

MEMORANDUM

TO: District of Columbia Zoning Commission
FROM: Jennifer Steingasser, Deputy Director Development Review & Historical Preservation
DATE: February 14, 2014
SUBJECT: Zoning Commission Case No. 14-01 - Setdown Report: Consolidated PUD and related Map Amendment from C-M-2 to C-3-C, 1401-1535 New York Avenue (Square 4037, Parts of Lots 0007 and 0804)

I. SUMMARY RECOMMENDATION

The Office of Planning (OP) **recommends** the Zoning Commission setdown for a public hearing the request by Jemal's Hecht's, LLC for a consolidated PUD and related map amendment from C-M-2 to C-3-C for portions of Lots 0007 and 0804 in Square 4037.

The requested PUD with related map amendment would support the written elements of the Comprehensive Plan, which addresses the adaptive reuse of historic resources and would not be inconsistent with the Future Land Use and Generalized Policy maps, as explained within the report.

II. APPLICATION-IN-BRIEF

Location: The corner of Fenwick Street and New York Avenue, NE; Square 4037, parts of Lots 0007 & 0804; Ward 5, ANC 5D.

Applicant: Jemal's Hechts.

Current Zoning: C-M-2

Property Size: 119,037.9 square feet (PUD site)

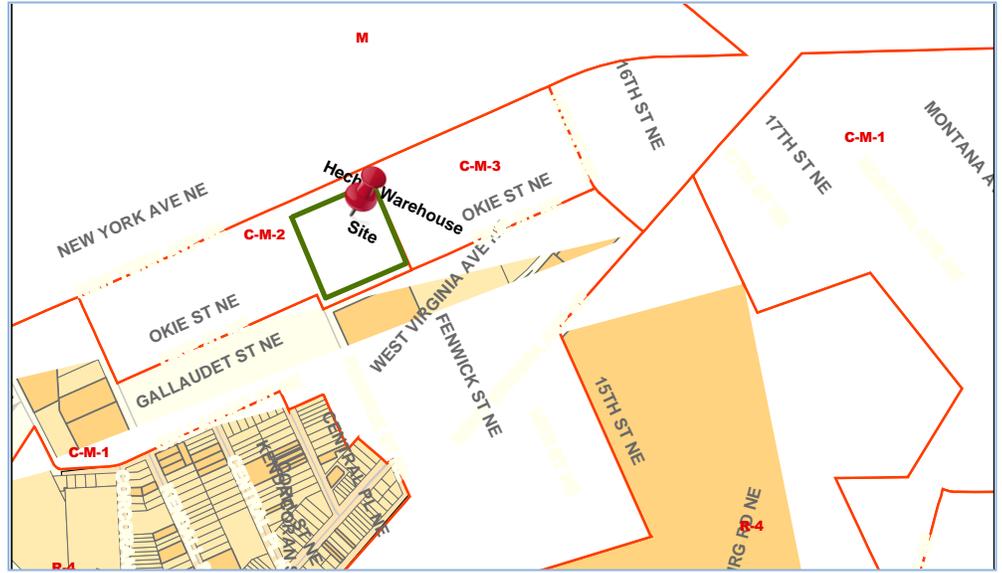
Proposal: Together with a related map amendment to C-3-C, renovate and reuse the landmarked 1937 Hecht's Warehouse as a mixed use building, including 333 residential units on the upper floors 3 through 6; and provide service/retail uses with some offices on the first and second floors. The maximum height would be 87.65 feet. The overall FAR would be 4.2.

Relief and Zoning: Pursuant to 11 DCMR Chapter 24, the applicant is seeking:

1. PUD-related map amendment to C-3-C
2. Flexibility to provide the required on-site parking spaces off-site (§2101)
3. Flexibility from rooftop structure requirements with varied heights (§411)
4. Flexibility to vary the number of proposed residential units (+/- 10%)

III. SITE AND AREA DESCRIPTION

The subject site is located on the western portion of Square 4037, on a flat rectangular parcel bounded by New York Avenue to the north, Okie Street to the south, 16th Street NE to the east, and Fenwick Street to the west. The historic warehouse complex known as the Hecht's Warehouse, has three contributing portions developed in 1948 and 1961. The warehouse has not been in operation for the past eight years. The Zoning Commission recently approved a map amendment from the C-M-2 to C-M-3 district to the eastern portion of the square, including a portion of Lots 804 and 0007. The site is surrounded by parcels within the C-M-2 and C-M-3 districts, which are typically developed with one and two-story buildings that are either vacant or currently underutilized. Residential row homes and small apartment buildings are located within walking distance, south of the square, in the R-4 district.

