



November 11, 2022

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Arlova Vonhm  
Zoning Administrator, Arlington County  
2100 Clarendon Boulevard, 10<sup>th</sup> Floor  
Arlington, Virginia 22201

Re: PDSP Amendment for SP #297  
Statement of Justification

Dear Ms. Vonhm:

PL Pentagon LLC, Pentagon Residential I LLC, and Pentagon Residential II LLC (collectively, “Kimco” or “Applicant”) are the owners of the parcels located at 1200 South Fern Street, RPCs 35-004-010, -011, -012, -013, -014, -015, -016, and -017, also known as Pentagon Centre (the “Property”). Please accept this letter as the statement of justification for Kimco’s proposed Phased Development Site Plan (“PDSP”) application.

### **Background and Approved PDSP**

The Property is subject to a final site plan (“FSP”) SP #297 and the Pentagon Centre PDSP, which were originally approved along with an amendment to the General Land Use Plan (“GLUP”) by the County Board on July 21, 2008. The FSP and PDSP were subsequently amended on September 21, 2015.

The FSP permits the construction of a twenty-five (25)-story residential building (“Building A” now known as the “Witmer”), a ten (10)-story residential building (“Building C” now known as the “Milton”), and a seven (7)-story parking garage with ground floor retail on the Property. The parking garage was constructed in 2016 at the intersection of South Grant Street and 15<sup>th</sup> Street South. The Witmer, located adjacent to the Pentagon Center Metro Station at the corner of Hayes Street and 12<sup>th</sup> Street South, was completed in 2019. Construction of the Milton at the corner of Hayes Street and 15<sup>th</sup> Street South is nearing completion in early 2023.

In future phases of development the PDSP permits the construction of three office buildings (B, B1, and E), retail buildings (A1 and F), replacement of the parking garage with a hotel (D), a new street grid, and multiple public park and open space areas, all as shown on the approved PDSP 2015 plan below:



Pentagon Centre Phased Development Site Plan

The approved maximum density allowed for these uses under the PDSP is in line with the maximum density permitted in the C-O-2.5 zoning district: 2.5 floor to area ratio (“FAR”) for office and retail uses, 115 residential units per acre, and 180 hotel units per acre. The overall FAR approved under the PDSP is 2.68. As we stated at the time of approval in 2015, the timing of these future phases was uncertain and would likely not occur for many years due to existing long-term retail lease obligations.

### **Surrounding Context**

Sometimes referred to as the “hole in the donut,” the Property is surrounded by the area that was formerly subject to the Pentagon City PDSP, which was originally approved in 1976. That plan guided much of the growth surrounding the Property and the Pentagon City Metro Station over the ensuing four plus decades, culminating in over eleven (11) million square feet of approved mixed-use development within a 116-acre area. In 2018, Amazon committed to establish a new East Cost headquarters with over 25,000 employees within the Pentagon City PDSP in new development at Metropolitan Park and PenPlace (“HQ2”), the construction of which is all well under way.

Beginning in the fall of 2020, Arlington County led an eighteen (18)-month strategic community planning process for Pentagon City, including the Pentagon City PDSP and RiverHouse residential development, to reevaluate long-term goals for this important area with an emphasis on the transportation network. On February 12, 2022, the County Board adopted the Pentagon City Sector Plan (the “PCSP”) and associated Comprehensive Plan and Zoning Ordinance amendments to chart the course of development over the next several decades of growth. The PCSP establishes a vision for Pentagon City, along with the adjacent Crystal City area, as a “dynamic downtown for Arlington and the region” that will be

