explain the desirability of the proposed 95' tall building. The applicant has stated to OP that the increase would provide more generous clear ceiling heights for the residential component, as the ceiling height for Giant is fixed at approximately 17 feet.
2. Revise the penthouse elevation to show a break between the roof structure housing mechanical equipment and the tower element fronting the former 8th Street right of way. (Attached)

RECOMMENDATION

The Office of Planning (OP) recommends approval of the requested PUD and related map amendment to the C-3-C District. The originally submitted design was amended based on the Zoning Commission's request that the height of the building be reduced. The applicant has complied with the request for a height reduction, including removal of the living space within the penthouse structure, which also reduced the penthouses' FAR to 0.18.

The requested flexibility would accommodate the design features of the project, including multiple principal buildings on a single lot of record, the roof structure locations and the ability to phase the project at different times. OP supports the amenities proffered by the applicant, including:

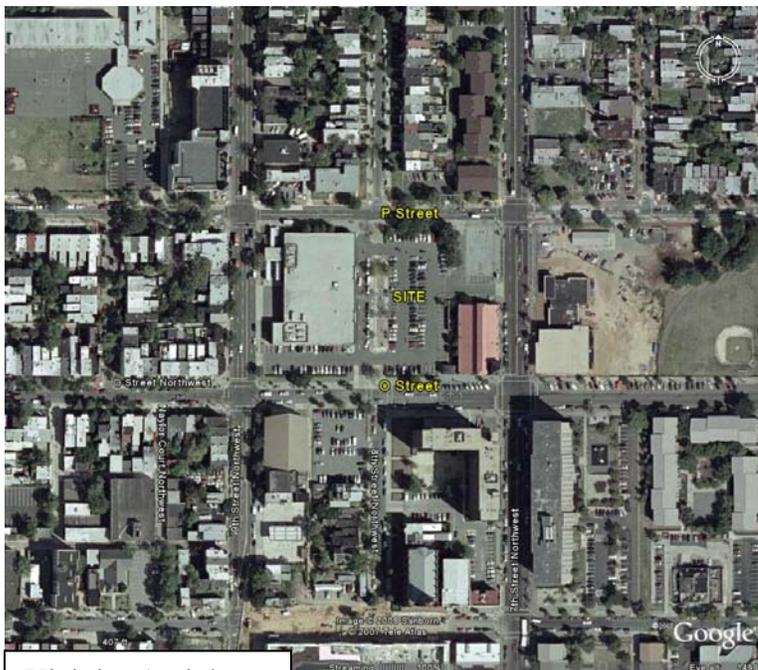
1. Remodeled full service grocery
2. Preservation of the O Street Market
3. Affordable housing units
4. Restoration of the 8th Street right-of-way
5. New retail spaces
6. LSDBE Agreement (to be signed prior to ZC action)
7. A community amenity package of up to \$262,000, as specified in the February 15, 2008 submission.

SITE AND SURROUNDING AREA

The development site consists of lots 829 and 830 in Square 398 which is bound by 7th Street on the east, 9th Street on the west, O Street on the south and P Street to the north. The former 8th Street bisects the square but remains undeveloped due to District Council action which prohibits development along the 100 ft-wide right-of-way. 8th Street is part of the historic L'Enfant Street Plan. The property is improved with a Giant grocery store, a surface parking lot and a portion of the demolished O Street Market.

The square is 2 blocks south of the Howard University Metro Station (8th Street Exit) and one block north of the Convention Center, in a neighborhood of rowhomes and commercial businesses along 7th and 9th Streets.

The Historic Preservation staff's report adequately establishes the historic context of the site and its significance in the Shaw/LeDroit neighborhood (report attached).



Vicinity Aerial

PROPOSAL

The proposal to redevelop the O Street Market would serve as a neighborhood center and mid-city commercial node between Downtown and U Street. The mixed use development will include a relocated grocery at the original market site and re-use of the 8th Street right-of-way for vehicular, pedestrian and retail activity. The mixed uses would include:

- A 65,000 square foot grocery store
- 10,000 square feet of retail
- 100 residential units as affordable rental for seniors
- 227 residential units as market rate rental
- 300 residential units as condominiums
- 210 hotel rooms
- An 8,000 square foot restaurant

A three-level below-grade, 580-space parking garage and loading dock facilities are also included. The re-opened section of 8th Street would provide access to approximately 91 ground-floor retail parking spaces which would not be visible from the surrounding streets.

