Planning Division

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Memorandum

To: Zoning Committee of the Planning **Date:** May 10, 2024

Commission (ZOCO)

From: Nick Rogers, AICP, CZA - Principal Planner, CPHD

Subject: Zoning Ordinance Amendment for C-O Rosslyn District's Provisions for

Additional Density

Executive Summary

Most of Arlington's commercial/mixed-use zoning districts allow for the County Board to permit additional density beyond a district's maximum density standard specified for site plan development. However, this Board authority specified in §15.5.9 is not applicable to site plan development within the C-O Rosslyn zoning district. Additional density can be approved by the Board for site plan development in C-O Rosslyn above the maximum floor area ratios (FARs) of either 3.8 for office, retail, and service commercial uses or 4.8 for multi-family residential, hotel, and elder care uses, up to a maximum 10.0 FAR.

In limited circumstances, the C-O Rosslyn district standards permit the County Board to approve density above this 10.0 FAR maximum, but only if the density is necessary to accommodate either a new segment of 18th Street North or to substantially increase capacity of the Metrorail system. Additional density achieved through transfer of development rights (TDR) agreements can also enable County Board approval of density beyond 10.0 FAR.

In February 2024, Arlington County announced CoStar Group would move its headquarters to Central Place Tower located at 1201 Wilson Boulevard. In exchange for a nearly \$14 million payment to support reconstruction of Rosslyn's Gateway Park, CoStar will gain exclusive use of Central Place Tower's public observation deck previously realized as part of the development's site plan approval. The observation deck's floor area was previously excluded from density calculations because it was provided as an amenity space accessible to the public as recommended by the Rosslyn Sector Plan¹; thus, its conversion from public to private use would result in the development's overall density exceeding the C-O Rosslyn district's maximum density limit of 10.0 FAR.

Under the C-O Rosslyn district's existing regulations, a proposal to repurpose a portion of the building's floor area that was previously excluded from the approved site plan's density

Central Place Tower was approved by the County Board in 2007 as part of a major site plan amendment to Site Plan #335. At the time, community facilities within site plan projects like these that were provided by an applicant as a public amenity were excluded from the project's approved density. In recent years and in current practice, community facilities are instead calculated as additional density permitted by §15.5.9 of the ACZO.

calculations could not be considered if the development's approved FAR was 10.0. Staff has fielded a number of inquiries in recent years from C-O Rosslyn zoned property owners to consider repurposing unused parking spaces, storage areas, and vacant rooftop space into occupiable space for building occupants; these inquirers were dissuaded from filing a site plan amendment to request adjustments to the approved gross floor area because such reconfigurations of floor area would result in the overall development exceeding the 10.0 FAR maximum. Nominal shifts in floor area designations to optimize or reconfigure spaces do not accommodate new segments of 18th Street North or increase Metrorail capacity, which renders them ineligible for the provisions that enable the County Board to approve such changes when they would bring a development's total FAR to an amount greater than 10.0.

To provide a means for previously approved site plan development in the C-O Rosslyn district to repurpose gross floor area that was previously excluded from a site plan's density calculations, and to provide a mechanism for including gross parking area into the development's approved GFA, staff has developed draft zoning text for the Zoning Committee's consideration, enclosed as Attachment 1.

Background

<u>C-O Rosslyn Zoning District</u>: In 1996, the Arlington County Zoning Ordinance (ACZO) was amended to add a new C-O Rosslyn zoning district to implement the vision established in the 1992 <u>Rosslyn Station Area Plan Addendum</u>. At the time, portions of Rosslyn's initial generation of high-rise office, hotel, and multifamily residential development were anticipated to need updating to stay regionally competitive and retain existing tenants. New office development had slowed considerably, contributing to an additional consideration for priming the next generation of development with redevelopment incentives to achieve several objectives that were outcomes of the planning process for the Area Plan Addendum. Such objectives included the establishment of a "central place" to act as Rosslyn's focal point, the prioritization of Wilson Boulevard and Lynn Street as Rosslyn's "Main Street" with high quality architecture and an enhanced streetscape environment for pedestrians, and gateway indicators such as special signage, landscaping and public art at Rosslyn's key entries.

