



DC SHPO UNDERTAKING REVIEW REQUEST (URR)

URR #40: GROUND LEASE OF HEATING PLANT SITE

DATE: November 25, 2014 (revised January 27, 2015)

PROPOSED START DATE: 2015

RESOURCE(S) TO BE AFFECTED:

Name	Type	Number	Relative Level of Significance
Heating Plant	Building	46	Supporting
Storage Contamination Building	Building	69	Minor
Support Directorate Building	Building	70	Non-Contributing
Main Substation	Building	71	Non-Contributing
Eisenhower Drive Southern Realignment	Structure	n/a	Non-Contributing
Lower Hospital Drive	Structure	n/a	Non-Contributing

BRIEF DESCRIPTION OF PROPOSED ACTION:

SUMMARY

The Armed Forces Retirement Home (AFRH) will negotiate a ground lease for the Heating Plant (Building 46) and surrounding site. AFRH decommissioned the Heating Plant in October 2013 and does not have a current use or intended use for the building in the future. AFRH now seeks new tenants and uses for the building, consistent with the agency's objective to adaptively use vacant historic buildings. The reuse of the Heating Plant may also include ancillary resources immediately surrounding the building, including Buildings 69, 70, and 71, as well as adjacent roads and surface parking lots. The Heating Plant, its ancillary buildings, and the surrounding site are referred to as "Site" in this URR. See Attachment A for a site plan and photographs of the Site.

RELEVANT PROCEDURE

AFRH submits this request pursuant to **AFRH Historic Preservation Standard Operating Procedure #10 (HP SOP #10)**, which is provided in Chapter 6 of the AFRH-W Historic Preservation Plan (HPP, 2007) and covered under the existing Programmatic Agreement (PA, 2008). SOP #10 requires AFRH to submit a URR stating the rationale for the ground lease. The HPP defines a ground lease as: "the negotiated long-term lease of real estate, which may or may not include real property, to a private entity. Such a lease may grant extensive rights to use and occupancy, including demolition and new construction, as well as full care and maintenance."

RATIONALE FOR GROUND LEASE

Prior to finalization of the AFRH-W Master Plan in 2008, the Heating Plant Site was considered for inclusion in Zone A, as defined in the Master Plan. Zone A is slated for lease or sale to a third-party developer. At the time, AFRH did not have the resources to fulfill the long-term goal of decommissioning the Heating Plant, and therefore, could not turn the building over to a third-party. AFRH has since decommissioned the plant to provide more energy-efficient systems to the campus, consistent with federal sustainability goals and directives. The Heating Plant is now vacant, and AFRH does not have another agency-related use for the building.

The Heating Plant is set within an important location at AFRH-W, between the Zone A and the area of campus intended for continued AFRH use (AFRH Zone). The building is also located along the perimeter of the campus and is visible from North Capitol Street. The continued vacancy or underutilization of the Heating Plant could be detrimental to the historic building and the Historic District as a whole.

To ensure that the building does not remain vacant, AFRH now seeks to make the Site available for reuse by a third-party. According to 24 USC § 411(i), when the AFRH Chief Operating Officer (COO) considers it advantageous to AFRH, the Secretary of Defense (acting on behalf of the COO) may lease property at AFRH-W to such a lessee and upon such terms as the Secretary considers will promote the purpose and financial stability of AFRH or be in the public interest. In 2007, AFRH entered into a "Memorandum of Understanding and Statement of Land Use Review Process for Development of the Armed Forces Retirement Home" (MOU) with the National Capital Planning Commission (NCPD) and the District of Columbia Office of Planning, which sets forth the review authority for work proposed for non-federal purposes on federally owned land at AFRH-W.

