

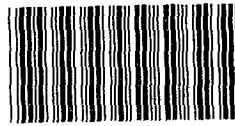


COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON DC 20548

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March 31, 1979

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The Honorable Morris K. Udall
Chairman, Committee on Interior
and Insular Affairs
House of Representatives

HSE D1900

Public Code
0551

Dear Mr. Chairman:

By letter dated February 26, 1979, you requested that we review the historic preservation program of the Pennsylvania Avenue Development Corporation (PADC), focusing on the proposed demolition of Kann's Department Store as a case in point. You asked that we determine whether applicable laws, regulations, and procedures had been followed and whether PADC had fully compared the cost of demolition to the costs of other alternatives, including long-term adaptive re-use. On March 26, 1979, we briefed your Committee, the Subcommittee on Public Lands, and the Subcommittee on National Parks and Insular Affairs on the results of our work. We were requested to provide this letter, which summarizes the information presented at that briefing, together with a chronology of certain events relating to the proposed demolition of Kann's Department Store. AC

Our review disclosed that PADC has complied with applicable laws, regulations, and procedures in its actions regarding Kann's Department Store.

With regard to the cost comparison question, the Pennsylvania Avenue Plan of 1974, which was approved by Congress on May 19, 1975, provides for a four-block "superblock" multi-use housing complex which will require the demolition of Kann's. Kann's occupies less than one-fourth of this four-block area. PADC is obligated to carry out the approved development plan pursuant to its enabling legislation (P.L. 92-578, Section 5(e)). While it is within PADC's discretionary authority to consider alternatives to the plan at any time, such as the Ridley proposal, by which the Kann buildings would be renovated and adapted to housing, any substantive changes would be required to undergo the same review and approval process as the 1974 plan. PADC considered but

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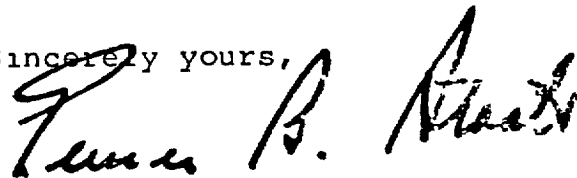
did not accept the Ridley plan because it would have necessitated a major revision of the entire "superblock" concept envisioned in the 1974 plan. It is not reasonable to compare the costs of the planned "superblock" to the costs of a limited alternative which does not take into account the related effects of the alternative on the entire "superblock" area.

PADC has no plans at the present time to propose any substantive revision to the 1974 plan regarding the disposition of the Kann properties.

Your letter also questioned the adequacy of PADC's Historic Preservation Plan. This plan, which was prepared in March 1977, was derived from the approved development plan of 1974. Because the 1974 plan had already been approved by the Congress, there was no requirement for any further approval by the Congress of the Historic Preservation Plan. Differences of opinion continue to exist between various groups and individuals as to which buildings should be preserved. These differing viewpoints reflect diverse aesthetic judgments that we are not in a position to comment on beyond noting that historic preservation considerations are provided for in the 1974 plan being followed by PADC.

An identical letter is being sent to the Chairmen of the above-named Subcommittees and to Representative Keith G. Sebelius.

Sincerely yours,



Comptroller General
of the United States

Enclosure

ENCLOSURE

ENCLOSURE

CHRONOLOGY OF CERTAIN EVENTS
RELATING TO THE PROPOSED DEMOLITION OF KANN'S

<u>Date</u>	<u>Event</u>
May 19, 1975	Pennsylvania Avenue Plan approved by Congress.
July, 1975	Kann's went out of business.
January 12, 1978	PADC purchased Kann's.
March 1, 1978	PADC began a study of the interim use alternatives for the Kann's buildings or site.
April 22, 1978	Study completed.
May 23, 1978	PADC explored interim use possibilities for the Kann's site.
June 15, 1978	Unanimous vote by PADC Board of Directors to authorize the Chairman and staff of PADC to proceed with demolition and clearance of the Kann's site.
July 25, 1978	PADC requested comments from the Advisory Council on Historic Preservation on proposed demolition.
August 14, 1978	Demolition contract awarded.
August 21, 1978	Contractor applied for a permit to demolish Kann's. D.C. Permits Branch forwarded the application to the Joint Committee on Landmarks.
August 23, 1978	Advisory Council and PADC staff members met to discuss the interim use possibilities for the site.
September 6, 1978	John Zimmerman (developer), and Richard Ridley (architectural firm) made a presentation to PADC on a proposal to convert Kann's into residential lofts.
September 21, 1978	Joint Committee on Landmarks met and recommended that the D.C. Mayor invoke a 180-day delay in Kann's demolition.

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October 2, 1978 PADC informed John Zimmerman that his proposal for converting Kann's did not conform to the 1974 plan.

October 17, 1978 PADC gave permission to D.C. to inspect Kann's in preparation for hearing.

October 19, 1978 Hearing held by D.C. Historic Preservation Officer (HPO) to consider issuance of a demolition permit.

October 20, 1978 D.C. HPO decision was issued stating that demolition of Kann's was not contrary to the public interest and that the demolition permit would be issued without invoking a delay.

November 20, 1978 PADC received Advisory Council's comments which stated their opinion that Kann's should not be demolished until new construction is scheduled to begin on the site.

December 8, 1978 PADC informed the Advisory Council that the 1974 plan and other circumstances warrant the demolition of Kann's and that PADC would consult with them on the interim use of the site.

December 8, 1978 PADC submitted a request to the D.C. HPO to have Kann's certified as not contributing to the significance of the Pennsylvania Avenue Historic District (request for decertification).

January 4, 1979 D.C. HPO agreed with PADC's request and forwarded its recommendation to the Department of the Interior.

January 22, 1979 PADC instructed the demolition contractor to remove a portion of the aluminum screen so that the facade could be inspected to determine the feasibility of using portions of it elsewhere in the project area. During the following days, a portion of the facade was removed.

February 5, 1979 Department of the Interior requested additional information from PADC on its request to have Kann's decertified.