

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Zoning Commission



ZONING COMMISSION FOR THE DISTRICT OF COLUMBIA
ZONING COMMISSION ORDER NO. 07-13A

Z.C. Case No. 07-13A

**Minor Modification to the Consolidated Planned Unit Development for
the Former Randall Junior High School Site
(Trustees for the Corcoran Gallery of Art and MR Randall Capital LLC)
June 9, 2008**

Pursuant to notice, the Zoning Commission for the District of Columbia (the "Commission") held a public meeting on June 9, 2008. At the meeting, the Zoning Commission approved an application from the Trustees of the Corcoran Gallery of Art (the "Corcoran") and MR Randall Capital LLC (collectively, the "Applicant") for a minor modification to an approved planned unit development ("PUD") and related map amendment for the property in Square 643-S, Lot 801, bounded by I Street, former First Street, H Street, and former Half Street, S.W. This PUD modification is authorized pursuant to Chapters 1 and 24 of the District of Columbia Zoning Regulations. Because the modification was deemed minor, the Commission did not conduct a public hearing on this matter. The Commission determined that this modification request was properly before it under §§ 2409.9 and 3030 of the Zoning Regulations.

FINDINGS OF FACT

1. By Zoning Commission Order No. 07-13, dated March 21, 2008 (the "Order"), the Commission approved a PUD for Lot 801 in Square 643-S. The Order approved the redevelopment of the former Randall Junior High School as a new campus for the Corcoran College of Art and Design and a new residential building consisting of 440-490 units. The PUD site was rezoned from the R-4 to the C-3-C District in conjunction with the PUD.
2. Given the recent downturn in the residential market, the Applicant sought approval for the option to construct the project in three phases, as shown on the drawings submitted as part of Attachment B to Exhibit 1 of the record, instead of two phases as shown on the approved PUD drawings. Currently, the Order requires the Applicant to apply for building permits no later than March 20, 2010, and start construction no later than March 20, 2011. The proposed modification will have no impact on the application for permits and commencement of construction on the project. However, a more detailed phasing plan with three phases will allow the Applicant greater flexibility in delivering the total project during an uncertain real estate market. The proposed phasing is necessary to begin generating revenue at the site and to provide collateral to secure additional

financing to complete the project. In all other respects, the project would be fully consistent with the approved Order.

3. The Applicant's proposed phasing plan is as follows:
 - a. Phase I would consist of renovating the three historic Randall School buildings fronting on I Street, S.W., for use by a portion of the Corcoran College of Art and Design. Classes in ceramics, sculpture, fine arts, and youth education, as well as administrative offices, will be relocated to the site. The Applicant would submit permit applications and commence construction for Phase I in compliance with the Zoning Regulations and Z.C. Order No. 07-13. Approximately 27 on-site surface parking spaces would be provided between the center and eastern rear wings of the Randall School, which would be accessed from H Street. Loading and other building services would also be located in this area.
 - b. Phase II would encompass the construction of the eastern wing of the residential building containing approximately 315 units and a portion of the underground parking garage. Landscaping would be provided at the southern and western edges of the site and would include a sculpture courtyard. The rear wings of the former Randall School will be demolished first, and construction staging and temporary parking for the Corcoran would be located on the western portion of the site. Phase II construction will begin under separate building permits after the completion of Phase I.
 - c. Phase III, the last phase, which will also be permitted separately, will consist of the new building for the balance of the Corcoran College of Art and Design program, the remaining residential units and parking spaces. Construction of Phase III is anticipated to start not later than December 31, 2013, with estimated completion in 2015.
4. The proposed phasing would have minimal impact on the public amenities and community benefits included in the Order and a private agreement between the Corcoran and Advisory Neighborhood Commission ("ANC") 6D, a copy of which was previously submitted to the record in Z.C. Case No. 07-13 as Exhibit 49. In fact, based on the information supplied by the Applicant and the ANC, the Commission finds that many of the amenities called for have already commenced, including the arts mentoring program, waiver of tuition for public school arts teachers for continuing education classes, placement of graduate students for community arts youth programs, fundraising for scholarships meant for ANC 6D residents, five scholarships to Camp Creativity at its current location, and a pilot ArtReach Program in Southwest. Of the three public amenities and community benefits that would be affected by the proposed phasing schedule – the academic scholarship, Camp Creativity at the Randall School, and an

annual Southwest Neighborhood Arts Festival – all are due to be delivered after completion of the Randall Facility, as originally intended.

5. By letter dated June 3, 2008 and submitted to the record, ANC 6D opposed the minor modification. The ANC voted unanimously at its May 12, 2008, meeting to oppose phased construction on the rationale that phasing would potentially delay delivery of certain amenities, as agreed to under the private agreement between the ANC and Corcoran. According to the ANC, among the most important community benefits are the scholarships for residents, an annual arts festival, and an annual arts project, each of which is to commence during the Corcoran's "first full academic year of occupancy of the Randall facility." The ANC stated that it received assurances from the Corcoran that occupancy would occur no later than 2011, and that its support for the project did not depend on the real estate market conditions or the Applicant's ability to secure financing for the project.
6. After careful consideration of the ANC's views and affording them the "great weight" to which they are entitled, the Commission finds that approval of the minor modification is appropriate. First, similar to this situation, the PUD regulations specifically contemplate a change in economic or market conditions beyond an applicant's reasonable control to be grounds for extending the validity of a PUD order. (11 DCMR § 2408.11.) The stark realities of today's housing market and economic downturn require prudent action by developers to protect the viability of their projects. Here, phasing is a matter of necessity, not a desire to delay delivery of amenities. The Commission has previously approved similar minor modifications to convert, for example, residential projects originally intended to be owner-occupied units to rental apartments, due to the shortage of mortgage financing and the record number of residential foreclosures in today's market. Second, the Commission notes that the private agreement between the Corcoran and the ANC does not commit to a specific delivery date for the three specific benefits identified by the ANC as among the most important to the community. Rather, the Corcoran agreed to deliver those amenities after the project is completed. Significantly, the Corcoran has already delivered many of the other promised community benefits, which demonstrates the Applicant's good faith efforts to fulfill its commitments as soon as possible and in some instances, before the promised deadline.

