APPENDIX C | LETTER OF INTENT

Disposition of the

(description)

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| **Lessor/Seller** | Government of the District of Columbia, acting by and through the Office of the Deputy Mayor for Planning and Economic Development (”**DMPED**”)) |
| **Lessee/Purchaser/Developer** | Entity Name: (“Developer”) |
| **Description of Real Property** | The parcel of land known for tax and assessment purposes as Lot(s) in Square (the  “**Development Parcel**”). |
| **Description of Development Plan** | Developer proposes to develop the Development Parcel pursuant to the following Development Plan:  (The visual representation and any narrative that together represent the concept design proposed is deemed to be incorporated herein and made a part hereof.) |
| **Disposition Structure** | Developer agrees that (a) for any portion of the Development Parcel on which a rental product is proposed, the conveyance of such portion shall be via ground lease and (b) for any portion of the Development Parcel on which a for-sale product is proposed, the conveyance of such portion shall be in fee simple via quitclaim deed.  If a portion of the Development Parcel shall be conveyed in fee simple, such portion is identified as the following:  If a portion of the Development Parcel shall be conveyed via ground lease, such portion is identified as the following: |
| **Disposition Timeline** | Developer agrees that its disposition timeline shall be consistent with D.C. Official Code [§10-801(d)](https://code.dccouncil.gov/us/dc/council/code/sections/10-801) and closing shall occur within two years of the Council of the District of Columbia’s authorization of the disposition. |
| **Project Deposit** | Upon execution of a Land Disposition and Development Agreement (“**LDDA**”), Developer shall  deliver to DMPED a letter of credit in a form acceptable to DMPED in the amount of  $ (the “**Project Deposit**”). The Project Deposit is not a payment on account of, and shall not be credited against, the purchase price or ground rent. Rather, the Project Deposit shall be held by DMPED to be used as security to ensure Developer’s compliance with the LDDA and may be drawn on by DMPED in accordance with the terms of the LDDA. |

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| **Purchase Price**  **(If fee simple acquisition)** | Developer shall pay to DMPED $ for fee simple conveyance of all or a portion of the Development Parcel at closing. |
| **Annual Base Rent (If ground lease)** | Developer shall pay to DMPED $ in annual base rent for a ground lease conveyance of all or a portion of the Development Parcel. |
| **Rent Payment Terms (If ground lease)** | Rent payments shall commence at closing. |
| **Annual Base Rent Escalation (If ground lease)** | Annual base rent shall increase pursuant to the following schedule during the term of the ground lease: |
| **Fair Market Value (FMV) Annual Ground Rent Recalculations** | Annual base rent shall be recalculated beginning on the 15th lease year and continuing every 10th anniversary thereafter during the term of the ground lease. Each recalculation shall be based on the then-current fair market value of the Development Parcel, determined by appraisal, which shall be equal to the product of (i) 100% of the appraised value, determined as if the Development Parcel were (1) encumbered by the ground lease, (2) as improved by any improvements, and (3) to be used for the actual uses in place (provided that such uses comply with the permitted uses under the ground lease), multiplied by (ii) [enter a market rent factor]. |
| **Development and Operational Costs** | Developer shall be solely responsible for the costs of predevelopment, development, redevelopment, remediation, and future operation of the Development Parcel. Developer shall be solely responsible for the payment of all utilities, permit fees, assessments, and taxes relating to the Development Parcel, including, if applicable, possessory interest tax assessed under D.C. Official Code [§47-](https://code.dccouncil.gov/us/dc/council/code/sections/47-1005.01) [1005.01.](https://code.dccouncil.gov/us/dc/council/code/sections/47-1005.01) |
| **Conditions of Closing** | In addition to the other DMPED standard conditions of Closing, DMPED’s obligation to convey the Development Parcel via quitclaim deed, ground lease, or combination thereof is conditioned upon:   * DMPED’s approval of Developer’s design for the project as reflected in the construction documents (CDs); * DMPED’s approval of Developer’s budget, and project financing plan; * Developer obtaining financing and equity to fund 100% of the development; * Developer providing DMPED development and completion guaranties to the DMPED’s satisfaction; * Developer providing DMPED with payment and performance bonds in an amount equal to the total cost of construction of the project; * Developer having received all necessary zoning approvals, or any zoning relief deemed necessary to accomplish the project; and * Developer having received all necessary permits (including the building permit) and other approvals required for commencing construction of the project. |

