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To: Planning Commission
Fm: Arthur Fox
Re: Pentagon City PDSP #105 amendment
to Accommodate Amazon

July 12, 2019

Given that only a single LRPC meeting has been scheduled to consider amendment of the PDSP in order to permit the construction of Amazon's first two HQ2 buildings on MetPark, I write to share with you information relevant to your consideration that would be impossible to impart verbally during the course of discussion by meeting participants.

This matter concerns JBG Smith's application to build two 300 foot tall office buildings containing two million square feet along the southeast edge of Pentagon City within and across Eads and 15th Streets from residential neighborhoods and where the current MetPark (Parcel 3) PDSP only allows for construction of three significantly shorter and less dense residential apartment buildings. Meanwhile, it's important not to lose sight of the fact that Amazon also owns the vacant land on adjacent PenPlace (Parcel 1D) where the PDSP actually allows for construction of four tall office buildings totaling 1.8 million square feet plus a hotel, bringing the total to 2.1 million square feet. All indications are that Amazon will locate the other half of its HQ2 campus on that property and that, together they will house the 25,000 employees Amazon has promised to hire and locate on its new campus. Given that the LRPC will only be focused upon height, massing and density, we turn to each topic in turn.

HEIGHT & MASSING

Both the Pentagon City PDSP and the Crystal City Sector Plan (CCSP) leave no doubt that 22202's most tall and dense commercial buildings were to be built on the east side of Route 1 in Crystal City. The Sector Plan stresses the importance of maintaining "height and bulk transitions, i.e., tapering down building heights and scale from Crystal City to the lower density residential neighborhoods to the west." CCSP pp.15, 27. Moreover, the subsequently adopted GLUP (p. 22) singled out and adopted one of the Sector's primary goals: "Preserv[ation of] the integrity of the single-family neighborhoods to the west." Further, the original 1976 PDSP called for the greatest heights and densities to be in the northeast portion of Pentagon City (today's PenPlace) where there is access to major traffic arteries and for the lowest densities to be in the southern portion of the tract adjacent to single-family neighborhoods. This objective has never been modified.

This strong preference was repeated in the 1997 Planning Task Force Report (p.11) calling for building heights to taper down to the south with "lower buildings and open space along 15th Street across from the Southhampton townhouses." Moreover, PDSP Condition #54 limits

building heights up to just 22 stories for no more than five *apartment buildings* (whose heights are significantly lower than office buildings) and specifies that even these tallest of Pentagon City's buildings should be solely "for the purpose of improving the overall [skyline] design *without increasing density.*" Emphasis added.

At 300-plus feet tall, these two massive office buildings on the southern edge of Pentagon City, surrounded on all four sides by residences, will tower head and shoulders over all existing real estate west of Route 1.

DENSITY

Despite its evolution over the years, the Pentagon City PDSP has always called for CO 2.5 zoning and, with the exception of MetPark (Parcel 3) and PenPlace (Parcel 1D), Pentagon City is fully built-out at present. And, given that developers of several of its other Parcels, including for example the Fashion Center (Parcel 1B & 2B), Pentagon Row (Parcel 1A & 2A) and townhouse Parcel 5 did not use all 2.5 of their allocated FAR (floor area ratio) density, County staff contend that their unused density can and has allegedly been transferred to other Parcels, namely for our purposes MetPark (currently zoned for 5.21 FAR) and PenPlace (currently zoned for 4.58 FAR). And by averaging the density actually build out and allocated among all Parcels, staff inform us that Pentagon City's total density currently stands at only 2.23 FAR. Hence, we presume that County staff will contend that despite the fact that the current PDSP ceiling on MetPark's density is more than twice that permitted elsewhere in Pentagon City, given that the overall average density is only 2.23 FAR, there is room for still more density on MetPark as JBG Smith (a/k/a Amazon) is seeking in this proceeding. *However ---*

(1) We have yet to be informed exactly how much additional density Amazon's two million square foot buildings in MetPark would add to that Parcel's current 5.21 ceiling, or to the overall density in Pentagon City and whether it would lift the current 2.23 average FAR above the 2.50 overall ceiling.

(2) Nor has the County assured us that those Pentagon City property owners that built less than 2.5 FAR density on their Parcels legally transferred to the County the right to transfer their unused density to other Parcels, notably MetPark and PenPlace such that if, in future years, they might wish to demolish their existing buildings and build larger ones, they could not legally do so without the County's raising Pentagon City's CO-2.5 ceiling. Absent such legal proof, these land owners will be legally entitled to build larger buildings in the coming years that would push the overall density of Pentagon City way through and beyond its 2.5 ceiling.

(3) Indeed, the County has not informed us how it calculated its 2.23 overall average density figure in Pentagon City, nor assured us that it did not take into account and include the undeveloped square footage lying in Parcel 4 (Virginia Highlands Park) as well as in public rights-of-way (interior streets and sidewalks) which would artificially lower its density numbers

in violation of Va. Code §15.2-2283 which requires that only buildable surface area may be used when calculating density in urban development zones. (We know for a fact that when calculating the density approved for PenPlace, County staff included significant portions of its surrounding streets. This fact also makes us wonder if the County has been enforcing Condition #43 of the PDSP requiring developers “to convey to the county land in adjacent streets.”)

(4) The County currently has before it an ARCA resolution (attached hereto) which the Planning Commission supported in 2015 that calls for an independent study of 22202's transportation and other critical infrastructure by a reputable urban studies think tank to determine how it may accommodate additional density in 22202. And at the County Board's recent Planning Work Session with staff the Board called for such a study to be undertaken given that staff are both overwhelmed and unequipped to perform such a study. In light of Amazon's arrival and now the inevitability of fast, new growth in 22202, the performance of that study has become urgent in order to enable the County to insure that that growth will be Smart Growth that will not overwhelm its infrastructure and deny 22202's visitors and residents a livable environment in the coming years.

ARCA's Position

By putting Amazon's HQ2 construction process on a fast track in spite of its promise to proceed deliberately – which should include consideration of this project in light of the independent study's findings – the County is effectively putting the Amazon cart in front of its horse. Of course, we recognize that delivering on its promises to Amazon is important, particularly from the County's overriding \$\$\$ perspective. And we have it on good authority that the County promised Amazon that it could locate its four million square foot HQ2 campus on MetPark and PenPlace. Accordingly, this Planning Commission process about to get underway is essentially window dressing on an unstoppable project even though locating a portion of Amazon's campus – and density – in Crystal City's vacant office space would be preferable. So be it!!

However, we draw a bright line on the far side of Amazon's HQ2, 4-million square foot addition to Pentagon City's density, at least for now and until that truly independent study's findings, analysis and recommendations are available to guide development of any additional density, whatsoever, in Pentagon City. And, we expect Amazon to invest heavily in 22202 community benefits to be identified by its residents in the coming years, and in the immediate future by funding, without influencing the conduct of, the aforementioned independent infrastructure study.