DATE: July 1, 2005

SUBJECT: SP #346 SITE PLAN AMENDMENT REQUEST to modify the first floor configuration and uses; premises known as 2777 Crystal Dr. (Land Bay A) (RPC #34-027-038)

Applicant:
Crescent Potomac Yard Development, LLC

By:
Erika L. Byrd, Attorney
McGuire Woods LLP
1750 Tysons Boulevard, Suite 1800
McLean, Virginia 22102

C.M. RECOMMENDATION:

Approve the site plan amendment request to modify the first floor configuration and uses, subject to the conditions of the staff report.

SUMMARY: The applicant is requesting a minor site plan amendment to modify the configuration and uses on the first floor of the north and south office buildings of Potomac Yard Land Bay A. This would entail converting approved potential and initial retail space to tenant-related uses, increasing the approved initial (permanent) retail from 6,000 square feet to 8,489 square feet, and concentrating the initial retail in the north office building. This proposal would enable the applicant to comply with Government Services Administration (GSA) Level 4 security requirements and to accommodate elements required to achieve a US Green Building Council (USGBC) LEED Silver rating, which is an important goal of the Environmental Protection Agency (EPA) and a significant benefit to the County. With the proposed conversion, a 4,442 square foot conference center would be located on the ground floor of the south building, at the corner of Crystal Drive and Potomac Avenue, adjacent to the plaza and public art. The conference center would be made available for use by Arlington County government, government-sponsored groups and the Aurora Highlands and Arlington Ridge Civic Associations. This would be extremely beneficial to such groups as the North Tract Planning Task Force and the Four Mile Run Task Force, who currently have limited access to public meeting space. To further activate the plaza, the applicant would install flat screen televisions in the conference center windows for public viewing of educational displays, as well as install seasonal outdoor furniture in the plaza area for public use. Staff supports the proposed site plan amendment and
recommends that Condition #57 of the approved site plan be amended to address the reduction in approved potential retail space, conference center use, educational displays, and outdoor seating. Staff also recommends that the conference center use be tied to the lease for the EPA and that upon expiration of the lease, the space convert to potential retail use. Therefore, staff recommends that this site plan amendment request be approved, subject to the conditions of the staff report.

BACKGROUND: The applicant is requesting an amendment to the final site plan approved for Land Bay A of the Potomac Yard Phased Development Site Plan (PDSP). The amendment proposes to modify the configuration and uses on the first floor of the north and south office buildings. The proposed modifications would include converting approved potential and initial retail space to tenant-related uses, increasing the approved initial (permanent) retail from 6,000 square feet to 8,489 square feet, and concentrating the initial retail in the north office building.

In October 2000, the County Board approved the Potomac Yard PDSP in the South Tract. The approval included 150,000 square feet of potential retail space that would be dispersed throughout the PDSP. A total of 60,000 square feet of the potential retail was approved as initial (permanent) retail. In Land Bay A, the approved density comprised 654,000 square feet of commercial development, including 10,000 square feet of potential retail of which a minimum of 4,000 square feet was required to be used as initial retail. When the final site plan for Land Bay A was approved in March 2002, it included 636,216 square feet of GFA specifically designated as office and 17,784 square feet of potential retail (an increase of 7,784 square feet above the PDSP approval for Land Bay A). A total of 6,000 square feet of the potential retail was specifically designated as initial retail (an increase of 2,000 square feet above the PDSP approval for Land Bay A). The balance of the potential retail space (11,784 square feet) was designated as office/retail use. At the time of the approval, the applicant was encouraged to lease the office/retail space as retail, pursuant to Condition #57 which required that the space be marketed and

"... leased for retail uses unless the developer has been unable to lease such space for retail uses and can establish to the reasonable satisfaction of the County Board that the retail attraction efforts of such space, as outlined in the retail marketing plan, have been substantially and diligently followed for at least one year prior to such space being available for lease."