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| **Developer Financing** | Developer shall be responsible for obtaining financing and equity to fund 100% of the project. DMPED shall not be obligated to extend any loan to Developer or grant any funds to Developer in connection with the financing of the project by Developer, and DMPED shall incur no liability whatsoever should Developer fail to obtain or close on financing for the Project. |
| **Project Budget** | Developer agrees that its submission related to Part 8: Project Development and Operating Pro Forma of its proposal is consistent with developing the Development Parcel with the Development Plan and is deemed to be incorporated herein and made a part hereof. |
| **Affordable Housing** | In the event the Development Parcel is being developed to include a residential component, Developer shall comply with the requirements of the Inclusionary Zoning program, D.C. Official Code  [§10-801,](https://code.dccouncil.gov/us/dc/council/code/sections/10-801) and, if applicable, D.C. Official Code [§2–1226.02,](https://code.dccouncil.gov/us/dc/council/code/sections/2-1226.02) and DMPED’s Affordable Housing  Covenant (the “**ADU Covenant**”) shall be recorded on the Development Parcel at closing. Under  [§10-801,](https://code.dccouncil.gov/us/dc/council/code/sections/10-801) the term of affordability shall be in perpetuity in the case of a fee simple transfer or for the term of the ground lease in the case of a long-term ground lease transfer. Further, affordable units that are offered in addition to those required under the aforementioned laws shall also be subject to the ADU Covenant for the same affordability term, unless additional business terms are attached hereto and accepted by DMPED. |
| **Green Building Requirements** | Developer shall construct the project improvements in accordance with all applicable federal or District laws, statutes, ordinances, rules, and regulations, including but not limited to, the *Green Building Act of 2006*, D.C. Official Code [§6-1451.01,](https://code.dccouncil.gov/us/dc/council/code/sections/6-1451.01) et seq., DC’s Stormwater Management Program stated in 21 DCMR, Chapter 5, and, if applicable, D.C. Official Code §2-1226.31 through  §2-1226.41, and any regulations promulgated thereunder.  In addition, the LEED/EGC checklist indicating that the project improvements will achieve LEED/EGC at the appropriate certification level per the requirements of the Green Building Act and/or Developer’s commitment to exceed such requirements included in Developer’s proposal is deemed to be incorporated herein and made a part hereof.  Developer proposes to deliver a project with the following sustainability considerations/green building level: |
| **Design Review** | Developer shall submit to DMPED for review and approval project plans, documents, and drawings related to the design, development, and construction of the improvements on the Development Parcel to ensure the quality and compatibility of the proposed improvements with the Development Plan and the project concept proposed by Developer. |
| **Post-Closing Requirements** | Developer shall be bound by the requirements of a Construction and Use Covenant, ADU Covenant, Guaranty, and Ground Lease and/or Quitclaim Deed (as applicable) to be attached to the LDDA. |

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| **Disclosures** | Developer shall irrevocably consent to provide DMPED with any and all financial and other submissions provided to prospective and actual lenders and equity providers related to the project and shall provide DMPED with documentation evidencing the actual total development costs incurred to develop the Development Parcel as a condition of receiving the certificate of final completion. |

Respondent proposes additional minimum business terms: (yes) or (no). If yes, the attached additional minimum business terms are incorporated herein and made a part hereof.

Respondent hereby acknowledges its agreement to be bound to the provisions of this Letter of Intent in the event Respondent is selected to negotiate for the disposition and development of the Development Parcel. The terms of the disposition shall be consistent with the terms of this Letter of Intent unless DMPED otherwise agrees in writing, in its sole and absolute discretion.

RESPONDENT:

(entity name)

By:

Name:

Title: