

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

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, DHCD4

Presentation by Denise Johnson, Realty Project
 Manager, DHCD8

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

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

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

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

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

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

(202) 234-4433

www.nealrgross.com

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

(202) 234-4433

www.nealrgross.com

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

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

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

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

(202) 234-4433

www.nealrgross.com

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(202) 234-4433

www.nealrgross.com

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

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

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

(202) 234-4433

www.nealrgross.com

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

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

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

(202) 234-4433

www.nealrgross.com

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

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

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

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

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

(202) 234-4433

www.nealrgross.com

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

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

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

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

(202) 234-4433

www.nealrgross.com

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

(202) 234-4433

www.nealrgross.com

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

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

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

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

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

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

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

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

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

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