

GOVERNMENT OF THE DISTRICT OF COLUMBIA

+ + + + +

DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT

+ + + + +

PUBLIC HEARING

+ + + + +

WEDNESDAY  
MARCH 20, 2013

+ + + + +

The Public Hearing convened in  
Conference Room 110, 1800 Martin Luther King  
Jr. Avenue S.E., Washington, DC, at 6:30 p.m.,  
Michael P. Kelly, Director, DHCD, presiding.

PRESENT

MICHAEL P. KELLY, Director, DHCD  
DENISE M. JOHNSON, Realty Project Manager,  
DHCD  
NATHAN F. SIMMS, DHCD  
TIMOTHY CHAPMAN, Chapman Development

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

T-A-B-L-E O-F C-O-N-T-E-N-T-S

Welcome and Opening Remarks, Michael P. Kelly,  
 Director, DHCD. . . . .3

Statement by Nathan Simms, Chief Program  
 Officer, DHCD . . . . .4

Presentation by Denise Johnson, Realty Project  
 Manager, DHCD . . . . .8

Testimony:

Brenda Lee Richardson . . . . . 26

David White . . . . . 27

Greta Fuller. . . . . 29

Ronald Williams . . . . . 32

James Bunn. . . . . 36

John Muller (reading letter from Bruce  
 Holmes. . . . . 39

Arnehl Lyon . . . . . 40

Questions and Answers . . . . . 42

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 P-R-O-C-E-E-D-I-N-G-S

2 6:44 p.m.

3 DIRECTOR KELLY: Good evening  
4 everybody. Let's get rolling here. My name  
5 is Michael Kelly. I am honored to serve as  
6 the Director of Department of Housing and  
7 Community Development in the city of  
8 Washington, D.C. We are here at the Big K  
9 public hearing. It is March 20, 2013. It's  
10 6:48 p.m. We're at 1800 Martin Luther King,  
11 Jr. Ave, S.E., Washington, D.C. 20020.

12 I first of all want to thank  
13 everybody for coming out to see all these  
14 great friends and community partners. I look  
15 forward to continuing to do levelization  
16 throughout the morning throughout historic  
17 Anacostia, particularly at this incredibly  
18 symbolic and important site at the Big K.

19 Tonight is the public hearing on  
20 the disposition. I know this is a project  
21 that has had a lot of community input up to  
22 this point. As Director I commit to continued

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 community involvement every step of the way.  
2 Tonight we are going to do some updates and  
3 hear from the community about thoughts.

4 We have a format. The program  
5 manager for the Department will be walking us  
6 through the rules of engagement as well as  
7 some of the specifics about the site. I'm  
8 joined here at the head table with Denise  
9 Johnson. She works for the Department's  
10 Property Acquisition. And Mr. Timothy Chapman  
11 from Chapman Development Company who is the  
12 developer.

13 Without further ado, again, I  
14 thank everyone for coming out and look forward  
15 to engaging the public in this important  
16 review. Without further ado, Mr. Nathan  
17 Simms.

18 MR. SIMMS: Thank you, Director  
19 Kelly. Good evening everyone. Again, my name  
20 is Nathan Simms. I'm the chief program  
21 officer responsible for the programmatic  
22 oversight of the Property Acquisition and

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 Disposition Division, otherwise known as PADD,  
2 and four other divisions within the D.C.  
3 Department of Housing and Community  
4 Development.

5 PADD was established at the  
6 beginning of fiscal year 2008 and consolidates  
7 the Homestead Housing Preservation Program,  
8 the Home Again Program, and the Land and  
9 Housing Development Opportunities Program and  
10 other property acquisition and disposition  
11 functions into one division.

12 The goal of PADD is to stabilize  
13 neighborhoods by (1) decreasing the number of  
14 vacant and abandoned residential properties in  
15 the District, and (2) transforming vacant  
16 and/or deteriorated properties into home  
17 ownership or economic development  
18 opportunities for the District of Columbia  
19 residents.

20 During this evening's public  
21 hearing, DHCD will present the proposed  
22 disposition plan for the Big K Site located at

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 2228 to 2252 Martin Luther King, Jr. Ave. The  
2 lot numbers are 5802-0810, 5802-0811, 5802-  
3 0977, and 5802-0978.

4 PADD issued a solicitation for  
5 offers to the general public for the above-  
6 referenced property on June 4, 2012. The  
7 property was additionally awarded to Chapman  
8 Development, otherwise known as 2228 MLK, LLC  
9 through a competitive selection process on  
10 November 1, 2012.

11 On February 15, 2013 2228 MLK, LLC  
12 executed a Property Disposition Agreement  
13 pursuant to the requirements of the Housing  
14 Act of 2002 as amended under the D.C. official  
15 code Section 42-3171.0381.

16 The Department of Housing and  
17 Community Development is holding today's  
18 public hearing to ensure that citizens are  
19 informed about the sale of the property  
20 identified above to be named purchaser and to  
21 ensure that all citizens have the opportunity  
22 to present publicly their views concerning

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 such sale.

2 Testimony will be presented this  
3 evening on disposition process and future  
4 development plan for 2228-2252 Martin Luther  
5 King, Jr. Ave., S.E., otherwise known as the  
6 Big K Site. The public hearing notice  
7 announcement for today's hearing was published  
8 in the D.C. Register on February 15, 2013.

9 A few housekeeping items before we  
10 begin. Please make sure that all cell phones  
11 and all other electronic devices are on silent  
12 or vibrate. We ask that you please be  
13 respectful of others who are speaking and keep  
14 side conversations to a minimum.

15 Witness testimony will be limited  
16 to three minutes. We'll begin with testimony  
17 from DHCD. After DHCD's testimony, we will  
18 hear witness testimony, if any, which I'm  
19 pretty sure we will. After we've heard from  
20 all registered witnesses, we will open the  
21 floor to hear other persons who wish to  
22 provide testimony.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   We will end the evening by  
2                   responding to any questions you may have.  
3                   2228 MLK, LLC, the developer to whom the  
4                   property has been awarded, and is in  
5                   attendance, along with the DHCD is available  
6                   to respond to questions.

7                   Written statements may be  
8                   submitted this evening or until 4:45 p.m.  
9                   Wednesday, April 3, 2013, and should be  
10                  addressed to Michael P. Kelly, Director, D.C.  
11                  Department of Housing and Community  
12                  Development, attn: PADD, otherwise known as  
13                  the Property Acquisition Disposition Division,  
14                  1800 Martin Luther King, Jr. Ave., S.E., 3rd  
15                  floor, Washington, D.C. 20020.

16                  Without further ado, we'll now  
17                  start the presentation and I have the pleasure  
18                  of turning it over to Denise Johnson.

19                  MS. JOHNSON: Thank you. Good  
20                  evening everyone. I'm Denise Johnson and I'm  
21                  the property manager for Big K Site. Before  
22                  I get started with my presentation, I just

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 want to go through a couple of reminders. If  
2 you have not signed in yet, could you please  
3 make sure to sign in before you leave.

4 In terms of written testimony, as  
5 Nate mentioned, we'll accept it up until April  
6 3rd. If you come away from this meeting and  
7 decide there's something that you want to tell  
8 us, you'll have that opportunity. Or you can  
9 actually testify this evening.

10 If you do testify this evening, we  
11 ask that you limit your testimony to three  
12 minutes. We would ask that you provide your  
13 name and contact information on the witness  
14 list. Again, those are out there at the sign-  
15 in table so if you haven't signed up to be a  
16 witness but would like to, please go ahead and  
17 fill out that form.

18 In terms of questions, we are  
19 asking everyone to write down their questions  
20 this evening and pass them in. There are  
21 forms out there at the front desk. Then we'll  
22 take all of your questions and answer them as

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 we have them come in and I'll read out every  
2 question that we've got. And make sure to  
3 include your name on the question so we know  
4 who is asking the question.

5 With that, I'm going to start with  
6 our presentation this evening. I know that  
7 there have been a lot of questions swirling  
8 around the Big K and tonight I will dispel  
9 some of those questions.

10 I know that some of you think  
11 we're a little farther along than what we  
12 actually are so a lot of this conversation  
13 this evening is going to be about the process,  
14 about what has happened to date, and then  
15 what's going to happen going forward.

16 I can assure you there are going  
17 to be plenty of times for community input,  
18 continuing community input. Again, at the end  
19 of this presentation we are happy to hear your  
20 thoughts, your comments, and take your  
21 questions.

22 A couple of the things that we've

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 done already. Back in January of 2012 the  
2 Historic Preservation Review Board approved  
3 the demolition of 2228 MLK. It was a property  
4 that we had hoped to save but, unfortunately,  
5 it had fallen into such disrepair when we  
6 acquired the property that we could no longer  
7 save it.

8 In return for that, we promised  
9 the Historic Preservation Review Board that we  
10 would do several other things on the site.  
11 One of them was a significant stabilization of  
12 2234 and 2238 MLK, the other two historic  
13 houses on that site.

