

APR 23 1992

The Honorable John F. W. Rogers
Chairman
Advisory Council for Historic Preservation
Old Post Office Building
Washington, DC 20004

Dear Mr. Rogers:

Thank you for the report of the Advisory Council on Historic Preservation (ACHP) on the Southeast Federal Center Master Plan. Enclosed is the response of the General Services Administration (GSA) regarding the ACHP's findings and recommendations. As we discussed at the hearing, GSA's planning for the site has had to combine the complex factors of Federal agency office needs, historic preservation, urban design, transportation and access, and economic costs and benefits. It is against these factors that we have considered your comments.

GSA has fully considered the ACHP's final comments and, based on our assessment of the alternatives, we have determined it is in the best interest of the Government to proceed with development of the Southeast Federal Center project, based on the Master Plan as we have proposed. Our overall goals for the site require the mix of adaptive reuse and new construction that is outlined in the enclosure.

To ensure that opportunities are enhanced for communication with the State Historic Preservation Office (SHPO) and the ACHP, GSA is initiating briefings with these offices to help all organizations understand the very large capital program that GSA has proposed over the next 10 years in the National Capital Region. We have an opportunity to modernize and insure the continued use of numerous historically significant buildings during this period, thus protecting our unique inventory.

In addition, GSA received \$800 million in new construction funding for fiscal year 1991 alone for projects in the NCR. Continued Administration support is expected for such projects. The resulting new construction program may have an impact on historic buildings or areas and it is likely to require archeological surveys and reviews. By timely consultation among our offices, GSA hopes to avoid delays in the award, design and construction of the valuable contracts associated with these projects.

For the last several years, GSA has provided regular briefings on its capital program to local governments and the National Capital Planning Commission. GSA is interested in further enhancing public understanding of its important program. To achieve this, we intend to provide briefings on our NCR projects to citywide planning and preservation organizations, such as the DC Preservation League and the Committee of 100. In addition, we will send copies of this letter and its enclosure to those parties who testified at the ACHP hearing January 27, 1992.

With respect to the Section 106 process, as my representatives stated at the hearing, the GSA has conducted successful consultations with the ACHP on NCR projects for more than 20 years. We look forward to continuing this working relationship.

Questions regarding the enclosed comments can be addressed by Bob Kane, Development Director for the Southeast Federal Center, at (202) 708-5704.

We look forward to continued consultation with you on our numerous other projects.

Sincerely,

(signed) Richard G. Austin

Richard G. Austin
Administrator

Enclosure

General Services Administration (GSA) Response to
Comments by the Advisory Council on Historic Preservation
on the Southeast Federal Center Master Plan

March 1992

II. FINDINGS

A. GSA's Goal at the Southeast Federal Center Is Admirable:

Thank you for your comments. GSA is very excited about and committed to this development, which can provide so many benefits for the city and for Federal agencies, as well as revive an area of historic value.

B. Demolition of Certain Structures Is Justified:

GSA agrees.

C. Building 159

o Historic Significance:

Reasonable people may disagree as to the importance of Building 159. During consultation with the SHPO and ACHP staffs, GSA submitted the draft master plan to full public disclosure and review through public hearings at the Commission of Fine Arts, the National Capital Planning Commission, and the scoping meeting for the Draft Environmental Impact Statement. At none of these public meetings was Building 159 identified as a significant resource by any party.

The Determination of Eligibility by the Keeper of the National Register of Historic Places for the Southeast Federal Center as an historic district was made chiefly because of the unique history of the site in the production of large naval ordnance. The supporting documentation contained an architectural assessment of the existing buildings and the extent to which they contributed to this specific industrial history.

Building 159 was noted as having had a high level of intrusion and loss of physical integrity in this assessment. In addition, it did not contribute to the history of large naval ordnance production.

o GSA Commitment:

We believe GSA's commitment to the historic preservation of the site is clearly demonstrated by the fact that of 14 contributing structures in the historic district, GSA's Master Plan calls for the retention of 10 (71 percent). Furthermore, retention of 9 of the 10 structures resulted in considerable sacrifice by GSA in development potential on the site.