The initial C-O Rosslyn district permitted FAR of up to 3.8 for buildings with office, retail and service commercial uses, and up to 4.8 for multifamily residential and hotel buildings, within an area identified on the General Land Use Plan (GLUP) as the Rosslyn Coordinated Redevelopment District (Note 15). The 3.8 and 4.8 FAR maximums were derived from the C-O, Mixed Use District which was commonly used for sites within Arlington's planning corridors for high-density, mixed use development implemented through the site plan process. These FAR maximums could be modified by the County Board, per the district's special exception provisions, to achieve an absolute² FAR of up to 10.0 for development applications that would provide important community benefits identified in the Area Plan in tandem with a rezoning to the new C-O Rosslyn district.

In the current ACZO, limitations on the Board's modification authority are commonly indicated using the phrasing "under no circumstances". The initial C-O Rosslyn standards included an earlier variation on this limitation, indicating that "[i]n no case shall application of the modification of use provisions...be applied to permit a density of more than 10.0 FAR or a height of more than 300 feet."

According to Board reports for the C-O Rosslyn zoning ordinance amendment and associated GLUP amendments, there were several reasons for recommending a maximum FAR of 10.0:

- Permitted densities for similarly scaled office development in downtown Washington's business districts ranged from 6.5-12.0 FAR; to stay competitive with Washington's office market, the maximum FAR would need to be within this range.
- The Commonwealth Tower at 1300 Wilson Boulevard was cited as an example of the type of development considered for the new C-O Rosslyn district. The building had been recently expanded and rehabilitated as part of a development approval that increased its maximum FAR by approximately 4.3 over the original site plan area. The ultimate approved FAR was 9.62, which accounted for a reduced site plan area that excluded public right-of-way that was ostensibly dedicated as a community benefit.
- Staff stated that the flexibility to consider additional density (and height) was "important in order to achieve the community benefits and the planned vision for Rosslyn". The report discusses how significant amounts of renovation and redevelopment would need to occur to attract "first class business and institutional development", and that development incentives in the form of increased available density would be needed to implement the Area Plan.

The initial zoning standards permitted maximum building heights subject to site plan approval equivalent to those in the C-O: Mixed Use District, which were 153 feet for commercial buildings and 180 feet for multifamily residential and hotels. The County Board was authorized to approve additional height beyond these maximums up to an absolute height of 300 feet "in order to accommodate the gross floor area and other structural features of buildings appropriately", and to achieve the Area Plan Addendum's goals and objectives as well as other County policies regarding economic development and community benefits³.

<u>Amendments to C-O Rosslyn District</u>: The district standards were amended in 2007 to increase the maximum height permitted by special exception from 300 feet above average site elevation to 490 feet above sea level for properties bounded by 19th Street North, North Lynn Street, Wilson Boulevard, and Fort Myer Drive. The increased height for Central Place was deemed appropriate as it was consistent with objectives for an enhanced Rosslyn skyline as envisioned by the 2004-2005 Rosslyn Working Group.

The County Board further amended the district standards in 2016 in an effort to implement the 2015 Rosslyn Sector Plan, a product of the Realize Rosslyn community planning effort. As part of these changes, the district's maximum density provisions were revised to allow the County Board to approve density beyond the 10.0 FAR maximum in instances where the additional density would accommodate "transformational infrastructure", such as a new segment of 18th Street North or transit infrastructure that would substantially increase the Rosslyn Metrorail station's capacity. Since the Sector Plan envisioned the potential future use of transfer of development rights (TDR) for sites developed with a single tower, the 10.0 FAR maximum could also be exceeded when development rights were transferred as provided in §15.5.7.B.

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April 26, 1996 CPHD staff report authored by E.C. Russell, Current Planning, recommending to the County Board the approval of a new C-O Rosslyn zoning district to implement the Rosslyn Station Area Plan Addendum.

