Government of the District of Columbia

ZONING COMMISSION

# ZONING COMMISSION ORDER NO. 784
## Case No. 94-21C
## (PUD & Map Amendment - Washington Hospital Center)
## September 11, 1995

Pursuant to notice, a public hearing of the Zoning Commission for the District of Columbia was held on May 15, 1995. At that hearing session, the Zoning Commission considered the application of the Medlantic Healthcare Group, Inc., d/b/a Washington Hospital Center ("WHC"). The application requested consolidated review and approval of a planned unit development (PUD) and related amendment to the Zoning Map of the District of Columbia, pursuant to Chapter 24 and Section 102, respectively, of the District of Columbia Municipal Regulations (DCMR), Title 11, Zoning. The public hearing was conducted in accordance with the provisions of 11 DCMR 3022.

## FINDINGS OF FACT

1. The application, which was filed on December 12, 1994, requested consolidated review and approval of a PUD and related change of zoning from R-5-A to SP-1 for a portion of Lot 2 in Square 3129 located at 110 Irving Street, N.W.

2. The application requested permission to construct a physicians' office building, certain adjunct hospital-related facilities and a parking structure. The project will provide much needed office space for physicians who practice at WHC and convenient parking for patients, staff and visitors to the Center's various medical facilities.

3. The project site consists of 237,726 square feet of land (5.48 acres) which is currently used predominantly as a surface parking lot. The PUD site is also occupied by an existing four-story physicians' office building which was built in 1967. The subject site is located entirely within the WHC campus, which itself is a 39 acre parcel of land near the intersection of Irving and North Capitol Streets, N.W.

4. The PUD site is rectangular in shape with approximately 417.58 feet of linear frontage on First Street, N.W., and approximately 552.80 feet of linear frontage on Hospital Drive. At this location, both First Street, N.W. and Hospital Drive are private roads maintained by WHC.

5. The WHC campus and the PUD site, are located in Ward 4 in the northwest quadrant of the District of Columbia, near the intersections of North Capitol Street and Michigan Avenue and Irving Street, N.W. The street address for WHC is 110 Irving Street, N.W.

6. The R-5-A District permits matter of right single-family detached and semi-detached dwellings, and with the approval of the Board of Zoning Adjustment (BZA), low density development of general residential uses including rowhouses, flats, and apartments to a maximum floor area ratio (FAR) of 0.9, a maximum lot occupancy of 40 percent, and a maximum height of three-stories/40 feet.

7. The SP-1 District permits matter of right medium/high density development including all kinds of residential uses, with limited offices for nonprofit organizations, trade associations and professionals permitted as special exceptions requiring approval of the BZA, to a maximum height of 6.5 feet, a maximum FAR of 4.0 for residential and 1.5 for other permitted uses, and a maximum lot occupancy of 80 percent for residential uses.

8. Under the PUD process of the Zoning Regulations, the Zoning Commission has the authority to impose development conditions, guidelines and standards which may be more or less than the matter of right standards. The Commission may also approve uses that are permitted as special exceptions by the BZA, and may approve development variances that are required by the project design.

9. The District of Columbia Generalized Land Use Map of the Comprehensive Plan for the National Capital designates the WHC campus and the PUD site as being in the institutional land use category.

10. WHC proposes to construct the PUD project in two phases on land which it owns in fee simple. Phase I of the project will be comprised of three building elements: (1) a 146,608 gross square foot physicians' office building with below grade parking (approximately 132 spaces); (2) a parking structure with approximately 719 spaces (two levels of which will be below grade) and (3) a 18,424 gross square foot Atrium Connector system. Phase I of the project will consist of a floor area ratio of 1.82. The proposed office building will be 67 feet in height (five stories) above grade and two levels of parking below grade. The building will include up to 30 guest rooms (16,000 gross square feet). The parking facility

will be 22 feet in height (three levels) above grade and two levels below grade. The project will occupy 55 percent of the PUD site. Phase I will be built in a single construction phase.

