



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of July 21, 2012**

DATE: June 29, 2012

SUBJECT: PDSP #346 PHASED DEVELOPMENT SITE PLAN AMENDMENT to temporarily expand the types of uses permitted within space designated for retail use in Land Bay A; located at 2733 and 2777 Crystal Drive (RPC# 34-027-060; -061)

Applicant:

USGBF Potomac Yard 1 & 2, LLC
c/o USAA Real Estate Co.
9830 Colonnade Boulevard, Suite 600
San Antonio, Texas 78230

By:

Martin D. Walsh
Walsh Colucci Lubeley Emrich & Walsh PC
2200 Clarendon Boulevard, 13th Floor
Arlington, Virginia, 22201

C.M. RECOMMENDATION:

Adopt the attached ordinance to approve a site plan amendment to PDSP #346 to temporarily expand the types of uses permitted within space designated for retail use in Land Bay A; located at 2733 and 2777 Crystal Drive, subject to the conditions of the ordinance.

ISSUES: This is a site plan amendment to temporarily expand the types of uses permitted within space designated for retail use in Potomac Yard Land Bay A. No issues have been identified.

SUMMARY: This site plan amendment request is to temporarily expand the types of uses permitted within space designated for retail use in Potomac Yard Land Bay A. Currently, 4,648 square feet of retail space is occupied but the tenants are not performing well. The remaining

County Manager:

BMD/GA

County Attorney:

[Handwritten signatures]

Staff: Natalie Sun, DCPHD, Planning Division

PLA-6235

3,841 square feet of space has been vacant since completion of the building – approximately five (5) years. The applicant has had difficulty leasing much of the 8,489 square feet of required Initial Retail Space and is requesting that all of the retail space be allowed to be leased to both retail and office tenants. Staff is recommending expanding the retail definition for the 8,489 square feet of Initial Retail Space on a temporary basis, until September 30, 2024. The expanded uses that staff recommends include: consumer and business services, galleries, financial services, educational uses and conference facilities. Second, at the applicant’s request, staff is recommending that 2,344 square feet of Initial Retail Space at the northernmost portion of the ground floor of Land Bay A be permitted to be used for meeting rooms and a fitness facility for a Federal government tenant on a temporary basis, until September 30, 2024. These recommendations would still encourage some pedestrian activity and an exterior orientation of the space at the street level.

Expanding the allowable uses for the spaces designated for retail uses on a temporary basis will give the applicant flexibility within an area that is situated between the retail-focused areas in Crystal City and Potomac Yard. Therefore, staff recommends that the County Board adopt the attached ordinance to approve the site plan amendment request for PDSP #346 to temporarily expand the types of uses permitted within space designated for retail use in Land Bay A, subject to all previously approved conditions and the proposed revised Condition #57.

BACKGROUND: Land Bay A is the northernmost development parcel in the Potomac Yard Phased Development Site Plan (PDSP). See Figure 1 for a summary of uses for Land Bay A. The County Board approved a site plan amendment to modify the first floor configuration and uses within the Land Bay A building on July 9, 2005, which included conversion of 4,442 square feet of designated Potential Office/Retail space for conference center use. Two retail tenants currently occupy some of the Initial Retail Space – Universal Gourmet occupies 3,112 square feet and Plaza News/Green Corner occupies 1,536 square feet – but these businesses are not performing well. The Potomac Yard PDSP considers Initial Retail Space to be permanent retail space and Potential Office/Retail Space as additional area that can be used for either purpose. See Figure 1 for further clarification. The remaining 3,841 square feet of space has been vacant for approximately five (5) years, since the building was completed. The applicant has had difficulty leasing much of the required 8,489 square feet of required Initial Retail Space and is requesting that all of the Initial Retail Space be allowed to be leased to both retail and office tenants.

Figure 1. Approved uses for Land Bay A.

Uses	Approved Area (sq.ft.)
Office	641,068
Potential Office/Retail	4,442 ¹
Initial Retail	8,489
Total	654,000

¹Approved on July 9, 2005 for use as a conference center by the Environmental Protection Agency.

The following provides additional information about the site and location:

Site : The 126,418 square foot (2.90 acres) site is bounded by the Airport Viaduct, Crystal Drive, South Potomac Avenue, and the railroad corridor. The uses surrounding the site include:

To the north: The Ronald Reagan International Airport Viaduct.