Density Standards: For many of the zoning districts listed in the Arlington County Zoning Ordinance (ACZO), development must adhere to density standards regulated through maximum FAR. Such standards set an upper threshold for a particular lot's intensity of development by regulating the ratio of gross floor area that can be constructed for a given lot in comparison to the lot area's total acreage. The ACZO includes the following definitions for these terms:

- A lot is a designated parcel, tract or area of land having its principal frontage upon a street or a place permitted under the Subdivisions Ordinance (Chapter 23 of the Arlington County Code) and established by plat or subdivision⁴.
- Lot area is the area, measured in gross square feet or acres, contained within a lot⁵.
- Gross floor area (GFA) is the sum of the area of the horizontal surface of several floors of a building measured from the exterior faces of exterior walls. Any floor area that is not included as gross parking area is included in this sum⁶.
- Floor area ratio (FAR) is the gross floor area of all buildings on a lot divided by the lot area⁷.

Density in Site Plan Approvals: When the County Board approves a development proposal's site plan, the Board approves conditions which specify the maximum GFA for the project. This maximum typically excludes spaces that the applicant has identified in the plan set as ancillary spaces which do not contribute to the bulk, mass, and height of the development's building(s). Examples of such spaces can include, but are not limited to, elevator shafts, mechanical rooms, and vertical ventilation shafts. Such exclusion requests are submitted to the Board by the applicant as part of their site plan application and approved on a case-by-case basis by the Board⁸. In addition, while not formally excluded in the same manner as the ancillary spaces outlined above, the maximum approved GFA for a site plan does not include gross parking areas⁹.

Recently approved site plans and current review practices consider community facilities such as a library, public school facility, public open space or community health center amongst others as part of the development applicant's community benefits package. These community benefits address potential adverse land use impacts while implementing key policy recommendations in the Comprehensive Plan, Area/Sector Plans, and other important County Board-adopted policy documents. For some older site plans, community facilities were sometimes accounted for by excluding the GFA from the project's approved GFA. An example of this practice includes the Central Place Tower's public observation deck, which was provided by the applicant as a public amenity, complete with recorded easements ensuring legal public access. Central Place Tower's

ACZO §3.1.1.A.1.

ACZO §3.1.1.A.2.

ACZO §3.1.1.C.

ACZO §3.1.5.

For more information on the practice of density exclusions in site plans, review this 2016 memorandum which provides guidance from the Zoning Administrator on the topic.

Gross parking areas are defined in §18.2 of the ACZO as "the sum of the ground surface area actually used for parking spaces and the area of the horizontal surface of the floor(s) of a building, measured from the exterior faces of exterior walls, devoted to off-street parking, loading and maneuvering space including all corridors, air shafts, elevators, stairwells and toilets incidental thereto, but not including area devoted to permitted and accessory uses other than parking and loading."

approved site plan conditions require the applicant to maintain and provide public access to the public observation deck, which enabled its gross floor area to be excluded from the development project's GFA used to determine maximum FAR.

For most of the ACZO's zoning districts, §15.5.9 enables the County Board to approve additional density for a site plan proposal beyond the maximum prescribed by a particular district's density standard. An applicant must request this additional density as part of their proposal and provide justification for the request and include measures that the applicant would take to address any land use impacts that could be associated with the increased density. Section 15.5.9 identifies several scenarios where the Board can permit additional density:

- 1. When the applicant provides low-or moderate-income housing units;
- 2. When the applicant provides community facilities, such as public open space, public school facilities, transportation improvements, police stations, and libraries among others;
- 3. When the applicant's development will integrate measures identified in adopted sustainable design incentive program policies; and,
- 4. When the development proposal addresses other public priorities identified in the Comprehensive Plan or other County Board-adopted plans and policies.