A PUD related map amendment is also requested to accommodate the proposed 770,780 sq. ft GFA at a density of 5.15 FAR, and a maximum building height of 95 feet in the residential building shown on Lot 1 of the most recent submission (February 15, 2008). OP supports the C-3-C designation as the preferred map amendment for the site, as discussed in the subsequent comprehensive plan section of this report.

2006 COMPREHENSIVE PLAN AND FUTURE LAND USE MAP

The 2006 Future Land Use Map was amended to increase the designation of this site to mixed-use medium density commercial and high density residential.

The 2006 Generalized Policy Map includes the site within the Shaw/Convention Center Policy Area (S/CC). The S/CC area is identified as a Neighborhood Enhancement Area and the 7th Street frontage of the subject square is also identified as part of a Main Street Mixed Use corridor.

The guiding philosophy of the Neighborhood Enhancement Area is one of compatibility and “[N]ew housing should be encouraged to improve the neighborhood, and must be consistent with the land use designation on the Future Land use map.” The Main Street designation calls for “pedestrian-oriented environment with traditional storefronts. Many have upper story residential or office uses. Conservation and redevelopment that happens should support transit use and enhance the pedestrian environment.”

The site is part of the Near Northeast Area of the Comprehensive Plan. There are several applicable policy and action items that specifically address the O Street Market and this area generally, including support of continuous retail along 7th and 9th streets that is attractive to residents, convention-goers, and visitors (policy NNW-2.1.5); provision of affordable housing

(NNW2.1.1); and improvement to streets and open spaces that create a sense of community (NNW2.1.7)

Action Item NNW-2.1-F specifically focuses on the development of O Street Market as a mixed use project as the focal point for the 7th and 9th Street retail corridors:

- Support the development of the O Street market site as a mixed use project that becomes the focal point for the 7th and 9th Street retail corridors.

In order to realize the affordable residential component, the improved retail center and respect the historic elements on the site, OP supports the related map amendment with the proposed 5.15 FAR as being within the range of high density residential. High density residential is typically around the 6.0 FAR for matter-of-right projects, with up to 8.0 FAR under PUDs. Therefore, the 5.15 FAR proposed for the site is not excessive or inconsistent with the intent of the Comprehensive Plan.

The square was targeted for increased intensity of development under the 2006 Comprehensive Plan. But as subsequently discussed, the 100-foot wide 8th Street right of way, as well as the required setback above the market occupies a significant area of the site that cannot be developed. Therefore, the requested density can only be achieved through increased height on some portions of the site.

The Convention Center Area Strategic Development Small Area Action Plan, adopted by the D.C. Council pursuant to Public Resolution Number 16-759 on June 20, 2006, and the Uptown Arts Destination District establish a vision whereby this site would serve as a neighborhood center and mid-city commercial node between Downtown and U Street.

Specific recommendations for this site include the encouragement of medium to high density residential, ground level retail uses, with a concentration along O Street. This is intended to provide an east-west link between retail uses along 9th Street to the south and along 7th Street to the north, restoration of the O Street Market, and the re-establishment of 8th Street through the site. As proposed, this redevelopment meets these recommendations to further economic development initiatives already occurring both south and north of the square along 7th and 9th streets.

ZONING

The site is currently zoned C-2-A, which is . . . designed for the matter-of-right low density development, including office, retail and all kinds of residential uses to:

- a maximum lot occupancy of 60% for residential uses,
- a maximum FAR of 3.5 for residential use,
- 1.5 FAR for other permitted uses, and
- a maximum height of 65 feet.

The following table is a comparison of the C-2-A standards, the C-3-C/PUD standards and the development proposal for the project:

Table 1

	C-2-A Standards	C-3-C PUD	Proposal
Area	N/A	15,000 sq. ft.	149,600 sq. ft.
Height	50 ft	130 ft.	95 ft.
FAR	2.5 (total) (1.5 for non residential use)	8.0	5.15
Lot Occupancy	60%	100%	100%
Rear Yard	15 feet	6 ft. minimum or 2 ins./ft. of height or 22ft	45 feet
Open Court	4 inches per foot of height	27 ft.	17 ft. 2 ins. (Open Court 5)
Parking	Residential: 1 per 2 du Retail: In xs of 3,000 sq.ft, 1 per 300 sq.ft of gfa and cellar area. Hotel: 1 per 2 rms, plus 1 per 150 sq. ft of fl. Area in the largest function room	1 per 4 du (170) In xs of 3,000 sq. ft, 1 per 300 ft of GFA and cellar floor area (91) 1per 4 rms and 1 per 300 ft of floor area in the exhibit space or function room (50)	280 (170 required) 250 (91 required) 50 (50 required) 580 with vault parking, 500 without vault parking
Loading	Residential: 2 loading berth @ 55 ft. deep 2 loading platform @ 200 sq. ft 1 service/delivery space @ 20 ft. Retail: 1 loading berth @ 30 ft. deep 1 loading platform @ 100 sq. ft 1 service/delivery space @ 20 ft.	Residential: None Required Retail: (with grocery 5,000-20,000 GFA) 1 loading berth @ 30 ft. deep 1 loading platform @ 100 sq. ft 1 service/delivery space @ 20 ft.	For Residential and Retail Uses: 4 loading berths @ 55 ft deep 3 loading berths @ 30 ft. deep 2 service delivery spaces @ 20 ft.

FLEXIBILITY

The following is requested to accommodate the proposed site plan:

- Relief from the one to one setback requirement for four roof structures, as shown on D2 of the Zoning Plan submitted by the applicant;
- Relief to permit multiple buildings on the same lot of record;
- Relief from the open court requirement
- Flexibility to permit phasing of the development;
- Variation in the number of residential units and senior housing units, hotel rooms and ability to convert hotel rooms to apartment units; and
- Variation in the number of parking assignments and exterior materials.

Roof Structure

The mechanical penthouse on the east above the east residential rental building, the elevator serving the senior residential building and the mechanical penthouse for the elevator of the residential condominium building are non-compliant for roof structure setbacks. Due to the width of the buildings, and the provision of underground parking and loading facilities, the structural requirements dictate the most favorable location of these elements in the building. OP supports the revised new design and subsequent relief from the setback requirement for the roof structures as submitted to OP on Monday February 25, 2008 and attached to this report.

Multiple Buildings

Two theoretical lots would be created as shown in the submitted zoning plan (D2). Lot #1 would consist of the relocated Giant grocery at the historic market site and the residential rental and senior buildings. Similarly, Lot #2 would be developed with mixed use buildings including residential, retail and hotel uses. The design attempts to maximize development on the site while creating gaps in the massing and focuses the longest facades towards the interior along 8th Street. OP supports the spatial development as proposed, since it breaks up the massing on both lots, and provides open and closed court areas for light and air to the buildings. Therefore, multiple buildings on the subject lots are preferred to massive, denser structures which are not ideal to accommodate the varied uses intended for the site.

Open Court

Open court area 5, shown on D2 of the plan indicates that a 27 foot-wide open court is required where 17 feet 2 inches would be provided. OP believes that the difference of 10 feet is minimal in this instance. Provision of the required 27 feet width would remove living area from either the hotel or residential structure or both. Light and air circulation to the hotel and residential structure would not be adversely affected by the loss of 10 feet in width between the buildings.

Phasing of the development

The application indicates the project will be phased but it does not include the phasing priorities of various elements of the proposal. OP expects the applicant to provide additional information to the Commission, which may include approximate scheduling and development priorities. While OP does not object to phasing, due to the significance of this development to the community, OP believes this information is important in managing the immediate neighborhood and the District's expectations regarding the site's redevelopment. Therefore, the applicant should provide additional information prior to final action by the Commission.

Variation in the number of residential units

The application proposes a range of units from 300 to 350 for Building 1 and 280 to 330 for building 2 (D1). OP has no objection to potential changes in the number of units or in the unit assignments of the development, on condition that affordable units would continue to be provided according to the inclusionary zone standards anticipated by Chapter 26, 11 DCMR.

Variation in the number of parking assignments

OP is supportive of reduced parking on the site if the applicant, the community and DDOT determines that no adverse impacts would accrue to the immediate neighborhood. As proposed, on-site parking is in excess of that required by the zone district regulations. OP would support variation in the number of units no less than the number of spaces required by the regulations at this time.

Exterior materials

OP believes that the quality of materials is important in the site's redevelopment due to its central location identified in the Convention Center Area Strategic Development Plan –“The restored O Street market is the focal point of the retail corridor and the neighborhood.” The applicant has agreed to submit a range of material samples and color schemes under

consideration at the hearing or prior to final action by the Commission. Alternatively, minor modifications may be reviewed by the Commission upon the applicant's request.