To the west: Airport Plaza II (Office) and III (Residential) and the Hyatt Regency Hotel.

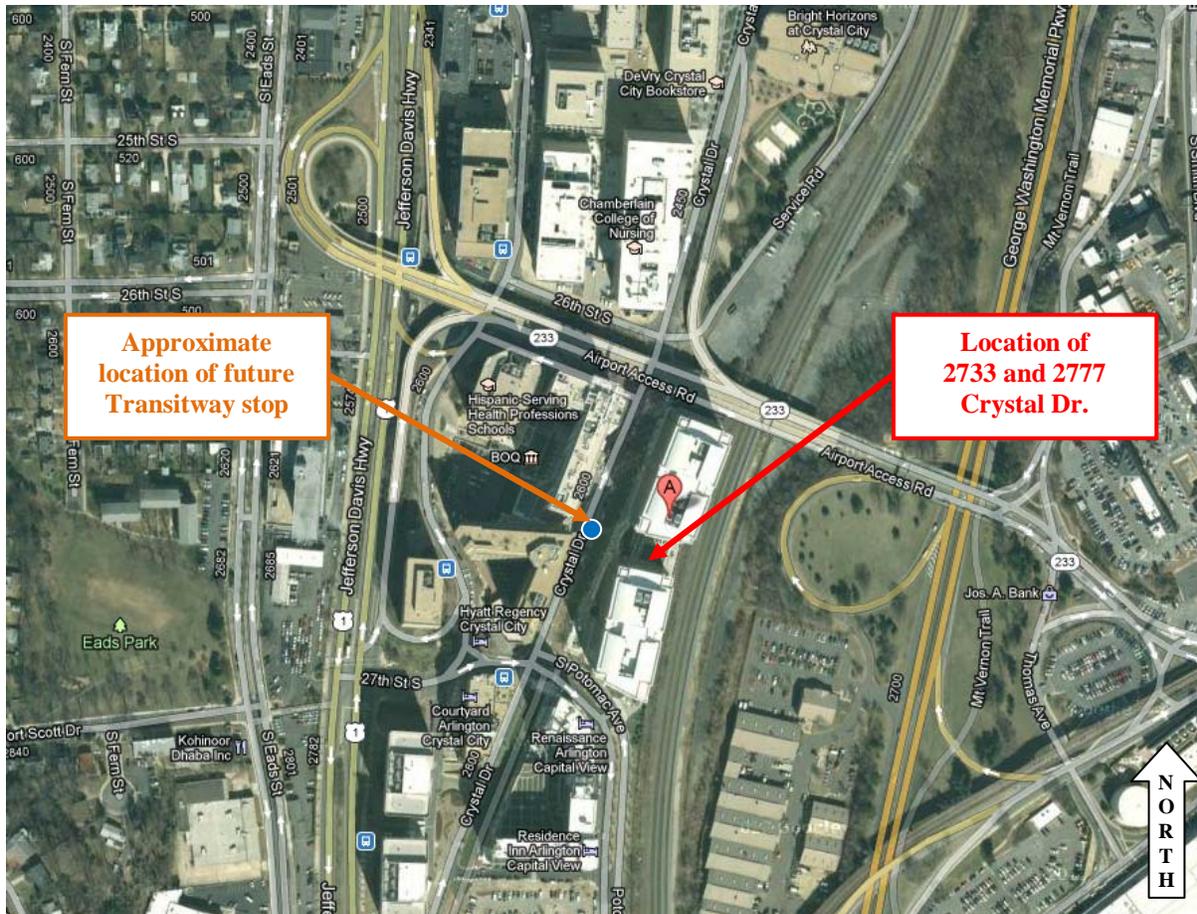
To the east: Railroad corridor, George Washington Memorial Parkway and the Ronald Reagan International Airport.

To the south: The Renaissance Arlington Capital View and Residence Inn Arlington Capital View Hotels.

Zoning: The site is zoned [“C-O-1.5” Commercial Office Building, Hotel, and Apartment Districts](#).