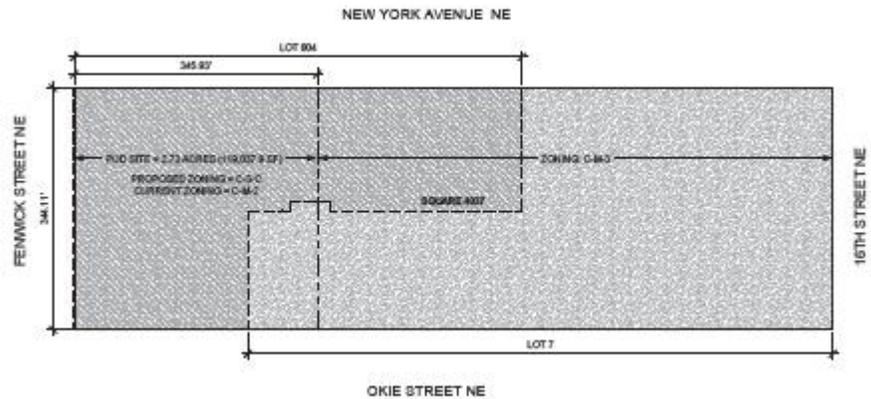


IV. PROJECT DESCRIPTION

The applicant requests a consolidated PUD and related map amendment, from C-M-2 to C-3-C, of a portion of Square 4037:

- Area of Square: **371,334 sf.**
- Area to be re-zoned: 119,037.9 sf**
- Area to Remain C-M-3: **252,296.1 sf**

The related map amendment is intended to enable the adaptive reuse of the warehouse as a mixed-use building, proposed for office, residential and retail/service uses.



As submitted, the plan proposes up to 166,425 square feet of retail and service space on the first two levels of the building. The project calls for converting approximately 229,246 square feet of the upper levels to residential space and amenities up to the sixth floor. Approximately 333 residential units are thus far proposed, consisting primarily of one-bedroom units, with eight percent of the residential gross floor area devoted to residents at 80% AMI. Three new light courts would be created in the center of the building extending down to the third floor to allow maximum light into the residential units. Exterior recreational areas may be provided on the fifth and sixth floor roof areas.

Parking for the uses has been proposed to be located within an adjacent parking structure currently under construction to the east of the building with access provided off a new private street proposed as Hecht Avenue, as shown in the plans. Loading facilities would be provided with access off Okie Street.

V. ZONING

The table below compares the existing and proposed zoning.

Item	Existing C-M-2	C-3-C Requirement	C-3-C PUD Requirement	Proposal
Height	60 ft.	90 ft.	130 ft.	87.65 ft.
Floor Area Ratio	4.0	6.0	8.0	4.2
Lot Occupancy	No maximum	100 % permitted	100 % permitted	86%
Rear Yard	Above 20 feet, 2.5 in. / ft. height, but ≥ 12 ft.	Above 20 feet, 2.5 in. / ft. height, but ≥ 12 ft.	Above 20 feet, 2.5 in. / ft. height, but ≥ 12 ft.	27 ft.
Side Yard	None required	None required	None required	N/A
Courts				
Parking Minimum	1/3000 sf commercial (office); 1/1000sf PDR 236 spaces required	1/3000 sf commercial (office); 1/1000 sf PDR 236 spaces required	No spaces required due to historic landmark, except \$2120	1,067 spaces to be provided in an adjacent parking structure.
Office, Retail, PDR, Service Uses	Allowed	Allowed	Allowed except PDR uses	Residential, office, retail/service uses
Residential Uses	Not allowed			
Loading				
Retail		Historic landmark – No requirement	Historic landmark – No requirement	2berths @ 55 sf to be shared between retail and residential
Residential	-			2 loading platforms@ 400sf to be shared
Warehouse	1@ 30'; 3@ 55' 1@ 100 sf; 3@ 200 sf. (Currently has 8 loading berths @ 24' and 8 platforms @ 200 sf)			

The proposal requires a PUD-related map amendment and flexibility from the specific zoning regulations listed below. OP's analysis of each request follows.

1. PUD-related map amendment

The height and FAR permitted by the C-3-C PUD regulations is necessary if the historic resource building is to be repurposed as proposed. A PUD in the proposed zone can have a maximum height of 90 feet and maximum FAR of 6.0. The existing building has a maximum height of 87.65 feet and six stories - 27 feet higher than permitted by right in the C-M-2 zone, with a 4.2 FAR, which is minimally above matter-of-right in the underlying zone. The zoning requested in this application is not intended to incentivize increases in the height or bulk of the historic building itself. As a landmarked structure, it is unlikely that the entire building will accommodate PDR uses in the near future. The applicant has indicated that since its purchase in 2011, prospective retailers showed interest only in the ground floor of the warehouse, rendering other levels of the building obsolete. The building represents one of only a few District landmarks in an industrial district and the proposed reuse of the upper floors as residential represents a small portion (9%) of the overall development potential of the square. OP does not object to the map amendment proposed as it is based on the exceptional physical attributes of the existing historic resource, including its height and FAR.

