The Committee on Business and Economic Development (“the Committee”), to which PR23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020” were referred, reports favorably on the legislation and recommends approval by the Council of the District of Columbia.

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I. STATEMENT OF PURPOSE AND EFFECT

Purpose and Effect

Proposed Resolution 23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020” (“Proposed Resolution”), was introduced on June 18, 2020, by Chairman Mendelson at the request of the Mayor. The Proposed Resolution was referred to the Committee on July 7, 2020. The Committee held a joint public roundtable on the Proposed Resolution on July 9, 2020.¹

¹ On July 9, 2020, the Committee held a joint public hearing with the Committee on Facilities and Procurement, to which was referred accompanying Proposed Resolution 23-0837, the “Ferebee-Hope Surplus Declaration
The Proposed Resolution will approve disposition of District-owned real property located at 3999 8th Street, SE (also known as 700 Yuma Street, NE), in Washington DC, commonly known as the Ferebee-Hope School and known for tax and assessment purposes as Square 6124, Lot 0045 (“Property”).

Background

The Property is located in the Washington Highlands neighborhood of Southeast DC, in Ward 8, and is the site of a District of Columbia public school that is no longer in use as a school facility. The Property consists of approximately 10.27 acres and is improved with a 193,000 square foot school facility, a 33,000 square foot recreation center, athletic fields and courts, a playground, and other improvements. The District has not used the Property as a DC public school since 2013, although portions of the school building was last used as a swing space by the District of Columbia Public Schools in early 2017. The existing recreation center currently serves the Washington Highlands community and is operated by the Department of Parks and Recreation (“DPR”).

The District determined that the school building is not a feasible match for any District agency use and requires substantial and costly renovation due to functional obsolescence and that in the best interest of the District to dispose of the land to allow for the redevelopment of the school building and improvement of the grounds by the charter school tenant under the proposed lease, which will result in a new school facility and campus to serve the District’s students and to provide the community with a DPR new recreation center.

On November 11, 2019, the Deputy Mayor for Education and the Department of General Services ("DGS") held a properly noticed public disposition hearing. The method of disposition of the Property is by means of a lease. The lease will require the payment of rent based upon fair market value, which was determined by retaining the services of a third-party appraiser. A lease of the Property is the most beneficial method of disposition for the District because a lease allows the District to retain ownership of the Property while shifting responsibility for maintenance, operations and capital improvements and repairs for the Property to the tenant; permits the District to impose restrictions on the use and development of the Property; and allows the District to regain possession of the Property in the event of the tenant’s non-compliance under the terms of the lease.2

On August 29, 2019, the Office of the Deputy Mayor for Education and the Department of General Services issued a solicitation to identify a charter school to utilize the Property. There was one (1) offer in response to the solicitation, submitted by KIPP D.C. Public Charter Schools. KIPP DC is a community of public charter schools with 18 schools across the District. KIPP DC founded its first school, KIPP DC KEY Academy, in Southeast DC in 2001. It has since grown to include 18 schools that serve over 6,000 students in grades Pre-K through 12.

Under the terms of the lease, KIPP DC will replace the vacant school building with a new public charter school to serve the District, as well as construct a new recreation center to replace


2 Economic Analysis, Lease of Ferebee-Hope School, Department of General Services, Government of District of Columbia
the current Ferebee-Hope Recreation Center. In the project proposed by KIPP, the new recreation center is estimated to cost $13 million dollar. It will be built by KIPP DC and owned and operated by DPR. The project proposed by KIPP DC will bring the following services and amenities to the Washington Highlands community:

- An approximately 110,000-125,000 square-foot new high school.
- A brand new 20,000-25,000 square-foot recreation center with an indoor pool, a multipurpose space, a boxing gym, and indoor basketball court. Cost of the recreation center is estimated at $13 million.
- Outdoor sports facilities, including a basketball court, a track, a football field, and a baseball diamond.
- Community space that includes approximately 4,000 square feet of community-facing partner space, a community garden, and a surface playground.
- To ensure full community use and access to the recreation center, the site will be subdivided, allowing the Department of Parks and Recreation (DPR) to operate a stand-alone facility and fields independent of KIPP DC or its partners.
- A commitment that the community will not lose access to the existing recreation center during construction.

KIPP DC also indicated that this project will bring job training and soft skills mentoring through a partnership with Training Grounds and Manpower DC, free coding classes taught by KIPP DC to the community through the KIPP Codes program, and a partnership between KIPP DC and Georgetown University Hospital to provide a pediatric psychology center that serves Ward 8 families.

DGS and KIPP DC intend to enter into a lease with a base term of fifty (50) years with one option to extend by twenty-five (25) years, providing for a maximum lease period of seventy-five (75) years. The third-party appraisal found that the fair market rental value of the Property is $1,602,000. DGS will charge KIPP DC full fair market rent for the Ferebee-Hope property. However, DGS has also agreed to provide abatements to that fair market rent based on KIPP DC’s capital spending to construct the new school building and recreation center. This abatement will be a dollar for dollar match to KIPP DC’s capital spending and therefore does not constitute a subsidy or government assistance.

According to DGS, KIPP DC is anticipated to incur an estimated $88,300,000 in Project costs under the lease. Such substantial costs to redevelop the school building and generally improve the Property weighed significantly in the decision to seek the disposal of the Property. These costs, as well as the substantial ongoing costs to operate, repair and maintain the Property, will be borne by KIPP DC rather than the District. Therefore, the Executive found that disposition of the Property through a long-term lease is the most advantageous and cost-effective solution to redevelop the Property to provide the District with a new educational facility and recreation center while retaining the District’s ownership over the Property. Furthermore, upon the expiration of the lease term, the District will continue to own the Property, and the new school building.

The lease will also require KIPP DC to enter into a CBE Agreement with the District of Columbia Department of Small and Local Business Development pursuant to the requirements of
D.C. Code Section 2-218.46 regarding the use of Small Business Enterprises and Certified Business Enterprises (as such terms are defined under D.C. Code Section 2-218.02) for the Project. In addition, the lease will require KIPP DC to enter into a First Source Agreement with the District of Columbia Department of Employment Services for the work associated with the Project. At the joint public roundtable, KIPP testified that it has a goal to exceed the statutorily required 35% CBE requirement with a goal of 50%.

II. LEGISLATIVE HISTORY

June 18, 2020  PR23-0838 is introduced by Chairman Mendelson at the request of the Mayor.

July 7, 2020  Referral of PR23-0838 to the Committee on Business and Economic Development

July 9, 2020  Public Roundtable on PR23-0838 is held by the Committee on Business and Economic Development


July 10, 2020  Notice of Joint Public Roundtable on PR23-0838 is published in the District of Columbia D.C. Register

July 16, 2020  Consideration and vote on PR23-0838 by the Committee on Business and Economic Development

III. POSITION OF THE EXECUTIVE

On July 9, 2020, the Committee on Business and Economic Development held a public roundtable on Proposed Resolution 23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020”. The Committee received testimony from Ikeogu Imo, Associate Director of the Portfolio Division, Department of General Services, in support of the proposed resolution. His testimony is summarized below.

IV. ADVISORY NEIGHBORHOOD COMMISSION COMMENTS

The Committee received testimony in support of the disposition from Chair Stephen Slaughter of Advisory Neighborhood Commission 8E and Commissioner Monique Diop of ANC 8D04. The Committee received testimony from Commissioner Karlene Armstead of ANC 8E06 with concerns on the disposition. That testimony is summarized below.

V. WITNESS LIST AND HEARING RECORD

The Committee on Business and Economic Development held a roundtable on Proposed Resolution 23-0838, the Ferebee-Hope School Disposition Approval Resolution of 2020, on July
9, 2020. A video recording of the roundtable can be viewed online at oct.dc.gov. The following witnesses testified at the hearing or submitted statements outside of the hearing:

**Public Witnesses**

*Jacque Patterson, Chief Community Engagement and Growth Officer, KIPP DC*

Mr. Patterson, representing KIPP DC, provided written and oral testimony in support of the disposition. He stated that the project is responsive to residents of the community and will serve the needs of a very underserved community. Partners were specifically engaged to meet the needs of the community, including Training Grounds, Georgetown University Hospital, and the Washington Nationals. There is an urgency for the project. He also stated that Councilmember Trayon White held an emergency community meeting and residents asked that he make the project a priority. Since then, COVID-19 has disproportionately affected the community. It is rare to have an opportunity to help a community in the midst of a crisis. Additionally, he noted that more than 1,000 parents submitted testimony via email to the Committee.

Mr. Patterson said that there is urgency to close the disposition with the District so that the project can be completed in time for the 2021-22 school year. Work must start in August on relocating utilities so that construction can begin in January without any disruption to the current Department of Parks and Recreation facility. Construction must start in January so that the recreation center can open in summer 2021, the new school can open for the 2021-22 school year, and the new fields can be open by summer 2022. The project includes renovations to swing space in the octagonal building, which will be used in fall 2021 for the school while construction is complete. KIPP DC is aiming for a 50% CBE subcontracting standard and is working Training Grounds to achieve this.

Finally, Mr. Patterson noted that KIPP DC engaged with the community before the Ferebee-Hope School became available. It had hundreds of meetings over two years. Representatives went door-to-door, updated Advisory Neighborhood Commissions, and conducts surveys. It created a community advisory council to inform the plan. There is overwhelming support for having KIPP DC locate at the Property. The plan will benefit the District because KIPP DC is bearing the cost of constructing the recreation center. The football field will be available to the public. Organizationally, KIPP DC has been looking at racial equity a pipeline to leadership for over a year as part of its strategic plan.

*Kemia Edwards, Parent, KIPP DC*

Ms. Edwards provided written and oral testimony in support of the disposition. She stated that KIPP DC is about the community and building strong families. Her daughter can attend a school in her own neighborhood. Children in Ward 8 deserve a good school and amenities in their own community.

*Aquia Bratcher, Parent/Employee, KIPP DC*

Ms. Bratcher provided written and oral testimony in support of the disposition. She is a Ward 7 resident and was previously a Ward 8 resident. As soon as her family enrolled in KIPP
DC, she had a network. KIPP DC assisted with her through homelessness and job searches. KIPP DC ensures that family voices are heard. She had wanted another Ward 8 high school for years, before Ferebee-Hope became available. Ward 8 residents deserve this.

*Shaniola Arowolaju, Parent, KIPP DC*

Ms. Arowolaju provided written and oral testimony in support of the disposition. She is a Ward 5 resident and parent of three KIPP DC students. Her children travel to Ward 8 from Ward 5 because they value KIPP DC schools. It is of utmost importance to have a school in Ward 8.

*Tom Brown, Executive Director, Training Grounds*

Mr. Brown, representing Training Grounds, which plans to partner with KIPP DC for workforce development, provided written and oral testimony in support of the disposition. He grew up in the community and knows the challenges that the community wants to address. KIPP DC will challenge the contractor and decisionmakers to achieve a 50% CBE subcontracting standard. He has a relationship with the contractor to communicate this. Training Grounds will provide support after construction with services for business and workforce development. It will be an additional location for Training Grounds. Training Grounds focusses on construction trades and soft skills. It is expanding into telecommunications, the medical field, and hospitality. Its intermediary role is important.

*Jimmie Jenkins, CEO/Founder, Manpower DC*

Mr. Jenkins provided written and oral testimony in support of the disposition. He stated that KIPP DC has done a great job getting the community involved. ManPower DC had an agreement over the past year with KIPP DC on mentoring. Moving forward it will provide construction services. The contractor is open to providing opportunities. He has worked with them before.

*Crystal Lockerman, Parent, KIPP DC*

Ms. Lockerman provided written and oral testimony in support of the disposition. She reported that KIPP DC has provided awesome opportunity to her children. She wants to see it for all Ward 8 children. It was worth going to Ward 5 to take her kids to the campus there. She would love to see KIPP DC in her Ward 8 community.

*Monique Diop, Commissioner, ANC 8D04*

Commissioner Diop, representing ANC8D04, provided written and oral testimony in support of the disposition. She stated that the Ferebee-Hope property had a lot of struggles in the past, but that it is exciting that KIPP DC can provide college prep, trades, and extracurricular activities for students. This will shorten the distance for students to get to the school of their choice. Students can face violence and other challenges going long distances. It is also hard for parents to get involved. So many recreation facilities in Ward 8 are needed. If approval does not happen, it will be delayed by a year. Students should not have to wait for another school in Ward 8.
Stephen Slaughter, Chair, ANC 8E

Chair Slaughter, representing ANC 8E07, provided written testimony in support of the disposition. He noted that KIPP DC has outlined and explained the project and timeline to the community and answered questions. The community is looking forward to the Property reopening for public use.

Karlene Armstead, Commissioner, ANC 8E06

Commissioner Armstead testified that she had concerns with the disposition. She inquired as to the impact this new school will have on Ballou High School and its students. She also raised concerns about the lottery and its impact on opportunity for the youth that live in the community and discussed the KIPP DC’s method’s for communicating with the public.

Sandra Seegars, Resident, Ward 8

Ms. Seegars provided written testimony in support of the disposition. She said that KIPP DC’s Wheeler Road school is well-managed and can manage children from all walks of life. The KIPP DC plan is good for residents of the neighborhood and Ward 8 generally and will be a step toward revitalization.

Tamara Wilds Lawson, Executive Director, Collective Impact, Washington Nationals Philanthropies

Ms. Lawson, representing Washington Nationals Philanthropies, provided written testimony in support of the disposition. She stated that the Washington Nationals Philanthropies is partnering with KIPP DC to provide YBA PLAY, the Washington Nationals Youth Baseball Academy’s largest program, at the Property.

Government Witnesses

Ikeogu Imo, Associate Director, Portfolio Division, Department of General Services

Mr. Imo submitted written and provided oral testimony on behalf of the Executive. He testified that the District determined that KIPP DC’s proposal was the best use for the Property. Once the DME and DCPS determined the Property was not needed as a school, DGS engaged with other agencies to ascertain if there is potential use of the asset. DGS did not receive any comments. KIPP DC was the only response to the RFP. KIPP DC is one of the most established charter schools and has a history of successful construction projects. They will build a new school and recreation center. KIPP DC must partner with the community and the Department of Parks and Recreation on the recreation center and has already taken steps to do this. KIPP DC must build the recreation center with its own resources and turn it over to DGS, under the lease. KIPP DC is responsible for school construction and maintenance. The project is estimated to create 300 construction jobs and 130 to 150 jobs after construction. KIPP DC also must enter into First Source agreement. It will be partnering Training Grounds and Georgetown University Hospital and providing community
coding classes. To deliver the recreation center by summer 2021 without any interruption in operations, all documents must be executed by the end of August.

VI. IMPACT ON EXISTING LAW

PR23-0838 will have no impact on any existing law.

VII. FISCAL IMPACT

The Committee adopts the attached fiscal impact statement of the District’s Chief Financial Officer.

VIII. SECTION-BY-SECTION ANALYSIS

Section 1 Provides the long and short titles of the Resolution.
Section 2 Contains definitions.
Section 3 Provides findings on the development of the disposed Property.
Section 4 Contains the approval of the disposition of the Property.
Section 5 Contains the fiscal impact statement.
Section 6 Provides that the resolution shall take effect immediately.
Section 7 Provides the effective date.

IX. COMMITTEE ACTION

On July 16, 2020, the Committee held a markup to consider and vote on Proposed Resolution 23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020”. The meeting was called to order at 9:09 a.m. Chairperson Kenyan R. McDuffie recognized a quorum consisting of himself and Councilmembers Brooke Pinto (Ward 2), Mary Cheh (Ward 3), Charles Allen (Ward 6), and Vincent C. Gray (Ward 7). Chairperson McDuffie, without objection, moved the Committee Report and Print for PR23-0838 en bloc, with leave for staff to make technical and conforming changes. Councilmember Cheh asked about the solar power generation facility located on the property and whether KIPP would be required to maintain that facility. Chairperson McDuffie stated that KIPP DC provided a follow up letter stating that KIPP DC was committed to solar energy, and that he would forward that letter to Councilmember Cheh. Councilmember Gray asked about Training Grounds relationship with KIPP and the Recreation Center located on the property. Chairperson McDuffie stated that KIPP DC provided a follow up letter explaining that Training Grounds would provide job training on the site, with program expenses paid by training grounds but that the use of the facility would be rent free. After opportunity for discussion, the Committee voted 5-0 to approve the Committee Report and Print with the members voting as follows:
YES: Chairperson McDuffie, Councilmembers Gray, Cheh, Allen, Pinto
NO:
PRESENT:
ABSENT:

X. ATTACHMENTS

(A) PR23-0838, as introduced
(B) Notice of Public Hearing on PR23-0838, as published in the District of Columbia Register
(C) Public Hearing Agenda and Witness List
(D) Witness Testimony
(E) Fiscal Impact Statement
(F) Legal Sufficiency Determination
(G) Committee Print of PR23-0838
Memorandum

To : Members of the Council
From : Nyasha Smith, Secretary to the Council
Date : Tuesday, July 14, 2020
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Thursday, June 18, 2020. Copies are available in Room 10, the Legislative Services Division.


INTRODUCED BY: Chairman Mendelson, at the request of Mayor

The Chairman is referring this legislation to the Committee on Business and Economic Development.

This resolution will be deemed Deemed Disapproved on Friday, November 13, 2020 without Council action.

Attachment

cc: General Counsel
Budget Director
Legislative Services
June 18, 2020

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Chairman Mendelson:

Please find enclosed for consideration and approval by the Council of the District of Columbia, pursuant to authority conferred by D.C. Official Code §10-801, the “Ferebee-Hope School Surplus Declaration Resolution of 2020” and the “Ferebee-Hope School Disposition Approval Resolution of 2020”. The resolutions would authorize the Department of General Services to lease District-owned real estate located at 3999 8th Street SE (also known as 700 Yuma Street SE), commonly known as the Ferebee-Hope School, and designated for tax and assessment purposes as Square 6124, Lot 0045 (the “Property”).

The Property is located in Ward 8, in the Washington Highlands neighborhood of Southeast DC. The land area of the Property consists of approximately 10.27 acres. The Property is improved with a 193,000 square foot school facility, a 33,000 square foot recreation center, athletic fields, a playground, athletic courts and other improvements. The District has not used the Property as a District of Columbia public school since 2013, although portions of the school building have been used as swing space by the District of Columbia Public Schools (“DCPS”).

On July 9, 2019, a surplus public hearing took place and on November 11, 2019 a disposition public hearing took place, each at the Ferebee-Hope School site.

On August 29, 2019, the Office of the Deputy Mayor for Education and DGS issued a solicitation to identify a charter school to utilize the Property. There was one (1) offer in response to the solicitation, submitted by KIPP D.C. Public Charter Schools. KIPP DC is one of the District’s most established Local Education Agencies, operating 16 schools and serving over 6,000 students. KIPP DC’s schools perform well on all performance metrics and its current high school in Ward 5 is a Tier 1 school. KIPP DC has been successfully educating students in the DC area since 2001 and has a history of successful construction projects in former DCPS facilities. Based on the foregoing, the Property was awarded to KIPP DC. KIPP DC will redevelop the Property at an estimated cost of $88,300,000.
I urge the Council to take prompt and favorable action on these proposed resolutions. If you have any questions, please contact Keith A. Anderson, Director, Department of General Services, at (202) 727-2800.

Sincerely,

Muriel Bowser

Enclosure
A RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Phil Mendelson, at the request of the Mayor, introduced the following resolution, which was referred to the Committee on ....

To approve the disposition of District-owned real property located at 3999 8th Street SE (also known as 700 Yuma Street SE) in Washington, D.C., commonly known as the Ferbee-Hope School, and known for tax and assessment purposes as Square 6124, Lot 0045.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Ferbee-Hope School Disposition Approval Resolution of 2020”.

Sec. 2. Definitions.

For the purposes of this resolution, the term:

(a) "CBE Agreement" means an agreement with the District governing certain obligations of the Lessee of the Property under the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 et seq.). ("CBE Act"), including the equity and development participation requirements set forth in section 2349a of the CBE Act

(b) "Certified Business Enterprise" means a business enterprise or joint venture certified pursuant to the CBE Act.

(c) "First Source Agreement" means an agreement with the District governing certain obligations of the Lessee of the Property pursuant to section 4 of the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03, and Mayor's Order 83-263 (November 9, 1983)), regarding job creation and employment generated as a result of the construction on the Property.

(d) "Lessee" means KIPP D.C. Public Charter Schools, a District of Columbia non-profit corporation or its successors or permitted assigns, with a business address of 2600 Virginia Avenue NW.

(e) "Property" means the real property and improvements located at 3999 8th Street SE (also known as 700 Yuma Street SE), in Washington, D.C., commonly known as the Ferebee-Hope School, and known for tax and assessment purposes as Square 6124, Lot 0045.

Sec. 3. Approval of Disposition.

(a) Pursuant to subsections (b) and (b-1) of an Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes (the "Act"), approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801(b) and (b-1)), the Mayor transmitted to the Council a request for the Council to authorize a lease of the Property to the Lessee for the development of, and use as, a charter school.

(b) The proposed disposition would occur through a negotiated lease for a period of greater than fifteen (15) years to the Lessee.
(c) The proposed disposition is expected to include the following terms and conditions, in addition to such other terms and conditions as the Mayor deems necessary or appropriate:

(1) The Lessee shall redevelop the Property in accordance with plans which shall be subject to approval by the District, and shall use the Property primarily as an educational facility.

(2) The Lessee will enter into a CBE Agreement, which will require the Lessee to contract with Certified Business Enterprises for at least 35% of the contract dollar volume of the redevelopment of the Property, if any, and if possible, shall require at least 20% development participation of Certified Business Enterprises.

