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OFFICE OF THE
SECRETARY

VINCENT C. GRAY
MAYOR

JUN 13 2014

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 "5201 Hayes Street, N.E., Surplus Declaration and Approval Resolution of 2014".

This resolution will declare District owned real property located at 5201 Hayes Street, N.E. in Ward 7 (the "Property") as no longer required for public purposes, pursuant to D.C. Official Code §10-801.


The Property is an approximately 93,540 square feet parcel in the Deanwood neighborhood of Ward 7 that was formerly a privately owned trash transfer station. The District acquired the property in 2008 for the purpose of redeveloping the Property to provide housing in connection with the Lincoln Heights/Richardson Dwelling New Communities Plan.

As required by law, a public meeting was held in the community on March 19, 2013 at the HD Woodson High School to receive public comment on the proposed surplus of the Property. The affected ANC, ANC-7C, was provided advanced written notice on February 8th, 2013 and notice of the public meeting was published in the District of Columbia Register on March 1, 2014. Approval of this resolution will declare the Property surplus and allow for the disposition to a private developer for the redevelopment of the site.

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,

Vincent C. Gray


Chairman Phil Mendelson
at the request of the Mayor

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare and approve as surplus the District-owned real property located at 5201 Hayes Street, N.E., known for tax and assessment purposes as Lot 0809 in Square 5197.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That
this resolution may be cited as the “5201 Hayes Street, N.E.. Surplus Declaration and Approval Resolution of 2014”.

Sec. 2. Findings.

(a) The Property is located at 5201 Hayes Street, N.E., known for tax and assessment purposes as Lots 0809, in Square 5197 (the “Property” or “5201 Hayes N.E.”), and consists of approximately 93,540 square feet of land.

(b) The Property is no longer required for public purposes because the Property’s condition cannot viably accommodate a District agency use or other public use without cost prohibitive new construction. The most pragmatic solution for reactivating this space is to declare the Property surplus and dispose of the Property for redevelopment.

(c) Pursuant to An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes (“Act”), approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 *et seq.*), D.C. Official Code 10-801 (a-

1 1)(4), a public hearing was held on March 19, 2013, at the HD Woodson Senior High
2 School located at 540 55th Street, N.E., regarding the finding that the Property is no
3 longer required for public purposes.

4 Sec. 3. Pursuant to D.C. Official Code §10-801 (a-1), the Council determines that
5 the Property is no longer required for public purposes.

6 Sec. 4. Fiscal impact statement.

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

10 Sec. 5. Transmittal of resolution.

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

13 Sec. 6. Effective date.

14 This resolution shall take effect immediately.

SURPLUS ANALYSIS

Project Name: 5201 Hayes Street, NE
Property Description: Lot 0809, in Square 5197; 5201 Hayes Street, NE (the "Property")
Size of Property: 93,540 Square Feet
Zoning of Property: C-M-1
Ward: Ward 7
Proposed Purchaser: Pennrose Properties, LLC and the Warrenton Group, LLC

- 1. History of Parcel: description of parcel (including approximate square footage, description of any structure/improvements on the parcel and whether such structure/improvements are historically landmarked, and any available parking on and off the parcel), how and when the District acquired this property; the terms of the acquisition; a description of the property's former and current use; and, if the improvements are occupied.**

The Property is located within both the Lincoln Heights/Richardson Dwellings (LH/RD) New Communities Area and the Deanwood community, close to the intersection of Nannie Helen Burroughs Avenue and Division Avenue, NE. The Property is bounded by Hayes Street, NE to the north, 51st Street, NE and Grant Nursing Home to the west; Missionary Baptist Church (Rev. Young's Church) and Nannie Helen Burroughs Avenue to the south; and a parking lot and Division Avenue to the east.

The Property is 93,540 square feet (approximately 2.1 acres) and formerly contained a one-story vacant warehouse. The Property was used as a privately-owned trash transfer station for the previous 15 years. In 2008, the District purchased the Property for redevelopment purposes in order for replacement and new affordable units to be created in connection with the LH/RD New Communities Plan.