11. Phase II is an addition to the proposed physicians' office building and parking garage, which will provide an additional 24,740 square feet of gross floor area in the office building and two additional levels on the parking structure. Phase II will bring the project to a total of 454,006 square feet of gross area yielding a F.A.R. of 2.47. The two additional levels of parking on the parking structure will increase the parking supply by an additional 310 spaces. Phase II is intended to be built within ten years of completion of Phase I, or when office space needs exceed the available supply.

12. Vehicular access will be provided from the existing entrances to the campus. One loading area (45 feet x 50 feet) will be provided for light service and delivery vehicles. Major deliveries will be provided through the existing WHC system using the hospital's central service loading docks.

13. The Atrium Connector system will be a one-story element and provide an enclosed passageway between the new parking structure, the proposed and existing physicians' office buildings, the WHC Cancer Institute and the main hospital building. The Atrium Connector will serve as a hub of out-patient activity by providing a comfortable and secure circulation space that will include a pharmacy, laboratory drawing station, a radiology suite, a heart monitoring station and patient rest areas.

14. The Executive Vice President of Medlantic Healthcare Group, Inc. ("Medlantic"), testified on behalf of the application. He briefly described Medlantic as a integrated health delivery system established in 1982 as a not-for-profit organization governed by a 30-member Board. This health care delivery system includes the Washington Hospital Center, the National Rehabilitation Hospital, the Visiting Nurse Association of D.C., Medlantic Manor at Lamont Riggs (nursing home) and Medlantic Center for Ambulatory Surgery. He testified that Medlantic provides health care services to 250,000 persons annually, employs 6,000 persons and has a medical staff of 1,200 members. He indicated that, in addition to its 907-bed flagship teaching/tertiary care hospital, the Washington Hospital Center provides the following key services: Washington Heart, a cardiac care service with open heart program and heart transplantation; Washington Cancer Institute; Kidney and Pancreas Transplantation Programs; MedStar Trauma Center; and a regional burn center.

He testified that as a not-for-profit organization, the applicant receives no federal or local subsidies. It derives its $850-million annual gross revenues primarily from patient care services. As part of its mission, it provides $70 million ($36 million in costs) in uncompensated care to its patients and it provides $9 million in community-based services.

15. The Vice President of Medlantic testified as to the importance of the PUD project to the WHC. He indicated that the PUD, if approved, would provide new office capacity for new physicians, 30 guest rooms for out-of-area patients and families and 350 additional parking spaces on a campus that is pressed for parking.

16. Medlantic's Chief Financial Officer and Vice President for Finance of the WHC, testified as to the current structure of health care compensation, underscoring the problems brought to the forefront by uninsured, or underinsured, patients. He also testified with regard to other general health care issues, including the interrelationship of doctors and hospitals, the general trends in the industry towards the shrinkage of the health care dollar, emphasis on costs, the increasing role of the insurer and the move from in-patient to out-patient care. He testified as to the financial stability of the Washington Hospital Center indicating that the annual profit margins for the WHC have been approximately one percent versus the industry's norm of three to five percent. He, thus, indicated that the surplus earnings of WHC were very fragile in any given year. He stressed that WHC has taken aggressive action to provide economic stability, including cost improvements, increasing its market share and providing, above all, quality services.

17. The Chief Financial Officer also testified as to the Phase II implementation plan indicating that it will only begin if both physicians' office buildings are at capacity and there are unmet needs for office space on the campus. He also indicated that the second phase needs to be feasible both with regard to preleasing commitments, competitive rental rates and a financial break even pro forma.

18. The project's architect testified as an expert in architecture and planning and was recognized as such by the Commission. He indicated that the location of the proposed project was the product of a study of all available sites on the WHC campus. He indicated that the master planning concept for the project was to develop a focal point for all ambulatory care services on campus, to create a better orientation to visitors to the

campus, tie together the existing physicians' office building and solve some of the visual problems inherent in the campus' current physical layout.