The following table summarizes the approved and proposed uses for Land Bay A:

<table>
<thead>
<tr>
<th>Uses</th>
<th>2000 PDSP</th>
<th>2002 Final Site Plan</th>
<th>2005 Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>644,000 sf</td>
<td>636,216 sf</td>
<td>641,069 sf</td>
</tr>
<tr>
<td>Potential Office/Retail</td>
<td>6,000 sf</td>
<td>11,784 sf</td>
<td>4,442 sf¹</td>
</tr>
<tr>
<td>Initial Retail</td>
<td>4,000 sf</td>
<td>6,000 sf</td>
<td>8,489 sf</td>
</tr>
<tr>
<td>Total</td>
<td>654,000 sf</td>
<td>654,000 sf</td>
<td>654,000 sf</td>
</tr>
</tbody>
</table>

¹ Proposed to be used as a conference center by the EPA.

SP #346
Potomac Yard Land Bay A
PLA - 4060
The following table summarizes retail in Land Bays A through F:

<table>
<thead>
<tr>
<th>Retail Type</th>
<th>Land Bays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A Proposed</td>
</tr>
<tr>
<td>Potential</td>
<td>4,442 sf</td>
</tr>
<tr>
<td>Initial</td>
<td>8,489 sf</td>
</tr>
<tr>
<td>Total</td>
<td>12,931 sf</td>
</tr>
</tbody>
</table>

*An optional 30,000 s.f. additional potential retail was approved for a grocery store

**Site:** Land Bay A is the northernmost development parcel in the Potomac Yard PDSP. It is bounded by Crystal Drive, the Hyatt Regency Hotel, and Airport Plaza II Office and III Residential (currently under construction) to the west; the railroad corridor to the east; Potomac Avenue and Land Bay B (approved for hotel development) to the south; and the airport viaduct to the north.

**Zoning:** The site is zoned “C-O-1.5” Commercial Office Building, Hotel, and Apartment Districts.

**Land Use:** On the General Land Use Plan (GLUP), the Potomac Yard PDSP, including Land Bay A, has a striped pattern of 1/3 “Medium” Residential (37-72 units/acre) and 2/3 “Low” Office-Apartment-Hotel, with Note 18.

**Neighborhood:** Adjacent to the Aurora Highlands and Arlington Ridge Civic Associations

**DISCUSSION:** On behalf of its tenant, the EPA, the applicant proposes to reconfigure the first floor of the north and south office buildings. The following summarizes the request:

- Convert 4,853 square feet of approved potential retail space to other tenant uses. This results in a reduction in the amount of approved potential retail space from 17,784 square feet to 12,931 square feet.
- Included in the potential retail space is 8,489 square feet of initial retail space. This results in an increase in the approved initial retail space, from 6,000 square feet to 8,489 square feet. The initial retail would be concentrated in the north building and building connector.
- Included in the potential retail is 4,442 square feet of space proposed to be used by the EPA as conference center space. It would be located at the corner of Crystal Drive and Potomac Avenue, adjacent to the plaza and commissioned public art.

The applicant has leased the majority of the development (approximately 405,000 square feet of GFA) to the EPA, including the entire south office building and three (3) floors (fourth, fifth and sixth) of the north office building. The applicant proposes several changes to the buildings to
accommodate the security needs and the various sustainable design goals required of the Government Services Administration (GSA) and the US Green Building Council (USGBC). As part of the lease agreement with the EPA, the applicant is required to construct a LEED Silver-rated building which also meets GSA Level 4 security requirements. The EPA has specifically required certain uses on the ground floors of the buildings to comply with the GSA and USGBC requirements, including a conference center (4,442 square feet), a fitness center and bathrooms (3,351 square feet) (a 4,000 square foot fitness center was approved as part of the final site plan for Land Bay A), an OSHA-required health unit (927 square feet), additional bicycle storage (929 square feet), additional shower facilities (759 square feet), expanded recycling and mail rooms, expanded lobby areas, and space for various security-related functions. In addition, the applicant received administrative approval to make various changes to the perimeter of the site to comply with GSA security requirements, including installation of architectural bollards, construction of guard stations at the garage entrances, and installation of security fencing adjacent to the rear of the building and the railroad corridor. Finally, on behalf of the EPA, the applicant received administrative approval to construct a pedestrian bridge at the fourth level to connect the north and south buildings, pursuant to Condition #66 of the final site plan approval for Land Bay A.