- 2. Describe the surrounding neighborhood, including the following information: What does the neighborhood offer in terms of housing, shopping, recreation, and commercial space?**

The Deanwood neighborhood is one of the District's oldest and most distinctive communities. Deanwood's low density, small wood-frame and brick homes, and dense tree cover give it a small-town character that is unique in the District of Columbia. Much of its housing stock dates from the early 20th century. Several well-known African-American architects, including W. Sidney Pittman and Howard D. Woodson, and many skilled local craftsmen designed and built many of its homes. The neighborhood was once home to Nannie Helen Burroughs, an early civil rights leader and the founder of the National Training School for Women and Girls, an independent boarding school for African-American girls founded in 1909 and located on 50th Street, NE. Marvin Gaye was also born and raised in this neighborhood. From 1921 to 1940, Deanwood was also home to Suburban Gardens (50th and Hayes NE), a black-owned amusement park that served thousands of African-American residents during a time of racial segregation. The neighborhood is served by the Deanwood Metro station, which is reachable off of the Orange Line.

Deanwood's parks and biking trails are integral parts of the low-density area. Marvin Gaye Park offers a place to enjoy a picnic lunch or follow a bike trail. The Kenilworth Aquatic Gardens are located further west and comprise of 56 acres of tidal marsh and ponds on the Anacostia River.

The District created a development plan that sought to strengthen Deanwood and its rich history but to also encourage new mixed use and mixed income development in strategic locations that would attract jobs and create a safe and pedestrian-friendly environment. In conjunction with the DC Office of Planning and the Great Street Initiative a vision for the Deanwood area in the form of the Deanwood/Great Streets Strategic Development Plan was adopted by Council in 2008. The plan provided a clear and concise outline for how development can and should happen in the Deanwood neighborhood.

Through community engagement and analysis this development plan identified seven topic goals in shaping the recommendations and implementation strategy. These topics include:

- LIVE: Place a priority on affordable development of housing for ownership and rental opportunities while focusing on quality of materials and design
- WORK: Attract business in the commercial areas that support family-wage incomes including the growth of entrepreneurial businesses and the creation of business incubator space
- PLAY: Provide for access to recreational and open space facilities within an easy walk for all residences.
- CONNECT: Maximize accessibility to jobs and services by providing convenient and reliable multi-modal transportation options
- WORSHIP: Encourage institutional stewardship of neighborhood revitalization projects for community related uses
- LEARN: Promote self-sustaining community with educational activities and services for all generations
- SHOP: Provide for daily shopping needs within an easy walk of all residents, encouraging mixed-use development in the commercial corridors

In Deanwood there has been great progress. One of the largest and most impactful programs is the restoration of Watts Branch Creek. The restoration has both enlivened the natural environment and encouraged residents and visitors to spend more time in the renovated Marvin Gaye Park.

Pepco and WASA infrastructure improvement projects are currently taking place while the Great Streets Initiative is funding improvements above ground that will start soon after these projects are completed. Additionally, the Great Streets Initiative improvements are continuing on Nannie Helen Burroughs Avenue (NHB). The upgrades will improve the pedestrian experience with improved sidewalks and Washington streetlights.

In February of 2012, ground was broken at 4800 Nannie Helen Burroughs initiating the start of a 89,000-square-foot development that includes housing, retail, an adult education and fitness center, more than 3,400 square feet of office space and replacement units for former residents of the Lincoln Heights housing development.

There are a number of recreation centers in the surrounding area. The largest is the Deanwood Recreation Center and Library at 1350 49th Street, NE, a state-of-the-art \$32 million, 63,000 square foot facility that boasts a leisure swimming pool complete with the District's first ever water slide, locker rooms, a gymnasium, a full service kitchen, a game room, a senior services area, a music studio, a fitness center, multi-purpose rooms, and a 7,500 square foot library with 20 computers, space for children's activities, space for teens to study and capacity for 25,000 books.