(3) The Lessee will enter into a First Source Agreement.

(4) The Land Disposition Agreement for the disposition of the real property shall not be inconsistent with the substantive business terms of the transaction submitted by the Mayor with this resolution in accordance with subsection (b-1)(2) of this section, unless revisions to those substantive business terms are approved by Council.

(d) The Council finds that the Property is not required for public purposes.

(e) The Council finds that the Mayor's analysis of economic and other policy factors supporting the disposition of the Property justifies the lease proposed by the Mayor.

(f) All documents submitted with this resolution shall be consistent with the executed termsheet transmitted to the Council pursuant to section (b-1)(2) of D.C. Official Code § 10-801.

(g) The Council approves the disposition of the Property.
Sec 4. Transmittal.
The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to the Office of the Mayor, the Department of General Services and the Chief Financial Officer.

Sec 5. Fiscal Impact Statement.
The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec 6. Effective Date.
This resolution shall take effect immediately.
NOTICE OF JOINT PUBLIC ROUNDTABLE

on

PR23-0837, the “Ferebee-Hope School Surplus Declaration Resolution of 2020”

and

PR23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020”

Thursday, January 9, 2020, 9:00 AM

Live via Zoom Video Conference Broadcast
Council Channel 13 (Cable Television Providers)
DC Council Website (www.dccouncil.us)

On Thursday, January 9th, 2020, Councilmember Robert C. White Jr., Chair of the Committee on Facilities and Procurement and Councilmember Kenyan R. McDuffie will hold a Joint Public Roundtable on PR23-0837, the “Ferebee-Hope School Surplus Declaration Resolution of 2020” and PR23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020”. The public oversight roundtable will take place via the Zoom web conferencing platform at 9:00 AM. Members of the public will be able to view the public oversight roundtable on cable television on Council Channel 13 or online at: https:// dccouncil.us/council-videos/ or at: entertainment.dc.gov.

PR23-0837, the “Ferebee-Hope School Surplus Declaration Resolution of 2020”, was introduced on June 18, 2020 by Chairman Mendelson. The resolution was referred to the Committee on Facilities and Procurement on July 7th, 2020. The stated purpose of the resolution is to declare as no longer required for public purposes the District-owned real property located at 3999 8th Street SE (also known as 700 Yuma Street SE), in Washington, D.C., commonly known as the Ferebee-Hope School, and known for tax and assessment purposes as Square 6124, Lot 0045.

PR23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020”, was also introduced by Chairman Mendelson on June 18, 2020. The resolution was referred to the Committee on Business and Economic Development on July 7th, 2020. The stated purpose of the resolution is to approve the disposition of District-owned real property located at 3999 8th Street SE (also known as 700 Yuma Street SE), in Washington, D.C., commonly known as the Ferebee-Hope School, and known for tax and assessment purposes as Square 6124, Lot 0045.
The Committee invites the public to testify remotely or to submit written testimony. Anyone wishing to testify must sign up in advance by contacting the Committee by e-mail at facilities@decouncil.us or by phone at (202) 741-8593, and provide their name, phone number or e-mail, organizational affiliation, and title (if any) by the close of business on Tuesday, July 7th, 2020. Witnesses are encouraged, but not required, to submit their testimony in writing electronically in advance to facilities@decouncil.us. Public witnesses will participate remotely and using audio only. The Committee will follow-up with witnesses with additional instructions on how to provide testimony through a web conferencing platform.

All public witnesses will be allowed a maximum of four minutes to testify, while Advisory Neighborhood Commissioners will be permitted five minutes to testify. At the discretion of the Chair, the length of time provided for oral testimony may be reduced.

The Committee encourages the public to submit written testimony to be included for the public record. Copies of written testimony should be submitted either by e-mail at facilities@decouncil.us. The record for this public oversight roundtable will close at the close of business on Thursday, July 9th, 2020.
ATTACHMENT C
Notice of Joint Public Roundtable

on

PR23-0837, the "Ferebee-Hope School Surplus Declaration Resolution of 2020"

PR23-0838, the "Ferebee-Hope School Disposition Approval Resolution of 2020"

Thursday, July 9th, 2020
9:00 a.m.

I. Call to Order

II. Opening Remarks

III. Witness Testimony

A. Public Witnesses

1. Jacque Patterson, Chief Community Engagement and Growth Officer, KIPP DC

2. Kemia Edwards, Parent, KIPP DC

3. AQuia Bratcher, Parent, KIPP DC

4. Shaniola Arowolaju, Parent, KIPP DC

5. Tom Brown, Executive Director, Training Grounds

6. Jimmie Jenkins, Founder & CEO, ManPower DC

B. Advisory Neighborhood Commissioners

The John A. Wilson Building, 1350 Pennsylvania Avenue, N.W.
Washington, DC 20004
7. Monique Diop, ANC 8Do4

C. Government Witnesses

8. Ikeogu Imo, Associate Director, Portfolio Division, Department of General Services

IV. Adjournment
ATTACHMENT D
Good Morning Mr. Thro,

I first was to thank you for the opportunity to talk with you regarding Kipp Charter School here at Ferebee Hope.

It was a pleasure.

My concerns that I have for Kipp to address have not yet happened.

The number of students (820) and the affect it will have on this community.

Where is it’s funding coming from? How much is going back into the community.

The fact a lottery has to take place will eliminate the opportunity for the youth that live in this community.

How fair is that?

Kipp will be closing other schools they have to merge here at Ferebee i.e Summer Set on Wheeler, Rd.

The length of the lease is 50yrs. why? When Charter Schools don’t always meet their academic requirements

then what happens to the school will it continue to be leased out to the highest bidder other charters?

Is the real estate the prime reason that the owners of Kipp are coming if our kids happen to be there then so be it and the lack of education. The fact that this High School will take away from the existing schools Ballou and Hart. What is their fate? Will this be a reason to decrease funding or close them? Due to lack of students?

We already have failing charter schools in this community, leaving our youth at a disadvantage and uneducated.

These so called leaders have disregarded, disrespected and looked out for themselves and the hell with the needs of this community and the people it will affect.

I feel that Kipp needs to again reach out to this community NOT THE SURROUNDING AREA BUT THE PEOPLE THIS PROJECT WILL IMPACT. And not a 2:00pm flyer delivery for a 5:00pm same day meeting and handing out 20-30 flyers for the whole area.

I feel that Kipp needs to come back to this community at a later date and come with information that will inform and educate the community PUT THIS ON HOLD FOR NOW and not cigrate the carrot in front of us and give us LIES, DECEPTION AND DECEIT, plan old TRICKERY.

And having PARK and RECREATION a part of this project is a JOKE you can’t even get the Director to come out to the community to meet with people or to an ANC MEETING. There is no real interest in this community, just a lot of DISMISSAL and DISRESPECT.

Thank you for hearing my concerns.

Best Regards,

Commissioner Karlene (K.) Armstead 8e06

this is my single member district not
Steven Slaughter he is 8e07 who can't speak 8e06
July 8th, 2020

Councilmember Kenyan McDuffie,
Councilmember Robert White,
1320 Pennsylvania Avenue, Northwest
Washington, DC 20004

Re: Ferebee-Hope Redevelopment ANC 8E Commissioner Letter in Support

Dear Councilmembers McDuffie & Robert White:

I have attended several public presentations by Kipp, where they outlined and presented their vision of the redevelopment of Ferebee-Hope. They took the time to explain the timeline and processes to members of the community. They answered the tough questions from the community. And they were always transparent with their actions and their expectations.

The community and I look forward to having Ferebee-Hope reopened and we’re excited about the public use that comes along with the redevelopment. Like the rest of ANC 8E, I have anxiously awaited the redevelopment of the Ferebee-Hope, which is currently the site of the dilapidated.

I support the project and believe that the pride of Washington Highland is returning, starting with this project. Additionally, I believe the project, including the site plan, building appearance, public usage and landscaping provided will be a significant benefit to the community.

While the ANC has faced challenges in conducting full public meetings and taking formal votes on pending projects during the period of social distancing related to the COVID-19 outbreak, I am writing to express my strong support for this project and ask that the Committee approve this project.

Thank you for your attention to this matter.
Respectfully Submitted,

Stephen A. Slaughter

Stephen A. Slaughter
Chairman ANC 8E, SMD 8E07
Good morning, my name is Jacque Patterson, a proud Ward 8 resident, and the Chief Community Engagement and Growth Officer for KIPP DC. Two years ago, KIPP DC began to explore the potential to partner with the Washington Highland community to redevelop the Ferebee-Hope facility which housed a public school that had been shuttered in 2013 and a decaying recreation center that has limited programming.

This project was especially meaningful for me because, as I stated, I am a very proud resident of Ward 8 going on 20-plus years. I know intimately the needs of Ward 8 because I served 5 terms as an ANC for single member district 8B07. I know the families of Condon Terrace and Washington Highlands and how long they have asked for exactly what this project will bring to their neighborhood.

The redevelopment of Ferebee-Hope is a special opportunity. Unlike any other before it, it truly is responsive to the residents of the community. It replaces a dilapidated recreation building with a state-of-art facility that will serve the needs of an underserved community. The partners that have joined this project, who you
KIPP DC

will hear from today, were specifically chosen to address years of concerns the community has raised in countless community meetings. Partners like Training Grounds, who’s executive director was born and raised across the street from Ferebee-Hope, and attended the school when it was still called Washington Highland. He will be working with the community to ensure that residents benefit from the jobs this project creates. Partners like Georgetown Health that will address the mental health needs of the community. And partners like the Washington Nationals who will be supporting the recreational programming of the Department of Parks and Recreation. This group of partners was brought to the project because KIPP DC wanted to make sure that this project was community focused, not developer focused.

But briefly, I want to touch on why there is an urgency to begin this project. Upon KIPP DC being selected to redevelop the Ferebee-Hope facility, my councilmember, your colleague, Councilmember Trayon White called an emergency meeting to discuss the merits of the project and to hear directly from his constituents why he should support the project. Residents were overwhelmingly supportive of the project, and they asked him to make it a priority due the need for both the services and the jobs that it would bring. In the interim time between that meeting and this roundtable, the pandemic has wreaked disproportionate havoc on east of the river communities. This project is seen as a much-needed response to a Ward that has experienced more than its share of unemployment, and more than its share of
underfunded recreational programming. It's rare that we have an opportunity to approve a project crafted by the community to address their needs in the midst of a crisis.

To wait, means you will defer helping a small community-based employment service an opportunity to serve a community that raised him, you will defer mental health services being brought to a community that desperately needs help coping with all that this pandemic has heaped up it. To delay will mean you will put off by a whole school year, a call by Ward 8 high school students who personally asked Chairman Robert White, during a “mile in my shoes” school initiative to build them a school closer to their home so they would not have to travel crosstown to the only KIPP DC high school when most students currently enrolled are east of the river students.

In closing, I want to acknowledge the 1,090 parents who have submitted testimony via emails to this committees’ members. I want to thank Ward 8 community leaders such Cora Master Barry of the SE Tennis Learning Center, Phil Pannell of the Anacostia Coordinating Committee, ANC 8E Chairman Stephen Slaughter and the other residents who’s written testimony I will submit for the record.

Thank you for the opportunity to present testimony, I will answer any questions you may have.
Additional detail in writing, and preferably a commitment from KIPP, about its continued use of solar power on the site after redevelopment.

RESPONSE: Over the last 10 years KIPP DC has installed solar panels at 4 of 7 campuses, amounting to 947 kW. KIPP DC is currently in negotiations to add solar panels at the remaining 3 campuses over the next two years, amounting to an estimated 947 kW. Solar energy is a priority to KIPP DC and to our community of staff, students, families and neighbors.

As we have shown on all other campuses, KIPP DC is committed to utilizing solar power at the Ferebee-Hope site after redevelopment.

Additional detail regarding KIPP's partnership with Training Grounds, including funding sources and services to be provided for the partner organization.

RESPONSE: Training Grounds is a non-profit organization that was established in 2005 with the mission to assist youth and adults with personal, career, and leadership development. Training Grounds is led by Tom Brown, a proud alumnus of Ferebee-Hope, who is committed to preparing economically disadvantaged individuals for living wage careers and self-sufficiency. Their model is designed specifically to empower high poverty, high crime and socioeconomically challenged communities. After meeting with neighbors of the Washington Highlands community and the Ward 8 Councilmember, KIPP DC heard consistently that job training and mentorship are of key importance for the area, which is why we partnered with Training Grounds on the RFO submission and have continued our partnership through site planning.

Training Grounds will provide job training for the Ferebee-Hope construction project which will be funded by KIPP DC. Training Grounds will have office and training space on the site, similar to their other site in the District (Ward 7). Any program expenses will be paid by Training Grounds.
I write to follow up on my testimony this morning at your Committees’ Joint Roundtable on PR23-0837, the “Ferebee-Hope School Surplus Declaration Resolution of 2020,” and PR23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020.” Specifically, I wanted to answer the questions for which I committed to provide additional information and to supplement the information I did provide at the Roundtable.

**SCHOOL AND BOARD DIVERSITY**

Diversity, Equity and Inclusion at KIPP DC

Over the past several years, KIPP DC has increased our investment in Diversity, Equity, and Inclusion (DEI). In June 2019, KIPP DC created the DEI Council to lead efforts that included facilitating training/professional development and affinity focus groups for headquarters staff, revising the vice-principal selection process to be more equitable, and hosting an anti-racist workshop for all network principals. In May 2020, the Board of Directors adopted a five-year strategic plan that names DEI as a top priority for the organization, specifically “identify and confront institutional racism to create a more diverse, equitable, and inclusive organization and public school system.” KIPP DC is developing short and long term initiatives to specifically address that strategic priority – many of which are already underway and outlined below.

**2020-21 Equity Initiatives:**

1. Solidify our DEI five-year ambition by clarifying objectives and definitions, and create comprehensive DEI metrics as part of our 2025 strategic plan
2. Create DEI infrastructure, including hiring a Chief Equity and Inclusion Officer and expanding our DEI Council
3. Implement school-specific equity action plans to address immediate needs and begin working toward long-term goals
4. Build transparent pathways to leadership that support the development of future leaders of color, beginning with school leadership
5. Conduct an internal audit of KIPP DC’s organizational practices, staff and student policies, and curriculum
6. Cultivate DEI-related skills, mindsets, and knowledge through ongoing professional development, discussions, and resource-sharing

**Leadership and Staff**

KIPP DC is governed by a 15-member Board of Directors, which includes two parent representatives and one teacher representative. As of July 9, 2020, seven of 15 board members identify as Black, Indigenous, People of Color (BIPDC)
KIPP DC is actively working on cultivating new members of our Board of Directors who are more representative of our students and families, with a priority placed on community and civic leaders.

- Heading into the School Year 2020-21, 63% of principals identify as BIPOC, and 16 of the 17 members of our 2020-21 Rising Leaders cohort are BIPOC. Approximately 75% of teachers identify as BIPOC.
- In the school year 2019-20, 98% of KIPP DC students identified as Black, and 99.8% as BIPOC.

CBE COMMITMENT

KIPP DC is fully committed to ensuring that District-owned businesses and District residents are contracted and employed through the Ferebee-Hope project. KIPP DC reiterates its commitment to more than what’s required for District government projects and is committed to 50 percent Certified Business Enterprise (CBE) participation on the project. Further, KIPP DC is committed to ensuring that $2 million in project costs go specifically to Ward 8 businesses.

PUBLIC ACCESS

As currently planned, the future Ferebee-Hope School site will have the following community amenities, which are being paid for by KIPP DC, at no cost to the District:

- Recreation Center
- Baseball/Multi-Purpose Field
- Playground
- Community Garden
- Outdoor Basketball

All of these amenities are currently on the site and will be on the site in the future. All of these amenities will be on the District parcel and be under the ownership and control of the District and DPR, as they are today. As has been done at other sites, KIPP DC is hopeful that DPR will provide some access for KIPP DC to the baseball/multi-purpose field in coordination with DPR’s, the community’s, and other partners’ needs.

In addition, KIPP DC is planning to build a football field and track on the site. The football field and track will be on the KIPP DC parcel. As has been done at all other KIPP DC sites, KIPP DC is committed to working with DPR, community organizations, and the community on providing access to the field and track on an ongoing basis.

CONSTRUCTION AND DELIVERY TIMELINE NEED FOR PROMPT COUNCIL ACTION

Utility relocation needs to start next month in order for demolition to start in November.

Demolition needs to start in November in order for construction to start in January.
Construction needs to start in January in order for:

1. The new Recreation Center to open for summer 2021,
2. The new school to open for the 2021/2022 school year, and
3. The new fields to be open for summer of 2022

COMMUNITY SUPPORT (ANC, AN ADDITIONAL COMMUNITY LEADER, AND NATIONALS)

Please see the three attached letters of support from the Chairman of ANC 8E; additional Community Leader, Sandra Seagers; and the Washington Nationals.

Thank you for the opportunity to provide this additional information and please let me know if you have further questions or if there is any more material I can provide.
June 28, 2020

The Honorable Robert C. White, Jr.
Councilmember At-Large
Chairman, Committee on Facilities and Procurement
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Ave
Washington, D.C. 20004

Dear Chairman White,

Washington Nationals Philanthropies is submitting this letter to express our support for the Ferebee Hope School Disposition Approval Resolution of 2020. This important resolution will allow KIPP DC to build a new Ferebee Hope Recreation Center owned and operated by the DC Department of Parks and Recreation (DPR), and a new KIPP DC High School. Since bringing YBA PLAY (our Washington Nationals Youth Baseball Academy’s largest program) to Ward 8, we have witnessed KIPP DC’s consistent engagement with the community.

Prior to submitting a proposal, the KIPP DC team sought and responded to community feedback regarding what they wanted to see at the site. Those conversations informed the design and programs for the new recreation center the community deserves. KIPP DC’s willingness to engage and communicate with residents is one of the central reasons we agreed to become a community partner and support this effort. Furthermore, we believe the Ferebee Hope redevelopment project will bring the following critical benefits to Ward 8:

1. The new $13 million dollar recreation center will be built and fully funded by KIPP DC but owned and operated by DPR. The center’s new facility will provide neighborhood residents and families with access to high quality offerings, including our YBA PLAY youth focused program.

2. On average, students who reside in Ward 8 and travel to KIPP DC’s High School in Ward 5 spend 65 minutes on public transportation, one way, to get to campus. The Ferebee Hope project will bring a KIPP DC High School to Ward 8 and cut that commute by more than half.

Washington Nationals Philanthropies
#NATS4GOOD
3. Approval of the project will bring immediate jobs and job training to one of the most underserved neighborhoods in the city plagued by disproportionate unemployment. This site will employ hundreds of people in construction jobs and the school will require more than 130 full-time permanent employees. For all these positions, KIPP DC is committed to hiring Ward 8 residents and working with the ANC, Councilmember, and Mayor to hold them accountable.

4. Georgetown University Hospital, in partnership with KIPP DC, will run a pediatric psychology center to serve Ward 8 families. Immediate approval of this legislation will help ensure students and families, especially those who live in the Washington Highlands neighborhood, receive high quality mental health services.

Given the value this comprehensive project will bring to the community, we urge you to approve and move this legislation quickly. Doing so will enable students to attend Freedom-Hope in school year 2021-2022 and residents to access the new recreation center sooner. Thank you for your consideration and please do not hesitate to contact me if you have questions.

Sincerely,

Tamara Wilds Lawson
Executive Director, Collective Impact
Washington Nationals Philanthropies
1500 South Capitol Street, SE
Washington, DC 20003
202.580.2294
Tamara.Wlawson@nationals.com

Cc:
Councilmember Mary M. Cheh
Councilmember Vincent C. Gray
At-Large Councilmember Elissa Silverman
Greetings Council-members Elissa Silverman, Robert White, and Kenyan McDuffie:

I hope you do not mind that I have chosen to address you all in the same email regarding the Ferebee Hope Redevelopment Project located in Ward 8. I believe the mayor selected the most appropriate school, KIPP DC. I strongly ask that you support the mayor’s decision to award the Ferebee-Hope site to KIPP DC. KIPP DC located on Wheeler Rd (formerly Somerset) is three short blocks from my home. Prior to becoming KIPP that school had problems on a regular basis. It seemed that some of the students were not managed properly in the school and near the school. Since KIPP took over, to my knowledge, there has been no problems. I believe KIPP’s managerial practice is excellent for our students and for this new location at Ferebee Hope site. “We” often believe that students from certain areas are harder to monitor, but I believe KIPP can manage children from all walks of life and all neighborhoods.

All the components KIPP plans to institute at this site is a plus, not just for that neighborhood but for all of Ward 8. Ward 8 does not have much to hang its hat on, but KIPP at that location would be leading us in the right direction. A school of this magnitude will make folk stand up and notice us in a positive light. I have been in Ward 8 since 1959, and traveled to high school from Ward 6 to Ward 8 from 1965 to 1968, I have seen Ward 8 go from up to par to sub-par. KIPP would give us a well-deserved step towards our proposed up and coming revitalization.