2. Flexibility from on-site parking requirements (§2101)

As a landmark structure where no major addition is proposed, providing the required on-site parking for the proposed variety of uses would result in structural difficulty in maintaining the integrity of the historic resource (§ 2120.6). Parking for the future retail and residential uses would be located in a 1,000 space parking structure currently under construction to the east of the site. The provision of on-site bike storage and bike racks would encourage use of the Metropolitan Branch Trail, which can be accessed within a mile to the west of the site, to provide easy bike and pedestrian access to metro stations and other parts of the city. OP has no objection to the requested flexibility.

3. Flexibility from the rooftop structure requirements (§411)

The zoning regulations require that the walls of a rooftop structure all be of equal height. In this case, the existing resource has multiple structures of varying heights ranging from 10 feet to 21.5 feet. A single enclosure would be impractical due to the locations of the elevators and mechanical penthouse. If all rooftop structures were enclosed in one wall it would increase the visibility of the rooftop structure from the surrounding neighborhood and would detract from the historic character of the landmark structure. OP does not object to the flexibility requested from the roof structure requirements of § 411.

4. Flexibility to vary the number of units

The applicant has requested flexibility to continue refinement of the interior design for the residential program, which could include some live/work units.

VI. COMPREHENSIVE PLAN

A. Maps

Future Land Use Map (FLUM): The property is designated for PDR (Production, Distribution and Repair) [purple on map], which include a broad range of manufacturing, warehousing, technical, infrastructure, transportation, retail and commercial uses, but which does not include residential use. Unlike other land use categories, PDR future land use map designations are not graded by intensity of use.



Generalized Policy Map:

The property is in the Neighborhood Conservation Area (NCA) category [white on map]. Policies for an NCA are intended to maintain or enhance existing land use and neighborhood characteristics, rather than guiding these areas toward significant changes of uses and characteristics. The requested PUD with related map amendment would enable the adaptive reuse of the existing historic structure for mixed uses including residential and commercial, which is not inconsistent with the existing site and surrounding nearby residential uses in Ivy City.



B. WRITTEN ELEMENTS

The requested PUD and related map amendment is supported by the written elements of the Comprehensive Plan -- particularly policies for Industrial Land, the Upper Northeast Element, the New York Avenue corridor, and Historic Preservation.

a. Land Use

The requested rezoning would further the overarching objective of the Element, to ensure:

The efficient use of land resources to meet the long-term neighborhood, citywide, and regional needs; to help foster other District goals; to protect the health, safety, and welfare of District residents and businesses; to sustain, restore, or improve the character and stability of neighborhoods in all parts of the city; and to effectively balance the competing demands for land to support the many activities that take place within District boundaries. (10A DCMR §300.2)

Policy LU-2.2.3 Restoration or Removal of Vacant and Abandoned Buildings

Reduce the number of vacant and abandoned buildings in the city through renovation, rehabilitation, and where necessary, demolition...

Policy LU-3.1.1 Conservation of Industrial Land

Recognize the importance of industrial land to the economy of the District of Columbia, specifically its ability to support public works functions, and accommodate production, distribution, and repair (PDR) activities. Ensure that zoning regulations and land use decisions protect active and viable PDR land uses, while allowing compatible office and retail uses and development under standards established within CM- and M- zoning. Economic development programs should work to retain and permit such uses in the future.

Policy LU-3.1.2 Redevelopment of Obsolete Industrial Uses

Encourage the redevelopment of outmoded and non-productive industrial sites, such as vacant warehouses and open storage yards, with higher value production, distribution, and repair uses and other activities which support the core sectors of the District economy (federal government, hospitality, higher education, etc.).

The proposed project would also support the above mentioned land use policies. As proposed it would help to increase the probability of the revitalization of land and structures that have been without a productive use for a decade, while preserving the majority of the square within the C-M-3 district.

b. Upper Northeast Area Element

Planning and Development Priorities:

“The area’s major thoroughfares need to be improved. New York Avenue is the gateway to the Nation’s capital for over 100,000 vehicles a day and provides the first impression of Upper Northeast (and the District of Columbia) for many residents, commuters, and visitors. Its motels and fast food joints, used car lots, chop shops, strip clubs, salvage yards, and warehouses do not project a positive image. ... The community wishes to see these corridors upgraded, without diverting traffic to other thoroughfares and residential streets nearby.”