Public schools are also nearby including the Charles H. Houston Elementary at 1100 50th Place NE, the Ron Brown Middle School, and Woodson Academy at the Ron Brown Middle School, both at 4800 Meade Street NE.

3. No Necessary District Use. (D.C. Code § 10-801(a-1)(2)(A).

a. Please describe allowable future uses for the subject property.

Given the determinations under the Deanwood/Great Streets Strategic Development Plan and the LH/RD New Communities Revitalization Plan, DMPED concluded that the property can serve as an important catalyst for redevelopment in Deanwood while also serving as a housing site that can help meet the affordable replacement housing needs under the New Communities Initiative.

b. How were other District facility needs considered? Please explain if the Property has any viable District use or why the Property has no viable use by the District, including the process for making the determination not to implement the viable District use or that the Property has no viable use by the District.

The Property was privately owned and previously utilized as a trash transfer station, which the community considered highly undesirable, for the previous 15 years prior to acquisition by the District. The Property contained a one-story vacant warehouse, but was demolished soon after acquisition because the structures were not structurally sound. In 2008, the District acquired the Property specifically to provide both off-site replacement and new affordable units for LH/RD residents under the New Communities Initiative, given its size and proximity to the LH/RD community.

Why determination that the real property is no longer required for public purposes is in the best interest of the District. DC Code § 10-801(a-1)(2)(B).

c. Please describe most viable and reasonable future use(s) for the subject property.

Given the determinations under Deanwood/Great Streets Strategic Development Plan and the LH/RD New Communities Revitalization Plan, DMPED concluded that the property can serve as an important catalyst for redevelopment in Deanwood while also serving as a housing site that can help meet the affordable replacement housing needs under the New Communities Initiative,.

- a. Please describe what potential uses of the Property would be in the best interest of the District (economic, social, educational, provision of affordable housing potential).***

Deanwood, an area that has not seen significant renewal of its housing stock in many decades, would benefit from a new mixed-income residential development that includes affordable housing.

4. Public Outreach and Comment. DC Code § 10-801(a-1)(2)(C).

- a. What specific outreach was done to solicit community input on the proposed surplusing and disposing of the current property, including any outreach conducted in addition to the public hearing required under DC Code § 10-801(a-1)(2)(C).***

A public meeting to solicit community input on the proposed surplusing of the Property was held on March 19, 2013 at the HD Woodson School. The affected ANC, ANC7C01, was provided advanced written notice on February 8, 2013 and notice of the public meeting was published in the District of Columbia Register on March 1, 2013.

b. Summary of Public Hearing on Surplus

Meeting Date and Location:

Property: Square: 5197 Lot: 0809 at 5201 Hayes Street, SE
Date: March 19, 2013
Time: 6:30 p.m.
Location: HD Woodson High School
540 55th Street, N.E.
Washington, DC 20019

Approximate Number of Attendees:

2 members of the development team and 8 Community attendees, including 4 ANC Commissioners: Walter Garcia (ANC 7C04); Greg Stewart (ANC7C02); Antoine Holmes (ANC7C07); Patricia Malloy (ANC7C01).

Summary of Public Comments:

Commissioner Walter Garcia (ANC7C04) expressed concerns about the redevelopment. He felt that a public space and a playground is a better use. When asked about Woodson, he indicated that the community can't always use the facilities at Woodson because they are frequently locked. He then asked about

whether, if the project was being developed by a private developer, was the District giving or selling the land.

Commissioner Greg Stewart (ANC7C02) expressed that he was open to options and wanted to know more. He was interested in the possibility of a small hospital use here.

Andre Byers, the District's representative, then describes the proposed development and how it fits within the New Communities Initiative and the proposed financing structure.