**Conversion of approved potential retail:** A total of 4,853 square feet of potential retail would be permanently converted to other tenant uses as described above and as required by GSA and the USGBC, to meet security and LEED requirements. The proposed conversion would reduce the total amount of potential retail space from 17,784 square feet to 12,931 square feet. It would enable the applicant to retain a major GSA tenant and achieve an important County goal of constructing sustainable green buildings at the LEED Silver level. The relative isolation of Land Bay A in relation to Crystal City and the rest of Potomac Yard presents unique challenges. Land Bay A is situated between Potomac Avenue and the airport viaduct, which separates this parcel from the majority of development in Crystal City. Until adjacent land bays in Potomac Yard are constructed, there will be very little pedestrian activity in this area. For retail to succeed at this location, it must be sustainable retail and either ancillary to the development or of such magnitude to become a destination. Land Bay A is located between two large retail magnets – the new Crystal Drive retail located between South 23rd and 18th Streets (65,444 square feet of approved Phase 1 retail already constructed and 92,920 square feet of approved Phase 2 retail not yet constructed), and the 80,000 square feet of retail approved for Potomac Yard Land Bay F (Market Square, which is currently under construction, and will be anchored by Harris Teeter). Also, the Century Building 1 site located on Crystal Drive adjacent to 23rd Street proposes to increase its retail to approximately 36,000 square feet. These retail alternatives located both north and south of the land bay, pose the greatest risk to the viability and success of retail in Land Bay A. For these reasons, staff supports the proposed conversion of potential retail space to achieve other significant goals, and limiting the amount of retail in Land Bay A.

**Increase and location of initial retail:** The approved initial retail space in Land Bay A would be increased to 8,849 square feet, more than doubling the amount of initial retail originally approved with the PDSP (4,000 square feet). The retail would be concentrated along the Crystal Drive frontage of the north office building (6,992 square feet) and the building connector (1,497 square
feet adjacent to the transit station). Staff supports grouping the retail in the north office building. Given the future development and concentration of retail centers north and south of the site, staff believes that concentrating the retail in one of the office buildings would help create synergy among the retail uses to aid in their success.

**Allow use of potential retail space as a conference center for the EPA:** A total 5,101 square feet of potential (and initial) retail space is currently approved for the corner of Crystal Drive and Potomac Avenue, adjacent to the plaza. The applicant proposes to use 4,442 square feet as a conference center. The balance of 655 square feet would be converted to other tenant uses as described above. The proposed change in the use of the space to a conference center raised concerns regarding how the plaza would be activated. Public art has been approved and commissioned to be located in the plaza. Staff envisioned that the provision of retail at this corner would activate the space and enliven it through, for example, provision of an outdoor café associated with the retail. To address these concerns, the applicant has proposed the following:

- To make the conference center available for use by the public. Due to its Level 4 security status, the GSA has proposed that public use be limited to Arlington County Government and government-sponsored groups such as commissions, committees and task forces (for example, the Site Plan Review Committee and the North Tract Planning Task Force). The applicant has also agreed to allow the conference center to be used by the Aurora Highlands and Arlington Ridge Civic Associations. The conference facility would be available at no charge to these groups, during weekdays after 6:00 p.m. and on Saturdays between 9:00 a.m. and 6:00 p.m. Parking and other support services would be provided at no charge as well. Amended Condition #57 provides more detail on the conference center’s public accessibility.
- To retain the approved building design along the conference center frontage, including the use of transparent glass, and to provide three (3) 50-inch (minimum) flat screen televisions in the windows to provide educational displays for public viewing outside the building.
- To provide seasonal outdoor furniture, including tables and chairs, in the plaza area for use by the general public.