Thanking you in advance,
Sandra “SS” Seegars
202-561-6616
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of General Services

Joint Public Roundtable on

PR23-0837, "Ferebee-Hope School Surplus Declaration Resolution of 2020"; and

PR23-0838, "Ferebee-Hope School Disposition Approval Resolution of 2020"

Testimony of
Ikeogu Ima
Associate Director for the Portfolio Management Division

Before the
Committee on Facilities and Procurement
The Honorable Robert White, Chairperson

And

Committee on Business and Economic Development
The Honorable Kenyan McDuffie, Chairperson

Thursday, July 9, 2020
9:00 am
Zoom Video Conference Platform
Good afternoon, Chairman White, Chairman McDuffie, council members, and staff of the Committee on Facilities and Procurement and the Committee on Business and Economic Development. I am Ikeogu Imo, Associate Director for the Portfolio Management Division of the Department of General Services (DGS). I am pleased to be here today to present testimony regarding PR23-0837, the “Ferebee-Hope School Surplus Declaration Resolution of 2020,” and PR23-0838, the “Ferebee-Hope School Disposition Approval Resolution of 2020.” These resolutions authorize the Mayor to declare as surplus and lease for a period greater than 15 years the District-owned property at 3999 8th Street SE (also known as 700 Yuma Street SE), commonly known as the Ferebee-Hope School, and designated for tax and assessment purposes as Square 6124, Lot 0045 (the Property).

The Property is located in Ward 8, in the Washington Highlands neighborhood of Southeast DC. The Property consists of approximately 10.27 acres and is improved with a 193,000 square foot school facility, a 33,000 square foot recreation center, athletic fields, a playground, athletic courts and other improvements. The District has not used the Property as a District of Columbia public school since 2013, although portions of the school building have previously been used as swing space by the District of Columbia Public Schools (DCPS).

On August 29, 2019, the Office of the Deputy Mayor for Education (DME) and DGS jointly issued a solicitation to identify a charter school to utilize the Property and bring it back into productive use. There was one (1) offer in response to the solicitation, submitted by KIPP D.C. Public Charter Schools. KIPP DC is one of the District’s most established Local Education
Agencies, operating 16 schools and serving over 6,000 students. KIPP DC has been educating students in the DC area since 2001 and has a history of successful construction projects in former DCPS facilities. Based on these factors, and the community benefits offered in the proposal, KIPP DC was selected to redevelop the Property.

The KIPP DC project will replace the vacant school building with a new public charter school to serve the District, as well as construct a new recreation center to replace the current Ferebee-Hope Recreation Center. Under the terms of the lease, KIPP DC must partner with the community and the Department of Parks and Recreation during the process for designing and constructing the new recreation center. KIPP DC has already taken steps toward fulfilling this requirement by forming the Ferebee Hope Community Advisory Board, which is composed of community leaders and partners of the project to create a new Ferebee Hope Recreation Center. The lease also requires that, KIPP DC complete construction of the new recreation center with its own funding and turn ownership and operation of the building over to the District before the closure of the current Ferebee-Hope Recreation Center. This will ensure that the residents of the Washington Highlands Community will have continuous access to the current recreation center throughout the course of the project. The community will then be able to transition to the new recreation center seamlessly, upon its completion.

With regard to the school building, KIPP DC will bear the full cost of construction as well as all costs related to operation, repairs, and maintenance of the new school facility during the lease term. The new school will provide a high quality education option in Ward 8 and allow
KIPP DC students from the Ward to avoid the current 65 minute commute to KIPP DC’s facility in Ward 5. DGS anticipates that the project will create approximately 300 jobs during construction and another 130-150 permanent jobs after completion of the new school facility. KIPP DC has committed to prioritizing the hiring of Ward 8 residents for these roles and the lease will require KIPP DC to enter into a CBE Agreement with the District of Columbia Department of Small and Local Business Development for the Project. In addition, the lease will require KIPP DC to enter into a First Source Agreement with the District of Columbia Department of Employment Services for the work associated with the Project.

In addition to serving students in the new charter school, KIPP DC has committed to providing additional resources to serve the entire Ward 8 community. These additional resources include job training and soft skills mentoring through a partnership with Training Grounds, a community-based non-profit organization. KIPP DC will also offer free coding classes to the community through the KIPP Codes program. Moreover, KIPP DC and Georgetown University Hospital have formed a partnership to locate a new pediatric psychology center at the Project to serve Ward 8 families.

Based on KIPP DC’s proposed delivery of a new school facility and a new recreation center as well as the provision of additional resources to the community, the Executive believes that this disposition represents the best use of the Property. DGS and KIPP DC intend to enter into a lease with a base term of fifty (50) years with one option to extend by twenty-five (25) years, providing for a maximum lease period of seventy-five (75) years. Upon the expiration of
the lease term, the District will continue to own the Property, and the new school building. In total, KIPP DC is anticipated to incur an estimated $88,300,000 in Project costs under the lease.

The Property is being disposed of in accordance with D.C. Code § 10–801 and DGS has taken all steps required by the law. DGS held a public surplus hearing with the required public notice on July 9, 2019. This was followed by the issuance of the DME/DGS joint RFP on August 29, 2019 and a properly noticed disposition public hearing on November 11, 2019. Both the public surplus hearing and the disposition public hearing took place at the Ferebee-Hope School site. Council action is the next required step and we thank the Committees for holding this Roundtable today. We look forward to working with the Committees to move the surplus and disposition resolutions through the legislative process.

Thank you for your partnership on this Project, which will transform the vacant Ferebee-Hope Property into a brand new school and provide a new recreation center for the Washington Highlands community. I am happy to address any questions the Committees may have at this time.
SURPLUS ANALYSIS

Project Name: Lease of Ferebee-Hope School
Property Description: 3999 8th Street SE (also known as 700 Yuma Street SE) in Washington, DC, and known for tax and assessment purposes as Square 6124, Lot 0045 (the “Property”)
Size of Property: Approximately 10.27 acres
Assessed Value: $37,887,210 (2020 assessment)
Zoning of Property: RA-1
Ward: 8

This surplus analysis is hereby submitted to the Council for the District of Columbia for the proposed disposition of the Property. The Property is improved with the former Ferebee-Hope School, a currently operating recreation center, athletic fields, a playground, athletic courts and other improvements. The District has not used the Property as a DC public school since 2013, although portions of the school building have been used as swing space by the District of Columbia Public Schools from time to time. The Department of Parks and Recreation (“DPR”) operates the recreation center. The Property is zoned RA-1 which permits medium to high density apartment house development. The Property is not on the DC Historic Preservation List.

1. Describe whether the real property could have any use by the District, including a description of the District’s current needs for real property, a description of potential public uses considered by the Mayor, and a narrative explaining why the real property is unsuited for each public use considered.

It has been determined that the Property does not have any use by the District, as the Property is unsuited for the potential public uses considered, including educational and community benefit uses. While the District has various real property needs, the school building is not a feasible match for any District agency use and requires substantial and costly renovation due to functional obsolescence. Specifically, required redevelopment and maintenance costs coupled with the general non-functional design of the school building (e.g., limited natural light, enclosed circular design, size of classrooms, and the size of the recreational areas) make the Property unsuitable for potential public uses. The existing recreation center currently serves the Washington Highlands community. As described in the term sheet, the tenant will construct a new community space and a new recreation center on a portion of the land not to be included in the leased premises. The new
recreation center will be designed in partnership with DPR and the community and will be delivered such that the community will experience no lapse in recreation center use.

2. Provide a detailed explanation as to why the real property is no longer required for public purposes, and why the determination that the real property is no longer required for public purposes is in the best interest of the District.

The District has not used the Property as a DC public school since 2013. The redevelopment and maintenance costs required to make the school building suitable for District needs coupled with the general non-functional design of the school building (e.g., limited natural light, enclosed circular design, size of classrooms, and the size of the recreational areas) cause the Property to be no longer required for public purposes. This determination is in the best interest of the District, as it would (a) allow for the redevelopment of the school building and improvement of the grounds by the charter school tenant under the proposed lease; (b) result in a new school facility and campus serving the needs of the District’s students; and (c) provide the community with a DPR new recreation center.

3. Provide a summary of public comments received at the public hearing.

The District held a surplus public hearing on July 9, 2019. Meeting participants expressed concerns that area schools will not be able to accommodate students when the neighborhood population rebounds. Many opinions were expressed regarding preferences for charter schools and public schools, and some participants felt strongly that the District should invest in the school facility and resume its operations as a public school. Specifically, concerns were shared that a charter school would not necessarily benefit local children and that charter school staff cannot be held to account in the way that public school staff can.

The public meeting was intended to discuss the potential designation of the Property as surplus, with a separate disposition public meeting to occur at a later date. However, public comments were expressed regarding the potential disposition of the Property, and regarding KIPP DC specifically. Concerns regarding KIPP DC’s restraint and seclusion procedures were shared. In addition, differing opinions as to charter school “individualized education programs” or “IEPs” were expressed, with some parents stating that charter school IEPs are ineffective, while other parents stated that KIPP DC’s IEPs are effective and accommodating of children’s needs. Several attendees spoke favorably of KIPP DC, expressing that the community would benefit from a KIPP DC charter school due to student proficiency, approach to teaching, and focus on community partnerships. Residents expressed an interest in supplemental services offered at other KIPP DC sites, such as job skills training and free coding courses for parents. Residents also expressed that the site layout and amenities of the existing recreation center should be preserved in connection with any redevelopment of the Property.
ECONOMIC ANALYSIS

Project Name: Lease of Ferebee-Hope School
Property Description: 3999 8th Street SE (also known as 700 Yuma Street SE) in Washington, DC and known for tax and assessment purposes as Square 6124, Lot 0045 (the “Property”)
Size of Property: Approximately 10.27 acres
Assessed Value: $37,887,210 (2020 assessment)
Zoning of Property: RA-1
Ward: 8

This economic analysis is hereby submitted to the Council for the District of Columbia for the proposed disposition of the Property. The Property is improved with the former Ferebee-Hope School, a currently operating recreation center, athletic fields, a playground, athletic courts and other improvements. The District has not used the Property as a DC public school since 2013, although portions of the school building have been used as swing space by the District of Columbia Public Schools from time to time. The Department of Parks and Recreation (“DPR”) operates the recreation center. The Property is zoned RA-1 which permits medium to high density apartment house development. The Property is not on the DC Historic Preservation List.

1. Describe the chosen method of disposition and how competition was maximized.

The method of disposition of the Property is by means of a lease. The lease will require the payment of rent based upon fair market value, which was determined by retaining the services of a third-party appraiser. Given that the land area of the Property is approximately 10.27 acres and given the poor condition of the school building, it was determined that the issuance of a solicitation would maximize competition. On August 29, 2019, the Office of the Deputy Mayor for Education and the Department of General Services issued a solicitation to identify a charter school to utilize the Property. There was one (1) offer in response to the solicitation, submitted by KIPP D.C. Public Charter Schools. Although one (1) offer was received in response to the solicitation, KIPP DC is one of the District’s most established Local Education Agencies, operating 16 schools and serving over 6,000 students. KIPP DC’s schools perform well on all performance metrics and its current high school in Ward 5 is a Tier 1 school. KIPP DC has been successfully educating students in the DC area since 2001 and has a history of successful construction projects in former DCPS facilities. KIPP DC will redevelop the Property, including the construction of a new
2. Describe the manner in which economic factors were weighted and evaluated, including estimates of the monetary benefits and costs to the District that will result from the disposition. The benefits shall include revenues, fees, and other payments to the District as well as the creation of jobs.

KIPP DC is anticipated to incur an estimated $88,300,000 in Project costs under the lease. Such substantial costs to redevelop the school building and generally improve the Property weighed significantly in the decision to seek the disposal of the Property. These costs, as well as the substantial ongoing costs to operate, repair and maintain the Property, will be borne by KIPP DC rather than the District. Upon the expiration of the lease term, the District will continue to own the real property, which will then be improved with substantial assets that will be required to be delivered to the District in good working order and condition. The lease will require KIPP DC to enter into a CBE Agreement with the District of Columbia Department of Small and Local Business Development pursuant to the requirements of D.C. Code Section 2-218.46 regarding the use of Small Business Enterprises and Certified Business Enterprises (as such terms are defined under D.C. Code Section 2-218.02) for the Project. In addition, the lease will require KIPP DC to enter into a First Source Agreement with the District of Columbia Department of Employment Services for the work associated with the Project.

3. Provide a description of all disposition methods considered and an accompanying narrative for the proposed disposition method that contains comparisons to the other methods and shows why the proposed method was more beneficial for the District than the others in the areas of return on investment, subsidies required, revenues paid to the District, and any other relevant category, or why it is being proposed despite it being less beneficial to the District in any of the measured categories.

A lease of the Property is the most beneficial method of disposition for the District because a lease: (a) allows the District to retain ownership of the Property while shifting responsibility for maintenance, operations and capital improvements and repairs for the Property to the tenant; (b) permits the District to impose restrictions on the use and development of the Property; and (c) allows the District to regain possession of the Property in the event of the tenant's non-compliance under the terms of the lease. Other disposition methods, including transferring title through a deed, would not provide these benefits to the District, as the District would not retain any legal interest in the Property. In addition, a lease will ensure the continued use of the Property for its original educational and recreational purposes.

4. Provide a pre-disposition economic impact statement in the form of a quantitative analysis that estimates the economic benefits, including revenues, tax receipts, and job creation, that will result from the disposition, including the anticipated benefits of any development project to be undertaken at the property and any offsite property, including direct, indirect, or induced outcomes.
The lease will result in approximately $85,000,000 in capital improvements to the Property, thereby increasing the value of the District's real property. The proposed disposition is expected to generate approximately $1,600,000 each year in real property taxes. In addition, the proposed disposition is anticipated to create approximately 300 jobs during Project construction and another 130 to 150 permanent jobs after completion of the new school facility. The Project will also result in the construction of a new recreation center and a separate community space, designed in partnership with DPR and the community, each of which will be a significant benefit to the community.

Conclusion

In forwarding this Economic Analysis to the Council, the Mayor has concluded that: (1) the Property is surplus to the needs of the District government, (2) the lease of the Property is in the best interests of the District of Columbia, and (3) the specific economic and social benefits of the lease outweigh the benefits of retaining the Property in the District's inventory. For all of these reasons, the Mayor recommends the disposition of the Property in accordance with the terms of the executed Letter of Intent submitted herewith.
May 1, 2020

KIPP D.C. Public Charter Schools
2600 Virginia Avenue NW, Suite 900
Washington, D.C. 20037
Attn: Mr. Dane Anderson

Re: Letter of Intent for the lease of premises at 3999 8th Street, SE/700 Yuma Street, SE, Washington, D.C.

Dear Mr. Anderson:

The Department of General Services, on behalf of the District of Columbia, presents this letter of intent (this “LOI”) to KIPP D.C. Public Charter Schools for the lease of certain premises located at 3999 8th Street, SE/700 Yuma Street, SE, Washington, D.C., commonly known as the Ferebee Hope School Site. Outlined below are the principal terms and conditions that would serve as the basis for a ground lease agreement for the Premises, as defined below (the “Lease”).

LANDLORD

The District of Columbia, a municipal corporation, by and through its Department of General Services (the “District”).

TENANT

KIPP D.C. Public Charter Schools, a District of Columbia non-profit corporation (“Tenant”).

PREMISES

Subject to the terms of this LOI, the New School Parcel and the Existing Rec Center Parcel (defined below; collectively, the “Land”), together with any improvements that are or may be located thereon (the “Improvements”, together with the Land, the “Premises”).

That certain real property located at 3999 8th Street, SE/700 Yuma Street, SE in Washington D.C., currently known for real property taxation and assessment purposes as Square 6124, Lot 0045 (the 2000 14th Street NW, 8th Floor, Washington DC 20009 | Telephone (202) 727-2800 | Fax (202) 727-7283
“Ferebee Hope School Site”), is currently improved with, among other improvements, (i) a 193,000 square foot school facility (the “School”), and (ii) a 33,000 square foot recreation center (the “Existing Rec Center”). It is anticipated that the Ferebee Hope School Site will be subdivided by Tenant as follows: (i) a subdivided parcel upon which a new Department of Parks and Recreation (“DPR”) recreation center (the “New Rec Center”) shall be constructed by Tenant (the “New Rec Center Parcel”); and (ii) a subdivided parcel consisting of the remainder of the Ferebee Hope School Site, which remainder parcel will be separated by Tenant into the following two Assessment and Taxation lots (each, an “A&T Lot”): (x) an A&T Lot upon which Tenant shall construct a new school (the “New School”) to replace the School (such A&T Lot, the “New School Parcel”), and (y) an A&T Lot upon which the Existing Rec Center parcel is currently located (such A&T Lot, the “Existing Rec Center Parcel”). The exact manner in which the Ferebee Hope School Site will be separated via subdivisions and/or A&T Lots will be negotiated by the parties and finalized prior to execution of the Lease. The approximate locations of the School Parcel, Existing Rec Center Parcel and New Rec Center Parcel are depicted on Exhibit A, attached hereto.

Upon the date of the full execution and delivery of the Lease (the “Lease Commencement Date”), the Premises shall be comprised only of the New School Parcel. Upon the New Rec Center Completion Date (defined below), the Existing Rec Center Parcel shall be added to the Premises. The New Rec Center Parcel shall at no time constitute a portion of the Premises.

DEVELOPMENT OF NEW REC CENTER; EXISTING REC CENTER

Tenant shall construct the New Rec Center on the New Rec Center Parcel (the “New Rec Center Development”) pursuant to a scope, schedule and budget agreed upon by Tenant and the District and attached to the Lease and other development terms that will be included in the Lease (the “Development Terms”). The scope for the New Rec Center will take into account community input. The budget for the New Rec Center Development shall reflect a total budget of no more than $13,200,000, inclusive of hard costs, soft costs and FF&E (the “New Rec Center Development Costs”). The New Rec Center Development Costs will not include costs in connection with the development of the Community Benefit Space (as defined below). The Rent Abatement (defined below) shall include the New Rec Center Development Costs. Upon the completion and delivery of the New Rec Center, including Tenant’s relocation of DPR from the Existing Rec Center to the New Rec Center, at Tenant’s cost (which costs, for purposes of clarity, will be included in the New Rec Center Development Costs), pursuant to the Development Terms (the “New Rec Center Completion Date”), the New Rec Center shall be owned, programmed, operated, maintained, renovated and repaired by the District of Columbia, at its expense, subject to the Anti-Deficiency Acts (defined below), in accordance with all laws and in good order and condition. The New Rec Center shall be separately metered for all utilities.

Until the New Rec Center Completion Date, the Existing Rec Center shall continue to be owned, programmed, operated, maintained, renovated and repaired by the District of Columbia as a DPR recreation center, at its expense, subject to the Anti-Deficiency Acts, in accordance with all laws and in good order and condition. Tenant will conduct the Tenant’s Work so as not to materially interfere with the operation of the Existing Rec Center Parcel. The utilities for the Existing Rec Center Parcel and the New School Parcel will be separately metered or submetered from each other.
by Tenant during the early phases of the Tenant’s Work (as defined below). After the New Rec Center Completion Date, and after the Existing Rec Center Parcel has been added to the Premises, Tenant will expand the New School into the Existing Rec Center Parcel as part of Tenant’s Work. For purposes of clarity, the parties agree that any improvements constructed by Tenant on the Existing Rec Center Parcel after the Existing Rec Center Parcel is added to the Premises will be included within the definition of “New School”.

CONDITION OF PREMISES

“AS-IS”, “WHERE-IS”, “WITH ALL FAULTS” condition to be delivered upon the Lease Commencement Date with respect to the New School Parcel and upon the New Rec Center Completion Date with respect to the Existing Rec Center Parcel. Upon the expiration or early termination of the Lease, the Premises shall be returned to the District in good condition, with all base building and building systems in good working order and condition, normal wear and tear excepted.

USE

The Premises shall be used solely for one or more of the following uses (each, a “Permitted Use”): (i) the operation of one or more charter schools to include pre-school through secondary school level programs (i.e., high school), and related administrative uses; (ii) the operation of a District of Columbia public school; (iii) educational purposes (such as day care, adult education and post-secondary education) under an assignment or sublease of the Lease; (iv) any other educational purpose in the event of any transfer of the Tenant’s interest in the Lease as a result of a permitted assignment or subletting or a foreclosure or deed in lieu of foreclosure; or (v) the sublease of the Community Benefit Use for a Community Benefit Use (as such terms are defined in the “Sublease and Assignment” section, below).

RENT COMMENCEMENT DATE

For the purposes of this Letter of Intent:

- The term “Swing Space” means that portion of the New School on the New School Parcel approximately depicted on Exhibit B.

- The term “Remainder of the Project” means all of the New School (including, but not limited to, that portion of the New School that will be located on the Existing Rec Center Parcel), excluding the Swing Space.

- The term “Swing Space Rent Commencement Date” means the earliest to occur of the following dates: (i) the date upon which Tenant initially opens the Swing Space for a Permitted Use; (ii) the date upon which Tenant’s Work (defined below) for the Swing Space on the New School Parcel is complete, subject to “punch list” items; and (iii) the date that is 27 months following the Lease Commencement Date.

- The term “Project Rent Commencement Date” means the earliest to occur of the following dates: (i) the date Tenant initially opens the Remainder of Project for a Permitted
Use; (ii) the date upon which Tenant's Work (defined below) for the Remainder of the Project on the New School Parcel and the Existing Rec Center Parcel is complete, subject to "punch list" items; and (iii) the date that is 39 months following the Lease Commencement Date.

**LEASE TERM**

The initial term of the Lease shall be for a period of fifty (50) years beginning on the Rent Commencement Date (the "Initial Lease Term," and as may be extended below, the "Term").

**OPTION TO EXTEND**

Tenant shall have one (1) option to extend the Initial Lease Term for a twenty-five (25) year period (the "Option Term"), which option may be exercised by Tenant no earlier than 24 months, and no later than 12 months, prior written notice to the District, provided Tenant is not then in default under the Lease beyond any applicable notice and cure periods at the time of such exercise. Annual Base Rent (defined below) for the first year of the Option Term shall be adjusted to fair market value pursuant to an appraisal method to be set forth in the Lease, and shall thereafter be increased by 2% annually during the Option Term.

