

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Zoning Commission



ZONING COMMISSION ORDER NO. 631A
Z.C. Case No. 62-19A
Minor Modification to Approved Planned Unit Development
Euro-Watergate Hotel and Residences, LLC
(Consolidated and First-Stage Planned Unit Development for Square 8, Lots 2001 and 2002)
January 9, 2012

Pursuant to notice, a public meeting of the Zoning Commission for the District of Columbia (“Commission”) was held on January 9, 2012. At that meeting, the Commission considered an application from Euro-Watergate Hotel & Residences, LLC (“Applicant”) for modification to a previously approved planned unit development (“PUD”) and related Zoning Map amendment for Square 8, Lots 2001 and 2002 (“Property”), pursuant to Chapter 24 and Chapter 30 of the District of Columbia Zoning Regulations (11 DCMR). Because the modification was deemed minor, a public hearing was not conducted.

The original PUD for the Watergate was approved before the courts determined that such cases should be treated as contested cases under the Administrative Procedure Act. Therefore, there were no parties to the original PUD on whom the Applicant should serve the subject modification request, as required by 11 DCMR § 3030.6. The Applicant's letter, dated December 15, 2011, requested the modification be sent to the Chair and the appropriate Single Member District Commissioner of Advisory Neighborhood Commission (“ANC”) 2A. The letter was also sent to the Boards of Directors of Watergate East, Inc., Watergate West, Inc., and Watergate South, Inc., which are the governing boards for the three cooperative associations which own the apartment buildings in the Watergate. Neither the ANC nor the cooperative associations existed at the time that the original PUD was approved. By giving notice to the ANC and the cooperative associations, those likely to be most affected by the increase in the number of hotel rooms, the Applicant has met the letter and the spirit of § 3030.6.

The Commission determined that this modification request was properly before it under the provisions of §§ 2409.9 and 3030 of the Zoning Regulations. For the reasons stated below, the Commission hereby approves the application for modification.

FINDINGS OF FACT

1. By Z.C. Order No. 62-19, the Commission approved the PUD to develop the Watergate complex. The PUD permitted a multi-phased development of 1,300 multi-dwelling units, office and retail spaces, and a 300-room hotel (“Project”). Pursuant to Appeal No. 7903,

the Board of Zoning Adjustment ("Board") approved the Stage 2 development, which included the Hotel. The Project was subsequently amended in 1968, 1972, and 1975, but none of the amendments affected the 300-room hotel ("Hotel"). By 1989, the Project was fully built-out with 500,000 square feet of office and retail space, 644 multi-family units, and the Hotel, which was constructed with a total of only 250 rooms, a health club, and two restaurants. In 1989, and pursuant to Z.C. Order No. 631, the Commission permitted the Hotel to increase the size of the health club by 2,000 square feet, which was the only PUD amendment directly related to the Hotel since the PUD was initially approved.

2. In 2003, in Z.C. Case No. 03-16, Monument Residential LLC, the contract purchaser, on behalf of the owner, BRE/Watergate LLC, filed an application to modify the approved PUD to convert the Hotel into an apartment house. By Z.C. Order No. 03-16, final and effective on August 6, 2004, the Commission approved the application to convert the Hotel to a 133-unit cooperative apartment house, subject to conditions. That approval was challenged in the D.C. Court of Appeals ("Court"). By Order No. 04-AA-1056, dated July 24, 2008, in *Watergate East Committee Against Hotel Conversion to Co-Op Apartments, et al. v. District of Columbia Zoning Commission*, 953 A.2d 1036 (D.C. 2008), the Court affirmed the Commission's approval of the PUD modification. The Hotel was closed in 2007 pending redevelopment, but the conversion never occurred, the Hotel has remained closed, and the Commission's approval granted by Z.C. Order No. 03-16 has expired.
3. By letter dated December 15, 2011, the Applicant requested a minor modification to the PUD approval to grant the Applicant flexibility to increase the maximum number of rooms in the Hotel from 300 to 355. The Applicant is also proposing other minor changes to the layout of the hotel, all of which are within the scope of the currently approved project and which require no further attention from or action by the Commission. Any renovation work altering the exterior of the building would be subject to review by the Commission of Fine Arts.
4. Attached to the Applicant's letter were: a letter, dated December 14, 2011, from the Board of Directors of Watergate East, Inc.; a letter dated December 6, 2011, from the Board of Directors of Watergate West, Inc.; and a letter, dated December 9, 2011 from the Board of Directors of Watergate South, Inc. All three letters described the history of the project, the benefits that would accrue from approving the modification and the support for approving the modification without a public hearing.
5. In support of this request, the Applicant noted that: reopening the Hotel would return amenities to the Watergate residents and tax revenue to the City; the Hotel was constructed with substantially larger rooms than other luxury hotels, and reconfiguration of the rooms to smaller sizes would enable the Hotel to be competitive in the current and future hospitality markets.