As indicated above, the applicant proposes to install three (3) flat screen televisions on the interior of three (3) windows along the conference center’s ground floor Crystal Drive frontage adjacent to the plaza. The television video displays of the programs would include educational programming related to the EPA, sustainable development, or related environmental topics, as well as information on County programs such as the Green Building Program. No sound will run through any external speakers. The video displays would be oriented to pedestrian traffic, and their intent would be to activate the plaza located adjacent to the conference center. The County Board has approved other video display screens for the Ballston Mall parking structure intended for the Washington Caps Ice Skating facility, and for the Arland Towers buildings in Rosslyn intended for WJLA-TV.

Staff has determined that the television video displays, when approved with appropriate
conditions, would not significantly increase visual clutter in the area and that traffic safety of vehicles traveling on Crystal Drive will not be hindered by the televisions’ location. The building is set back approximately 37 to 50 feet from the curb on Crystal Drive. Staff concludes that vehicles traveling on adjacent streets will have limited visibility of the screens. Staff recommends language in amended Condition #57 that would mitigate any adverse impact of the television video screens, including:

- Provision of information on County programs at no cost. No infomercials or paid advertisements will be projected on the television video screens. Also, no off-site commercial messages will be shown.
- In no event shall the use of the television video display screens contain obscenity or any material which may otherwise be injurious to children when displayed for passers-by to view.

Staff supports the proposed use of potential retail space as a conference center because it would be publicly accessible and measures would be undertaken to activate the adjacent plaza. Amended Condition #57 is recommended to address the conference center’s use, exterior treatment of the conference center facade, including use of the television video display screens, and provision of seasonal outdoor furniture in the plaza.

CONCLUSION: The proposed site plan amendment would enable the applicant to construct a development that complies with GSA and USGBC requirements for Level 4 security and LEED Silver-rated buildings, respectively. The applicant has agreed to make the ground floor conference center available for public use (Arlington County Government, government-sponsored groups, and the Aurora Highlands and Arlington Ridge Civic Associations) at no charge, during weekday evenings and Saturdays. Furthermore, the applicant has agreed to activate the adjacent plaza through provision of educational displays and installation of seasonal outdoor furniture. As a result of this amendment, the amount of approved initial (permanent) retail would more than double what the original PDSP called for, and the PDSP would achieve LEED Silver-rated buildings. Staff believes the proposal is reasonable, and that limiting the amount of retail and concentrating initial retail in the north office building would help facilitate the retail’s success. The conference center space would convert to potential retail upon expiration of the EPA lease. Therefore, staff recommends that this site plan amendment be approved, subject to the following amended Condition #57:

57. Pursuant to the approved PDSP and the Urban Design Guidelines final site plan approved on March 23, 2002, Land Bay A was approved for 17,784 square feet of Potential Retail Space, of which 6,000 square feet is required to be used as Initial Retail Space. The developer agrees to increase that the Potential Retail Space in Land Bay A to approximately 17,784 may be reduced to 12,931 square feet, and to use 6,000 that 8,489 square feet of the Potential Retail Space shall be used as Initial Retail Space. The developer further agrees that the additional 2,000 square feet of Initial Retail Space in Land Bay A increases the total Potential and Initial Retail Space in the PDSP to 152,000...
totals 152,931 square feet and 62,000 64,489 square feet, respectively, and the total additional 2,000 4,489 square feet of Initial Retail Space that has been approved for Land Bay A (total for the final site plan approval in 2002 and the site plan amendment in 2005) shall not be deducted from the Initial Retail Space required for other Land Bays to be developed later.

The developer agrees to develop a retail attraction and marketing plan for the approximately 17,784 8,489 square feet of Potential Initial Retail Space located on the first floors of the north office buildings and building connector, which shall be reviewed and approved by the Department of Economic Development before being submitted to the Zoning Administrator. The First Certificate of Occupancy for any building within the site plan shall not be issued until documentation has been provided to the Zoning Administrator assuring that the plan has been approved by the Department of Economic Development. The plan shall identify the types of retail desired, the marketing strategy to attract the retail, and strategies to retain the retail. The retail attraction and marketing plan shall identify the 6,000 square feet of Initial Retail Space and the balance of 11,784 square feet of Potential Retail Space that is not Initial Retail Space.