19. He stated that the project will be built in phases, and that Phase I will include 146,608 gross square feet in a five-story, medical office building. He indicated that the first floor, and the Atrium Connector (approximately 18,424 square feet), will be primarily for ambulatory care facilities and diagnostic testing centers, with floors two through four for physicians' offices. He indicated that the top floor of Phase I will be utilized for approximately 30 guest rooms for visitors to the campus. As part of Phase I, the applicant proposes to build a two-story parking structure to accommodate 719 cars. There also will be two levels of parking below the physicians' office building, which will interconnect with the garage underneath the existing physicians' office building. The architect indicated that the design concept of the project was to integrate the existing uses on the campus with the proposed uses in an orderly, efficient manner. After working closely with the Office of Planning, he had developed a tripartite architectural theme that delineated a base, a middle and a top to the physicians' office building. This architectural theme was carried through to the parking garage and tied together with decorative colored railings and window treatment. The applicant introduced this new architectural facade treatment at the public hearing with leave of the Commission.

20. The architect testified that Phase I will have a gross floor area of 334,758 square feet (1.82 FAR). The total project, when Phase II is completed, will have 454,006 gross square feet (2.47 FAR). The total new parking spaces added in Phase I will be 851, with an additional 310 added in Phase II. Lot occupancy of Phase I will be 55 percent and it will rise to 59 percent with the construction of Phase II. The maximum building height of the project will be achieved in Phase I and will be 67 feet.

21. The landscape architect, recognized as an expert by the Commission, presented the campus landscaping plan, contained in Exhibit 19 of the record, to the Commission. He indicated that the landscape plan took into account the various landscaping opportunities with the idea to enhance and refine the major entrances to the campus, as well as to provide durability and flexibility of plantings. He testified that the overall concept of the landscape plan would mitigate the activity and development that is occurring on the campus and create a friendlier environment for patients and users of the campus. He also described the landscaping plan for the

project, identifying the key species of plants and treatments for those various species and plants. He further stated that the landscaping design was intended to represent a human scale with well-proportioned and appropriate open spaces with other site amenities, such as walkways, lighting and signage, to create an inviting environment for the campus.

22. The applicant's traffic consultant, recognized as a expert by the Commission, testified that the traffic generated by the project could easily be accommodated on the existing street network and that all intersections in the vicinity of the site would operate at acceptable levels of service. He indicated that his report had been coordinated with the District of Columbia Department of Public Works, which agreed with his conclusions that the project would have no adverse impact on traffic and transportation in the vicinity of the site. He concluded that, based on the data and analysis prepared by his office, he believed that the road network would be adequate to accommodate both phases of the proposed development and that the development would not result in any adverse impact on the local transportation network.

23. The applicant's community development consultant, testified at the hearing that the benefits and amenities offered by this PUD project were consistent and comparable to other not-for-profit PUDs that have been approved by the Zoning Commission. She testified that the following benefits would accrue from approval of this application, including continuing many of the programs of benefit to patients and residents in the District:

    (1) Construction of a new physicians' office building and parking garage to expand and stabilize the Center's physician base and provide expanded and convenient out-patient health care services;

    (2) A physical link between the two physicians' office buildings and the parking garage;

    (3) The creation of 125 construction jobs with at least 51 percent of the jobs targeted for D.C. residents;

    (4) The creation of 120-125 new office staff jobs to service the physicians' office building;

    (5) Increased revenues to the District of Columbia with projected payroll taxes of $3.6-$3.8 million annually, with parking garage revenues of $52,000;

(6) The provision of at least 35 percent of the procurement services for the project to be targeted to certified local, small and disadvantaged businesses;

(7) The continuation of the WHC's jointly sponsored job training program with DOES, previously scheduled to end next year, for an additional three years;

(8) The continuation by the WHC of its Youth Mentoring Program; and

(9) The continuation of WHC's Social Services Department, which serves as a critical link between the clinical services provided at the hospital and the social services available in the community.

24. The community development consultant also testified that the applicant had entered into the First Source Agreement with the District of Columbia Department of Employment Services and has expected a Memorandum of Understanding with the Department of Human Rights and Minority Business Development to insure maximum opportunities for District residents and local, small and disadvantaged businesses.

25. The applicant requested that the PUD project be permitted to be developed in two phases as shown in the drawings prepared by Marshall, Erdman and Associates, Inc. marked as Exhibit No. 19 of the record. This phasing would allow the WHC to avoid unnecessary expenditures of monies and be most flexible to respond to market demand for additional office space for physicians practicing on the campus.