However, the C-O Rosslyn, Mixed Use Rosslyn District utilizes alternative provisions within the C-O Rosslyn district standards for additional density above the maximum. Section 7.15.4 specifies that the provisions for approval of additional density referenced in §15.5.9 shall not apply for development within C-O Rosslyn, in lieu of an alternative intended to align closely with the Rosslyn Sector Plan:

- The County Board can approve additional density above the maximum FAR requirements of either 3.8 or 4.8, up to 10.0 FAR. The Board must find that the development project is:
 - o Consistent with the Rosslyn Sector Plan;
 - Offering certain features, design elements, services, or amenities identified in the Rosslyn Sector Plan; and,
 - o Meeting findings for approval of a site plan specified in §15.5.5
- The County Board can <u>only</u> approve density above 10.0 FAR that meets the building height and form guidelines of the Rosslyn Sector Plan under the following scenarios:
 - i. The additional density is necessary to accommodate either a new segment of 18th Street North *or* infrastructure that substantially increases capacity of the Metrorail system; and/or,
 - ii. Where the additional density is achieved through the transfer of development rights, as provided in §15.5.7.B.

To date, the County Board has not approved additional density above 10.0 FAR for development projects in the C-O Rosslyn zoning district that would fall within one of these two scenarios. Recent projects have been approved with maximum density at or near the district's 10.0 FAR maximum, exclusive of gross floor area serving as ancillary space that the Board excluded from the final, approved FAR:

- On September 24, 2019, the County Board approved a major amendment to Site Plan #79 located at 1900 Fort Myer Drive which proposed redevelopment of an existing 12-story hotel into a 502-unit multi-family residential building, a 375-room hotel, and 14,412 square feet of ground story retail space. The Board approved a maximum FAR of 9.94, excluding 35,094 square feet to be used for below-grade storage, mechanical shafts, and similar ancillary spaces. When accounting for the excluded spaces, the building's gross FAR totals 10.39. Since the adoption of the 2019 major site plan amendment, the Board has approved additional site plan amendments that have incrementally increased the project's maximum approved FAR while still keeping it below the C-O Rosslyn district's maximum FAR of 10.0.
- On January 23, 2021, the County Board approved a major amendment to Site Plan #1 located at 1820 and 1830 Fort Myer Drive which proposed redevelopment of an existing 12-story office building, above ground parking structure, religious institution, and vehicle service establishment into two multi-family residential buildings of up to 740 total dwelling units, with an additional 42,925 square feet to be used for retail, office, religious institution, and vehicle service establishment tenants. The Board approved a maximum FAR of 10.0, excluding 16,337 square feet to be used for building storage, mechanical systems, and trash collection. When accounting for the excluded spaces, the building's gross FAR totals 10.21.

<u>CoStar Group Announcement</u>: As previously discussed, an Arlington County <u>press release</u> announced on February 13, 2024, that CoStar Group would relocate its global headquarters to the Rosslyn office building known as Central Place Tower located at 1201 Wilson Boulevard. The announcement outlined CoStar Group's plan to pay \$13,951,900 to obtain sole use of the Central Place Tower's observation deck, which the County Manager will propose for allocation towards the reconstruction of Rosslyn's Gateway Park as part of the upcoming <u>FY25-FY34 Capital Improvement Plan</u>. To facilitate these next steps, the County Board will need to take several actions, including the adoption of an amendment to Site Plan #335 which governs Central Place Tower.

A major amendment to Site Plan #335 was approved in 2007 that included a site plan condition that required the applicant to provide public access to the observation deck as a community facility. The observation deck is identified in the Rosslyn Sector Plan as a public amenity space intended to attract visitors for experiencing high-priority public views of numerous landmarks in the Washington, DC region. For these reasons, the GFA of the observation deck was excluded from the Central Place Tower's approved maximum density as permitted in the ACZO for public amenities that are community benefits¹⁰.

CoStar Group intends to convert the GFA currently occupied by the observation deck for private use and cease offering public access to the observation deck. Since the general public's access to the observation deck was incorporated by County Board approval into Central Place Tower's site plan conditions, the County Board will need to approve a site plan amendment to remove the public access from the conditions. The original basis for excluding the GFA – its use as a public amenity – will no longer be valid, and the GFA will need to be reintegrated into the site plan's

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As previously mentioned, current practices for administering site plan development involve treating community facilities as additional density and not as an exclusion from the approved project's density.

approved GFA. Reintegrating the observation deck's GFA into the approved maximum density would result in an amount of approved density that would exceed the district's 10.0 FAR maximum. An amendment to the C-O Rosslyn district's maximum density provisions would be required to allow for an additional exception for exceeding 10.0 FAR beyond the existing exceptions related to transformational transportation infrastructure.