**ANNUAL BASE RENT**

From the Swing Space Rent Commencement Date until the Project Rent Commencement Date, the annual base rental amount payable by Tenant under the Lease (the "Annual Base Rent") shall be equal to $650,854 per Lease year, which represents fair market value of the Swing Space, for use as a school, as determined in accordance with an appraisal performed by the District. Commencing on the Swing Space Rent Commencement Date and continuing until the Project Rent Commencement Date, Tenant shall pay the Annual Base Rent to the District, in advance, in equal monthly installments of $55,072.

Commencing on the Project Rent Commencement Date, the Annual Base Rent shall increase to $1,569,430 for the first Lease Year, which represents fair market value of the Swing Space and the Remainder of the Project, for use as a school, as determined in accordance with an appraisal performed by the District. Commencing on the Project Rent Commencement Date, Tenant shall pay the Annual Base Rent to the District, in advance, in equal monthly installments of $130,785.83. On the first anniversary of the Project Rent Commencement Date and on each anniversary thereafter during the Initial Lease Term, the then current Annual Base Rent shall be increased by 2%. Annual Base Rent shall be subject to adjustment and credit as hereinafter provided.

**TENANT’S WORK: CAPITAL ALTERATIONS**

Tenant, for Tenant’s own use, enjoyment and benefit, shall furnish all labor and materials to design, construct, furnish and complete all alterations, additions, renovations, improvements and installations in or to the Premises, in accordance with applicable laws, including building codes, as are necessary to enable Tenant to properly use the Premises (i.e., the New School Parcel and the Existing Rec Center Parcel) for the Permitted Use (collectively, “Tenant’s Work”).
Pursuant to the Schedule (defined below) and prior to the performance of any Tenant’s Work or subsequent Capital Alterations (defined below), Tenant shall deliver to the District: (i) detailed plans and specifications, to be prepared by Tenant’s architect and provided to the District in one (1) set of blue line plans and a CAD disk; and (ii) Tenant’s material sample board. Such plans and specifications and material sample board shall be subject to the District’s written approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant’s Work and subsequent Capital Alterations, as applicable, shall be performed in accordance with the plans and specifications and material sample board approved by the District. “Capital Alterations” means any alterations, additions, renovations, improvements or installations in or to the Premises which are considered capital improvements or capital expenditures under generally accepted accounting principles.

In addition, Tenant shall submit to the District for the Tenant’s Work and subsequent Capital Alterations: (i) a detailed scope of work (“Scope”); (ii) a schedule (“Schedule”); and (iii) a budget (“Budget”), which Scope, Schedule and Budget shall be subject to the District’s written approval, which shall not be unreasonably withheld, conditioned or delayed. The approved Scope, Schedule and Budget for Tenant’s Work shall be attached to the Lease as exhibits. Tenant may not materially modify any approved Scope, Schedule or Budget without the District’s prior written approval, which shall not unreasonably withheld, conditioned or delayed. Upon completion of the Tenant’s Work or subsequent Capital Alterations, as applicable, the Budget shall be adjusted based upon a final accounting of the applicable Construction Costs (defined below).

Tenant shall perform and complete Tenant’s Work and subsequent Capital Alterations, as applicable, in accordance with the timelines and dates set forth in the Schedule, subject to force majeure and actual delays caused by the District or its agents, employees or contractors. Subject to force majeure and any actual delays caused by the District or its agents, employees or contractors, if Tenant, based on the Schedule: (i) fails to timely commence Tenant’s Work or subsequent Capital Alterations; (ii) fails to diligently pursue completion of Tenant’s Work or subsequent Capital Alterations; or (iii) fails to complete Tenant’s Work or subsequent Capital Alterations, then Tenant shall be deemed to be in default under the Lease.

**RENT ABATEMENT**

Upon completion of the Tenant’s Work with respect to the Swing Space, a Declaration of Swing Space Rent Commencement Date and Rent Abatement shall be delivered by Tenant to the District to be executed by the parties (the “First Declaration”), which shall be accompanied by a final accounting of (a) the New Rec Center Development Costs incurred to date, and (b) the Construction Costs (defined below) for the Tenant’s Work incurred to date. Commencing on the Swing Space Rent Commencement Date, Tenant shall be entitled to a rent abatement (the “Rent Abatement”) which will permit Tenant to apply an amount equal to the sum of (i) the New Rec Center Development Costs incurred to date, and (ii) the Construction Costs incurred to date, on a dollar-for-dollar basis, against the full amount of each installment of Annual Base Rent, as the same becomes due and payable, and continuing until such Rent Abatement is exhausted; provided that as of the First Declaration effective date Tenant is not then in default under the Lease.
Upon completion of the New Rec Center Development and the Tenant’s Work, a Declaration of Project Rent Commencement Date and Rent Abatement shall be delivered by Tenant to the District to be executed by the parties (the “Second Declaration” and, together with the First Declaration, each a “Declaration”), which shall be accompanied by a final accounting of (a) the New Rec Center Development Costs (including, for purposes of clarity, any New Rec Center Development Costs listed in the First Declaration), (b) the Construction Costs (defined below) for the Tenant’s Work (including, for purposes of clarity, any Construction Costs for the Tenant’s Work listed in the First Declaration), and (c) the Rent Abatement set forth in the First Declaration applied against Annual Base Rent to date. Commencing on the Project Rent Commencement Date, Tenant shall be entitled Rent Abatement which will permit Tenant to apply an amount equal to (i) the New Rec Center Development Costs (including, for purposes of clarity, any New Rec Center Development Costs listed in the First Declaration), and (ii) the Construction Costs for the Tenant’s Work (including, for purposes of clarity, any Construction Costs listed in the First Declaration), on a dollar-for-dollar basis, against the full amount of each installment of Annual Base Rent, as the same becomes due and payable, and continuing until such Rent Abatement is exhausted, provided that as of the Declaration effective date Tenant: (x) is not then in default under the Lease; and (y) has incurred at least $10,000,000.00 in Construction Costs for Tenant’s Work and the New Rec Center Development, collectively.

For purposes of clarity, the parties agree that: (i) Tenant shall be entitled to Rent Abatement in connection with the New Rec Center Development Costs as well as Construction Costs for Tenant’s Work on both the New School Parcel and the Existing Rec Center Parcel, (ii) any Rent Abatement used by Tenant during the period of time from the Swing Space Rent Commencement Date and the Project Rent Commencement Date may not be reused a second time from and after the Project Rent Commencement Date, and (iii) the Rent Abatement may be applied at any time during the Term (i.e., both the Initial Lease Term and, if exercised by Tenant, the Option Term).

“Construction Costs” means the actual construction costs (including both hard and soft costs) incurred by Tenant for Tenant’s Work or Capital Alterations (as applicable) approved by the District, based upon paid invoices and other evidence of payment, but specifically excluding: (a) the costs of purchasing and/or installing Tenant’s movable furniture, furnishings and equipment (the “Movable Property”); and (b) costs which are required or incurred as a result of damage to the Premises caused by Tenant or its employees, students, licensees, invitees, subtenants, agents, representatives, contractors or subcontractors (“Tenant’s Agents”).

ADDITIONAL RENT ABATEMENT

In the event that after the completion of Tenant’s Work, Tenant makes or causes to be made any Capital Alterations to the Premises, Tenant shall be entitled to apply an amount equal to Tenant’s Construction Costs for such Capital Alterations (the “Additional Rent Abatement”), on a dollar-for-dollar basis, against each installment of Annual Base Rent, as the same becomes due and payable, until the entire Additional Rent Abatement has been so applied; provided that the Scope, Schedule and Budget of such Additional Rent Abatement has been approved in writing by the District, which approval shall not be unreasonably withheld, conditioned or delayed; and provided further that on the date that Tenant submits a written request to apply the Additional Rent Abatement following completion of such Capital Alterations, Tenant: (i) is not then in default under the Lease; and (ii)
has incurred, individually or in the aggregate during any consecutive five-year period, at least $1,000,000.00 in Construction Costs for such Capital Alterations. The Additional Rent Abatement may be so applied at any time during the Term (i.e., both the Initial Lease Term and, if exercised by Tenant, the Option Term). Each Additional Rent Abatement shall be available in addition to the Rent Abatement, which credits may overlap in any particular month.

SUBLEASE AND ASSIGNMENT

Tenant shall not assign, transfer or mortgage any or all of Tenant’s rights or interests under the Lease or sublease or license any or all of the Premises (each, a “Transfer”) without the District’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that Tenant may, without the District’s prior written consent, enter into certain subleases or licenses of a portion of the Premises, as shall be fully set forth in the Lease (e.g., subleases or licenses of less than an agreed upon square footage, short term subleases or licenses of the auditorium and gym). In addition, the Lease will: (a) grant Tenant a license to operate in space adjacent to the New Rec Center in a premises that the parties anticipate will be approximately 4,000 to 8,000 square feet (the “Community Benefit Space”), and (b) permit Tenant, without the prior approval of the District, to enter into subleases with respect to the Community Benefit Space with third parties that will provide social benefits to the community so long as the third party’s use of the Community Benefit Space is included in a list of uses to be agreed upon by the parties and set forth in the Lease (the “Community Benefit Uses”) (it being agreed that the Annual Base Rent will not be increased in connection with Tenant’s use of the Community Benefit Space pursuant to this sentence). The Community Benefit Space will be separately metered for utilities. The Lease will provide that Tenant, or its licensees, will be responsible for (i) maintaining insurance with respect to the Community Benefit Space; and (ii) repairing and maintaining the Community Benefit Space. Notwithstanding the foregoing, in no event shall the District’s consent be required in connection with any Transfer to an Approved Mortgagee (the definition of an Approved Mortgage and the terms and conditions under which Tenant may enter into a leasehold mortgage shall be set forth in the Lease).

CONTINUOUS OPERATION

Tenant shall operate the entire Premises for a Permitted Use continuously and uninterruptedly during the Term, subject to periods of closure due to: (i) force majeure; (ii) performance of Tenant’s Work or subsequent Capital Alterations; and (iii) Tenant’s standard operational calendar, as shall be more fully set forth in the Lease.

SOLAR PANELS

The parties acknowledge that, pursuant to an agreement with Arcadia Solar, LLC (the “Solar Panel Agreement”), solar panels are currently located on the Premises. Tenant shall, at its option, either: (i) elect to cause the Solar Panel Agreement to be modified or terminated by the District so that the Solar Panel Agreement does not encumber the Premises (in which case all costs, expenses and termination fees incurred by Tenant in connection with such modification or termination shall be included in the Rent Abatement), or (ii) subject to the District’s approval, elect to cause the Solar Panel Agreement to remain in place with respect to the Premises (in which case all costs and
expenses that Tenant incurs in connection with relocating or reconstructing the solar panels on the Premises will be included in the Rent Abatement). The District shall, at no cost or expense to the District, reasonably cooperate with Tenant in connection with Tenant’s election to either terminate or modify the Solar Panel Agreement, or keep the Solar Panel Agreement in place, pursuant to the preceding sentence.

VERIZON ANTENNA; OCTO EQUIPMENT

The parties acknowledge that, pursuant to an agreement with Verizon (the “Verizon Agreement”), a Verizon antenna (together with all related equipment and improvements the “Verizon Antenna”) is currently located on the Existing Rec Center. The parties further acknowledge that the District of Columbia Office of the Chief Technology Officer (“OCTO”) currently maintains network equipment at the Premises (the “OCTO Equipment”). The District shall, at no cost, expense or liability to Tenant: (i) cause the Verizon Agreement, and any third party agreement with respect to the OCTO Equipment (each, an “OCTO Equipment Agreement”), to each be modified or terminated so that neither the Verizon Agreement nor any OCTO Agreement, applies to, binds, or otherwise encumbers, Tenant, the New School Parcel or the Existing Rec Center Parcel; and (ii) prior to commencement of Tenant’s Work, cause the Verizon Antenna and the OCTO Equipment to be relocated to the New Rec Center Parcel in a manner that does not interfere with Tenant’s Work.

STANDARD LEASE TERMS OF DISTRICT

Set forth below are the District’s standard lease terms, which are not subject to negotiation.

LEASE FORM

The Lease shall be on the District’s standard form lease.

OPERATING EXPENSES AND REAL ESTATE TAXES

The rent due and payable under the Lease shall be absolutely net to the District, so that the Lease shall yield to the District the Annual Base Rent (subject to application of the Rent Abatement and the Additional Rent Abatement), and that all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises shall be paid by Tenant (including, without limitation, real estate and possessory taxes assessed against the Premises, water and sewer use fees, stormwater and impervious area changes, insurance premiums, utility expenses, and any and all costs of operating, maintaining and repairing all or any portion of the Premises).

INSURANCE

Tenant shall be required to maintain comprehensive insurance coverage, including, at a minimum: (i) commercial general liability; (ii) special form property insurance; (iii) automotive liability insurance; (iv) employers’ liability insurance; (v) statutorily required workers’ compensation insurance; and (vi) child molestation and sexual misconduct liability insurance with respect to the Premises in the types and amounts set forth more particularly in the Lease. All such required
insurance shall be (a) primary and non-contributory; (b) cover the entirety of the Land and all Improvements; (c) name the "District of Columbia, a municipal corporation" as an additional insured with respect to liability insurance, and a loss payee with respect to property insurance; (d) provide for a waiver of subrogation in favor of the District of Columbia; and (e) provide for 30-days' notice in the event of any cancellation or material reduction in such insurance (or 10-days' notice in the event of cancellation due to a non-payment of premium) given by the insurer. Tenant shall be required to submit certificates of insurance, declarations pages and endorsement pages, as applicable, evidencing the foregoing.

LIABILITY

Tenant shall be liable to the District, and shall indemnify, defend and hold the District harmless from any damage, injury, loss or claim based on or arising out of the Lease or any agreement executed in connection with the Lease if the same is due to the acts or omissions of Tenant or Tenant’s Agents; provided, however that Tenant shall not be obligated to indemnify the District against loss, liability, damage, cost or expense arising solely out of (a) any breach of the Lease by the District and/or the District’s officers, directors, agents or employees. Additionally, and notwithstanding the foregoing, the indemnifications and defense obligations by Tenant under the Lease shall not cover, and Tenant shall not be liable for, any consequential damages, indirect losses, loss of value, temporary loss of business, lost profits, or lost opportunity damages at or arising from the Premises suffered by the District and/or District’s officers, directors, agents or employees (excluding rent due under the Lease). Based upon the Anti-Deficiency Acts, the Lease shall not include any provision requiring the District to indemnify Tenant, reimburse Tenant, or make any payment to Tenant unless subject to the District’s prior approval (which payments are all subject to the Anti-Deficiency Acts).

CBE REQUIREMENTS

With respect to the Tenant’s Work or any subsequent Capital Alterations, Tenant shall enter into an agreement with the District of Columbia, through its Department of Small and Local Business Development, which shall require Tenant to, at a minimum, contract with Certified Business Enterprises for at least thirty five percent (35%) of the contract dollar volume of the project (as described in such agreement) and shall require at least twenty percent (20%) development participation of Certified Business Enterprises (or such other greater amounts, as required by law).

GREEN BUILDING REQUIREMENTS

With respect to the Tenant’s Work or any Capital Alterations, Tenant shall comply with Title 6, Chapter 14A of the D.C. Official Code entitled "Green Building Requirements," as may be amended, supplemented, or recodified from time to time.

FIRST SOURCE REQUIREMENTS
With respect to the Tenant’s Work or any subsequent Capital Alterations, Tenant shall execute a First Source Agreement with the District of Columbia, through its Department of Employment Services, in a form mutually acceptable to the parties thereto.

ANTI-DEFICIENCY

The following limitations exist as to each and every purported obligation of the District set forth in the Lease, whether or not expressly conditioned:

The obligations of the District to fulfill any financial obligation pursuant to the Lease or any subsequent agreement entered into pursuant to the Lease to which the District is a party (an “Other Agreement”, together with the Lease, “Any Agreement”), or referenced in Any Agreement, are and shall remain subject to the provisions of (a) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341-1351 and 1511-1519 (2004), and D.C. Official Code §§ 1-206.03(a) and 47-105 (2012 Repl.); (b) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq. (2012 Repl. and 2014 Supp.) (a) and (b) collectively, the “Anti-Deficiency Acts”); and (c) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2012 Repl.), as each may be amended from time to time and each to the extent applicable to Any Agreement. Pursuant to the Anti-Deficiency Acts, nothing in the Lease shall create an obligation of the District in anticipation of an appropriation by the United States Congress (“Congress”) for such purpose, and the District’s legal liability for the payment of any financial obligation, including but not limited to any Annual Rental or Additional Rent, under any Agreement shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress and the District of Columbia (references in this Section to “District of Columbia” shall mean the District of Columbia as a sovereign entity, and not as a landlord under the Lease). Tenant confirms that it has read and familiarized itself with the Anti-Deficiency Acts and has full knowledge of such laws and the impact on Landlord’s financial obligations hereunder.

If no appropriation is made by the District of Columbia or Congress to pay any financial obligation under Any Agreement for any period after the District of Columbia fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District shall not be liable to make any payment under Any Agreement upon the expiration of any then-existing appropriation.

Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District of Columbia shall have any personal liability in connection with a breach of the provisions of this Section or in the event of a default by the District under Any Agreement.

Neither the Lease nor any Other Agreement shall constitute an indebtedness of the District of Columbia nor shall it constitute an obligation for which the District of Columbia is obligated to levy or pledge any form of taxation or for which the District of Columbia has levied or pledged any form of taxation.

No agent, employee, contractor or officer of the District is authorized to obligate or expend any amount under Any Agreement unless such amount has been appropriated by act of Congress and is lawfully available.
COUNCIL APPROVAL; TITLE

Execution of the Lease or any other agreement between the parties contemplated by this LOI is subject to (i) authorization by the Council of the District of Columbia pursuant to D.C. Official Code § 10-801, as may be amended from time to time ("Council Approval"); and (ii) approval by the parties of the condition of title to the Premises.

COUNTERPARTS

This LOI may be executed in multiple counterparts and delivered by e-mail .pdf transmission, each of which shall be deemed an original and all of which together shall constitute one and the same document.

NON-BINDING PROVISIONS

Notwithstanding any provision of this LOI to the contrary, this LOI constitutes a general, non-binding letter of intent and is not intended to, and does not, create a legal, binding commitment or obligation on the part of Tenant or the District or any of their affiliates to pursue the transaction contemplated by this LOI or any other transaction. Each of Tenant and the District understand and agree that neither of them is or shall be legally bound to the other by reason of this LOI, nor shall any rights, liabilities or obligations (including the obligation to negotiate in good faith) arise as a result of this LOI or any other written or oral communications between Tenant and the District, whether directly or through a broker. It is further understood that the only agreement binding upon Tenant and the District would be the Lease, subject to prior Council Approval, if applicable.

[SIGNATURE PAGE FOLLOWS]
If the terms and conditions set forth in this LOI are acceptable to you, please sign and date below and return one (1) original to my office.

Sincerely,

DISTRICT OF COLUMBIA,

a municipal corporation,

acting by and through its Department of General Services

By:  
Name: Yohance Fuller  
Title: Chief Operating Officer

APPROVED:

By:  
Name: Keith A. Anderson  
Title: Director

AGREED AND ACCEPTED:

KIPP D.C. PUBLIC CHARTER SCHOOLS,  
a District of Columbia non-profit corporation

By:  
Name: Katie Cole  
Title: General Counsel  
Date: May 1, 2020
EXHIBIT A

Approximate Location of New School Parcel, Existing Rec Center Parcel
and New Rec Center Parcel
EXHIBIT B

Approximate Location of Swing Space
[Attached]
APPRAISAL

OF

THE FEREBEE HOPE EDUCATIONAL & RECREATION CENTER
SQUARE 6124, LOT 45
8TH & YUMA STREET, SE
WASHINGTON, DC 20032

(“FAIR MARKET RENTAL VALUE—“AS IS” CONDITION)

VALUATION AS OF:

MARCH 21, 2020

PREPARED FOR:

DEPARTMENT OF GENERAL SERVICES
GOVERNMENT OF THE DISTRICT OF COLUMBIA
ATTN: MR. DAWIT BERU
REALTY SPECIALIST
2000 14TH STREET, NW
8TH FLOOR
WASHINGTON, DC 20002

PREPARED BY:

MORRIS E. JAMES & ASSOCIATES
1234 MASSACHUSETTS AVENUE, NW, SUITE #128
WASHINGTON, DC 20005
April 16, 2020

Department of General Services
District of Columbia Government
2000 14th Street, NW, 8th Floor
Washington, DC 20001

Attn: Mr. Dovit Beru
Project Manager

Re: Appraisal
The Ferebee-Hope Elementary School Property
Square 6124, Lot 45
3999 8th Street, SE / 700 Yuma Street, SE
Washington, DC 20032

Dear Mr. Beru:

In compliance with your request, we have completed the appraisal of the captioned property and are submitting our findings herewith. The appraisal assignment entails preparation of an Appraisal report as promulgated in Standard 2 of the Uniform Standards of Professional Appraisal Practice (USPAP). The assignment is to estimate the Fair Market Rental Value of the property in the “as is” state of condition, under the conditions enumerated in the preceding paragraphs.

The subject property comprises a reported 447,780 square feet (approximately 10.28 acres) of land area. The Ferebee-Hope Elementary School is a “free standing”, four-story/two-story/one-story and basement, brick, educational building and contains approximately 181,000 square feet of Gross Building Area. The site is zoned RA-1 and abuts the recently re-developed Washington Highlands Apartments. The property is located in the Washington Highlands section of the Congress Heights neighborhood of Southeast Washington.