Land Use Plan: The site is designated on the [General Land Use Plan \(GLUP\)](#) as 1/3 “Medium” Residential (37-72 units/acre) and 2/3 “Low” Office-Apartment-Hotel, with Note 18.

Neighborhood: The site is adjacent to the Aurora Highlands Civic Association eastern boundary. The Aurora Highlands Civic Association has been notified about the subject request and has expressed that they do not object to the site plan amendment request other than that the conversion be permitted only on a temporary basis.



Source: Google Maps

DISCUSSION: Staff does not support the applicant’s original request to allow the 8,489 square feet of Initial retail space to be permitted to be leased to either retail or office tenants, as it may preclude having retail uses at 2733 and 2777 Crystal Drive that may be more viable in the future. However, staff and the applicant have agreed to an alternative proposal that will give the applicant some flexibility given the applicant’s expressed difficulties in securing tenants for the designated retail space.

Instead of allowing the designated retail space at Land Bay A to be marketed for office use in addition to retail use, staff is recommending expanding the list of uses permitted in the 8,489 square feet of Initial Retail Space on a temporary basis, until September 30, 2024. The expanded uses that staff recommends are: consumer and business services, galleries, educational uses and conference facilities. Eligible uses under consumer and business services would be the consumer and business services uses listed in the [Rosslyn-Ballston Corridor Retail Action Plan](#).

Second, at the applicant’s request, staff is recommending that 2,344 square feet of Initial Retail Space at the northernmost portion of the ground floor of Land Bay A be permitted to be used for meeting rooms and a fitness facility for the a Federal government tenant on a temporary basis, until September 30, 2024. This tenant is one of the office tenants in the building and has expressed an interest in using a portion of the ground floor for these purposes. A common time frame for this type of temporary expansion of uses is ten (10) years. The applicant has requested

that a twelve (12) year time frame be considered due to the office lease provisions for the Federal government tenant, and the fact that the transitional nature of this area is likely to take some time to change. Further, even if this area does begin to change during this time, this use for twelve years will not have a significant adverse impact on the area. The proposed expiration date of September 30, 2024 coincides with the termination date of the office lease for the Federal government tenant interested in leasing a portion of the existing retail space. For the expanded uses discussed in the preceding paragraph, the same sunset date is proposed for streamlined coordination of County review processes. An additional two (2) years is appropriate in this transitional area, and this will provide ten (10) years of full operation of the future Potomac Yard Transitway, which is anticipated to be completed in March 2014. This would give the area time to develop to where retail may be more successful. Finally, staff has also included condition language requiring the space to be accessible from the exterior of the building, in order to encourage pedestrian activity at the street level.

Additional staff rationale for the proposed recommendation is provided in the following sections.

Retail locations in Potomac Yard and Crystal City. Land Bay A is located in an area between the retail focus areas designated in the *Crystal City Sector Plan* and *Potomac Yard Design Guidelines*. In Potomac Yard, the primary retail corridor is intended to be in Land Bay F (The Eclipse and Harris Teeter) and along the future interior park space in Land Bays D and E just north of Land Bay F. Although some retail space was originally planned in Land Bay A, its retail tenants were not intended to have the same synergy with retail uses as the retail spaces in Land Bays D, E, and F.

Furthermore, retail is not required in the southern portion of the Crystal City Sector Plan, located adjacent to Land Bay A. The Airport Plaza development across from 2733 Crystal Drive includes a Starbucks and Bozzelli's deli. Although the Crystal City Sector Plan permits retail on that frontage along Crystal Drive, retail is not required under the Plan. Temporarily expanding the list of uses for the designated retail space in this building is justifiable given the "in-between" nature of the Land Bay A site. The original PDSP approval for Land Bay A only had 4,000 square feet of approved required retail space. At the applicant's request, the amount of Initial Retail space was increased to 8,489 square feet in 2005. Since that time, the applicant has concluded that the market for retail in this building is not as large as was anticipated. Although staff does not anticipate substantial change in the overall retail dynamics within the vicinity of Land Bay A over the next twelve (12) years, further expansion of Potomac Yard and the future Transitway could contribute to a need for more local-serving support retail.