AFRH intends for the ground lease of the Site to further AFRH's objective to adaptively reuse vacant historic buildings, as stated in the Master Plan, and HPP, as well as Executive Order 13287. Specifically:

1. AFRH will endeavor "to keep contributing resources in productive use by using contributing resources where feasible, and considering new uses for under-utilized resources." (HPP)
2. "The objectives of the AFRH-W Master Plan are to...Encourage the rehabilitation and reuse of historic buildings;" (Master Plan)
3. "Each agency shall examine its policies, procedures, and capabilities to ensure that its actions encourage, support, and foster public-private initiatives and investment in the use, reuse, and rehabilitation of historic properties, to the extent such support is not inconsistent with other provisions of law, the Secretary of the Interior's Standards for Archeology and Historic Preservation, and essential national department and agency mission requirements." (Executive Order 13287)

A ground lease of the building and the surrounding site will enable rehabilitation and adaptive reuse that may be beneficial to both the Heating Plant and to the campus as a whole, providing a physical link between the campus and the immediately adjacent redevelopment in Zone A.

AFRH also notes that the Final Environmental Impact Statement (FEIS) for the AFRH-W Master Plan evaluates the reuse of historic buildings at AFRH-W as a direct, long-term, moderate, beneficial impact of development at AFRH-W. Potential environmental impacts of the ground lease of the Site will be assessed as part of a Supplemental Environmental Impact Study (SEIS), pursuant to the National Environmental Protection Act (NEPA). AFRH will complete the SEIS prior to the execution of a lease with a potential developer.

SCOPE

AFRH will negotiate a ground lease for the Site as an individual parcel or as part of a Master Lease for the immediately adjacent zone (Zone A), as defined in the AFRH-W Master Plan. The Area of Potential Effect (APE) for this undertaking is concurrent with the boundaries of the Site (see Attachment A to this URR). AFRH may choose to maintain the ability to access, use, and/or maintain resources within the Site through terms in the ground lease.

Pursuant to the MOU, the Site may be zoned if intended for non-federal use. Zoning of the Site may take place as part of the entitlement process for Zone A. If zoning becomes effective on the Site, work on the Site will be subject to review by the District of Columbia and will follow the design review procedures set forth in the MOU, PA, and HPP for work proposed for non-federal purposes on federally owned land at AFRH-W. The selected developer and its tenants shall then file applications for building permits and certificates pursuant to applicable Building Code requirements. Local review through the District of Columbia shall include review by the DC Historic Preservation Office, as well as Commission of Fine Arts (CFA) as appropriate. For the Site, the Master Plan does not include development outside the footprints of extant buildings (Buildings 46, 69, 70, and 71). Deviations from the Master Plan may require a Master Plan Amendment (MPA), which would follow the MPA process outlined in the PA. This URR do not cover actions that are inconsistent with the PA or the Master Plan.

If zoning does not become effective on the Site, work on the Site shall continue to follow the Section 106 process in the PA and HPP, including review by DCSHPO and CFA and NCPC as appropriate.

Regardless of whether the site is zoned, DCSHPO will maintain review authority over work on the site, either through the federal/AFRH review process or through the District of Columbia permitting process. DCSHPO, along with the other PA Signatories and Consulting Parties, would also review any proposal to deviate from the Master Plan.

To ensure the agency's compliance with the NHPA Sections 106 and 110, as interpreted through the PA and HPP, AFRH intends to contractually bind any selected developer and its tenants to the appropriate treatment of Contributing resources within the leased area, as well as to consider its effects on the AFRH-W Historic District as a whole. Consistent with SOP #10, AFRH will ensure that transaction documents include covenants that provide for the protection and long-term preservation of any Contributing resource to be affected. These covenants will reference the responsibilities, guidelines, and requirements stipulated in the PA, HPP, and the Secretary of the

Interior's Standards for the Treatment of Historic Properties, as well as the AFRH-W Master Plan (2008) and Memorandum of Understanding (MOU, 2007).

IS ANY DEMOLITION OR REMOVAL OF BUILDING OR LANDSCAPE MATERIAL ANTICIPATED?