In addition, a major theme of the Master Plan, encompassing approximately 50 percent of the site, is the creation of an Industrial Character Zone. The Industrial Character Zone demonstrates our interest in enhancing the historic character of the site by ensuring that new construction in the zone builds on the site's industrial history.

Finally, as stated in GSA's presentation, Building 160, which is of similar character to Building 159, is included in the first phase of development. It is intended to be renovated as proposed, for adaptive reuse in conjunction with neighboring new construction for housing the GSA Headquarters.

o Cost Differential:

With respect to the cost issue, the Historic Preservation Analysis and New Construction Building Program for Buildings 158, 159, 159E and 187 ("Summary of Findings" and "Financial Analysis" sections) clearly demonstrates that the alternative to demolish Building 159/159E and construct a new building at the proposed Master Plan program level is, on a life-cycle, net present value basis, less costly than the alternative to renovate Building 159 and lease the additional needed space. In fact, it is less costly by 27 percent, which by any standard can be considered "substantial".

In addition, the Annual Cost, End Valuation and Net Present Value analyses, which are used to make long-term real estate decisions, all clearly show the new construction alternative having an economic advantage over the renovation alternative by significant margins ranging from 34 to 45 percent.

All of the above information was provided to the DC SHPO and ACHP in May 1991; discussed in a meeting with their representatives August 13, 1991; addressed in a letter to the ACHP December 5, 1991 (copy to the DC SHPO); and further addressed in the ACHP public hearing on January 27, 1992.

o Satisfaction of square footage and program needs:

While Building 159 can be converted to office space, such a conversion would neither be efficient nor economical. The slab-to-slab measurement for each floor is approximately 18 to 19 feet. This is significantly greater than the usual office building slab-to-slab measurement (11 feet to 13 feet) and would result in an inefficient adaptive reuse of the building in terms of volume. This issue was previously discussed in the studies, meetings and testimony with the DC SHPO and ACHP referenced above.

Adaptive reuse to achieve Bldg. 159's maximum density (351,000 GSF) would result in a loss of 269,000 GSF of office space on development block "M". This would be a sacrifice of development potential sufficient to house approximately 1,100 Federal employees. We believe shifting this lost density to other development blocks on the site under the flexible density range provisions of the Master Plan is not an appropriate use of this feature, which is necessary to accommodate actual tenant requirements.

The target density for each block provides for the optimal distribution of density across the site in conformance with the urban planning concepts and objectives of the Master Plan. GSA as a prudent developer of the SEFC has adopted the policy objective of matching tenant requirements to target densities for each block in order best to execute the concepts inherent in the Master Plan. The flexible density provision enables us to accommodate actual agency requirements as close to the target densities as feasible.

Recapturing the lost density of 269,000 GSF elsewhere would force development to the maximum density range on a minimum of three development blocks, in order to compensate for the density lost on Block "M". This would unnecessarily compromise scale and mass concepts in the Master Plan and therefore be unacceptable to GSA.

o Concept Plans for the New Building:

No concept plans have been approved by GSA for new construction at this site, so major design issues cannot be identified now. Any renderings reviewed by the ACHP have been only preliminary, as GSA has yet to develop the design guidelines.

The design guidelines will respond to the elements of the pumping station as well as include enhancements to design proposed in the report of the design charrette conducted in the summer of 1990. As noted later in this report, the design guidelines will include requirements for new construction and renovations to be designed in accordance with the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (hereafter referred to as "Secretary's Standards and Guidelines").

In addition, the Final Master Plan and design guidelines will reflect GSA's intended revision to the footprint for the new construction planned for the southern portion of Block "M". This will enhance the vista down New Jersey Avenue to the Anacostia River.

The National Capital Planning Commission did not require full vistas down Third Street. In fact, the Commission was complimentary about GSA's plan to preserve a sense of "industrial alley" by a more narrow Third Street, as proposed in the master plan. As GSA indicated in its letter of December 5, 1991, however, it is willing to explore the opening up of views down Third Street as the site design evolves.

D. GSA's Role in Consultation Needs Close Examination:

GSA conducted its consultation in a professional manner. The fact that GSA does not agree with the SHPO and ACHP recommendations does not mean a flawed process. Despite this disagreement, the master plan and later development can comply with the "Secretary's Standards and Guidelines".