Crystal City/Potomac Yard Transitway. Another factor that needs to be considered is the location of the future Crystal City/Potomac Yard Transitway. One of the future stops for the Transitway is planned along Crystal Drive in front of 2733 and 2777 Crystal Drive, between the north and south buildings. See locator map in the "Background" section for an approximate location of the transit stop. The Transitway is anticipated to be operational by March 2014. Although not a primary factor for justifying retail locations, the opening of this transit service could improve the viability of retail in Land Bay A.

CONCLUSION: Expanding the allowable uses for the spaces designated for retail uses on a temporary basis will give the applicant flexibility within an area that is situated between the

retail-focused areas in Crystal City and Potomac Yard. Therefore, staff recommends that the County Board adopt the attached ordinance to approve the site plan amendment request for PDSP #346 to temporarily expand the types of uses permitted within space designated for retail use in Land Bay A, subject to all previously approved conditions and the proposed revised Condition #57.

SITE PLAN AMENDMENT ORDINANCE

WHEREAS, an application for a Site Plan Amendment dated May 14, 2012 for Phased Development Site Plan #346, was filed with the Office of the Zoning Administrator: and

WHEREAS, as indicated in Staff Report[s] prepared for the July 21, 2012 County Board meeting, and through comments made at the public hearing before the County Board, the County Manager recommends that the County Board approve the Site Plan Amendment subject to numerous conditions as set forth in the Staff Report[s]; and

WHEREAS, the County Board held a duly-advertised public hearing on that Site Plan Amendment on July 21, 2012 and finds, based on thorough consideration of the public testimony and all materials presented to it and/or on file in the Office of the Zoning Administrator, that the improvements and/or development proposed by the Site Plan as amended:

- Substantially complies with the character of master plans, officially approved neighborhood or area development plans, and with the uses permitted and use regulations of the district as set forth in the Zoning Ordinance; and
- Functionally relates to other structures permitted in the district and will not be injurious or detrimental to the property or improvements in the neighborhood; and
- Is so designed and located that the public health, safety and welfare will be promoted and protected.

NOW THEREFORE, BE IT ORDAINED that, as originally requested by an application dated May 14, 2012 for Phased Development Site Plan #346, and as such application has been modified, revised, or amended to include the drawings, documents, conditions and other elements designated in the conditions below (which drawings, etc... are hereafter collectively referred to as “Revised Site Plan Application”), for a Site Plan Amendment for the parcel of real

property known as RPC# 34-027-060 and -061 and 2733 and 2777 Crystal Drive, approval is granted and the parcel so described shall be used according to the Site plan as originally approved on March 23, 2002 and amended from time to time as shown in the records of the Office of Zoning Administration, and as amended by the Revised Site Plan Application, subject to all previous conditions with condition 57 revised as follows:

Revised Condition #57:

57. Pursuant to the 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 that the Potential Retail Space in Land Bay A may be reduced to 12,931 square feet, and that 8,489 square feet of the Potential Retail Space shall be used as Initial Retail Space. The developer further agrees that the Potential and Initial Retail Space in the PDSP totals 152,931 square feet and 64,489 square feet, respectively, and the total additional 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 8,489 square feet of 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 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 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 developer agrees that the 8,489 square feet of Initial Retail Space may also be used for consumer and business services, galleries, educational uses and conference facilities until September 30, 2024 and not longer. Eligible consumer and business services uses are those uses listed under the “consumer and business services” category of the *Rosslyn-Ballston Corridor Retail Action Plan*.

The developer agrees that 2,344 square feet of Initial Retail Space at the northernmost portion on the ground floor of Land Bay A may be used for meeting rooms and a fitness facility for an office tenant until September 30, 2024 and not longer. The space shall be accessible from the exterior of the building. The applicant further agrees that approval for the use will terminate on September 30, 2024, without further action by the County Board, unless otherwise approved prior to that date. The applicant agrees that it will cease use of the space for the aforementioned use(s) on or before September 30, 2024. The applicant acknowledges and agrees that after September 30, 2024, it shall have no right to use the space for the aforementioned temporary use(s) unless specific approval for that use(s) is obtained from the County Board.

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.