The Undertaking includes the ground lease of the Heating Plant site only. No physical alterations to the site are planned or proposed at this time. Any plans for rehabilitation, reuse, alteration, demolition, or construction within the boundaries of the site would be proposed separately by AFRH or a selected developer or tenant. AFRH anticipates that removal of Non-Contributing resources may be contemplated by a developer or tenant, and such an action would be reviewed by DCSHPO through the AFRH review process or the DC permitting process.

IS THERE AN ADVERSE EFFECT ON RESOURCE(S)? YES No

AFRH proposes covenants to be included in a ground lease to avoid potential adverse effects of this undertaking on historic properties. The covenants are attached to this URR.

ATTACHMENTS:

MAP SHOWING APE, INDICATING LOCATION OF AFFECTED RESOURCES

COMPREHENSIVE PHOTOS OF APE

COMPREHENSIVE PHOTOS OF AFFECTED RESOURCE(S)

~~AFRH-W RI/CRM DATA SHEET FOR AFFECTED RESOURCE(S)~~

~~ARCHITECTURAL DRAWINGS, SUFFICIENT TO INDICATE DESIGN OF PROPOSED WORK~~

INTERNAL AFRH-W INFO:

NAME OF PROJECT PROPOSER REQUESTING PERMISSION TO PROCEED:

Justin Seffens, AFRH Corporate Facilities Manager

TELEPHONE: 202-288-4473

E-MAIL: Justin.Seffens@afrh.gov

ALTERNATE CONTACT: Carrie Barton, Cultural Resources Manager, 202-309-5281,

carrie.barton@preservescapescapes.com

WHO WILL OVERSEE THE ACTION?

Justin Seffens, AFRH Corporate Facilities Manager

CONTRACTOR(S) EXPECTED TO CARRY OUT THE ACTION:

DCSHPO will be notified of a selected developer who will enter into the ground lease for the Heating Plant Site.


SIGNATURE OF AFRH FEDERAL PRESERVATION OFFICE (FPO)

1/27/15
DATE

THE INFORMATION BELOW MUST BE FILLED ABOUT BY DCSHPO OR AGENT:

DATE OF URR RECEIPT BY DCSHPO: _____

CONCURRENCE:

THE DC SHPO CONCURS WITH THE FINDING OF NO ADVERSE AFFECT.

SIGNATURE OF DC SHPO

DATE

RESOLUTION:

THE DC SHPO CONCURS WITH RESOLUTION TO MINIMIZE OR MITIGATE ADVERSE EFFECT.

SIGNATURE OF DC SHPO

DATE

IF ADVERSE EFFECTS HAVE BEEN AVOIDED OR MINIMIZED, REVISED DRAWINGS AND/OR PLANS MUST BE ATTACHED TO THIS URR FOR OFFICIAL RECORD.

IF ADVERSE EFFECTS HAVE BEEN MITIGATED, A RECORD OF AGREEMENT MUST BE ATTACHED TO THIS URR FOR OFFICIAL RECORD.