14 That was a significant amount of  
15 work to make sure they are going to stay  
16 standing and that they will be available to  
17 the developer to work with, or try to work  
18 with, and try to incorporate into the final  
19 development.

20 This is a little bit of our  
21 timeline. We issued the solicitation on June  
22 4, 2012. The solicitation specifically

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 referenced many of the community studies and  
2 market studies that had taken place.

3 The proposals were due on  
4 September 7th of 2012. We did quite a bit of  
5 outreach not only through our normal sources  
6 but also the deputy mayor was kind enough to  
7 add this to one of their ads. Nationally I  
8 think that's how Tim Chapman found out about  
9 this particular project.

10 We received two proposals. Even  
11 though there was a significant amount of  
12 interest through the pre-bid process, only two  
13 proposals came in. One of those proposals was  
14 non-responsive and that means that proposal  
15 was missing so much information that we  
16 decided in the end that we couldn't honestly  
17 consider that.

18 We approached our selection  
19 committee and had the selection committee make  
20 the decision to actually review the one  
21 proposal that we did get in and that was the  
22 one from Chapman Development.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   Our first selection committee  
2 meeting was September 20th. We reviewed that  
3 proposal and decided that we wanted to move  
4 forward and actually interview the developer  
5 and ask specific questions about his proposal.  
6 That interview took place on the 27th of  
7 September. Then we had a final selection  
8 committee meeting on October 26 to make our  
9 final decision.

10                   In terms of the selection process,  
11 what we reviewed and what we were evaluating  
12 our decision on were the following things:

13                   The responsiveness to commercial  
14 development. That we know that the community  
15 specifically had talked about commercial  
16 development and their interest in seeing  
17 commercial development on that site. That is  
18 how this solicitation was written.

19                   We looked at the track record of  
20 the developer. We looked at the proposed  
21 development team members. We looked at the  
22 attention that the developer gave in the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 proposal to the community engagement process.  
2 Also historic preservation. That was one of  
3 the things that the community talked about and  
4 was very concerned about.

5 Willingness to work with DHCD to  
6 apply the concept. I'll get to that in a  
7 moment, exactly what that means. Then what  
8 the developer's access was to capital and  
9 financing because, as you all know, a project  
10 won't work unless it's a feasible project and  
11 unless a bank is going to finance it. Those  
12 were the things that we took under  
13 consideration.

14 In terms of the specific proposal  
15 that we looked at and, again, I know that  
16 there have been some conversations circulating  
17 about what the proposal was. It was initially  
18 proposed to be medical office space with  
19 ground floor retail.

20 The development team consist of  
21 Chapman Development; American Management  
22 Corporation, who is a co-developer and also a

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 CBE; PGN Architects on the design side;  
2 Bozzuto Construction as the general  
3 contractor; and Bozzuto Management Company as  
4 the management company.

5 Here are some examples of  
6 Chapman's track record. In particular, we  
7 looked at historic rehabilitation. A lot of  
8 his projects have been affordable housing, one  
9 that many of you may be familiar with. It's  
10 The Grays on Pennsylvania Avenue which is both  
11 affordable housing and a grocery store. And  
12 the Lotus Apartments on Kennelworth Avenue,  
13 S.E.

14 Do we need more chairs out there  
15 in the audience? Could somebody put a few  
16 chairs out, please? Thank you.

17 The award process. This is  
18 really, really important because I think this  
19 is where some of the misperception has come  
20 from about the project. We've awarded this  
21 project conditionally and that's a little bit  
22 unusual for us to do that. But we did it for

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 a couple of reasons.

2 One, we felt that given the  
3 extensive marketing effort and the kind of  
4 response that we got that if we were  
5 comfortable with the developer and the  
6 developer's track record, we wanted to try to  
7 have an opportunity to work through this deal  
8 and see if we could come up with something  
9 that we thought worked for us and also works  
10 for the developer.

11 In particular, the thing that we  
12 weren't sure about was the medical office  
13 building concept. We knew that we were  
14 comfortable with the concept of commercial  
15 development but we know that there are a lot  
16 of other medical facilities. We weren't sure  
17 what the market was for medical office space.

18 We wanted to give the developer an  
19 opportunity to explore it, but we also said,  
20 "We want you to explore traditional commercial  
21 office space as well as other potential uses."

22 We felt the best and the most

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 objective way to do that was through a market  
2 study, an independent market study that would  
3 look at all of the potential pieces and list  
4 what is the highest and best use for this  
5 site. We know that it's an extremely  
6 important development site on MLK. It's going  
7 to be one of the first coming up.

8 DHCD wants to make sure we get it  
9 right, not only for us but especially for you,  
10 the community, because we think that it's  
11 going to be one of the catalysts that will  
12 help the future development along the  
13 corridor. So we decided to award the property  
14 conditionally to Tim Chapman based upon what  
15 this market study comes back with.

16 Then if we can agree on a revised  
17 concept, then we'll be prepared to move  
18 forward. This is really going to be a two-  
19 part process. That's what is a little bit  
20 unusual for us.

21 An award letter, a conditional  
22 award letter, was issued to Chapman

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 Development on November 1st of 2012. The  
2 reason we did that is because we are asking  
3 him to commission this market study. We  
4 wanted to give him the comfort level that we  
5 want to work with him as the selected  
6 developer. Again, assuming that we can reach  
7 a final concept that we think is appropriate  
8 for the site.

9 Typically in this process the next  
10 step is to sign a Property Disposition  
11 Agreement. This is the agreement that we had  
12 that allows the developer doing the pre-  
13 development activities. That is, to  
14 investigate the site, do things like this  
15 market study.

16 It gives the developer enough  
17 confidence that he's got to deal with the  
18 DHCD, at least a conditional one, to go out  
19 and spend that money. So this conditional PDA  
20 has been signed by the development. He has  
21 established a new entity, 2228 MLK, LLC.

22 After this hearing this

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 conditional PDA will be fully executed,  
2 meaning our director will then sign it and  
3 that will be the green light for Chapman  
4 Development to go ahead and order this market  
5 study. That's going to be the next critical  
6 step in this process. We are expecting to get  
7 those results back in 60 days from the time  
8 that he orders it.

9 After that the developer and the  
10 DHCD will look at the market study, look at  
11 those results. We are going to try to  
12 determine what the highest and best use is.  
13 I'm going to give the developer an opportunity  
14 to come back with a final concept that  
15 hopefully matches that highest and best use.

16 He'll submit that updated concept  
17 and then we are actually going to reconvene  
18 our selection committee and go through another  
19 deliberation about the market study, about the  
20 revised concept, whether it meets the terms of  
21 some of the things the community has been  
22 asking for, and whether we think that the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 product, in fact, is going to be catalytic and  
2 is the right thing for the MLK corridor.

3 In terms of finalizing this  
4 concept, if an agreement is reached and the  
5 project moves forward, then we'll go ahead and  
6 amend the Property Disposition Agreement that  
7 we currently have to reflect this new concept.  
8 If we can't reach an agreement on this final  
9 concept, then the Property Disposition  
10 Agreement will be cancelled and we'll put it  
11 back out for solicitation again.

12 Again, the way to look at this is  
13 that we have a strong proposal, strong enough  
14 that we think that we want to move forward  
15 with Mr. Chapman but we need to give him the  
16 opportunity and give us the opportunity to  
17 make sure that we have the right concept on  
18 the table.

19 We are actually going to come back  
20 into a second public hearing once we get that  
21 revised concept. That is really how this  
22 process normally goes. Normally you would be

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 here this evening hearing a presentation from  
2 the developer about the project and the  
3 specifics of the project but we don't know  
4 that yet.

5 A lot of the conversations that  
6 I've heard about going on in the community are  
7 talking about things that really we don't know  
8 the answer to that yet. Once he submits that  
9 revised concept, however, that's going to be  
10 where he will come back and do that formal  
11 presentation.

12 You'll have an opportunity to come  
13 back again. You'll have an opportunity to  
14 comment on it. We'll try to make sure that we  
15 share the results of that market study with  
16 the community as well so you are informed  
17 before you get to that meeting and you'll have  
18 a much better understanding of the decisions  
19 that are being made going forward.

20 Once that amended Property  
21 Disposition Agreement is signed by the  
22 developer, again, we won't execute it until

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 after we've had that public hearing, until  
2 you've had an opportunity to participate and  
3 provide your input.

4 At that meeting, as we mentioned,  
5 the developer will present a full proposal.  
6 He'll also be submitting a Community  
7 Engagement Plan so he'll be prepared to tell  
8 you how he is going to engage the community  
9 through the pre-development stage. He  
10 understands that your input is important and  
11 that he is going to need to do that. You'll  
12 hear of some specifics about that at that next  
13 stage.

14 Just to give you an idea of some  
15 of the things that happened during the pre-  
16 development phase he'll be doing environmental  
17 work. He'll actually be filing for permits  
18 for the project. He'll be going through the  
19 Historic Preservation Review Board review and  
20 approval.