OP supports the flexibility requested above on condition that the requested changes, including façade changes do not adversely affect the quality of the site design and continue to meet the expectations of the community and the various area plans for the convention center neighborhood.

PUD EVALUATION STANDARDS

The purpose and standards for Planned Unit Developments are outlined in 11 DCMR, Chapter 24. Section 2400.1 states that a PUD is “designed to encourage high quality developments that provide public benefits.” In order to maximize the use of the site consistent with the zoning regulations and to utilize opportunities for additional FAR the applicant is requesting that the proposal be reviewed as a consolidated PUD. This will allow the utilization of the flexibility stated in Section 2400.2.

The overall goal is to permit flexibility of development ands other incentives, such as increased building height and density; provided, that the project offers a commendable number of quality public benefits and that it protects and advances the public health, safety, welfare, and convenience.”

Section 2403 further outlines the standards under which the application is evaluated.

2403.3 The impact of the project on the surrounding area and the operation of city services and facilities shall not be found to be unacceptable, but shall instead be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project.

PUBLIC BENEFITS AND AMENITIES

The objectives of a PUD are to permit flexibility of development in return for the provision of superior public benefits, provided the PUD process is not used to circumvent the intent and purposes of the Zoning Regulations, or results in an action inconsistent with the Comprehensive Plan.

Public amenities are defined in Section 2407.3 as including “one type of public benefit, specifically a functional or aesthetic feature of the proposed development that adds to the attractiveness, convenience or comfort of the project for occupants and immediate neighbors”.

The proposed redevelopment targets an under-utilized site in an important emerging mixed-use corridor. The proposal enhances the housing revitalization in this targeted area of the District by providing affordable senior housing and rental housing with new neighborhood serving retail opportunities. In addition the reopening of 8th Street provides additional public area for creating an active and complete street to improve the neighborhood's safety and livability.

The amenity package evaluation is partially based on an assessment of the additional development gained through the application process. The site is zoned C-2-A which permits a maximum density of 2.5 FAR and PUD density of 3.0 FAR. The proposal requests a PUD related change in the zone designation to C-3-C to permit a 5.15 FAR and to utilize the height benefit permitted by the C-3-C zone. The proposed FAR is 2.65 more than the matter-of-right density and thirty feet taller.

The applicant has listed a number of areas which they feel contribute towards their amenity package:

Superior Urban Design, Architecture and Site Planning

The **site's design** with multiple buildings varies in its architectural expressions and scale. As stated in the plans (A2), the design's approach seeks to "reinforce the finer grain of buildings on the site and allow the buildings to relate both to the similarly scaled structures in the surrounding context..." There is no immediately abutting R-4 zone to this site as the site is surrounded by C-2-A and C-2-B zoned properties. The nearest residentially zoned structures in the R-4 District is approximately 200 feet to the west and separated from this project site by the C-2-A commercial district along both 7th and 9th streets.

The involvement of Historic Preservation staff, as well as community input has ensured that the design option presented respects the neighborhood's character as the applicant's sightline study demonstrates. Special consideration was given to the dilapidated historic market building at the eastern edge of the site where setbacks and interior court spaces were intended to frame the market as an important element on the site. The project was approved by the Historic Preservation Review Board and was referred to the Mayor's Agent for Historic Preservation, who also concluded the project was one of special merit.

The **massing of the buildings** are expressed through its tapered heights to the east and west of the site, with increased height concentrated towards the 100 foot-wide 8th Street. The penthouse proposed on the residential buildings were reduced to house mechanical units, which reduced the FAR from 5.35 to 5.15. OP has worked with the applicant to ensure that roof structures above the 90 foot roof line maintain the general context of a roof structure. The proposal keeps the top two floors to an FAR of 0.18 where 0.37 FAR is allowed and embeds the bulk of the mechanical equipment within the penthouse floor. Thus, as proposed only 43 % of the allowable roof structure FAR would be used for the mechanical penthouse.

The **rededication of the closed 8th Street** to pedestrian and vehicular activity is offered as a primary amenity of this project. Preliminary talks with DDOT have highlighted the importance of an additional north-south connection to further redevelopment in this area. This amenity would add to the attractiveness and convenience of the development and the neighborhood as a whole. The site is designed to have minimum negative impacts while providing ease of pedestrian and vehicular access particularly as the loading and the majority of parking will be placed below grade. OP requested revised plans on treatment of the former 8th street right-of-way including the raised street which would read as a plaza and materials for 8th Street. OP has also requested the applicant to describe the retail experience and openings.