26. The District of Columbia Office of Planning (OP), by memorandum dated May 4, 1995, and through testimony at the public hearing, recommended approval of the application. OP indicated the following:

> "The existing R-5-A zone district does not permit the construction of the proposed project because of the project's height and FAR requirements. The requested rezoning of the site along with approval of the proposed PUD would allow the additional height and FAR needed. The proposed project and the requested change in zoning are consistent with the designation of the site as institutional on the Generalized Land Use Map of the Comprehensive Plan".
>
> In the Office of Planning's opinion, it is unlikely that the project would have negative impacts on the immediate neighborhood in terms of noise, traffic or other

objectionable conditions because of its location well away from the community and within the confines of the WHC Campus. Based upon the analysis above, the Office of Planning recommends that the Zoning Commission approve this application".

27. By letter from the Assistant City Administrator for Economic Development, dated May 4, 1995, and by testimony from the Chief of Staff for the Office of Economic Development, the Office of Economic Development recommended approval of the subject application.

28. The District of Columbia Department of Employment Services by a letter from its Director, dated May 4, 1995 to the record indicated DOES' wholehearted endorsement of the PUD and recognized Medlantic's previous contributions to joint job training initiatives and other DOES programs for training in various health care professions.

29. District of Columbia Councilmembers Charlene Drew Jarvis, Harry B. Thoms, Sr., Jack Evans, Linda W. Cropp, John L. Ray and Frank Smith submitted letters of support to the record of the application.

30. Advisory Neighborhood Commission (ANC) 4D, by letter dated May 5, 1995 and by testimony delivered at the public hearing, recommended approval of the project noting that its constituents, in particular, and other District residents, in general, need more primary care physicians and health services to assist in improving the quality of health, especially among its seniors, infants, teenagers and young adults. ANC 4D indicated its full support for the request to construct the physicians' office building.

31. Advisory Neighborhood Commission (ANC) 5A, an adjacent ANC, by letter dated May 3, 1995, jointly with the Brookland Neighborhood Civic Association, Inc., evidenced support of the application. Both organizations believe that the project will benefit the community and the District of Columbia.

32. There were no other parties in support of or in opposition to the proposal either entered into the record or appearing at the public hearing.

33. Two practicing physicians, both residents of the District of Columbia who practice at the Washington Hospital Center, testified in support of the application indicating the need for the facility and the need for the provision of quality health care services in the District of Columbia. In addition, an employee of the dialysis clinic currently

operating in the existing physicians' office building on campus testified in support of the application.

34. The record contains approximately 120 letters in support of the application, including letters of support from the principal of Taft Junior High School, the Fort Stevens Senior Center and the Mended Hearts, Inc. WHC has a youth mentoring program with Taft Junior High School and works closely with both the Fort Stevens Senior Center and the Mended Hearts, Inc.

35. There were no letters in opposition to the proposal submitted for the record of the case, and no persons in opposition to the proposal testified at the public hearing.

36. At the conclusion of the public hearing, the Zoning Commission left the record of the case open for the applicant to submit the First Source Agreement, the MBOC Agreement, a revised landscape plan for the front courtyard of the new physicians' office building and the full written statement of the community development consultant, and for the Department of Public Works to submit as report.

37. On May 26, 1995, the applicant submitted the community development consultant's testimony, the First Source Employment Agreement and the Memorandum of Understanding with the Department of Human Rights and Minority Business Development, as well as revised landscape and grading plans for the courtyard in front of the new office building. The Department of Public Works did not file a report in the record.

38. By letter dated June 12, 1995, the applicant requested the Zoning Commission to reopen the case to accept a legal description of the proposed PUD site. The applicant indicated that the legal description is one of fact, which is not subject to substantive challenge by any party.

39. The Commission, by consensus vote at its June 12, 1995 monthly meeting, reopened the record and accepted the June 12, 1995 legal description of the proposed PUD site.