The Scope of Services specify the estimate of the Fair Annual Rental Rate (FARR) for the property based upon educational use and use for a “commercial enterprise. Further instructions delineate separate valuations for the educational sector of the building and the designated Ferebee Hope Recreation Center. The allocation of the site is predicated upon the respective square foot areas within the two(2) building sectors.
Based upon building data provided in the space analysis conducted for DCPS by 4Tell Solutions, the Ferebee Hope Recreation Center comprises approximately 46,069 square feet of Gross Building Area and the Main School containing approximately 134,876 square feet of gross building area. The Appraiser notes, based upon the floor plan submitted, the elementary gym located in the (now the boxing center) is allocated for use by the educational sector. The boxing gym area contains approximately 5,000 square feet. Thus, the allocation for each sector for valuation purposes is approximately 139,875 square feet (77%) for the Educational Center and 41,069 square feet (23%) for the Recreation Center.

On the basis of the inclusive analysis, the **Fair Market Rental Value** of the appraised property in the “As Is” Condition on a “Net” rental basis, as of March 21, 2020, the effective date of the appraisal, is:

**ONE MILLION SIX HUNDRED TWO THOUSAND DOLLARS**

($1,602,000.00)

Educational Center  $ 1,602,000 x .77 = $ 1,233,450
Recreation Center  $ 1,602,000 x .23 = $ 368,460

Note: The Fair Market Rental Rate is reflective of an “Unserviced” lease agreement with the tenant responsible for all major expenses of operation. The typical lease would be for a 25 year period with a 25 year option. The lease would be graduated at a rate of 2-3% per annum of the full Consumer Price Index (CPI). The lease is effectively a 50 year long term lease. Lease provisions would indicate that the renovations/capital improvements of the property by the tenant will be amortized over the life of the lease.

Enclosed is our appraisal and accompanying photographs and graphics. Thank you for requesting our services.

Respectfully submitted,

[Signature]

Mindell B. Younger
Certified General Real Property Appraiser
District of Columbia, License #10057

[Signature]

Morris E. James, A.S.A.
Certified General Real Property Appraiser
District of Columbia License #10022
Photographs of Subject

Main Building
Looking Westerly From Intersection of 8th & Yuma Street SE

Main Building- Looking Westerly Along 8th Street SE
Photographs of Subject

Recreation Center Sector/East Elevation
Looking Easterly Along Yuma Street, SE
Photographs of Subject

North Sector- Looking Northward Along 8th Street SE

North Sector- Looking Westerly Across 8th Street SE From Xenia Street SE
Photographs of Subject

Service Road/North Wing (Auditorium/Community Center)
Looking Easterly Direction From Playground

Service Road/North Wing (Auditorium/Community Center)
Looking Westerly From 8th Street SE
Photographs of Subject

Condon Terrace Frontage
Looking Northeasterly Along Condon Terrace, SE

Lower Yuma Street Frontage
Looking Easterly Direction Across Condon Terrace, SE
Photographs of Subject

Basketball & Tennis Court
Looking Northward From 4th Floor of Main Building

Typical Interior Common Area Layout – Main Building
Photographs of Subject

Swimming Pool (Recreation Center)

Athletic Field – Looking Westerly Direction From Playground
Photographs of Subject

Auditorium
STATEMENT OF CONTINGENT AND LIMITING CONDITIONS

The Appraiser assumes no responsibility for legal matters, legal interpretations, or legal opinions.

The Appraisers assume title to the appraised property is good and marketable, without defects or encumbrances.

Information furnished the Appraisers by others is assumed to be correct; however, we assume no responsibility for the validity of such information.

The Appraisers assume there are no hidden conditions within the property, surface or subsoil, which would make the property more or less valuable. No engineering analysis has been provided the Appraisers, nor has one been initiated.

Building dimensions are reflected in this report as taken from "city" plans and assessment data made available to the Appraisers. Sketches and maps included herein are provided solely for the purpose of assisting the client in visualization of the property.

Possession of this report does not carry with it the right of publication, nor may it be used for any purpose by anyone other than the "client"; or without previous written consent of the Appraiser or the "client", and in any event only in its entirety. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without written consent and approval of the Appraisers.

Preparation of this report does not carry with it the requirement of the Appraisers to give public testimony regarding its contents unless prior arrangements have been made thereof.

There has been no environmental impact studies requested, or made in conjunction with this appraisal, and the Appraisers hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation.

The appraisal is conducted to conform with the Uniforms Standards of Professional Practice (USPAP) and the Code of Ethics and Standards of the Appraisal Organizations with which the Appraisers are affiliated.
I. THE APPRAISAL PREMISE

PROPERTY IDENTIFICATION

The appraised property is legally identified as Lot 45 in Square 6124, located at 3999 8th Street, SE/700 Yuma Street, SE, SE, Washington, DC, 20032. The Ferebee Hope Educational and Recreation Center is improved with a four-story/two-story/one-story and basement, brick facility containing approximately 181,000 square feet of Gross Building Area.

The appraised site contains 447,780 square feet (approximately 10.28 acres) of land area, zoned RA-1, and is located in the Congress Heights neighborhood of Southeast Washington.

EFFECTIVE DATE OF VALUATION

The effective date of valuation as of which this appraisal shall apply is March 21, 2020.

PURPOSE OF APPRAISAL

The purpose of the appraisal, in this instance is to estimate the Fair Market Rental Value of the appraised property in its “as is” state of condition. Based upon the Scope of Work provided by representatives of the District of Columbia’s Department of General Services (DGS), the appraisal shall serve as a guide for proposed leasing of the subject property. The client in this assignment is the District of Columbia Government and the intended users are the client, applicable government entities and users deemed necessary by the client including but not limited to public charter schools.

"Market Value" Defined: The term “market value” as defined by the Uniform Standards of Professional Appraisal Practice as “the most probable price which a property should bring, in a competitive and open market under all conditions requisite to a fair sale (rental), the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus”.

Implicit in this definition is consummation of a sale (rental) as of a specified date and passing of title from seller to buyer under conditions whereby:

(1) buyer and seller are typically motivated;
(2) both parties are well informed or well advised, and acting in what they consider their own best interest;
(3) a reasonable time is allowed for exposure in the open market;
(4) payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and,
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
"Fair Market Rental Value" Defined: Synonymous with GSA Terminology - Contract for Appraisal Services (Form 1241-D): “The Annual Monetary amount reasonably expectable for the right to the agreed use of real and related personal property as established by competition in the rental market. If market information is unavailable, it is the annual amount which will amortize the value of the remaining capital investment, plus a fair rate of interest return during the remaining useful life of the rented property”.

CURRENT OWNERSHIP

According to public records, ownership of the subject property is vested in the name of the District of Columbia Government. There has been no sale of the property during the past three (3) years.

SCOPE OF THE APPRAISAL

In the development of the appraisal for this assignment, the Appraisers have conducted an on-site inspection of the subject parcel and the building improvements and an extensive review of Area, Neighborhood and Zoning Data relative to the subject property. Building data on file at the District of Columbia’s Department of Tax and Revenue was obtained to corroborate specific physical data regarding the improvements. The subject report represents a Summary Appraisal Report as prescribed by the Uniform Standards of Professional Appraisal Practice (USPAP). An interior inspection of the facility was conducted on. The Appraisers have reviewed numerous published documents and site plans that have been provided by District of Columbia officials and as published by various agencies.

The subject property comprises a reported 447,780 square feet (approximately 10.28 acres) of land area. The site is zoned RA-1 and is located in the Washington Highlands section of the Congress Heights neighborhood. The Fereebee Hope Education and Recreation Center is a “free standing”, four-story/two-story/one-story and basement, brick, educational building and contains approximately 180,945 square feet of Gross Finished Building Area.

The property is considered to be in Average/Fair condition with various sectors requiring general renovation to be raised to a competitive standard. The building, which was constructed circa 1975, has an open floorplan with limited natural light and embodies significant incurable functional obsolescence due to these factors. As stated, the client has requested separate rental estimates for the school and the recreation center areas. The building is of an inordinate size which requires multiple tenancy and management/leasing issues to coordinate the respective tenancies/access of the respective/prospective tenants.
The Fair Market Rental Value for the subject parcel is established principally by the Property Residual Method, which is outlined in the Method of Appraisal section of this report. We have however provided a general overview of the leasing market for a number of former public schools and special purpose properties that provide a general guide to empirical data provided by this unique leasing market. The Appraisers note there is no conclusive value finding from the market due to the huge concessions the District of Columbia grants to charter/private school users whereby all capital expenditures basically offset the rent paid by the users.
II. AREA AND NEIGHBORHOOD OVERVIEW

Washington, District of Columbia, the Nation's Capital, is the 'hub' of the Greater Washington Metropolitan Area, serving as the center of Federal Government and national/international business community for the region. The District of Columbia is bounded by the state of Maryland on the northwest, northeast, and southeast and the Potomac River on the south. In support of the Federal and local governments within the Washington Metropolitan area, private business entities provide contract goods and services. Tourism, retail and wholesale trades, diplomatic and legal/trade organizations and printing and food services are also significant to the city's economy.

The District of Columbia experienced a continuous and dramatic decline in population during the period between the late 1970's and early 2000's; a period that exhibited a pronounced drop in the working, middle-class population. An overall population decrease of approximately 25% percent was reflected during this period decreasing the population to approximately 540,000 persons. Resulting was city demographics to encompass an affluent upper class; a vastly reduced middle class and an underclass that continued to grow. However, it is noted that this depopulation trend slowed dramatically during the latter part of the 1990's and has slowly increased since the early 2000 era. According to the US Census Bureau, the 2012 Population Estimate for the District of Columbia is 652,000 persons representing an increase of approximately 60,000 residents since 2000.

The District of Columbia has clearly shed the pattern of a declining city exemplified by the exodus of citizens and financial instability of the 1980's through 2000. The revenue raising capacity of the city is at an all-time high, being reflected in record real estate, business and sales tax and personal income tax. Despite the reduction of a large segment of the middle-class population of the city during that period, the per capita income in the District of Columbia remained among the highest of large urban areas in the country. As indicated by the city's increasing population and the burgeoning residential and commercial development throughout most sectors of the city, the District of Columbia has been one of the more financially stable metropolitan areas in the nation with surpluses achieved over the past five years. The District's favorable financial picture has improved the city's municipal bond rating and allowed billions of dollars of investments in new or renovated schools, roads and bridges and massive urban renewal projects. Almost all of the city's public high schools have been renovated or replaced with new facilities such as the new Dunbar, Ballou and Woodson schools.

Washington, DC, is the center and economic base of the affluent Greater Washington Metropolitan area, ideally located between the industrial Northeast and the growing southeast. The city is served by a modern Metro rail system that functionally serves differing geographical
areas of the city, extending into suburban Maryland and Virginia. Three major airports and
twenty major airlines serve the city and the metropolitan area, as well as six major railroads.
Four major interstate highways including I-495 (Capital Beltway), I-66, I-95/I-395 and I-295
assure easy access to other metropolitan areas. Washington, DC is historically recognized as the
Federal Government town, the Capital City of the United States. However, the city can no
longer be viewed in that isolated perspective, but rather a city with a focus on expanding hi-tech
operational centers catering to the Federal Government and the military. Also contributing to its
emergence and revitalization is an expansive private office center, major universities with
teaching hospitals, cultural centers and embassies.

Notwithstanding, the broad socio-economic and fiscal problems the city has faced over the
past two decades, the District of Columbia has historically ranked as one of the top ten cities in
the United States. The District of Columbia has historically been one of the premier
business/office building locations with vacancy rates among the lowest and rental rates among
the highest in the nation. According to recent publications, the District records the lowest
vacancy rate of any major office market in the country reporting a 9.5 % vacancy at year end.
The City had the highest average rents in the region with a reported average of $ 55.00 per
square foot, with “trophy” buildings in the East End reporting rents of $55-$60 per square foot.

During the period from 2001 to August of 2011, there were a total of 1,349 development
projects in the city comprising a total of 268,887,006 square feet of building area. The District of
Columbia has a current office building inventory of approximately 124 Million square feet with
approximately 2.3 Million square feet of office space under construction (Development Report
2013/2014 edition Washington). This development boom consists of numerous signature projects
in various sectors of the city including the East End Convention Center and Verizon Center area,
the Southwest Waterfront and Navy Yard/Ballpark Area, the Columbia Heights Metro Station
Area and the NOMA area of “in-city Northeast Washington.

The District of Columbia, the Nation’s Capital, is in the midst of a major renaissance with
visible progress along several fronts since 1997-1998, to include a greater financial commitment
of major programs and long-standing debt obligations by the Federal Government, the City's
fiscal solvency, declines in crime rates in most major categories, the institution of tax incentives
to spur home ownership and business development and an increase in home sales and residential
property values during this period. These factors have stemmed the exodus of middle-class,
taxpaying citizenry from the District of Columbia.
Development & revitalization is also reflected in the residential neighborhoods throughout the city, with record sales activity reported since 2006. Property values have generally doubled in most neighborhoods during this period. The revitalization of “in-city” areas such as Shaw, Logan Circle East and Columbia Heights has been well documented, as existing dwellings are being purchased, prices and renovated and land prices soared to record levels. Market demand is strong in the older stable neighborhoods of Northwest/Northeast Washington as shorter than “norm” marketing periods are experienced, with recorded sales prices being consistent with asking prices. Renewed interest is likewise being exhibited in the southeast and northeast sectors of the city where housing prices are still attractive to first time homebuyers and middle class residents.

The District of Columbia economy, while insulated to a degree by the presence of the Federal Government, experienced the effects of the economic downturn in the national economy and the financial markets during the 2007-2010 period. New projects were hampered by the inability to gain financing and numerous condominium projects have been reverted to a rental status. We note, however, that this value contraction and market slowdown during that period was not as dramatic in the District of Columbia as experienced in the abutting jurisdictions and outer suburbs. In fact, the closer to the District proper there was a less dramatic decrease in housing prices from the robust 2009-2006 period. The District’s stability buttressed the District from the massive foreclosure and housing bubble experienced nationally and in neighboring jurisdictions of Maryland and Northern Virginia. The result of this was a city postured for the development renaissance the city is now experiencing.

This residential renaissance is reflective of the renewed confidence in the District and the various programs/tax incentives being offered to first-time home buyers in the city and the aggressive efforts in general, being made by the District’s Department of Housing and Community Development and the DC Housing Authority in ridding the city of non-suitable housing. According to Development Activity, an annual report of real estate development activity published by the DC Marketing Center, since January of 2001, 58,210 units of new or renovated residential housing has been completed (or planned) in the city. Residential (apartment) vacancy rates are reported by various publications in the 4% range. While property values contracted during the economic downturn, values stabilized and began to increase during the past four years. The District remains highly competitive relative to suburban districts and national markets. The single-family housing market is experiencing resurgence with well-priced properties selling in the 30-45 day range. The biggest dilemma now facing city officials is the ability to provide affordable housing for its shrinking low and middle income residents.

The multi-family (rental) housing market, particularly in moderate income locations, has not experienced the contraction in rental rates or values similarly experienced in the single-family housing market and upscale condominium market. This factor is directly attributable to a number of factors, mainly the government influence through programs such as the LIHTC, Section 8, below market financing and the modest pricing levels impacting economies of scale. These programs create an insulated market which tends to stabilize development risk and prices,
NEIGHBORHOOD DESCRIPTION

The subject property is located in the Washington Highland section of the Congress Heights District of "Far" Southeast Washington, District of Columbia. The boundaries of the Congress Heights neighborhood are generally defined as follows:

(A) South - Southern Avenue (D.C./P.G. County Maryland Boundary Line);
(B) West - Interstate 295;
(C) North - Suitland Parkway;
(D) East - 13th Street, S.E.

The land zoning/development character is typical throughout the Congress Heights District consisting principally with low-density (garden-style) apartment buildings, flats and "pockets" of single-family residential dwellings. Land zoning within the Congress Heights neighborhood is almost exclusively RA-1 (formerly R-3-A) with a scattering of commercially zoned "pockets" along Wheeler Road, South Capitol Street, Alabama Avenue, Martin Luther King Jr. Avenue and Southern Avenue. Numerous public housing complexes are located within the Washington Highlands neighborhood such as the Valley Green complex, which has been demolished and redeveloped with lower density townhouse/duplex-type dwellings. The Highland Dwellings - a 208 unit (two-story) multiple building complex located along Atlantic Street, a massive recently completed $40,000,000 redevelopment which will transform this blighted and socially troubled neighborhood project.

In the main, these projects were all redeveloped during the mid-late 1980's at the height of the local real estate boom and relied heavily upon government subsidy either in the form of low interest rate financing and tenant based rental assistance programs. Market rental rates for these projects are generally below the rents received under the subsidy programs such as Section 8, TAP etc. A general survey of rental rates in the Washington Highlands neighborhood is presented in the Addenda of this report.

Attributable to the neighborhood's zoning and location, single-family residential development is limited. Single-family residential development has historically been confined to townhouse development north of the subject (between Wheeler Road and Thirteenth Street) and "pockets" of semi-detached dwellings along Chesapeake Street, Atlantic Street Brandywine Street and other secondary arteries. There has been two (2) recent townhouse projects which will undoubtedly have a positive impact on the Washington Highlands Neighborhood; namely, the recent development of the Walter Washington Estates - a 141 unit townhome project at Southern Avenue and Bellevue Street; Oxon Creek Townhomes - a 210 unit townhome project along Mississippi and Southern Avenues. In addition, the Wheeler Creek Townhome project, along
Wheeler Road, was completed during the 2005 era. Other signature recent developments in the immediate neighborhood include the Village of Parklands (a 5 complex residential apartment project and the accompanying new commercial project on the old Camp Simms Site), the Henson Ridge Townhome and apartment complex comprising a total of 660 units, the Overlook at Oxen Run a 12-story new workforce and senior development containing 316 units. The neighborhood, is located centrally in the Old Anacostia section of Congress Heights, one of the older more established neighborhoods within the district. This area, generally construed to include the neighborhood in and around Saint Elizabeth’s Hospital westward beyond Portland Street and southward to Alabama Avenue, is developed with dwellings constructed around the 1930-1940 era. Most of the neighborhood commercial businesses are found within this area along the Martin Luther King Avenue and South Capitol Street.

Neighborhood maintenance characteristics are considered to be fair to average and housing styles and types homogeneous. Some of the neighborhood housing stock is old, dilapidated and vacant, and in need of repair or razing. Long neglected and overlooked, the subject southeast neighborhood is undergoing a renaissance with local and federal assistance to upgrade and revitalize communities with new and planned residential development. Recently constructed or planned residential and commercial developments have fostered the elimination of some blighted areas, and generally upgraded the subject and adjoining neighborhoods. The closing and demolition of older public housing projects, and the redevelopment into single family townhouse units has reduced high concentrations of lower income residents, crime and blight. The revitalization has begun to attract more middle income families to the area, and is expected to elevate neighborhood maintenance and improve the delivery of municipal services.

Private and public enterprises have joined to enhance the revitalization of the subject neighborhood. Major projects in the Barry Farms and abutting Congress Heights neighborhood include the massive residential development along Suitland Road, Stanton Road, Sayles Place; the Henson Ridge Project abutting the subject property, the Camp Simms commercial development with the new Giant Food Store and the relocation of Homeland Security to the Saint Elizabeth’s Campus. Continued revitalization of Martin Luther King Avenue and the development of the Poplar Point area will further spur redevelopment of the area.

Crime Impact

Crime remains a deterrent to neighborhood cohesion; however, the city has begun to show reductions in all major crime categories over the past decade. The developer proposes ample security measures and patrols for the project. Crime is actually lower in the immediate neighborhood than the surrounding PMA as exhibited in the one year study report by the Metropolitan Police Department study of a 1000 foot radius of the subject property for the past year.
**MEDICAL FACILITIES**

The major medical facility serving the immediate area is the Union Medical Center located along Southern Avenue. The facility while in dire needs of public funding provides a wide range of hospital services.

**EDUCATIONAL OVERVIEW**

The Highland Dwellings complex is located within the boundaries served by Hart Elementary, Henley Middle School and Ballou High School. There are several charter schools coming. The neighborhood including Achievement Prep, Ingenuity Prep, and National Collegiate Academy charter schools. Based on studies published by the DCPS, the neighborhood school are performing at or slightly below the reading and math standards throughout the city. Clearly, greater influence needs to be placed on education achievement in the subject and the primary market.

**NEIGHBORHOOD SUMMARY**

In summary, the immediate neighborhood is a low/low-middle income sector of the City, which serves as a viable community for “first-time” home buyers. As enumerated, the neighborhood has made significant strides with respect to redevelopment as noted by projects like Camp Simms, Saint Elizabeth’s, the Arc, the Village of Parklands and Henson Ridge.

The neighborhood is still in need of competitive commercial facilities to provide shopping and retail facilities for the neighborhood residents, as well as, eliminate the blight and negative socio-economic factors impacting the corridor. Continued investment in educational assets and the addressing of socio-economic issues is needed to improve the quality of life for the neighborhoods residents. There remains strong demand for affordable housing as has been enumerated throughout this report.
III. PROPERTY OVERVIEW AND DESCRIPTIVE ANALYSIS

DISCUSSION OF ZONING

The appraised property is located within the boundaries of the RA-1 zoning district, a zoning classification wherein the predominant land use is medium to high density apartment house development. Alternate land uses are permitted within this zoning category to include development of townhouses, flats, hotels and Special Purpose facilities. Commercial development is not permitted in the RA-1 zoning districts except for adjuncts within apartment houses for the daily needs of the building residents.