The Potential Retail Space that is not Initial Retail Space, with the exception of space that is being used as a conference center (4,442 square feet), shall meet the requirements contained in PDSP Condition #4B(c). This space shall be leased for retail uses unless the developer has been unable to lease such space for retail uses and can establish to the reasonable satisfaction of the County Board that the retail attraction efforts for such space, as outlined in the retail marketing plan, have been substantially and diligently followed for at least one year prior to such space being available for lease. The County Board shall not unreasonably withhold or delay a determination on such efforts following application for such finding by the developer. Any Potential Retail Space shall be considered available for lease upon receipt of a Certificate of Occupancy for the applicable portion of the building in which such space is located or upon expiration of any lease, lease extensions, or lease renewals for such space. Any Potential Retail Space that is not required to be leased for retail uses under this condition may be leased for office or other use.

The 6,000 8,489 square feet of retail space that is approved as Initial Retail Space shall be used as retail, and any change in the use of the space from retail to office or other non-retail use shall require a site plan amendment.

The retail spaces shall be designed and constructed to include interior and exterior improvements necessary to ensure that they are functional and attractive to prospective retailers and that they animate the street frontage, consistent with the standards set forth in the Urban Design Guidelines. These elements shall include, but not be limited to: approximately 16 feet floor to floor heights, as shown on the plans dated February 6, 2002; access to the service corridor/areas as shown on the architectural plans dated February 6, 2002; direct street frontage and access; provision for any venting systems
required for any full service restaurant use; and sufficient transparency of the building facade to achieve adequate street exposure consistent with the drawings dated February 6, 2002.

The developer agrees that 4,442 square feet of Potential Retail Space shall be used as a conference center for the Environmental Protection Agency (EPA) subject to the following:

a) The 4,442 square foot conference center located on the first floor of the south office building shall be made available, at no charge, to Arlington County government, government-sponsored groups, and the Aurora Highlands and Arlington Ridge Civic Associations, after 6:00 p.m. on weekdays and between 9:00 a.m. and 6:00 p.m. on Saturdays on a pre-scheduled basis, when the conference center is not in use by a building tenant(s). The use of the conference center by Arlington County groups shall be permitted consistent with Level Four security regulations required by the building tenant(s). The developer agrees to provide, at no charge, parking, on-site personnel to admit Arlington County groups, and set-up and custodial services, including cleaning and preparation, for use of the conference center by Arlington County groups so long as the area shall remain utilized for conference center purposes. In the event of damage or the need for excessive clean up created by a non-developer user, the developer may impose reasonable charges to such user commensurate with the cost of repairing the damage or the needed cleaning. Serving or consumption of alcoholic beverages in the conference center area by Arlington County groups is prohibited. At the developer’s option, the conference center use may be converted to potential retail use, subject to administrative approval of the conversion, at which time this obligation to provide conference center space to Arlington County groups shall terminate. The developer understands and agrees that County groups using the site may conduct meetings that are open to the public.

b) The design of the building wall that serves as frontage for the conference center space shall be consistent with the approved façade drawings and materials board, pursuant to Condition #30 of the final site plan approval, and the windows shall be fabricated of transparent glass consistent with the glass approved for the building facade. Any curtains or blinds installed on the interior of the conference center space shall remain open except when necessary to be closed during presentations requiring lowered lighting or for confidentiality purposes. The developer shall provide a minimum of three (3) flat screen televisions, each with a screen measuring a minimum of 50 inches in size as measured on the diagonal, in the windows of the conference center, which shall be used solely for educational display purposes for viewing by pedestrians outside the building. The displays shall begin within six (6) months following Environmental Protection Agency (EPA) occupancy of the development, and shall be provided on a daily basis from sun-up to sun-down. The
location of the televisions shall be shown on amended façade drawings, which shall be approved prior to the issuance of the first Certificate of Occupancy for the site plan, and shall be consistent with the drawings approved on July 9, 2005. The use of the television video display screens shall be subject to the following:

1) The developer agrees that the television video display screens shall be limited to educational programs about the EPA, sustainable development, and other related environmental topics, as well as information on County programs such as the Green Building Program at no cost, with prior consent by the developer which would not unreasonably be withheld. The developer shall coordinate with the Department of Environmental Services and the Environment and Energy Conservation Commission on educational programming involving County programs. The developer further agrees that no infomercials or paid advertisement shall be shown on the television video display screens, and no off-site commercial messages will be allowed.