21 Again, that is another public  
22 process where all of you would have an

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 opportunity to weigh in to say whether you  
2 like what he's proposing or not. Then his  
3 design development stage, actually designing  
4 the project.

5 The property transfer. Again,  
6 I've been hearing things. People, I think,  
7 are concerned that we are ready to transfer  
8 the property. We are not ready yet. That is  
9 not going to happen until he's gone through  
10 all of that pre-development phase until he's  
11 actually got a permit in hand.

12 Again, during that predevelopment  
13 phase there are going to be many opportunities  
14 for the community to participate and to engage  
15 in this process. It takes about 18 months to  
16 get through that process before we get to a  
17 closing.

18 The transfer of the property will  
19 not take place until we actually get to the  
20 closing. That is at least 18 months away from  
21 when that amended Property Disposition  
22 Agreement is signed. Once that property is

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 transferred to the developer and he closes on  
2 it and actually owns it, that's when the  
3 actual development starts. That's pretty much  
4 the process that we are going through here.

5 That's pretty much my  
6 presentation. That is my contact information.  
7 If anyone has specific questions that come up  
8 after you go home and think about it, feel  
9 free to call me or email me and I would be  
10 happy to answer those questions.

11 At this point I would like to go  
12 ahead and start with our testimony. Let me  
13 remind you if you do have a question or want  
14 to bring up a question, please fill out a  
15 form, hand that in and we'll read out all of  
16 the questions and respond to them after the  
17 witness testimony.

18 I'm going to ask you to come up  
19 four at a time if you could. The first four  
20 people that we want to have come up.

21 Brenda Lee Richardson.

22 Bruce Holmes. Is Bruce Holmes

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 here?

2 PARTICIPANT 1: He wanted me to  
3 read his testimony for him.

4 MS. JOHNSON: Did he sign the  
5 witness form?

6 PARTICIPANT 1: I can't tell you.

7 MS. JOHNSON: Okay.

8 PARTICIPANT 2: It could be  
9 submitted into the record as well.

10 PARTICIPANT 1: It doesn't matter  
11 to me. He just asked me to.

12 MS. JOHNSON: Would you like to  
13 read it in?

14 PARTICIPANT 1: Sure.

15 MS. JOHNSON: Okay. I'm just  
16 going to ask you to sign this and you can take  
17 a seat.

18 James Bunn. I know you're here.

19 Derrick Colbert. Is Derrick  
20 Colbert here?

21 Charles Wilson. Charles.

22 Ronald Williams.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 David White. Come on up, David.

2 Greta Fuller. Greta was here.

3 MS. FULLER: I'm right here.

4 MS. JOHNSON: I'm going to call  
5 you next. I'm just going down my list.

6 Come on up now, Greta, if you  
7 could.

8 Ms. Richardson, if we can start  
9 with you. Please at the start of your  
10 testimony if you could just give your name  
11 before you start talking for the court  
12 reporter. Thank you.

13 MS. RICHARDSON: Thank you.

14 This is done in the form of a  
15 letter to Mr. Kelly.

16 Dear Mr. Kelly. My name is --

17 Can you hear me?

18 PARTICIPANTS: No.

19 MS. RICHARDSON: Can you hear me  
20 now? Hello? Oh, I'm sorry.

21 Dear Mr. Kelly. My name is Brenda  
22 Lee Richardson. I am a resident of Ward 8.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 I am strongly supportive of Chapman  
2 Development building the Big K Development  
3 Site.

4 Chapman Development is very  
5 passionate in their investment in the Ward 8  
6 community. Not only did the company do an  
7 excellent job with the Grays Building on  
8 Pennsylvania Avenue, S.E., but they have a  
9 history of supporting various community  
10 events.

11 Furthermore, Chapman Development  
12 understands and appreciates the significance  
13 of community engagement and the power of  
14 communication. The Big K Site is not far from  
15 the gateway of Ward 8. I'm very confident  
16 that this company will build a structure that  
17 will become an important part of the fabric of  
18 Anacostia in Ward 8 and it will be admired and  
19 used for many years to come. Thank you.

20 MR. WHITE: Good evening. My name  
21 is David White, President emeritus,  
22 Schokokichen Community Organization.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   First of all, I would like to  
2                   thank you all for having this meeting because  
3                   you have belayed a tremendous amount of  
4                   concerns. There were so many people running  
5                   around with misinformation about what was  
6                   coming, what was there. We discerned for  
7                   ourselves this evening that hasn't even been  
8                   determined yet. That much I appreciate you  
9                   for.

10                   Any type of development that would  
11                   enhance the economic value and the community  
12                   spirit of Anacostia is long overdue, grossly  
13                   over needed, and we would appreciate it. I'm  
14                   not readily familiar with the Chapman  
15                   organization but I will be paying close  
16                   attention in monitoring what it is they are  
17                   actually trying to do because as a 40-year  
18                   resident of this community, I expect a whole  
19                   lot better than what I've seen.

20                   I don't want to hear like we did  
21                   in 2004 or 2005 that the money fell apart so  
22                   now the dilapidation and despair remains. I'm

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 hoping that whatever we bring it will be  
2 feasible. It would be an economic boom to the  
3 community and it would be beacon where people  
4 can say proudly, "I'm a resident of  
5 Anacostia." Thank you.

6 MS. FULLER: Good evening. My  
7 name is Greta Fuller, former ANC Commissioner  
8 for Historic Anacostia. I am the chair of the  
9 Historic Anacostia Design Review Committee and  
10 I am a citizen of Historic Anacostia.

11 Today I come before you before I  
12 have been involved with this process. As long  
13 as I have been a resident and a commissioner  
14 of Historic Anacostia, which is six years, I  
15 was under the impression before we got to this  
16 process that DHCD would come back to the  
17 community, or at least to the leaders of the  
18 community, to let them know exactly where you  
19 were in the process. I feel that did not  
20 happen.

21 I also am here to say that the  
22 residents of Historic Anacostia and the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 surrounding community was not aware of this  
2 meeting tonight on March 20, 2013. It was on  
3 the D.C. Register but it was not on your  
4 homepage for DHCD as you talk about this  
5 Property Disposition Agreement meeting so many  
6 people were not aware of this meeting. I feel  
7 that DHCD did not take the proper steps to let  
8 the community know that there would be a  
9 meeting here tonight.

10 I was at a meeting last night  
11 where there were over 50 residents that live  
12 in the surrounding immediate area of the Big  
13 K Housing Development and I asked how many  
14 people in the room knew about this meeting.  
15 Only three people raised their hands. That  
16 let me know that DHCD did not do due diligence  
17 to let the community know what was going on.

18 The other thing that I have to say  
19 tonight is that you refined the process. You  
20 only had two people who bid on the project.  
21 Why didn't you go back out into the community  
22 -- I mean, out to the public and let them know

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 that you were redefining the bid of the  
2 solicitation.

3 Where did the dollar amount come  
4 from that the property might be sold for a  
5 dollar? Was that dollar said to the entire  
6 general population so that maybe you could  
7 have had more bids that came back to you to  
8 maybe bid on this property other than Chapman  
9 Development. I don't have a problem with  
10 Chapman Development.

11 My issue right now is how this  
12 disposition agreement is going to date. I ask  
13 that we don't move further with anything as  
14 far as Big K properties until we actually have  
15 a market study and that DHCD actually take all  
16 this property and give us a community cohesive  
17 plan of what you plan on doing with Historic  
18 Anacostia.

19 One piece of land doing one thing  
20 and we don't need another Salvation Army in  
21 our neighborhood. I don't know what you plan  
22 on doing with the historic houses on that

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 property. I don't understand why a market  
2 study would be done after you have passed some  
3 property on to a developer and we don't know  
4 what's going on today.

5 Why can't we find out today what's  
6 going on with the property and what means we  
7 can use the property for. We are definitely  
8 not interested in medical facilities. We have  
9 a medical facility at Galen and 16th Street,  
10 Unity Healthcare, a brand new building. There  
11 is also one at Parkside. We are also going to  
12 have one in Bellevue. I have many more  
13 questions but you only gave me three minutes.

14 MS. JOHNSON: I'm going to remind  
15 you to please feel free if you need to say  
16 more, you are always invited to provide  
17 written testimony and that record will be open  
18 until April 3rd.

19 MR. WILLIAMS: Good afternoon,  
20 everyone. My name is Ronald Williams. I was  
21 born here 32 years ago, Garfield Heights,  
22 Robinson Place, S.E. I've seen a lot of

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 medical facilities and so I echo some of the  
2 sentiments that Ms. Fuller raised as well.

3 We have a number of methadone  
4 clinics. We have a number of mental health  
5 CSAs. We have a number of social service  
6 organizations here within our ward that, you  
7 know, align Martin Luther King as well as Good  
8 Hope Road. I have no problem with that. I  
9 have family members that use those services.