We believe that our summation of Section 106 Compliance, provided with the Administrator's letter of December 5, 1991, to the ACHP, demonstrates that GSA participated in a good faith consultation process. Not only did GSA consult through years of meetings and reviews, but we undertook several additional costly studies at the request of the SHPO and ACHP to provide more data on specific areas of evaluation.

The ACHP comments suggest that less than a full public process was followed. We believe that there was more than sufficient opportunity for historic preservation issues and public interest in the site to be heard. During the continuing consultation with the SHPO and ACHP staffs in 1989-1990, for instance, GSA submitted the draft master plan to the Commission of Fine Arts and the National Capital Planning Commission, in accordance with the formal process. At both bodies, there was full review by the staffs, followed by discussion of the project and issues at public hearings where there was opportunity for more comment. In addition, in 1991 GSA held a scoping meeting for the Draft Environmental Impact Statement. Public notice was advertised and more than 30 letters were sent to local citizens' groups to advise them of the meeting. At none of these public meetings was Building 159 identified as a significant resource.

Our assessment of the last meeting with the SHPO/ACHP staffs and subsequent correspondence to GSA was that further consultation would not be productive. Perhaps because of changes in personnel, the position of the SHPO and ACHP changed from earlier interest in retaining Building 158 to interest in retaining Building 159. Since the latter was identified as a goal for the first time in August 1991 after years of consultation, GSA believed that the only item that the staffs wanted to discuss was the retention of more buildings than GSA had proposed.

As late as January 14, 1992, the SHPO staff stated that negotiations could be continued only if GSA agreed to retain Building 159. This conversation affirmed GSA's assessment that further consultation would not be productive.

III. Recommendations

A. Reconsideration of the Demolition of Building 159:

GSA has considered these suggestions and determined that sufficient information already exists in our studies to make a reasoned decision on how to proceed. After careful consideration of all the issues we must balance in terms of future development at the SEFC, we have determined to proceed with the master plan as we proposed. GSA will not retain Building 159.

B. New Construction at the Southeast Federal Center:

o Design Guidelines for the replacement structure

As stated in documentation and testimony, GSA intends to develop design guidelines, not only for the proposed construction on Block "M", but for the site overall, and in keeping with the following:

- 1) the master plan, which identified character "zones";
- 2) the additional refinements suggested in the design charrette report; and
- 3) the "Secretary's Standards and Guidelines".

C. Site Interpretation

As stated in documentation and testimony, GSA fully intends to explore means of developing an historic interpretation area on the site, including the retention of certain industrial relics and site features, and the provision of site interpretation for the public. This concept will be more fully developed after selection of a developer manager. GSA will be coordinating with appropriate parties in this effort.

D. Archaeology

As stated in documentation and testimony, including the data recovery plan outlined in GSA's proposed Memorandum of Agreement, GSA fully intends an appropriate identification of archaeological deposits and establishment of a data recovery plan. The data recovery plan shall, of course, be consistent with the "Secretary's Standards and Guidelines".

GSA is committed to performing all relevant archeological data recovery, as already outlined in the Phase One report, prepared by Engineering Science, Inc., dated May 1991, and reviewed by both the SHPO and the ACHP.

E. Design Considerations

Design plans and specifications for reuse and rehabilitation of historic structures shall comply with the "Secretary's Standards and Guidelines". As GSA has outlined in the master plan and other materials incorporated into its Request for Proposals, we have put the development community on notice as to our intention to develop the site to enhance compatibility both with the historic structures to be retained at the Southeast Federal Center and with the Navy Yard.

F. Meaningful Compliance with Section 106:

GSA has reviewed the Section 106 process in the National Capital Region (NCR). We have identified some areas in which we believe communication among the SHPO, ACHP, and GSA can mutually be improved. For a start, NCR will be briefing the two advisory groups on our long-term capital program. This should enable all offices to plan for the expected volume of work. The Director of Planning, National Capital Region, will be contacting the above offices as well as other interested parties to initiate briefings on our major capital program.

Secondly, we are looking at means to simplify aspects of our review process to ensure that appropriate time is available for consultation on those major projects which can bring both economic and preservation benefits to this region.

G. Reporting

GSA will apprise the ACHP on historic preservation issues relating to development at the SEFC as GSA deems appropriate.