

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100284	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Extend Agreement Negotiation Period for Shaw-FL Av

PURPOSE:

Approve a 120-day extension for negotiating a revised term sheet for the Shaw-Howard University/Florida Avenue parcels.

DESCRIPTION:

On June 26, 2008, the Board selected a development team and approved a term sheet for the Shaw-Howard University/Florida Avenue property, which consists of three parcels totaling 28,892 sf located between 7th and 9th Streets NW in Washington, DC. The development team was composed of Banneker Ventures, LLC; District Development Group, LLC; and Metropolis Development Company, LLC. It proposed to develop a minimum of 104 housing units over ground floor retail of approximately 11,750 sf under a 60-year lease.

In its approval, the Board directed that the final agreement include an affordable housing component. It further directed staff to provide documentation to the Board clarifying the roles and responsibilities of the members of the development team.

Following term sheet and Developer approval, staff prepared a draft development agreement, which was provided to the Developer. The Developer has:

- A. Requested a revised business deal reflecting the inclusion of affordable housing. The rent would be substantially reduced from that agreed to at term sheet approval.
- B. Lost at least one member of the development team, Metropolis Development Company, which provided the construction and development expertise needed for the proposed project. Banneker, the lead member of the development team, has not yet provided documentation on a suitable replacement and its roles and responsibilities on the team.
- C. Requested a 99-year lease instead of a 60-year lease.

The extension being requested is expected to provide enough time for resolution of the items noted above.

FUNDING IMPACT:

This action will have no immediate impact on funding although a reduction in land value for affordable housing from that agreed to at term sheet stage will have an impact that will be presented to the Board upon negotiation of a joint development agreement. Revenue from the project will be deposited into the Transit Infrastructure Investment Fund (TIIF).

RECOMMENDATION:

Approval of a 120-day extension for negotiating a revised term sheet for the Shaw-Howard University/Florida Avenue parcels. A negotiated agreement will be brought to the Board for approval.