2) The developer agrees to not broadcast any sound through any outdoor speakers, or through any other means that can be heard outdoors.

3) The applicant agrees that, upon administrative review with full opportunity for the developer to participate, should the County Manager find that the television video display screens adversely affect traffic safety, the County Manager may recommend changes to the approved use of the television video display screens, including reducing the hours of operation. The developer further agrees that the County Board may review this site plan amendment and require changes to the use of television video display screens, including discontinuance of the television video display screens, and exploring with the developer alternative means of activating the plaza.

c) The developer shall provide seasonal outdoor furniture in the plaza located at the corner of Crystal Drive and Potomac Avenue, which shall be available for use by the general public. The owner/management of the office development in Land Bay A shall be responsible for maintaining the outdoor seasonal furniture. The outdoor seasonal furniture, including the style, manufacturer, materials and colors, shall be shown on an amended landscape plan, which shall be approved prior to the issuance of the first Certificate of Occupancy for the site plan. The outdoor seasonal furniture shall be installed in the plaza prior to the issuance of the first Certificate of Occupancy for EPA occupancy of the office development, or as weather permits. For every subsequent year following the initial year, the outdoor seasonal furniture shall be installed by April 1st and shall remain in the plaza through November 1st of the same year.

d) The conversion of a total of 4,442 square feet of potential and initial retail space to conference center use may continue in effect until such time as the lease with the
Environmental Protection Agency (EPA) expires. The conference center use shall be subject to administrative review of its access and availability to public groups, as described in sub-paragraph a) above, 10 years following the EPA’s occupancy of the development and for every subsequent 10-year period that the EPA is under lease. Upon expiration of the lease with the EPA, the conference center use shall cease and potential retail shall be provided in the space, subject to administrative approval of the conversion to potential retail. At the developer’s option, the conference center use may be converted to potential retail use at any time during the EPA’s tenancy, subject to administrative approval of the conversion.
PREVIOUS COUNTY BOARD ACTIONS:

October 21, 2000

**South Tract:** Approved a General Land Use Plan (GLUP) Amendment to a striped pattern of 1/3 "Medium" Residential (37-72 units/acre) and 2/3 "Low" Office-Apartment-Hotel, with Note 18.

Approved Amendments to the Master Transportation Plan, including Part I to add public streets and designate several streets as private; Arlington Bicycle Plan to add on-street bike lanes; Arlington County Pedestrian Transportation Plan to add a pedestrian corridor; and establishment of a transitway.

Approved a rezoning from "M-1" to "C-O-1.5".

Approved a Phased Development Site Plan for a mixed use office, retail, hotel and residential development.

Adopted a resolution affirming Arlington County's commitments to developing transit facilities to provide high quality local transit service in the Jefferson Davis Corridor and facilitating traffic movements between U.S. 1 in Arlington and Potomac Avenue.

**North Tract:** Approved a General Land Use Plan (GLUP) Amendment for the area north of 6th Street South, from "Service Industry" to "Public".

Approved a General Land Use Plan (GLUP) Amendment for the area south of 6th Street from "Service Industry" to "Low" Office-Apartment-Hotel.

March 23, 2002

Approved a final site plan for Land Bay A, for office and retail development totaling 654,000 square feet, including 6,000 square feet of initial retail, 11,784 square feet of potential retail, and 4,000 square feet of fitness center.
April 20, 2002    Approved a Preliminary Infrastructure Plan (PIP) for the Potomac Yard PDSP.

December 9, 2003    Approved a final site plan for Land Bay E, for a residential rental building containing 391,714 square feet of residential GFA, 386 units and 4,120 square feet of ground floor retail.

December 9, 2003    Approved a final site plan for Land Bay F, for two residential condominium buildings containing 482,000 square feet of residential GFA, 479 units and 80,000 square feet of ground floor retail, including 50,000 square feet of grocery store use.