10 However, I think as far as looking  
11 as far as like the five, 10, 15-year future of  
12 Anacostia, like a another medical facility  
13 just would not work. I like the idea that the  
14 project manager Ms. Johnson brought up about  
15 blanket commercial development to see if we  
16 can attract some other development other than  
17 medical facilities to this area.

18 I have a nephew that was just  
19 born. He's about to be one so I have to look  
20 at what you can expect 10, 15 years down the  
21 line. When I was five my parents moved me  
22 from this area and we moved out to PG County

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 because of the public school. I don't want to  
2 have to do that again with my nephew.

3 I think, and this is just my  
4 opinion as a resident of Ward 8, that a  
5 grocery store, a market, something like  
6 Gallaudet. The old Florida Avenue Market over  
7 by Gallaudet would be conducive to what the  
8 residents need over here. We just had  
9 Anacostia supermarket that just closed.

10 We have nowhere to walk to go by  
11 groceries unless it's a convenience store.  
12 You have to consider and question how fresh  
13 are those groceries or that food that's laying  
14 in that convenience store as well. I'm not  
15 here to beat up on Chapman Development or DHCD  
16 or Mr. Kelly.

17 Looking at the PowerPoint  
18 presentation you guys have selected a great  
19 CD, American Management Corporation, because  
20 I've seen some of their work throughout the  
21 city. I want to be a partner but I want to be  
22 a partner to something that is going to be

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 beneficial to the community as a whole and I  
2 think the first step is our health in reverse.  
3 Sorry. Yes, thank you.

4 MS. JOHNSON: Thank you.

5 All right. Mr. Bunn, are you back  
6 in the room?

7 MR. BUNN: Yes.

8 MS. JOHNSON: Okay. I'm just  
9 checking gain. Bruce Holmes is not here?  
10 Derrick Colbert? Charles Wilson is not here.  
11 John Muller.

12 Do we have anyone else that wants  
13 to give testimony this evening?

14 Did you sign? Why don't you come  
15 up to the table and I'll bring you this to  
16 sign up.

17 Does anyone have questions they  
18 need to turn in that they want us to answer  
19 after this? If you could please hand them  
20 over to Sandy. There are more question sheets  
21 up there.

22 Is this written testimony? We'll

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 take that in.

2 Go ahead, Mr. Bunn.

3 MR. BUNN: Thank you. Good  
4 afternoon. I'm James Bunn from Columbus  
5 Heights and from Ward 8. Most of you in the  
6 room know me. There may be a few that don't  
7 but I've been around the area for 44 years.  
8 I oversee quite a few things for the council  
9 member and the community along with ANCs.

10 I just want to say that I have  
11 seen many things that has been done in this  
12 ward that I do have some concerns about it.  
13 However, looking at the GC that we're going to  
14 have to do this project, and Big K was one of  
15 those, I did not like some of the things that  
16 I thought was going to be happening.

17 I say very little about those  
18 things because this is a part of Ward 8  
19 Anacostia and I try to let the people in  
20 Anacostia take the lead on what they want to  
21 do. I must say that I am a person knows Mr.  
22 Chapman very well. I know his organization

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 very well and I've seen his projects. Mr.  
2 Chapman produced some of the better projects  
3 that has been developed in this ward.

4 I know Tim Chapman is based on the  
5 incredible development of The Grays building  
6 over on Pennsylvania Avenue, the one on 295,  
7 and several more. I'm just here to assure  
8 you, Mr. Kelly, and the community that Chapman  
9 Development has a vested interest in the  
10 community. They build bridges of trust and  
11 commitment whether they are working on a site  
12 in the ward or not.

13 Finally, I strongly urge you to  
14 give this company a chance to show the  
15 magnitude of a signature project that they can  
16 build for this community to behold. Mr.  
17 Chapman and his group has responded to the  
18 community.

19 All these things that you see that  
20 council member do from time to time, we had to  
21 go out and ask people to help us do those  
22 things. It's those kind of people that I

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 truly believe that should have an opportunity  
2 to build whatever is needed to be built in  
3 this community.

4 I'm going to stop here but I would  
5 just say to you again, Director Kelly, I think  
6 you have chosen the right person to do the  
7 job. I'm going to be supporting it. The ward  
8 is going to be supporting it.

9 Whether it's all the ward or not  
10 I'm can't say but I do speak for Ward 8 simply  
11 because of the fact that we have seven  
12 divisions in this ward so Anacostia is not  
13 Ward 8, Bellevue is not Ward 8, Congress  
14 Heights is not Ward 8.

15 All of those make up this ward.  
16 Most of the people that I've spoken to they  
17 have agreed that they think Mr. Chapman will  
18 be the right person for this position. Thank  
19 you.

20 MS. JOHNSON: Thank you.

21 Mr. Miller?

22 MR. MULLER: Muller.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 MS. JOHNSON: Muller. I  
2 apologize.

3 MR. MULLER: My name is John  
4 Muller. My role, I guess, is local historian  
5 and reporter but I'm not wearing that hat  
6 right now. I'm speaking for Mr. Bruce Holmes  
7 so I'm just going to read his testimony.

8 Dear Mr. Kelly. My name is Bruce  
9 Holmes. I'm a resident of Historic Anacostia.  
10 I have lived in the community for the past 30  
11 years. I'm here to testify in support of the  
12 Big K Site Development. It has been a long  
13 time coming for that corner to get some  
14 attention.

15 I have attended several HABA,  
16 Historic Anacostia Block Association, where  
17 presentations were made on the Big K project.  
18 It was very exciting to learn about the  
19 proposed plans for the site. However, I am  
20 very clear that everyone here has a certain  
21 role to play from the Government to the  
22 developer to the ANC to the community.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   Therefore, it is our  
2                   responsibility to have clarity on what  
3                   happened in the past with our community  
4                   participation with DHCD when this whole  
5                   process started awhile ago. There were lots  
6                   of meetings conducted by the city to get our  
7                   input on this project.

8                   It is not our responsibility to  
9                   judge anyone but to make a concerted effort to  
10                  create a working partnership that will  
11                  showcase a beautiful project that will also  
12                  enrich our community at the end of the day.  
13                  Thank you. Sincerely, Bruce Holmes.

14                  MS. JOHNSON: Thank you.

15                  Ms. Lyon.

16                  MS. LYON: Good evening, everyone.  
17                  My name is Arnehl Lyon. I am the President of  
18                  the Hillsdale Civic Association. The reason  
19                  why I'm speaking today is because of the  
20                  concern of what or what will not be built on  
21                  the site.

22                  I would like to say ditto, no more

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 social service facilities. We don't need any  
2 more. I would like to see maybe a cleaner, a  
3 petite grocery store, maybe other little  
4 things, but no more social service.

5 I don't know if it's feasible to  
6 put one or two low-rise buildings with a  
7 historical facade on it to give it the look  
8 that it is still part of Historical Anacostia.  
9 Maybe office or condos or a mixture of both on  
10 the top floor.

11 Now, one of my main concerns I'm  
12 hearing is that they thought it was already in  
13 writing that the two homes have to stay. I  
14 have a concern with that because I've been  
15 here for close to 30 years. On Martin Luther  
16 King I see facade held up by sticks. I'm just  
17 tired or looking at those type of things.

18 This is a corridor, a major  
19 corridor. If we can satisfy maybe everyone,  
20 maybe it's possible that we can more those  
21 homes to a residential section and in its  
22 place put up some brand new building again

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 with an historical look.

2 Thank you. That's all. I just  
3 wanted to check my notes. Thank you.

4 MS. JOHNSON: Thank you.

5 Okay. This is going to be my last  
6 call for testimony. Derrick Colbert, Charles  
7 Wilson. Then we are going to close the oral  
8 testimony part of our hearing this evening.

9 I've got three questions. The  
10 first question I have is from Ronald Williams,  
11 Jr. "I'm a licensed crabber of the Chesapeake  
12 Bay and I wanted to know how do I go about  
13 renting the building 1209 Martin Luther King,  
14 Jr. Ave. and put a seafood and poultry market  
15 there for residents."

16 Mr. Williams, where are you? That  
17 building is currently not under a solicitation  
18 process. Until such time that DHCD is ready  
19 to release a solicitation for it, that would  
20 be the time to step up and express that  
21 difference.

22 The next question I have is from

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Pierre Johnson.

2 Mr. Johnson, are you here? Thank  
3 you.

4 "When will the decision to  
5 finalize the agreement with Chapman  
6 Development be made?"

7 The answer to that is going to be  
8 the next phase of this process so the very  
9 next thing that we will do is order a market  
10 study. That market study will be reviewed.  
11 That market study is going to indicate what  
12 the highest and best use for that site is  
13 which should help define that development  
14 concept.

15 Again, DHCD will run it back  
16 through our selection process, reconvene our  
17 selection committee. Chapman will be allowed  
18 an opportunity to revise his concept based on  
19 that market study and then the selection  
20 committee will make a formal decision at that  
21 time. Once that selection committee makes the  
22 decision, we'll hold another public hearing

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 like this one.