Scope of Study

Staff's approach to this study included two primary objectives - to address the near-term implications of the CoStar relocation, and to enable smaller scale adaptations of previously excluded GFA in C-O Rosslyn approved projects. This work falls within the umbrella of the Commercial Market Resiliency Initiative (CMRI), which consists of several regulatory and process improvements to ensure a more nimble response to quickly evolving trends in commercial real estate. The straightforward density requirements for C-O Rosslyn limit nominal increases in GFA above 10.0 FAR unless they can be categorized as accommodating new segments of 18th Street North or substantially increasing Metrorail capacity. In most other commercial/mixed use zoning districts, these GFA increases can be accommodated through site plan amendments so long as the additional density is earned in conformance with the options as previously discussed in §15.5.9.

Staff has fielded inquiries into similar reconfigurations of previously excluded GFA for C-O Rosslyn approved projects at or near the 10.0 FAR maximum. Staff has discouraged potential applicants from filing site plan amendments in these instances because of the inability to achieve density beyond 10.0 FAR outside of the existing options. To ensure adaptability of approved C-O Rosslyn projects to address current commercial real estate trends, staff sees benefits of broadening the options for increased density for smaller, incremental increases in GFA.

Staff also sees longer-term opportunities to respond to changing transportation technologies, travel patterns, and vehicular use that would minimize the utilization and demand for structured parking by allowing gross parking area to be considered for inclusion into the building's approved GFA to accommodate uses other than parking. The opportunity is particularly unique in Rosslyn, given that shallow soil depths with bedrock closer to finished grade compared to other parts of Arlington have required developers to provide structured parking above ground instead of in subterranean garages. The above-ground visibility of this parking elevates the importance of providing regulatory measures for adapting potentially obsolete parking spaces into alternative uses.

However, the 2015 Rosslyn Sector Plan remains the established, adopted policy for the future of Rosslyn. No changes to the Rosslyn Sector Plan are anticipated to occur with this study, nor would there be amendments to other sections of the C-O Rosslyn zoning district building height, density, or other site development standards. Any development approval above 3.8 FAR for office, retail, and service commercial uses and above 4.8 FAR for multifamily residential uses must continue to align with the Sector Plan's vision while providing certain features, design elements, services or amenities identified in the Sector Plan.

For new construction and redevelopment moving forward, the commercial real estate trends contributing to the high levels of office vacancy can be factored into a project's overall proposal

and development review. As such, staff has not included an analysis in this study's scope of the current maximum of 10.0 FAR to determine if it should be adjusted for new site plan projects.

Analysis

To address the aforementioned needs and objectives, staff has developed draft zoning language that could add a third option for increasing density beyond 10.0 FAR to the C-O Rosslyn district's density provisions. This third option would enable the County Board to include GFA that was previously excluded from an approved site plan's final density calculations into the approved GFA even if such approval would result in a total FAR above 10.0 for the project. Areas within the project identified in the site plan as gross parking area would also be eligible to be added to the project's total approved GFA.

Staff anticipates that an additional option for increasing density beyond 10.0 FAR would be used in limited instances to reconfigure below-grade storage spaces, surplus parking spaces, mechanical areas, and similar functions within an approved project into amenities for the buildings tenants or to expand upon existing uses within the building. As previously discussed, the County Board would be required to approve the additional density above 10.0 FAR through site plan amendment, and the additional density would be subject to the requirements specified in §7.15.4. for offering certain features, design elements, services or other amenities identified in the Rosslyn Sector Plan in exchange for the additional density.

The draft language is intentional in referencing GFA that was identified in a previously approved site plan as excluded density or as gross parking area. Site plans within the C-O Rosslyn district with existing buildings, buildings under construction, or buildings that have been approved but are not yet under construction are the focus for this study's recommendations as opposed to new construction or redevelopment projects.

