



OFFICE OF THE
SECRETARY
2015 APR -1 PM 12:47

MURIEL BOWSER
MAYOR

APR - 1 2015

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration by the Council is a proposed resolution entitled the "965 Florida Ave, N.W., Disposition Approval Resolution of 2015."

This resolution will approve the disposition of District owned real property located at 965 Florida Ave, N.W. known as 965 Florida Ave ("Property") pursuant to D.C. Official Code §10-801. The property consists of approximately 63,418 square feet and is currently an unused parking lot with one small abandoned commercial building located on the west side.

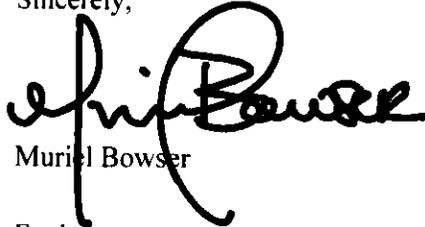
The District acquired the property as part of a swap with Howard University in 2008 for the Bond Bread Building and other parcels on Georgia Avenue. In November of 2012, Office of the Deputy Mayor for Planning and Economic Development ("DMPED") released a Request for Proposal. In July of 2013, DMPED awarded the exclusive right to negotiate to MidAtlantic Realty Partners and Ellis Development Company.

The proposed redevelopment project consists of a full-service grocery store and 352 units of residential housing. Approximately, 106 of the units will be affordable housing units. Based on the developer's estimates, the project will create 600 jobs including 330 construction jobs and 270 permanent jobs. Additionally, the developer will set up funds for local retail assistance, a small business incubator in partnership with the Howard University School of Business, and a community grant program to support job training.

The developer plans to build a publicly-accessible new street on the Bryant Street alignment that will connect Florida Avenue NW to 9th Street NW. The proposed development complies with the goals and objectives outlined in the DUKE Small Area Plan and the Comprehensive Plan.

As always, I am available to discuss any questions you may have regarding this resolution. I look forward to prompt and favorable consideration of this resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser". The signature is written in a cursive style with a large, looping initial "M".

Muriel Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

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8 A PROPOSED RESOLUTION
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12 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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16 To approve the disposition of District-owned real property located at 965 Florida
17 Avenue, N.W., also known as Lot 1102 in Square 2873, as per plat recorded in the
18 Office of the Surveyor for the District of Columbia in Liber 203 at folio 112.
19

20 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That

21 this resolution may be cited as the “965 Florida Ave., N.W., Disposition Approval
22 Resolution of 2015”.

23 Sec. 2. Definitions.

24 For the purposes of this resolution, the term:

25 (1) “CBE Agreement” means an agreement governing certain obligations of
26 the Purchaser or the Developer under the Small, Local, and Disadvantaged Business
27 Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C.
28 Law 16-33; D.C. Official Code § 2-218.01 *et seq.*) (“CBE Act”), including the equity and
29 development participation requirements set forth in section 2349a of the CBE Act (D.C.
30 Official Code § 2-218.49a).

31 (2) “Certified Business Enterprise” means a business enterprise or joint
32 venture certified pursuant to the Small, Local and Disadvantaged Business Enterprise

1 Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33;
2 D.C. Official Code § 2-218.01 *et seq.*).

3 (3) “First Source Agreement” means an agreement with the District governing
4 certain obligations of the Purchaser or the Developer pursuant to section 4 of the First
5 Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93;
6 D.C. Official Code § 2-219.03), and Mayor’s Order 83-265 (November 9, 1983)
7 regarding job creation and employment generated as a result of the construction on the
8 Property.

9 (4) “Property” means the real property located at 965 Florida Ave. N.W.,
10 known as Lot 1102 in Square 2873, as per plat recorded in the Office of the Surveyor for
11 the District of Columbia in Liber 203 at folio 112.

12 (5) “Purchaser” means the Developer, its successor, or one of its affiliates or
13 assignees approved by the Mayor.

14 Sec. 3. Findings.

15 (a) The Developer of the Property shall be Sherman Avenue LLC, with a
16 business address c/o MRP Realty, 3050 K Street, N.W., Suite 125, Washington D.C.
17 20007 (the “Developer”).

18 (b) The Property is located at 965 Florida Ave., N.W., and consists of an,
19 approximately 1.45 acre parcel of land in the Shaw/Cardozo neighborhood of Ward 1
20 currently serving as an unused parking lot and contains one small abandoned building.

21 (c) The intended use of the Property (the “Project”) is a mixed-use
22 development providing for affordable housing, residential market rate housing,

1 commercial, retail, and any ancillary uses allowed under applicable law, and as further
2 described in the term sheet submitted with this resolution.

3 (d) The Purchaser will comply with the requirements of 10-801(a-3) and the
4 “Disposition of District Land for Affordable Housing Amendment Act of 2013” D.C.
5 Act 20-485 (November 27, 2014) dedicating 30 percent of all multi-family units as
6 affordable housing units.

7 (e) The Purchaser will enter into an agreement that shall require Developer to,
8 at a minimum, contract with Certified Business Enterprises for at least 35% of the
9 contract dollar volume of the Project, and shall require in accordance with D.C. Official
10 Code § 2-218.49a at least 20% of the equity and 20% development participation of
11 Certified Business Enterprises.

12 (f) The Purchaser will enter into a First Source Agreement with the District
13 that shall govern certain obligations of the Developer pursuant to D.C. Official Code § 2-
14 219.03 and Mayor’s Order 83-265 (November 9, 1983) regarding job creation and
15 employment as a result of the construction on the Property.