2 The big different will be that  
3 there will be a concept on the table and that  
4 you will hear from Chapman Development and his  
5 development partners the specifics of that  
6 concept. Does that answer your question?

7 MR. JOHNSON: Will the decision be  
8 made after or before the public meeting?

9 MS. JOHNSON: Okay. So the  
10 question is -- he's asked the question will  
11 the decision be made after or before the  
12 public meeting. It will be very similar to  
13 this where the selection committee will make  
14 a decision.

15 The amended Property Disposition  
16 Agreement, assuming that we're moving forward,  
17 will be signed by the developer saying this is  
18 what he's proposing and that's the official  
19 project that's under consideration.

20 Assuming that DHCD accepts that  
21 proposal, we will hold a public hearing but  
22 that Property Disposition Agreement will not

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 be executed yet by our director. The public  
2 hearing step comes first so we'll have an  
3 opportunity to hear from the public before the  
4 director executes the final agreement.

5 Does that answer your question?

6 Ma'am, if you have a question can  
7 you write that down for us and hand it in?  
8 We'll make sure and get you a question form if  
9 you don't have one.

10 Next question is from Bill Alston.

11 Are you here? Okay. Thank you.

12 Your question is, "Who bought it?  
13 How much did they pay for it? What do they  
14 plan to do with the property?"

15 So no one has bought it yet. No  
16 sold. Still owned by the D.C. Department of  
17 Housing and Community Development. We're  
18 going through the disposition process now.

19 How much did they pay for it?  
20 They proposed paying for the property one  
21 dollar. I'll actually take a moment and  
22 address that because I think that Ms. Fuller

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 brought that up as one of her questions and  
2 her concerns.

3 Often times when we issue a  
4 solicitation for developers to come back with  
5 their proposals, we don't actually list a  
6 suggested purchase price. We let the  
7 developer suggest what the purchase price is.

8 There are many different ways that  
9 you can look at it, but in many cases,  
10 especially on a corridor like this that you  
11 are trying to bring back, we would expect to  
12 have some form of subsidy in the project to  
13 help make the project happen. That's part of  
14 our role as the D.C. Department of Housing and  
15 Community Development.

16 One of the ways to do that is when  
17 a developer proposes a dollar for the purchase  
18 price it basically means that in lieu of  
19 paying for the property, that's his subsidy.  
20 Any and every developer that responds to a  
21 solicitation for offers has the ability to  
22 suggest whatever seems reasonable for that

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 developer. Someone can suggest a higher  
2 purchase price, but often times when a  
3 developer does that, they don't come back and  
4 ask for some other form of subsidy so there is  
5 a trade off there. I think DHCD, or at least  
6 I personally, expected that there would be  
7 some level of subsidy in this project and that  
8 is what the one dollar purchase price relates  
9 to.

10 In terms of what do we plan to do  
11 with the property, we are still not quite sure  
12 of that yet and that is the purpose of the  
13 market study, so we'll know a little bit more  
14 about that and have a firm concept once we've  
15 had the opportunity to do the market study and  
16 the developer has given us a revised concept  
17 plan.

18 Okay, let's see. Ms. Goggans,  
19 this is your question. Okay. The first  
20 question is, "Will you make the PowerPoint  
21 presentation available to the committee? When  
22 and how can we access it?" We will post it on

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 our website and I will try to see if we can  
2 get it posted before the end of this week.

3 Second question. "What were the  
4 elements evaluated when looking at the  
5 developers track record? Specifically,  
6 Bozzuto. I was a tenant at a property owned  
7 by Bozzuto in PG County. The living  
8 conditions were horrendous. Bozzuto refused  
9 to respond despite county citations."

10 Not quite sure how to respond to  
11 your question except from the standpoint of we  
12 really looked at this as a development team.  
13 We know that Chapman has worked with Bozzuto  
14 before. We felt that the overall development  
15 team was a strong team.

16 Mr. Chapman is sitting here right  
17 now so I know he's hearing this comment. I  
18 think that is something that he can certainly  
19 address going forward in terms of his  
20 expectations of the management of the project.

21 Is there anything that you might  
22 want to add about that and Bozzuto and their

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 track record?

2 MS. GOGGANS: Can I just say the  
3 question was about DHCD and the elements that  
4 were used to determine -- like to look at the  
5 track record. Was it number of projects? Was  
6 it income? I really want to know about the  
7 evaluation of the proposal.

8 MS. JOHNSON: Again, we go to  
9 description as a response to the solicitation  
10 of all of the development partners, their  
11 projects, their track records, where their  
12 projects are, what they've done. Did we  
13 actually go and call up references? Not  
14 necessarily.

15 Again, with Chapman as the  
16 developer, Bozzuto as the building and the  
17 proposed management company, we are really  
18 relying on our developer to manage that  
19 process over all. Most of that onus is on the  
20 developer and that is how we evaluated it.

21 Question No. 3. Did DHCD talk to  
22 residents, community members, commercial

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 tenants about their experiences with the  
2 developers?

3 No, we did not but, again, one of  
4 the purposes of the public hearing and this  
5 testimony this evening is that if people do  
6 have concerns, this is your opportunity to  
7 raise them.

8 Fourth question. What would  
9 Chapman contribute to the community regarding  
10 a bid, First Source, education,  
11 sustainability? What local organizations will  
12 they go partnerships with? Is DHCD supportive  
13 of the above and how?

14 MS. GOGGANS: Environmental part  
15 is important. The sustainability was  
16 environmentally as well as like green  
17 buildings.

18 MS. JOHNSON: Let me read that in  
19 as well. I'm sorry. I skipped over that part  
20 of your question. For sustainability  
21 specifically you're asking about environmental  
22 as well as green design.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   In the solicitation the  
2                   solicitation talks about First Source  
3                   Agreements so that is something that the  
4                   developer will be required to sign. In terms  
5                   of sustainability, that is also included in  
6                   the solicitation. It is also addressed in the  
7                   proposal. Those are posted on our website so  
8                   you can see that this being a commercial  
9                   project. We are looking for LEED's  
10                  requirements to be met for that.

11                  In terms of a bid that would not  
12                  be up to the developer, that is something that  
13                  is really much more community wide in terms of  
14                  the commercial community. I would imagine at  
15                  some point in the future as the Anacostia  
16                  commercial corridor develops it might be  
17                  possible. Typically you need to have  
18                  businesses that are doing pretty well that can  
19                  make a contribution to the bid in order to  
20                  make that happen.

21                  In terms of education and local  
22                  schools, we have not seen anything about

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 reaching specifically in terms of education  
2 and local schools. I would probably say that  
3 you might not necessarily expect that to  
4 happen because we asked for a commercial  
5 development. It could be that could be  
6 encountered as part of the tenant mix, for  
7 example, but that is not something that we  
8 specifically asked the developer to look at.

9 In terms of local organizations  
10 will they build partnerships with community  
11 organizations? That's going to be part of  
12 their Community Engagement Plan. In terms of  
13 understanding beyond the Advisory Neighborhood  
14 Commissions, what are the other community  
15 organizations that the developer is going to  
16 need to reach out to.

17 Is DHCD supportive of the above?  
18 I would say, yes, we are supportive of all  
19 those things; the bid, the First Source,  
20 certainly anything that would have an impact  
21 on the local education facilities. That would  
22 be a good thing.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   Sustainability is extremely  
2                   important to DHCD. It's a requirement that we  
3                   have in all our projects. The same thing for  
4                   the community engagement process. We think  
5                   that is really important and key to having a  
6                   successful project.

7                   The next question is from Ronald  
8                   Williams, Jr.

9                   Mr. Williams?

10                  MR. WILLIAMS: Me again.

11                  MS. JOHNSON: Okay. Your question  
12                  is will the solicitation process be a standard  
13                  process in acquiring DHCD buildings for use?

14                  Mr. Williams, it depends on the  
15                  specific project as to what the disposition  
16                  process is. One of the things that I might  
17                  invite you to -- and I'm going to turn it over  
18                  to you, Nate -- is the next session that we  
19                  are having.

20                  Can you talk about that a little  
21                  bit?

22                  MR. SIMMS: Sure. So for DHCD,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 and we realize that individuals are certainly  
2 -- they hear a lot about our agency but don't  
3 know necessarily what our agency does, and we  
4 have probably 30 different programs that we  
5 administer. One of the things that we did  
6 starting in January was we launched some  
7 workshops.

8 The purpose of the workshops were  
9 to educate individual stakeholders,  
10 contractors, developers who are interested in  
11 engaging in opportunities with DHCD to learn  
12 about the process, learn about our funding  
13 sources, learn about what we do.

14 We completed two thus far. The  
15 next one that we have will be next week, March  
16 27th, from 11:00 to 1:00 at St. Elizabeth's  
17 campus. I'm sorry.

18 PARTICIPANT: No one can get  
19 there.

20 MR. SIMMS: Well, you would be  
21 surprised. We actually had about 100 -- over  
22 100 different people show up to that so that

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 is kind of where it is. On the 27th from  
2 11:00 to 1:00 at St. Elizabeth's east campus.