Newly constructed buildings in the RA-1 zoning district, are limited to a height of 40 feet. Lot occupancy is restricted to 60 percent of the Gross Lot Area with a maximum Floor-Area-Ratio of .90 or 90 percent of the lot area. Off-street parking is required at the rate of one (1) space per three (3) dwelling units.
REAL ESTATE ASSESSMENT AND TAXES

Real property is assessed annually for tax purposes by the District of Columbia Assessor’s Office at 100 percent (100%) estimated “Fair Market Value”. The subject property is classified for taxation purposes as a Class II, i.e. commercial property which would be taxed at the rate of $1.65 per $100.00 assessed valuation for the first $3,000,000 and $1.85 per $100.00 assessed valuation above the initial $3,000,000. However, as a government-owned parcel, the subject property is exempt from real property taxation. The Tax Year 2020 Assessment(s) for the appraised property, covering the period from October 1, 2019 to September 30, 2020, is as follows:

<table>
<thead>
<tr>
<th>LAND ASSESSMENT</th>
<th>IMPROVEMENT ASSESSMENT</th>
<th>TOTAL ASSESSMENT</th>
<th>ANNUAL TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,627,900</td>
<td>$13,259,310</td>
<td>$37,887,210</td>
<td></td>
</tr>
</tbody>
</table>

Note: The land tax rate for the property is $55.00 per square foot, an overassessment considering location and zoning issues.
PROPERTY DESCRIPTION

THE SITE

The appraised site, legally identified as Lot 45 in Square 6124, is a slightly irregular-shaped site with frontage along 8th Street, Yuma Street and Condon Terrace, SE. According to public records, the site contains a total land area of 447,780 square feet (approximately 10.28 acres) of land area. The building improvements are located along the east boundary of the site with the athletic field and the basketball court/tennis courts located on the north and west side of the site.

The site has frontage of approximately 1,197.84 feet along the north side of Yuma Street, and 493.37 feet along the west side of 8th Street and 848.12 feet along the south side of Condon Terrace. The north boundary of the site is a public alley extending approximately 500 feet.

8th and Yuma Streets, which serves as the main entrance the school, is a 60-foot wide street with two-way bound traffic pattern. The site is generally level and on grade with each of the fronting streets with the topography declining in a southerly and westerly direction towards the Yuma Street and Condon Terrace intersection.

On-site improvements include an asphalt paved service road that leads to the rear parking accessed from 8th Street and a smaller 20 vehicle parking lot on the north boundary of the site. There is a grass athletic field to the rear of the Recreation Center (off the Yuma Street frontage) with refurbished basketball courts, paved/padded playground area and tennis court areas along the north boundary of the lot. There is an approximate 6'-high wrought iron fence around the perimeter of the site.

According to FEMA Map #1100010078C (dated September 27, 2010), the site is located within Zone X, an area of minimal flood risk. All public utilities i.e. municipal sewer and water, electricity, natural gas, telephone service etc. are available to the site.
THE IMPROVEMENTS

The subject property is commonly known as the Ferebee Hope Educational/Recreation Center, which is under the use jurisdiction of the Department of General Services, houses the main school and ancillary areas and the recreation center. The “The Ferebee Hope Educational/Recreation Center” is a four-story/two-story/one-story and basement, free standing, and brick educational facility constructed circa 1975. Based upon dimensions abstracted from floor plans and data obtained from DGS, the building contains approximately 180,945 square feet of Gross Finished Area (Above Grade). The building is designed with three wings mirroring each other on the north and south of the building. The building has an open floor plan with limited window openings.

The building is a brick and reinforced concrete construction and has a combined gable flat-met/al asphalt roof, with aluminum galvanized gutters and downspouts. There are fire resistant, hollow metal doors are in place at all building entries. Added security is provided by high-intensity security lights located along the roof perimeter on each side of the building. The building design reflects construction features and functional obsolescence of its era, i.e. expansive load bearing walls, 13-foot high ceilings, expansive wide corridors and multiple stairwells in the respective wings. There is a loading dock area on the north building sector.

The Ferebee Hope Education and Recreation Center has been under the jurisdiction the Department of General Services. According to the Building Space Analysis by the 4Tell Solutions, the use breakdown of the building is as follows:

<table>
<thead>
<tr>
<th>Building</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Building</td>
<td>134,876</td>
</tr>
<tr>
<td>Recreation Center</td>
<td>46,069</td>
</tr>
</tbody>
</table>

**BUILDING SUMMARY**

<table>
<thead>
<tr>
<th>Floor</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td>7,681</td>
</tr>
<tr>
<td>First Floor</td>
<td>83,686</td>
</tr>
<tr>
<td>Second Floor</td>
<td>47,716</td>
</tr>
<tr>
<td>First Floor</td>
<td>20,931</td>
</tr>
<tr>
<td>First Floor</td>
<td>20,931</td>
</tr>
</tbody>
</table>

The main entrance to the building is via the center of the building off of an extended sidewalk from Yuma Street. Each wing has open floor areas. The general floor plan includes classrooms, administrative offices, the auditorium with balcony, and the gymnasium/multi-purpose room. Boys’ and girls’ restrooms are located in each wing of every floor with ancillary offices, teachers’ lounge and specialty classrooms. Multiple small elevators serve each level of the educational sector. A more in-depth description of the building layout is presented under the headings to follow.
BUILDING LAYOUT - FEREBEE HOPE SCHOOL SECTOR

Ground Level (First Floor) 48,686 square feet

Main Circular Building with entrance along the 8TH & Yuma Street Frontage. The layout includes front reception and security entrance with administrative offices. There are three large perimeter classrooms, Boys and Girls Bathrooms, Teachers' Lounge and open utility space along the center sector of the space.

North Wing consists of five (5) enclosed common area classrooms with shared bathrooms; with multiple administrative offices behind the classrooms. The Northwest Wing includes Auditorium/cafeteria with a full commercial kitchen, music room, bathrooms and small offices. The Auditorium extends approximately 25 feet.

Second Floor: 36,667 square feet

Main Circular Building with an open classroom/administrative area with perimeter classrooms. Boys and Girls Bathrooms, Teachers' Lounge and open space along the center of the space.

North Wing consists of two (2) large classrooms, computer lab, four (4) enclosed common area classrooms with Boys' and girls' bathrooms.

Third Floor: 20,931 square feet

Part of the Main Circular Building with an open classroom/administrative area with perimeter classrooms. Boys and Girls Bathrooms, Teachers' Lounge and open space along the center of the space.

Fourth Floor: 20,931 square feet

Part of the Main Circular Building with an open classroom/administrative area with perimeter classrooms. Boys and Girls Bathrooms, Teachers' Lounge and open space along the center of the space.

Basement: 7,681 square feet

Located in the one-story northwest sector beneath the kitchen area, Unfinished space includes the boiler room, electrical room and telephone room for the complex.
BUILDING LAYOUT - FEREabee HOPE RECREATION CENTER SECTOR

First Floor: 35,000 square feet

Entrance Lobby from West Building elevation, Swimming Pool with lockers and bathrooms, Multi-purpose room with stage, Full gymnasium, Boxing gym (former elementary gym). The swimming pool, main gym and elementary gym extend to a height approximately 25 feet. Gym flooring is hardwood with low rise bleachers along the court. The swimming pool is tiled with drainage and

Second Floor: 11,069 square feet

The second floor is a partial floor as the majority of the floor area is open due to the ceiling height of the swimming pool, main gym and the boxing gym. There are offices and restrooms on this level.

Basic building interior finish includes durable block tile-covered floors, painted block hallways and acoustical tile ceilings with overhead fluorescent lighting. Typically, rooms utilized as offices have carpeted floors and interior partitioning. Interior finish varies throughout the building consisting of commercial grade tile flooring (over), plaster walls, acoustical tile ceilings, painted brick and block walls (basement) and fluorescent lighting. Bathroom finish consists principally of ceramic tile and tile wainscotting and plaster walls and ceilings. The classrooms have fire resistant metal doors and interior windows that allow for viewing form the hallway.

OVERALL BUILDING CONDITION/USAGE

The Ferebee Hope Educational/Recreation Center is structurally sound reflecting a reinforced concrete superstructure. The facility has been completely renovated by the Seed School. In general, the overall condition of the facility is rated as Average/Fair. According to the Space Analysis, there is ample heating (multiple gas-fired boilers, cooling towers and electrical equipment to service a facility of the subject's size. The general design of the facility embodies incurable functional obsolescence due to the limited natural light, enclosed circular design and size of the classroom areas.
HIGHEST AND BEST USE

The term “highest and best use”, as applied in Real Property Valuation, is generally conceived to construe that “reasonable and probable” usage that supports the highest, present, property value, as of the effective date of the appraisal. Alternatively, highest and best use may be defined as “that use, from among reasonably probable and (legal) alternative uses that will produce the greatest net return of the land over a predictible period of time.”

Consistent with generally accepted appraisal methodology, the highest and best use of the property is established under two (2) distinct concepts, i.e., evaluation as if vacant (or unimproved), and as currently improved. From the conducted analysis, the estimated market value of the subject property is established predicated upon a property usage that yields the highest present property value.

HIGHEST AND BEST USE - “AS IF VACANT”

The Ferbee Hope Educational/Recreation Center property contains 447,780 square feet (approximately 10.28 acres) of land area. The site is located within the boundaries of the RA-1 zoning district. The predominant land use in the RA-1 district is for apartment house and row townhouse development. Special purpose use such as educational uses are permitted in this zoning district.

Considering the property’s location and zoning, the highest and best use of the “The Ferbee Hope Educational/Recreation Center” - as though vacant is for construction of a low density apartment project or a single-family row townhouse residential project.

HIGHEST AND BEST USE - “AS IMPROVED”

The Ferbee Hope Educational/Recreation Center, to contain a total of approximately 181,000 square feet of Gross Building Area, is considered to be in Average/Fair condition. Various sectors of the building require renovation as of the date of valuation. The school also provides on-site parking and a large landscaped playground integral to school/recreational type usage. The building was constructed circa 1975 and the construction quality and design of the facility incorporating an open floor plan with limited window openings. The building incorporates significant incurable functional obsolescence.

Considering the building condition, zoning and location, the most present usage is consistent with the highest and best use of the subject property. Renovation of the facility is required for competitive usage of the site.
IV. VALUATION SECTION

THE APPRAISAL ASSIGNMENT

Valuation guidelines dictated by representative of the District of Columbia’s Department of General Services (DGS) requires an Estimation of the Fair Market Rental Value of the subject property in its current, “as is” state of condition. The assignment dictates appraisal of the facility for continued usage as an educational facility which infers retention of the existing improvements.

METHOD OF APPRAISAL

The valuation assignment requires an estimate of the Fair Market Rental Value of the “Ferebee Hope Center” in its “as is” state of condition. Typically, the Fair Market Rental Value is established through a Comparative Analysis of the appraised property with properties that have been leased in the subject or comparable neighborhoods having similar physical features and uses. Our review of the applicable Special-Purpose leasing market revealed limited market data to formulate a supportable opinion of the property’s Fair Market Rental Value by the Comparative Approach. This factor is attributable principally to the limited pool of such properties coupled with the generally “poor” condition of the appraised property in its “as is” state of condition. Essentially, the only properties eligible for school rental are controlled by the city government.

We have reviewed rental data within the public school systems portfolio, as well as, contacted other district officials regarding “special purpose” leases. While there are existing leases in place within several surplus buildings, the parameters and indicated square foot lease rates are typically “below market” and are inconclusive barometers of economic rent. The majority of the District of Columbia leases with charter schools are long term leases of school buildings that require extensive renovations. These leases typically grant an abatement (free rent) for periods of up to 15 years for renovation funds expended resulting in literally no rental payment for an extended period. We have provided a synopsis of several leases of larger school facilities for informational purposes.

In the absence of quantifiable market data, the Appraisers have developed the Fair Market Rental Value estimate by application of the Property Residual Method. This approach entails the application of market derived rates of returns to the established land & building components to derive an estimate of the property’s Fair Market Rental Value. We have however provided a general overview of the leasing market for a number of former public schools and special purpose properties that provide a general guide to empirical data provided by this unique leasing market.
An in-depth description of the valuation methodology employed and our subsequent opinion of the market value estimates are presented under the valuation headings to follow.

(A) **FAIR MARKET VALUATION – PROPERTY RESIDUAL METHOD**

The principal market value estimates applicable in this analysis is the Property Residual Method, due principally to the dearth of compelling "arm's length" market rental data of similar-sized properties. This approach entails (initially) establishment of the Market Value of the property and the subsequent application of a return rate to the asset to derive the Fair Market Rental Value. As a "special-use" property, not openly traded on the market, the Market Value of the PH Harris Educational Center is established by application of the Cost Approach. The Return Rate will be established predicated upon return rates for competing financial instruments recognizing an appropriate adjustment for risk, management and illiquidity. The analysis by the Cost Approach will follow with the evaluation of the underlying land predicated upon the highest and best use- as if vacant.
MARKET VALUE ESTIMATE - COST APPROACH

(A) LAND VALUE ESTIMATE - "As Is"

The Land Value Estimate for the appraised parcel, as previously stipulated, is established by application of the Sales comparison or Market Data Approach. Summarizing pertinent site data for the site, the subject property contains 447,780 square feet of land (10.23 acres) excluding interior streets. The site is located in the RA-1 zoning district (the former R-5-A zoning district).

In extension of the Sales Comparison Approach, the Appraisers have conducted an extensive review of the low-density residential land markets within the Congress Heights, Barry Farms, Anacostia, Marshall Heights, Randall Heights and comparable locations of Southeast/Northeast Washington. Our study covered the preceding 4-5 year period prior to the effective date of valuation and focused on the RA and MU-4 R-5-A/R-5-B zones, which allows low-density residential apartment house development, the conceived optimum land use for the subject parcel. We have also researched sales in the R-2, R-3 and R-4 zoning districts, which permit semi-detached and row townhouse development.

Based upon our review of the applicable commercial land markets, we have identified 9 sales of vacant sites (or improved sites wherein the preponderance of value is vested in the land) for consideration by the Market Data Approach. Considering the size and physical attributes of the parcel, direct comparability is not afforded the sales for application of a quantitative comparative analysis. The sales, with applicable adjustments applied, however, provide a reasonably valid indicator of the value for the subject parcel. The Appraisers note that there were numerous land conveyances within the immediate neighborhood which were not included in the sale listing due to utility factors/development potential and zoning.

In the Comparable Sales Listing in the Addenda of this report, an in-depth profile of the selected sales is provided. With the subject property being vacant land and recognizing the subjectivity involved in projecting the developable units for the comparable sales, the unit of comparison most applicable in this assignment is the price paid “Per Square Foot of Land Area” and as warranted, the “Per Square Foot of FAR”. A generalized “Comparative Analysis” and subsequent opinion of the value for the subject parcel is presented in the Comparable Sales Listing in the Addenda of this report.
COMPARABLE LAND SALES LISTING

Sale #1

Property Address: 1300 Block - Bruce Place, SE
Legal Description: Square 5876, Lot 849
Date of Sale: June 24, 2019
Sales Price: $800,000
Grantee: UUL LLC
Land Area: 36,117 square feet; zoned RA-1

Comments:

The site is a regular-shaped site comprising 36,117 square feet or approximately .83 acres of land area. The lot has two (2) street frontage with approximately 93 feet along Stanton Road and 92.50 feet of frontage along Bruce Place. The east lot boundary extends approximately 391 feet and the west boundary extends 399 feet.

The topography of the site is varied and may be characterized as “rolling”. Generally, the “topo” is level along the main Bruce Place sector with the topography dropping off in a northward direction towards Stanton Road. Bruce Place is estimated to “sit” approximately 40-50 feet above Stanton Road. The entire site is overgrown with young trees, brush and overgrowth requiring general clearing, landscaping and site preparation prior to development. The transaction would also be adjusted for conditions of sale as the initial sale price was adjusted downward due to title issues that revealed itself after the contract was signed.

Sales Price Per Square Foot of Land Area: $22.15
Sale # 2

Property Address: 2400 Block – 15th Street, SE

Legal Description: Square 5877, Lot 80

Date of Sale: April 27, 2018

Sales Price: $795,000

Grantee: 15th Place Holding LLC

Land Area: 28,906 square feet; zoned R-3

Comments:

The site is a slightly irregular-shaped interior, located north of Suitland Road 4-5 blocks from the subject property. The site has frontage of approximately 100 feet along the south side of 15th Street and extends to an average depth of approximately 310 feet. The site narrows in a southerly direction with a width of approximately 80 feet along its rear boundary.

Sales Price Per Square Foot of Land Area: $27.50
Sale # 3

Property Address: 6000 Block - Fads Street, NE

Legal Description: Square 5261, Lot 43, 44 & 45

Date of Sale: August 31, 2018 (Sale #1)
September 7, 2018 (Sale #2)

Sales Price: $300,000 (1)
$140,000 (2)
$440,000

Grantee: Simone Management LLC

Land Area: 15,000 square feet; zoned RA-1

Comments:
The site is comprised of three (3) rectangular-shaped parcels containing 5,000 square feet each (50 x 100 feet) parcel is a rectangular-shaped, located in the Deanwood neighborhood, just east of the subject property. The site has frontage of approximately 150 feet along the south side of Fads Street and extends to an average depth of approximately 100 feet.

Sales Price Per Square Foot of Land Area: $29.33
Sale # 4

Property Address: 948-950 Division Avenue, NE

Legal Description: Square 5199, Lot 78 & 79

Date of Sale: July 26, 2018

Sales Price: $205,000

Grantee: 948-950 Division Avenue LLC

Land Area: 6,860 square feet total (3,430 square feet); zoned R-3

Comments:
The site is comprised of two (2) vacant lots comprising 6,860 square feet. The site is rectangular-shaped has approximately 49 feet of frontage along the west side of Division Avenue and extends to a depth of 140 feet. The site is basically level and on grade with Alabama Avenue, a dual-lane transportation artery.

Sales Price Per Square Foot of Land Area: $29.88
Sale # 5

Property Address: 510-530 51st Street, SE

Legal Description: Square 5317, Lots 36, 38

Date of Sale: July 16, 2018

Sales Price: $215,000

Grantees: 510-530 51st Street SE LLC

Land Area: 6,660 square feet; zoned R-3

Comments:

The parcel is regular-shaped, located at the corner of 51st and Pitch Streets, NE. The site has frontage of approximately 173 feet along the east side of Pitch Street and approximately 42 feet along Pitch Street, SE. Both streets along the subject's frontage are 50 feet, secondary "rights-of-way" with macadam-surfaced secondary "rig with concrete sidewalks, curbs and gutters in place. The site is level and on street grade.

Sales Price Per Square Foot of Land Area: $32.88
Sale # 6

Property Address: 51st & “E” Streets, SE

Legal Description: Square 5316, Lots 1 & 2

Date of Sale: May 17, 2017

Sales Price: $290,000

Grantee: Call Place NE LLC

Land Area: 8,000 square feet (4,000 square feet—each lot); zoned R-3

Comments:

A rectangular shaped site comprised of two lots having a combined frontage of 80 feet along the east side of 51st Street and 100 feet along the south side of E Street. The site has been graded and is level and on grade with both fronting streets.

Sales Price Per Square Foot of Land Area: $36.25
Property Address: 5300-5308 Bass Place, SE
Legal Description: Square 5304, Lots 39-45 (Record Lot 31)
Date of Sale: April 24, 2017
Sales Price: $532,500
Grantee: Bass Place LLC
Land Area: 16,000 square feet; zoned R-2

Comments:
A rectangular shaped lot having frontage of 100 feet along the north side of 53rd Street and 160 feet along Bass Place. A 15-foot alley abuts the rear of the lot. The site has approved site plans and zoning approvals in place prior to the sale. The subdivision plan depicts seven (7) individual lots to be developed with three-story and basement single-family dwellings.

Sales Price Per Square Foot of Land Area: $33.28
Sale #: 8

Property Address: 2600 Block - Sayles Place, SE

Legal Description: Square 5872, Lot 151

Date of Sale: October 25, 2018

Sales Price: $1,740,000

Grantee: City View Redevelopment LLC

Land Area: 58,639 square feet; zoned RA-1

Comments: The site is a regular-shaped site located to the rear of the Sheridan Station development. The lot has frontage of approximately 235 feet along Sayles Street and extends to a depth of 230 feet. The topography of the site is varied and may be characterized as "rolling". Generally, the "topo" is level along the dedicated Sayles Place street which is not improved at this time. The entire site is overgrown with young trees, brush and overgrowth requiring general clearing, landscaping and site preparation prior to development.

Sales Price Per Square Foot of Land Area: $29.67
Sale # 9

Property Address: 13th and W Street, SE

Legal Description: Square 5782, Lots 98, 99, 810, 811, 812, 864 and 1022

Date of Sale: January 30, 2018

Sales Price: $1,660,031

Grantee: W Street Lots LLC

Land Area: 35,592 square feet; zoned RF-1/R-3

Comments:

The transaction includes the sale of a rectangular-shaped parcel located along the northwest corner of 13th & W Street in the same square as the subject property. The lot has frontage of approximately 145 feet along W Street and approximately 82 feet along 13th Street and extends to a depth of 120 feet. The RF-1 sector, located along W Street, comprises 6,240 square feet and extends to a depth of 150 feet. The R-3 sector contains 7,680 square feet. The site represents a prominent corner and would likely be developed under a zoning variance or Inclusionary Zoning. A FAR of 1.10 is applied to the sale.