Commissioner Garcia asks about retail and whether the proposed redevelopment will spur development on Division and Nannie Helen Burroughs. He then asks about Lincoln Heights residents and whether they have to qualify somehow to live at 5201 Hayes once it is built. He is also concerned about this project becoming Potomac Gardens with fenced in spaces.

Commissioner Antoine Holmes (ANC 7C07) expressed concern over whether project will be well integrated into the community. He stated that it takes away from the look and feel of a community otherwise. He wants retail and increased density as well as increased income levels to attract diverse retail options. Commissioner Holmes also prefers that the District, when considering surplus property, first consider redeveloping smaller parcels that can accommodate housing.

Commissioner Stewart would like District to consider replacement housing for seniors instead of replacement units for Lincoln Heights/Richardson Dwelling residents. Seniors who are homeowners are having difficulty going up and down stairs. He also expressed concern that something other than residential is needed to support what is coming to the neighborhood, including a small medical center.

Commissioner Patricia Malloy (ANC7C01) expressed concern about the comments at the meeting. She stated that substantial work has already occurred and funds expended. The redevelopment was known and supported by the community. She also expressed concern about the dissemination of the meeting to residents located within the vicinity of the site because she does not want people excluded.

J.R. Myers (resident) asks whether the Commissioner would like to see a park or housing at the site. Commissioner Malloy responds that she would like to see housing and then she asked about what had changed with the plan that the community had already agreed they liked.

Warren Williams (development team) said that the plan has not deviated from what was discussed with the community. He stated that the original plan was seven stories, but after working with the community and Commissioner Malloy, it is now four stories. In addition, the development team will have to go to the community for their feedback during the PUD process.

Commissioner Holmes says we have to make sure that the citizens are aware of what is proposed. Commissioner Garcia concurs and says he wants to make sure the ANCs know about the development.

Commissioner Malloy says that the community needs to see drawings and that it has been such a long time that it is time for the property to be disposed. In addition, she adds that there is a paper alley that used to be cleaned up and now there are illegal activities happening at the site. There is a hole in the fence where people are entering.


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



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: June 6, 2014

SUBJECT: Fiscal Impact Statement – “5201 Hayes Street, N.E., Surplus Declaration and Approval Resolution of 2014”

REFERENCE: Draft Resolution provided to the Office of Revenue Analysis on May 9, 2014

Conclusion

Funds are sufficient in the proposed FY 2014 supplemental budget and the proposed FY 2015 through FY 2018 budget and financial plan to implement the resolution.

Background

The resolution declares as surplus the District-owned property located at 5201 Hayes Street, N.E. and known for tax and assessment purposes as Lot 809 in Square 5197. The property is currently vacant. The resolution declares that the property is no longer required for public purposes, and that it cannot be used by a District agency without significant rehabilitation costs. The Mayor intends to dispose of the property to Pennrose Properties to construct housing, subject to Council approval through a separate resolution.

Financial Plan Impact

Funds are sufficient in the proposed FY 2014 supplemental budget and the proposed FY 2015 through FY 2018 budget and financial plan to implement the resolution. Declaring the property as surplus has no impact on the District’s budget and financial plan.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**



Legal Counsel Division

MEMORANDUM

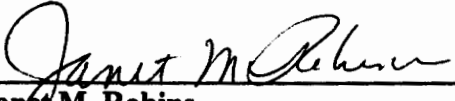
**TO: Lolita S. Alston
Director
Office of Legislative Support**

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

DATE: April 25, 2013

**SUBJECT: 5201 Hayes Street, N.E. Surplus Declaration and Disposition Approval
Resolutions of 2014
(AE-13-292B)**

This is to Certify that this Office has reviewed the legislation entitled the "5201 Hayes Street, N.E. Surplus Declaration and Approval Resolution of 2014" and the "5201 Hayes Street, N.E. Disposition Approval Resolution of 2014" and found them to be legally unobjectionable. If you have any questions, please do not hesitate to call me at 724-5524.



Janet M. Robins