3 We have been doing them  
4 essentially around our development  
5 opportunities, our contracting opportunities  
6 with our single family rehab Washington  
7 program, our property acquisition. We are  
8 trying to help people and really educate them  
9 about the process.

10 There's a lot of moving pieces to  
11 it. I've heard a lot of different questions  
12 about a lot of different things. I think to  
13 Denise's credit I think she has articulated it  
14 I think very well. It's a very complicated  
15 process. It's very complicated.

16 From that standpoint we try to  
17 help people understand and kind of digest  
18 where it is we're coming from because we have  
19 no secrets. We have nothing to hide. We  
20 certainly try to make it as adjustable as  
21 possible but we understand that it can get a  
22 little bit convoluted.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   We think the workshops will  
2                   certainly help so we invite people to attend.  
3                   If you have any questions, when we wrap up  
4                   this I'll be happy to give you information.

5                   MS. JOHNSON: Okay. Next question  
6                   is Juanita White?

7                   MS. WHITE: Yes.

8                   MS. JOHNSON: Okay. Thank you,  
9                   Ms. White. Your question is, "This is for my  
10                  community of Ward 8. I'm asking each of you  
11                  in attendance that we hold our meeting and  
12                  decide what we want to see on this property."

13                  Ms. White, I'm not sure exactly  
14                  what you're asking but I can assure you that  
15                  there will be --

16                  MS. WHITE: Do you want me to make  
17                  it a little plainer to you?

18                  MS. JOHNSON: Sure.

19                  MS. WHITE: What I'm saying is  
20                  this. If you are someone in Ward 8 that is  
21                  affected by Big K, I think we need to come  
22                  together and host our meeting so we can decide

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 what we want to see on that property ourselves  
2 because what has happened in the past we have  
3 developers come in and tell us what they want  
4 us to have.

5 We decide among ourself what we  
6 want to have and not have 10, 20, 30 different  
7 ideas. Come together and have a good meeting  
8 among us and we decide what we want to see on  
9 that Big K property.

10 MS. JOHNSON: Okay. Thank you,  
11 Ms. White.

12 Okay. This is Bill Alston again  
13 who has got questions about -- the question  
14 here is, "Please ask him..." and I'm assuming  
15 you are referring to Mr. Chapman,  
16 "...concerning Bozzuto hiring practices."

17 MR. ALSTON: Yes.

18 MS. JOHNSON: Tim, would you be  
19 willing to just talk for a moment about your  
20 experience with Bozzuto and why you chose them  
21 for your team?

22 MR. CHAPMAN: Good evening. Thank

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 you for having me here tonight. I appreciate  
2 your questions. I know there are a lot of  
3 concern about this site. I'm glad that you're  
4 here to share this conversation.

5 I personally had a very good  
6 experience with Bozzuto. I can't speak to  
7 their hiring practices. I just wouldn't be  
8 able to speak to their hiring practices but if  
9 there is a specific comment or concern. Which  
10 group is it within Bozzuto that you've got a  
11 concern with?

12 MR. ALSTON: When they did the  
13 Methodist and Baptist Church --

14 MR. CHAPMAN: Yes.

15 MR. ALSTON: -- I took pictures of  
16 them from the ground up. There was not one  
17 Ward 8 resident working o that project. I  
18 know Mr. Stine's got a good job to put that  
19 number out. I had pictures. There was not  
20 one Ward 8 resident on that Matthews project,  
21 the guy that built it.

22 MR. CHAPMAN: I can't speak to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 Matthews but what we've done in the past and  
2 what we like to do is as we move forward with  
3 the development, long before the development  
4 actually starts or construction starts, we  
5 have community charettes where we invite Ward  
6 8 contractors to the charettes so that they  
7 understand what's coming, what opportunities  
8 there are.

9           They submit a very short basic  
10 information sheet to us. At the same time, if  
11 they submit it to us, we ask that they submit  
12 it to the council member's office as well as  
13 part of the submission. It's more of a  
14 submission of interest.

15           If there is a question of whether  
16 or not it was submitted, if we were to say we  
17 didn't get one, then there would be one at the  
18 council member's office so that we track that.  
19 As we move forward, the Ward 8 contractors and  
20 residents have an opportunity prior to anyone  
21 else to be part of the opportunity to get a  
22 contract or work on the site.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   One other thing I would like to  
2 speak to, and I know that we haven't flushed  
3 out exactly what we are going to agree on as  
4 the developer and as the community for what  
5 should be developed there.

6                   Some of the words I've already  
7 used about the medical proposal, we weren't  
8 proposing a medical facility like a methadone  
9 clinic or a hospital facility. Really what we  
10 were talking about was more a medical office  
11 building such as doctor's offices or  
12 physician's assistants offices or such so it's  
13 more of where you would normally go to your  
14 doctor.

15                   Not that you would go to the  
16 hospital to see a doctor to have a checkup or  
17 your annual physical, but actual doctor's  
18 offices is what we were talking about.

19 Thanks.

20                   MS. JOHNSON: Okay. John Muller.

21                   John, are you still here? Thank  
22 you.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   First question you have, "Is the  
2                   development being discussed tonight  
3                   exclusively only 2228? I mean, the  
4                   construction of an entirely new structure on  
5                   this lot only."

6                   The way I would answer that  
7                   question is no. We are looking at the project  
8                   as an entirely site so it consist of core  
9                   lots. There is a brick commercial building on  
10                  the corner of MLK and Morris Road, the two  
11                  historic properties and then the vacant lot  
12                  where the house was demolished. The  
13                  developers will be looking at that as one  
14                  development site.

15                  Question No. 2. "Does the one  
16                  dollar proposed purchase price as a subsidy  
17                  then restrict the development from receiving  
18                  further Government subsidies from the city  
19                  such as Yes Organic received?"

20                  The way I would answer that is the  
21                  city does not necessarily bundle all of its  
22                  subsidies together for a project. There may

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 be other subsidies that this project is  
2 qualified for, eligible for, that the  
3 developer could look at but it does not  
4 necessarily mean that it is something that  
5 DHCD controls.

6 It could be coming from another  
7 part of the Government. I know that Mr.  
8 Chapman is also considering New Markets tax  
9 credits. This is an additional way to finance  
10 the project. There may be other subsidies  
11 that come into this but we are not aware of  
12 any at this time.

13 Third question is, "Is any effort  
14 being made to purchase 2226 MLK, Jr. Avenue as  
15 promoters?" We know that would actually be a  
16 good thing for this particular site. DHCD was  
17 not able to acquire it but we know that  
18 Chapman Development, or 2228 MLK, LLC is  
19 interested and is engaging in and will be  
20 engaging in more earnest conversations with  
21 that owner to see if he can make that a part  
22 of the entire site.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 Edith Cromwell. Ms. Cromwell.  
2 Good evening, Ms. Cromwell. It's very nice to  
3 see you this evening. Thank you for your  
4 questions.

5 First question is, "How do you  
6 know if you have the right team if you don't  
7 know what is being built?" It's a good  
8 question. We had to base our decision on the  
9 developer's response to our solicitation for  
10 proposals. Our solicitation was somewhat  
11 general so we felt at the end of the day the  
12 proposal was responsive because it proposed  
13 commercial office space which was the concept  
14 that we were looking for.

15 The twist was that it proposed  
16 medical office space which was something that  
17 we were not sure of. That one particular  
18 aspect of it was the part that we really  
19 wanted to explore further which is why we made  
20 this a conditional award.

21 We felt comfortable evaluating the  
22 proposal based on what was written in it and

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 what the developer proposed and the team that  
2 he proposed working with to do the  
3 development. We want to see if we can treat  
4 this concept a little bit better to make sure  
5 that we have the right concept and what we  
6 think will be the most successful concept to  
7 help development on MLK.

8 Second question from Ms. Cromwell.  
9 "Why was this process different from the  
10 normal process?" That's a good question. I  
11 think that all of us have recognized the  
12 challenges of the development of this  
13 particular site. One of the biggest  
14 challenges of the site is the historic  
15 preservation aspect of it.

16 The Historic Preservation Review  
17 Board has been very concerned about what is  
18 called demolition by neglect and the fact that  
19 the previous owners of the property allowed  
20 those properties to deteriorate.

21 We also know that there are  
22 several community members that expressed an

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 interest in wanting to preserve those houses  
2 as part of the historic fabric of the  
3 Anacostia Historic District so we are trying  
4 to walk a fine line.

5 DHCD at the end of the day does  
6 not have control over that. We can certainly  
7 be supportive of the developer's concept but  
8 the entity that has control over that is the  
9 Historic Preservation Review Board. As an  
10 agent our role is to make sure that we follow  
11 the rules, make sure that we follow the  
12 regulations.

13 At the end of the day we know that  
14 the Historic Preservation office staff has  
15 expressed a great degree of flexibility to try  
16 to work with the developer. They also know  
17 that it's important to have that flexibility  
18 to be able to have a successful project.