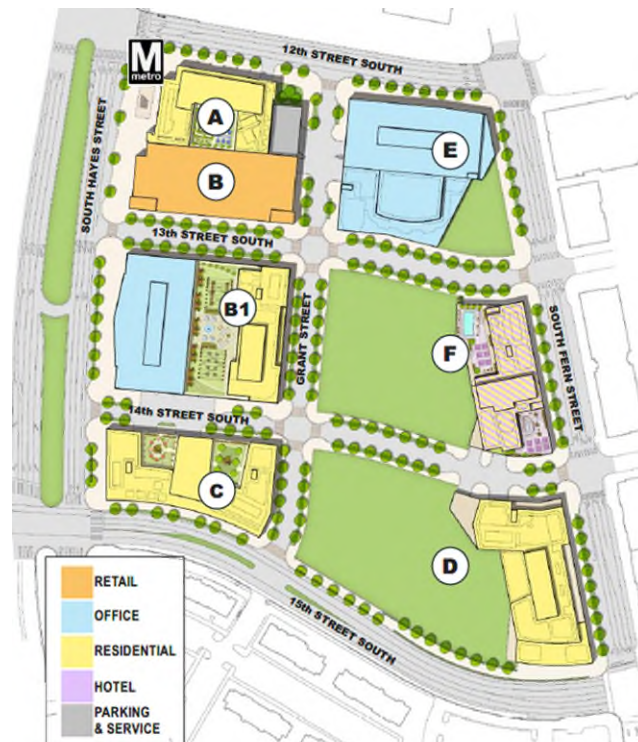
achieved through redevelopment that will “diversify housing options, prioritize robust multi-modal transportation options, and embrace biophilic design....” To help achieve this vision, the PCSP recommends density levels ranging from seven (7) to nine (9) FAR, new parks and open spaces, and improved multi-modal connections.

Although Kimco was not part of the PCSP process, we did follow the discussions and plan evolution very closely to assess how we might adapt our PDSP to better complement the surrounding development goals. We also engaged in preliminary discussions with County staff prior to the adoption of the PCSP about our desire to amend the PDSP to better harmonize our project with the rest of Pentagon City.

### **Proposed Amendment to PDSP**

In the light of the recommendations of the Pentagon City Sector Plan, the arrival of HQ2, and all of the associated development and improvements planned for the surrounding area, Kimco has engaged in its own strategic reevaluation of the PDSP. Moreover, many other important changes much have occurred over the last seven (7) years since the PDSP was last amended that require adjustments to our future development plans. These include massive shifts in the housing, office, retail, and hotel markets that were already taking shape before they were further buffeted by the tsunamic changes wrought by COVID. We have therefore rethought the mix of uses, layout, size, and shape of buildings and public spaces in the PDSP to better respond to these changes, better harmonize with the development planned around us, and better position ourselves to develop later phases of the Property sooner. In this way, we hope to provide a project that will better serve Pentagon City and deliver better community benefits than were previously approved.

Below is the new PDSP layout we are proposing:



With the new layout, we have expanded and shifted the public open spaces toward Grant Street to create more of a sense of place and a “green ribbon” through the site. The open space areas have increased by 30% (43,000 square feet) and their new location allows for better programming opportunities, including the ability to temporarily close 13<sup>th</sup> and 14<sup>th</sup> Streets during special events.

We have also consolidated and reoriented the buildings around the Property to create a better street presence, with retail (B) and office (B1) along Hayes Street and residential along Grant Street. The office building (E) on 12<sup>th</sup> Street has been reconfigured to better engage with HQ2 and allow for a much larger park at the corner of Fern Street and 13<sup>th</sup> Street. A mixed-use hotel/residential building (F) and residential building (D), both with ground floor retail, along Fern Street will create a more vibrant retail corridor opposite MetPark than the previously approved plan.

In terms of density, we are proposing an overall FAR of approximately 4.69, a relatively modest increase from the 2.68 FAR approved in 2015 and significantly lower than the 7-9 FAR envisioned in the PCSP for the properties that ring Pentagon Centre. Below is a table summarizing the proposed changes in density:

Use	Approved	Proposed	Change
Retail (sf)	346,600	269,000	-77,600
Residential (units)	693	1,833	1,140
Office (sf)	705,700	1,037,000	331,300
Hotel (units)	200	310	110

We look forward to working with the County on this project. Please let me know if you have any questions or need additional information to process this request.

Very truly yours,

COZEN O’CONNOR



G. Evan Pritchard, Esq.