40. On June 12, 1995 at its monthly meeting, the Commission took proposed action to approve the application.

41. The Commission concurs with the recommendations and positions of OP, DHCD, DMED, ANC-4D, ANC-5A and the applicant and believes that the application should be approved.

42. The Commission finds that the PUD project and map amendment is in conformance with the Comprehensive Plan which designates the site for institutional use.

43. The Commission finds that the approval of this application will result in the efficient, economic utilization of the site; provide improved urban design; opportunity for increased health care facilities; and adequately address the protection of the public health, safety, welfare and convenience.

44. The Commission finds that the applicant has met the requirements of 11 DCMR Chapter 24 and has fulfilled the intent and purposes thereof.

45. The proposed action of the Zoning Commission to approve the application with conditions was referred to the National Capital Planning Commission (NCPC) pursuant to the terms of the District of Columbia Self-government and Governmental Reorganizational Act. The NCPC, by report dated September 7, 1995, indicated that the proposed action of the Zoning Commission would not adversely affect the Federal establishment or Federal interests in the National Capital or be inconsistent with the Comprehensive Plan for the National Capital.

## CONCLUSIONS OF LAW

1. The planned unit development process is an appropriate means for controlling development of the site in a manner consistent with the best interests of the District of Columbia.

2. The development of this PUD carries out the purposes of Chapter 24 of the Zoning Regulations to encourage the development of well-planned institutional, commercial and mixed-use developments which will offer a variety of building types with more attractive and efficient overall planning and design than might otherwise be achieved under matter of right development.

3. The development of this PUD is compatible with District-wide and neighborhood goals, plans and programs, and is sensitive to environmental protection and energy conservation.

4. The approval of this application is not inconsistent with the Comprehensive Plan for the National Capital because it will stabilize the delivery of health care services, strengthen the distinguishing physical characteristics of the area, and increase employment opportunities.

5. The approval of the application is consistent with the purposes of the Zoning Act and the Zoning Regulations of the District of Columbia, which include stabilizing land values and improving mixed-use areas.

6. The application can be approved with conditions which ensure that the development will not have an adverse affect on the surrounding community or the District. The project will enhance the area.

7. The approval of this application will promote orderly development in conformity with the entirety of the District of Columbia Zone Plan as embodied in the Zoning Regulations and Map of the District of Columbia.

8. This application is subject to compliance with D.C. Law 2-38, the Human Rights Act of 1977, as amended.

9. The Zoning Commission has accorded the recommendations and opinions of ANC 4D the "great weight" to which they are entitled.

## 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 this application for consolidated review of a planned unit development for a portion of Lot 2 in Square 3129, and the amendment to the Zoning Map from R-5-A to SP-1. The approval is subject to the following guidelines, conditions and standards:

1. The planned unit development (PUD) shall be developed in accordance with the plans prepared by the architectural firm, Marshall Erdman and Associates, that part of the record in this case marked as Exhibits 19 and 155 as modified by the guidelines, conditions and standards of this Order.

2. The PUD site shall be developed with mixed-use buildings, including institutional, health care, medical office, commercial and parking uses.

3. The PUD shall be completed in two phases, and have a maximum floor area ratio (FAR) of 2.47.

4. Phase I shall be comprised of three building elements: a 146,608 gross square foot physicians' office building with below grade parking (approximately 132 spaces); a parking structure with approximately 719 spaces; and a 18,424 gross square foot Atrium Connector system. The physicians' office building shall not exceed 67 feet in height (five stories)

above grade and two levels of parking below grade. Phase I shall have a maximum FAR of 1.82 and shall be built in a single construction phase.

5. Phase II shall be an addition to the physicians' office building and parking garage completed in Phase I. Phase II shall provide an additional 24,740 square feet of gross floor area in the office building and two additional levels on the parking structure for an additional 310 parking spaces.

6. The applicant must apply for a building permit for Phase II of the project within 10 years of the issuance of a Certificate of Occupancy for Phase I.

7. Loading areas, driveways and walkways shall be located on the site as shown on Exhibit 19 of the record.

8. Landscaping and signage shall be provided for the campus and for the site as shown on the landscape plans marked as Exhibits 19, 155 and 160 of the record. The landscape plan for the campus shall be completed within five years of the effective date of this order.