19 Yes, it might be easier if those  
20 properties weren't there and it was a totally  
21 clear site. But we are trying to come up with  
22 a proposal that can save those houses in some

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 form or fashion and still create a new  
2 development, an exciting development that will  
3 help revitalize the avenue.

4 We are going to leave some of  
5 those harder decisions up in the Historic  
6 Preservation Review Board. We are going to  
7 try to work closely with the staff, with the  
8 developer to come up with something that will  
9 not only pass the Review Board but also be  
10 satisfactory to the community and something  
11 that will work for the developer. A tall  
12 order but we are going to do our best to get  
13 there.

14 In terms of why this was different  
15 from our typical process, again, is because we  
16 wanted to move forward. We did not want to  
17 wait another three months, another six months  
18 and put a solicitation out and get the same  
19 level of response back. We felt that we had  
20 a strong enough proposal that we thought we  
21 were comfortable in terms of moving forward  
22 with Chapman Development.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   In order to accommodate that and  
2                   in order to come back with what we thought was  
3                   the best proposal overall, we did adjust our  
4                   process and actually lengthened it and added  
5                   a couple of extra steps in there.

6                   Ms. Allen. Thank you, Ms. Allen.  
7                   "How will the First Source Agreement be  
8                   enforced by and who?" The First Source  
9                   Agreement is, again, part of the development  
10                  process.

11                  Nate, can you talk a little bit  
12                  about the enforcement of it? I'm not familiar  
13                  with the actual enforcement.

14                  MR. SIMMS: Sure. So the  
15                  enforcement once we get the First Source  
16                  Agreement is really the Department of  
17                  Employment Services. That is the entity that  
18                  is responsible for it.

19                  There may be some other.  
20                  Certainly the monitoring responsibilities of  
21                  the project overall is our responsibility but  
22                  the First Source Agreement is out of the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Department of Employment Services and they are  
2 the ones that enforce that.

3 MS. JOHNSON: Thank you.

4 Second question. "Will the  
5 Community Engagement Plan be available to the  
6 public? Where will it be visible?"

7 The Community Engagement Plan is  
8 going to come along with Phase 2 of this  
9 process so you will hear about it at the  
10 public hearing. You will hear about it in any  
11 presentations that will be made in the  
12 community and it will actually become part of  
13 the Property Disposition Agreement.

14 Generally we will post all those  
15 things on our website so they are available  
16 for the public to see as well. We will try to  
17 let the community know. I am taking to heart  
18 Ms. Fuller's comments about reaching out to  
19 the community.

20 We are going to take a look at  
21 that and make sure our lists are up to date  
22 and that we get the word out to let people

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 know when these things are posted. I also  
2 encourage all of you to frequently or often  
3 check our website to see those updates and  
4 they will be readily available.

5 Third question. "How will the  
6 community be alerted to major changes to the  
7 project?" Again, probably the first line of  
8 action will be on our website. Again, we will  
9 make sure there will be periodic updates.

10 Assuming that we get through the  
11 second phase of the Disposition Agreement,  
12 then it really falls on the developer  
13 following his Community Engagement Plan to  
14 regularly engage with the community and let  
15 them know the different steps of the project,  
16 the different benchmarks, and the different  
17 opportunities that the community is going to  
18 have an opportunity to give some input. We'll  
19 be reviewing that so we'll also be aware of  
20 what the developer has promised and we will be  
21 monitoring that.

22 MS. ALLEN: I just have one quick

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 question. When you were talking about the  
2 First Source Agreement, you said that your  
3 agency would be monitoring it?

4 MR. SIMMS: No, we do not monitor  
5 First Source Agreements. That's the  
6 responsibility of the Department of Human  
7 Services. There are other restrictions.

8 MS. JOHNSON: Department of  
9 Employment Services.

10 MR. SIMMS: Employment Services.  
11 Excuse me. There are other restrictions that  
12 would go along with the project and DHCD would  
13 ultimately be responsible for that.

14 MS. ALLEN: Let me see if I get  
15 this straight. I want to make sure that I'm  
16 clear. When the question was first posed I  
17 thought you said that you would monitor and  
18 the Department of Human Services would  
19 enforce. Now you're saying that --

20 MR. SIMMS: No, no, no. What I  
21 said, and I deal with this across bases in  
22 terms of any construction activity that we

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 have. The First Source is documented. The  
2 First Source Agreement is under the Department  
3 of Employment Services. That is the agency  
4 that is responsible for the document.

5 Any activity that we fund or  
6 dispose of requires -- we are required to  
7 monitor every aspect of that transaction so  
8 there's a long list of things that are  
9 reported. There are covenants that are  
10 reported that govern the use of the project.  
11 We make sure that we monitor that that stays  
12 in place.

13 MS. ALLEN: So DHCD will monitor  
14 the Division of Employment Services reports?

15 MR. SIMMS: No. The First Source  
16 Agreement either inception, execution, or  
17 monitoring is what the Department of  
18 Employment Services. It is required. It is  
19 a District requirement and the agencies have  
20 to deal with that.

21 In terms of the enforcement,  
22 outside of the requirement of our agency with

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 a First Source Agreement all other -- that is  
2 our only connection really to that.  
3 Everything else associated with that is with  
4 the Department of Employment Services.

5 MS. ALLEN: Okay.

6 PARTICIPANT: Except that you do  
7 make sure it is included. At least that much,  
8 right? That has to be part of the plan.

9 MR. SIMMS: Yes.

10 PARTICIPANT: So I think that is  
11 where the discussion is. You do require that  
12 they have to have a plan for that but you  
13 don't monitor it.

14 MR. SIMMS: Right. That  
15 requirement would come in -- so this is only  
16 at the disposition phase. When he entered  
17 into the construction phase, he would be  
18 required to have that. That's where that  
19 piece would come into play so, yes.

20 MS. JOHNSON: Ms. Fuller, I think  
21 you are going to get the last words this  
22 evening. Let me go ahead and read this in.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1                   "What you do today will set  
2 precedence for Historic Anacostia moving  
3 forward. I'm not against development or  
4 Chapman. It's about getting it right. We  
5 need a comprehensive plan for all DHCD's  
6 property. Why is the property being sold for  
7 one dollar?" I think I answer that earlier  
8 which is that we are considering that a  
9 subsidy for the project. It's the amount the  
10 developer proposed paying for the project.

11                   "Was that amount put out to the  
12 general public?" No. And it wouldn't be  
13 because when someone responds to a proposal,  
14 they can put in any price they want and we  
15 would look at the proposal accordingly and  
16 look at it over all and decide whether that  
17 was reasonable or not reasonable. It varies  
18 from property to property.

19                   To give you an example, if we had  
20 property that was in a really strong real  
21 estate market, I don't think we would accept  
22 a proposal for a dollar. We would be looking

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 to get paid for that.

2 But if you're looking at a project  
3 that is in an up-and-coming area or one that  
4 is undergoing revitalization and you recognize  
5 that there probably needs to be some subsidy,  
6 that's when you would look at that and  
7 consider that as a reasonable offer.

8 "How will that subsidy be put back  
9 in the property?" So the subsidy was \$990,000  
10 or a million, which is what DHCD paid, and  
11 that's correct. What that does, again, is  
12 help the developer in terms of his overall  
13 financing package and overall in terms of how  
14 he makes the project feasible.

15 Again, our proposal ask the  
16 developer to take historic preservation quite  
17 seriously on this site. Almost anything that  
18 anyone does from an historic preservation  
19 standpoint on this site is going to be more  
20 expensive so that, in part, that's an example  
21 of what that might pay for, that subsidy.

22 So no developer is going to do a

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 development unless it cash flows, unless it  
2 makes financial sense. They can't go around  
3 and get the financing unless the bank thinks  
4 it makes financial sense. All of these  
5 different parts and pieces come into play for  
6 them.

7 "How do we know the market study  
8 is what we want to see? Why didn't you post  
9 or inform the community on your website or in  
10 a manner that the average resident would see?  
11 Will we be informed moving forward other than  
12 the D.C. Register?"

13 I think I responded to some of  
14 those kinds of questions. Again, we're noting  
15 that you expressed some concerns about the  
16 community being part of the process and  
17 perhaps we are not reaching out the way that  
18 we could. I'm sure we are going to take a  
19 look at that and try to make an improvement.

20 In terms of whether the market  
21 study is what we want to see, it's really a  
22 challenging question, Ms. Fuller, because at

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 the end of the day we want the project to be  
2 successful for everyone which is why we have  
3 asked the developer to go out and get an  
4 independent or it's not our opinion, it's not  
5 the community's opinion, but an expert in  
6 commercial development that is coming back to  
7 tell us what they think the highest and best  
8 use of the property is.

9           There are some things that have  
10 changed along the avenue in the last year.  
11 We've seen some movement from some of the  
12 other developers. We've seen some sales along  
13 the Avenue that have impacted prices. All of  
14 those things impact what the developer may or  
15 may not be able to achieve on this project.

