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Present

Andrea Doughty
Mary Brown
Ben Harris
Giorgio Furioso
Joe Kerger
Linda Welch

Absent

Jim Kane
Khalid Pitts

Brief overview by Andrea Doughty:

ANC2F's special ARTS Overlay Review Committee is reviewing the provisions of the ARTS Overlay Zoning District, including the 25% limitation related to restaurants/bars on 14th Street, NW, in order to examine what more the zoning regulations can do to encourage vibrant development of daytime retail and other uses on 14th Street. The committee is interested in hearing from any person or organization that has views on these issues.

Meeting of the ARTS Overlay Review Committee are public and will take place on Tuesday evenings in June and July. Following this period of public consultation and outreach, recommendations will be formulated in August. The ARTS Overlay Review Committee will report its recommendations to ANC2F and the DC Office of Planning by early September 2009.

1st Speaker - Jeffrey Schonberger, owner and developer of the Central Union Mission site, and Treasurer of the Adams Morgan Business Improvement District

1. 25% limit causes a problem bringing in high end restaurant. Okay for pizza by the slice. Basically there is too much uncertainty for a high end to do build out, lease and then get turned down. Also need to recognize 14th is competing for quality restaurants with G'town, Penn Qtr
2. Problem with getting lender financing when based on rental income from restaurant; interest in cash flow.
3. Too much at stake for investors to put in a bad tenant. Need quality and mixed use to sell the condos

Questions to Schonberger

Did it help to go to BZA and get an advance entitlement for a restaurant at the Central Union Mission site. Yes, but no guarantee other developers would go through that step. Contends restaurants would facilitate development.

Certainty upfront is huge. As is certainty with respect to duration of entitlement.

How does F.A.R. affect? Residential project 4.0 plus 0.5; if commercial 2.5. If possible to increase commercial F.A.R., could get office users/day traffic.

How would F.A.R. consideration change the economics? Office use cannot compete in this current economic cycle.

Furioso – certain ways to increase F.A.R. to almost 4.0 for non residential, hard to fill envelop regardless. Not achievable. Residential more taxing to neighborhood. Best is to have mix of residential/commercial. Concept is lost on most people.

Schonberger and Furioso – Another approach to fostering diversity – tax policy. Commercial property owners taxes killing owners and pass through to tenants. Commercial property tax 1.85%. Proposed ? Vacant tax 10%. Residential capped. Kills any business 5 million dollars & down. Evans tax break for small business?? Effective?

If supply of commercial space increased on 14th, would it have a positive affect on retailers? Furioso - 14th St. has issues. Boom did not happen on 14th. Too many dead spaces with no retail First floor on 14th needs to be retail.

Office use brings daytime foot traffic? David Alpert: true. Parking implications? Furioso: Maybe not. Office users adapt to what is available.

Residential: 1 space/2 units. DDOT is moving to restrict parking by regulation. Historic property if increase square footage by 50%, changes parking rules. OP and DDOT moving to decrease car use and parking.

Bonus density as currently framed, does F.A.R. makes sense? Shonberger: Somewhat antiquated. Amenity filled neighborhood. Give bonus density but useless since cannot actually use it. Favors making area a regional destination, as with incoming Room & Board showroom.

OP airing proposal abolish residential 75% lot occupancy. HPRB no way, will not get by on massing.

Brown: What if there were perfect clarity of info around 25% rule ? Is that the problem or is it the 25% ? Schonberger: disputes whether there would ever be clarity, but even if achieved, the rule presents a problem for 14th St development

Furioso – pick an number for restaurants/bars and stick with it.

Schonberger: Adams Morgan topography different, structures are different. No large spaces. Ownership broken up. Police protection abysmal. 14th not going to put in divy bar.

Al Collins: Plenty of empty spaces, no enforcement of 25% why not filled? Schonberger: economy is tight.

2nd Speaker - David Alpert - created the www.greatergreaterwashington.org planning blog that addresses urban smart growth issues. Views on OP options. See link to Greater Greater Washington blog on ARTS website.

If there is to be a limit, is there a better way to do it?