9. Antennas and satellite dishes shall be permitted on the roof of the buildings subject to the applicable Zoning Regulations.

10. The applicant shall have the flexibility with respect to the following matters:

    (a) Varying the location and design of all interior components, including partitions, structural elements, slabs, doors, hallways, columns, stairways, location of elevators, electrical and mechanical rooms, provided that the variations do not change the exterior configuration of the buildings;

    (b) Making minor adjustments in the facade, window and balcony detailing, including the flexibility to shift the location of doors on the ground floor;

    (c) Varying the location of exterior lighting fixtures;

    (d) Varying the species of plant materials within the ranges proposed in the landscaping plan;

    (e) Varying the final selection of exterior materials within the color ranges and material types as proposed, based on availability at the time of construction; and

(f) Varying the arrangement and number of parking spaces, modification of below-grade space to accommodate the need of tenants and users of the project and handicapped persons, provided that there is no reduction in the total number of parking spaces provided.

11. The applicant shall enter into a First Source Agreement with the Department of Employment Services (DOES) which provides that the applicant will use DOES as its first source for recruitment, referral and placement of employees in connection with the construction of the project.

12. The applicant shall enter into a Memorandum of Understanding with the Department of Human Rights and Minority Business Development which provides for the applicant to make a bona fide effort toward at least 35 percent of project related costs to certified local, disadvantaged and minority business enterprises.

13. The applicant shall continue its commitment to jointly sponsor a job training program with DOES for three years after the effective date of this Order.

14. The applicant shall continue its Youth Mentoring Program with Taft Junior High School for five years after the effective date of this Order.

15. The applicant shall continue its Social Services Department for five years after the effective date of this Order.

16. No building permit shall be issued for the site until the applicant has recorded a covenant in the land records of the District of columbia between the owner and the District of Columbia satisfactory to the Office of Corporation Counsel and the Zoning Regulatory Division of the Department of Consumer and Regulatory Affairs (DCRA). The covenant shall bind the owner and all successors in title to construction and use of the property in accordance with this Order and amendments thereto of the Zoning Commission.

17. The amendment to the Zoning Map from R-5-A to SP-1 for the PUD site shall be effective upon recordation of the PUD covenant as required by 11 DCMR Section 2407.

18. The Office of Zoning shall not release the record of this case to the Zoning Division of DCRA until the applicant has filed a certified copy of the covenant with the records of the Zoning Commission.

19. The PUD approved by the Zoning Commission shall be valid for a period of two years from the effective date of this Order. Within such time, the applicant must file for a building permit as specified in 11 DCMR Section 2407.1 and Section 2406.8. Construction shall start within three years of the effective date of this Order.

20. Pursuant to D.C. Code Section 1-2531 (1987), Section 267 of D.C. Law 2-38, the Human Rights Act of 1977, the applicant is required to comply fully with the provisions of D.C. Law 2-38, as amended, codified as D.C. Code, Title 1, Chapter 25, (1987), and this Order is conditioned upon full compliance with those provisions. Nothing in this Order shall be understood to require the Zoning Division of DCRA to approve permits if the applicant fails to comply with any provisions of D.C. Law 2-38, as amended.

21. The applicant shall file a master plan for the Washington Hospital Center campus prior to seeking any further zoning approvals for the campus.

Vote of the Zoning Commission taken at the regular monthly meeting on June 12, 1995: 3-0 (Maybelle Taylor Bennett, John G. Parsons and Jerrily R. Kress to approve with conditions - William L. Ensign not present, not voting).

This order was adopted by the Zoning Commission at its regular public meeting on September 11, 1995 by a vote of 3-0: (John G. Parsons, Maybelle Taylor Bennett and Jerrily R. Kress to adopt; William L. Ensign not voting, not having participated in the case).

In accordance with the processing of 11 DCMR 3028, this order shall become final and effective upon publication in the D.C. Register; that is on OCT 27 1995.

JERRILY R. KRESS
Chairperson
Zoning Commission

MADELIENE H. ROBINSON
Director
Office of Zoning

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