Policy 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 ... to generate jobs, provide new shopping opportunities, enhance existing businesses, create new business ownership opportunities, and promote the vitality and economic well-being of the Upper Northeast community. The uses, height, and bulk permitted under the existing M and CM-1 zones are expected to remain for the foreseeable future.”

Policy UNE-1.1.9 Production, Distribution, and Repair Uses: *Retain the existing concentration of production, distribution, and repair (PDR) uses in Upper Northeast, but encourage the upgrading of these uses through higher design standards, landscaping, and improved screening and buffering. Emphasize new uses, including retail and office space, that create jobs for Upper Northeast area residents, and that minimize off-site impacts on the surrounding residential areas.*

Policy UNE-2.3.2 Production, Distribution, and Repair Land Uses:

Retain a significant concentration of production, distribution, and repair (PDR) land uses in the New York Avenue corridor...

Policy UNE-2.3.3 Infill Development:

Support infill development and redevelopment on underutilized commercial sites along New York Avenue. Particularly encourage large-format destination retail development that would provide better access to goods and services for residents, and sales tax dollars for the District.

Policy UNE-2.3.1 New York Avenue Corridor

Improve the appearance of New York Avenue as a gateway to the District of Columbia. Support road design changes, streetscape improvements, and new land uses that improve traffic flow and enhance the road's operation as a multi-modal corridor that meets both regional and local needs.

The proposed PUD supports these policies. It strikes an appropriate balance between increasing the attractiveness of new PDR development on a portion of the Square, and minimizing pressure on replacing potential PDR uses with mixed uses on the rest of the Square, or on other parts of the corridor. It would also permit repurposing of an existing landmark with a height and density consistent along a major gateway corridor like New York Avenue.

Much of the District's industrially-zoned land is in the northeast quadrant, adjacent to rail tracks or New York Avenue, which is also a principal entrance to the city for visitors and commuters from the northeast. Accordingly, improving both the viability of the industrially-zoned land, and the appearance of the gateway street have been major objectives of the District for over three decades. The objectives reflected in these policies are more likely to be achieved with the requested map amendment.

c. Historic Preservation Element.

Policy HP-2.4.2 Adaptation of Historic Properties for Current Use

Maintain historic properties in their original use to the greatest extent possible. If this is no longer feasible, encourage appropriate adaptive uses consistent with the character of the property.

The applicant owns all of the land in Square 4037 and has begun development on the eastern portion of the square in order to help secure financing for the restoration and adaptation of the vacant warehouse landmark. The project has been reviewed by the Historic Preservation Board to assess the appropriate nature of development within the warehouse, and the Board agreed that as proposed "*the majority of the floor assemblies would remain intact and the extent of removal would not compromise important character-defining features of the building*". The proposed residential use on the upper floors would help preserve the integrity of the historic structure over and above other commercial uses.

IX. PURPOSE AND EVALUATION STANDARDS OF A PUD

The purpose and standards for Planned Unit Developments are outlined in 11 DCMR, Chapter 24. The PUD process is "designed to encourage high quality developments that provide public benefits." Through the flexibility of the PUD process, a development that provides amenity to the surrounding neighborhood can be achieved.

The application exceeds the minimum site area requirements of Section 2401.1(c) to request a PUD. The applicant is requesting a consolidated PUD and a first stage PUD, and both with a related map amendment.

The PUD standards state that the “impact of the project on the surrounding area and upon the operations of city services and facilities shall not 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” (§2403.3).

X. PUBLIC BENEFITS AND AMENITIES

Sections 2403.5 – 2403.13 of the Zoning Regulations discuss the definition and evaluation of 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 outlines “Public benefits and project amenities of the proposed PUD may be exhibited and documented in any of the following categories:

Urban Design and Site Planning

As noted by the Historic Preservation review Board (HPRB):

“The Hecht Company Warehouse is one of the finest examples of Streamline Modern design in the country, embodying the machine age aesthetic of the 1930s. When completed in 1937, it was heralded for its pioneering design and is now nationally recognized for its early, innovative and extensive use of glass block. With its rounded corners, prismatic tower, glazed black and buff colored brick alternating with glass block, the building was a striking addition to the light industrial area where it was constructed.”

The building would retain its character and proposed replacement of damaged glass block, steel windows, and recreation of the missing storefront windows was evaluated by the HPRB as consistent with the Board’s standard for landmark buildings. Replacement materials to be used on the façade of the building would be similar to the original design. Proposed courtyards within the building would allow sunlight to units that would not front New York Avenue or surrounding streets.