16 (g) Pursuant to An Act Authorizing the sale of certain real estate in the
17 District of Columbia no longer required for public purposes (“Act”), approved August 5,
18 1939 (53 Stat. 1211; D.C. Official Code § 10-801 *et seq.*), the proposed method of
19 disposition is a public or private sale to the bidder providing the most benefit to the
20 District under D.C. Code § 10-801(b)(8)(F).

21 (h) All documents that are submitted with this resolution pursuant to D.C.
22 Official Code § 10-801(b-1) shall be consistent with the executed Memorandum of

1 Understanding or term sheet transmitted to the Council pursuant to D.C. Official Code §
2 10-801(b-1)(2).

3 Sec. 4. Approval of disposition.

4 (a) Pursuant to the Act the Mayor transmitted to the Council a request for
5 approval of the disposition of the Property to the Purchaser.

6 (b) The Council approves the disposition of the Property.

7 Sec. 5. Fiscal impact statement.

8 The Council adopts the fiscal impact statement in the committee report as the
9 fiscal impact statement required by section 602 (c)(3) of the District of Columbia Home
10 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02
11 (c)(3)).

12 Sec. 6. Transmittal of resolution.

13 The Secretary to the Council shall transmit a copy of this resolution, upon its
14 adoption, to the Mayor.

15 Sec. 6. Effective date.

16 This resolution shall take effect immediately.

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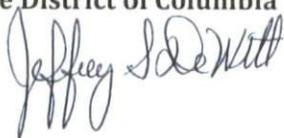
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: March 20, 2015

SUBJECT: Fiscal Impact Statement – 965 Florida Ave, N.W., Disposition Approval Resolution of 2015

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on March 16, 2015

Conclusion

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the resolution.

Disposition of the property will reduce District assets by \$17,122,860.¹ However, those assets are not included in the District's budget and financial plan and the reduction has no impact. The District will receive \$1.4 million as a result of this disposition, but up to \$1 million of that will offset environmental remediation by the developer.

Background

The proposed resolution approves the disposition of the property located at 965 Florida Avenue, N.W.² to Sherman Avenue LLC through a Land Disposition Agreement (LDA). The property is located mid-block and is bounded by Florida Avenue, N.W. and Sherman Avenue, N.W. on the west and 9th Street, N.W. on the east. An unused parking lot and an abandoned commercial building currently occupy the property. This property is being declared as surplus through a separate resolution.

The LDA requires Sherman LLC to pay \$1.4 million for the property, which will be developed as a mixed-use residential and retail project. The planned project consists of over 350 rental units (30

¹ 2016 assessed property value.

² Known for tax purposes as Square 2873, Lot 1102.

The Honorable Phil Mendelson

FIS: "965 Florida Ave, N.W., Disposition Approval Resolution of 2015," Draft committee print as shared with the Office of Revenue Analysis on March 16, 2015

percent will be affordable³) and a market or grocery store. \$1 million of the purchase price will be held in escrow and drawn upon by the developer to offset environmental remediation costs.

In addition to the land transaction and development project, Sherman Avenue LLC will be responsible for over \$460,000 in community benefits to include cash for a Community Grant Program⁴ and rent subsidies for a Local Retailers Assistance Program⁵ and a Business Incubator Program.⁶ If the community benefits costs are greater than expected,⁷ the developer will cover the first \$100,000 increase, the District will cover the next \$150,000 increase, and the developer will cover anything beyond that. Lastly, Sherman Avenue LLC will establish a new roadway connecting Sherman Avenue, N.W. and 9th Street, N.W. The roadway will be open to the public, but will be privately owned.

Additional provisions in the resolution require the developer to enter into a First Source Agreement⁸ with the District, and contract with Certified Business Enterprises for at least 35 percent of the contract dollar volume of the project, 20 percent of the equity participation, and 20 percent of the development participation.⁹

Financial Plan Impact

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the resolution. The \$17.1 million value of the property will not impact the District's budget or financial plan because assets are not included in those plans.

The District will receive \$1.4 million in cash considerations. However, after draws by the developer to offset unknown environmental remediation costs, the actual cash received by the District could be less. At a minimum, the District's general fund will receive \$400,000. Additionally, the District could be responsible for up to \$150,000 in costs not presently budgeted.

³ 79 units will be affordable to 50 percent of the Washington, D.C. metropolitan area median income level and 26 will be affordable to 30 percent of the same area median income level.

⁴ Program established by the developer to support non-profit organizations that provide employment training and job preparations skills and services to District residents and provides youth enrichment or development programs.

⁵ Program established by the developer support the operation of a local, small, or minority-owned retail business within one mile of the project.

⁶ Program established by the developer in conjunction with a higher education organization to provide support services for business students to create and implement business plans.

⁷ After the planned unit development application is approved by the District.

⁸ Pursuant to D.C. Official Code § 2-219.03.

⁹ Pursuant to D.C. Official Code § 2-218.49a.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



Legal Counsel Division



MEMORANDUM

TO: Lolita S. Alston
Director
Office of Legislative Support

FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: March 19, 2015

SUBJECT: 965 Florida Ave., N.W., Disposition Approval Resolution of 2015
(AE-15-155B)

This is to Certify that this Office has reviewed the resolution entitled the "965 Florida Ave., N.W., Disposition Approval Resolution of 2015" and found it to be legally unobjectionable. If you have any questions, please do not hesitate to call me at 724-5524.



Janet M. Robins