

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100426	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Extend Negotiating Period for Shaw-Howard U/FL Ave

PURPOSE:

Extend the negotiating period for the Shaw-Howard U./Florida Avenue joint development site by 120 days, from August 2009, to allow negotiation of a term sheet and joint development agreement to be brought to the Board in December 2009.

DESCRIPTION:

In April 2009, the Board approved a 120-day period to renegotiate a term sheet for the Shaw-Howard U./Florida Avenue joint development site, which consists of three separate parcels totaling 28,892 sf located between 7th and 9th streets NW in Washington, DC. The development team, led by Banneker Ventures, LLC, proposed to lease the site from Metro for 60 years and build a minimum of 104 housing units over ground floor retail space of approximately 11,750 sf.

Upon approving the development team in June 2008, the Board requested that an affordable housing component be included in the project. The development team then amended its financial offer to Metro to include a substantial reduction in rent to reflect its affordable housing component.

The extension approved in April 2009 was to allow for conclusion of term sheet negotiations that would take into account the affordable housing in the project; however, upon review, it became clear that it was also necessary to update the August 2007 third party appraisal for the site to meet Federal Transit Administration requirements for timeliness. The updated appraisal will reflect new District of Columbia mandatory Inclusionary Zoning regulations for affordable housing scheduled to take effect in mid-August 2009 and examine the validity of the developer's recent assertion that the maximum number of housing units that can be accommodated on the site is less than the previously proposed 104.

An appraiser has been engaged, but will not complete its assignment in time for conclusion of term sheet negotiations and a Board decision in September 2009. Accordingly, and in light of the fact that the development team and staff have been reviewing a draft joint development agreement, staff proposes instead to conclude negotiations on the term sheet and joint development agreement and bring both to the Board for its consideration in December 2009.

FUNDING IMPACT:

This action will have no immediate impact on funding. Revenue from the project will be deposited into the Transit Infrastructure Investment Fund (TIIF).

RECOMMENDATION:

Extend the negotiation period for the Shaw-Howard U./Florida Avenue joint development site by 120 days to allow a proposed term sheet and joint development agreement to be brought to the Board in December 2009.