1. frontage at 25% in arts overlay. Suggests break up zone into smaller blocks to allow mix locally. Too restrictive at 25%. Promote uses you want to have rather than limit. A positive for current rule - linear footage rule creates incentive for retail to squeeze into smaller frontage so you have more businesses fronting the street.
2. limit number
3. by area
4. by radius/distance between
5. liquor licenses by population - if want mix for 1,000 or 10,000 people. Doesn't speak to the point of the limitation

Why lump restaurants with bars? Cleveland Park has lots of retail vacancy. Some think with no limitation, would just get restaurants. Others think vacancies will not go away without more restaurants. 17th St moratorium.

How to create diversity? Currently prohibit what you don't want. Prefer incentivize what you do want? So, if you want a grocery, drug store, hardware or whatever, then what linear footage is left for eating and drinking establishments? Maybe max 75% restaurant and keep 25% retail. Protect what you do not want to go away. How to create positive incentives for things wanted. Tax policy for one. Also, parking meters to encourage parking turnover - example Penn Ave, Eastern Market. Benefits businesses that have high turnover customers.

Furioso: policy failure, no one parks at meters, park in residential spaces. Issue of implementation capacity. Want more local control. Alpert – policy may not have been fine-tuned enough to encourage use of meters, but that is fix-able.

Harris – high density breeds high density. Need to correct the blank spaces.

Alpert – allow low impact commercial to abut residential. Neighborhood by neighborhood. Wayne Dickson- zoning has to comply with the Comprehensive plan not the other way around.

Andrea Doughty - OP thinking of base zone for commercial corridors. Tool box for neighborhoods (not defined).

Alpert – recommends existing frontage % as preferred method but reduce the size of the area to which it would be applied. Adjust percentage - 40% or 50% not 25%.

3rd Speaker - Peter Raia, ANC1B Commissioner (covers east side of 14th St -- above S Street -- and eastwards along U St).

62 licenses in his SMD (single member district); 87 in entire ANC1B. Businesses need to define what they are; Saint Ex was a restaurant with an underground club. Had a CR (restaurant) license. CR costs less than CT. Converted to CT (tavern) license does not require food sales. But, VA (Voluntary Agreement) required food percentage even though converted. Generally, important to spell out law in VA so that offenders cannot claim ignorance. ABRA now checking food percentages. CR must have revenue derived from food at 45% or \$2000 per occupant/year. In spite of licensing cost, a lot of restaurants want to convert from CR to CT. Do not want to keep kitchen open or have food revenue minimum.

13th and U streets. Hotel wants to come in at 119 ft. but lot only allows for 50 ft. ANC contends too large. Going to BZA.

Easier for developers to sign restaurants – more reliable income than other retail.

How to protect condo owners, apartment dwellers? Dickson: Langston Lofts condos, Busboys and Poets covenants restrict activity. Furioso: 95% of condos will never allow restaurant on first floor. Raia: Receives many complaints from Langston Lofts condo owners regarding Busboys and Poets. Plenty of apartments and condo buildings with restaurants on ground floor; named a number including Alero at Ellington, Busboys and Poets at Langston lofts, Eatonville at Hofmann, Gastro Pub at Highland Park 360, and Heights across from that. BZA granted prospective exception at the Central Union Mission as previously noted and more recently for 40% restaurant space at new development by JBG's 14 St condo development project between Swann and S Sts. JBG intends 17,000 sf of restaurant space on ground floor.

Brown – some areas high concentration in your SMD, some not. Issues?

Raia: Rats huge problem, trash, not enough compactors, many do not want to have to use compactor, space for compactor limiting, minimum three times a week trash pickup. Noise (music) another huge issue without enforcement. Per VA, avoid some issues because can't rent to event contractors. Parking. Pedestrian scene. Some restaurants attract clientele from out of neighborhood. He is discussing with his commissioners a request for a CT moratorium, but does not expect action soon.

Doughty Would cause movement outward from the high density zone. ABRA telling Dupont that they don't like moratorium zones

Harris: What about a hybrid. 25% food, limited hours, pub. Raia: Unfair for hour differential.

Has to be uniformity among VAs.

Difficulty in balancing eating & drinking with other uses using VAs? Raia: Huge time expenditure. Forty hours a week when ANC meeting is scheduled. 25 hours on other weeks. Most restaurants have attorneys.