The building’s design and layout makes it ideal for the adaptive reuse for housing on the upper floors, while still providing ample accommodations for commercial uses on the first and second floors. The subject property would be easily accessible from Fenwick Street via New York Avenue heading east, Okie Street and 16th Street NE. A private street, Hechts Avenue is anticipated to be opened providing another access point between New York Avenue and Okie Street. The applicant will consult with DDOT regarding the proposed street.

Parking and Transportation Demand Management

Parking for both residential and commercial uses would be satisfied by the 1,000 parking spaces designed into the new parking structure proposed across Hecht Avenue. The applicant should clarify whether residential parking would be privately owned by residents or commercially managed.

The application indicated that bicycle parking would be provided within and outside of the building. The subject property is not within short walking distance to the nearest Metro Station. However, there are bus routes along New York Avenue. The applicant should identify the locations of bus stops along the perimeter or in close proximity to the site. The Applicant should also address Transportation Demand Management (TDM) measures to encourage transportation alternatives along with a Traffic Study, prior to the public hearing.

Housing

The proposed development would provide up to 333 residential units. The applicant should provide a breakdown of the unit types and indicate whether units would be rental or condo or a mix. OP would encourage the applicant to explore whether some units could be made available for persons who are within the 50% or 60% AMI category. Further, the Applicant should indicate on the plans how they would meet the IZ requirements regarding location and spacing of the units.

Green Elements, Landscaping and Streetscape Design

The proposal would incorporate sustainable features into the development. A “potential” green roof is shown on the Landscape Plan (pg 34) on the 5th Floor roof, with landscaped courtyards on the third floor. The building would be reengineered to achieve LEED silver certification.

Landscaping of the area around and within the development is proposed and would consist of large deciduous trees along the streets. This is an amenity of the project since streetscape design is lacking in this area along New York Avenue. OP notes the inclusion of street lights as part of the street furniture proposed for the new street and around the building. The applicant should provide the area devoted to green roof and provide the green area ratio for the redeveloped site (§ 3400).

Local Business Opportunities and First Source Agreements

New employment opportunities would be generated from the redevelopment of the site and the Applicant states that they would enter into a Certified Business Enterprises (CBE) agreement with the District of Columbia Local Business Opportunity Commission and execute a First Source Employment Agreement with Department of Employment Services (DOES). The Applicant should provide signed agreements to implement the programs prior to final action.

Use of Special Value

The proposed development would be of special value to the community as it would serve to continue the revitalization of the neighborhood and provide new homeownership opportunities as well as contribute to the improvement of the community at large. Bringing this large property back into productive use would contribute to the stability of the area.

Public Amenities and Project Amenities

Amenity package evaluation is partially based on an assessment of the additional development gained through the application process. In this case, the PUD-related map amendment to C-3-C with a maximum building height of 90 feet and an overall FAR of 6.0 would realize the gain of twenty-seven feet in height. The FAR is well below the 6.0 FAR permitted as a matter-of-right for the proposed zone. The table below is OP’s categorization of the proposed items.

Applicant’s Amenities/Benefits	Required	Mitigation	Public Benefit	Project Amenity
New Housing			X	X
Affordable Housing	X		X	X
Connectivity (new street)			X	X
Bike Parking	X	X	X	X
Landscaping	X	X	X	X
Employment Opportunities	X		X	X

The site’s redevelopment would include affordable housing where none could exist as a matter-of-right, inclusion of sustainable features and employment and training opportunities for the residents and local businesses. It is particularly strong in the efficient land utilization, urban design and uses of special value to the neighborhood categories. OP requests that the Applicant provide more details and provide additional analysis of the proposed benefits, amenities, and mitigation prior to the public hearing.

VII. AGENCY REFERRALS

Prior to a public hearing, OP will solicit comments from other District agencies, including:

- The District Department of Transportation (DDOT)
- The District Department of Environment (DOES)
- The Department of Housing and Community Development (DHCD); and
- DC Water

VIII. RECOMMENDATION

While residential is not typically a use proposed in an industrial zone, OP recognizes the deeply unique conditions of this significant historic building, the difficulty in its adaptive reuse and it's near proximity to residential neighborhoods.

The following information should be provided prior to a public hearing:

- A completed project traffic impact analysis that addresses the proposed new curb cuts for the private street access into the site from New York Avenue;
- Additional details about the allocation of residential units;
- A signed First Source Employment Agreement; and
- Further refinement of project benefits, amenities and architectural drawings.

The Office of Planning recommends that the application be set down for public hearing.