6. The Applicant is desirous of moving forward immediately with reconfiguration of the Hotel, in order to re-open the Hotel as soon as possible. Therefore, the Applicant has requested approval on the Consent Calendar without a public hearing to increase the rooms from a total of 300 to no more than 355 rooms. The Project is fully built-out, and reconfiguration will not change the Hotel building envelope, increase the floor area ratio, gross floor area, height, lot occupancy, or rear or side yard requirements. The Hotel, with the larger number of rooms, would meet the parking requirements of the Regulations.
7. The District of Columbia Office of Zoning referred this matter to the Office of Planning (“OP”) for analysis and recommendation. By memorandum dated December 29, 2011, OP stated its support for approval of the requested modification.
8. ANC 2A did not submit a report to the Commission. The Commission received a letter, dated December 30, 2012, from Armando Irizarry, the Single Member District (“SMD”) Commissioner for ANC 2A04, which is the SMD in which the Property is located, and a letter, dated January 5, 2012, from Councilmember Jack Evans, in whose Ward the Property is located, both in support of the application and supporting approval on the Consent Calendar without a public hearing.
9. The Commission concurs that approval of the modification is appropriate and is consistent with the intent of 11 DCMR §§ 2409.9 and 3030.

CONCLUSIONS OF LAW

Upon consideration of the record in this application, the Commission concludes that the proposed modification is minor and is consistent with the intent of the previously approved PUD as a mixed-use project with a combination of office, hotel, apartments, and retail uses. Further, the Commission concludes that approval of the requested modification is in the best interest of the District of Columbia and is consistent with the intent and purpose of the Zoning Regulations. Further, the modification does not change the material elements of the Project, including permitted use, height, gross floor area, lot occupancy, or rear or side yard requirements.

DECISION

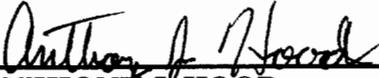
In consideration of the Findings of Fact and Conclusions of Law provided herein, the Zoning Commission for the District of Columbia hereby **ORDERS APPROVAL** of the application for minor modification of an approved PUD for Square 8, Lots 2001 and 2002, to increase the maximum number of rooms in the Hotel from 300 to 355.

Pursuant to § 2409.3 of the Zoning Regulations, the Applicant shall record a notice of modification of Z.C. Order No. 631 among the land records of the District of Columbia. After

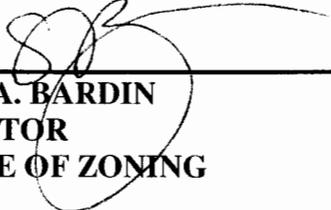
recording of the notice of modification, the Applicant shall provide a copy of same for the records of the Office of Zoning.

On January 9, 2012, upon the motion of Commissioner Turnbull, as seconded by Commissioner Cohen, the Zoning Commission **ADOPTED** this Order at its public meeting by a vote of **5-0-0** (Anthony J. Hood, Konrad W. Schlater, Marcie I. Cohen, Peter G. May, and Michael G. Turnbull to adopt).

In accordance with the provisions of 11 DCMR § 3028, this Order shall become final and effective upon publication in the *D.C. Register*; that is, on June 22, 2012.



ANTHONY J. HOOD
CHAIRPERSON
ZONING COMMISSION



SARA A. BARDIN
DIRECTOR
OFFICE OF ZONING

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Zoning



Z.C. CASE NO.: 62-19A

JUN 25 2012

As Secretary to the Commission, I hereby certify that on JUN 25 2012 copies of this Z.C. Order No. 631A were mailed first class, postage prepaid or sent by inter-office government mail to the following:

1. D.C. Register
2. Norman Glasgow, Jr., Esq.
Alice Haase, Esq.
Holland & Knight
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, D.C. 20006
3. ANC 2A
West End Branch Library
1101 24th Street, N.W.
Washington, D.C. 20037
4. Commissioner Armando Irizarry
ANC/SMD 2A04
2475 Virginia Avenue, N.W. #911
Washington, D.C. 20037
5. Gottlieb Simon
ANC
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
6. Councilmember Jack Evans
7. DDOT (Martin Parker)
8. Melinda Bolling, Acting General Counsel
DCRA
1100 4th Street, S.W.
Washington, DC 20024
9. Office of the Attorney General (Alan Bergstein)
10. Watergate East, Inc.
Board of Directors
2510 Virginia Avenue N.W.
Washington, D.C. 20037-1902
11. Watergate West, Inc.
Board of Directors
2700 Virginia Avenue, N.W.
Washington, D.C. 20037
12. Watergate South, Inc.
Board of Directors
700 New Hampshire Avenue, N.W.
Washington, D.C. 20037

ATTESTED BY:

A handwritten signature in black ink, appearing to read "S. S. Schellin", is written over a horizontal line.

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