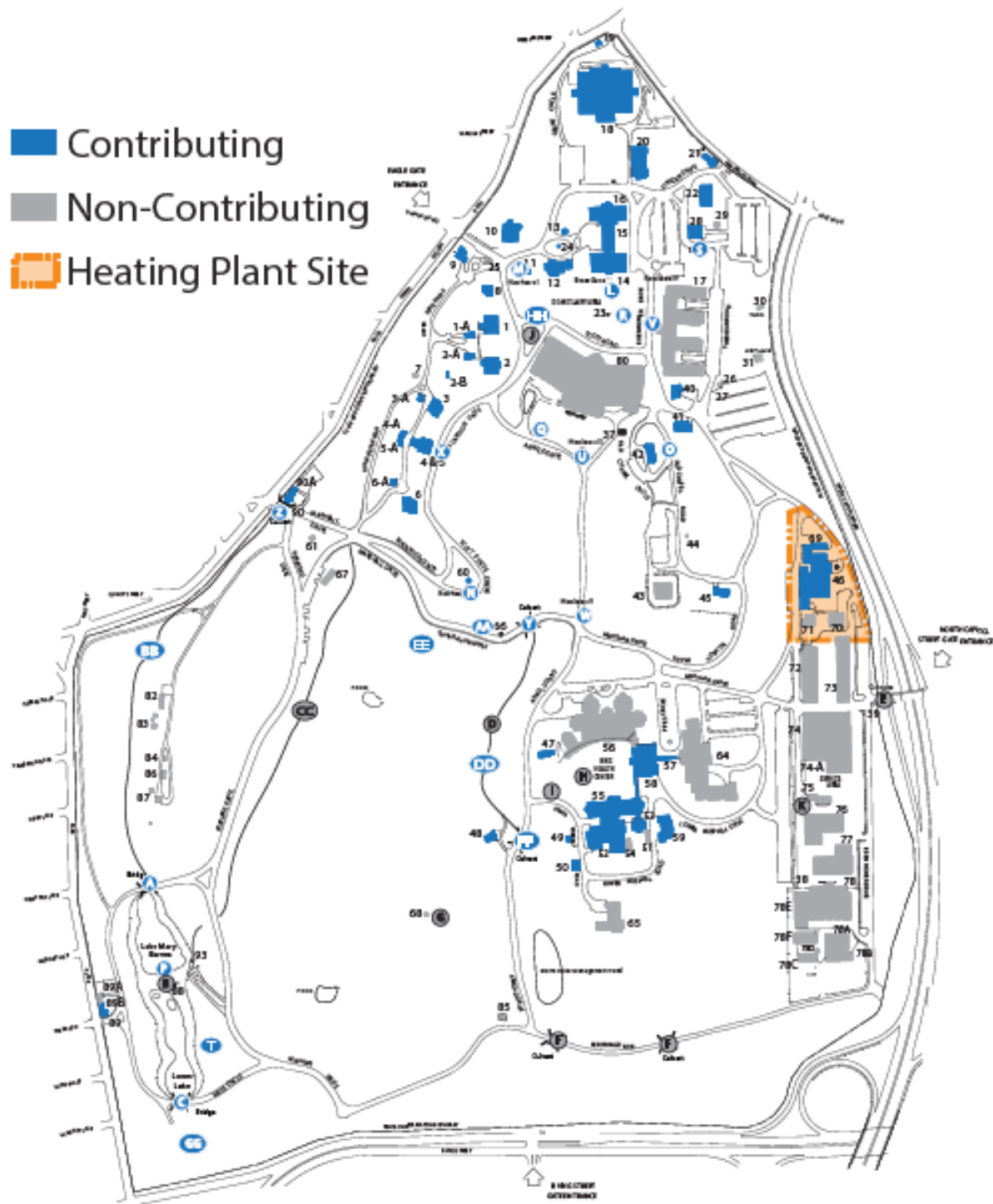


Image 1: Approximate boundaries of the Site, concurrent with the boundaries of the Area of Potential Effect for the undertaking associated with the ground lease of the Site.