16           Having that independent market  
17 study will help us and hopefully help the  
18 community understand a little bit better what  
19 we think is going to be the most catalytic  
20 thing that can happen out there on the avenue.

21           MS. FULLER: So you guys are going  
22 to make the decision at your hearing? When

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 they come back with a market study, you, your  
2 committee, DHCD, will get together and decide  
3 if their market study is feasible for our  
4 community.

5 MR. SIMMS: So here's the thing  
6 about this. This is what makes it very  
7 important. We understand that the community  
8 wants certain things and we talked about those  
9 things with a number of different people. If  
10 he can't go out and get financing for the idea  
11 that we think is best for the community, or  
12 what you think is best for the community or  
13 what the community wants.

14 It's not to say we are ignoring  
15 what the community wants but how you make that  
16 come to fruition. A market study really tells  
17 you what the best use of the site is. That is  
18 something that we would look at from a  
19 financing standpoint, how the lender is going  
20 to look at it from a financing standpoint.

21 It's really going to pencil it  
22 out. Things change over a period of time. I

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 think everybody talks about U Street, H  
2 Street, or whatever but if you look,  
3 businesses have changes from the late '80s to  
4 2013. I say that to say it doesn't mean that  
5 we are respectful of the community needs.

6 It's not that we're trying to put  
7 something in there. I think the fact that we  
8 had made it this far is really a sign, a  
9 strong sign, that we are getting community  
10 input. At the end of the day, if the  
11 developer cannot go out and obtain financing  
12 or attract a particular business to the  
13 community to do business in that community, it  
14 makes it very hard.

15 I'm saying it's a balance. I  
16 don't want people to think like we don't care,  
17 we're not listening. It's not up to DHCD at  
18 the end of the day. Yes, we're responsible  
19 for the disposition to Mr. Chapman and his  
20 group but you have to understand we know as  
21 well that Mr. Chapman has to go to a bank and  
22 the bank is going to look at the same

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 information.

2 Mr. Chapman is going to reach out  
3 to businesses and businesses are going to  
4 analyze the same things, how feasible things  
5 are. I just want to make that clear to the  
6 community. It's not another Government spiel  
7 or anything like that. It's the truth.

8 From that standpoint we will come  
9 back and tell folks what the market study  
10 detailed and what we think is the best use, or  
11 he thinks is the best use, and take it from  
12 there. I don't want anybody to necessarily  
13 walk out here and think that we're just tone  
14 death to the community.

15 It's multiple sides and multiple  
16 players to it. Just to give you a better  
17 perspective, it's the same thing with housing  
18 that we deal with all the time. Why are we so  
19 active in the housing market? Because people  
20 will have market studies that say here is the  
21 best use for a site.

22 That may be market rate and not

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 affordable. That is why we engage in these  
2 types of things to kind of begin to look to  
3 see what the best uses are, what the needs  
4 are, because we do want to get it right. We  
5 want him to get it right. We have the recourse  
6 to always take the property back but we want  
7 to be clear in terms of what the steps are.

8           There is no Boogie Man. There's  
9 nothing hidden in there. We're just saying  
10 that we're trying to proper due diligence.  
11 This is what needs to be done around the city  
12 and around the country so this isn't anything  
13 fancy. It's nothing fancy. I just wanted to  
14 make that clear.

15           MS. FULLER: And I would like to  
16 make it clear that I understand why these  
17 studies aren't used. I have at least three  
18 here that have been done here in this  
19 community within the last three to four years.

20           MR. SIMMS: But a market study  
21 three or four years old. You need a recent  
22 one.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 MS. FULLER: Not all of them are.  
2 One was done in 2011. One was done in 2010.  
3 Yes, Ms. Johnson did say that there have been  
4 some changes. What we did was we got a  
5 building that was sold which was the furniture  
6 warehouse and nothing has happened to it.

7 My thing is what has really  
8 changed in this community that makes it so  
9 huge that you guys are saying, "We've been  
10 saying before some of those things aren't  
11 relevant." All of them are not but some of  
12 them are and that is what I'd like you guys to  
13 still take into consideration.

14 All the different things that  
15 we've been saying for years. One market  
16 study, and I'm going to leave this market  
17 study alone, the last one done in 2011 by  
18 Green Door. A small grocery store or market  
19 would be feasible at that site. I understand  
20 that he's going back out and that's good and  
21 fine. We're not ignorant to market studies.

22 MR. SIMMS: I didn't say you were.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 MS. FULLER: Also listen to what  
2 we've been saying over and over and over.

3 MR. SIMMS: I'm not --

4 MS. FULLER: That is something  
5 that should be 100 percent used by anybody in  
6 this room. Everybody doesn't have a kidney  
7 disease. Everybody doesn't have a problem  
8 with drugs. Everybody is not an alcoholic.  
9 Those are the social services. We have enough  
10 of those. Let's move forward with the  
11 people --

12 MR. SIMMS: Ms. Fuller, just to  
13 move the conversation forward and put that  
14 piece to bed, the fact that we're sitting here  
15 right now going through this process lets you  
16 know that we agree that there is a better use  
17 for the site than those types of social  
18 services. That's not what Mr. Chapman was  
19 proposing.

20 MS. FULLER: I didn't say that.

21 MR. SIMMS: I know you didn't. I  
22 just want to be clear about that.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 MS. FULLER: I never said that.

2 MR. SIMMS: I know that. To your  
3 point, I just want to say thank you for your  
4 comments. We certainly will continue to work  
5 through the process. We understand that  
6 you've had conversations about it. Everyone  
7 here is talking about a grocery store, retail.

8 Those are the same conversations  
9 that we had internally. Those are the same  
10 kind of things that we talked about with Mr.  
11 Chapman and I'm sure Mr. Chapman is looking at  
12 as well. That is the point we wanted to  
13 convey. It's a process. Even if you want a  
14 grocery store, he's going to have to find a  
15 grocery store. Thank you.

16 MS. JOHNSON: Okay. Thanks.

17 The next comment and/or question  
18 is, "There is talk of moving the historic  
19 homes. If that is the case, will it be made  
20 clear that the homes will be renovated and  
21 sold, not leave the properties as an eyesore  
22 in our community? Will this be part of

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 ownership?"

2 The way that I -- the only way  
3 that I can answer that question right now is  
4 that all options are on the table. Some  
5 developers have asked about the possibility of  
6 moving the houses. That might be possible.  
7 Again, this is not a decision that DHCD can  
8 make. That's a decision that the Historic  
9 Preservation Review Board makes.

10 If that is potentially feasible  
11 and the developer wants to consider that, then  
12 I think that is something that we would  
13 consider. If it doesn't make sense or the  
14 Review Board doesn't want to see that happen,  
15 then I think we'll have to look at that. I  
16 really think it's too early to answer that  
17 question.

18 All I can say right now is that  
19 all possible options for the historic  
20 buildings are on the table. I don't think  
21 anybody is talking about leaving either of  
22 those buildings that have been stabilized to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 continue in that state forever and ever.  
2 Their ultimate disposition, whether it's with  
3 this site or whether it's on another site,  
4 would include the renovation or restoration of  
5 those buildings.

6 Last. "Today Chapman had a chance  
7 to say what they would like to go on the site.  
8 What would that be? What would Chapman  
9 Development put on that site if they had their  
10 way today? Tim Chapman, please answer. DHCD,  
11 please answer."

12 I think at this stage based on the  
13 conversations that we've had this evening, it  
14 would be really presumptuous to talk about  
15 what we really like to see on the site. I  
16 think there has been a lot of concern in the  
17 community about the medical office space  
18 piece. We don't think that is going to be the  
19 concept on this site. That is what initially  
20 caused us to ask for a market study.

21 I think at this point what we  
22 really want to do is wait to get that market

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 study. I know that Tim Chapman is anxious to  
2 get started and move on to the next phase.  
3 Once we can do that and have something in  
4 hand, it's not going to ignore the work that's  
5 been done.

6 Then we'll be able to come back  
7 and say, "Okay. This is what really, really  
8 makes sense to go here." The community,  
9 again, will have the opportunity to have some  
10 input, to give some input, and to discuss  
11 this. I would like to ask your continuing  
12 patience because I know that you felt that  
13 there was a long desert of time before we came  
14 out and talked about it.

15 Really it's because we've been  
16 going through this process. As soon as we can  
17 get this next phase of the process moving we  
18 are going to continue to communicate. Again,  
19 we'll come back to another public hearing when  
20 we get to that next phase.

21 I want to thank everyone for  
22 coming out tonight. Again, I will remind you

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 the record will be open until April 3rd so  
2 that if you go home and you feel like you have  
3 something that you didn't get a chance to say  
4 this evening, you certainly can write it down  
5 and submit it as written testimony.

6 Thank you very much for coming out  
7 this evening. Thank you for your interest and  
8 we look forward to seeing you again in the  
9 coming months.

10 (Whereupon, at 8:16 the hearing  
11 was adjourned.)  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)