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A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to the need to approve an extension of time to dispose of District-owned real property located at 5131 Nannie Helen Burroughs Avenue, N.E., known as the Strand Theater.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Extension of Time to Dispose of the Strand Theater Emergency Declaration Resolution of 2014”.

Sec. 2. (a) On June 16, 2008, the Deputy Mayor for Planning and Economic Development awarded Washington Metropolitan Community Development Corporation (“Developer”), exclusive rights to negotiate to redevelop the District-owned real property located at 5131 Nannie Helen Burroughs Avenue, N.E., known for tax and assessment purposes as Lot 801 in Square 5196 (“Strand Theater”), along with an adjacent developer-owned property, as part of a commercial-use project that will include vibrant, street-front retail, a community and office space, and off-street parking.

(b) Pursuant to the Land Disposition Agreement (“LDA”) dated March 30, 2010, the Developer is required to secure all sources of financing for the Strand Theater as a condition precedent to closing. Due to a risk-adverse market, lender underwriting standards were raised in terms of equity requirements and debt-service coverage ratios forcing a slight reduction in the

26 project's scale. Lender requirements that a retail tenant be secured before committing financing
27 to the project have led to further delays. Additionally, other sources of funding, including public
28 lenders, would not have committed until the developer secured a higher loan-to-value ratio.

29 (c) The Mayor has recently allocated an additional \$1 million to improve the physical
30 structure to make it more attractive to potential tenants. An affordable housing project has been
31 approved across the street, which will also increase the site's marketability. The closing on the
32 property will not occur by the expiration of the Council's extension to October 6, 2014, pursuant
33 to the Extension of Time to Dispose of the Strand Theater Temporary Amendment Act of 2013",
34 effective January 25, 2014 (D.C. Law 20-65; 61 DCR 1431).

35 (d) The proposed legislation will extend the Mayor's authority to dispose of the Property
36 until October 6, 2015, to allow the parties to meet the closing and pre-development deadlines.

37 Sec. 3. The Council of the District of Columbia determines that the circumstances
38 enumerated in section 2 constitute emergency circumstances making it necessary that the
39 Extension of Time to Dispose of the Strand Theater Emergency Amendment Act of 2014 be
40 adopted after a single reading.

41 Sec. 4. This resolution shall take effect immediately.