Community Engagement

To bring awareness to Rosslyn's stakeholder groups on this study and to inform them on the progress of anticipated County Board actions related to the CoStar relocation, staff from CPHD and Arlington Economic Development (AED) have used periodic email updates as the primary form of community engagement. Stakeholders groups include commercial property owners, civic associations, the Arlington Chamber of Commerce, Arlington's business improvement districts (BIDs), the Economic Development Commission, and the Industrial Development Authority amongst others. These email updates will continue through the summer in anticipation of Board action at their July 2024 meetings on this zoning ordinance amendment and other associated actions to advance this economic development deal.

County Board Action on Request to Advertise

On April 20, 2024, the County Board adopted a resolution authorizing advertisement of public hearings for a zoning ordinance amendment to the C-O Rosslyn district's maximum density provisions no earlier than July 2024.

Anticipated Schedule

- ✓ April 20, 2024: County Board Request to Advertise
- May 14, 2024: ZOCO Meeting
- July 8/10, 2024: Planning Commission final consideration and recommendation
- July 20/23, 2024: County Board final consideration and action

Attachments

• Attachment 1: Draft Zoning Text

Zoning Ordinance Amendment – Additional Density Provisions for C-O Rosslyn

Proposed amendments are shown with **bold underline** to denote new text, and **bold strikethrough** to denote deleted text.

Article 3. Density and Dimensional Standards

§3.1. Measurements, Computations and Excepti
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3 §3.1.1. Area

A. ...

5.

C. Gross floor area

Gross floor area is the sum of the area of the horizontal surface of the several floors of a building measured from the exterior faces of exterior walls, to include all floor area not defined as gross parking area.

Article 7. Administration and Procedures

§7.15. C-O Rosslyn, Mixed Use Rosslyn District

§7.15.4. Provision for additional density and height

In considering the approval of a site plan the County Board may approve additional density and height above that provided in §7.15.3.B where it finds that the development project is consistent with the Rosslyn Sector Plan, offers certain features, design elements, services, or amenities identified in the Rosslyn Sector Plan, and meets §15.5.5 and other special exception criteria of the Zoning Ordinance. In considering such modification, the County Board may also consider characteristics of the site and the area as described in §15.5.7. The provisions of §15.5.9 for the approval of additional height and density shall not be applicable in the C-O Rosslyn district. The approval of additional height and density, under the foregoing, shall be subject to the following:

A. Density

- 1. Under no circumstances shall the County Board approve density above 10.0 F.A.R.; except where it finds that the development project is consistent with the building height and form guidelines of the Rosslyn Sector Plan, the County Board may approve density above 10.0 F.A.R. only as follows:
 - (a) Where it finds that the additional density is necessary to accommodate on-site either a new segment(s) of 18th Street North; or infrastructure that substantially increases capacity of the Metrorail system (such as a new Metro station or similar related infrastructure), provided that, in accordance with §7.15.4.B.2, under no

31 32 33	circumstances shall building height above that shown on the building heights map in the Rosslyn Sector Plan be approved if additional density is granted under this §7.15.4.A.1(a); and/or
34 35 36 37	(b) Where it finds that the additional density was either: i) included in the total gross floor area yet excluded from a site plan's final density calculations as approved by the County Board, or ii) included as previously approved gross parking area associated with the development project; and/or
38 39	(b)(c) In exceptional cases, where the additional density is achieved through the transfer of development rights, as provided in §15.5.7.B.
40 41 42	2. No portion of the site shall be used more than one time in computing the permitted density. All mechanical penthouse area in excess of that used for elevator, mechanical, or maintenance equipment shall be counted as gross floor area.
43	Article 18. Definitions
44	§18.2. General Terms Defined
45	Gross floor area. See §3.1.1.C.
46 47 48 49 50	Gross parking area. The sum of the ground surface area actually used for parking spaces and the area of the horizontal surface of the floor(s) of a building, measured from the exterior faces of exterior walls, devoted to off-street parking, loading and maneuvering space including all corridors, air shafts, elevators, stairwells and toilets incidental thereto, but not including area devoted to permitted and accessory uses other than parking and loading.