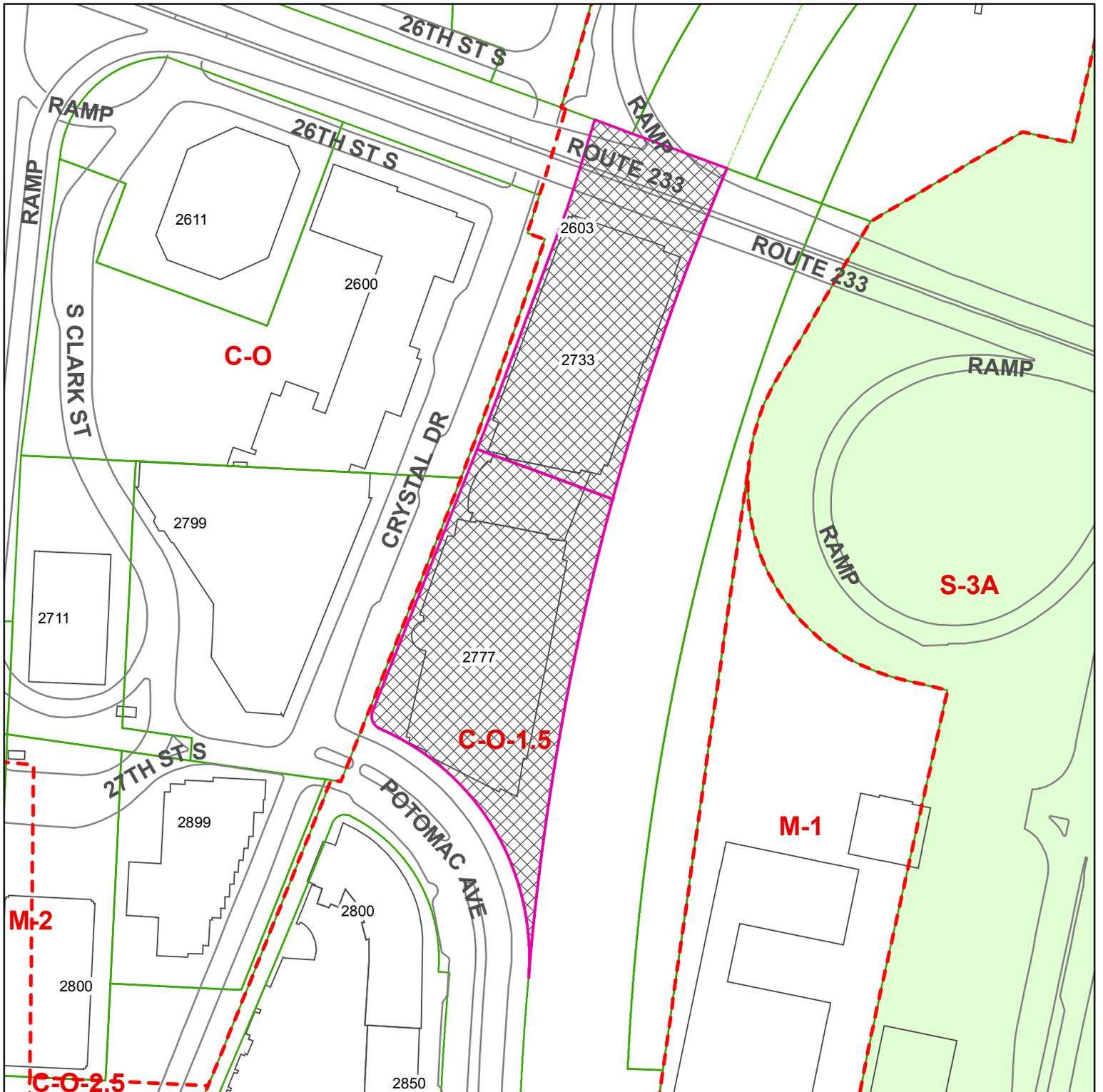
March 23, 2002

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.
- July 9, 2005 Approved a site plan amendment for Land Bay A to modify the first floor configuration and uses, for a commercial building containing 641, 069 square feet of office, 8,489 square feet of retail, and 4,442 square feet of conference center space.



PDSP # 346

2733 & 2777 Crystal Dr.

RPC # 34-027-060, 061

Note: These maps are for property location assistance only.
They may not represent the latest survey and other information.

Department of Community Planning, Housing and Development



 Case Location(s)
Scale: 1:1,800

Planning Division