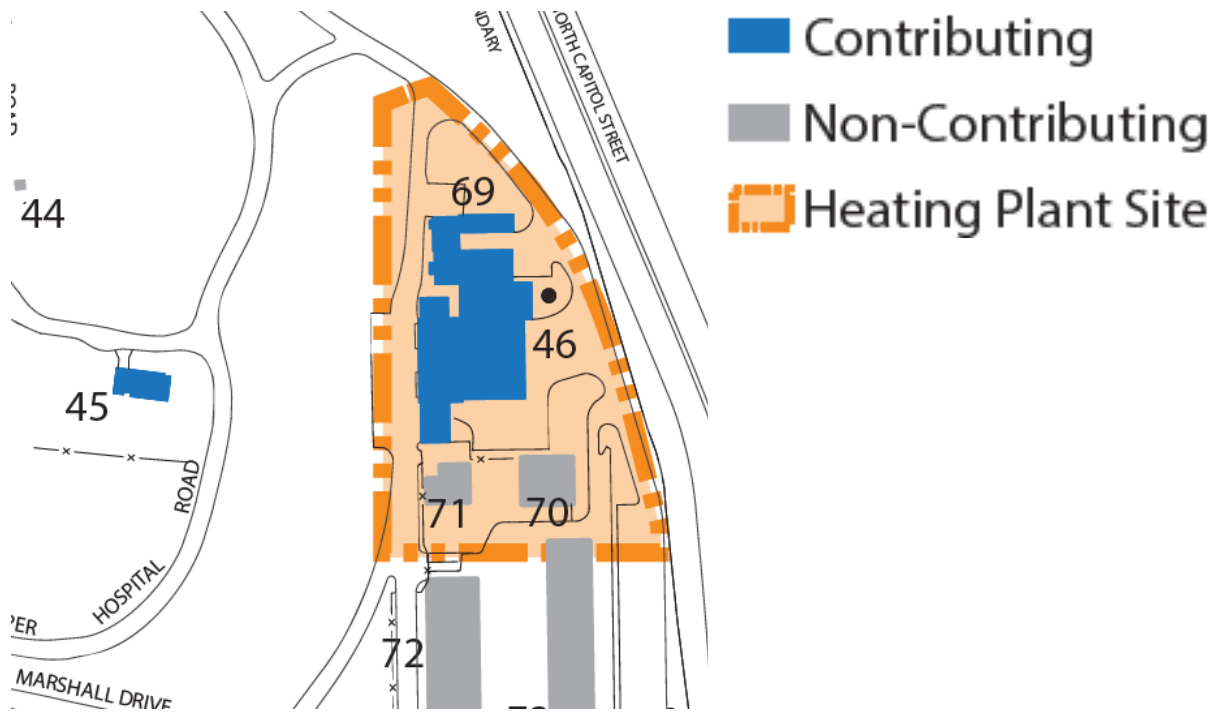


Image 2: Detail of the Site showing approximate boundaries of the Site, which are concurrent with the boundaries of the Area of Potential Effect for the undertaking associated with the ground lease of the Site.



Image 3: Building 46 – Heating Plant (Contributing, Supporting)



Image 4: Building 69 – Storage Contamination Building (Contributing, Minor)



Image 5: Building 70 – Support Directorate Building (Non-Contributing)



Image 6: Building 71 – Main Substation (Non-Contributing)

ATTACHMENT B: COVENANTS

Pursuant to the PA and the HPP, AFRH shall ensure that any transaction document AFRH enters into with a selected developer for the lease of the Site, whether as a separate parcel or as part of a larger development area, provides covenants that state that:

1. the selected developer and its tenants shall rehabilitate and adaptively reuse Contributing resources within the area covered by the ground lease;
2. the selected developer and its tenants shall treat the Site and its Contributing resources consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties and associated guidelines, as interpreted by the HPP for the resource's individual RLS;
3. the selected developer and its tenants shall treat the Site and its resources in accordance with the AFRH-W Master Plan;
4. the selected developer shall conduct individual phased Archaeological Assessments for ground disturbance within the project area as appropriate and required, pursuant to the PA and HPP and in consultation with DCSHPO;
5. the selected developer and its tenants shall follow design review procedures set forth in the MOU, PA, and HPP for work proposed for non-federal purposes on federally-owned land at AFRH-W;
6. the developer and its tenants shall consider the effects of their actions on the entire AFRH-W Historic District and its historic resources;
7. the selected developer shall develop a stabilization and maintenance plan for Contributing buildings within the Site no later than 120 days after the effective date of the lease, detailing the steps to be taken to stabilize and maintain the buildings prior to formal rehabilitation; and
8. if the Site is included in the Master Lease for Zone A, the rehabilitation of Contributing resources within the Heating Plant Site shall commence in accordance with the Project Schedule submitted as part of the Project Plan for the first non-infrastructure phase of development, as required by the PA for all Contributing Buildings within Zone A.