Sales Price Per Square Foot of Land Area: $32.59
Sale - Listing #10

Property Address: Ainger Place & Bruce Place, SE

Legal Description: Square 5740, Lots 854-865 (12 Lots)

Date of Sale:

Asking Price: $1,500,000

Grantee: 

Land Area: 58,088 square feet; zoned RA-1

Comments:

The site is comprised of 12 contiguous located along Ainger Place. The site is raw land with 169.96 feet of frontage along Ainger Place extending to a depth of 342.50 feet.

Sales Price Per Square Foot of Land Area: $25.82
LAND VALUATION SUMMARY

The Ferebee Hope Site contains 447,80 square feet of land (approximately 10.28 acres) and is in the RA-1 zoning district (the former R-5-A zoning district). The site is generally level and on grade with the fronting streets which include 8th Street, Yuma Street and Condon Terrace, SE.

The selected sales are the most recent conveyances of residential zoned lots within the Congress Heights, Randle Heights, Fort DuPont Park, Deanwood, Marshall Heights, Barry Farms neighborhoods of Northeast and Southeast Washington. The comparables have varying degrees of comparability to the subject and reflect (unit) land values to range from $22.15 to $36.25 per square foot of land area.

As is applicable in development of the Sales Comparison Approach, adjustment factors are considered to recognize basis value contributing differences between the subject parcels and the comparable sales. Adjustment factors as applied in this analysis reflect the Appraiser's value judgments with respect to the factors as outlined heretofore. Application of "paired-set" type adjustments as applied in traditional valuation analysis is unrealistic due to the diversity of the sale properties and the inability to derive incremental value differences for the respective factors. Adjustments include traditional adjustment for time, location and site utility/zoning. A separate major adjustment is subsequently applied to the concluded "base" rate for site preparation costs necessary to ready the site for development. The applicable adjustments are as follows:

(A) Time: to recognize value increases since the dates of sale, estimated to be 4-5 % per year over the last 4-5 years.

(B) Location: to recognize the general inferiority/superiority of the compared location with the comparable. The subject property is in an area lacking immediate access to mass public transportation.

(C) Site Utility/Zoning: adjustments based upon development potential attributable to configuration, topography, size and site costs. The subject is zoned RA-1 which permits a .90 FAR or typically approximately 1.0 when inclusionary zoning is applicable. Several comparables are zoned R-2 or R-3, which are lower density townhouse districts inferior to the subject zoning. The MU-4 sale is a higher density site and would require a downward adjustment consideration.
COMPARABLE ADJUSTMENT SUMMARY

Our generalized analysis of the sale properties and the subsequent adjustments are presented to follow.

Sale #1, located in the 1300 Block - Bruce Place, SE, is 36,117 square foot site that sold for $22.15 per square foot. The site is located on a secondary street and sold in June of 2019. The location adjustment is applied; and an upward time adjustment is applicable. The site has inferior utility due to zoning due to its R-3 zoning. The site also is overgrown with young trees and located along a hillside with inferior utility as well. There is a condition of sale adjustment due to a title/closing issue which lowered the original contract price on the property. An upward adjustment of 50% is applied in this instance.

INDICATED UNIT VALUE:  $22.15 per sq.ft x 1.50 = $33.23 per sq.ft.

Sale #2, located in the 2400 Block of 15th Street, SE, is 28,906 square foot site that sold for $27.50 per square foot. The site is located on a secondary street and sold in April of 2018. The location adjustment is superior; and an upward time adjustment is applicable for the approximate two year time lapse. The site has inferior utility due to zoning due to its R-3 zoning; however, is a much smaller site that would negate this factor. An upward adjustment of 20% is applied in this instance.

INDICATED UNIT VALUE:  $27.50 per sq.ft x 1.20 = $33.00 per sq.ft.

Sale #3, located in the 6100 Block of Fads Street, NE, is a 15,000 square foot site that sold for $29.33 per square foot. The site is located on a secondary street and sold in August/September of 2018. An upward time adjustment is applicable to recognize the 18-month time lapse. No location adjustment is applied. The site has inferior utility due to zoning; however, the site is much smaller which would negate this factor. An upward adjustment of 10% is applied in this instance.

INDICATED UNIT VALUE:  $29.33 per sq.ft x 1.10 = $32.26 per sq.ft.

Sale #4, located at 948-950 Division Avenue, NE, is 6,480 square foot site that sold for $29.88 per square foot. The site is located near Sheriff Road and sold in July of 2018. An upward time adjustment is applicable to recognize the 18-month time lapse. No location adjustment is applied. The site has inferior utility due to zoning; however, the site is much smaller which would negate this factor. An upward adjustment of 5% is applied in this instance.

INDICATED UNIT VALUE:  $29.88 per sq.ft x 1.05 = $31.37 per sq.ft.
Comparable Sale #5, located at 510-530 51st Street, SE, contains 6,660 square feet of land area and conveyed at the rate of $32.88 per square foot of land area. The property sold in July of 2018; a major time adjustment factor is applicable. The general location of the comparable is superior to the subject's location. No adjustment is applied in this instance.

**Indicated Unit Price:**

$32.88 p/sq.ft.

Comparable Sale #6, located at the southeast corner of 51st and E Streets, SE, contains 8,000 square feet of land area and conveyed at the rate of $36.25 per square foot of land area. The property sold in May of 2017; a time adjustment factor is applicable. The general location of the comparable is slightly superior to the subject's location. The sale has superior utility to the subject attributable to size. The development potential of the comparable (zoned R-3) is inferior based upon the superior zoning of the subject property. An overall downward adjustment of 10% is applied.

**Indicated Unit Price:**

$36.25 p/sq.ft. x .90 = $32.63 p/sq.ft.

Comparable Sale #7, located at 5300-5308 Bass Place, SE, contains 8,000 square feet of land area and conveyed at the rate of $33.26 per square foot of land area. The property sold in April of 2017; a time adjustment factor is applicable. The general location of the comparable is slightly superior to the subject's location. The sale has superior utility to the subject attributable to size. The development potential of the comparable (zoned R-2) is inferior based upon the superior zoning of the subject property. No overall adjustment is applied.

**Indicated Unit Price:**

$33.28 p/sq.ft.

Comparable Sale #8 is in the 2600 Block of Sayles Place, SE, is at the rear of the Sheridan Station development. The 58,637 square foot site sold in October of 2018 for $29.67 per square foot. No significant location adjustment is applicable. This is a superior location and the property is slightly superior from a utility standpoint. No overall adjustment is applied in this instance.

**INDICATED UNIT VALUE:**

$29.67 per sq. ft.

Sale #9 is located at 12th and W Streets, SE and is a 35,592 square foot corner site that conveyed in January of 2018. The parcel conveyed at the rate of $32.59 per square foot of land area. A time upward adjustment for time is applied to the sale. The parcel is located in the Anacostia neighborhood; location is far superior. The corner site is far superior in terms of utility. The site has inferior zoning. A downward adjustment of 10% is applied in this instance.

**INDICATED UNIT VALUE:**

$32.59 per sq. ft. x .90 = $29.33 p/sq.ft.
LAND VALUATION CONCLUSION

The "adjusted" unit value estimates reflected by the comparable sales reflect a range of $32.64 to $34.52 per square foot of land area or an average of $31.96 per square foot. The properties are considered to have varying degrees of comparability to the subject with respect to size and development potential. Based on this analysis, we conclude a "base" unit land rate applicable to the property of $32.00 per square foot of land area.

The subject parcel contains approximately 447,780 square feet of land (10.28 acres) and is in the RA-1 zoning district (the former R-5-A zoning district). Thus, based on the foregoing analysis, the estimated land value of the site— as if vacant and free and clear of improvements— as of March 21, 2020, the effective date of the appraisal, is as follows:

447,780 square feet x $32.00 per square foot = $14,328,960

ROUNDED:
FOURTEEN MILLION THREE HUNDRED THIRTY-EIGHT THOUSAND DOLLARS
($14,338,000.00)

EXPOSURE TIME—As defined in Statement No. 6 of USPAP (SMT-6)

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal". It is a retrospective valuation based upon an analysis of past events assuming a competitive and open market. Based upon my review of the market and information ascertained from market participants, an exposure time of nine (9) months is projected at the Market Value estimate for the property.
PROPERTY VALUATION - THE COST APPROACH

The Cost Approach, as applied in real property valuation, is based upon the basic premise that a willing purchaser would generally pay no more for property than the cost of replacing an equal "substitute" having similar utility as the subject. This approach is particularly applicable when the property under appraisal is improved with a special-purpose property, or when the property under appraisal is improved with new, or relatively new improvements considered to be reflective of the optimum site usage.

The Replacement Cost (New) of the subject building is derived through the application of cost figures as published by the Marshall Valuation Service Cost Guide and a review of cost data from schools recently constructed/renovated in the District of Columbia.

The subject property is commonly known as the Ferebee Hope Educational/Recreation Center, which is under the use jurisdiction of the University of the District of Columbia. The "The Ferebee Hope Educational/Recreation Center" is a three-story/two-story and basement, free standing, and brick educational facility constructed circa 1975. Based upon dimensions abstracted from floor plans and data obtained from DCPS, the building contains approximately 180,925 square feet of Gross Finished Area (Above Grade). The square foot areas and layout are summarized as follows:

<table>
<thead>
<tr>
<th>Education Building</th>
<th>134,876 square feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation Center</td>
<td>46,069 square feet</td>
</tr>
<tr>
<td>Basement</td>
<td>7,681 square feet</td>
</tr>
<tr>
<td>First Floor</td>
<td>83,686 square feet</td>
</tr>
<tr>
<td>Second Floor</td>
<td>47,716 square feet</td>
</tr>
<tr>
<td>Third Floor</td>
<td>20,931 square feet</td>
</tr>
<tr>
<td>Fourth Floor</td>
<td>20,931 square feet</td>
</tr>
</tbody>
</table>

The Ferebee Hope Educational Center is considered to be in Average/Fair condition with various sectors having undergone renovation or were being renovated at the time of the property inspection. The building, which was constructed circa 1975, has an open floorplan with limited natural light and embodies significant incurable functional obsolescence due to these factors. The building is of an inordinate size which requires multiple tenancy and management/leasing issues to coordinate the respective tenancies/access of the respective/prospective tenants.

City records indicate that initial cost estimates for new construction ranged from approximately $200 to $250 per square foot for construction costs (exclusive of FFE). The higher per square foot rate is exhibited for middle and high schools where there is greater requirement for gymnasiums, auditoriums, labs and enhanced technology. The city estimates appear above market and are tempered by costs as reflected by recognized valuation cost guides. Considering the facilities of the subject property, a unit rate of $200 per square foot is estimated for the Replacement Cost of the subject property. A cost index multiplier of 1.15 is applicable to the established "base" rates for time and location factors.
The Marshall and Swift valuation "guide" is an up-to-date-industry cost estimation manual published by the Marshall and Swift Publication Company. It has been reviewed to support the actual cost figures from the market. The cost figures as published are based on actual construction cost figures and estimates as collected on properties similar in design and construction quality as compared to the property under appraisal. The final cost of the building or structure(s) reflects "hard and soft" expenditures.

The classification for the subject property is located in Section 18 of the Marshall Valuation Guide. This section outlines the specifications for schools and indicated price "per square foot" for building having applicable and standard design(s) for this type property. The Feebee Hope Educational/Recreation Center for cost purposes is an "Average", Class "C" middle/junior high school. The Recreation Center sector will require an upward adjustment for building height and amenities such as showers, lockers and flooring. Based upon our review of costs by this guide, the indicated costs from the new school construction estimates are aptly supported.

In deriving the Building Value Contribution for the subject property, building depreciation must be recognized to reflect both physical and functional depreciation. In this case, the building has been partially modernized and is considered to be in Average/Fair condition. However, there is a large degree of functional obsolescence due to the age of the facility, the poor design and the inability to "cure" all forms of depreciation through the renovation effort. The size of the facility reflects a super adequacy requiring multiple tenant usage and management/leasing issues due to the coordination difficulties of a building designed for a singular use. A modified version of the Age-Life Method is used to estimate depreciation which considers both functional and physical obsolescence.

Referencing the Improvements Description section of this report, the subject improvements have been substantially rehabilitated and are in a "competitive" state of condition. The buildings projected economic life, predicated upon its construction quality, is estimated to be 50 years with a Remaining Economic Life of 15 years.

The upper floors of the educational sector are of superior finish, above grade, and are priced at $225.00 Per Square Foot of Gross Floor Area. The ground level is partially below grade with inferior finish and unfinished shell type space and is priced at $125.00 Per Square Foot of Gross Floor Area.

The Recreation Center extends to an approximate 25-foot height in the swimming pool and gymnasiums. The swimming pool is of superior finish and includes showers and specialties for the pool system. The "reccenter" is priced at $250.00 Per Square Foot of Gross Floor Area.
**ESTIMATED REPLACEMENT COST (NEW)**

Gross Floor Area (Educational Center - Above Grade) 
127,195 SF x $225.00 per square foot = $28,618,715

Gross Floor Area (Educational Center - Basement) 
7,681 SF x $100.00 per square foot = $768,100

Gross Floor Area (Recreation Center) 
46,069 SF x $250.00 per square foot = $11,517,250

**TOTAL REPLACEMENT COST (Hard)** 
$40,904,065

**Estimated Replacement Cost (New) = Add: Finance Costs, Concessions, etc. @ 12.5%** 
$46,017,073

**TOTAL COST ESTIMATE** 
$46,017,073

**Accrued Depreciation - Modified Age Life Method:**

Less: Incurable Functional Obsolescence -- @ % 20
$46,017,073 x .20 = $9,203,415

Less: Accrued Depreciation

Estimated Economic Life, New: 50 Years w/15 Years Economic Life
35 years/50 Years = 70%

Estimated Physical Depreciation: $46,017,073 - $9,203,415 x .70 = $25,769,561

**Depreciated Value of Improvements =** 
$11,944,097

Add: Site Improvements (Fencing, paving & playground area) + 750,000

**Estimated Depreciated Improvements Value =** 
$11,794,097

**ROUNDED:** 
$11,794,000
Referencing the Land Valuation section of this report, the Appraisers have concluded a land value estimate for the subject property of $14,338,000. In the preceding analysis, the depreciated value of the improvements was estimated to be $11,794,000.

Thus, on the basis of the inclusive analysis, the estimated Market Value of the Ferebee Hope Educational/Recreation Center Property in the "as is" state of condition by application of the Cost Approach, as of March 21, 2020, the effective date of the appraisal, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$14,338,000</td>
</tr>
<tr>
<td>Improvements</td>
<td>$11,794,000</td>
</tr>
<tr>
<td><strong>TOTAL PROPERTY VALUE</strong></td>
<td><strong>$26,132,000</strong></td>
</tr>
</tbody>
</table>
FAIR MARKET RENTAL VALUE

Consistent with the Fair Market Rental Value definition as referenced, i.e. "in the absence of market information", the Fair (annual) Market Rental Value is estimated based upon the return as would be (typically) required to amortize the capital improvements, such being the return of the wasting asset i.e. the building. This methodology is generically referenced as a Straight Line Capitalization, Property Residual Method.

Under ideal market conditions, the Fair Market Rental Value of the Perabee Hope Educational/Recreation Center would be established through market comparison with similar properties that have recently been leased in the open market. However, as previously stated, our research failed to identify the existence of comparable "Special-Purpose" properties, under an existing lease, which could be realistically compared to the subject property. This factor is attributable to the limited pool of "special-purpose" properties (being marketed for leasing purposes) and the existing condition of the subject property. Typical leases for school property in the District of Columbia, portends leasing of the subject property for an initial 25 year term with a 25 year renewal option. The lease would effectively be for a 50 year long term lease.

APPLICABLE RETURN RATE

In establishment of the return rate applicable to the appraised property, the Appraisers have referenced the financial market as a barometer for analyzing current yields for long-term instruments, i.e., the land with the building capitalization rate being predicated on a projected short term building economic life.

To establish rate of return applicable to the land, we have considered the application of long term bond rates as the most valid point of reference in establishment of the appropriate discount rate applicable to the underlying land. As of the effective dates of valuation, the 30 Year US Treasury Bond Rate, a safe long term rate, was approximately 2.0 percent. To effectively apply the US Treasury Bond Rate as the Applicable return rate (Land), we have adjusted the rate 300 basis points, or 3.0 percent to reflect risk, illiquidity and management. Thus, the applicable rate of return for the underlying land is 2.0 % + 3.00 % = 5.0 %.

Referencing the Property Valuation section, Cost Approach, the estimated Fair Market Value of the underlying land is $14,338,000 with $11,794,000 attributable to the building improvements. In addition, a return on the improvements of 2.5% is considered appropriate consistent with return rates realized for alternate long-term investments. Thus, the return rate applicable to the building component is projected at the rate of .050 (5.0%) + .25 (2.5%), or .075, i.e., 7.5%.
On the basis of the foregoing analysis, the estimated Fair (Annual) Market Rental Value of the Ferebee Hope Educational/Recreation Center property in the “As Is” state of condition, on an Un-serviced “Net” basis, as of March 21, 2020, the effective date of valuation, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Est. Value</th>
<th>Return Rate</th>
<th>Annual Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$14,338,000</td>
<td>.0500</td>
<td>$716,900</td>
</tr>
<tr>
<td>Improvements</td>
<td>$11,794,000</td>
<td>.0750</td>
<td>$884,550</td>
</tr>
</tbody>
</table>

Estimated Fair Annual Rental Value “As Is” (Net i.e. un-serviced basis) = $1,601,450

ROUNDED = $1,602,000

($8.85 per square foot)
Our review of the applicable educational and Special-Purpose leasing market revealed virtually limited market data to formulate a supportable opinion of the property’s Fair Market Rental Value by the Comparative Approach. This factor is attributable principally to the limited pool of such properties coupled with the general condition of the appraised property in its “as is” state of condition. We have obtained the rent roll for a number of the District of Columbia’s Surplus Public Schools, as well as, interviewed market participants and educational officials with respect to rental parameters that are considered upon leasing of the prospective schools.

The charter school industry created a demand for surplus public schools or large properties with open floor plans that could be configured for classroom usage. As stated in the Area and Neighborhood section of this report, there are currently approximately 66 charter schools in the District of Columbia within excess of 44,000 students. Charter schools are granted public subsidy of approximately $3,335 for facilities with other grants available to defray real estate/facility costs. A key player in the charter school industry is Building Hope, a non-profit organization that provides a host of services to charter schools and start-up charters including real estate technical services, financing, incubator and leasing opportunities. Building Hope has purportedly partnered with the District of Columbia’s Office of the State Superintendent of Education to provide facilities that can be leased to start-up charter schools.

The Appraisers have been obtained data for several large schools, which are leased by DCPS to charter school entities. The leases are older leases and considered below market. We have also conducted an extensive review of the portfolio of leases in the District of Columbia Public Charter School Board. Several leases of larger school properties (with excess land for playground area) have been recently negotiated such as the Draper, Rabaut, Taft and Bimmy schools; however, these leases are of a significant size as to enhance their comparability in this analysis.

The Appraisers note there is a lease in place for approximately 65,000 square feet of the first and second floor space from the University of the District of Columbia to the Charter School Incubator Initiative (CSIH) at the P&H Harris School located at 4500 Livingstone Road, SE. A lease extract indicates the term began in September of 2012 for a 25 year period (amended to 20 years) at a rate of $12.00 per square foot plus utility reimbursements of $2.11 per square foot. The space was renovated and far superior to the subject space in the “as is” condition.
MARKET RENTAL SUMMARY

The school lease comparables presented in the Addenda of this report provide a general overview of the charter school leasing market. Analysis and application of the leases in a formal Comparative Analysis is problematic with respect to comparison with the property under appraisal. The properties under DCPS/Government control typically reflect below market rentals of schools requiring substantial rehabilitation to be raised to a "competitive" state and the commercial leases. The leases typically include rent concessions that grant free rent for extended periods that devalue the actual base rent of the leases.

With the Ferebee Hope Educational/Recreation Center being in an average (+) condition i.e. "competitive" state of condition, the respective lease comparables would need to be adjusted upward significantly for condition. As stated, there were numerous additional leases of schools in Poor condition but due to condition and the significant concessions granted to the charter schools, the rental income generated is offset by the amortization of the tenant improvements and other subsidies. Generally, considering adjustments for condition, size and the functional inutility of the subject property, the leases would support a rental rate in the range of $8.00 to $9.00 per square foot of Gross Building Area, consistent with our findings of $8.85 per square foot by the Property Residual Method.
VALUATION CORRELATION/CONCLUSION

The Fair Market Rental Value for the subject property has been established predicated upon the Property Residual Method, deemed most appropriate given the atypical criteria for this assignment and the significant concessions for the School Lease comparables as outlined in the preceding Market Overview section.