The applicant will meet with DDOT at its required preliminary design review meeting (PDRM) prior to the permitting stage to discuss the public realm elements of the proposed development.

The predominant **exterior material** proposed for the buildings is brick. However a variety of panels, including metal concrete and terra cotta may be considered as accent materials throughout the site as shown on A4 of the submission. As previously stated, the applicant has requested flexibility to vary the materials at final design. Based on the February 21st meeting the applicant has agreed to submit a materials sample board that includes a range of colors within a material.

Special Value to the Neighborhood

The applicant is proposing **affordable housing** in the project with about 100 units dedicated to senior rental housing for residents earning up to 60% of AMI. The density being granted is within the medium density designated for the site but additional building height is necessary to accommodate the FAR needed to include affordable elements.

The provision of new retail space in the neighborhood would increase the pedestrian activity to create a lively residential experience with an improved urban streetscape.

Local Business Opportunities and First Source Agreements

By entering into a Memorandum of Understanding with the District of Columbia Local Business Opportunity Commission, the applicant agrees to include participation by small, local and disadvantaged businesses in the contracted development costs in connection with the design development, construction, maintenance and security of the project.

By working with the Department of Employment Services, the applicant will agree to use DOES as its first source for recruitment, referral and placement of new hires for employees whose jobs are created by the PUD and will hire fifty-one (51) percent of District's residents for all new jobs in connection with the project construction. The **hotel** proposed for the site would be a valuable amenity in fulfilling permanent employment opportunities of the DOES.

Additional Considerations: Green Elements and Transportation Demand Management

OP would support consideration in the plans to capture and reuse rainwater for the landscaping on site or green roof elements as a way to reduce run-off into the stormwater system. OP met with the applicant to discuss its submitted revisions dated February 15, 2008. Based on the discussion, the applicant agreed to submit a revised Leeds checklist and Green Buildings or other scoring systems for sustainable features of the project. Computations on before and after storm water runoff calculations would also be provided to show positive effects of "green" areas at grade level court areas of buildings.

Bike parking spaces would also be included. However, potential for a car-share parking space on-site should also be considered. If provided, these amenities would be supported by DDOT as transportation demand management strategies (TDM) to reduce the reliance on car ownership and automobile use in the neighborhood.

AGENCY COMMENTS

The application was referred to the District Department of Transportation (DDOT), Fire and Emergency Medical Services Department (FEMS) and DC WASA for comments. The DC Fire and EMS Department in its February 5, 2008 letter indicated no objection to the application as long as construction is in compliance with the International Fire Code (2000 Edition) (attached). DC WASA's report of February 24, 2008, is also attached for the record. DDOT's report will be filed under separate cover.

COMMUNITY COMMENTS

This project has been long awaited in the community and has received unanimous approval by ANC-2C, as evidenced in its letter of support received by the Commission on December 14, 2006.

RECOMMENDATION

OP concludes that the redevelopment proposal for the site respects the various site constraints and includes community support to further both economic and residential development in the re-emerging Shaw/Le Droit neighborhood. The project includes elements that exceed what could be achieved as a matter-of-right including the relocation of all loading and parking below ground, the reuse of the market as a market, affordable housing and the reconnection of 8th Street. The relocation of the loading below grade allows for the site to have multiple active street frontages achieving the Main Street retail corridor anticipated by various plans.

OP supports the development proposal's consistency with the 2006 Comprehensive Plan, as well as Council adopted Small Area Plan and recommends the Commission's approval of the submitted plan and recommends approval of the submitted plans to redevelop the site including, the 95 foot height and density, as well as:

- The requested flexibility to accommodate the design features of the project, including multiple principal buildings on a single lot of record, the roof structure locations and the ability to phase the project at different times; and
- The amenities proffered by the applicant:
 1. A remodeled grocery
 2. Preservation of the O Street Market
 6. Affordable housing units
 4. Restoration of the 8th Street right-of-way
 2. New retail spaces
 6. LSDBE Agreement (to be signed prior to ZC action)
 7. A community amenity package of up to \$262,000 as specified in the February 15, 2008 submission.

ATTACHMENTS:

1. Revised Penthouse Elevation - February 25, 2008
2. Historic Preservation Staff Report, March 07, 2007.
3. DC FEMS Report, February 5, 2008.
4. DC WASA Report, February 20, 2008.