CONCLUSIONS OF LAW

Upon consideration of the record, the Commission concludes that the proposed modification is minor and consistent with the intent of the previously approved PUD in Z.C. Order No. 07-13. Further, the Commission concludes that its decision is in the best interest of the District of Columbia and is consistent with the intent and purposes of the Zoning Regulations.

The approval of the modification is not inconsistent with the Comprehensive Plan. The proposed modification condition continues the Applicant's goal of establishing a new campus for the

Corcoran College of Art and Design in Southwest Washington, including its associated community benefits, and creating 440-490 new residential units in the District. The modification is minor and consideration as a Consent Calendar item without a public hearing is appropriate.

DECISION

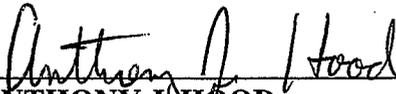
In consideration of the Findings of Fact and Conclusions of Law herein, the Zoning Commission for the District of Columbia hereby orders **APPROVAL** of the application for a minor modification of the approved PUD. Condition No. 18 of Z.C. Order No. 07-13 is revised to read as follows:

- "18. The PUD approved by the Zoning Commission shall be valid for a period of two (2) years from the effective date of this Order. Within such time, an application must be filed for a building permit as specified in 11 DCMR § 2409.1. Construction shall begin within three (3) years of the effective date of this Order. **The Applicant shall have the option to construct the project in three phases, as follows.**"
- a. Phase I would consist of renovating the three historic Randall School buildings fronting on I Street, S.W., for use by a portion of the Corcoran College of Art and Design. Classes in ceramics, sculpture, fine arts, and youth education, as well as administrative offices, will be relocated to the site. The Applicant would submit permit applications and commence construction for Phase I in compliance with the Zoning Regulations and Z.C. Order No. 07-13. Approximately 27 on-site surface parking spaces would be provided between the center and eastern rear wings of the Randall School, which would be accessed from H Street. Loading and other building services would also be located in this area.
 - b. Phase II would encompass the construction of the eastern wing of the residential building containing approximately 315 units and a portion of the underground parking garage. Landscaping would be provided at the southern and western edges of the site and would include a sculpture courtyard. The rear wings of the former Randall School will be demolished first, and construction staging and temporary parking for the Corcoran would be located on the western portion of the site. Phase II construction will begin under separate building permits after the completion of Phase I.
 - c. Phase III, the last phase, which will also be permitted separately, will consist of the new building for the balance of the Corcoran College of Art and Design program, the remaining residential units and parking spaces.

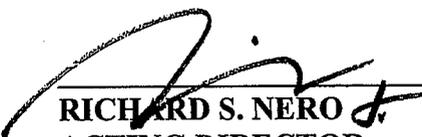
Construction of Phase III is anticipated to start not later than December 31, 2013, with estimated completion in 2015.

The Zoning Commission approved this minor modification at its public meeting on June 9, 2008, by a vote of **5-0-0** (Anthony J. Hood, Peter G. May, Gregory N. Jeffries, Curtis Etherly, Jr., and Michael G. Turnbull to approve).

In accordance with the provisions of 11 DCMR § 3028.8, this Order shall become final and effective upon publication in the *D.C. Register*; that is, on SEP 26 2008.



ANTHONY J. HOOD
CHAIRMAN
ZONING COMMISSION



RICHARD S. NERO
ACTING DIRECTOR
OFFICE OF ZONING

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Zoning



Z.C. CASE NO.: 07-13A

As Secretary to the Commission, I hereby certify that on SEP 24 2008 copies of this Z.C. Order No. 07-13A were mailed first class, postage prepaid or sent by inter-office government mail to the following:

1. *D.C. Register*
2. Carolyn Brown, Esq.
Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, D.C. 20006
3. Roger Moffatt, Chair
ANC 6D
25 M Street, S.W.
Washington, DC 20024
4. Commissioner David Sobelsohn
ANC/SMD 6D02
201 I Street, S.W., #838
Washington, DC 20024
5. Gottlieb Simon
ANC1350 Pennsylvania Avenue,
N.W. Washington, D.C 20004
6. Councilmember Tommy Wells
7. Office of Planning (Harriet Tregoning)
8. DDOT (Karina Ricks)
9. Zoning Administrator (Matt LeGrant)
10. General Counsel - DCRA
941 North Capitol Street, N.E.
Suite 9400
Washington, D.C. 20002
11. Office of the Attorney General
(Alan Bergstein)

ATTESTED BY:

Sharon S. Schellin
Secretary to the Zoning Commission
Office of Zoning