On the basis of the foregoing analysis, the estimated Fair (Annual) Market Rental Value of the Ferebee Hope Educational/Recreation Center property in the “As Is” state of condition, on an Un-serviced “Net” basis, as of March 21, 2020, the effective date of valuation, is as follows:

ONE MILLION SIX HUNDRED TWO THOUSAND DOLLARS
($1,602,000.00)
($ 8.85 per square foot)

Note: The Fair Market Rental Rate is reflective of an “Un-serviced” lease agreement with the tenant responsible for all major expenses of operation. The typical lease would be for a 25 year period with a 25 year option. The lease would be graduated at a rate of 2-3 % per annum of the full Consumer Price Index (CPI).
SUMMATION - PROPERTY VALUE ALLOCATION

As an amendment to the initial assignment, the Appraisers have been requested to value the respective sectors of the Percboc Hope complex separately, that being the Educational sector and the Recreation center. Based upon the floor plans conducted for the DCPS by 4Tell Solutions, the Recreation Center as defined contains 46,019 square feet and the Educational Sector contains 134,876 square feet. The DGS representative has also provided a floor plan depicting this delineation of the two sectors but also requiring the allocation of the boxing gym (educational gym) to the Educational center. The boxing gym area contains approximately 5,000 square feet. Thus, the allocation for each sector for valuation purposes is as follows:

- Educational Center: 139,875 square feet (77%)
- Recreation Center: 41,069 square feet (23%)

Recalling the preceding analysis, the Appraisers have concluded the Fair Market Rental Value of the subject property to be $1,602,000. Therefore, based upon the space allocations as delineated, the Fair Market Rental Value of the respective sectors are as follows:

- Educational Center: $1,602,000 x .77 = $1,233,450
- Recreation Center: $1,602,000 x .23 = $368,460

Respectfully submitted,

Lindell B. Younger
Certified General Real Property Appraiser
D.C. License #10057

Moria E. James, A.S.A.
Certified General Real Property Appraiser
D.C. License #10022
CERTIFICATION

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The analyses, opinions, and conclusions in this report are limited only by the assumptions and limiting conditions stated herein and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.

3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

7. The reported analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

8. A personal inspection of the subject property was conducted by the undersigned.

9. No one provided significant assistance to the persons signing this certification.

10. We have performed no services, as an Appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Lindell B. Younger
Certified Gen. Appraiser # 10057

Morris E. James, ASA
Certified Gen. Appraiser # 10022
ADDENDA
APPRAISER'S PROFESSIONAL QUALIFICATIONS
RESUME OF PROFESSIONAL QUALIFICATIONS

MORRIS E. JAMES, ASA

PROFESSIONAL DESIGNATION AND CERTIFICATIONS
Senior Real Property Appraiser (ASA) - Accredited thru May 29, 2020
Certified General Real Property Appraiser - District of Columbia License No. 10022

APPRaisal AND CONSULTING EXPERIENCE
Actively engaged since 1970 as a Fee Appraiser and Consultant in Conducting Market Studies and
Valuation Analyses on diverse property types. To include: Residences, Apartment Buildings/Affordable
Housing Projects, Office Buildings, Mixed-use Properties, Hotels, Hospitals and Nursing Homes, Special
Purpose Properties, Acquisition and Disposition (Re-use) Analyses, Lease Analyses/Fair Rental Studies,
Tax Assessment Consultation, Valuation of Partial Interest - to include Air Rights/Surface & Sub-surface
Rights. Serves in Advisory capacity to Governmental Agencies, Corporations & Investment Groups.

EDUCATION
Bachelor of Science Degree, Central State University, Wilberforce, Ohio
Graduate Certificate Real Estate and Urban Development, American University, Washington, DC

SPECIALIZED REAL ESTATE/APPRAISAL EDUCATION
Appraisal Institute
- Course I, Basic Principles and Techniques
- Courses I-A & I-B, Capitalization: Theory and Techniques, Parts A & B
- Courses II - I, Case Studies in Real Estate Valuation
- Course II - II, Valuation Analysis and Report Writing
- Course IV, Litigation Valuation
- Course 700 (Litigation Valuation Overview)
- Residential Sales Comparison & Income Approaches
- Residential Market Analysis & Highest & Best Use
- Condemnation Appraising/Advanced Topics/Applications

American Society of Appraisers
- Professional Ethics and Standards
- Uniform Standards of Professional Appraisal Practice (USPAP)
- Forensic Real Property Appraising
- The Zoning Factor in Highest and Best Use Analysis
- The Easement Puzzle - ASA/ASFMRA
- Course RP-203, Income Property Valuation - Advanced

Society of Real Estate Appraisers
- Course 101, Introduction to Real Estate Appraising
- Course 201, Principles of Income Property Appraising
- Course R-2, Residential Valuation

Additional: Numerous Seminars/Conferences in Specialized, Real Property/Real Property Interests
Analyses; National USPAP Updates
PROFESSIONAL EXPERIENCE
1981 – Present: Principal, Morris E. James & Associates, Real Property Appraisers
1971 – 1980: Appraiser/Associate, Ernest T. Ellis, Inc., Realtor/Appraiser
1966 – 1971: Residential/Commercial Real Estate Assessor, Department of Finance and Revenue, District of Columbia Government

PROFESSIONAL/ORGANIZATIONAL AFFILIATIONS
Accredited Senior Member—American Society of Appraisers (#006216)
District of Columbia Chapter #55:
(Past)
• State Director, ASA, District of Columbia, Chapter #55
• First Vice President
• Legislative Liaison Co-Chairman
• State Coalition Representative
Member/Vice-Chairman, DC Board of Real Estate Assessment Equalization and Review (1978-1983)

REPRESENTATIVE CLIENTS (Partial Listing)
Financial Organizations/Developers:
Industrial Bank of Washington; Inter-American Development Bank; Resolution Trust Corporation;
Answer Title; Independence Federal Savings Bank; Standard Federal Savings and Loan; Consumers
United Insurance Company; Aetna Life Insurance Company; First National Bank; Equitable Life Insurance
Company; Maryland National Bank; Citicorp Bank; Capital Bank; Nations Bank; Federal Deposit
Insurance Corporation (FDIC); Trustbank Federal Savings Bank; John Hanson Federal Savings Bank;
American Security Corporation; Jones, Lang & Lesalle ; JMT, ROW Engineers/Consultants; Whiting-Turner
Contracting Co.; Centennial Contractors.

Government Agencies/Institutions:
District of Columbia Government: Department of Housing and Community Development; Department of
Real Estate Services; Department of Administrative Services; Office of Tax and Revenue; DC Public
Schools; Deputy Mayor’s Office for Economic Development; Office of Property Management;
Redevelopment Land Agency (RLA); DC Housing Authority; DC Housing & Finance Agency; DC
Department of Transportation (DDOT); Office of Attorney General, U.S. General Services, METRO;
Potomac Electric Power Company (PEPCO); Internal Revenue Services (IRS); The American University;
Howard University; University of the District of Columbia; Numerous Attorneys, Developers & Non-Profit
Organizations; Numerous Churches; Embassies and “Special-Purpose” Type Property Clients.

COURT/INSTITUTION REPRESENTATION
Qualified Expert Witness
Superior Court of the District of Columbia - Civil Division
Superior Court of the District of Columbia - Probate Division
Superior Court of the District of Columbia - Tax Court

Expert Witness/Lecturer
District of Columbia Board of Equalization and Review
Catholic University Graduate School of Architecture & Planning
Consultant to Numerous Governmental Agencies
RESUME/PROFESSIONAL QUALIFICATIONS
OF
LINDELL BRYAN YOUNGER
lby957@aol.com

PROFESSIONAL AFFILIATIONS

Accredited Senior Member — American Society of Appraisers (1992-2010 – Former Member)
(A.S.A. Designation)

APPRaisal CERTIFICATION/LICENSURE
Certified General Real Property Appraiser, District of Columbia, License No. 10057
Effective January 1, 1992

President, Washington, DC Metro Area Chapter — A.S.A

State Director, District of Columbia —

APPRaisal EDUCATION

American Society of Appraisers
• Principles of Appraisal Practice and Code Ethics
• Uniform Standards of Professional Appraisal Practice (1998)
• The Zoning Factor in Highest and Best Use Analysis
• Forensic Real Property Appraising

Appraisal Institute
• Real Estate Appraisal Principles
• Basic Valuation Procedures
• Capitalization Theory and Techniques, Part A & Part B
• Standards of Professional Practice
• Case Studies in Real Estate Valuation
• Litigation Valuation Overview
• Apartment Appraisal – Concepts and Applications
• Uniform Standards of Professional Appraisal Practice (2006)
• Condemnation Appraising – Advanced Topics and Applications
• Residential Highest and Best Use
• Residential Sales Comparison and Income Approach

Maryland Association of Appraisers
• Eminent Domain & Land Valuation Litigation

African American Real Estate Professionals (AAREP)
• Historic Preservation Overview in the District of Columbia
Appraisal Panels

DC Department of Housing and Community Development
DC Public Schools
DC Superior Court—Probate Division
Numerous Financial Institutions

COURT/INSTITUTION REPRESENTATION

Qualified Expert Witness – District of Columbia Superior Court (Civil/Probate Divisions) and Tax Court
Lecturer – Numerous Educational Institutions, Government Agencies and Professional Organizations
Approved Expert Witness DC Board of (Real Estate) Tax Appeal and Equalization
Represented numerous clients before the Board of Real Estate of Tax Appeal and in Pre-trial Mediation proceedings

PROFESSIONAL EXPERIENCE

April 1990 – Present
Appraiser and Consultant
Lindell B. Younger, Real Property Appraiser, Washington, DC

Responsible for the preparation of valuation analyses of various type properties with specific concentration on multi-family residential, commercial and properties within the Washington Metropolitan Area for various lending institutions to include banks, savings and loans and insurance companies.

April 1986 – Present
Senior Appraiser and Independent Consultant
Morris E. James and Associates, Washington, DC

Responsible for the preparation of valuation analyses of various type properties with specific concentration on multi-family residential, commercial and properties within the Washington Metropolitan Area for various lending institutions to include banks, savings and loans and insurance companies.

July 1985 – March 1986
Accountant, Department of Administrative Services
Government of the District of Columbia

Responsible for the preparation of financial statement and maintenance of accounting records of various accounts for the Department to include Surplus Real Property, leased-fee properties and numerous contractual agreements. Entered, maintained and updating of those accounts into the automated Financial Management system.
February 1982 – February 1985
Commissioned Officer – United States Army
First Lieutenant – Infantry

EDUCATION

Bachelor of Science, Accounting
North Carolina Agricultural & Technical State University
Greensboro, North Carolina

Associate Degree – Military Science
North Carolina Agricultural & Technical State University
Greensboro, North Carolina
FLOOR PLANS
SCOPE OF WORK

(Work Order)
Subject: RE: Emailing: Order No. PO622482 - Request for Appraisal Services for Ferebee-Hope School

Date: 3/9/2020 2:04:04 PM Eastern Standard Time

From: dawit.beru@dc.gov
To: ashley.willis@dc.gov, morriss.james@aol.com
Cc: domonique.banks@dc.gov, kim.gray@dc.gov, sean.tugnyam@dc.gov

Thank you Ashley

From: Willis, Ashley (DGS)
Sent: Monday, March 9, 2020 1:26 PM
To: Morris, James <morriss.james@aol.com>
Cc: Banks, Domonique (DGS) <domonique.banks@dc.gov>; Gray, Kim M. (DGS) <Kim.Gray@dc.gov>; Beru, Dawit (DGS) <dawit.beru@dc.gov>; Tugnyam, Sean (DGS-Contractor) <sean.tugnyam@dc.gov>
Subject: Emailing: Order No. PO622482 - Request for Appraisal Services for Ferebee-Hope School

Good Afternoon Morris E. James Team,

Please find attached your executed Purchase Order Agreement and your PO in amount NTE $9,850.00.

*** Electronic Invoicing Purchase Order. Please use https://vendorportal.dc.gov to register and submit invoices. ***

Order No: PO622482 - Request for Appraisal Services for Ferebee-Hope School

Israel on Mar, 09 Mar, 2020

Supplier
MORRIS E. JAMES JR
1234 MAINE AVE NW STE 128
WASHINGTON, DC 20005
United States
Phone: 123-456-7890
Fax: 123-456-7891
Contact
Bill To:
Please use https://vendormoral.dc.gov to register and submit invoices.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>PART NUMBER</th>
<th>Unit</th>
<th>Qty</th>
<th>Start By</th>
<th>Unit Price</th>
<th>Extended Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>The vendor will provide appraisal services...</td>
<td></td>
<td>week</td>
<td>3,458</td>
<td>24-21 Feb 2020</td>
<td>$1.00 USD</td>
<td>$3,458.00 USD</td>
</tr>
</tbody>
</table>

This vendor will provide appraisal services required to appraise the land. Rent of the property based on use of the location for school purpose and for a commercial enterprise.

Comments

- Kimberly Gray, 03/08/2020:
  The purchase order is being approved based on my review of the contract documentation (DCAM-20-02-SP-004) and determination that it is in full compliance with DGS procurement rules and regulations and DC Council review if applicable. (Kimberly Gray, Mon, 09 Mar, 2020)
- COMMENT by antoysystem on 03/08/2020
  GOVERNMENT OF THE DISTRICT OF COLUMBIA STANDARD CONTRACT PROVISIONS FOR USE WITH THE DISTRICT OF COLUMBIA GOVERNMENT SUPPLY AND SERVICES CONTRACTS (July 2010) ARE HEREBY INCORPORATED BY REFERENCE. (antoysystem, Mon, 09 Mar, 2020)
- COMMENT by antoysystem on 03/08/2020
  PCB is Destination unless specified otherwise (antoysystem, Mon, 09 Mar, 2020)
- COMMENT by antoysystem on 03/08/2020
  The Contractor shall submit payment requests in electronic format through the DC Vendor Portal vendormoral.dc.gov by selecting the applicable purchase order number which is listed on the Contractee's profile INVOICES FOR QUANTITIES OR AMOUNTS GREATER THAN WHAT IS STATED ON THE PURCHASE ORDER WILL BE REJECTED. FAILURE TO FOLLOW THESE INSTRUCTIONS MAY RESULT IN DELAYS IN PAYMENT. (antoysystem, Mon, 09 Mar, 2020)

For more information on the District Government's preparations for potential impacts of COVID-19 Coronavirus, please visit coronavirus.dc.gov.

For more information on the District Government's preparations for potential impacts of COVID-19 Coronavirus, please visit coronavirus.dc.gov.
PURCHASE ORDER AGREEMENT
Small Purchase Contract No. DCAM-26-NC-8P-0045
Appraisal Services for Forebee-Hope Elementary School

Date: March 5, 2020

This PURCHASE ORDER AGREEMENT is issued by the Government of the District of Columbia, acting by and through its DEPARTMENT OF GENERAL SERVICES (the "Department" or "DGS") to the Contractor listed below. Assuming this Purchase Order Agreement is signed by the Contractor without modification of any kind, it shall constitute a binding legal contract between the Department and the Contractor. The terms of this Purchase Order Agreement are as follows:

1. Contractor. This Purchase Order Agreement is being issued to Morris E. James & Associates ("Contractor").

2. Services Purchased. The Contractor shall provide Appraisal Services for fair market rental valuation of Forebee-Hope Elementary School as described in the Statement of Work (Exhibit A).

3. Price. The Contractor will be paid a Total Not-to-Exceed amount of $9,850.00. These services shall be paid in accordance with the Contractor's quote dated March 6, 2020 (Exhibit B).

In the event the Contractor or Program authorized to modify services described herein without the duly expressed written consent of the Contracting Officer, the Contractor will not be paid more than the Not-to-Exceed amount of $9,850.00 unless the following is complete: The Contractor is authorized to change these orders and exceed the established limit of the agreement in advance through the expressed written approval of the DGS' Contracting Officer, issued and executed by way of a Modification to this Purchase Order Agreement.

4. Delivery/Completion Period of Performance. The period of performance is from Date of Award through March 27, 2020.
5. **Program Manager and/or Contracting Officer’s Technical Representative (“COTR”).**
The Program Manager/COTR for this Purchase Order Agreement is:

**Dawit Beru** | Realty Specialist
Portfolio Division | Department of General Services
2000 14th Street, NW | 8th Floor | Washington, DC 20009
Desk 202.741.0942 | Mobile 202.446.4235 | Email: dawit.beru@dc.gov

6. **Billing.** The Contractor shall submit invoices via the DC Vendor Portal. All Contractors are required to register for access to the DC Vendor Portal at https://vendorportal.dc.gov; for assistance with the registration process, technical assistance and or additional instructions please call (202) 741-5200, or submit an inquiry via https://www.vendorportal.dc.gov/ContactUs.

7. **Invoices.** All invoices shall be submitted directly to the Department to the DC Vendor Portal. Properly prepared invoices with the necessary backup shall be paid within thirty (30) days of receipt. Invoices not paid by that date shall bear interest in accordance with the Quick Payment Act.

8. **Terms & Conditions.** The Standard Contract Provisions for use with Specifications for District of Columbia Government Supplies and Services Contracts dated January 14, 2016 are incorporated by attachment (Exhibit C) into this Purchase Order Agreement.

9. **Order of Precedence.** The following documents are incorporated into this Purchase Order Agreement in the following order of precedence:

   1. This Purchase Order Agreement
   2. Statement of Work (Exhibit A)
   3. Contractor’s Quote dated March 6, 2020 (Exhibit B)
Purchase Order Agreement | DCAM-20-MC-SP-0045
Appraisal Services for Ferruebe-Hope Elementary School

Page 3 of 3

ISSUED BY:
DEPARTMENT OF GENERAL SERVICES

By: Dominique Banks
Name: Dominique Banks
Title: Contract Specialist
Date: 3/1/2020

ACCEPTED BY:
Morris E. James & Associates

By: Morris E. James
Name: Morris E. James
Title: PRINCIPAL
Date: 3/1/2020
MEMORANDUM

TO: The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt  
Chief Financial Officer

DATE: July 8, 2020


REFERENCE: Draft bill provided to the Office of Revenue Analysis on July 7, 2020

Conclusion

Funds are sufficient in the proposed fiscal year 2021 through 2024 budget and financial plan to implement the resolution.

Background

The resolution declares as surplus property the Ferebee-Hope School and Recreation Center located at 3999 8th Street S.E.

The Department of General Services intends to enter into a 50-year ground lease with KIPP DC Public Charter Schools to redevelop the property for use as a charter school and a new recreation center. Separate legislation is pending to approve this disposition.

Financial Plan Impact

Funds are sufficient in the proposed fiscal year 2021 through 2024 budget and financial plan to implement the resolution. There are no costs associated with the surplus property declaration.

1 Also known as 700 Yuma Street, S.E. and known for tax and assessment purposes as Square 6124, Lot 45.
MEMORANDUM

TO: Councilmember Kenyan R. McDuffie

FROM: Nicole L. Streeter, General Counsel

DATE: July 14, 2026

RE: Legal sufficiency determination for Proposed Resolution 23-888, the Ferebee-Hope School Disposition Approval Resolution of 2020

The measure is legally and technically sufficient for Council consideration.

If adopted, the Council would approve the disposition of the District-owned property known as the Ferebee-Hope School through a negotiated lease for a period greater than 15 years.

I am available if you have any questions.

---

1 Pursuant to An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 6, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 et seq.).

2 Known for tax and assessment purposes as Lot 0045, Square 6124.
To approve the disposition of District-owned real property located at 3999 8th Street S.E.,
also known as 700 Yuma Street S.E., commonly known as the Ferebee-Hope
School, and known for tax and assessment purposes as Lot 0045, Square 6124.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That
this resolution may be cited as the "Ferebee-Hope School Disposition Approval Resolution
of 2020".

Sec. 2. Definitions.

For the purposes of this resolution, the term:

(1) "Act" means An Act Authorizing the sale of certain real estate in the
District of Columbia no longer required for public purposes, approved August 5, 1939
(53 Stat. 1211; D.C. Official Code § 10-801 et seq.).

(2) "CBE Agreement" means an agreement with the District governing
certain obligations of the Lessee of the Property under the Small, Local, and

(3) “Certified Business Enterprise” means a business enterprise or joint venture certified pursuant to the CBE Act.

(4) “First Source Agreement” means an agreement with the District governing certain obligations of the Lessee of the Property pursuant to section 4 of the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03, and Mayor’s Order 83-265, dated November 9, 1983, regarding job creation and employment generated as a result of the construction on the Property.

(5) “Lessee” means KIPP D.C. Public Charter Schools, a District of Columbia nonprofit corporation or its successors or permitted assigns, with a business address of 2600 Virginia Avenue N.W.

(6) “Property” means the real property and improvements located at 3999 8th Street S.E., also known as 700 Yuma Street S.E., commonly known as the Ferebee-Hope School, and known for tax and assessment purposes as Lot 0045, Square 6124.

Sec. 3. Approval of disposition.

(a) Pursuant to section 1(b) and (b-1) of the Act, the Mayor transmitted to the Council a request for the Council to authorize a lease of the Property to the Lessee for the development of, and use as, a charter school.
(b) The proposed disposition would occur through a negotiated lease for a period of greater than 15 years.

(c) The proposed disposition is expected to include the following terms and conditions, in addition to such other terms and conditions as the Mayor considers necessary or appropriate:

(1) The Lessee shall redevelop the Property in accordance with plans that shall be subject to approval by the District and use the Property primarily as an educational facility.

(2) The Lessee shall enter into a CBE Agreement that will require the Lessee to contract with Certified Business Enterprises for at least 35% of the contract dollar volume of the redevelopment of the Property and, if feasible, require at least 20% development participation of Certified Business Enterprises.

(3) The Lessee will enter into a First Source Agreement.

(4) The Land Disposition Agreement for the disposition of the real property shall not be inconsistent with the substantive business terms of the transaction submitted by the Mayor with this resolution in accordance with section 1(b-1)(2) of the Act, unless revisions to those substantive business terms are approved by Council.

(d) The Council finds that the Property is not required for public purposes.

(e) The Council finds that the Mayor's analysis of economic and other policy factors supporting the disposition of the Property justifies the lease proposed by the Mayor.

(f) All documents submitted with this resolution shall be consistent with the executed termsheet transmitted to the Council pursuant to section 1(b-1)(2) of the Act.
(g) The Council approves the disposition of the Property.

Sec 4. Transmittal.

The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to the Office of the Mayor, the Department of General Services, and the Chief Financial Officer.

Sec. 5. Fiscal impact statement.


Sec. 6. Effective date.

This resolution shall take effect immediately.